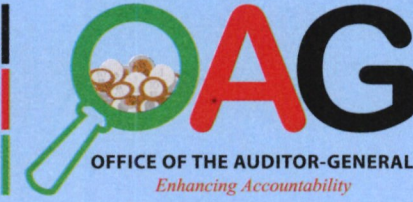


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REPORT

OF

THE AUDITOR-GENERAL

ON

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

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

PAPERS LAID	
DATE	26/11/25
TABLED BY	S.M.W
COMMITTEE	-
CLERK AT THE TABLE	Belinda

Samburu County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Revised 30th June 2025



SAMBURU COUNTY ASSEMBLY CAR LOAN AND MORTGAGE FUND

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

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

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Samburu County Assembly Car Loan and Mortgage Fund
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1. Acronyms and Definition of Key Terms

A. Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
CASB	County Assembly Service Board
MCA	Member of County Assembly
FY	Financial Year
IPSAS	International Public Sector Accounting Standards

B. Definition of Key Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organization.

Comparative Year- Means the prior period.

Accrual Basis of Accounting – A system of accounting where income and expenses are recorded when they are earned or incurred, regardless of when cash is received or paid.

Cash Basis of Accounting – A system of accounting where transactions are recorded only when cash is received or paid.

Financial Year (FY) – The 12-month period for which financial statements are prepared, usually running from 1st July to 30th June of the subsequent year.

Fund Balance – The difference between total assets and total liabilities of the Fund at the reporting date.

Recurrent Expenditure – Expenses incurred in the daily running of the Fund, such as administrative costs.

Development Expenditure – Spending on long-term projects or investments aimed at expanding or improving services or assets of the Fund.

Revenue – All income generated or received by the Fund, including grants, interest income, and other inflows.

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Liabilities – Financial obligations owed by the Fund, such as outstanding payments, borrowings, or accrued expenses.

Assets – All resources owned by the Fund that have economic value, including cash, receivables, property, and equipment.

Disbursement – Actual release of cash or funds from the Fund’s account to meet obligations.

Budgetary Allocation – The portion of resources approved for use by the Fund for a given financial year.

Compliance – Adherence to legal, regulatory, and policy requirements guiding the operations of the Fund.

Audit Opinion – The professional judgment expressed by auditors regarding the fairness of the Fund’s financial statements.

***Samburu County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025***

2. Key Entity Information and Management

a) Background information

Samburu County Assembly Car Loan and Mortgage Fund is established by and derives its authority and accountability from Public Finance Management Act on 2012. The Fund is wholly owned by the County Assembly of Samburu and is domiciled in Kenya.

The fund's objective is to provide affordable car loans and mortgage facilities to the Speaker, Members of the County Assembly, the County Assembly Service Board, and staff as prescribed by the Salaries and Remuneration Commission.

The fund's principal activity is to advance car loans and mortgage facilities to eligible beneficiaries and manage their administration, repayment, and recovery.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to facilitate access to car and housing loans of members and staff of the County Assembly while ensuring sustainability of the revolving fund.

c) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	Hon. Stephen Lenamarle	Chairman of the Board
2	Hon. Leinas Lekuchula	Vice-Chairman of the Board
3	Hon. Ali Lealmusia	Other trustees/Committee Members
4	Mr. Patrick Leshore	Other trustees/Committee Members
5	Ms. Joyce Lepadaasa	Other trustees/Committee Members

(This section will be applicable for Public Funds that have a Board of Trustees/Fund Administration Committee. Input names of all the members who held office during the period.)

d) Key Management team

Ref	Name	Position
1	Hon. Leinas Lekuchula	Chairman of the Fund
2	Hon. Ali Lealmusia	Vice-Chairman of the Fund
3	Mr. Fred Lenapeer	Fund Manager/ Administrator
4	Mr. Nelson J. Lesorogol	Director Finance and Accounting
5	Ms. Faustine S. Leshornai	Director HRM
6	Ms. Pascaline N. Letipila	Legal Officer
7	Mr. Benard N. Leleruk	Fund Accountant

(Include all positions regarded as top management for the Fund).

Samburu County Assembly Car Loan and Mortgage Fund
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Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

The Fund has put in place fiduciary oversight arrangements to strengthen accountability and ensure sound management of resources. The following officers are responsible for providing fiduciary oversight:

SN	Position	Name
1	Directorate Finance & Accounting Services	Mr. Nelson J. Lesorogol
2	Director Human Resource & Administration	Ms. Sein F. Leshornai
3	Fund Accountant	Mr. Benard Leleruk
4	Head of Internal Audit	Mr. John Mulinge
5	Ms. Pascaline N. Letipila	Legal Officer

f) Registered Offices

P.O. Box 3-2600
Samburu County Assembly Building
Maralal-Baragoi Road
Maralal, KENYA

g) Fund Contacts

Telephone: (254) 722385184
E-mail: pleshore@countyassembly.go.ke.
Website: www.samburuassembly.go.ke.

h) Fund Bankers

1. Kenya Commercial Bank – Maralal Branch
KCB Building, Kenyatta Road
P.O. Box 27- 20600
Maralal, Kenya.

Samburu County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Key Entity and Management (Continued)

i) Independent Auditors





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



j) Principal Legal Adviser

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

**Samburu County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025**





3. Board of Trustees/ Fund Administration Committee

Name	Details of qualifications and experience
	<p>1. Hon. Stephen Lenamarle Hon. Stephen Lenamarle is the Speaker of the County Assembly of Samburu and the Chairman of the County Assembly Service Board (CASB). He also chairs the Board of Trustees for the Mortgage Fund. Born on November 20, 1980, he holds a Bachelor of Science degree in Education, specializing in Chemistry and Mathematics.</p>
	<p>2. Hon. Leinas Lekuchula Hon. Leinas Lekuchula is the Member of County Assembly for Lodokejek Ward and the Vice-Chairman of the County Assembly Service Board. He also serves as the Chairman of the Mortgage Fund Management Committee. He was born on January 1, 1985.</p>
	<p>3. Hon. Ali Lealmusia He is the Member of the County Assembly for Ndoto Ward and a member of the County Assembly Service Board. Additionally, he serves as the Vice-Chairman of the Mortgage Fund Management Committee. He was born on January 1, 1968.</p>
	<p>4. Mr Fred Lenapeer The Clerk of the County Assembly is the Secretary to the County Assembly Service Board and the Fund Administrator of the Mortgage Fund. Born on April 4, 1970, the Clerk holds a Bachelor of Arts degree in Language and Literary Studies, specializing in Linguistics. Mr. Lenapeer is the Fund Administration Secretary.</p>



