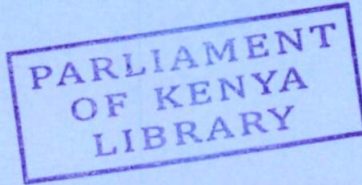
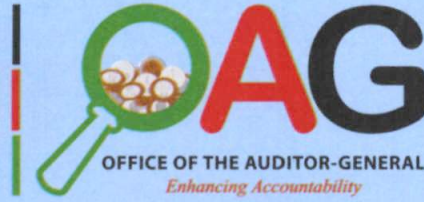


REPUBLIC OF KENYA



259

REPORT

OF

THE AUDITOR-GENERAL

ON

NYERI COUNTY EXECUTIVE
CAR LOAN AND MORTGAGE
(STAFF) SCHEME FUND

FOR THE YEAR ENDED
30 JUNE, 2025

PAPERS LAID	
DATE	18/02/2026
TABLED BY	telegwe
COMMITTEE	_____
CLERK AT THE TABLE	Changop

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**NYERI COUNTY EXECUTIVE CAR LOAN AND MORTGAGE (STAFF)
SCHEME 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)



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

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Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

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
SRC	Salaries and Remuneration Commission
PFM	Public Financial Management Act 2012
ADM	Administration
VOL	Volume
CIR	Circular
ECL	Expected Credit Loss
CHRP	Certified Human Resource Management Professional
CPA (K)	Certified Public Accountant of Kenya
CPS (K)	Certified Public Secretary
BORAQS	Board of Registration of Architects and Quantity Surveyors of Kenya
OSHA	Occupational Safety and Health Act of 2007
CSR	Corporate Social Responsibility



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

b) Definition of Key Terms

Fiduciary Management: - the key management personnel who had financial responsibility

Key management: - personnel responsible for administration and policies of the fund

Fiduciary oversight arrangements: - ensures transparent and responsible financial management



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

2. Key Entity Information and Management

a) Background information

The Nyeri County Executive Car Loan and Mortgage (Staff) Scheme is a revolving fund established pursuant to the Salaries and Remuneration Commission (SRC) circular number SRC/ADM/CIR/1/13/VOL. 111(128) dated 17th December 2014, SRC/ADM/CIR/1/13/VOL.111 (130) dated 29th January 2015, SRC/ADM/CIR/1/13/VOL. 111(142), of 25th August, 2016 and Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Regulations 2017; Kenya Gazette Supplement No.14 dated 22nd November 2017. Section 167 of the Public Finance Management (PFM) Act 2012 mandates the administrator of public funds with the preparation of annual financial statements.

For proper management of the fund and as advised by the SRC in the circular under the reference, the County Government of Nyeri adopted the PFM regulations 2016 to guide in the operationalization of the fund. As advised by the SRC and as provided for under regulation 16 of the said regulations, the County Government appointed a banking institution to manage the fund. The fund is managed by financial institutions i.e. The Family Bank and Cooperative Bank of Kenya Nyeri Branch. The role of the bank is to provide administration services for the fund. This includes recovery of loan instalments, maintenance of members' loan details and safe custody of the securities.

The SRC in its circular reference SRC/ADM/CIR/1/13 Vol. III (128) dated 17th December 2014 provided guidelines for access of car loan and mortgage benefits by state and public officers. Arising therefrom, the County Executive Committee Member for Finance signed the Regulations on 3rd November, 2017.

The fund is wholly owned by the County Government of Nyeri Executive and is domiciled in Kenya.

The Fund's principal activity and objective is to provide a loan scheme for the purchase, development, renovations or repair of residential property and/or to purchase a motor vehicle for personal use by members of the scheme.



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

b) Principal Activities

The principal objective of the fund is to provide a loan scheme for the purchase, development, renovations or repair of residential property and/or to purchase a motor vehicle for personal use by members of the scheme.

c) Fund Administration Committee

S/No.	Name	Position
1	Robert Thuo	Fund Chairman
2	Ibrahim Adan Edin	Fund Administrator
3	Kimani Ruchuiya	Committee Member
4	Beatrice Chelangat	Committee Member
5	Zachary Ngacha	Committee Member
6	Elizabeth Mathenge	Committee Member
7	Diana Kendi	Committee Member
8.	David Ruga	Committee Member
9.	Francisca Ndirangu	Co-opted Member
10.	Nancy Gatei	Co-opted Member

d) Key Management team

S/No.	Name	Position
1	Robert Thuo	Fund Chairman
2	Ibrahim Adan Edin	Fund Administrator
3.	David Ruga	Committee Member
5	Elizabeth Mathenge	Committee Member
6.	Diana Kendi	Committee Member
7.	Kimani Rucuiya	Committee Member
8.	Nancy Gatei	Fund Accountant



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

S/No.	Position	Name
1	Directorate Internal Audit	Director Internal Audit
2	Staff Mortgage and Car Loan Advisory Committee	Audit and Finance Committee
3	County Assembly of Nyeri	Public Accounts and Investment Committee
4.	Senate	County Public Investments and Special Funds Committee

f) Registered Offices

Nyeri town hall
P.O. Box 1112 – 10100
Nyeri Town Hall
Nyeri, Kenya

g) Fund Contact

Telephone (020) 78405588
Email: nyericountytreasury@gmail.com

h) Fund Bankers

Family Bank.
Nyeri Branch
P.O Box 74145-10100
Nyeri, Kenya.
Cooperative Bank of Kenya
Nyeri Branch
P.O Box 48231-00100
Nyeri.



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

i) Independent Auditors

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

j) Principal Legal Advisers

The Attorney General
State law office
Harambee Avenue
P.O Box 40112-00200
Nairobi Kenya.




k) County Attorney

Nyeri Town Hall
P.O. Box 1112-10100
Nyeri.





Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

3. Fund Administration Committee

Name	Details of qualifications and experience
 Robert Thuo Mwangi	Fund Chairman CECM Finance and Economic Planning Date of birth 10 th January, 1965 Academic qualifications Hons Degree Work experience: County Executive Committee Member for nine years and Program Manager East and Central Africa – Geo-traceability
 Ibrahim Adan Edin	Fund Administrator Ag. Chief Officer Finance and Accounting Date of Birth 8 th February 1986; University Education; BBA in Accounting and Finance and Certified Public Accountant/ Secretary of Kenya; Masters in Strategic Management. Head of Finance in NGO/ Government of Kenya for more than 15 years.
 Kimani Rucuiya	Member of the Fund Administration Committee County Attorney Date of birth 27 th January, 1992 Professional qualifications: Advocate of the High Court of Kenya, Associate of the Chartered Institute of Arbitrators Academic qualifications: Bachelor of laws, Post graduate Diploma in Accounting and Business Masters of Laws (pending dissertation) University of Nairobi



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

 <p>Beatrice Chelangat Koech</p>	<p>Member of the Fund Administration Committee Director Physical Planning Date of birth 27th May, 1982 Professional Qualification – Physical Planner Academic qualification – Degree in urban and regional planning Work experience – Physical Planner – Ministry of Lands, County Physical Planner, County Deputy Director Physical Planning Nyeri</p>
 <p>Zachary Wahome Ngacha</p>	<p>Member of the Fund Administration Committee Quantity Surveyor Date of birth 11th March 1969 Professional qualification – Registered as a Quantity Surveyor by the Board of Registration of Architects and Quantity Surveyors of Kenya (BORAQS) Professional membership – Corporate member Institute of Quantity Surveyors of Kenya Academic qualification – Master of Business Administration & Bachelor of Arts degree Course in Building Economics (Quantity Surveying) Work experience – Worked as a Quantity Surveyor since 1997 in the following organizations County Government of Nyeri, Ministry of Roads and Public Works, Victory Construction Limited and Eastern African Construction Company.</p>

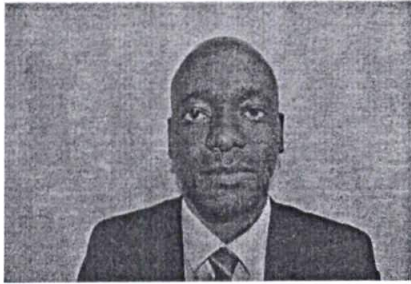


Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

	<p>Member of the Fund Administration Committee Director Human Resource Date of birth 14th March 1969 Professional qualifications: Certified Human Resource Professional CHRP(K) and a member of Institute of Human Resource Management Academic qualifications: Master's Degree in Human Resource Management, Bachelor's Degree in Business Administration (Human Resource Management option) and Advanced Diploma in Human Resource Management.</p>
	<p>Member of the Fund Administration Committee CECM Trade, Tourism and Cooperative Development Date of birth 2nd February 1986 Academic qualifications: Master of Business Administration (MBA) in Strategic Management, Bachelor of Science Degree in International Business Administration, Certificate in Senior Management Skills and Policy Development Management, Certificate in Trade Related Investment measures, Trade remedies under WTO and Regional Trade agreements, Certificate in International Investment Promotion training, Certificate on Payroll Cleansing and Performance Management and Certificate of youth membership Experience: County Executive Committee Member County Government of Nyeri</p>



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025



David Kiriiri Ruga

Member of the Fund Administration Committee
Secretary and Chief Executive Officer County Public Service Board

Date of birth: 26th May, 1978

Professional qualifications: Certified Human Resource Management Professional (CHRP), Certified Public Accountant CPA(K), Certified Public Secretary CPS(K)




Academic qualifications: Bachelor of Commerce (Finance Option)

Experience: Secretary and Chief Executive Officer Nyeri County Public Service Board, Senior Manager Central Operations Faulu Microfinance Bank, Project Manager and Senior Manager Operations Sidian Bank, Manager Controls, Operations Manager and Senior Operations Officer at K-Rep Bank.





Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

4. Management Team

Name	Details of qualifications and experience
 Robert Thuo Mwangi	Fund Chairman CEC Finance and Economic Planning Date of birth 10 th January, 1965 Academic qualifications Hons Degree Work experience: County Executive Committee Member for eight years and Program Manager East and Central Africa – Geotraceability
 Ibrahim Adan Edin	Fund Administrator Ag. Chief Officer Finance and Accounting Date of Birth 8 th February 1986; University Education; BBA in Accounting and Finance and Certified Public Accountant/ Secretary of Kenya; Masters in Strategic Management. Head of Finance in NGO/ Government of Kenya for more than 15 years.
 David Kiriiri Ruga	Member of the Fund Administration Committee Secretary and Chief Executive Officer County Public Service Board Date of birth: 26 th May, 1978 Professional qualifications: Certified Human Resource Management Professional (CHRP), Certified Public Accountant CPA(K), Certified Public Secretary CPS(K) Academic qualifications: Bachelor of Commerce (Finance Option)



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

	<p>Experience: Secretary and Chief Executive Officer Nyeri County Public Service Board, Senior Manager Central Operations Faulu Microfinance Bank, Project Manager and Senior Manager Operations Sidian Bank, Manager Controls, Operations Manager and Senior Operations Officer at K-Rep Bank.</p>
 <p>Elizabeth Wanjiru Mathenge</p>	<p>Member of the Fund Administration Committee Director Human Resource Date of Birth 14th March 1969 Professional qualifications: Certified Human Resource Professional CHRP(K) and a member of Institute of Human Resource Management Academic qualifications: Master's Degree in Human Resource Management, Bachelor's Degree in Business Administration (Human Resource Management option) and Advanced Diploma in Human Resource Management.</p>
 <p>Kimani Rucuiya</p>	<p>Member of the Fund Administration Committee County Attorney Date of birth 27th January, 1992 Professional qualifications: Advocate of the High Court of Kenya, Associate of the Chartered Institute of Arbitrators Academic qualifications: Bachelor of laws, Post graduate Diploma in Accounting and Business Masters of Laws (pending dissertation) University of Nairobi</p>



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025



Diana Kendi

Member of the Fund Administration Committee
CECM Trade, Tourism and Cooperative Development
Date of Birth 2nd February 1986
Academic qualifications: Master of Business Administration (MBA) in Strategic Management, Bachelor of Science Degree in International Business Administration, Certificate in Senior Management Skills and Policy Development Management, Certificate in Trade Related Investment measures, Trade remedies under WTO and Regional Trade agreements, Certificate in International Investment Promotion training, Certificate on Payroll Cleansing and Performance Management and Certificate of youth membership
Experience: County Executive Committee Member County Government of Nyeri



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

5. Fund Chairperson's Report

The financial statements present the financial performance of the fund over the past four quarters. The fund and its stakeholders are increasingly emphasizing on the need to ensure sustainability through resource mobilization and financing capabilities with an objective of ensuring that the fund's going concern is secured.

The interest earned from loans advanced to members amounted to **Kshs. 3,431,235** which comprised of interest on mortgages amounted to **Kshs. 3,295,760** and car loans was **Kshs.135,475**.

Loans disbursement as at quarter four amounted to **Kshs.92,700,000** and the disbursement was carried out as per members' applications with the coordinated efforts by all stakeholders. The performance was also attributed to balances in the accounts and repayment of loans by members. The total expenditure during the period amounted to **Kshs. 6,959,705**.

In the year under review there was change of the Fund Administrator from April 2025.

