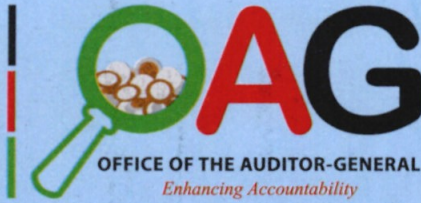


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REPORT

OF

THE AUDITOR-GENERAL

ON

NAIROBI CITY COUNTY ASSEMBLY CAR  
LOAN AND MORTGAGE SCHEME FUND

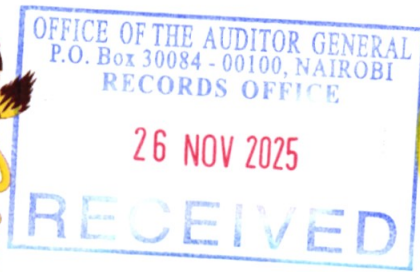
FOR THE YEAR ENDED  
30 JUNE, 2025

PAPERS LAID	
DATE	11/2/2026
TABLED BY	Minority Whip
COMMITTEE	—
CLERK AT THE TABLE	Angela

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**NAIROBI CITY COUNTY ASSEMBLY SERVICE BOARD**  
*CAR LOAN AND MORTGAGE SCHEME FUND*

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

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

*Nairobi City County Assembly Service Board*  
*Car Loan and Mortgage Scheme Fund*  
**Annual Report and Financial Statements for the year ended 30 June 2025**

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**1. Acronyms and Definition of Key Terms**

**A. Acronyms**

BOM	Board of Management
CEC	County Executive Committee Member
CRF	County Revenue Fund
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
Kshs	Kenya Shillings
MCA	Member of County Assembly
NCCA	Nairobi City County Assembly
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
SRC	Salaries and remuneration Commission

**B. Definition of Key Terms**

Board	Nairobi City County Assembly Service Board
Committee	Loans Management Committee
County Assembly	Nairobi City County Assembly
Fiduciary Management	The key management personnel who had financial responsibility
Guiding Regulations	Public Finance Management ( <i>Nairobi City County Assembly Car Loan and Mortgage Scheme Fund</i> ) Regulations, 2017
Fund	Car Loan and Mortgage Scheme Fund

## **2. Key Entity Information and Management**

### **a) Background information**

The Nairobi City County Assembly Car Loan Scheme Fund is a revolving fund established pursuant to Regulation 3 of the Public Finance Management (*Nairobi City County Assembly Car Loan and Mortgage Scheme Fund*) Regulations 2017 as read together with section 116 of the Public Finance Management Act, 2012 and circulars ref SRC/TS/CAF/3/61/49(46) from the Salaries and Remunerations Commission dated 13<sup>th</sup> December 2017.

The Fund started operations on 1<sup>st</sup> July 2019 as a single fund administering Car Loan and Mortgage benefits for members and staff of the Nairobi City County Assembly. Prior to this date, the benefits were administered from two different funds namely Nairobi City County Assembly Car Loan Scheme Fund and Nairobi City County Assembly Mortgage Scheme Fund. These two funds were merged with effect from 1<sup>st</sup> July 2019. The merged Funds operate under the new Regulations namely; The Public Finance Management (*Nairobi City County Assembly Car Loan and Mortgage Scheme Fund*) Regulations 2017. These Regulations were gazetted in July 2018 and came into force in Financial Year 2018/2019.

The Clerk of the County Assembly, being the Accounting Officer of the Assembly is the Officer Administering the Fund and Secretary of the Loans Management Committee as provided under Regulation 6(1)(g) of Public Finance Management (*Nairobi City County Assembly Car Loan and Mortgage Scheme Fund*) Regulations 2017.

The fund's objective is to improve mobility and provide decent housing for the members of the Fund by providing loans to the said members for;

- (a) Purchase of Vehicles; and
- (b) Purchase, development, renovation or repair of residential property.

The Fund's principal activity is to provide car loans and mortgages to Members and Staff of the Nairobi City County Assembly.

**Nairobi City County Assembly Service Board**  
**Car Loan and Mortgage Scheme Fund**  
**Annual Report and Financial Statements for the year ended 30 June 2025**

**b) Principal Activities**

The principal activity of the Fund is provided under Regulation 4 of the Fund's guiding Regulations, Public Finance Management (*Nairobi City County Assembly Car Loan and Mortgage Scheme Fund*) Regulations 2017. The said regulation provides that the object of the Fund is to provide loans to the members of the Scheme for;

- (a) Purchase of Vehicles; and
- (b) Purchase, development, renovation or repair of residential property.

**c) Fund Administration Committee**

Ref	Name	Position
1	HON. PETER IMWATOK	Chairperson of the Committee and Leader of Majority Party
2	HON. ANTHONY KIRAGU KARANJA	Vice Chairperson of the Committee and Leader of Minority Party
3	HON. PAUL KADOS	Deputy speaker
4	HON. MOSES OGETO	Majority Party Chief whip
5	HON. MARK MUGAMBI	Minority Chief whip
6	HON. WILFRED ODALO	Member
7	HON. FATHIYA. A MOHAMMED	Member
8	HON. MARTIN MBUGUA	Member
9	MR. BASIL RODGERS OMONDI	Member
10	MR. TITUS MUIRURI	Member
11	MS. CAROLINE KIDAMBA	Member

**d) Key Management team**

Ref	Name	Position
1	Mr. Edward O. Gichana	Clerk Nairobi County Assembly
2	Ms. Pauline Akuku	Deputy Clerk, Administrative Services
3	Mr. Paul W. Kimani	Director Financial Services
3	Everlyne Ikwii	Principal Finance Officer
4	Mr. Sammy Ndana	Principal Accountant
5	Mr. Stephen Namodi	Senior Finance Officer
6	Mr. Fred Macharia	Senior Finance Planning officer

*Nairobi City County Assembly Service Board*  
*Car Loan and Mortgage Scheme Fund*  
**Annual Report and Financial Statements for the year ended 30 June 2025**

**Key Entity and Management (Continued)**

**e) Fiduciary Oversight Arrangements**

<b>SN</b>	<b>Position</b>	<b>Name</b>
1	County Public Accounts Committee	Hon. Chege Mwaura, MCA – Chairperson Hon. Abel Osumba Atito, MCA – Vice chairperson Hon. Benter Juma Obiero, MCA – Member Hon. Patrick Karani Said, MCA – Member Hon. John Rex Omolleh, MCA – Member Hon. Stazo Omung’ala Ang’ila, MCA – Member Hon. Richardo Nyantika Billy, MCA – Member Hon. John Ndile Musila, MCA – Member Hon. Cyrus Mugo Mubea, MCA – Member Hon. Jane Musangi Muthembwa, MCA – Member Hon. Emmy Khatemeshi Isalambo, MCA – Member Hon. Fuad Hussein Mohamed, MCA – Member Hon. Fatuma Abduwahid Abey, MCA – Member Hon. Eutyclus Mukiri Muriuki, MCA – Member Hon. Fredrick Njoroge Njogu, MCA – Member Hon. Rachel Wanjiru Maina, MCA – Member Hon. Aaron Kangara Wangare, MCA – Member Hon. Carrington Gichunji Heho MCA – Member Hon. Mark Thiga Ruyi, MCA – Member Hon. Simon Maina Mugo, MCA – Member Hon. Paul Wachira Kariuki, MCA – Member Hon. Martin Mbugua Mwangi, MCA – Member Hon. Mary Wanjiru Kariuki, MCA – Member
2	Internal Audit Committee	Esther Ndegwa – Chairperson Leonard Kibet – Member Kevin Kokebe – Member Priscah Omoit – Secretary
3	Internal Audit Department	Priscah Omoit - Principal Internal Auditor

**f) The Nairobi City County Assembly Headquarters**

P.O. Box 45844-00100  
City Hall Building  
Wabera Street  
Nairobi, KENYA

**g) Fund Contacts**

Telephone: (254) 700330846/700330847  
E-mail: [clerk@nairobicountyassembly.go.ke](mailto:clerk@nairobicountyassembly.go.ke)  
Website: [www.nairobicountyassembly.go.ke](http://www.nairobicountyassembly.go.ke)

**h) Fund Bankers**

1. Family Bank  
City Hall Branch  
P.O. Box 74145-00200  
Nairobi, Kenya
2. Cooperative Bank of Kenya  
City Hall Branch  
P.O. Box 44805-00200  
Nairobi, Kenya

**i) Independent Auditors**

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

**j) Principal Legal Adviser**

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

*Nairobi City County Assembly Service Board*  
*Car Loan and Mortgage Scheme Fund*  
**Annual Report and Financial Statements for the year ended 30 June 2025**

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**k) County Attorney**

Principal Legal Counsel

Nairobi City County Assembly




P. O. Box 45844 – 00100

Nairobi



**3. Fund Administration Committee**

Name		Details of Qualifications and Experience
1	 <b>HON. PETER IMWATOK</b>	<p><b>Chairman Loans Management Committee (by virtual of being Leader of Majority Party)</b></p> <p>Education: Diploma in Public Relations                      Year of Birth: 1982                      Year of Appointment: 2022</p> <p><b>Experience:</b> 12years Legislative matters as a Member of County Assembly. Cumulatively 10 years in Loans Management Committee Membership</p> <p><b>Area of Responsibility:</b> Chairperson of the Loans Management Committee</p>
2	 <b>HON. ANTHONY KIRAGU KARANJA</b>	<p><b>Vice Chairperson of Loans Management Committee (by virtual of being Leader of Minority Party)</b></p> <p>Education: High School                      Year of Birth: 1975                      Year of Appointment: 2022</p> <p><b>Experience:</b> 12years Legislative matters as a Member of County Assembly.</p> <p><b>Area of Responsibility:</b> Vice chairperson of the Loans Management Committee</p>
3	 <b>HON. PAUL KADOS</b>	<p><b>Deputy Speaker and Member of Loans Management Committee</b></p> <p>Education: Diploma in Business Administration                      Year of Birth: 1960                      Year of Appointment: 2022</p> <p><b>Experience:</b> 28years in Legislative matters as a Member of County Assembly and a Councilor.</p> <p><b>Area of Responsibility:</b> Member of the Loans Management Committee</p>



**Nairobi City County Assembly Service Board  
Car Loan and Mortgage Scheme Fund  
Annual Report and Financial Statements for the year ended 30 June 2025**

