

REPUBLIC OF KENYA



238

REPORT

OF

THE AUDITOR-GENERAL

ON

**TAITA TAVETA COUNTY ASSEMBLY
MEMBERS CAR LOAN AND
MORTGAGE FUND**

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

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**TAITA TAVETA COUNTY ASSEMBLY MEMBERS CAR LOAN AND
MORTGAGE FUND**

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

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

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

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Taita Taveta County Assembly Members Car Loan and Mortgage Fund
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1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
PPE	Property and Plant Equipment
CPA (K)	Certified Public Accountant Kenya

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility
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**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
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2. Key Fund Information and Management

a) Background information

Taita Taveta County Assembly Car Loan and Mortgage Fund is established by and derives its authority and accountability from in exercise of the powers conferred by section 116 of the Public Finance Management Act, 2012, the County Executive Committee member for Finance and Economic Planning hereby establishes a loan fund to be referred to as the Taita Taveta County Assembly Members Car Loan and Mortgage Scheme Fund.

The fund's objective is to provide a loan scheme for the purchase of vehicles, purchase of house or land for development, renovation or repair of residential property by members and staff of the Fund

The Fund's principal activity is to provide loan scheme for purchase vehicle house or land for development renovation or repair residential property by members of the fund.

b) Principal Activities

The principal mandate of the Fund is to provide a loan scheme for the purchase of vehicles, purchase of house or land for development, renovation or repair of residential property by members of the Scheme.

c) Fund Administration Committee

Ref	Name	Position
1	Hon Anselm Mwadime Chao	Chairperson
2	Hon Anthony Warighe Hon Newton Kifuso Hon Muganga Solomon Jones	Committee Members
3	CPA Gadiel Maganga	Administrator

d) Key Management Team

Ref	Name	Position
1	CPA Gadiel M Maganga	Fund Manager/ Administrator
2	CPA Joseph Mwashighadi	Fund Accountant
3	Margaret Mwanguo	Assistant Fund Accountant
4	Mr Fredrick Mwabili	Principal Legal Officer

**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
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Key Fund and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Mr. Renson Mambaria
2	Staff car Mortgage and Car Loan Advisory Committee	Ms Phelis Mwambere Mr James Mwang'ombe Mr Shannel Machu Ms Milkah Righa Ms Florence Wambugha
3		

f) Registered Offices

P.O. Box 1066 - 80304
County Assembly Head Quarters
Wundanyi, KENYA

g) Fund Contacts

Telephone: (254) 718703359 / 732604811

E-mail: informationdesk@taitatavetaassembly.go.ke

Website: www.taitatavetaassembly.go.ke

h) Fund Bankers

Co-operative Bank of Kenya
P.O. Box 770 -80300
VOI, Kenya

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

Key Fund and Management (Continued)

i) Independent Auditors






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

j) Principal Legal Adviser

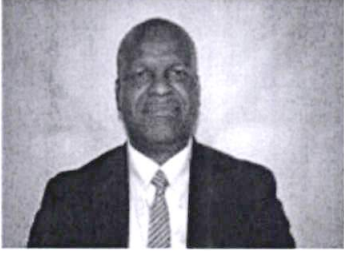
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

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

3. Fund Administration Committee

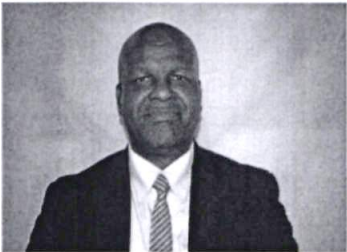




Name	Details of qualifications and experience
	<p>Hon. Anselm Mwadime-Chairperson He is the Acting Speaker. He has been an elected MCA since 2017 He has served as chairperson from 2022.</p>
	<p>Hon. Anthony Mngámwa-Member He is the leader of Majority. He has been an elected MCA since 2017 He has served as a member from 2022.</p>
	<p>Hon Gerald Mwandau -Casb Member He is the leader of minority. He has served as Member of County Assembly representing Werugha ward since August 2022 to date. Hon Gerald holds diploma in Supply and procurement from Mt Kenya university</p>
	<p>Hon. Solomon Muganga -Member He is the Majority Whip. He has been an elected MCA since 2013 He has served as a member from 2022</p>
	<p>HON RHODAH MWASHIGHADI-CASB MEMBER She serves as a member of County Assembly Service Board as a public representative. Hon Rhoda holds Master of Business Administration (Strategic Planning) - Jomo Kenyatta University of Agriculture and Technology. Bachelor of Business Administration (Marketing) – Kenya Methodist University Diploma in co-operative audit-Co-operative University.</p>

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

	<p>Member of the institute of directors Kenya chapter. Attended Strategic Leadership Development Program at Kenya School of Government.</p>
	<p>CPA Gadiel Mnyambo Maghanga- Fund administrator D.O.B 18-7-1978 Clerk Taita Taveta County Assembly Fund Administrator in January 2019. Master's in Business Administration. He is a Certified Public Accountant He is the County Assembly Service Board Secretary He has over 18 years' experience in finance industry.</p>