The fund only managed to pay for Fringe Benefit Tax for Quarter one, thus it is in arrears of quarter two, three and four. This was attributed by the low interest income and the high market interest rate as the expenses of the fund are only paid through the interest received as per the Fund's Regulations.

The outlook of the Fund for FY 2025/2026 looks brighter resulting from the inclusion of members of staff in all cadres. The fund focus is to build a robust and sustainable fund with a motivated workforce and structures that enhance efficiency and effectiveness in service delivery. The fund looks forward to continued support from the County Government and development partners to the realization of its mandate.

The management express sincere gratitude and appreciation to the County Government, partners, stakeholders, fund administration committee and staff for their continued support which made the fund achieve these results.

Name: Robert Thuo Mwangi

Signature.....

Date.....

22.8.2025

Chairperson of the Fund



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

6. Report of the Fund Administrator

It is my pleasure to present the Nyeri County Executive Car Loan and Mortgage (Staff) Scheme fund financial statements for the year ended 30th June 2025. The financial statements present the financial performance of the fund over the past year.

The fund was established in June 2018, started with an amount of **Kshs. 100,000,000** and an additional of **Kshs. 138,570,074**. The total amount of loans disbursed since inception of the fund amounted to **Kshs. 235,806,500**.

The fund issued loans to members as per their request and approval by the fund administration committee. In the year under review, a total of Twenty-Eight (28) loan applications amounting to **Kshs. 92,700,000** were disbursed.

Financial Performance

a) Revenue

In the year ended 30th June 2025, the fund made revenue from interest on loans from members amounting to **Kshs. 3,431,235**. This was made possible by the fact that, all members paid up their monthly instalments as at the close of the FY 2024/2025.

In the table below, we present an analysis of revenue performance during the year.

Revenue classification	Revenue budget (Kshs)	Actual (Kshs)	Realization (%)
Revenue			
Public contributions and donations	-	-	-
Interest income	5,520,479	3,431,235	62
Fines, penalties and other levies	-	-	-
Other income	-	-	-
Total income	5,520,479	3,431,235	62

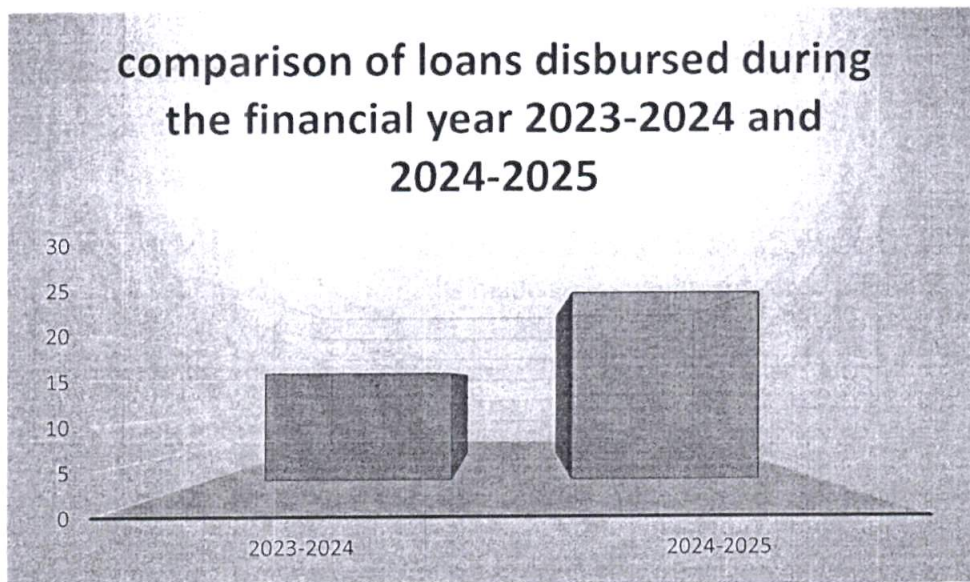


Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

b) Loans

In the course of the financial year 2024/2025, the fund disbursed loans to Twenty-Eight (28) staff members amounting to **Kshs. 92,700,000**. Sixty-one (61) staff members have benefited from the loan's disbursement since inception of the fund.

Comparison of number of loans disbursed during the financial year 2023-2024 and 2024-2025



c) Cash flows

In the FY 2024/2025, the cash and cash equivalents amounted to **Kshs. 84,849,981**, there was no liquidity challenges in the fund since all the members of staff who had applied for the loans were disbursed.

d) Conclusion

During financial year 2024/2025 the loan uptake had increased by Twenty-Eight members of staff. This is highest disbursements made since the inception of the fund.



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

I take this opportunity to thank the fund administration committee and all stakeholders for their continued support to ensure that Nyeri County Executive Car Loan and Mortgage (Staff) Scheme achieves its objectives.



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 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 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 budgeted amount on interest income was **Kshs 5,520,479** and the realized amount is **Kshs 3,431,235**.

The key development objectives of the Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund is to:

- a) Provide a loan scheme for the purchase, development, renovations or repair of residential property and/or to purchase a motor vehicle for personal use by members of the scheme.

Progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Car loans and mortgages fund	Provide car loans and mortgages to staff members	Number of staff members accessing car loans and mortgages in the County	Number of staff who have accessed loans	During the FY 2024/2025 Twenty-eight (28) members of staff accessed loans



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

8. Corporate Governance Statement

Process of appointment and removal of fund administration committee

The Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund regulations 2017 indicates that there is established a Nyeri County Executive (Car and Mortgage) Loans Management Committee, which consists of: -

- (a) The County Executive Committee Member responsible for Finance or his/her designate who shall be the chairperson;
- (b) One member of the County Executive Committee elected by members of the County Executive Committee;
- (c) The Chief Officer in charge of Land and planning;
- (d) The Chief Officer responsible for finance who shall be the Fund Administrator;
- (e) The officer in charge of human resource services in the County Public Service;
- (f) The Chief officer responsible for Public Works Officer;
- (g) The Secretary County Public Service Board or his/her designate.
- (h) The County Attorney

Succession plan

The composition of the fund management committee is as per the Nyeri County Executive Car Loan and Mortgage (Staff) Scheme regulations 2017 clause 6 (1).

Roles and functions of the Fund Administration Committee

- a) Process and approve loans in accordance with the regulations;
- b) Liaise with the financial institution where necessary to set up a Fund for the disbursement of the loans;
- c) Oversee the management of the Fund;
- d) Monitor and evaluate the performance of the Fund;
- e) Approve annual work programmes and procurement plans for the Fund



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

- f) Recommend the investment of any surplus funds not immediately required in securities approved by the County Government, for the purposes of realizing the objects and purpose for which the Fund is established
- g) Cause to be kept all proper books and records of account of the income, expenditure, assets and liabilities of the Fund
- h) Receive any gifts, donations, grants or endowments made to the Fund
- i) Consider and recommend approval of the financial statements to the officer administering the Fund
- j) Recommend as when required the procurement of a financial institution to administer the Fund on its behalf
- k) Perform any other functions that are ancillary to the objects and purpose for which the Fund is established
- l) Determine its own procedures for conducting its business

Fund administration committee and member performance,

A total of 61 loan beneficiaries has made borrowings amounting to **Kshs.235,806,500** since its inception. The fund disbursed loans to all members as per their requests and the approval by the fund administration committee.