4	 <p><b>HON. MARTIN MBUGUA</b></p>	<p><b>Member of Loans Management Committee</b></p> <p>Education: Bachelor of Arts in Philosophy and Youth Studies Postgraduate Diploma in Mass Communications</p> <p>Year of Birth: 1979 Year of Appointment: 2022</p> <p><b>Experience:</b> 3years in Legislative matters as a Member of County Assembly.</p> <p><b>Area of Responsibility:</b> Member of the Loans Management Committee</p>
5	 <p><b>HON. MOSES OGETO</b></p>	<p><b>Member of Loans Management Committee (by virtue of being the Majority Party Chief Whip)</b></p> <p>Education: Bachelor of Commerce</p> <p>Year of Birth: 1990 Year of Appointment: 2022</p> <p><b>Experience:</b> 12years in Legislative matters as a Member of County Assembly.</p> <p><b>Area of Responsibility:</b> Member of the Loans Management Committee</p>
6	 <p><b>HON. MARK MUGAMBI</b></p>	<p><b>Member of Loans Management Committee (by virtue of being the Minority Party Chief Whip)</b></p> <p>Education: Diploma in Clearing and Forwarding</p> <p>Year of Birth: 1989 Year of Appointment: 2022</p> <p><b>Experience:</b> 8years in Legislative matters as a Member of County Assembly.</p> <p><b>Area of Responsibility:</b> Member of the Loans Management Committee</p>

*Nairobi City County Assembly Service Board*  
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**Annual Report and Financial Statements for the year ended 30 June 2025**

7	 <b>HON. WILFRED ODALO</b>	<p><b>Member of Loans Management Committee</b></p> <p>Education: High School</p> <p>Year of Birth: 1978</p> <p>Year of Appointment: 2022</p> <p><b>Experience:</b> 12years in Legislative matters as a Member of County Assembly.</p> <p><b>Area of Responsibility:</b> Member of the Loans Management Committee</p>
8	 <b>HON. FATHIYA. A MOHAMMED</b>	<p><b>Member of Loans Management Committee</b></p> <p>Education: Master of Business Administration Bachelor of Commerce CPA(K)</p> <p>Year of Birth: 1985</p> <p>Year of Appointment: 2022</p> <p><b>Experience:</b> 3years in Legislative matters as a Member of County Assembly.</p> <p><b>Area of Responsibility:</b> Member of the Loans Management Committee</p>
9	 <b>MR. BASIL RODGERS OMONDI</b>	<p><b>Member Loans Management Committee</b></p> <p>Education: CPA II (Bsc Econ. Ongoing)</p> <p>Year of Birth: 1988</p> <p>Year of Appointment: 2020</p> <p><b>Experience:</b> 12years Finance and Accounting 4 years in Loans Committee Membership</p> <p><b>Area of Responsibility:</b> Member of the Committee representing Staff</p>
10	 <b>MR. TITUS MUIRURI</b>	<p><b>Member Loans Management Committee</b></p> <p>Education: Degree in Human Resource Management and Supply Chain Management</p> <p>Year of Birth: 1989</p> <p>Year of Appointment: 2019</p> <p><b>Experience:</b> 12 years in Legislative Procedure and 5 years in Loans Committee Membership</p> <p><b>Area of Responsibility:</b> Member of the</p>





**Nairobi City County Assembly Service Board  
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		Committee representing Staff
11	 <b>MS. CAROLINE KIDAMBA</b>	<b>Member Loans Management Committee</b> Education: High School, Computer proficiency Year of Birth: 1975 Year of Appointment: 2019 <b>Experience:</b> 12years in Office Administration and 5 years in Loans Committee Membership <b>Area of Responsibility:</b> Member of the Committee representing Staff
12	 <b>Mr. EDWARD GICHANA</b>	<b>Fund Administrator and Clerk Nairobi County Assembly</b> Education: MBA Accounts BCOM Accounts CPA(K) Year of Birth: 1975 <b>Experience:</b> Over 20years experience in Public and Private Sector Finance, Administration and Auditing 15 of which are at management level. <b>Area of Responsibility:</b> Clerk of the County Assembly and Secretary to the Loans Management Committee, Officer Administering the Fund and providing supervisory services to Secretariat to the Fund

4. Management Team

Name	Details of qualifications and experience
 <p><b>Mr. Edward O. Gichana</b></p>	<p><b>Clerk Nairobi County Assembly</b></p> <p>Education: MBA Accounts                      BCOM Accounts                      CPA(K)</p> <p>Year of Birth: 1975</p> <p><b>Experience:</b> Over 20years experience in Public and Private Sector Finance, Administration and Auditing 15 of which are at management level.</p> <p><b>Area of Responsibility:</b> Clerk of the County Assembly and Secretary to the Loans Management Committee, Officer Administering the Fund and providing supervisory services to Secretariat to the Fund</p>
 <p><b>Ms. Pauline Akuku</b></p>	<p><b>Deputy Clerk Administrative Services</b></p> <p>Education: Master’s Communication Studies                      BA Journalism &amp; Media Studies</p> <p>Year of Birth: 1977</p> <p><b>Experience:</b> 20years experience in Public Relations, Communications and Administration 10 of which are at management level.</p> <p><b>Area of Responsibility:</b> Deputy Clerk (Administration) providing supervisory services to Secretariat of the Fund and performing financial processes for the Fund.</p>
 <p><b>Mr. Paul W. Kimani</b></p>	<p><b>Director Financial Services</b></p> <p>Education: MBA-Strategic Management                      BCOM-Finance, CPA(K),                      (M)CIPS</p> <p>Year of Birth: 1989</p> <p><b>Experience:</b> 11years experience in Public and Private Sector Finance and Accounting 5 of which are at management level.</p> <p><b>Area of Responsibility:</b> Director of Financial Services. Overseeing financial processes for the Fund.</p>

*Nairobi City County Assembly Service Board*  
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 <p><b>Ms. Evalyn Ikwii</b></p>	<p><b>Principal Finance Officer</b>  Education: BCOM-Marketing  CPA(K)  Year of Birth: 1979  <b>Experience:</b> Over 20years experience in Public and Private Sector Finance and Accounting 15 of which are at management level.  <b>Responsibility:</b> Head of Secretariat to the Fund</p>
 <p><b>Mr. Sammy Ndana</b></p>	<p><b>Principal Accountant</b>  Education: BBM-Finance and Banking  CPA(K)  Year of Birth: 1979  <b>Experience:</b> Over 10years experience in Public and Private Sector Finance and Accounting 5 of which are at management level.  <b>Area of Responsibility:</b> Principal Accountant of the County Assembly. Performing financial processes for the Fund.</p>
 <p><b>Mr. Stephen Namodi</b></p>	<p><b>Senior Finance Officer</b>  Education: BCOM-Finance and Banking  CPA(K)  Year of Birth: 1990  <b>Experience:</b> 10years experience in Public and Private Sector Finance and Accounting 5 of which are at management level.  <b>Area of Responsibility:</b> Member of Secretariat to the Fund</p>
 <p><b>Mr. Fred Macharia</b></p>	<p><b>Senior Finance and Planning Office</b>  Education: Master, Business Administration  CPA(K)  Year of Birth: 1973  <b>Experience:</b> Over 20years experience in Public and Private Sector Finance and Accounting 15 of which are at management level.  <b>Area of Responsibility:</b> Financial Reporting and Member of Secretariat to the Fund</p>

## **5. Fund Chairperson's Report**

The Car Loan and Mortgage Scheme Fund started operations at advent of devolution in 2014. Since then, it has grown from two separate funds of Car Loan benefits for Members of the County Assembly on one hand, and Mortgage benefits for the said Members on the other hand. In its formative stages, the Funds benefited Members of the County Assembly only. Effective financial year 2015/2016, staff members of the County Assembly started benefitting from the Funds following advice of the Salaries and remuneration Commission (SRC). The two funds were later amalgamated to form one fund namely Car Loan and Mortgage Scheme Fund which remains operational to-date.

The Fund has grown from an initial seed capital of Ksh.486M in 2014 – being Car Loan Fund of Ksh.256M and Mortgage Fund of Ksh.230 – to the current Ksh.1.1B. This growth over the last ten years has been attributed to demand for Car loans and mortgage from members and staff of the County Assembly. Indeed, the Fund has had higher demand than its available resources. To address this challenge, the Loans Management Committee will be recommending to the Nairobi County Assembly Service Board and the County Executive Committee Member for Finance and Economic Planning to inject new capital into the Fund.

During the year ended 30<sup>th</sup> June 2025, the Fund disbursed Ksh.60M. In terms of loan applications and approvals during the year, the Loans Management Committee approved 27 applications. Of these, 5 were Car Loans and 22 were mortgage applications for both members and staff of the County Assembly.

Going forward, it is expected that applications from the Members of the County Assembly will slow down as most of them have made applications. However, applications from staff members are expected to rise. This will continue to apply pressure on the Fund as resources available are inadequate to meet the demand. This will however ease when the Controller of Budget approves exchequer of the amount paid from the Fund in 2022/2023 for Car Reimbursement benefit for Members of the County Assembly. The amount stood at Ksh.90.6M as at June 2025.

**Nairobi City County Assembly Service Board  
Car Loan and Mortgage Scheme Fund  
Annual Report and Financial Statements for the year ended June 30 2025**

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On behalf of the Loans Management Committee, I wish to appreciate the support that has been provided by the Nairobi City County Assembly Service Board, the Office of the Officer Administering the Fund who is also the Clerk of the County Assembly as well as other stakeholders. With the right support, the Fund will surely live to be of great benefit to Members and Staff of the County Assembly as well as contribute to economic growth of our beloved country, Kenya.

Name Peter Imwatawa ..... Signature [Signature] ..... Date 26/11/2025 .....

