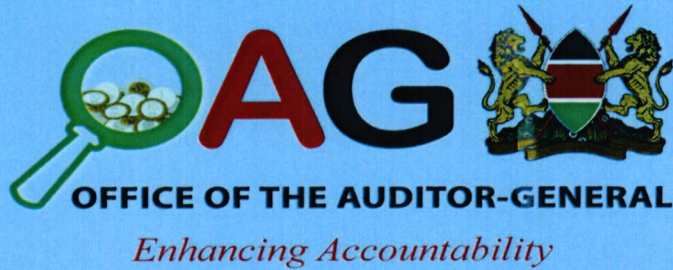


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# REPORT

OF

## THE AUDITOR-GENERAL

ON

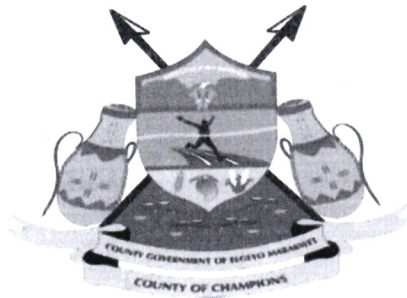
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### ELGEYO MARAKWET COUNTY EXECUTIVE CAR AND MORTGAGE REVOLVING FUND

### FOR THE YEAR ENDED 30 JUNE, 2020

12





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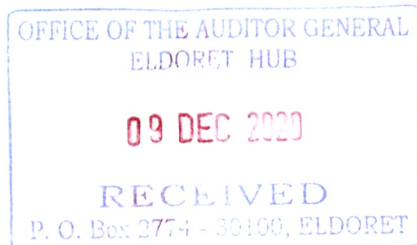
**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE  
REVOLVING FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2020**

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



**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**1. KEY ENTITY INFORMATION AND MANAGEMENT**

**a) Background information**

Elgeyo Marakwet County Executive Car and Mortgage Fund is established by and derives its authority and accountability from The Elgeyo Marakwet County Executive Car & Mortgage Loan Revolving Fund Act, 2015 on 6<sup>th</sup> March, 2015. The Fund is wholly owned by the County Government of Elgeyo Marakwet and is domiciled in Kenya.

The Fund's principal activity is to provide car and mortgage loans to its members

**b) Principal Activities**

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

**c) Fund Administration Committee**

Ref	Name	Details of qualifications and experience
1	Ann Kibosia	<b>Date of Birth:</b> 10-11-1968 <b>Qualification:</b> Master of Arts in Governance and Ethics, BED(Arts) <b>Experience:</b> 28 years in various fields <b>Position:</b> Chairperson
2	Kevin Biwott	<b>Date of Birth:</b> 10-01-1988 <b>Qualification:</b> MBA-Strategic Management, CPA (K) <b>Experience:</b> 11 years <b>Position:</b> Vice Chairman
3	Leah Pamela Rono	<b>Date of Birth:</b> 1981 <b>Qualification:</b> Master of Science Human Resource management <b>Experience:</b> 12 years <b>Position:</b> Member
4	Isaac Kamar	<b>Date of Birth:</b> 8-11-1978 <b>Qualification:</b> MBA -Strategic management <b>Experience:</b> 23 years in Financial management <b>Position:</b> Member
5	Shadrack Yatich	<b>Date of Birth:</b> 25-8-1978 <b>Qualification:</b> MED- Planning and Administration <b>Experience:</b> 16 years in civil service <b>Position:</b> Member
6	JohnKeen Murkeu	<b>Date of Birth:</b> 12-02-1969 <b>Qualification:</b> MBA-Finance, CPA (K) <b>Experience:</b> 28 years <b>Position:</b> Fund Administrator/Secretary