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

The number of fund administration committee meetings held and members' attendance in FY 2024-2025

S/No	Date of the Meetings	No. of members who attended
1.	2 nd July 2024	7
2.	27 th August 2024	8
3.	2 nd October 2024	6
4.	31 st October 2024	6
4.	13 th November 2024	8
5.	9 th December 2024	8
6.	24 th December 2024	8
7.	18 th February 2025	8
8.	27 th March 2025	8
9.	5 th May 2025	8
10.	16 th May 2025	9

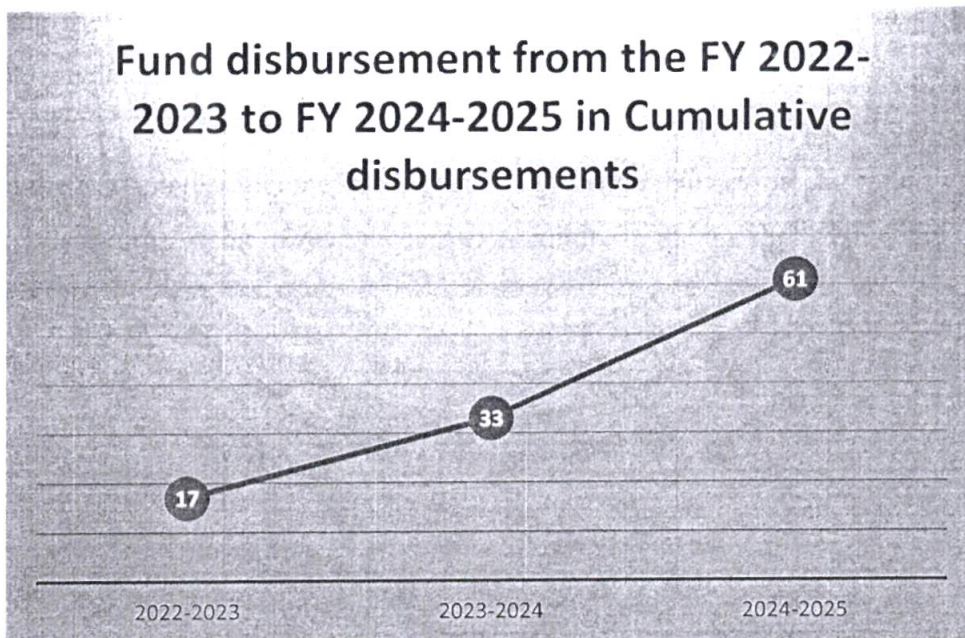


Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

9. Management Discussion and Analysis

The fund was established in June 2018, started with an amount of **Kshs. 100 million** and an additional **Kshs 138,570,074**. A total of 61 loan beneficiaries has made borrowings amounting to **Kshs. 235,806,500**.

The fund has given loans to all members of staff as per their requests and the approval by the fund administration committee. The fund has experienced a continuous rise in disbursements as shown



During the FY 2024-2025 the fund earned an interest income of Kshs 3,828,887 while loans disbursed amounted to Kshs 92,700,000.

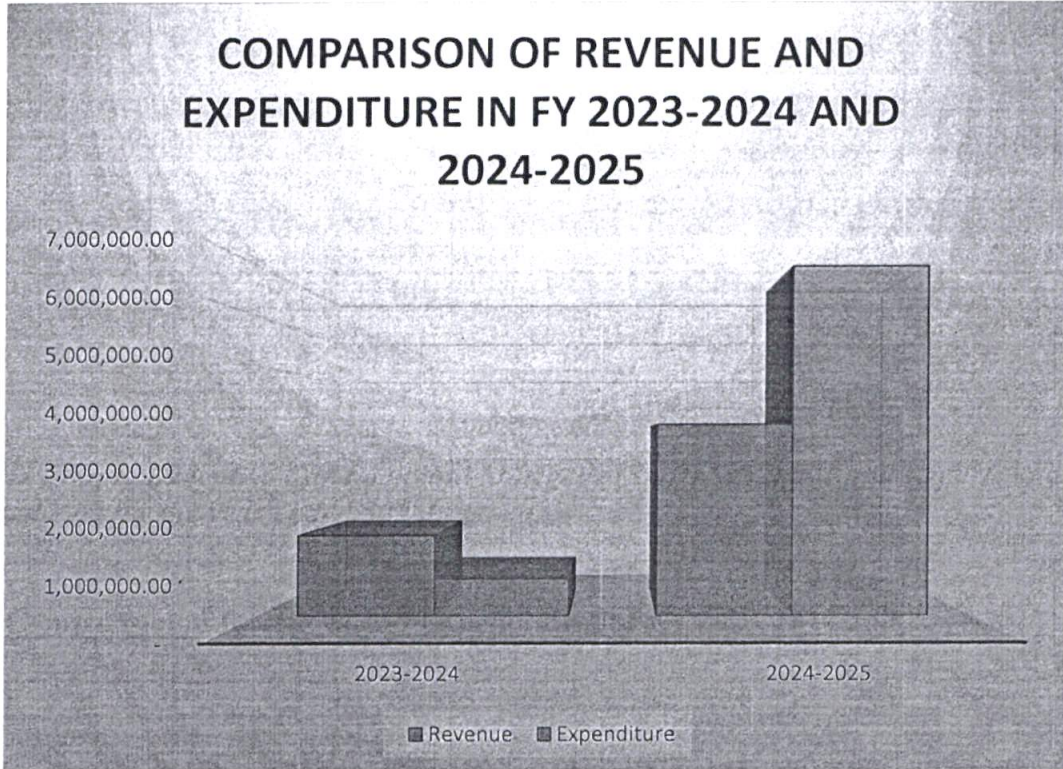
The fund accrued fringe benefit tax arrears of Kshs 2,514,254, the accumulated arrears resulted from the low interest income in the fund and the high market interest rates.