**Chairperson of the Fund**

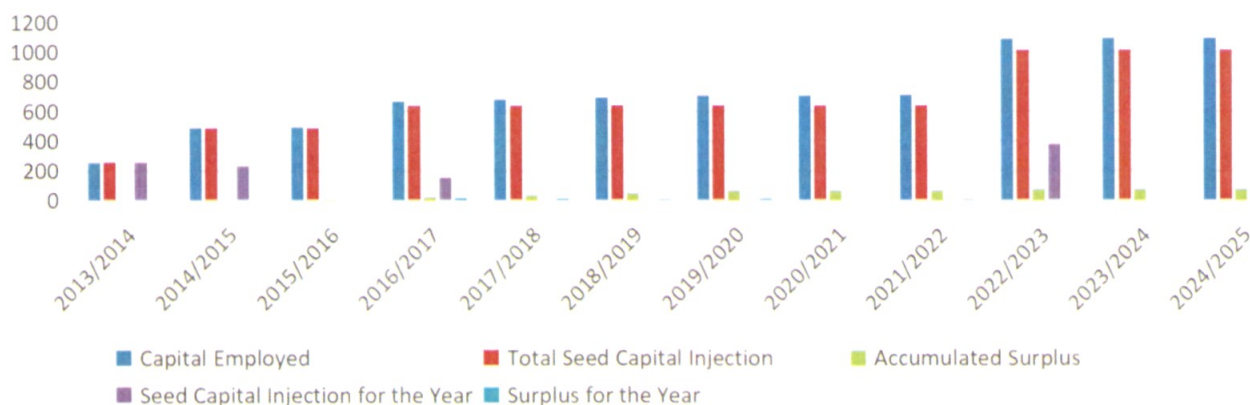
**6. Report of The Fund Administrator**

The Nairobi City County Assembly Car Loan & Mortgage Scheme Fund is a Revolving Fund established pursuant to the Salaries and Remuneration Circular no SRC/TS/WB/3/14 of 14<sup>th</sup> February 2014. The legal underpinning of the Fund is Section 116 of Public Finance Management Act 2012 as well as Public Finance Management (Nairobi City County Assembly Car Loan and Mortgage Scheme Fund) Regulations 2017. Section 167 of the Public Finance Management Act 2012 mandates the Administrator of Public Funds with preparation of Annual Financial Statements.

The Fund started operations in June 2014 following conferment of Car Loan and Mortgage benefits to Members of County Assemblies in Kenya by the Salaries and Remuneration Commission (SRC). The same benefits were extended to Members of staff in 2015. Currently the Fund benefits both Members and Staff of the County Assembly.

Over the years, the Fund has had steady growth due to high demand from the Members and Staff of the County Assembly. Having started with a combined seed capital of Ksh.486M in June and July 2014, the Fund’s net-worth stood at Ksh.1.096B as at 30<sup>th</sup> June 2025. The growth is attributable to direct capital injection of Ksh.530M and retained earnings of Ksh.79.9M over the eleven-year period ended 30<sup>th</sup> June 2025. This has been presented graphically thus;

Annual Growth of the Fund in Million Ksh.



***Nairobi City County Assembly Service Board***  
***Car Loan and Mortgage Scheme Fund***  
**Annual Report and Financial Statements for the year ended 30 June 2025**

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Though the Fund has benefited over 400 members for both Car Loan and Mortgage over the last eleven years, the demand has been much higher than this. Due to the demand pressure on the Fund and inadequate resources, the Loans Management Committee resolved to put a temporary freeze on loan applications for Staff Members in FY 2022/2023. This was informed by the limited period of service for Members of the County Assembly compared to a fairly longer period for Members of Staff. Priority was therefore given to Members of County Assembly so that they may not miss out on the benefit within the relatively short period of their service. The freeze was however lifted in June 2024 and therefore since then staff members were free to apply for loans. Indeed several applications from staff members were received and approved by the Loans Management Committee in the year under reporting. More applications from staff Members are expected in the coming years. Indeed a number of them have been received post balance sheet date and are under consideration by the Committee. This explains the demand pressure the Fund has been operating under. To address this, the County Assembly has made plans to inject more seed capital into the fund as well as liaise with the County Executive Committee Member (CEC) for Finance and Economic Planning and the Controller of Budget for refund of Car Reimbursement Benefit paid out of the Fund amounting to Ksh.91M. It is expected that this will ease the pressure on the Fund.

As a revolving Fund, the Fund has no limit in terms of the amounts that can be issued as loans. However, for operational purposes and in order to defray the administrative expenses as provided for under regulation 12(2) of the guiding Regulations, the Fund operates on a budget that is considered by the Loans Management Committee and approved by The CEC in charge of Finance and Economic Planning. During the year under reporting, the Fund had an operational expenditure budget of Ksh.25.2M against an income of Ksh.25.323M. The actual performance for the year however was total expenditure of Ksh.23.09M against actual income of Ksh.24.2M resulting to a surplus of Ksh.1.1M.

Management of the Fund has not been without challenges. The main challenge being high loan demands against insufficient fund balances. This has resulted to delays in loan applications which further makes applicants feel neglected by the Office of Administrator of the Fund. In addition, this has made applicants to loose property identified for purchase as the sellers have

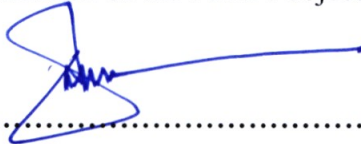
*Nairobi City County Assembly Service Board*  
*Car Loan and Mortgage Scheme Fund*  
**Annual Report and Financial Statements for the year ended 30 June 2025**

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chosen to sell the said properties to alternative buyers with ready cash. Further applicants have lost cash associated to initial incidental expenses in purchase of property that they end up not buying. Financing the fund has been another challenge. This particularly due to borrowings from the Fund for Members Motor Vehicle Reimbursement benefit as bestowed on the members by the SRC. Refund of the is borrowing from the fund has not been made in full due to factors beyond the County Assembly. Members of the Loans Management Committee require constant capacity building to be able to manage the Fund as required. However, this has not been possible because the Fund does not generate enough funds in terms of interest to support proper capacity building. These and other challenges have affected smooth operations of the Fund to the detriment of full realization of the objective of the Fund.

**Appreciation**

Special appreciation goes to the Nairobi City County Assembly Service Board, the Loans Management Committee, County Executive Committee Member for Finance and Economic Planning and the Secretariat under the Office of the Clerk for their sedulous efforts for the success of the Fund administration. Though the responsibility of management of the Fund has been directly placed on the Officer administering the Fund, the County Assembly Service Board and the Loans Management Committee, the success of the Fund requires support of other stakeholders. We therefore call upon all and sundry to support the Fund operations for full realization of the Fund's objectives.



.....  
**Edward O. Gichana**  
**Fund Administrator**

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

### **Introduction**

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

The Nairobi City County Assembly Car Loan & Mortgage Scheme Fund operates as a Revolving Fund. As such it does not receive annual financing from the County Revenue Fund (CRF) unless on special request which is planned for under the normal budgeting process of the Nairobi City County Assembly. During the year under reporting, there was no receipts for the Fund from the County Revenue Fund.

### ***Fund Programs and Objectives***

The Objective of the Fund is provided for under Regulation 4 of the Fund's guiding Regulations, Public Finance Management (*Nairobi City County Assembly Car Loan and Mortgage Scheme Fund*) Regulations 2017. The said regulation provides that the object of the Fund is to provide loans to the members of the Scheme for;

- (a) Purchase of Vehicles; and
- (b) Purchase, development, renovation or repair of residential property.

The Fund therefore operates two programs viz;

1. Provision of Mortgage facilities to all Members and Staff of the Nairobi City County Assembly.
2. Provision of Car Loans to all Members and Staff of the Nairobi City County Assembly.

Since its inception in June 2014, the Fund has disbursed loans to over 400 members and staff of the County Assembly. Out of this 250 Members were from the first and second County Assemblies and they paid their loans in full. The current Assembly has seen 80 members access the benefit for Car Loan and/or Mortgage as at 30<sup>th</sup> June 2025. This represents 65% of the current membership.

***Nairobi City County Assembly Service Board  
Car Loan and Mortgage Scheme Fund  
Annual Report and Financial Statements for the year ended 30 June 2025***

The staff members who have benefited from the fund are 102 for both Car Loan and Mortgage. Out of this number, six staff members have paid their loans in full.

***Fund Programs, Objectives, Outcomes and Performance for Financial Year 2024/25;***

<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Provision of Mortgage facilities to all members and staff of NCCA	Improve oversight and representation role of the Nairobi City County Assembly by offering loans for decent housing to Members and Staff of the County Assembly	Members and staff of Nairobi City County Assembly living in decent houses with their families	Over 300 families of current and past assemblies including staff members facilitated with mortgage loans for construction and purchase of residential houses	In 2024/2025 the fund facilitated sixteen members and staff of the Nairobi City County Assembly to finance mortgages
Provision of Car Loans to all members and staff of NCCA	Improve oversight and representation role of the Nairobi City County Assembly by improving mobility of Members and Staff of the County Assembly	Improved Mobility of Members and staff of the County Assembly to and from their workplaces	Over 100 Members of the current and past assemblies facilitated to purchase personal cars for use to and from workplace.	In 2024/2025 the fund facilitated five members and staff of the Nairobi City County Assembly to finance purchase of personal cars for use to and from workplace

***Disbursements During the Year and Challenges Experienced***

During the year ended 30<sup>th</sup> June 2025, the Fund disbursed Ksh.60M compared to the previous year where the Fund disbursed Ksh.185.9M. The decline in loan disbursements is attributable to low demand from MCAs, most of them having applied for the loans in the previous periods. Indeed out of the Ksh.60M borrowed in the year, only Ksh.15M was borrowed by the honorable Members. Ksh.45M was advanced to staff members. In terms of loan applications and approvals during the year, the Loans Management Committee approved 27 applications. Of these, 5 were Car Loans while 22 were Mortgage applications for both Members and Staff of the County Assembly. Going forward, it is expected that there will be an upward surge of loan applications from staff members. This is expected to apply pressure on the Fund. The fund balance may not be sufficient for the demand that is likely to be applied. For this reason the Administrator of the Fund together with the

*Nairobi City County Assembly Service Board*  
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**Annual Report and Financial Statements for the year ended 30 June 2025**

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County Assembly Service Board plans to seek for a further seed capital from the County Revenue Fund in the coming years.

Management of the has faced several challenges. Key among the challenges experienced has been high loan demands against insufficient cash available. This has resulted to delays in loan applications which further affected morale of applicants. Applicants have lost property identified for purchase as the sellers chose to sell the said properties to alternative buyers with ready cash. Invariably, this leads to applicants loosing cash associated with initial incidental costs incurred in purchase of the said property.

Another challenge is related to financing the fund. Mainly this is due to borrowings from the Fund for Motor Vehicle Reimbursement benefit bestowed on the members by the SRC. Refund of the borrowing from the fund has not been made in full due to factors beyond the County Assembly. In addition, Members of the Loans Management Committee require constant capacity building to be able to manage the Fund as required. However, this has not been possible because the Fund does not generate enough funds in terms of interest to support proper capacity building. These and other challenges have affected smooth operations of the Fund to the detriment of full realization of the objective of the Fund.