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

4. Management Team

Name	Details of qualifications and experience
	<p>CPA Gadiel Mnyambo Maghanga D.O.B 18-7-1978 Clerk Taita Taveta County Assembly Fund Administrator in January 2019. Master's in Business Administration. He is a Certified Public Accountant He is the County Assembly Service Board Secretary He has over 18 years' experience in finance industry.</p>
	<p>CPA Joseph Waduu D.O.B 30-6-1982 Director of Finance. Master's in Business Administration-Finance Bachelors in Business Administration –Finance Certified Public Accountant He has over 5 years' experience as an accountant and 6 years' experience as an Internal Auditor.</p>
	<p>CPA Margaret Mwanguo DOB: 26/09/1981 Madam Margaret Mwanguo has been the Fund accountant since July 2023. She is a CPA (K), CPS (K), BCOM (Finance), Diploma (Secretarial Studies), NYS, Paramilitary Basic Training. She has over 10 years' experience in Finance</p>
	<p>Mr Renson Peter Mambaria D.O.B 5-5-1977 Head of Budget & Planning. Master's in Business Administration. Senior Management Course and Strategic Leadership Development Programme Course. 15 years' experience in public finance management.</p>
	<p>Mr Fredrick Mwabili D.O.B 13-7-1982 Principal Legal Officer Bachelor of Law and Diploma in law from Kenya school of Law. 5 years' experience as an advocate</p>

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

5. Fund Chairperson's Report

The Taita Taveta County Assembly Mortgage and Car loan Scheme fund is a revolving fund established pursuant to the Salaries and Remuneration Circular no SRC/ADM/CIR/1/13/ Vol III (128) of 17th December 2014. Section 167 of the Public Finance Management Act 2012 mandates the Administrator of Public Funds with preparation of Annual Financial Statements. There is hereby established a Fund to be known as the Taita Taveta County Assembly Members car loan and mortgage Fund established under Article 207(4) (b) of the constitution of Kenya 2010 and section 116 of the Public Financial Management Act 2012

The Fund shall be managed and maintained in a separate account opened and operated in accordance with the Public Finance Management Act, 2012. The initial capital of the Fund shall consist of the monies standing to the credit of the account of the Fund on the date of the coming into operation of this Act or any other financial arrangement to provide for funding of the same.

The Fund started its operations in 2015 following the gazettelement of the Taita Taveta County Assembly Mortgage Scheme regulation 2015. It received an initial amount of Ksh.3M. The Salaries and Remuneration Commission in its circular ref SRC/ADM/CIR/1/13 Vol.III (128) dated 17 December 2014 provided guidelines for access of Car Loan and Mortgage benefits by all state and public officers. Arising therefrom the County Assembly Committee Members approved and adopted the Staff Loans Policy Paper on 14th September 2015. In the FY 2015/2016 the Fund Committee Members approved and adopted the guidelines on internal administration of the Mortgage Scheme Fund.

Conclusion

Generally, performance of the fund for FY 2024/2025 has been good. Considerable effort has been made to ensure Taita Taveta County Assembly Car loan and Mortgage Scheme Fund continues into prosperity. I take this opportunity to thank all Members of County Assembly for their support. I would also want to thank all heads in charge of departments who have played an important role to ensure that Taita Taveta County Assembly achieves its mission.

I thank all staff in the entire County Assembly for their continued commitment and dedication through hard work in delivering services to the people of Taita Taveta County.

Name: Anselm Mwadime Chao

Signature: .....

Chairperson of the Fund

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

6. Report of The Fund Administrator

It is my pleasure to present the Taita Taveta County Assembly Members Car Loan and Mortgage Fund Financial Statements for the period ended 30th June 2025. The financial statements present the financial performance of the fund over the past year. The fund was established on 14th September 2015 and started with an initial amount of Kshs 3,000,000.

All the 33 Hon Members who applied for Car loan or Mortgage have been facilitated.

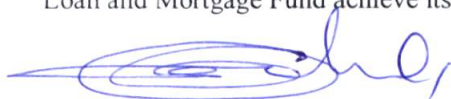
Amounts disbursed current financial year is as follows: -

NAME	AMOUNT - KSHS
MORTGAGE	10,500,0000
CAR LOAN	350,000
MOTOR VEHICLE RE-IMBURSEMENT	9,111,600
TOTAL	19,961,600

Motor Vehicle re-imburement has been facilitated to all Hon members.

a) Conclusion

I take this opportunity to thank the Fund Committee Members for their support. I would also want to thank all staff who we have worked hand in hand to ensure that Taita Taveta County Assembly Members Car Loan and Mortgage Fund achieve its mission.



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Name: CPA Gadiel Mnyambo Maghanga

Fund Administrator

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

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

The Assembly of Taita Taveta strategic plan is to ensure efficient delivery of the services to the public through legislation and public participation.

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 Fund Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government Fund’s performance against predetermined objectives.

The key development objectives of the Taita Taveta County Assembly Members Car Loan and Mortgage Fund plan are to:

- a) Provide funds for purchase of motor vehicle.
- b) Provide housing or land for residential to staff and management.

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Taita Taveta County Assembly members Car loan and Mortgage Fund	To support members to acquire motor Vehicle , Residential house or Land at an affordable facility	Increased number of County Assembly members owning vehicles and homes in the County	% of applicants	During FY 2024/2025, 7 Members of staff accessed the facility and were able to build their own houses and 1 member accessed car loan and was able buy a vehicle.25 MCAs received motor vehicle

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

Program	Objective	Outcome	Indicator	Performance
				reimbursement balances from the Fund.