Below is a comparison of revenue and expenditure in the FY 2023-2024 and 2024-2025



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

Comparison of Revenues and Expenditure for FY 2023-2024 and 2024-2025





Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

10. Environmental and Sustainability Reporting

i) *Sustainability strategy and profile*

During the reporting period, the Fund aligned its operations with global and national sustainability priorities. At the global level, issues such as climate change, energy transition, and responsible financing continue to influence lending practices. The Fund has implemented sustainability measures anchored in the County Integrated Development Plan (CIDP), the Public Finance Management Act, 2012, and the Climate Change Act, 2016. The Fund's regulations emphasizes timely and transparent loan processing, equitable access to financing and fair contract allocation.

ii) *Environmental performance*

The Fund operates under the guiding principles of the Environmental Management and Coordination Act (1999) and the Climate Change Act (2016). Our environmental policy commits to minimizing the ecological footprint of operations and supporting beneficiaries in adopting sustainable practices. There is installed waste segregation bins within offices to enhance recycling.

iii) *Employee welfare*

On occupational safety, the Fund comply with the Occupational Safety and Health Act (2007). Fire safety equipment and first-aid kits are installed in offices.

iv) *Market place practices-*

The organization should outline its efforts to:

a) *Responsible competition practice.*

The Fund upholds responsible competition by adhering to the Public Procurement and Asset Disposal Act, 2015, ensuring transparency, fairness, and anti-corruption practices. Loan terms and conditions are disclosed clearly. The Fund also ensures



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

improved service delivery by using a cashless payment process when undertaking its activities.

b) Responsible Supply chain and supplier relations

The Fund has been treating its suppliers responsibly by ensuring it performs its operations as per the agreement and also ensuring payments are done within the stipulated timelines.

c) Responsible marketing and advertisement or Responsible engagement with the citizens.

The Fund maintained open communication with its members by giving adequate information to its members concerning the various types of loans, loan terms and requirements, approval process, repayment and other matters relating to Fund.

This was done one on one communication, letters and circulars.

d) Product stewardship or Awareness creation

The Fund safeguarded consumer rights by ensuring data privacy in compliance with the Data Protection Act, 2019. Beneficiaries were provided with adequate information on loan eligibility, repayments and insurance policies, ensuring transparency and informed decision-making.

v) Corporate Social Responsibility / Community Engagements

The fund has sensitized its members on the availability of the car loan and mortgage facility. It has also gone further and informed members of the requirements to access the facility and also the process involved before accessing the funds and this helps the members of the scheme to make informed decisions.



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

11. Report of the Fund Administration Committee

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

Principal activities

The principal activity of the fund is to provide a loan scheme for the purchase, development, renovations or repair of residential property and/or to purchase a motor vehicle for personal use by members of the scheme.

Results

The results of the Fund for the year ended June 30, 2025 are set out on page 1 to 46

Fund Administration Committee

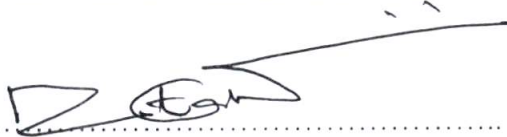
The members of the Fund Administration Committee who served during the year are shown on page viii - xi. The changes in the Fund Administration Committee during the financial year are as shown below:

Current Fund Administrator	Former Fund Administrator
Ibrahim Adan Edin	John Mungai Ngugi

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 Fund Administration Committee.



Chair of the Fund Administration Committee

Date: 22.8.2025



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 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 Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund regulation 2017 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund regulation 2017. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

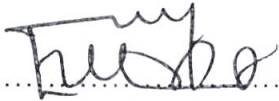


Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

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 Fund Administration Committee on 22.8. 2025 and signed on its behalf by:



.....
Administrator of the Fund

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NYERI COUNTY EXECUTIVE CAR LOAN AND MORTGAGE (STAFF) SCHEME 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 the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; 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 Nyeri County Executive Car Loan And Mortgage(Staff) Scheme Fund set out on pages 1 to 52, which comprise of the

Report of the Auditor-General on Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund for the year ended 30 June, 2025

statement of financial position as at 30 June, 2025 and the statement of Financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Nyeri County Executive Car Loan And Mortgage (Staff) Scheme Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Regulations, 2017 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

Outstanding Fringe Benefits Tax

The statement of financial performance for the year ended 30 June, 2025 reflects use of goods and services balance of Kshs.6,959,705 as disclosed in Note 12 to the financial statements. Included in this amount is fringe benefit tax amounting to Kshs.2,514,254 that the Fund Administrator failed to remit in taxes within the prescribed time period, resulting into tax arrears that have incurred interest charges and penalties. However, the Fund Administrator has not explained and disclosed the amount pertaining to the tax arrears, accumulated interest and penalties in the financial statements. The unremitted tax may continue to attract additional interest and penalties.

In the circumstances, the accuracy and completeness of the fringe benefit tax of Kshs.2,514,254 could not be confirmed.

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

Emphasis of Matter

The statement of comparison of budget and actual amounts reflects reported final budget under interest income amounting to Kshs.5,520,479 against the actual amount of Kshs.3,431,235 resulting to income shortfall of Kshs.2,089,244 or 38%.

In the circumstances, the budgeting of income seems to have been unrealistic.

My opinion is not modified in respect of this matter.

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 matters described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management is responsible for the Other Information set out on page ii to xxix which comprise of Key Entity Information and Management, The Fund Administration Committee, Key Management Team, Chairman's Statement, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Trustees and the Statement of Management 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 and I am required to report that fact.

Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matter described in the Basis for Conclusion on 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

Loan Policy Not Aligned to Salaries and Remuneration Commission (SRC) Guidelines

The audit observed that the Fund Administration Committee approved loan application thresholds for staff in excess of limits set by the SRC by a cumulative amount of Kshs.2,000,000 for each cadre or job Group. As detailed in the committee minutes dated 27 August, 2024; the Committee through minute 44/27/08/2024 – Loan Application criteria for staff irregularly made the following declarations.

- Whereas the SRC approved thresholds of up to Kshs.4,000,000 for car loans for Job groups S, T and U; the Committee approved a threshold of Kshs.5,000,000.
- Further, whereas the SRC approved thresholds of up to Kshs.3,000,000.00 for car loans for Job groups P, Q, and R; the Committee approved a threshold of Kshs.4,000,000.