	<p>5. Mr. Patrick Leshore</p> <p>Mr. Leshore has over 30 years of experience in governance, financial management, and legislative affairs.</p> <p>He holds a Master of Business Administration (Finance Option) from the University of Nairobi and a Bachelor of Commerce from Dr. B.A. Marathwada University, India. In addition, he has undertaken extensive professional training in leadership, governance, public finance, and institutional management both locally and internationally.</p> <p>His career spans roles as Treasurer, Internal Auditor, and Clerk, giving him deep expertise in financial oversight, policy formulation, and institutional strengthening. He was born on 29 November, 1963.</p>
	<p>6. Ms. Joyce Lepadaasa</p> <p>Born on April 24, 1982, Ms. Joyce Lepadaasa is a Board Member with a Bachelor's Degree in Medical Laboratory Science. She has over 13 years of professional experience in the field.</p>

**Samburu County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

4. Management Team

Name	Details of qualifications and experience
	<p>1. Hon. Leinas Lekuchula</p> <p>He is the Member of the County Assembly for Lodokejek Ward and serves as the Vice-Chairman of the County Assembly Service Board. Additionally, he holds the position of Chairman of the Mortgage Fund Management Committee. He was born on January 1, 1985.</p>
	<p>2. Hon. Ali Lealmusia</p> <p>He is the Member of the County Assembly for Ndoto Ward and a member of the County Assembly Service Board. Additionally, he serves as the Vice-Chairman of the Mortgage Fund Management Committee. He was born on January 1, 1968.</p>
	<p>3. Mr Fred Lenapeer</p> <p>The Clerk of the County Assembly is the Secretary to the County Assembly Service Board and the Fund Administrator of the Mortgage Fund. Born on April 4, 1970, the Clerk holds a Bachelor of Arts degree in Language and Literary Studies, specializing in Linguistics. Fund Administrator of the Mortgage Fund.</p>
	<p>4. Mr Nelson J Lesorogol</p> <p>CPA Joseph Nelson Lesorogol is the Director of Finance and Accounting. He is a Certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya (ICPAK), Membership No. 22366. He holds a Master's degree in Business Administration with a specialization in Finance and a Bachelor's degree</p>

**Samburu County Assembly Car Loan and Mortgage Fund
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	<p>in Commerce (Accounting). He was born on May 5, 1990.</p>
	<p>5. Ms. Faustine S. Leshornai CHRP Leshornai Faustine Sein is the Director of Human Resource and Administration and a Human Resource professional. She is a member of the Institute of Human Resource Management (IHRM), Membership No. 6456. She holds a Master's degree in Business Administration with a specialization in Human Resource Management and a Bachelor's degree in Business Administration, also focused on Human Resource. She was born on April 15, 1980.</p>
	<p>6. Ms. Pascaline N. Letipila Naanyu Letipila, is a senior legal officer at the legal department. She has a degree in law (LL.B) and Bachelors in Arts. (BA). She was born in February 25th 1984.</p>

Samburu County Assembly Car Loan and Mortgage Fund
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7. Mr. Bernard N. Leleruk

CPA Bernard N. Leleruk is the Senior Finance Officer. He is a Certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya (ICPAK), Membership No. 32180. He holds a Master's degree in Business Administration from Kenyatta University and a Bachelor's degree in Finance and Banking (Maasai Mara University). He was born on May 2, 1985.

Samburu County Assembly Car Loan and Mortgage Fund
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5. Fund Chairperson's Report


I extend my appreciation to the County Assembly Service Board and the Mortgage Management Committee for their continued support and dedication to the Fund's objectives.

During the year, there were changes in the leadership of the Fund. Mr. Patrick Leshore joined the Governing Board following the demise of the late Mr. Elijah Lolpirdai. In the Mortgage Management Committee, Mr. Benard Leleruk was appointed as the Fund Accountant, taking over from Mr. Feisal Abdinoor. Both have already taken up their roles and continue to contribute to the smooth running of the Fund.

The Fund has successfully extended loan facilities to more than seventy-five percent of staff and to all Honourable Members of the current House. This achievement reflects the commitment of the Fund to support the welfare of its members.

Efforts are underway to strengthen the Fund's sustainability. A service charter is being developed to guide operations and improve service delivery. Discussions are ongoing to ensure that all mortgage loans are insured, thereby safeguarding both the Fund and its beneficiaries. At the same time, measures are being taken to recover loans that have fallen into default, to enhance liquidity and ensure more staff can benefit from the facility.

The Fund remains focused on its mandate and will continue to serve both Members and staff effectively through prudent management and accountability.

Name David Lekuchula Signature  Date 14/10/2025

Chairperson of the Fund

**Samburu County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

6. Report of The Fund Administrator

The Mortgage and Car Loans Fund continues to fulfill its mandate of providing affordable housing finance to Members of the County Assembly and staff. The Fund operates as a revolving facility, with repayments reinvested to support new beneficiaries. This report provides a detailed account of the Fund's financial and operational performance for FY 2024/2025, as well as cumulative progress since its establishment.

1. Budget Performance

For FY 2024/2025, the Fund had a net budget of **Kshs. 55,841,481.25** available for loan disbursements. Actual disbursements amounted to **Kshs. 52,700,000**, representing **94.4 percent performance**. Administrative costs and ICT hosting expenses were fully absorbed within their budget limits.

Table 1: Budget Performance FY 2024/2025

Program/Item	Budget (Kshs)	Actual (Kshs)	Variance (Kshs)	Performance (%)
Loan Disbursements	55,841,481.25	52,700,000	3,141,481.25	94.4%
Administration Expenses	1,745,137.80	1,745,137.80	–	100%
ICT (System Hosting)	584,640.00	584,640.00	–	100%
Total	58,171,259.05	55,029,777.80	3,141,481.25	94.6%

The Fund has maintained strong performance, with cumulative disbursements exceeding Kshs. 400 million and over 90 percent of targets achieved. In FY 2024/2025, 34 beneficiaries (14 MCAs and 20 staff) accessed loans worth Kshs. 52.7 million, bringing coverage to all current MCAs and over 75 percent of staff. Outstanding mortgages now stand at Kshs. 347.8 million, promoting home ownership and reducing reliance on rental housing.

The Mortgage Loan Programme achieved 94.4 percent of its budget, with staff accounting for 74 percent of loans. Administrative costs were contained within the 3 percent ceiling, and the Mortgage Management System improved efficiency and accountability. The Fund also recorded a Kshs. 78.5 million surplus, strengthening its revolving capacity.

Key challenges included loan defaults, rising ICT costs, application delays, and limited awareness among new staff. Recovery measures, insurance cover, ICT monitoring, and a Service Charter are being implemented to address these risks.

Going forward, the Fund will expand coverage, strengthen recoveries, adopt cost-saving ICT solutions, and utilize an estimated Kshs. 60 million in FY 2025/2026 to support new mortgage disbursements and operations.

**Samburu County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

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

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

The Samburu County Assembly Car Loans and Mortgage Fund has no mandate to carry out any development activities within the County. It is therefore accurately reported here that the Fund did not plan for and has not carried out any development activities in the financial year ended 30 June, 2025.