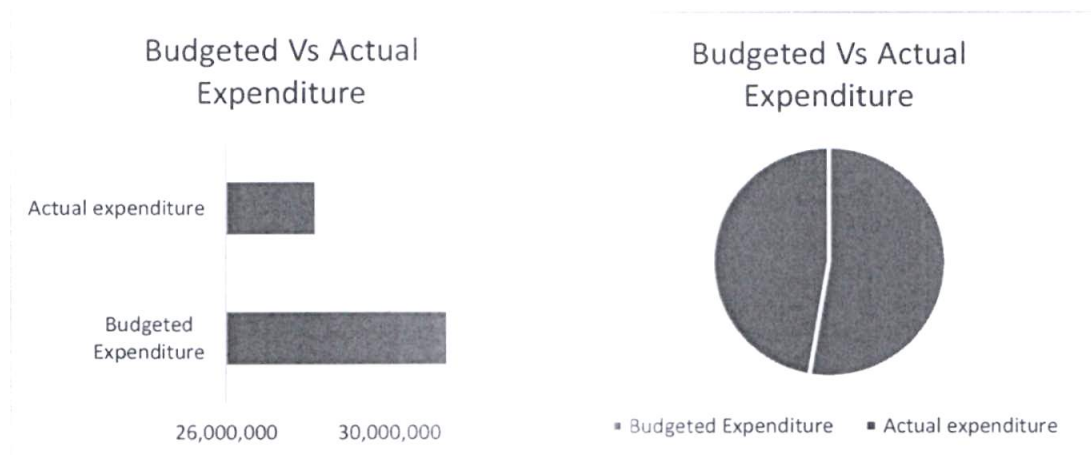
In the Financial Year 2024/2025, the Fund successfully achieved its objectives by issuing mortgage loans to 7 members, 1 car loan to 1 member, and facilitating motor vehicle reimbursements to 25 members. These interventions have significantly supported members in acquiring homes and vehicles, thereby enhancing their welfare and financial well-being.

Financial Performance

a) Budget Performance against actual

In the period ended 30th June 2025, the fund had projected a budget of Kshs 51,500,000 which was income from interest received and principal amount. The budgeted expenditure was Kshs 31,400,000 and the actual was Ksh 28,183,116.

It has been represented as below.



b) **Cash flows**

In the FY 2024/2025, the cash and cash equivalents increased from KShs 7,822,575 as at 30th June 2024 to Kshs 26,829,000 as at 30th June 2025.

8. Corporate Governance Statement

Corporate governance generally refers to the processes by which organisations are directed, controlled and held accountable. It encompasses authority, stewardship, leadership, direction and control exercised in companies and corporations. Governance is concerned with structures and processes for decision making, accountability, control and behaviour at the top of organisations. The bottom line is about power, how it's used and controlled.

- a) A number of Fund Administration Committee meetings were held and the attendance to those meetings by members was satisfactory. In the financial period ended 30th June 2025 the Fund Administration committee had sittings/ meetings of which they approved loans prior to the payment of the same.

Name	Position
Hon Anselm Mwadime Chao	Chairperson
Hon Anthony Warighe	Committee Member
Hon Newton Kifuso	Committee Member
Hon Maganga Solomon Jones	Committee Member
CPA Gadiel Maganga	Administrator

b) Succession Plan

- (1) There is an established committee known as the County Assembly Members Mortgage Loans Management Committee, which consists of-

- (a) the Deputy Speaker in the County Assembly who shall be the chairperson;
- (b) the Leader of Majority in the County Assembly;
- (c) the Leader of Minority of the County Assembly;
- (d) the Majority Chief Whip;
- (e) the Minority Chief Whip;
- (f) one member of the Board nominated by a resolution of the Board;
- (g) the Legal Officer of the County Assembly.
- (h) the Fund Administrator (Clerk of the County Assembly) shall be an ex-officio member and secretary to the Committee.

For example, if Minority leader of the county assembly leaves office (and is a member of the committee), immediately when a new Minority leader is selected, immediately he becomes a member of the committee.

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

- c) **Existence of a Board/Trustee charter:** - There is no Board/ Trustee Charter in place, however, the funds administration committee has a document known as Taita Taveta County Assembly Mortgage Car loan and Mortgage Fund Scheme Regulations 2022 which guide the committee in the administration of Funds.
- d) **Roles and Functions of the Fund administration committee**
- i. supervises and controls the administration of the Fund;
 - ii. utilizes the interest accruing thereto to defray operating expenses, and may impose any reasonable restriction or other requirements concerning such use;
 - iii. cause to be kept books of accounts and other books and records in relation to the Fund and for all loans financed from the Fund;
 - iv. prepares, signs and transmits to the Auditor-General in respect of each financial year and within three (3) months after the end thereof, a statement of accounts relating to the Fund, prepared and signed by him specifying the income of the Fund and showing the expenditure incurred from the Fund, in such details as the Board may from time to time direct in accordance with the Public Finance Management Act;
 - v. furnishes such additional information as may be required for the purpose of examination and audit by the Auditor-General; and
 - vi. Designates and appoint such staff as may be necessary to assist him in the administration of the Fund and may require such staff to carry out such inspections as may be necessary to verify any information submitted under these Regulations.

e) **Induction and Training**

The training and induction of fund committee members performance, was conducted in the financial year 2017/2018. We plan for further training and engagement in the financial year 2025/2026 so as to learn more from other County Assemblies and new members who are coming on board as trustees and members.

e) **Fund administration committee Members performance**

The fund administration members are required to hold meetings and ensure that during budget preparation, their views are put on board to ensure that the members are issued with mortgage loans in time. Any decision should be passed by all members and they all should be in agreement and signed.