Despite the aforementioned challenges and indeed many more, the Car Loan and Mortgage Scheme Fund has been a success as it has lived to its objective of providing loans to the members of the Scheme for purchase of Vehicles and; purchase, development, renovation or repair of residential property for use by the member of the scheme and his/her immediate family and therefore contributing to economic growth of our country, Kenya.

## **8. Corporate Governance Statement**

### *Appointment and Composition of Members of Loans Management Committee*

The Fund is established under the Nairobi City County Assembly Service Board as per Regulation 3 Public Finance Management (*Nairobi City County Assembly Car Loan and Mortgage Scheme Fund*) Regulations, 2017. Regulation 6 (1) of the said Regulations, establishes the Loans Management Committee while Regulation 7 enumerates the functions of the Committee.

The committee constitute of 11 members that comprise of:—

- (a) the Leader of the Majority Party, who shall be the chairperson;
- (b) the Leader of the Minority Party, who shall be the vice-chairperson;
- (c) the Majority Whip of the County Assembly;
- (d) the Minority Whip of the County Assembly;
- (e) four members of the county assembly nominated by the members of county assembly;
- (f) three members of staff of the County Assembly, elected by the staff of the County Assembly; and
- (g) the Clerk of the County Assembly who shall be the officer administering the Fund, an *ex-officio* member of the Committee and the secretary to the Committee.

### *Roles and functions of the Board*

The Role of the Committee in Fund administration is as provided for under Regulation 7 of the guiding regulations. The Regulations provides that the functions of the committee shall be to—

- a) approve applications for loans in accordance with terms and conditions of borrowing;
- b) recommend to the Board appointment of a financial or mortgage institution to provide administrative services of the Fund; and
- c) supervise the day-to-day running of the Fund.

### *Board and member performance*

The committee and all the individual members were actively involved in administration of the Fund in accordance with the Regulations. Where individual members were not available for specific meetings, they communicated their inability to attend the meetings and the apologies for were recorded. There was no reason to believe that any member was intent of not being actively involved in committee activities during the year or in the near future.

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*Number of Board Meetings held and attendance of those Meetings by Board Members*

The meetings of the committee are convened by the chairperson or in the absence of the chairperson, the vice chairperson and in the absence of both, by a member designated by the chairperson. The meetings are convened at such times as may be necessary for the discharge of the committee's functions. Quorum of the committee meetings is one third of the total membership.

The below table shows individual member attendance of meetings were held during the year.

S/N	Member	Date and Attendance																	TOTAL
		18 <sup>th</sup> Sept 2024	19 <sup>th</sup> Sept 2024	8 <sup>th</sup> Oct 2024	17 <sup>th</sup> Oct 2024	28 <sup>th</sup> Nov 2024	4 <sup>th</sup> Dec 2024	20 <sup>th</sup> Feb 2025	9 <sup>th</sup> April 2025	9 <sup>th</sup> April 2025	24 <sup>th</sup> April 2025	28 <sup>th</sup> April 2025	28 <sup>th</sup> May 2025	30 <sup>th</sup> May 2025	31 <sup>th</sup> May 2025	1 <sup>st</sup> June 2025	2 <sup>nd</sup> June 2025		
1	Hon. Peter Imwatok, MCA-Chairman	X	X	X	X	✓	X	✓	X	X	X	X	✓	✓	✓	✓	✓	7/16	
2	Hon. Martin Mbugua-Vice Chairman	✓	X	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	✓	✓	13/16	
3	Hon. Anthony Karanja, Member	✓	X	X	X	X	✓	X	X	X	✓	✓	✓	✓	✓	✓	✓	9/16	
4	Hon. Paul Kados, Member	X	X	X	X	X	X	X	X	X	X	X	X	✓	✓	✓	✓	4/16	
5	Hon Moses Ogeto, Member	X	X	X	✓	✓	X	✓	X	X	X	X	✓	✓	✓	✓	✓	8/16	
6	Hon. Wilfred Odalo, Member	X	X	X	X	X	X	✓	X	X	X	X	✓	✓	✓	✓	✓	6/16	
7	Hon. Mark Mugambi, Member	✓	X	✓	X	X	✓	X	X	X	✓	✓	X	✓	✓	✓	✓	9/16	
8	Hon. Fathiya Mohammed, Member	✓	✓	X	X	X	X	✓	✓	✓	X	X	✓	✓	✓	✓	✓	10/16	
9	Titus Muiruri, Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	16/16	
10	Rodgers Omondi, Member	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	14/16	
11	Caroline Kidamba, Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	16/16	

*The Succession plans*

***Nairobi City County Assembly Service Board  
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The Fund is established under the Nairobi City County Assembly Service Board in line with Regulation 3 of the guiding Regulations. The Regulations further establishes the Loans Management Committee with the responsibility of approving applications and supervising operations of the Fund. Succession within the Board is as provided under County Governments Act 2012 and County Assembly Services Act, 2017. Succession within the Committee is as provided under the Nairobi City County Assembly Standing Orders. Changes within Committee Membership can therefore happen if there are changes in the aforementioned statute, standing orders and the Regulations.

*Induction, Training and Development*

The fund conducted one training event during the year under reporting. The training was conducted on 15<sup>th</sup> to 21<sup>st</sup> December 2024 and covered administration of car loan and mortgage benefits in public service.

*Policy to Manage Conflict of interest*

In Fund operations, conflict of interest may arise among members of the committee or its secretariat. This may happen in isolated cases where a member may hold interest in an agenda before the committee, in most cases being consideration of an own loan application by the committee. In such a scenario, the applicant is required to declare such interest and recuse him/herself from the committee sitting where the agenda is being discussed.

*Board Remuneration/Allowances*

Committee members are paid sitting allowances in accordance with provisions by the Salaries and Remuneration Commission circulars on payment of committee sitting allowances to Members of the County Assembly. Members of secretariat were paid allowances based on provisions of clause 5 of the Board Policy Paper on Internal Administration of Car Loan and Mortgage Scheme Fund. The committee and secretariat allowances paid during the reporting the totaled to Kshs.4.3M.

*Ethics and conduct of Committee Members*

There was no reported cases of unethical conduct for the Members of the Committee in the year under reporting.

*Governance Audit*

There was no governance audit conducted during the period under reporting. Other statutory audits were however conducted and their reports submitted for consideration. These included audit on financial report for Financial Year 2023/2024 conducted by the Office of Auditor General. The

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audit submitted a qualified opinion on the said financial report. Other audits were conducted quarterly by the Internal Department of the County Assembly.

*Communication Policy*

The Fund being established under the Nairobi City County Assembly Service Board adopts the communication policy of the County Assembly. The Clerk, being the Authorized Officer of the County Assembly and the Officer administering the Fund is the administrative head of the Fund and hence all official communications are made and received by him in accordance with the Communication Policy of the County Assembly.

*Terms of Reference of the Committee*

The Loans Management Committee draws its Terms of reference majorly from the Public Finance Management (*Nairobi City County Assembly Car Loan and Mortgage Scheme Fund*) Regulations, 2017. Other sources of the Committee's Terms of Reference are the Nairobi City County Assembly Board Paper No.14 of 20<sup>th</sup> August 2015 on Internal Administration of the NCCA Car Loan and Mortgage Scheme Fund, Public Finance Management Act, 2012 and the Constitution of Kenya, 2010.

*Policy on Related Party Transactions*

The Fund does not have a formal policy on related party transactions. However, when such transactions happen, they are disclosed in financial report for each financial year. This is in line with International Public Sector Accounting Standard (IPSAS) number 20.

## 9. Management Discussion and Analysis

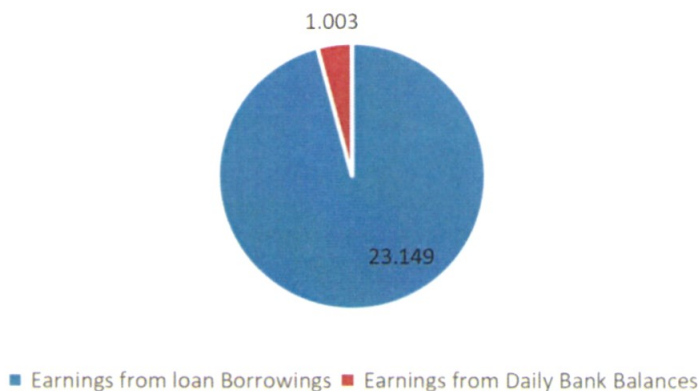
### *The Funds operational and Financial Performance*

The financial performance of the Fund as at 30<sup>th</sup> June 2025 is presented herewith in accordance with the requirement of Section 167 of the Public Finance Management Act, 2012; Regulation 9(f) of the Public Finance Management (*Nairobi City County Assembly Car Loan and Mortgage Scheme Fund*) Regulations 2017; the Public Audit Act and the International Public Sector Accounting Standards – Accrual. This is the 7<sup>th</sup> reporting period of the Fund as a single Fund, and 12<sup>th</sup> reporting period since inception of the Car Loan and Mortgage benefits as individual Funds. The Fund has two sources of income being interest from loan borrowings which is charged at 3% reducing balance and earnings from daily bank balances held in Cooperative Bank Limited and Family Bank Limited.

### **Revenue**

The Fund total revenue for the period ended 30<sup>th</sup> June of 2025 was Kshs.24M. This comprised Ksh.23M from interest earned from loan borrowings and Ksh.1M from earnings from daily bank balances.

Revenue in Million Ksh.



### **Recurrent Expenditure**

The total operating expenditure for the Fund as at 30<sup>th</sup> June, 2025 was Kshs.23.088M.

### **Cash Flow Statement**

Cash flow from the operations of the fund are detailed in the cash flow statement for the period ended 30<sup>th</sup> June 2025. The cash and cash equivalent for the Fund as at 30<sup>th</sup> June of 2024 was at Kshs.69M.

### **Funds compliance with statutory requirements**

The fund continued to comply with all the applicable laws and statutory requirements.

### ***Major Risks facing the Fund.***

- **Legal and regulatory risks**

The Fund faces legal and regulatory risks such as committee membership amendments, court orders that may affect status of members as members of County Assembly which may be detrimental to the member's ability to service the loan.