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Provision of Mortgage Facilities	To ensure Members of County Assembly and staff have access to mortgage facilities for acquisition of residential property	Increased staff and members' home ownership	Number of mortgages successfully applied	During FY 2024/2025, 22 beneficiaries accessed the mortgage facility, enabling them to construct or acquire residential houses
Loan Recovery	To maintain sustainability of the Fund through efficient recovery mechanisms	Improved sustainability of the Fund	Value of loans recovered as % of total due	During FY 2024/2025, Kshs. 53,916,450 was recovered, representing over 90% repayment rate, showing strong loan recovery compliance
Automation and Record Management	To improve efficiency, accuracy, and transparency in fund management	Better service delivery and reduced data gaps	Implementation and use of mortgage management system	The new mortgage management system was rolled out and used in FY 2024/2025, improving record keeping and reducing manual errors

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<p>Governance and Compliance</p>	<p>To strengthen accountability and compliance with financial and ethical regulations</p>	<p>Adherence to PFMA 2012 and Mortgage Fund Regulations</p>	<p>Compliance reports and governance structures</p>	<p>The Fund complied with all statutory obligations and remained within PFMA 2012 and Mortgage Fund Regulations; however, a service charter is yet to be adopted</p>
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8. Corporate Governance Statement

The governance of the Car Loans and Mortgage Fund is anchored in the Fund Regulations, which establish the Car Loans and Mortgages Management Committee. The Committee consists of:

- A Member of the County Assembly Service Board (Chairperson)
- The Clerk of the County Assembly
- One member of the Board nominated by resolution of the Board
- The Director, Human Resource
- The Legal Officer of the County Assembly
- The Director, Accounts and Finance

The Fund Administrator, who is the Clerk of the Assembly, serves as an ex-officio member and Secretary to the Committee. This composition ensures a blend of legislative leadership, technical expertise, and administrative oversight. Membership is diverse in terms of professional backgrounds and gender, drawing from elected Members and senior staff of the Assembly. Vacancies are filled through a formal process of nomination and approval, while removal arises in cases of misconduct, incapacity, or end of term, as guided by the Regulations.

The roles of the Committee are clearly defined in law. They include processing loan applications, setting loan conditions, supervising day-to-day operations of the Fund, liaising with financial institutions, receiving and administering resources, monitoring repayments, and recommending recovery measures against defaulters. The Committee also ensures compliance with the “one-third rule” for staff applicants and that loans are strictly used for home acquisition or improvement and for motor vehicle purchase. The Committee may co-opt experts where necessary, although such members do not have voting rights.

The Fund Administrator is responsible for supervising operations, keeping accounts and records, preparing annual financial statements, and ensuring administrative costs do not exceed 3 percent of income. The Administrator also monitors repayments, issues reminders, and initiates recovery processes against defaulters with Committee approval.

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During the year under review, the Committee held fifteen meetings, with attendance averaging over 80 percent, demonstrating strong commitment. Members were oriented on their roles upon appointment, although structured training and continuous professional development remain areas of improvement. Performance assessment is largely through participation and adherence to regulatory timelines.

No conflict of interest was declared in the year, and the Committee continues to operate under the Public Officers' Ethics Act. Committee members did not receive any remuneration, as the guiding Regulations do not provide for such. While succession planning was not discussed during the year, the Regulations already provide clarity on office holders, terms, and procedures.

Although a governance audit was not carried out, the Committee recognizes its importance and intends to schedule one in the coming period. Communication on Fund activities is currently through official Assembly channels, with plans to adopt a Service Charter to enhance transparency. A policy on related-party transactions and a dedicated code of conduct will also be considered to strengthen governance further.

Samburu County Assembly Car Loan and Mortgage Fund
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9. Management Discussion and Analysis

During the financial year ended 30 June 2025, the Samburu County Assembly Car Loans and Mortgage Fund continued to deliver on its mandate of providing affordable mortgage and car loan facilities to Members and staff.

Operational and Financial Performance (3–5 Year Trend)

Over the past five years, the Fund has maintained consistent growth and strong performance.

Year	Loan Disbursements (Kshs)	Loan Recoveries (Kshs)	No. of Beneficiaries	Performance (%)
2020/2021	61,200,000	50,500,000	28	91%
2021/2022	72,800,000	61,900,000	32	93%
2022/2023	85,400,000	74,200,000	36	95%
2023/2024	65,900,000	60,300,000	30	92%
2024/2025	52,700,000	53,916,450	34	94%

Compliance with Statutory Requirements

The Fund remained fully compliant with the Public Finance Management Act, the Mortgage Regulations, and other applicable laws. Financial statements were prepared and submitted within statutory timelines. Administrative expenses were maintained within the 3 percent ceiling as required. There were no material arrears in statutory or financial obligations during the period under review.

Major Risks Facing the Fund

- **Loan Default Risk:** Although recovery rates are high, a few cases of delayed payments pose a liquidity risk.
- **Operational Risks:** Rising ICT hosting costs and reliance on external service providers may affect efficiency.
- **Insurance Gaps:** Absence of a comprehensive insurance cover exposes the Fund to potential credit losses in the event of defaults or unforeseen events.
- **Resource Constraints:** Loan demand occasionally exceeds available funds, forcing phased disbursements.

Future Mitigation Measures

Management has prioritized the following strategies:

- Strengthening payroll deduction mechanisms and direct engagement with defaulters.
- Securing an insurance cover for all loans to cushion against defaults.
- Exploring cost-effective ICT solutions to manage system hosting expenses.
- Enhancing resource mobilization to reduce reliance on phased disbursements.
- Adopting a Service Charter and scheduling regular governance audits to improve transparency.

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Annual Report and Financial Statements for the year ended June 30, 2025

Outlook

The Fund projects a budget of Kshs. 60 million for FY 2025/2026, with a focus on new loan disbursements, improved ICT systems, and operational efficiencies. Management is committed to sustaining compliance, strengthening financial performance, and ensuring value-for-money for both Members and staff.

10. Environmental and Sustainability Reporting

During the financial year ended 30 June 2025, the Samburu County Assembly Car Loans and Mortgage Fund integrated sustainability considerations into its operations in line with national priorities and international frameworks such as the Sustainable Development Goals (SDGs). The Fund's focus remained on promoting inclusivity, responsible use of resources, and strengthening welfare support for Members of County Assembly and staff.

In terms of sustainability strategy, the Fund aligned itself to SDG 8 on decent work and economic growth, SDG 10 on reducing inequalities, and SDG 11 on sustainable cities and communities. Loan disbursements supported Members and staff in acquiring residential properties and vehicles, thereby contributing to long-term welfare and social stability. During the year, the Fund also revised its service delivery charter to improve transparency in loan processing, and 30 percent of service contracts were awarded to local suppliers and special groups, including youth, women, and persons with disabilities. These measures reflect progress towards inclusivity and fairness in resource allocation.