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**d) Key Management**

<b>Ref</b>	<b>Name</b>	<b>Position</b>
1	John Keen Murkeu	<b>Date of Birth:</b> 12-02-1969 <b>Qualification:</b> MBA-Finance <b>Experience:</b> 28 years <b>Position:</b> Fund Administrator/Secretary, Director Accounting Services
2	Kevin Biwott	<b>Date of Birth:</b> 10-01-1988 <b>Qualification:</b> MBA-Strategic Management, CPA (K) <b>Experience:</b> 11 years <b>Position:</b> Vice Chairman
3	Isaac Kamar	<b>Date of Birth:</b> 8-11-1978 <b>Qualification:</b> MBA -Strategic management <b>Experience:</b> 23 years in Financial management <b>Position:</b> CEC Finance and Economic Planning
4	Ann Kibosia	<b>Date of Birth:</b> 10-11-1968 <b>Qualification:</b> Master of Arts in Governance and Ethics, BED(Arts) <b>Experience:</b> 28 years in various fields <b>Position:</b> Chairperson
5	David Chebii	<b>Date of Birth:</b> 1-11-1973 <b>Qualification:</b> MBA-Finance, CPA (K) <b>Experience:</b> 24 years <b>Position:</b> Financial Reporting Accountant

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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**e) Registered Offices**

P.O. Box 220-30700  
Elgeyo Marakwet County Building  
Iten

**f) Fund Contacts**

Telephone: 053-4142277  
E-mail: [elgeyomarakwet.go.ke](mailto:elgeyomarakwet.go.ke)  
Website: [www.elgeyomarakwet.go.ke](http://www.elgeyomarakwet.go.ke)

**g) Fund Bankers**

Trans National Bank  
P.O. Box 34353-00200  
Nairobi

**h) Independent Auditors**







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

**i) Principal Legal Adviser**

The County Attorney  
P.O. Box 220-30700  
Iten, Kenya

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**2. LOAN MANAGEMENT COMMITTEE**

Ref	Name	Details of qualifications and experience
1	Ann Kibosia 	<b>Date of Birth:</b> 10-11-1968 <b>Qualification:</b> Master of Arts in Governance and Ethics, BED(Arts) <b>Experience:</b> 28 years in various fields <b>Position:</b> Chairperson
2	Kevin Biwott 	<b>Date of Birth:</b> 10-01-1988 <b>Qualification:</b> MBA-Strategic Management, CPA (K) <b>Experience:</b> 11 years <b>Position:</b> Vice Chairman
3	Leah Pamela Rono 	<b>Date of Birth:</b> 1981 <b>Qualification:</b> Master of Science Human Resource management <b>Experience:</b> 12 years <b>Position:</b> Member
4	Isaac Kamar 	<b>Date of Birth:</b> 8-11-1978 <b>Qualification:</b> MBA -Strategic management <b>Experience:</b> 23 years in Financial management <b>Position:</b> Member
5	Shadrack Yatich 	<b>Date of Birth:</b> 25-8-1978 <b>Qualification:</b> MED- Planning and Administration <b>Experience:</b> 16 years in civil service <b>Position:</b> Member
6	JohnKeen Murkeu 	<b>Date of Birth:</b> 12-02-1969 <b>Qualification:</b> MBA-Finance, CPA (K) <b>Experience:</b> 28 years <b>Position:</b> Fund Administrator/Secretary

**3. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'S PREDETERMINED OBJECTIVES**

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 Elgeyo Marakwet County Executive Car and Mortgage Revolving Fund principal purpose and objective is to provide loans to members of the County Executive to purchase vehicles or residential houses in addition to develop, renovate or repair their residential property at a low interest rate of 3% pa.