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
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f) Conflict of interest

The Board/Trustees should not have any conflict of interest in the fund. There should be disciplinary measures for any member who has conflict of interest to the fund.

g) Fund Administration Committee Remuneration

The Fund Administration committee remuneration is paid when the members hold a meeting thus they are paid sitting allowance. Thus the committee is entitled to the following remuneration: - The chairperson, Vice Chair and member are paid a sitting allowance of Kshs 6,500, Kshs 5,200 and Kshs 3,900 per sitting respectively.

9. Management Discussion and Analysis

Operational Performance

During the year under review, the Fund continued to discharge its mandate of mobilizing resources through recoveries of principal and interest income. Operations were generally stable, with activities focusing on prudent management of available resources, enhanced recoveries, and effective monitoring of loan performance. Stakeholder engagements and awareness sessions were also carried out to promote compliance and repayment discipline among beneficiaries. The Fund streamlined internal processes to ensure timely collection of income and prudent utilization of resources, which contributed to efficiency in meeting obligations and funding operational activities.

Financial Performance

The Fund had projected a budgeted income of Kshs 51,500,000 for the year. Against this projection, actual receipts were adequate to sustain planned operations, supported largely by recoveries from both principal and interest. On the expenditure side, the Fund had budgeted for Kshs 31,400,000, while actual expenditure amounted to Kshs 28,183,116, representing 90% utilization of the budget. This reflects effective cost management and savings realized on certain budget lines without compromising service delivery.

The positive variance between budgeted and actual expenditure demonstrates financial discipline and prudent resource management, leaving the Fund in a stable financial position at year-end.

Key Decisions and Management Actions

- Strengthened debt collection strategies to enhance loan recoveries and minimize default risk.
- Adopted cost-containment measures in administrative and operational areas, which contributed to the savings recorded.
- Continued with policy enforcement to align operations with the Fund's strategic objectives.
- Initiated reviews of loan monitoring mechanisms to ensure sustainability and protect the Fund's financial base.

Compliance with Statutory and Regulatory Requirements

The Fund remained compliant with key statutory requirements during the year, including:

- Timely preparation and submission of financial statements in accordance with the Public Finance Management (PFM) Act, 2012.
- Adherence to relevant provisions of the Public Audit Act, the Income Tax Act, and Treasury circulars.

Risks facing the fund include former MCAs who have defaulted in paying their loans.

10. Environmental and Sustainability Reporting

Taita Taveta County Assembly Members Car Loan and Mortgage Fund exist to ensure that the MCA's benefit from mortgage and car loan. It's what guides us to deliver our strategy, which is founded on Taita Taveta County Assembly pillars: putting the MCA's first, delivering relevant services and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

i. Sustainability strategy and profile -

The top management especially the accounting officer has ensured that mortgage and car loan is available to both the staffs and members of the county assembly. This has further enabled the top management to deliver its activities on time by ensuring that there are separate accounts for mortgage and car loan for staffs and M.C.A's.

ii. Environmental performance

The management has ensured ample environment for the staffs and members of county assembly. Waste products are disposed of properly. There is a separate registry in the facility to store file records which contain information of the organization.

iii. Employee welfare

The top management has ensured gender equity and ethnic values during employment process. This further has enabled the organization derive its values to the society. There is a staff welfare organization in which grievances and opinions can be raised and reach the management in time for action. There are also continuous staffs and M.C.A's training thus improving the management skills and also work life balance. In terms of occupational safety and health act of 2007 (OSHA), the organization has ensured safety of staffs and M.C.A's by continuous training and equipping the working environment with safe health standards.

iv. Market place practices-

a) Responsible competition practice.

The organization is a corruption free environment thus enabling members of the public to public participation during budgeting process and also ensuring that during assembly sessions they are invited to come and hear what the members are passing through bills.

b) Responsible Supply chain and supplier relations- the organization ensures that the stake holders, suppliers are involved during the tendering process. This is by floating tenders to the general public through media, and organization website. This has ensured fair competition and suppliers are invited during tender openings to ensure openness

c) Responsible marketing and advertisement-Marketing is done through the media and publishing through the Kenyan gazette. This is to ensure transparency among the public.

d) Product stewardship- Consumer rights is safeguarded through prompt payments upon delivery of goods by the suppliers to the organization

v. Community Engagements-

Currently the Taita Taveta County Assembly MCA Car loan and Mortgage Fund has no engagements to the community.

11. Report of The Fund administration committee

The Taita Taveta County Assembly Members Car Loan and Mortgage Fund has successfully met its development objectives during the reporting period. All 33 Members benefitted from the facilities, thereby enhancing their welfare, productivity, and service delivery. Going forward, the Fund remains a critical tool for promoting stability, financial empowerment, and efficiency within the County Assembly.