In the circumstances, the effectiveness of the Fund's internal control mechanism in regard to loan applications could not 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 Trustees

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards 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



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	6	-	-
Transfers From the County Government	7	-	100,000,000
Fines, Penalties and Other Levies	8	-	-
Revenue From Exchange Transactions			
Interest Income	9	3,828,887	1,599,208
Other Income	10	-	-
Total Revenue		3,828,887	101,599,208
Expenses			
Employee Costs	11	-	-
Use of goods and services	12	6,959,705	1,524,122
Depreciation and Amortization Expense	13	-	-
Finance Costs	14	-	-
Total Expenses		6,959,705	1,524,122
Other Gains/Losses			
Gain/Loss on Disposal of Assets	15	-	-
Gain /Loss on fair value of investments	16	-	-
Surplus/(Deficit) for the Period		(3,130,819)	100,075,086

.....
Name: Ibrahim Adan Eden
Administrator of the Fund
ICPAK Member Number: 19013

.....
Name: Nancy Gatei
Fund Accountant
ICPAK Member Number: 8455




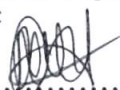
Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

15. Statement of Financial Position As at 30 June 2025

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	17	84,849,981	146,157,676
Current Portion of Long- Term Receivables from Exchange Transactions	18	3,920,290	2,296,172
Prepayments	19	-	-
Inventories	20	-	-
Investments in financial assets	21	-	-
Total current assets		88,770,271	148,453,848
Non-Current Assets			
Property, Plant and Equipment	22	-	-
Intangible Assets	23	-	-
Long Term Receivables from Exchange Transactions	18	150,608,091	91,490,129
Investment Property	24	-	-
Total non- current assets		150,608,091	91,490,129
Total Assets (A)		239,378,362	239,943,977
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	25	2,646,805	81,603
Current Provisions	26	-	-
Current Portion of Borrowings	27	-	-
Employee Benefit Obligations	28	-	-
Social benefit liabilities	29	-	-
Total current liabilities		2,646,805	81,603
Non-Current Liabilities			
Non-Current Provisions	26	-	-
Long Term Portion of Borrowings	27	-	-
Non-Current Employee Benefit Obligation	28	-	-
Social benefit liabilities	29	-	-
Total Liabilities (B)		2,646,805	81,603
Net Assets (A-B)		236,731,557	239,862,374
Represented By:			
Revolving Fund		238,570,074	138,570,074
Reserves		-	1,217,215
Accumulated Surplus		(1,838,518)	100,075,086
Net Assets		236,731,556	239,862,375

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 22.8.2025 and signed by:

.....

Name: Ibrahim Adan Eden
Administrator of the Fund
ICPAK Member Number: 19013

.....

Name: Nancy Gatei
Fund Accountant
ICPAK Member Number: 8455



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

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	138,570,074	-	1,217,215	139,787,289
Surplus/(Deficit) For the Period		-	75,086	75,086
Funds Received During the Year	100,000,000	-	-	100,000,000
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2024	238,570,074	-	1,292,301	239,862,375
Balance As At 1 July 2024	238,570,074	-	1,292,301	239,862,375
Surplus/(Deficit) For the Period	-	-	(3,130,819)	(3,130,819)
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2025	238,570,074	-	(1,838,518)	236,731,556



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government		-	100,000,000
Interest received		3,431,235	1,599,208
Receipts from other operating activities		-	-
Total receipts		3,431,235	101,599,208
Payments			
Use of goods and services		4,312,900	1,524,122
Fund administration expenses		-	-
General expenses		-	-
Finance cost		-	-
Other payments		-	-
Total Payments		4,312,900	1,524,122
Adjustment of transfer of interest from National bank to family bank			375,932
Reversed bank charges		1,680	
Net cash flows from operating activities	30	(879,985)	100,451,018
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		-	-
Proceeds from sale of property, plant & equipment		-	-
Unidentified deposits of loan repayment & interest		-	-
Proceeds from loan principal repayments		32,272,290	14,844,266
Loan disbursements paid out		(92,700,000)	(70,600,000)
Net cash flows used in investing activities		(60,427,710)	(55,755,734)
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalents		(61,307,695)	44,695,284
Cash and cash equivalents at 1 July	17	146,157,676	101,462,392
Cash and cash equivalents at 30 June	17	84,849,981	146,157,676



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

18. Statement Of Comparison of Budget and Actual Amounts for the Period 2025

Description	Original budget	Adjustment	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*	-	-	-	-	-	-
Receipts						
Public Contributions and Donations	-	-	-	-	-	-
Transfers From County Govt.			-	-	-	-
Interest Income	5,520,479	-	5,520,479	3,431,235	2,089,244	62
Other Income	-	-	-	-	-	-
Balance B/F	146,157,752	-	146,157,752	146,157,752	-	100
Total Income	151,678,231	-	151,678,231	149,588,987	2,089,244	-
Expenses						
Fund administration expenses	1,840,160	-	1,840,160	1,352,320	696,405	62
General Expenses	20,000	-	20,000	-	20,000	-
Finance Cost	10,000	-	10,000	10,461	(461)	105
Loan Disbursements	144,672,571	-	144,672,571	92,700,000	51,972,572	64
Committee Members allowances	1,635,500	-	1,635,500	355,000	1,280,500	22
Fringe Benefit tax	3,500,000		3,500,000	2,722,082	777,918	78
Total Expenditure	151,678,231	-	151,678,231	97,139,863	54,746,934	-
Capital expenditure	-	-	-	-	-	
Surplus For the Period	-	-	-	52,449,124	(52,657,690)	



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

Budget notes

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	52,449,124
1.	Interest income: All the funds were not disbursed as budgeted thus the shortfall of interest income.	2,089,244
2.	Fund administration expenses: The fund did not realize the interest income thus it affected the fund administration expenses	696,405
3.	General expenses: There were no expenses incurred	20,000
4.	Bank charges	(461)
5.	Loan disbursements: The Fund did not disburse all the funds as budgeted	51,972,572
6.	Committee allowances: The Fund had planned for a retreat to review the Fund regulations but due to the low interest income the committee retreat could not be met by the Fund.	1,280,500
7.	Fringe Benefit tax: The Fund had budgeted for the fringe benefit tax for the FY 2023/2024 and 2024/2025 but managed to pay fringe benefit for the FY 2023/2024 and for quarter one FY 2024/2025	777,918
	Closing Cash and Cash Equivalent as per the statement of Cash flows	84,849,981



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund entity is established by and derives its authority and accountability from PFM Act 2012. The entity is wholly owned by the Nyeri County Government and is domiciled in Kenya. The entity's principal activity is to provide a loan scheme for the purchase, development, renovations or repair of residential property and/or to purchase a motor vehicle for personal use by members of the scheme

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

(When an IPSAS becomes effective on 1st January 20xx, it is applicable in Kenya from 1st July 20xx)

(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.