Environmental performance remained a key consideration. Internally, the Fund continued to implement paperless systems, which reduced the use of printed records and improved efficiency in loan management. Single-use plastics were phased out during meetings, while refill dispensers and segregated waste bins were introduced within County Assembly offices. On the lending side, borrowers were encouraged to adopt eco-friendly housing options under the mortgage scheme and to maintain vehicles in compliance with emission standards. However, the Fund acknowledges that there is limited enforcement of sustainable building practices and that budgetary constraints have slowed adoption of green technologies. To address these gaps, management plans to collaborate with housing authorities and financial partners to promote awareness of eco-friendly construction.

Employee welfare was also a priority during the reporting period. Recruitment and staffing complied with the County Assembly Service Board's policies on gender balance, youth representation, and inclusion of persons with disabilities. Capacity building programs were rolled out, while performance appraisal and reward systems were maintained to motivate staff. In

Samburu County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

addition, the Fund complied with the Occupational Safety and Health Act of 2007, ensuring safe working conditions. No major work-related injuries were recorded during the year under review.

With respect to marketplace practices, the Fund upheld open and competitive tendering, transparency, and anti-corruption safeguards in its procurement processes. Supplier relations were handled responsibly, with contracts honored and payments processed in line with agreed terms. Although the Fund does not market its products to the general public, sensitization forums were organized for Members and staff to provide clear information on loan products, repayment procedures, and their rights and obligations. Consumer protection was reinforced through clear loan agreements, dispute resolution mechanisms, and the safeguarding of personal and financial data under the Fund's ICT systems.

Corporate social responsibility (CSR) activities remained indirect, given the Fund's specialized mandate. However, the Fund contributed to broader County Assembly initiatives, including tree planting exercises, bursary support for students, and community outreach programs. These initiatives enhanced public trust and reflected the Assembly's wider commitment to community welfare.

Looking forward, the Fund intends to deepen its sustainability efforts by embedding environmental considerations into mortgage advisory services, expanding awareness on climate-smart housing solutions, and further strengthening inclusivity in supplier engagement. Management is confident that these measures, coupled with ongoing reforms in governance and service delivery, will reinforce the Fund's role as a reliable and sustainable welfare mechanism for Members and staff of the Samburu County Assembly.

Samburu County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

11. Report of The Trustees

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

Principal activities

The principal activities of the Fund are the provision of mortgage and car loan facilities to Members of the County Assembly and staff of the County Assembly Service for purposes of acquiring and owning residential properties as well as vehicles.

Results-

The results of the Fund for the year ended June 30, 2025, are set out on page one of these financial statements.

Trustees

The members of the Board of Trustees who served during the year are shown on page iii (*Key Entity Information and Management*).

Changes in the Board during the financial year were as follows:

- Mr. Elijah Lolpirdai, Trustee, passed on and was replaced by Mr. Patrick Leshore.
- Mr. Feisal Abdinoor resigned from the Assembly, and Mr. Benard Leleruk was designated as the Fund Accountant under the Key Management Team.

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


.....

Chair of the Board/Fund Administration Committee

Date: 14/10/2025

12. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by law shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Samburu County Assembly Car Loan and Mortgage Fund is established under Part II, Regulation 3 of the *Samburu County Assembly Car Loan and Mortgage Fund Regulations*.

The Administrator of the 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 as at June 30, 2025, and of its financial transactions for the year then ended. This responsibility includes:

- Maintaining adequate financial management arrangements and ensuring that these remain effective throughout the reporting period.
- Maintaining proper accounting records, which disclose with reasonable accuracy the financial position of the Fund.
- Designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, ensuring they are free from material misstatement, whether due to fraud or error.
- Safeguarding the assets of the Fund.
- Selecting and applying appropriate accounting policies.
- Making accounting estimates that are reasonable in the circumstances.

The Administrator accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies, supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), the Public Finance Management Act, 2012, and the *Samburu County Assembly Car Loan and Mortgage Fund Regulations*.

In the opinion of the Administrator, the Fund's financial statements give a true and fair view of the state of the Fund's transactions during the financial year ended June 30, 2025, and of its

Samburu County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

financial position as at that date. The Administrator further confirms the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the financial statements, as well as the adequacy of the systems of internal financial control.

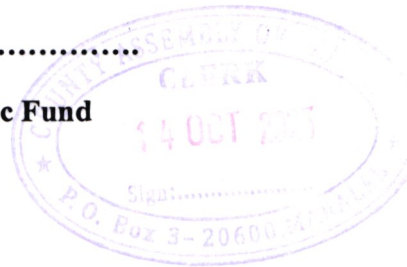
In preparing the financial statements, the Administrator of the Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of the going concern basis of preparation. Nothing has come to the attention of the Administrator to indicate that 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 13/10 2025 and signed on its behalf by:



.....
Administrator of the County Public Fund



REPUBLIC OF KENYA

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



HEADQUARTERS
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P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON SAMBURU COUNTY ASSEMBLY CAR LOAN AND MORTGAGE FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Samburu County Assembly Car Loan and Mortgage Fund set out on pages 1 to 39, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance,

Report of the Auditor-General on Samburu County Assembly Car Loan and Mortgage Fund for the year ended 30 June, 2025

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, 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 Samburu County Assembly Car Loan and Mortgage Fund as at 30 June, 2025 and 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 Samburu County Assembly Car Loan and Mortgage Fund Regulations, 2021 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Trade and Other Payables

The statement of financial position and Note 24 to the financial statements reflect trade and other payables from exchange transactions amounting to Kshs.4,232,540. As previously reported, although the balance relates to refundable deposits, Management did not provide an explanation on the nature of these deposits and creditors' ledger or individual account statements.

In the circumstances, the accuracy and completeness of the trade and other payables from exchange transactions balance of Kshs.4,232,540 could not be confirmed.

2. Unexplained Variance in the Opening Net Assets Balance

The statement of changes in net assets reported an opening balance of Kshs.373,449,502 as at 1 July, 2024, comprising of revolving fund of Kshs.305,000,000 and an accumulated surplus of Kshs.68,449,502. However, the corresponding closing balance reported in the prior year's statement of financial position as at 30 June, 2024 disclosed a balance of Kshs.360,706,961, resulting in an unexplained variance of Kshs.12,742,541.

In the circumstances, the accuracy and completeness of the opening net assets balance of Kshs.373,449,502 could not be confirmed.

3. Long Outstanding Mortgage Loans

The statement of financial position and Note 17 to the financial statements reflect Kshs.40,064,467 under current portion of long-term receivables and Kshs.347,790,857 under long-term receivables from exchange transactions, totalling Kshs.387,855,324. Included in the balance is a total amount of Kshs.14,821,680 representing mortgage loans advanced to forty-seven (47) members of the Fund. Audit review established that these loans have remained outstanding and un-serviced for periods exceeding five (5) years. However, there was no evidence that the Loan Management Committee had initiated any

recovery measures, such as issuance of formal demand letters, initiation of legal proceedings, and engagement of debt collection agencies or other enforcement mechanisms.