- **Political Risk**

There also exists political risk. The County Assembly and therefore the Fund operates within a political environment. Political decisions may hamper operations of the Fund. There has been protests against political decisions by members of the public. These protests may lead to destruction of property and information stored for the Fund within the Assembly precincts.

## **10. Environmental and Sustainability Reporting**

### **i) *Sustainability strategy and profile***

The Fund did not have environmental sustainability activities or strategies for the period ended 30th June, 2025.

### **ii) *Environmental Performance***

The Fund did not undertake any environmental sustainability activities for the period ended 30th June, 2025.

### **iii) *Employee welfare***

The Fund does not have its own employees. It is operated by a secretariat employed by the Nairobi City County Assembly Service Board. Employee welfare is therefore guided by the Nairobi City County Assembly Human Resource Policy and Procedure Manual.

### **iv) *Market place practices***

As a public entity, the Fund is guided by public statutes, regulations and practices. These includes procurement laws, Ethics and Anti-corruption practices, Public Finance Management laws and Regulations as well as guidelines issued by the National Treasury, the SRC and the Office of the Controller of Budget.

### **v) *Corporate Social Responsibility***

The Fund did not undertake any Corporate Social Responsibility activities in the period under reporting, ended 30th June, 2025.

*Nairobi City County Assembly Service Board*  
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**Annual Report and Financial Statements for the year ended June 30 2025**

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**11. Report of The Trustees**

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

**Principal activities**

The principal activities of the Fund are to purchase vehicles for members and staff of the County Assembly and to purchase, develop, renovate or repair a residential property for use by the member and his/her immediate family.

**Results**

The results of the Fund for the year ended June 30, 2025 are set out on pages 1-7.

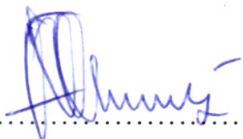
**Trustees**

The members of the Loans Committee who are the Fund Trustees who served during the year are shown on pages vii to x. There were no changes in composition of the Committee during the reporting period.

**Auditors**

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

By Order of the Board



.....

**Chair Fund Administration Committee**

**Date:** 26/11/2025  
.....

## **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 under Section 116 of the Public Finance Management Act, 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 Regulation 9(f) of the Public Finance Management (*Nairobi City County Assembly Car Loan and Mortgage Scheme Fund*) Regulations 2017. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 2025, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

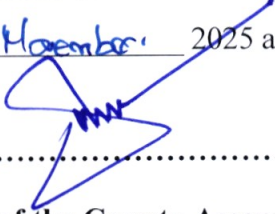
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Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Fund's financial statements were approved by the Nairobi City County Assembly Service Board on 26<sup>th</sup> November, 2025 and signed on its behalf by:

  
.....  
**Administrator of the County Assembly Fund**

**13. Report of The Independent Auditor on the Financial Statements for 2024/2025 Fund**

# REPUBLIC OF KENYA

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

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Nairobi City County Assembly Car Loan and Mortgage Scheme Fund set out on pages 1 to 47, 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Nairobi City County Assembly Car Loan and Mortgage Scheme Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management (Nairobi City County Assembly Car Loan and Mortgage Scheme Fund) Regulations, 2017 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Variations between the Statements of Cash Flows and Comparison of Budget and Actual Amounts**

Review of the financial statements revealed unreconciled variations between the statement of cash flows and the statement of comparison of budget and the actual amounts as analyzed below;

	<b>Particulars</b>	<b>Statement Cash Flows (Kshs)</b>	<b>Statement of Comparison of Budget and Actual Amounts (Kshs)</b>	<b>Variance (Kshs)</b>
1.	Interest Received	21,457,177	24,152,185	2,695,008
2.	Fund Administration Expenses	23,035,421	23,088,090	52,669

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

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

### **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 effects of the matter

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

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Nairobi City County Assembly Car Loan and Mortgage Scheme Fund in 2024/2025 revealed that the following matters remained unresolved.

	<b>Financial Year</b>	<b>Audit Issue</b>
1	2023/2024	Unremitted Payroll Transactions
2	2023/2024	Long Outstanding Receivables from Non-Exchange Transactions
3	2023/2024	Delay in Loan Deductions
4	2023/2024	Non-Automation of the Car Loan and Mortgage Financial Reporting Process

### **Other Information**

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

In connection with my audit on the Nairobi City County Assembly Car Loan and Mortgage Scheme Fund financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information and I am required to report that fact. 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 THE USE OF PUBLIC RESOURCES

### **Conclusion**

As required by Article 229(6) of the Constitution, 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**

#### **Lack of Proper Governance in Borrowings**

The statement of cash flows reflects balances of Kshs.83,206,568 and Kshs.88,393,960 in respect to cash transfers to and from Nairobi City County Assembly respectively. Review of records provided for audit revealed that, the County Assembly had an opening balance of Kshs.85,317,692 in funds borrowed from the Car and Mortgage Fund. During the year, the Fund additional transfers amounting to Kshs.83,206,568 to the Assembly, bringing the total borrowings to Kshs.168,524,260. Further, records indicate that the Assembly repaid Kshs.22,033,960 resulting to an outstanding balance of Kshs.146,490,290 at the end of the financial year. However, both the County Assembly and the Mortgage Fund are under the management of the same Accounting Officer, raising concerns over independence, oversight, and financial responsibility in the borrowing and repayment process.

There were also no laws, policies, or regulations governing the borrowing arrangements between the County Assembly and the Mortgage Fund. This was contrary to Section 141(1) of the Public Finance Management Act, 2012 which provides that, "in borrowing money, a County Government shall ensure that its financing needs and payment obligations are met at the lowest possible cost in the market that is consistent with a prudent degree of risk, while ensuring that the overall level of public debt is sustainable."

In the circumstances, Management was in breach of the law and the objective of the Car and Mortgage Scheme Fund may not be achieved in the long run.

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 the Management and those Charged with Governance**

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

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SSAs 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 also 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

15 December, 2025

*Nairobi City County Assembly Service Board*  
*Car Loan and Mortgage Scheme Fund*  
**Annual Report and Financial Statements for the year ended 30 June 2025**

**14. Statement of Financial Performance for the Year Ended 30<sup>th</sup> June 2025**

Description	Note	FY 2024/2025	FY 2023/2024
		Ksh	Ksh
<b>Revenue From Non-Exchange Transactions</b>			
Public Contributions and Donations		-	-
Transfers From the County Government		-	-
Fines, Penalties and Other Levies		-	-
			-
<b>Revenue From Exchange Transactions</b>			
Interest Income	6	24,152,185	25,441,504
Other Income		-	-
		-	
<b>Total Revenue</b>		<b>24,152,185</b>	<b>25,441,504</b>
<b>Expenses</b>			
Employee Costs		-	-
Use of goods and services	9	23,088,090	24,302,099
Depreciation and Amortization Expense		-	-
Finance Costs		-	-
<b>Total Expenses</b>		<b>23,088,090</b>	<b>24,302,099</b>
<b>Other Gains/Losses</b>			
Gain/Loss on Disposal of Assets		-	-
Gain /Loss on fair value of investments		-	-
<b>Surplus/(Deficit) for the Period</b>		<b>1,064,095</b>	<b>1,139,405</b>

*The notes set out on pages 9 to 42 form an integral part of these Financial Statements*

.....  
**Name: Edward O. Gichana**  
**Administrator of the Fund**

.....  
**Name: Paul W. Kimani**  
**Director Financial Services**  
**ICPAK Member Number:18731**

*Nairobi City County Assembly Service Board*  
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**15. Statement of Financial Position As at 30 June 2025**

Description	Note	FY 2024/2025	FY 2023/2024
		Ksh	Ksh
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	14	69,009,753	8,425,227
Current Portion of Long- Term Receivables from Exchange Transactions	15 (a)	130,831,888	119,086,530
Prepayments		-	-
Inventories		-	-
Receivables from Exchange Transactions	15 (a)	44,626,042	37,781,112
Receivables from Related Party/Non-Exchange Transactions	15(b)	243,696,850	242,330,502
Investments in financial assets		-	-
<b>Total current assets</b>		<b>488,164,533</b>	<b>407,623,371</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment		-	
Intangible Assets		-	
Long Term Receivables from Exchange Transactions	15(a)	607,744,303	687,221,371
Investment Property		-	-
<b>Total non- current assets</b>		<b>607,744,303</b>	<b>687,221,371</b>
<b>Total Assets (A)</b>		<b>1,095,908,836</b>	<b>1,094,844,741</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables from Exchange Transactions		-	-
Current Provisions		-	-
Current Portion of Borrowings		-	-
Employee Benefit Obligations		-	-
Social benefit liabilities		-	-
<b>Total current liabilities</b>		<b>-</b>	<b>-</b>
<b>Non-Current Liabilities</b>			
Non-Current Provisions	26	-	-

**Nairobi City County Assembly Service Board**  
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Description	Note	FY 2024/2025	FY 2023/2024
		Ksh	Ksh
Long Term Portion of Borrowings	27	-	-
Non-Current Employee Benefit Obligation	28	-	-
Social benefit liabilities	29	-	-
<b>Total Liabilities (B)</b>		-	-
<b>Net Assets (A-B)</b>		<b>1,095,908,836</b>	<b>1,094,844,741</b>
<b>Represented By:</b>			
Revolving Fund		1,016,000,000	1,016,000,000
Reserves		-	-
Accumulated Surplus		79,908,836	78,844,741
<b>Net Assets</b>		<b>1,095,908,836</b>	<b>1,094,844,741</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 26<sup>th</sup> Nov. 2025 and signed by:

.....  
**Name: Edward O. Gichana**  
**Administrator of the Fund**

.....  
**Name: Paul W. Kimani**  
**Director Financial Services**  
**ICPAK Member Number:18731**

*Nairobi City County Assembly Service Board*  
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**16. Statement of Changes in Net Assets for the year ended 30<sup>th</sup> June 2025**

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
	Ksh	Ksh	Ksh	Kshs
<b>Balance As At 1 July 2023</b>	<b>1,016,000,000</b>	-	<b>83,585,736</b>	<b>1,099,585,736</b>
Surplus/(Deficit) For the Period	-	-	1,139,405	<b>1,139,405</b>
Adjustments	-	-	(5,879,400)	<b>(5,879,400)</b>
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
<b>Balance As At 30 June 2024</b>	<b>1,016,000,000</b>	-	<b>78,844,741</b>	<b>1,094,844,741</b>
<b>Balance As At 1 July 2024</b>	<b>1,016,000,000</b>	-	<b>78,844,741</b>	<b>1,094,844,741</b>
Surplus/(Deficit) For the Period		-	1,064,095	<b>1,064,095</b>
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
<b>Balance As At 30 June 2025</b>	<b>1,016,000,000</b>	-	<b>79,908,836</b>	<b>1,095,908,836</b>