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

	<p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></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><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol 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><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 47:</p>	<p><i>Applicable 1st January 2026</i></p>



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

Revenue	<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> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>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><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>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><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>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. <p><i>State the expected impact of the standard to the Entity if relevant</i></p>



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

(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.)*



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

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 on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2024-2025 was approved by the Fund Administration committee on 2nd July 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded no additional appropriations on the FY 2024-2025.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

Summary of Significant Accounting Policies (Continued)

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

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

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

a) Intangible Assets

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

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



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

Summary of Significant Accounting Policies (Continued)

b) Investment property

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

c) Financial instruments

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



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the

Summary of Significant Accounting Policies (Continued)

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

Subsequent measurement

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

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and

Summary of Significant Accounting Policies (Continued)

interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) Inventories

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

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

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

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

e) Provisions

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



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025
Summary of Significant Accounting Policies (Continued)

f) **Social Benefits**

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



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025
Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

Contingent assets

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

h) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. Changes in accounting policies and estimates

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

i) Employee benefits – Retirement benefit plans

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

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

Summary of Significant Accounting Policies (Continued)

contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025
Summary of Significant Accounting Policies (Continued)

j) Contingent liabilities

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

Contingent assets

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

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. Changes in accounting policies and estimates

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

l) Employee benefits – Retirement benefit plans

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

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025
Summary of Significant Accounting Policies (Continued)

m) Foreign currency transactions

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

n) Borrowing costs

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

o) Related parties

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

p) Cash and cash equivalents

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



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

q) Comparative figures

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



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025
Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

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

Notes To the Financial Statements Continued

6. Public contributions and donations

Description	2024-2025	2023-2024
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From the Public	-	-
Total	-	-

7. Transfers from County Government

Description	2024-2025	2023-2024
	Kshs	Kshs
Transfers From County Govt. –Operations	-	100,000,000
Payments By County on Behalf of The Entity	-	-
Unconditional Development grants	-	-
Total	-	100,000,000

8. Fines, penalties and other levies

Description	2024-2025	2023-2024
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

9. Interest income

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest Income from Mortgage Loans	3,673,240	1,338,488
Interest Income from Car Loans	155,646	15,912
Accrued Interest income (not posted)	-	244,808
Interest Income from Investments in financial assets	-	-
Interest Income on Bank Deposits	-	-
Total Interest Income	3,828,887	1,599,208



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

10. Other income

Description	2024/2025	2023/2024
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

11. Employee Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other (<i>Specify</i>)	-	-
Total	-	-



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

12. Use of Goods and Services

Description	2024/2025	2023/2024
	Kshs.	Kshs.
General Office Expenses	-	6,500
Loan Processing Costs	-	-
Professional Services Costs	1,357,908	451,473
Administration Fees	-	-
Committee Allowances	355,000	172,000
Bank Charges	10,461	8,437
Fringe Benefit tax	5,236,336	885,712
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	-	-
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other (<i>Conference Expenses</i>)	-	-
Social benefit expenses*	-	-
Total	6,959,705	1,524,122



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

13. Depreciation and Amortization Expenses

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

14. Finance costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans from Banks	-	-
Total	-	-



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

15. Gain/(loss) on disposal of assets

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

16. Gain/ (loss) on Fair Value Investments

Description	2024/2025	2023/2024
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

17. Cash and cash equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Car Loan Account	-	-
County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	84,849,981	146,157,676
Others (<i>Specify</i>)	-	-
Total Cash and Cash Equivalents	84,849,981	146,157,676



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

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

Financial Institution	Account number	2024/2025	2023/2024
		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			
Cooperative Bank - Nyeri County Executive Car Loan and Mortgage Safe Custody	01141894597700	9,264	240
Family Bank - County Government of Nyeri (Interest Account)	055000053936	358,945	1,003,147
Family Bank Executive Fund - Nyeri County Loans and Mortgages Fund A/C	055000028883	34,407,554	20,455,289
Family Bank County Public Service Officers Fund - Nyeri County Car Loan and Mortgage Staff Scheme Fund A/C	055000065379	22,450,000	100,000,000
Family Bank Nyeri County Loans and Mortgages Collection A/C	055000053935	27,624,218	24,698,975
Nyeri County Executive Car Loan and Mortgage Fund (NBK)	01520205791900	-	25
Sub- Total		84,849,981	146,157,676
d) Others(Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		84,849,981	146,157,676



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

18. Receivables from exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Receivables		
Interest Receivable	397,652	-
Current Loan Repayments Due	3,522,638	2,296,172
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	3,920,290	2,296,172
Non-Current Receivables		
Long Term Loan Repayments Due	150,608,091	91,490,129
Total Non- Current Receivables	150,608,091	91,490,129
Total Receivables from Exchange Transactions	154,528,381	93,786,301



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

Additional disclosure on interest receivable

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	179,936	-
Accrued interest receivable from of long-term loans of previous years		-
Interest receivable from current portion of long-term loans issued in the current year	217,716	-
Current loan repayments due	397,652	
Current portion of long-term loans from previous years		-
Accrued principal from long-terms loans from previous periods	63,411,610	-
Current portion of long-term loans issued in the current year	87,196,481	-

19. Prepayments

Description	2024/2025	2023/2024
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	-	-



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

20. Inventories

Description	2024/2025	2023/2024
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (Specify)	-	-
Total Inventories	-	-

Detailed disclosure on inventories

	2024/2025	2023/2024
Opening balance	-	-
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	-	-

21. Investments in financial assets

Description	2024/2025	2023/2024
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
Bank x	-	-
Bank y	-	-
Sub- total	-	-
c. Equity investments (specify)		
Equity/ shares in Entity xxx	-	-
Sub- total	-	-
Grand total	-	-



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

Movement of Equity Investments

Impairment allowance/ provision	2024-2025	2023-2024
	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	-	-

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		Current year	Prior year
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

22. Property, plant, and equipment

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



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

23. Intangible assets

Description	2024-2025	2023-2024
	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	-	-

24. Investment Property

Description	2024-2025	2023-2024
	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	-	-



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

25. Trade and other payables from exchange transactions

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Trade Payables	-		-	
Refundable Deposits	-		-	
Accrued Expenses	2,646,805		81,603	
Other Payables (Unidentified deposits)	-		-	
Total Trade and Other Payables	2,646,805		81,603	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	2,646,805	100	81,603	100
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (tie to above total)	2,646,805	100	81,603	100

26. 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	-	-	-	-



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

27. Borrowings

Description	2024/2025	2023/2024
	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	2024/2025	2023/2024
	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	2024/2025	2023/2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

28. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	2024-2025	2023-2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

29. Social Benefit Liabilities

Description	2024-2025	2023-2024
	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)	-	-



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

30. Cash generated from operations.

Description	2024-2025	2023-2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	(879,985)	-
Adjusted For:		
Depreciation	-	-
Amortization	-	-
Gains/ Losses on Disposal of Assets	-	-
Interest Income	-	-
Finance Cost	-	-
Working Capital Adjustments	-	-
Increase In Inventory	-	-
Increase In Receivables	-	-
Increase In Payables	-	-
Net Cash Flow from Operating Activities	(879,985)	-



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

31. 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	2024-2025	2023-2024
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	2024-2025	2023-2024
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	2024-2025	2023-2024
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

Other Disclosures Continued

e) Due to related parties

Description	2024-2025	2023-2024
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

32. Contingent assets and contingent liabilities

Contingent Liabilities	2024-2025	2023-2024
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

(Give details)



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

33. Financial risk management

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

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

a) Credit risk

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

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

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.