In the circumstances, the completeness and recoverability of the long-outstanding mortgage loans totalling Kshs.14,821,680 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. The following matters remained unresolved:

1. Inaccuracies of Financial Statements.
2. Discrepancies in Reported Interest Income.
3. Discrepancies in the Cash Book Balance.
4. Failure to Prepare and Submit Bank Reconciliations Statements.
5. Unsupported Trade and Other Payables.
6. Non-compliance on Presentation of Financial Statements.
7. Lack of Security for Mortgage Loans Disbursed.
8. Non-Adherence to Fund Regulations.
9. Lack of Risk Management Policy.

Other Information

Management is responsible for the Other Information set out on page ii to xxiv which comprise of Key Entity Information and Management, Fund Administration Committee, Management Team, Fund Chairpersons Report, Report of the Fund Administrator,

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Statement of Performance Against the County Fund's Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Trustees and Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance 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, except for effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Lack of Security for Mortgage Loans Disbursed

The statement of financial position and Note 17 to the financial statements reflect Kshs.40,064,467 under current portion of long-term receivables and Kshs.347,790,857 under long-term receivables from exchange transactions in respect to long-term repayments due on loans to Members of County Assembly and Staff, totalling Kshs.387,855,324. However, no collateral was charged to secure the loans contrary to Regulation 16(1) of the Samburu County Assembly Car Loan and Mortgage Fund Regulations, 2021, which states that the Committee shall have a charge registered on the property financed through a loan granted under these Regulations and shall be entitled to have its name entered in all documents of title for such property. Further, the mortgages granted to members did not take out and maintain a mortgage fire policy and life policy with an approved insurance firm contrary to Regulation 17(1) of the Fund Regulations.

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

2. Non-Compliance with the Regulations in the Loan Processing Process

The statement of financial position and Note 17 to the financial statements reflect Kshs.40,064,467 under current portion of long-term receivables and Kshs.347,790,857

under long-term receivables from exchange transactions, totalling Kshs.387,855,324. Included in this balance are loans amounting to Kshs.52,700,000 disbursed during the year ended 30 June 2025. However, review of individual loan files revealed non-compliance with the Samburu County Executive Staff Mortgage Scheme Fund Regulations, 2021 as follows:

- i. Loans were issued without mandatory supporting documents, including approved architectural designs, Bills of Quantities, official title searches, certified sale agreements, green cards, recent pay slips, identification documents, PIN certificates, and spousal consent forms.
- ii. There was no evidence of valuation reports for properties purchased or developed using the mortgage loans.
- iii. No monitoring or evaluation was undertaken to confirm that funds advanced were applied to the intended projects.
- iv. Several loan files lacked duly completed application forms, including details of property, loan purpose, applicant signatures, loan amounts, and approval by the Fund Management Committee.
- v. Offer letters or loan agreements indicating loan amounts, terms, and repayment periods were not signed by borrowers.
- vi. The Fund made payments totalling Kshs.36,950,000 for top-up mortgage loans without supporting application letters, committee approval, or credit assessment documentation.
- vii. Borrowers did not provide signed transfer deeds or authorization letters empowering the Fund Committee to dispose of the financed property in case of default, contrary to Part XII of the Third Schedule to the Regulations.

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

3. Failure to Submit Quarterly Financial Statements

During the year under review, the Administrator of the Fund did not prepare or submit the quarterly financial statements. This was contrary to Section 168(1) of the Public Finance Management Act, 2012 which requires the Administrator of a County Public Fund established by the Constitution, an Act of Parliament or County Legislation, to prepare quarterly financial statements for the Fund in a form prescribed by the Accounting Standards Board. Further, there were no records indicating that the quarterly reports were submitted to the County Treasury, with a copy to the Controller of Budget, contrary to Section 168(3) of the Public Finance Management Act, 2012.

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

4. Non-Remittance of Mortgage Deductions

The statement of financial position and Note 17 to the financial statements reflect Kshs.40,064,467 in respect of current portion of long-term receivables from exchange

transactions respectively. Included in this amount are loan deductions totalling Kshs.1,953,281, which were recovered from the monthly salaries of Mortgage Scheme Members by the County Assembly, but had not been remitted to the Samburu County Assembly Car Loan and Mortgage Fund as required. This was contrary to Section 19(4) of Employment Act, Cap 226 which requires employers to remit deducted amounts within the timelines prescribed by law, agreement, court order, or arbitration.

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

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

REPORT ON 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, except for the effect of the matters described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Risk Management Policy

Management did not have in place a Risk Management Policy to guide Management on risk assessment and formulation of risk mitigation strategies in the year under review. This is contrary to the Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 that requires Accounting Officers to develop risk management strategies, which include fraud prevention mechanisms, and internal controls that builds robust business operation.

In the circumstances, the effectiveness of internal controls built within financial and operational system could not be confirmed.

2. Lack of Internal Audit Activity

During the year under review, there was no evidence of an internal audit activity, as no internal audit reports were availed for review. This is contrary to Section 155(1)(a) of the Public Finance Management Act, 2012, which requires every County Government entity to establish appropriate arrangements for carrying out internal audit in accordance with guidelines issued by the Public Sector Accounting Standards Board.

In the circumstances, the effectiveness of internal controls and risk management processes could not be confirmed.

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

Responsibilities of the Management and the Fund Administration Committee

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is

not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 November, 2025

Samburu County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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

Description	Note	FY 2024-2025	1 st July 2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	5	-	-
Transfers From the County Government	6	-	-
Fines, Penalties and Other Levies	7	-	-
		-	-
Revenue From Exchange Transactions			
Interest Income	8	12,627,589	10,315,036
Other Income	9	-	-
		12,627,589	10,315,036
Total Revenue		12,627,589	10,315,036
Expenses			
Employee Costs	10	-	-
Use of goods and services	11	2,374,359	4,141
Depreciation and Amortization Expense	12	-	-
Finance Costs	13	-	-
Total Expenses		2,374,359	4,141
Other Gains/Losses			
Gain/Loss on Disposal of Assets	14	-	-
Gain /Loss on fair value of investments	15	-	-
Surplus/(Deficit) for the Period		10,253,230	10,310,895

[Signature]
 Name: Fred Lenapeer
 Administrator of the Fund

[Signature]
 Name: Nelson J. Leiroge
 Fund Accountant
 ICPAK Member Number: 22366

Samburu County Assembly Car Loan and Mortgage Fund
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15. Statement of Financial Position As at 30 June 2025