Risk Management Strategies.

To ensure all loans are paid in full and reduce the risk of defaulting loans are repaid via check off system that is, recovery via payroll. We have taken life insurance to safe guard the outstanding loans in the event of death of loanee.

Principal activities

The principal activities of the Fund are to provide a loan scheme for the purchase, development, renovation or repair of residential property by members of the Scheme.

Results

The results of the Fund for the year period 30th June 2025 are set out on the document page 1-7.

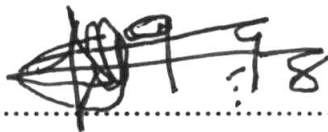
Trustees

There are no trustees in the fund

Auditors

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

By Order of the Board



.....

Chairperson of the Fund Administration Committee

Date: 23rd October, 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 County Government Act no. 17 of 2012 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 County Governments Act no. 17 of 2012. 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.

Approval of the financial statements

The Fund's financial statements were approved by the Board on 23rd October, 2025 and signed on its behalf by:



Administrator of the County Public Fund

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Taita Taveta County Assembly Members Car Loan and Mortgage Fund set out on pages 1 to 33, which comprise of the 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 matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Taita Taveta County Assembly Members Car Loan and Mortgage 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 the County Government Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Variance of Interest Income in the Financial Statements and Supporting Schedule

The statements of financial performance and Note 8 to the financial statements reflects Kshs.3,921,234 in respect of interest income while the supporting schedule reflected Kshs.3,681,736, resulting in unexplained variance of Kshs.239,498.

In the circumstances, the accuracy and completeness of interest income could not be confirmed.

2. Discrepancy in Amount Borrowed by the Staff Fund

The statement of comparison of budget and actual amounts reflects a transfer of Kshs.7,000,000 to staff fund, which differs with Kshs.10,196,926 disclosed in the statement of cash flows by an unexplained variance of Kshs.3,196,926.

In the circumstances, the accuracy and completeness of amount borrowed by the Fund could not be confirmed.

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

Emphasis of Matter.

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final expenditure budget and actual amounts on comparable basis of Kshs.57,408,410 and Kshs.27,762,233 respectively resulting in an under expenditure of Kshs.29,646,170 or 52% of the budget.

The under expenditure affected the planned activities and may have impacted negatively on service delivery.

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

Other Matter

Unresolved Prior Year Audit issues

In the prior year's audit report, two (2) issues were raised under the Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. These include unexplained variance on transfers and failure to provide jointly issued logbooks. Review of the status during the audit of the Fund 2024/2025 revealed that the issues remained unresolved.

Other Information

Management is responsible for the Other Information set out on page iii to xix which comprise of Key Fund Information and Management, Fund Administration Committee, Management Team, Fund Chairman's Report, Report of the Fund Administrator, Statement of Performance Against the County Fund's Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Fund Administration Committee and Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion.

Failure to take Custody of Logbooks until Payment of Loan in Full

The statement of cash flow reflects loan disbursements paid out to members amounting to Kshs10,850,000. Records revealed that an amount of Kshs.350,000 was advanced to a member of the County Assembly for purchase of a motor vehicle. However, the logbook was not in the custody of the Fund. Further, as previously reported, Management was not in custody of logbooks for car loans advanced to three (3) members of the County Assembly whose car loan balance as at 30 June, 2025 was Kshs.3,462,523. This is contrary to the Fund regulations which specify that the logbook of a vehicle subject to a loan from the Fund shall be issued jointly between the financier and the borrower and shall be kept in the custody of the financier until the loan is repaid in full as provided for in Regulation 22(2) of the Public Finance Management (Taita Taveta County Assembly Car and Mortgage Fund) Regulations, 2022.

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

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

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

Conclusion

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

Basis for Conclusion

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 Management and Fund Administration Committee

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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



FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 December, 2025

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

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

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Motor Vehicle reimbursement Income		-	25,438,000
Fines, Penalties and Other Levies	7	2,812,484	2,145,773
		2,812,484	27,583,773
Revenue From Exchange Transactions			
Interest Income	8	3,921,234	4,676,370
Other Income		-	
Sub-Total Revenue		3,921,234	4,676,370
Total Revenue		6,733,718	32,260,143
Expenses			
Employee Costs		-	
Use of goods and services	9	9,912,233	26,996,167
Depreciation and Amortization Expense		-	
Finance Costs		-	
Total Expenses		9,912,233	26,996,167
Other Gains/Losses			
Gain/Loss on Disposal of Assets		-	
Gain /Loss on fair value of investments		-	
Surplus/(Deficit) for the Period		(3,178,515)	5,263,976

(The notes set out on pages 19 to 45 form an integral part of these Financial Statements)