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

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

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	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June (2024)				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

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.



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity’s income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Fund’s Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

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

i. Foreign currency risk

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

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

Description	Other currencies		Total
	Kshs	Kshs	Kshs
At 30 June (2025)			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables	-	-	-
Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

Foreign currency sensitivity analysis

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

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

ii. Interest rate risk

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

Management of interest rate risk

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

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 (20xx: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20xx – Kshs xxx).



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

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	2024-2025	2023-2024
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	238,570,074	-
Accumulated surplus	-	-
Total funds	238,570,074	-
	-	-
Total borrowings	-	-
Less: cash and bank balances	(84,849,981)	-
Net debt/(excess cash and cash equivalents)	(84,849,981)	-
Gearing	-	-

34. Events after the reporting period

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

35. Ultimate and Holding Entity

The entity is a County Public Fund established by Nyeri County Executive car loan and mortgage (staff) scheme fund regulation 2017 under the Department of Finance, Economic Planning & ICT. Its ultimate parent is the County Government of Nyeri.

36. Currency

The financial statements are presented in Kenya Shillings (Kshs)



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

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.	<p>Unaccounted for Fringe Benefits Tax</p> <p>The statement of financial performance reflects use of goods and services amounting to Kshs. 1,524,122 as disclosed in Note 7 to the financial statements. Included in the expenditure is fringe benefits tax of Kshs. 885,712 which does not agree with the supporting schedules of Kshs. 621,712 resulting to an unexplained and unreconciled variance of Kshs. 264,000. Further, review of tax computation schedule provided for audit revealed that the Fund had an outstanding fringe benefit tax of Kshs. 881,424, an accumulated interest of Kshs. 715,660 all totalling to Kshs. 1,596,662 as at 30 June 2024 and</p>	<p>The figure of Kshs. 885,712 consists of fringe benefit tax that was paid to Kenya Revenue Authority since inception of the fund to August 2023 which was paid vide two payment vouchers of Kshs. 626,412.30 and Kshs. 259,299.10 which were provided for audit. Further the management had not remitted the fringe benefit tax of Kshs. 1,826,119.50 for financial 2023/2024 due to the low uptake of the loans hence the low interest income which is utilized to defray operating expenses of the fund as per the Fund Regulations. The management paid the unpaid fringe benefit tax of Kshs. 1,826,119.50 in the financial year 2024/2025. The unpaid tax arrears amounting to Kshs. 30,301,063 was a demand from Kenya Revenue Authority for the various tax heads under County Government of Nyeri for the financial years 2017/2018 to 2021/2022. The only tax head relating to the fund is the fringe benefit tax which was in arrears of Kshs.626, 412 which was settled as per payment vouchers above.</p>	Resolved	FY 2025/2026



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

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)
	<p>unpaid tax arrears amounting to Kshs. 30,301,063. In addition, the Fund Administrator failed to remit taxes within the prescribed time period which might attract interest and penalties on the outstanding amounts. In the circumstances, the regularity, accuracy and completeness of the fringe benefits tax amount of Kshs.885, 712 could not be confirmed.</p>			
2.	<p>Unconfirmed Interest Income The statement of financial performance reflects interest income of Kshs. 1,599,208 as disclosed in Note 4 to the financial statements. However, the schedule of the interest income during the year was not provided. In the circumstances, accuracy of the interest income could not be confirmed</p>	<p>The interest income received of Kshs. 1,599,208 was computed from the individual loan statements as per the schedule provided for audit.</p>	Resolved	Continuous
	<p>Budgeted Interest Income Shortfall</p>	<p>The fund had budgeted to disburse loans amounting to</p>		



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

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)
	<p>The statement of comparison of budget and actual amounts reflects reported final budget under interest income amounting to Kshs. 6,450,513 and actual amount of Kshs. 1,599,208 resulting to income shortfall of Kshs. 4,851,208 or about 75% of the budgeted interest income. In the circumstances, the budgeting of revenue income seems to have been unrealistic</p>	<p>Kshs. 230,040,734 which could have yielded an interest income of Kshs. 6,450,513 but only managed to disburse Kshs. 70,600,000 earning an interest of Kshs. 1,599,208. The shortfall of the interest income was occasioned by non-disbursement of all the funds as anticipated</p>		
	<p>Loans Disbursed Without Mandatory Documentation The report of the Fund Administrator stated that during the year under review, the Fund disbursed a total of sixteen (16) loan applications amounting to Kshs. 70,600,000. However, loans amounting to Kshs. 21,200,000 were advanced without the required mandatory documents such as approvals, approved drawings, mortgage insurance protection policy</p>	<p>All the loans disbursed were fully approved by the Fund Administration Committee vide the minutes provided for audit. Further, as a means of ensuring that the County Government does not suffer any financial loss due to non-repayment of loans (if any), the properties used as security for the loans must be valued and the amounts to be disbursed must be of same value or lower. Should there be any default in payment of loan which may necessitate recovery of funds, the Regulations provide that the properties used to secure the loans may be used to recover the funds through institution of legal proceedings.</p>	Resolved	Continuous



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

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)
	and valuation reports. In the circumstances, the Fund might be exposed to financial losses through non-recoverability of loans disbursed without adhering to the provisions defined in the regulations	The mortgage protection policy which is against death and permanent disability is maintained by the bank administering the fund on behalf of the County Government of Nyeri, this is as per the agreement between the bank and the County Government.		

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.

Administrator of the Fund

Date.....22-8-2025.....



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

Annex II: Inter-Fund Confirmation Letter


Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund
 P.O Box 1112
 Nyeri

The County Government of Nyeri 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 Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund as at 30 th June 2025								
Reference Number	Date Disbursed	Amounts Disbursed by County Government of Nyeri (Kshs) as at 30 th June 2025				Total (D) = (A+B+C)	Amount Received by [Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund (KShs) as at 30 th June 2025 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)				
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	

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

Head of Accountants department of beneficiary Fund:

Name..... NANCY GATEI Sign.....  Date..... 22.8.2025



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025
Annex III: Reporting of Climate Relevant Expenditures

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



Nyeri County Executive Car Loan and Mortgage (Staff) Scheme Fund Reports and Financial Statements for the year ended 30th June, 2025

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 (Ksh.s.)	Comments