Description	Note	FY 2024-2025	1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	16	79,948	1,237,857
Current Portion of Long- Term Receivables from Exchange Transactions	17	40,064,467	16,550,800
Prepayments	18	-	-
Inventories	19	-	-
Investments in financial assets	20	-	-
Total current assets		40,144,415	17,788,657
Non-Current Assets			
Property, Plant and Equipment	22	-	-
Intangible Assets	23	-	-
Long Term Receivables from Exchange Transactions	17	347,790,857	347,150,844
Investment Property	23	-	-
Total non- current assets		347,790,857	347,150,844
Total Assets (A)		387,935,272	364,939,501
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	24	4,232,540	4,232,540
Current Provisions	25	-	-
Current Portion of Borrowings	26	-	-
Employee Benefit Obligations	27	-	-
Social benefit liabilities	28	-	-
Total current liabilities		4,232,540	4,232,540
Non-Current Liabilities			
Non-Current Provisions	25	-	-
Long Term Portion of Borrowings	26	-	-
Non-Current Employee Benefit Obligation	27	-	-
Social benefit liabilities	28	-	-

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Description	Note	FY 2024-2025	1 st July 2024
		Kshs	Kshs
Total Liabilities (B)		4,232,540	4,232,540
Net Assets (A-B)		383,702,732	360,706,961
Represented By:			
Revolving Fund		305,000,000	305,000,000
Reserves		-	-
Accumulated Surplus		78,702,732	55,706,961
Net Assets		383,702,732	360,706,961

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 13/10 2025 and signed by:

Fred Lehapeer
 Name: **Fred Lehapeer**
 Administrator of the Fund

Nelson Lehapeer
 Name: **Nelson Lehapeer**
 Fund Accountant
 ICPAK Member Number: **22366**



Samburu County Assembly Car Loan and Mortgage Fund
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16. Statement of Changes in Net Assets for the year ended 30th June 2025

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2023	305,000,000	-	58,138,607	363,138,607
Surplus/(Deficit) For the Period	-	-	10,310,895	10,310,895
Funds Received During the Year	-	-		-
Transfers	-		(-)	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2024	305,000,000	-	68,449,502	373,449,502
Balance As At 1 July 2024	305,000,000	-	68,449,502	373,449,502
Surplus/(Deficit) For the Period		-	10,253,230	10,253,230
Funds Received During the Year	-	-	-	-
Transfers	-		(-)	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2025	305,000,000	-	78,702,732	383,702,732

Samburu County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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

Description	Note	FY 2024-2025	1 st July, 2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government		-	-
Interest received		12,627,589	10,315,036
Receipts from other operating activities		-	-
Total receipts		12,627,589	10,315,036
Payments			
Fund administration expenses		2,374,359	4,141
General expenses		-	-
Finance cost		-	-
Other payments		2,374,359	4,141
Net cash flows from operating activities	29	10,253,230	10,310,895
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		41,288,861	56,645,137
Loan disbursements paid out		(52,700,000)	(58,760,000)
Net cash flows used in investing activities		(11,411,139)	(2,144,863)
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		(-)	(4,141)
Net cash flows used in financing activities		-	(4,141)
Net increase/(decrease) in cash & cash Equivalents		(1,157,909)	(2,114,863)
Cash and cash equivalents at 1 July 2024	16	1,237,857	3,356,861
Cash and cash equivalents at 30 June 2025	16	79,948	1,237,857

18. Statement Of Comparison Of Budget And Actual Amounts For The Period 2025

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
Budget carryovers from the previous year*	1,237,857	-	1,237,857	1,237,857	-	0%
Receipts						
Public Contributions and Donations	-	(-)	-	-	(-)	0%
Loan Repayments	41,288,861		41,288,861	41,288,861		
Interest Income	12,627,589	-	12,627,589	12,627,589	-	100%
Other Income	-	-	-	-		
Total Income	55,154,307	(-)	55,154,307	55,154,307	-	100%
Expenses						
Fund Administration Expenses	1,745,138		1,745,138	1,785,500	(40,362)	
General Expenses	584,640		584,640	588,859	(4,219)	101%
Finance Cost				-	-	
Total Expenditure	2,329,778		2,329,778	2,374,359	(44,581)	102%
Capital expenditure	55,841,481		55,841,481	52,700,000	3,141,481	94%
Surplus For the Period				79,948	-	

Samburu County Assembly Car Loan and Mortgage Fund
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Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	79,948
1	Reason for differences	-
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	79,948

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Samburu County Assembly Staff Mortgage Scheme Fund entity is established by and derives its authority and accountability from Public Finance Management Act. The entity is wholly owned by the County Assembly of Samburu and is domiciled in Kenya. The entity's principal activity is the provision of mortgage and car loan facilities to Members of the County Assembly and staff of the County Assembly Service for purposes of acquiring and owning residential properties as well as vehicles.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

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

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

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

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

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

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Annual Report and Financial Statements for the year ended June 30, 2025**

<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

(i) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized when the Fund obtains control of the asset (cash or other resources), it is probable that economic benefits or service potential will flow to the Fund, and the amount can be measured reliably.

ii. Revenue from exchange transactions

Interest income

The Fund's primary source of exchange revenue is interest income from car loans and mortgages advanced to Members of the County Assembly and staff of the County Assembly Service. Interest income is accrued using the effective interest method, applying the contractual interest rate on the outstanding loan balances to determine income for each period.

b) Budget information

The original budget for FY 2025 was approved by the County Assembly on June 24, 2024. Any subsequent revisions or additional appropriations were made in line with approvals from the appropriate authorities.

The Fund's budget is prepared on a cash basis, while the financial statements are prepared on an accrual basis in accordance with International Public Sector Accounting Standards (IPSAS). To facilitate comparison, actual amounts on a comparable basis are presented in the Statement of Comparison of Budget and Actual Amounts. A reconciliation between the cash basis budget and the accrual-based financial statements is provided.

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 cash flows has been presented.

c) Property, plant and equipment

The Fund does not own significant property, plant and equipment. Office equipment or related assets acquired for Fund administration are recognized at cost less accumulated depreciation and impairment. Depreciation is charged on a straight-line basis over the assets' estimated useful lives.

d) Intangible Assets

The Fund does not hold intangible assets other than standard computer software used in administration. These are recognized at cost and amortized on a straight-line basis over their estimated useful lives.

e) Financial assets

The Fund's key financial instruments are loans receivable from Members and staff, as well as cash balances.

- Loans are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment losses.
- Cash and cash equivalents comprise balances held in bank accounts.
- The Fund does not engage in hedge accounting or hold complex financial instruments.

f) Provisions

Provisions are recognized when the Fund has a present legal or constructive obligation as a result of past events, and it is probable that settlement will require an outflow of resources that can be reliably estimated.

g) Related parties

Related parties include Members of the County Assembly, staff of the County Assembly Service, the Fund Administrator, and Trustees. Car loans and mortgages are issued to related parties in accordance with the governing Regulations and Salaries and Remuneration Commission (SRC) guidelines.

h) Cash and cash equivalents

Cash and cash equivalents comprise bank balances and short-term deposits that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

i) Comparative figures

Where necessary, comparative figures have been adjusted or reclassified to conform to changes in presentation in the current year.