.....
Name: CPA Gadiel Maghanga
Administrator of the Fund



.....
Name: CPA Joseph Mwashighadi
Fund Accountant
ICPAK Member Number: 7006

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

15. Statement of Financial Position As at 30 June 2025

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	10	26,829,000	7,822,575
Current Portion of Long- Term Receivables From Exchange Transactions	11	75,718,366	65,450,909
Receivables From Non Exchange Transactions	11A	13,196,926	-
Total current assets		115,744,292	73,273,484
Non-Current Assets			
Long Term Receivables from Exchange Transactions	11	44,097,162	88,511,630
Investment Property			
Total non- current assets		44,097,162	88,511,630
Total Assets		159,841,454	161,785,114
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	12	813,586	44,974
Total current liabilities		813,586	44,974
Non-Current Liabilities			
		-	-
Total Liabilities		813,586	44,974
Net Assets		159,027,868	161,740,140
Revolving Fund		153,945,574	153,945,574
Revaluation Reserves		-	-
Accumulated Surplus		5,082,295	7,794,567
Total Net Assets and Liabilities		159,027,869	161,740,141

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Fund financial statements were approved on 23rd October, 2025 and signed by:

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



.....
Name: CPA Gadiel Maghanga
Administrator of the Fund



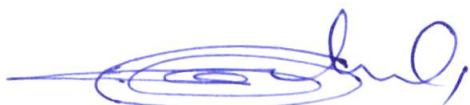
.....
Name: CPA Joseph Mwashighadi
Fund Accountant
ICPAK Member Number: 7006

**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 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 30 June 2023	271,400,000	-	10,925,501	282,325,501
				-
Balance As At 1 July 2023	271,400,000	-	10,925,501	282,325,501
Opening balance adjustment based of funds received * ADJUSTED	120,783,574		2,530,591	123,314,165
Surplus/(Deficit) For the Period			5,730,219	5,730,219
Funds Received During the Year(CAR LOAN & MORTGAGE)	33,162,000	-	-	33,162,000
Revaluation Gain	-	-	-	-
Balance As At 30 June 2024	153,945,574	-	8,260,810	162,206,383
Balance As At 1 July 2024	153,945,574	-	8,260,810	162,206,383
Surplus/(Deficit) For the Period			(3,178,515)	(3,178,515)
Funds Received During the Year(CAR LOAN & MORTGAGE)	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2025	153,945,574	-	5,082,295	159,027,869

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Fund financial statements were approved on 23rd October, 2025 and signed by:



.....
Name: CPA Gadiel Maghanga
Administrator of the Fund



.....
Name: CPA Joseph Mwashighadi
Fund Accountant
ICPAK Member Number:7006

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

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

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	
Transfers from the county government	6	-	58,600,000
Interest received	8	3,315,374	4,203,927
Receipts from other operating activities		-	
Total receipts		3,315,374	62,803,927
Payments			
Committee Allowances	9	409,500	51,640
General expenses(bank charges)	9	11,383	41,660
Finance cost			
Insurance costs	9		1,464,867
		420,883	1,558,167
Net cash flows from operating activities		2,894,491	61,245,760
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets			
Proceeds from sale of property, plant & equipment			
Proceeds from loan principal repayments	15A	46,270,460	34,576,620
Loan disbursements paid out	15B	(10,850,000)	81,456,500
Motorvehicle reimbursement	15C	(9,111,600)	25,438,000
Net cash flows used in investing activities		26,308,860	(72,317,880)
Cash flows from financing activities			
proceeds from Non exchange transactions			
Refund of Money erroneously credited to MCA Account		-	(225,530)
Lending to staff fund a/c & TTCA	11A	(10,196,926)	(3,000,000)
Net cash flows used in financing activities		(10,196,926)	(3,225,530)
Net increase/(decrease) in cash & cash Equivalents		19,006,425	(14,297,650)
Cash and cash equivalents at 1 July 2024	10	7,822,576	22,120,226
Cash and cash equivalents at 30 June	10	26,829,000	7,822,576

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

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

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Fund financial statements were approved on 30th September, 2025 and signed by:



.....
Name: CPA Gadiel Maghanga
Administrator of the Fund



.....
Name: CPA Joseph Mwashighadi
Fund Accountant
ICPAK Member Number:7006

18. Statement of Comparison Of Budget And Actual Amounts For The Period ended June 30, 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Opening Balance	3,769,432		3,769,432	3,769,432	-	100
Transfer from MCA fund	10,000,000	-	10,000,000	7,000,000	3,000,000	70
Interest Income	3,600,000		3,600,000	3,505,542	94,458	97
Loan recoveries-Principle	12,730,568	-	12,730,568	9,622,167	3,108,401	76
Total Income	30,100,000	-	30,100,000	23,897,141	6,202,859	79
Bank Charges	6,000	-	6,000	5,895	105	98
Loans to staff	30,094,000	-	30,094,000	21,540,472	8,553,528	72
Total Expenditure	30,100,000	-	30,100,000	21,546,367	8,553,633	72
Surplus For the Period				2,350,774		

Budget notes

1. Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14)
 - 1.1 Transfer from MCA Fund- we could not borrow as planned since some Hon members were being facilitated with motor vehicle reimbursement.
 - 1.2 Loan Recoveries- Targeted collection was not achieved due to default from some staff.
 - 1.3 Loans to staff- we could not achieve target due reasons highlighted under 1.1 and item 1.2

Taita Taveta County Assembly Staff Car loan and Mortgage Fund
 Annual Report and Financial Statements for the year ended June 30, 2025

BUDGET RECONCILIATION

	Operating	Financing	Investing	Total
<i>Actual amounts on comparable basis presented in the budget and actual comparative statement</i>	2,350,774	-	-	2,350,774
<i>Basis difference</i>	-	-	-	-
<i>Timing differences (Accrued Insurance)</i>	-	-	-	-
<i>Entity differences</i>	-	-	-	-
<i>Classification differences</i>	-	-	-	-
<i>Actual in the statement of cashflows</i>	2,350,774	-	-	2,350,774

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

This fund is established by and derives its authority and accountability from County Government Act. Taita Taveta County Assembly in exercise of the powers conferred by section 116 of the Public Finance Management Act, 2012, the County Executive Committee member for Finance and Economic Planning hereby establishes a loan fund to be referred to as the Taita Taveta County Assembly Members Car Loan and Mortgage Scheme Fund.