*Nairobi City County Assembly Service Board*  
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**17. Statement of Cash Flows for The Year Ended 30 June 2025**

Description	Note	FY 2024/2025	FY 2023/2024
		Ksh	Ksh
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Public contributions and donations		-	-
Transfers from the county government		-	-
Interest received		21,457,177	23,741,787
Receipts from other operating activities		-	-
<b>Total receipts</b>		<b>21,457,177</b>	<b>23,741,787</b>
<b>Payments</b>			
Fund administration expenses		23,035,421	24,301,503
General expenses		-	-
Finance cost		-	-
Other payments		-	-
<b>Total Payments</b>		<b>23,035,421</b>	<b>24,301,503</b>
<b>Net cash flows from operating activities</b>		<b>(1,578,244)</b>	<b>(559,716)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and Intangible assets		-	-
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		115,959,203	80,283,221
Loan disbursements paid out		(62,754,216)	(185,950,952)
Cash Transfers to NCCA (Non-Exchange Transaction)		(83,206,568)	(54,967,997)
Cash Receipts from NCCA (Repayments of borrowings)		88,393,960	151,651,727
<b>Net cash flows used in investing activities</b>		<b>58,392,378</b>	<b>(8,984,001)</b>
<b>Cash flows from financing activities</b>			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash &amp; cash</b>		<b>56,814,134</b>	<b>(9,543,717)</b>

*Nairobi City County Assembly Service Board*  
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<b>Equivalents</b>			
Prior year adjustments		3,770,391	(16,038,974)
Cash and cash equivalents at 1 July	17	8,425,227	34,007,917
<b>Cash and cash equivalents at 30 June</b>	17	<b>69,009,753</b>	<b>8,425,227</b>

Nairobi City County Assembly Service Board  
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18. Statement Of Comparison Of Budget And Actual Amounts For The Period 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
<b>Budget carryovers from the previous year*</b>	-	-	-	-	-	-
<b>Receipts</b>						
Public Contributions and Donations	-	-	-	-	-	-
Transfers From County Govt.						
Interest Income	24,724,407	598,815	25,323,222	24,152,185	1,171,037	95.37%
Other Income	-	-	-	-	-	-
<b>Total Income</b>	<b>24,724,407</b>	<b>598,815</b>	<b>25,323,222</b>	<b>24,152,185</b>	<b>1,171,037</b>	<b>94.82%</b>
<b>Expenses</b>						
Fund Administration Expenses	21,338,110	3,978,856	25,316,966	23,088,090	2,228,876	91.20%
General Expenses	-	-	-	-	-	-
Finance Cost	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>21,338,110</b>	<b>3,978,856</b>	<b>25,316,966</b>	<b>23,088,090</b>	<b>2,228,876</b>	<b>91.20%</b>
<b>Capital expenditure</b>	-	-	-	-	-	-
<b>Surplus For the Period</b>	<b>3,386,927</b>	<b>(3,380,041)</b>	<b>6,256</b>	<b>1,064,095</b>	<b>(1,057,839)</b>	<b>17,005%</b>

*Nairobi City County Assembly Service Board*  
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**Budget notes**

Budget adjustments were informed by Fund expenses brought forward from the previous Financial Year, 2023/2024 and the need to align expected incomes to the unfolding actual for the ten months to preparation of the supplementary budget.

**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	1,064,094
1	Less: Income earned in the ear but not received	(4,986,432)
2	Add: Income received during the year relating to previous years	2,344,093
3	Add: Principal Loan Repayments	115,959,203
4	Less: Loan Advances	(62,754,216)
5	Less: Cash advances to NCCA	(83,206,568)
6	Add: Receipts of cash advances from NCCA	88,394,960
7	Prior Year Adjustment	3,770,391
8	Add Cash Balance B/F	8,425,227
	<b>Closing Cash and Cash Equivalent as per the statement of Cash flows</b>	<b>69,009,753</b>

**19. Notes to the Financial Statements**

**Significant Accounting Policies**

**1. General Information**

Nairobi City County Assembly Car Loan and Mortgage Scheme Fund is established by and derives its authority and accountability from Public Finance Management Act, 2012. The Fund is wholly owned by the Nairobi City County Assembly Service Board and is domiciled in Kenya. The Fund’s principal activity is provide loans to the members of the Scheme for;

- (a) Purchase of Vehicles; and
- (b) Purchase, development, renovation or repair of residential property.

**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.

**1. Adoption of new and revised standards**

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></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 Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p><b><i>This standard is not expected to have any impact on the financial statements of the Fund as the Fund does not operate on leases or leased properties.</i></b></p>

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<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><b><i>This standard is not expected to have any impact on the financial statements of the Fund as the Fund does not hold assets for sale.</i></b></p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><b><i>This standard is not expected to have any impact on the financial statements of the Fund as the Fund does not have heritage assets neither is it likely to have such assets.</i></b></p>
<p>IPSAS 46: Measurement</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><b><i>This standard may have minimal or no impact on the details of reporting in the financial statements. This will however be of minimal effect and will depend on the guidance as shall be provided.</i></b></p>

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<p>IPSAS 47: Revenue</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b>  This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.  <b><i>This standard is not expected to have any impact on the financial statements of the Fund as the Fund does not generate revenue from non-exchange transactions.</i></b></p>
<p>IPSAS 48: Transfer Expenses</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b>  The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.  <b><i>This standard is not expected to have any impact on the financial statements of the Fund as the Fund does not have transfer transactions.</i></b></p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b>  The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.  <b><i>This standard is not expected to have any impact on the financial statements of the Fund as the Fund is not a retirement benefit scheme.</i></b></p>
<p>IPSAS 50: Exploration For &amp; Evaluation of Mineral Resources</p>	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b>  The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity’s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ol>

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	<i>This standard is not expected to have any impact on the financial statements of the Fund as the Fund is not engage in exploration and/or evaluation of mineral resources.</i>
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**(i) Early adoption of standards**

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

**2. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i. Revenue from non-exchange transactions**

**Transfers from other government entities**

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

**ii. Revenue from exchange transactions**

**Interest income**

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

**Dividends**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2024/2025 was approved by the County Assembly's Loans Management Committee and the CEC, Finance and Economic Planning on 22<sup>nd</sup> June 2024 and 20<sup>th</sup> August 2024 respectively. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded an increase in its expenditure and income by Ksh.4M and Ksh.0.6M in incomes on the FY 2025

*Nairobi City County Assembly Service Board*

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budget, following approval by the LMC and the CEC. The increase in expenditure was informed by Fund expenses brought forward from the previous Financial Year, 2023/2024.

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.

*Nairobi City County Assembly Service Board*  
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**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 cash flows has been presented.

**c) Property, plant and equipment**

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

**a) Intangible Assets**

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

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

**b) Investment property**

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

**c) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the 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 entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

**Subsequent measurement**

Based on the business model and the cash flow characteristics, the 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 entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

**Trade and other receivables**

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

**Impairment**

The 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.

**Financial liabilities**

**Classification**

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

**d) Inventories**

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

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

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

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

**e) Provisions**

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

**f) Social Benefits**

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

**g) 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 Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**h) Nature and purpose of reserves**

The Fund creates and maintains reserves in terms of specific requirements. As at the date of reporting, the Fund did not have any reserves.

**i) 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.

**j) Employee benefits – Retirement benefit plans**

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

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

The Fund has never had own employees and therefore does not provide for retirement benefits. The staff who work for the Fund are employees of the Nairobi city County Assembly Service Board.

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**Summary of Significant Accounting Policies (Continued)**

**k) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise. During the year under reporting, the Fund did not have foreign currency transactions.

**l) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance. During the period of reporting, the Fund did not have borrowing costs for PPE or any other kind of borrowing and therefore did not incur borrowing costs.

**m) Related parties**

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

**n) Cash and cash equivalents**

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

**o) Comparative figures**

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

## **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.

The judgements, estimates and assumptions in preparation of this financial report include;

### **a) Estimates and assumptions –**

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

### **b) Useful lives and residual values**

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

- The condition of the asset based on the assessment of experts employed by the 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**

The Fund did not have provisions raised in the year under reporting.

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.

During the year under reporting, the Fund did not make any provisions.

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**Notes To the Financial Statements Continued**

3. Public contributions and donations

Description	FY 2024/2025	FY 2023/2024
	Kshs 000	Kshs 000
Donation From Development Partners	-	-
Contributions From the Public	-	-
<b>Total</b>	-	-

4. Transfers from County Government

Description	FY 2024/2025	FY 2023/2024
	Ksh	Ksh
Transfers From County Govt. –Operations	-	-
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
<b>Total</b>	-	-

5. Fines, penalties and other levies

Description	FY 2024/2025	FY 2023/2024
	Ksh	Ksh
Late Payment Penalties	-	-
Fines	-	-
<b>Total</b>	-	-

6. Interest income

Description	FY 2024/2025	FY 2023/2024
	Ksh	Ksh
Interest Income from Mortgage Loans	22,040,535	22,021,221
Interest Income From Car Loans	1,108,715	1,150,450
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	1,002,935	2,269,831
<b>Total Interest Income</b>	<b>24,152,185</b>	<b>25,441,504</b>

*The Fund advances Mortgage and Car loans to Members and Staff of The County Assembly. The loans are charged an interest of 3% per annum on reducing balance as advised by the Salaries and remuneration Commission. In addition daily bank balances earn interest at bank rate. The interest is credited in the Fund account on monthly basis.*

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**7. Other income**

Description	FY 2024/2025	FY 2023/2024
	Ksh	Ksh
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
<b>Total Other Income</b>	-	-

**8. Employee Costs**

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

**9. Use of Goods and Services**

Description	FY 2024/2025	FY 2023/2024
	Ksh	Ksh
General Expenses	18,759,565	20,617,320
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	-
Committee Allowances	4,319,696	3,667,177
Bank Charges	8,829	17,601
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	-	-
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Bank Charges	-	-

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Description	FY 2024/2025	FY 2023/2024
	Ksh	Ksh
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other ( <i>Specify</i> )	-	-
Social benefit expenses*	-	-
<b>Total</b>	<b>23,088,090</b>	<b>24,302,099</b>