Summary of Significant Accounting Policies (Continued)

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

(a) Financial Instruments

The Fund's financial instruments include loans receivable, cash and cash equivalents, and payables.

Financial Assets

- The Fund's financial assets comprise mainly of loans advanced to Members and staff, and cash balances held in bank accounts.
- These are measured at amortized cost.
- The Fund assesses, on a forward-looking basis, the expected credit loss (ECL) associated with its financial assets at each reporting date. Loss allowances are recognized for such losses.

Financial Liabilities

- The Fund's financial liabilities include payables relating to administrative and operational expenses.
- These are subsequently measured at amortized cost.

(b) Trade and Other Receivables

Trade and other receivables are carried at amortized cost, less allowances for impairment. Allowances are made where there is objective evidence that the Fund will not be able to collect all amounts due.

(c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at hand and balances held in bank accounts. These are carried at amortized cost.

(d) Provisions

Provisions are recognized when the Fund has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation. Provisions are reviewed at each reporting date and adjusted to reflect current estimates.

(e) Contingent Liabilities and Contingent Assets

The Fund does not recognize contingent liabilities or assets but discloses them where such items exist unless the likelihood of an outflow or inflow is remote.

(f) Nature and Purpose of Reserves

The Fund maintains reserves in the form of a revolving fund and accumulated surplus. These reserves are used to support the Fund's operations in line with its objectives.

(g) Related Parties

Related parties include Members of the County Assembly, Members of the County Assembly Board, and staff of the County Assembly who are eligible to access the loan facilities. Disclosures are made in the financial statements of the value of loans advanced and outstanding balances due from related parties.

(h) Comparative Figures

Where necessary, comparative figures for the previous financial year have been reclassified to conform to the current year's presentation.

(i) Significant Judgments and Estimates

The preparation of the Fund's financial statements requires the use of accounting estimates and judgments. The key areas include:

- The assessment of impairment for loans receivable based on expected credit loss.
- Estimation of provisions for obligations such as administrative expenses.

**Samburu County Assembly Car Loan and Mortgage Fund
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Notes To the Financial Statements Continued

5. Public contributions and donations

Description	FY 2024-2025	1 st July 2024
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From the Public	-	-
Total	-	-

6. Transfers from County Government

Description	FY 2024-2025	1 st July 2024
	Kshs	Kshs
Transfers From County Govt. –Operations	-	-
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	-	-

7. Fines, penalties and other levies

Description	FY 2024-2025	1 st July 2024
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

8. Interest income

Description	FY 2024-2025	1 st July 2024
	Kshs	Kshs
Interest Income from Mortgage Loans	12,627,589	10,315,036
Interest Income From Car Loans	-	-
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	-	-
Total Interest Income	12,627,589	10,315,036

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9. Other income

Description	FY 2024-2025	1 st July 2024
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

10. Employee Costs

Description	FY 2024-2025	1 st July 2024
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other (<i>Specify</i>)	-	-
Total	-	-

11. Use of Goods and Services

Description	FY 2024-2025	1 st July 2024
	Kshs.	Kshs.
General Office Expenses	-	-
Loan Processing Costs	-	-
Professional Services Costs	584,640	-
Administration Fees	-	-
Committee Allowances	1,785,500	-
Bank Charges	4,219	4,141
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	-	-
Rental Costs	-	-
Security Costs	-	-

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Description	FY 2024-2025	1 st July 2024
	Kshs.	Kshs.
Telephone And Communication Expenses	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other (<i>Specify</i>)	-	-
Social benefit expenses*	-	-
Total	2,374,359	4,141

12. Depreciation and Amortization Expenses

Description	FY 2024-2025	1 st July 2024
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

13. Finance costs

Description	FY 2024-2025	1 st July 2024
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

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14. Gain/(loss) on disposal of assets

Description	FY 2024-2025	1 st July 2024
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

15. Gain/ (loss) on Fair Value Investments

Description	FY 2024-2025	1 st July 2024
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

16. Cash and cash equivalents

Description	FY 2024-2025	1 st July 2024
	Kshs	Kshs
County Assembly of Samburu Car Loan Account	-	-
County Assembly of Samburu Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	79,948	1,237,857
Others (<i>Specify</i>)	-	-
Total Cash and Cash Equivalents	79,948	1,237,857

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

Financial Institution	Account number	FY 2024-2025	1 st July 2024
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Equity Bank, Etc.		-	-
Sub- Total		-	-
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
Sub- Total		-	-
c) Current Account			
Kenya Commercial Bank		79,948	1,237,857
Bank B		-	-
Sub- Total		79,948	1,237,857
d) Others(Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		79,948	1,237,857

17. Receivables from exchange transactions

Description	FY 2024-2025	1 st July 2024
	Kshs	Kshs
Current Receivables		
Interest Receivable	40,064,467	1,237,857
Current Loan Repayments Due		16,550,801
Other Exchange Debtors	-	-
Less: Impairment Allowance	(-)	-
Total Current Receivables	40,064,467	17,788,658
Non-Current Receivables		
Long Term Loan Repayments Due	347,790,857	347,150,844
Total Non- Current Receivables	347,790,857	347,150,844
Total Receivables From Exchange Transactions	387,855,324	364,939,502

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Additional disclosure on interest receivable

Description	FY 2024-2025	1 st July 2024
	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	40,064,467	-
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	295,090,857	166,200,861
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	52,700,000	58,760,000

18. Prepayments

Description	FY 2024-2025	1 st July 2024
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	-	-

19. Inventories

Description	FY 2024-2025	1 st July 2024
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (<i>Specify</i>)	-	-
Total Inventories	-	-

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Detailed disclosure on inventories

	FY 2024-2025	1 st July 2024
Opening balance	-	-
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	-	-

20. Investments in financial assets

Description	FY 2024-2025	1 st July 2024
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
Kenya Commercial Bank	-	-
Sub- total	-	-
c. Equity investments (specify)		
Equity/ shares in Entity xxx	-	-
Sub- total	-	-
Grand total	-	-

d). Movement of Equity Investments

Impairment allowance/ provision	FY2024-2025	1 st July 2024
	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	-	-

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e) Shareholding in other entities

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

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		2024-2025	2023-2024
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

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21. Property, plant, and equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Rate	X%	X%	X%	X%	X%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2023	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-
At 30th June 2024	-	-	-	-	-	-
At 1st July 2024						
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-
At 30th June 2025	-	-	-	-	-	-
Depreciation And Impairment						
At 1st July 2023	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
At 30th June 2024	-	-	-	-	-	-
At 1st July 2024	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-
At 30th June 2025	-	-	-	-	-	-
Net Book Values						
At 30th June 2024	-	-	-	-	-	-
At 30th June 2025	-	-	-	-	-	-

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22. Intangible assets

Description	FY 2024-2025	1 st July 2024
	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	-	-