These Regulations may be cited as the Taita Taveta County Assembly member car and mortgage loan Fund Regulations, 2020 and shall come into operation on the date of publication in the *Gazette*.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

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

Standard	Effective date and impact
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Fund’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p>

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

Standard	Effective date and impact
	<ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Fund's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>There was no effect to the fund</p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Fund provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Fund; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Fund's financial performance, financial position and cash flows. <p>There was no effect to the fund</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.

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

Standard	Effective date and impact
	<p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p>There was no effect to the fund</p>
Other improvements to IPSAS	<p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p> <p>There was no effect to the fund</p>

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

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

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

Standard	Effective date and impact:
	<p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>There was no effect to the fund</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,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>There was no effect to the fund</p>

(iii) Early adoption of standards

The fund did not early adopt any new or amended standards in the financial year 2024-2025.

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 Fund 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.

b) Budget information

The original budget for FY 2024-2025 was approved by the County Assembly on 26th June, 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 Fund upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund did not record additional appropriations on the FY 2024-2025 budget following the governing body's approval.

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

Summary of Significant Accounting Policies (Continued)

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 18 (page 7) of these financial statements.

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 Fund 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 Fund and a financial liability or equity instrument of another Fund. At initial recognition, the Fund measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

The Fund 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 Fund'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 Fund has made irrevocable election at initial recognition for particular investments in equity instruments.

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the Fund 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 Fund 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 Fund 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 19*.

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) Provisions

Provisions are recognized when the Fund 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 Fund 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.

Summary of Significant Accounting Policies (Continued)

e) Contingent liabilities

The Fund 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 Fund 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 Fund 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.

f) Nature and purpose of reserves

The Fund maintains a revolving fund where disbursements, repayments and surplus are used to ensure other Members are also able to be facilitated with mortgage/Car loans.

g) Changes in accounting policies and estimates

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

h) Employee benefits – Retirement benefit plans

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

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

Summary of Significant Accounting Policies (Continued)

i) 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.

j) Related parties

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

k) 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.

l) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

The preparation of the Fund'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.

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 Fund 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 Fund. 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 Fund
- 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 21.

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. Where the Fund 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.

**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
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6. Transfers from County Government

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Transfers From National Treasury -Car & Mortgage	-	33,162,000
Transfers From National Treasury -MV Reimbursement	-	25,438,000
Transfers from County Govt. – Rec	-	-
Total	-	58,600,000

7. Fines, penalties and other levies

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Late Payment Penalties	2,812,484	2,145,773
Fines	-	-
Total	2,812,484	2,145,773

8. Interest income

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Interest Income from Mortgage Loans	2,479,695	3,033,844
Interest Income from Car Loans	835,679	1,162,623
Interest income from defaulters repayment	-	7,459
Total Interest Income	3,315,374	4,203,926

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Interest Income from Mortgage Defaulters-Accrued	602,675	467,268
Interest Income from Carloan Defaulters-Accrued	3,185	5,175
Total Interest Income	605,860	472,443

GRAND TOTAL	3,921,234	4,676,369
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9. Use of Goods and Services

Description	FY 2024-2025	FY 2023-2024

**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
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	Kshs.	Kshs.
Motor Vehicle Reimbursement	9,111,600.00	25,438,000.00
General Office Expenses		
Loan Processing Costs		
Professional Services Costs	-	51,640.00
Administration Fees		
Committee Allowances	409,500	
Bank Charges	11,383	41,660.00
Electricity And Water Expenses		
Fuel And Oil Costs		
Insurance Costs	379,750	1,464,867.00
Postage And Courier		
Printing And Stationery		
Rental Costs		
Security Costs		
Telephone And Communication Expenses		
Bank Charges		
Audit Fees		
Provision For Doubtful Debts		
Other (<i>Specify</i>)		
Social benefit expenses*		
Total	9,912,233	26,996,167.00

10. Cash and cash equivalents

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
MCA's Car Loan & Mortgage Account	26,829,000	7,822,575
Total Cash And Cash Equivalents	26,829,000	7,822,575

Notes to the Financial Statements Continued

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

Financial Institution	Account number	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank			
Equity Bank, Etc.			
Sub- Total			

**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
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b) Current Account			
Co-operative Bank	O1141222320000	26,829,000	7,822,575
Grand Total		26,829,000	7,822,575