**10. Depreciation and Amortization Expenses**

Description	FY 2024/2025	FY 2023/2024
	Ksh	Ksh
Property Plant and Equipment	-	-
Intangible Assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**11. Finance costs**

Description	FY 2024/2025	FY 2023/2024
	Ksh	Ksh
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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**12. Gain/(loss) on disposal of assets**

<b>Description</b>	<b>FY 2024/2025</b>	<b>FY 2023/2024</b>
	<b>Ksh</b>	<b>Ksh</b>
Property, Plant and Equipment	-	-
Intangible Assets	-	-
<b>Total</b>	-	-

**13. Gain/ (loss) on Fair Value Investments**

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

**14. Cash and cash equivalents**

<b>Description</b>	<b>FY 2024/2025</b>	<b>FY 2023/2024</b>
	<b>Ksh</b>	<b>Ksh</b>
Car Loan & Mortgage Account	69,009,753	8,425,227
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	-	-
Others ( <i>Specify</i> )	-	-
<b>Total Cash and Cash Equivalents</b>	<b>69,009,753</b>	<b>8,425,227</b>

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

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

Financial Institution	Account number	FY 2024/2025	FY 2023/2024
		Ksh	Ksh
<b>a) Fixed Deposits Account</b>			
Kenya Commercial Bank		-	-
Equity Bank, Etc.		-	-
<b>Sub- Total</b>		-	-
<b>b) On - Call Deposits</b>			
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
<b>Sub- Total</b>		-	-
<b>c) Current Account</b>			
Family Bank(City Hall Branch)	016000015578	68,088,847.27	6,601,973.90
Cooperative Bank(City Hall Branch)	01141232417504	920,905.93	1,823,253.03
<b>Sub- Total</b>		<b>69,009,753.20</b>	<b>8,425,226.93</b>
<b>d) Others(Specify)</b>			
Cash In Transit		-	-
Cash In Hand		-	-
<b>Sub- Total</b>		-	-
<b>Grand Total</b>		<b>69,009,753.20</b>	<b>8,425,226.93</b>

**15. (a) Receivables from exchange transactions**

Description	FY 2024/2025	FY 2023/2024
	Ksh	Ksh
<b>Current Receivables</b>		
Interest Receivable	6,647,808	4,795,671
Current Loan Repayments Due (Unremitted Payroll Deductions)	32,091,694	29,356,146
Insurance Claim Receivable	2,848,172	2,848,172
Insurance Premium advance receivable	3,038,368	781,123
Other Receivables		
Less: Impairment Allowance	-	-
<b>Total Receivables from Exchange Transactions</b>	<b>44,626,042</b>	<b>37,781,112</b>
Current Portion of Loan Repayments	130,831,888	
<b>Total Current Receivables</b>	<b>175,457,930</b>	<b>37,781,112</b>

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<b>Non-Current Receivables</b>		
Long Term Loan Repayments	607,744,302	687,221,371
<b>Total Non- Current Receivables</b>	<b>607,744,302</b>	<b>687,221,371</b>
<b>Total Receivables From Exchange Transactions</b>	<b>783,202,232</b>	<b>725,002,483</b>

**15 (b) Receivables from Non-Exchange transactions (Borrowings by NCCA)**

Description	FY 2024/2025	FY 2023/2024
	Ksh	Ksh
Borrowings on account of Motor Vehicle Reimbursement Account	90,652,840	157,012,840
Borrowings on Recurrent Account	146,490,270	85,317,662
Internal debt-swap	6,553,740	-
<b>Total Receivables from Non-Exchange Transactions</b>	<b>243,696,850</b>	<b>242,330,502</b>

**Additional disclosure on interest receivable**

Description	FY 2024/2025	FY 2023/2024
	Ksh	Ksh
<b>Interest Receivable</b>		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
<b>Current loan repayments due</b>		
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

**16. Prepayments**

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

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**17. Inventories**

Description	FY 2024/2025	FY 2023/2024
	Ksh	Ksh
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (Specify)	-	-
<b>Total Inventories</b>	-	-

Detailed disclosure on inventories

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

**18. Investments in financial assets**

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

*The Fund does not have investments in Financial Assets*

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**Movement of Equity Investments**

<b>Impairment allowance/ provision</b>	<b>FY 2024/2025</b>	<b>FY 2023/2024</b>
	<b>Ksh</b>	<b>Ksh</b>
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
<b>At the end of the year</b>	<b>-</b>	<b>-</b>

**e) Shareholding in other entities**

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

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**19. Property, plant, and equipment**

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

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**20. Intangible assets**

Description	FY 2024/2025	FY 2023/2024
	Ksh	Ksh
<b>Cost</b>		
<b>At Beginning of The Year</b>	-	-
Additions	-	-
<b>At End of The Year</b>	-	-
<b>Amortization And Impairment</b>		
<b>At Beginning of The Year</b>	-	-
Amortization	-	-
<b>At End of The Year</b>	-	-
Impairment Loss	-	-
<b>At End of The Year</b>	-	-
<b>NBV</b>	-	-

**21. Investment Property**

Description	FY 2024/2025	FY 2023/2024
	Ksh	Ksh
<b>At beginning of the year</b>	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
<b>At end of the year</b>	-	-

*The Fund does not have investments in property*

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**22. Trade and other payables from exchange transactions**

Description	FY 2024/2025		FY 2023/2024	
	Ksh		Ksh	
Trade Payables	-		-	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
<b>Total Trade and Other Payables</b>	-		-	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total (tie to above total)</b>	-	-	-	-

**23. Provisions**

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

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**24. Borrowings**

Description	FY 2024/2025	FY 2023/2024
	Ksh	Ksh
<b>Balance At Beginning of The Period</b>	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments of External Borrowings During the Period	-	-
Repayments of Domestic Borrowings During the Period	-	-
<b>Balance At End of The Period</b>	-	-

*The Fund did not have borrowings during the year under reporting*

Description	FY 2024/2025	FY 2023/2024
	Ksh	Ksh
<b>External Borrowings</b>		
Dollar Denominated Loan From 'X Organization'	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from Z Organization'	-	-
<b>Domestic Borrowings</b>		
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
<b>Total Balance at End of The Year</b>	-	-

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

Description	FY 2024/2025	FY 2023/2024
	Ksh	Ksh
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
<b>Total</b>	-	-

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**25. Employee benefit obligations**

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Insert Current FY	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**26. Social Benefit Liabilities**

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
<b>Total</b>	-	-
Current social benefits	-	-
Non- current social benefits	-	-
<b>Total (tie to totals above)</b>	-	-

**27. Cash generated from operations.**

Description	FY 2024/2025	FY 2023/2024
	Kshs 000	Kshs 000
<b>Surplus/ (Deficit) For the Year Before Tax</b>	-	-
<b>Adjusted For:</b>		
Depreciation	-	-
Amortization	-	-
Gains/ Losses On Disposal Of Assets	(-)	(-)
Interest Income	(-)	(-)
Finance Cost	-	-
<b>Working Capital Adjustments</b>		
Increase In Inventory	(-)	(-)
Increase In Receivables	(-)	(-)
Increase In Payables	-	-
<b>Net Cash Flow From Operating Activities</b>	-	-

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**28. 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 County Assembly Service Board;
- c) The Parent County Government Ministry;
- d) Key management;
- e) Board of Trustees; etc.

**b) Related party transactions**

Description	FY 2024/2025	FY 2023/2024
	Ksh	Ksh
Transfers From Related Parties'	88,393,960	151,651,727
Transfers To Related Parties	83,206,568	54,967,997

**c) Key management remuneration**

Description	FY 2024/2025	FY 2023/2024
	Ksh	Ksh
Board Of Trustees	-	-
Key Management Compensation	-	-
<b>Total</b>	-	-

**d) Due from related parties**

Description	FY 2024/2025	FY 2023/2024
	Ksh	Ksh
Due From Parent Ministry	-	-
Due From County Government	-	-
Due from Nairobi City County Assembly (Unremitted Payroll Deductions –Principal Ksh.32,091,694, Interest Ksh.3.295,648 and Internal Borrowings Ksh.243,696,850	279,084,192	277,990,211
<b>Total</b>	<b>279,084,192</b>	<b>277,990,211</b>

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**Other Disclosures Continued**

**e) Due to related parties**

Description	FY 2024/2025	FY 2023/2024
	Ksh	Ksh
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
<b>Total</b>	-	-

**29. Contingent assets and contingent liabilities**

Contingent Liabilities	FY 2024/2025	FY 2023/2024
	Ksh	Ksh
Court Case Against the Fund	-	-
Bank Guarantees	-	-
<b>Total</b>	-	-

*The Fund did not have contingent assets or liabilities in the year under reporting*

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**30. 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 program focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

**a) Credit risk**

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

<b>Description</b>	<b>Total amount Ksh</b>	<b>Fully performing Ksh</b>	<b>Past due Ksh</b>	<b>Impaired Ksh</b>
<b>At 30 June 2024</b>				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2025</b>	-	-	-	-
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
<b>Total</b>	-	-	-	-

*In the Opinion of the County Assembly Service Board, the Fund did not have credit risk as it did not have financial investments. The risk attributable to loan advanced to eligible members was minimal, tending to zero.*

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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 entity has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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

**b) Liquidity risk management**

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Ksh	Ksh	Ksh	Ksh
<b>At 30 June 2025</b>				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2024</b>	-	-	-	-
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-

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**c) Market risk**

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

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

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

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

**i. Foreign currency risk**

The entity has no 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 Fund had no foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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

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**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
<b>30<sup>th</sup> June 2025</b>			
Euro	10%	-	-
USD	10%	-	-
<b>30<sup>th</sup> June 2024</b>		-	-
Euro	10%	-	-
USD	10%	-	-

**ii. Interest rate risk**

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

***Management of interest rate risk***

To manage the interest rate risk, management has endeavored to bank with institutions that offer favorable 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 0 (2024: Kshs 0 ). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0 (2024– Kshs 0).