23. Investment Property

Description	FY 2024-2025	1 st July 2024
	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	-	-

**Samburu County Assembly Car Loan and Mortgage Fund
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24. Trade and other payables from exchange transactions

Description	FY 2024-2025		1 st July 2024	
	Kshs		Kshs	
Trade Payables	4,232,540		4,232,540	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
Total Trade and Other Payables	4,232,540		4,232,540	
Ageing analysis (Trade and other payables)	FY 2024-2025	% of the Total	1st July 2024	% of the Total
Under one year	-	0%	-	0%
1-2 years	-	0%	-	0%
2-3 years	-	0%	-	0%
Over 3 years	4,232,540	100%	4,232,540	100%
Total (tie to above total)	4,232,540		4,232,540	

25. Provisions

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f	-	-	-	-
Additional provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Total provisions year end	-	-	-	-
Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-

**Samburu County Assembly Car Loan and Mortgage Fund
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26. Borrowings

Description	FY 2024-2025	1 st July 2024
	Kshs	Kshs
Balance At Beginning of The Period	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments of External Borrowings During the Period	-	-
Repayments of Domestic Borrowings During the Period	-	-
Balance At End of The Period	-	-

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

Description	FY 2024-2025	1 st July 2024
	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 2024-2025	1 st July 2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

**Samburu County Assembly Car Loan and Mortgage Fund
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27. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	FY 2024-2025	1 st July 2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

28. Social Benefit Liabilities

Description	FY 2024-2025	1 st July 2024
	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)	-	-

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29. Cash generated from operations.

Description	FY 2024-2025	1 st July 2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	10,253,230	10,315,036
Adjusted For:		
Depreciation	-	-
Amortization	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	-	10,315,036
Finance Cost	-	-
Working Capital Adjustments	-	
Increase In Inventory	-	-
Increase In Receivables	-	(16,550,801)
Increase In Payables	-	-
Net Cash Flow From Operating Activities	10,253,230	(7,098,663)

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30. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	FY 2024-2025	1 st July 2024
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	FY 2024-2025	1 st July 2024
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	FY 2024-2025	1 st July 2024
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

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Other Disclosures Continued

e) Due to related parties

Description	FY 2024-2025	1 st July 2024
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

31. Contingent assets and contingent liabilities

Contingent Liabilities	FY 2024-2025	1 st July 2024
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

32. Financial risk management

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

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

a) Credit risk

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2025				
Receivables From Exchange Transactions	387,855,324	316,273,645	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	79,948	-	-	-
Total	387,935,272	316,273,645	-	-
At 30 June 2024				
Receivables From Exchange Transactions	384,390,745	336,648,127	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	1,237,875	-	-	-
Total	385,628,602	-	-	-

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.

**Samburu County Assembly Car Loan and Mortgage Fund
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The entity has significant concentration of credit risk on amounts due from xxxx

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

b) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Trade Payables	-	-	4,232,540	4,232,540
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	4,232,540	4,232,540
At 30 June 2024				
Trade Payables	-	-	4,232,540	4,232,540
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	4,232,540	4,232,540

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.

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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 2025			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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

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2025			
Euro	10%	-	-
USD	10%	-	-
2024			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (2025: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (2025 – Kshs xxx).

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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 2024-2025	1 st July 2024
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	305,000,000	305,000,000
Accumulated surplus	78,702,732	10,315,036
Total funds	383,702,732	380,194,465
Total borrowings	-	-
Less: cash and bank balances	79,948	1,237,857
Net debt/(excess cash and cash equivalents)	79,948	1,237,857
Gearing	0%	0%

33. Events after the reporting period

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

34. Ultimate and Holding Entity

The entity is a County Public Fund established by Public Finance Management Act under the Ministry of Finance. Its ultimate parent is the County Government of Samburu.

35. Currency

The financial statements are presented in Kenya Shillings (Kshs)

20. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Inaccuracies in Financial Statements – Variances in total assets and liabilities; unexplained differences of Kshs. 4,232,540 and Kshs. 49,628,606 between total assets and total net assets; discrepancies in Note 24(d) and cash flow figures.	Management has initiated a review of the accounting entries and reconciliations. Adjustments to be made in the FY 2024/2025 financial statements.	Partially Resolved	March 2025
2	Discrepancies in Reported Interest Income – Kshs. 10,315,036 reported in the financial statements and Kshs. 29,175,089 in cash flow not supported by documentation	Management will review loan amortization schedules and interest computation using the new mortgage management system procured during FY 2023/2024.	Not Resolved	February 2025

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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)
	or reconciliations.			
3	Failure to Prepare and Submit Monthly Bank Reconciliation Statements – Kshs. 1,237,857 cash balance not supported by monthly reconciliations contrary to PFM Regulations, 2015.	Management has begun monthly bank reconciliations and will ensure timely submission to County Treasury and the Auditor-General.	Partially Resolved	Ongoing (Monthly)
4	Unsupported Trade and Other Payables – Kshs. 4,232,540 not supported by creditors' ledgers or statements.	Management will create detailed creditor schedules and obtain confirmations. Documentation to be updated for audit verification.	Not Resolved	April 2025
5	Non-Compliance on Presentation of Financial Statements – Non-use of the revised PSASB reporting template; incomplete disclosures for trustees and	Management has adopted the 2024 PSASB template and will ensure full compliance and disclosure in the next reporting cycle.	Partially Resolved	December 2024

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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)
	management team.			
6	Lack of Security for Mortgage Loans – No charges registered on mortgaged properties; missing fire and life insurance policies as required under Fund Regulations.	The Committee has begun formalizing collateral documentation and will enforce compliance for new loans.	Not Resolved	November 2025
7	Non-Adherence to Fund Regulations – Missing valuation reports, incomplete loan applications, unsigned offer letters, missing ownership and approval documents.	The Fund has reviewed procedures and now requires full documentation before loan disbursement. Training for committee members planned.	Partially Resolved	March 2025
8	Lack of Risk Management Policy – Absence of policy contrary to Regulation 158(1)(a) of the PFM (County Governments)	Draft Risk Management Policy under preparation and will be presented to the Board of Trustees for approval.	Not Resolved	January 2026

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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)
	Regulations, 2015.			

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 Manager/Accounting Officer (enter title of head of Fund)

Date... 14/10/2025

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Annex II: Inter-Fund Confirmation Letter



1

The *Samburu County Assembly Car Loan and Mortgage Fund* wishes to confirm the amounts disbursed to you as at 30th June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30 th June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by [CC/SAGA/Fund] (Kshs) as at 30 th June 2025				Amount Received by [beneficiary Fund] (KShs) as at 30 th June 2025 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							
In confirm that the amounts shown above are correct as of the date indicated.							

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Head of Accountants department of beneficiary Fund:

Name Nelson Lesuogo / Sign *[Signature]* Date 14/10/2025

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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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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