11. Receivables from exchange transactions

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Current Receivables		
Interest Receivable- Acrued Interest/ Penalty		
Short term MCA mortgage Loan Repayments Due	43,159,189	
Short term MCA car Loan Repayments Due	12,540,989	31,652,234
Current MCA Defaulter-Mortgage	20,018,188	12,485,114
Current MCA Defaulter-Carloan	-	18,313,561
Receivable from money lent to staff account		3,000,000
Receivable from money lent to TTCA		
Total Current Receivables	75,718,366	65,450,909
Non-Current Receivables		
Long Term Loan Repayments Due (mortgage & car loan)		
Long term loan repayments due-Mortgage	35,464,742	67,290,680
Long term loan repayments due-Carloan	8,632,420	21,220,951
Total Non- Current Receivables	44,097,162.00	88,511,631
Total Receivables From Exchange Transactions	119,815,527.69	153,962,540

11A: Receivables From Non-Exchange Transactions

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Receivable from money lent to staff & TTCA account	13,196,926.00	3,000,000.00
Total	13,196,926.00	3,000,000.00

**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
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Notes To the Financial Statements (Continued)

12. Trade and other payables from exchange transactions

Description	FY 2024-2025		FY 2023-2024	
	Kshs		Kshs	
Refundable Deposits (staff recoveries deposited to MCA fund)	433,836		44,974	
Accrued Expenses-Insurance	379,750		-	
Other Payables			-	
Total Trade and Other Payables	813,586		44,974	
Ageing analysis (Trade and other payables)	FY 2023-2024	% of the Total	FY 2023-2024	% of the Total
Under one year	813,586	100%	-	%
1-2 years	-	%	44,974	100%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	813,586		44,974	

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

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
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Notes To The Financial Statements (Continued)

13. Cash generated from operations.

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	-	-
Adjusted For:		
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	
Interest Income	-	
Finance Cost	-	
Working Capital Adjustments		
Increase In Inventory	-	
Increase In Receivables	-	
Increase In Payables	-	
Net Cash Flow From Operating Activities	-	

Notes To The Financial Statements (Continued)

14. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

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

d) Due from related parties

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

**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
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Other Disclosures Continued

e) Due to related parties

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

15. Contingent assets and contingent liabilities

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

15A. Proceeds from loan principal repayments

	FY 2024-2025	FY 2023-2024
	KShs	KShs
Total loan repaid	49,585,834	38,780,547
less: Interest received	3,315,374	4,203,927
Total	46,270,460	34,576,620

15B. Loan Disbursements - paid out

	FY 2024-2025	FY 2023-2024
	KShs	KShs
Loan disbursements paid out-mortgage	10,500,000	74,250,000
Loan disbursements paid out-Carloan	350,000	7,206,500
Total	10,850,000	81,456,500

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15C. Motor vehicle Reimbursement-Non refundable(Use of goods & services)

	FY 2025-2024	FY 2024-2023
	KShs	KShs
Motor vehicle Reimbursement	9,111,600.00	25,438,000
Total	9,111,600.00	25,438,000

Notes To The Financial Statements (Continued)

16. 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 Fund'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 Fund's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2025				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
At 30 June 2024				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
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Notes To The Financial Statements (Continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Fund has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The Fund has significant concentration of credit risk on amounts due from none.

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 Fund's short, medium and long-term funding and liquidity management requirements. The Fund 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	-	-	-	-

Notes To The Financial Statements (Continued)

c) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Fund'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 Fund's exposure to market risks or the manner in which it manages and measures the risk.

i. Foreign currency risk

The Fund 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 Fund'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)	-	-	-

Notes To The Financial Statements (Continued)

Foreign currency sensitivity analysis

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

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

ii. Interest rate risk

Interest rate risk is the risk that the Fund’s financial condition may be adversely affected as a result of changes in interest rate levels. The Fund’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 (2022: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (2021 – Kshs xxx).

**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
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Notes To The Financial Statements (Continued)

d) Capital risk management.

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

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	(-)	(-)
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-%	-%

17. Events after the reporting period

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

18. Ultimate and Holding Fund

The Fund is a County Public Fund established by and derives its authority and accountability from County Government Act no. 17 of 2012 on 24th July, 2012. The Fund is wholly owned by the Taita Taveta County Assembly and is domiciled in Kenya. Its ultimate parent is the County Government of Taita Taveta.

19. Currency

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

**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
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20. Annexes

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

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

Reference No. 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)
Note 29.	Failure to jointly register 5 MCA’s Log-books with TTCA	The management through the legal department has taken initiative and jointly registered the Logbooks with TTCA	Not Resolved	
18 (Page 7)	Underfunding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.	Late disbursement of funds from the National Treasury has hindered service delivery	Not Resolved	
4.8	Lack of Risk Management Policy	Plans to develop a funds risk policy are underway	Not resolved	

Fund Administrator



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Date 23rd October, 2025

**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
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Annex II: Inter-Fund Confirmation Letter



Taita Taveta County Assembly Members Mortgage and Car Loan Fund

P.O. Box 1142 - 80304

County Assembly Headquarters

WUNDANYI

TAITA TAVETA COUNTY, KENYA

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

Confirmation of amounts received by Taita Taveta County Assembly Members Car & Mortgage fund as at 30 th June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 th June 2025				Amount Received by [beneficiary Fund] (KShs) as at 30 th June 2024 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							

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Annex III: Reporting of Climate Relevant Expenditures

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

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Annex IV: Reporting on Disaster Management Expenditure

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