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**d) Capital risk management.**

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

Description	FY 2024/2025	FY 2023/2024
	Ksh	Ksh
Revaluation reserve	-	-
Revolving fund	1,016,000,000	1,016,000,000
Accumulated surplus	79,908,836	78,844,741
<b>Total funds</b>	<b>1,095,908,836</b>	<b>1,094,844,741</b>
Total borrowings	-	-
Less: cash and bank balances	(69,009,753)	(8,425,227)
Net debt/(excess cash and cash equivalents)	<b>(69,009,753)</b>	<b>(8,425,227)</b>
<b>Gearing</b>	<b>0%</b>	<b>0%</b>

**31. Events after the reporting period**

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

**32. Ultimate and Holding Entity**

The Fund is a County Public Fund established pursuant to Regulation 3 of the Public Finance Management (*Nairobi City County Assembly Car Loan and Mortgage Scheme Fund*) Regulations 2017 as read together with section 116 of the Public Finance Management Act, 2012 and circular ref SRC/TS/CAF/3/61/49(46) from the Salaries and Remunerations Commission dated 13<sup>th</sup> December 2017. It is established under the Nairobi City county Assembly Service Board.

**33. Currency**

The financial statements are presented in Kenya Shillings (Kshs)

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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)
1	<p><b>1. Unremitted Payroll Deductions</b>                      The statement of financial position and Note 13 to the financial statements reflects receivables from exchange transactions balance of Kshs.37,781,000. However, review of the receivables from exchange transactions supporting schedules revealed that the receivables from exchange transactions balance of Kshs.37,781,000 includes an amount of Kshs.29,356,000 relating to principal loans deducted from Members and staff payrolls but not remitted to the Fund account. Further, the balance includes an amount of Kshs.3,784,434 interest on unremitted amount not paid.</p> <p>In the circumstance, the rate the fund issues loan was reduced and queuing period for Members has increased, while the interest which would be earned on unremitted payroll deductions is lost.</p>	<p>As observed by the Auditor, the statement of financial position and Note 13 to the financial statements reflects receivables from exchange transactions balance of Kshs.37,781,000. The amount includes an amount of Kshs.29,356,000 relating to principal loans and Ksh.3,784,434 relating to interest on the principal loans, deducted from Members and staff payrolls but not remitted to the Fund account.</p> <p>The unremitted amounts formed part of pending bills for financial year 2024/2025. The said pending bills were re-appropriated in supplementary budget for Financial Year 2024/2025 as</p>	<p>Issue responded to. Awaiting consideration by the County Assembly’s Public Accounts Committee</p>	<p>2025/2026</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		demonstrated under <i>Annexure 1</i> .		
2	<p style="text-align: center;"><b>2 Long Outstanding Receivables from Non-Exchange Transactions</b></p> <p>The statement of financial position reflects receivables from related parties amounting to Kshs.242,331,000 as of 30 June, 2024. This balance comprises of Kshs.83,241,832 being funds directly borrowed by Nairobi City County Assembly (NCCA) for its operational activities. However, the Nairobi City County Assembly financial Statements reflects accounts payable – Money owed to the Fund Account amount of Ksh.63,137,482 resulting to a variance of Ksh.20,104,350 which was not explained or supported. Cumulatively over the years an amount of Kshs.223,271,601 was borrowed from the Fund account out of which an amount of Kshs.157,012,840 relates to balance of motor-vehicle reimbursement which were funds borrowed from the Fund by the NCCA to buy motor vehicles for members of the County Assembly and had not been reimbursed by 30<sup>th</sup> June 2024.</p> <p>Further Kshs.2,075,830 relates to gratuity amounts recovered from two (2) Assembly Members paid into the NCCA operational Account. Similarly, this amount has not been remitted to the Fund account. In addition, as reported in the statement of performance against the County Fund's predetermined objectives, high loan demand against insufficient funds could have been addressed had the outstanding amounts been reimbursed.</p> <p>In the circumstances, the fund lost interest income which would have been earned from Kshs.242,331,000 which has not been reimbursed or paid back to the Fund account.</p>	<p>As correctly observed by the auditor, statement of financial position reflects receivables from related parties amounting to Kshs.242,331,000 as of 30 June, 2024. This balance comprises of Kshs.83,241,832 being funds directly borrowed by Nairobi City County Assembly (NCCA) for its operational activities and an amount of Ksh.2,075,380 being gratuity amount deducted from Members of the Second Assembly on account of loan balances. The auditor, compared the reported amount of borrowing by the Nairobi City County Assembly operational financial statements and observed that the operational financial</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>statements reported Ksh.63,137,482 under Accounts Payable being money owed to the Fund, thereby resulting to a variance of Ksh.20,104,350 from the two sets of financial statements. The management noted this variance and reconciled the figures. A misstatement was found to have been on the County Assembly Operational Financial Statements. The misstatement will be corrected in the financial statements of the County Assembly Operations for Financial Year 2024/2025.</p> <p>The auditor further observed that the County Assembly borrowed cumulatively an amount of Ksh.223,271,601 out of which an amount of</p>		

*Nairobi City County Assembly Service Board*

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>Kshs.157,012,840 related to balance of Motor-Vehicle Reimbursement being funds for payments of Motor-Vehicle Reimbursement benefit for Members of the County Assembly. The Motor Vehicle Reimbursement balance was borrowed from the Fund in financial Year 2022/2023 as KSh.274,288,000 with a plan to pay back in phases every financial year, within the term of the current Assembly. So far and amount of Ksh.117,540,000 has been refunded. The balance of Ksh.157,012,840 will be paid back in phases with an amount of Ksh.67 Million having been appropriated in the current financial year, 2024/2025. The balance of Ksh.90M has been planned for appropriation in the next financial year,</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																																				
		2025/2026.																																						
3	<p><b>3 Delay in Loan Deductions</b></p> <p>The statement of financial performance reflects interest income of Kshs.25,441,000 as disclosed in Note 4 to the financial statements. Included in the Note is interest income from mortgage loans and car loans of Kshs.22,021,000 and Kshs.1,150,000 respectively. However, analysis of the loans schedule provided for audit revealed that some loans issued to the Members were not deducted from the members' salaries immediately from the month the loans were advanced as showed in the table below.</p> <table border="1"> <thead> <tr> <th colspan="4">Member Name</th> </tr> <tr> <th>Car Loan</th> <th>Loan Advanced (Kshs)</th> <th>Date</th> <th>First Deduction Month</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>3,800,000</td> <td>11 October, 2023</td> <td>March 2024</td> </tr> <tr> <td>B</td> <td>3,000,000</td> <td>14 July, 2023</td> <td>January 2024</td> </tr> <tr> <th colspan="4">Mortgage</th> </tr> <tr> <td>C</td> <td>4,000,000</td> <td>14 July 2023</td> <td>October 2023</td> </tr> <tr> <td>D</td> <td>3,800,000</td> <td>14 July 2023</td> <td>December 2023</td> </tr> <tr> <td>E</td> <td>4,000,000</td> <td>21 February 2024</td> <td>No deductions during the F/Y</td> </tr> <tr> <td>F</td> <td>3,500,000</td> <td>5 March 2024</td> <td>No deductions during the F/Y</td> </tr> </tbody> </table> <p>Failure to deduct loans issued is contrary to Regulation 14(1) of the Public Finance Management (Nairobi City County Assembly Car Loan and Mortgage Scheme Fund) Regulations, 2017.</p>	Member Name				Car Loan	Loan Advanced (Kshs)	Date	First Deduction Month	A	3,800,000	11 October, 2023	March 2024	B	3,000,000	14 July, 2023	January 2024	Mortgage				C	4,000,000	14 July 2023	October 2023	D	3,800,000	14 July 2023	December 2023	E	4,000,000	21 February 2024	No deductions during the F/Y	F	3,500,000	5 March 2024	No deductions during the F/Y	As correctly observed by the Auditor, loan deductions as shown in the above table were not made immediately after the loans were issued. The said loans are however currently being deducted and they will be repaid in full within the term of service for each of the members as required under Regulation 18 and 31 of the Public Finance Management (Nairobi City County Assembly Car Loan and Mortgage Scheme Fund) Regulations, 2017.	Resolved	
Member Name																																								
Car Loan	Loan Advanced (Kshs)	Date	First Deduction Month																																					
A	3,800,000	11 October, 2023	March 2024																																					
B	3,000,000	14 July, 2023	January 2024																																					
Mortgage																																								
C	4,000,000	14 July 2023	October 2023																																					
D	3,800,000	14 July 2023	December 2023																																					
E	4,000,000	21 February 2024	No deductions during the F/Y																																					
F	3,500,000	5 March 2024	No deductions during the F/Y																																					

**Nairobi City County Assembly Service Board  
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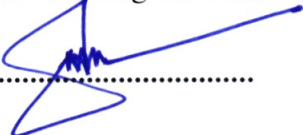
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4	<p><b>4 Non-Automation of the Car Loan and Mortgage Financial Reporting Process</b></p> <p>Review of the financial statements revealed that the financial reporting process continued to have significant manual intervention. The ledgers and sub ledgers are manually maintained on excel and the trial balance and financial statements are also done manually on excel spread sheet. The Management of over Kshs.1,000,000,000 Car and Mortgage Loan Fund using excel worksheet poses a risk in accuracy of the loan transaction data.</p> <p>In the circumstances, the manual processing of financial records exposes the Car Loan and Mortgage Fund's reporting process to a greater risk of errors and manipulation.</p>	<p>The management is in agreement with the auditor on the need to automate the Car Loan and Mortgage Financial processes. Indeed the processes are mainly manual though computations are done on excel spreadsheets which reduces the chance for error. Though hitherto there has not been a notable error, the management has initiated purchase of an Enterprise Resource Planning (ERP) system in the current Financial Year 2024/2025, which will cover the fund management operations thereby minimize the operational risk of errors and manipulation. A copy of 2024/2025 budget has been provided under annexure 2 in support of the planned purchase of an</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		ERP system. Annexure 2: 2024/2025 Budget		

Officer Administering the Fund

Date.....



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**Annex II: Inter-Fund Confirmation Letter**  
**[Insert your Letterhead]**

[Insert name of beneficiary Fund]

[Insert Address]

The [insert XXX name here] wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 20xx as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30 <sup>th</sup> June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by [CC/SAGA/Fund] (Kshs) as at 30 <sup>th</sup> June 2025				Amount Received by [beneficiary Fund] (KShs) as at 30 <sup>th</sup> June 2025 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
<b>Total</b>							

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

**Head of Accountants department of beneficiary Fund:**

**Name .....** **Sign .....** **Date .....**

*The Fund did not have inter-Fund borrowings during the year under reporting*

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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		

*The Fund did not have Climate relevant expenditure during the year under reporting.*

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**Annex IV: Reporting on Disaster Management Expenditure**

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