**Progress on attainment of Strategic objectives for Elgeyo Marakwet County Executive Car and Mortgage Revolving Fund,**

Below we provide the progress on attaining the stated objectives:

<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
EMCE Revolving Fund – Housing Scheme	To purchase, develop, renovate and repair of residential property for occupation of members and staff and his or her immediate family	Increased access to descent housing	% of members and staff accessing the loan	<b>In FY 19/20 Eleven (9) additional staff members accessed the loan.</b>
<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
EMCE Revolving Fund – Car Loan Scheme	To purchase motor vehicles for members and staff for efficient transport	Increased efficient transport to office for hon. Members and staff	% of members and staff accessing the loan	<b>In FY 19/20 One (1) additional staff members accessed the loan.</b>

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**4. MANAGEMENT TEAM**

Ref	Name	Position
1	John Keen Murkeu 	<b>Date of Birth:</b> 12-02-1969 <b>Qualification:</b> MBA (Finance), CPA (K) <b>Experience:</b> 27 years <b>Position:</b> Fund Administrator/Secretary, Director Accounting Services
2	Kevin Biwott 	<b>Date of Birth:</b> 10-01-1988 <b>Qualification:</b> MBA-Strategic Management, CPA (K) <b>Experience:</b> 10 years <b>Position:</b> Vice Chairman
3	Isaac Kamar 	<b>Date of Birth:</b> 8-11-1978 <b>Qualification:</b> MBA -Strategic management <b>Experience:</b> 22 years in Financial management <b>Position:</b> CEC Finance and Economic Planning
4	Ann Kibosia 	<b>Date of Birth:</b> 10-11-1968 <b>Qualification:</b> Master of Arts in Governance and Ethics, BED(Arts) <b>Experience:</b> 27 years in various fields <b>Position:</b> Chairperson
5	Chang'wony M.Nixom 	<b>Date of Birth:</b> 12-02-1978 <b>Qualification:</b> MBA,B.Com (Finance), CPA (K) <b>Experience:</b> 10 years <b>Position:</b> Chief Officer-Finance
7	David Chebii 	<b>Date of Birth:</b> 1-11-1973 <b>Qualification:</b> MBA (Finance),CPA (K) <b>Experience:</b> 23 years <b>Position:</b> Financial Reporting Accountant

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

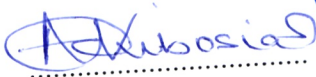
**5. FUND CHAIRPERSON'S REPORT**

The financial statements for County Executive Car & Mortgage Loan Revolving Fund for the financial year 2018/19 have been prepared to comply with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

The County Executive Car & Mortgage Revolving Fund of Elgeyo Marakwet operates County Executive Car & Mortgage Loan Revolving Fund Account No.18002/2000A00/1/0.

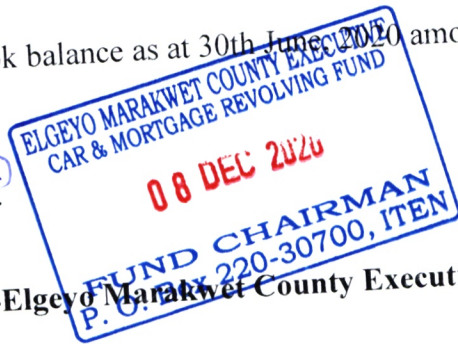
The fund has advanced total cumulative loan of Sh.233,760,000 to 44 members since the inception of the fund to 30<sup>th</sup> June, 2020. During the year, total loan repaid amounted to sh.46,293,283. The total outstanding loans (principal and interest) from members as at 30<sup>th</sup> June, 2020 amounted to Sh.123,059,931. Total loans advanced to members during the year Sh.42,660,000. The fund earned total interest of Sh.3,555,764 during the period. The fund had 44 members as at 30<sup>th</sup> June, 2020.

The available cashbook balance as at 30<sup>th</sup> June, 2020 amounts to sh.6,156,531



Hon. Ann Kibosia

**Fund Chairperson - Elgeyo Marakwet County Executive Car & Mortgage Revolving Fund**



**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**6. REPORT OF THE FUND ADMINISTRATOR**

The County Executive Car & Mortgage loan scheme is a revolving fund established pursuant to the Salaries and Remuneration Commission (SRC) circular number SRC/TS/WH/3/14 of 14<sup>th</sup> February 2014.

The SRC in its circular reference SRC/ADM/CIR/1/13 Vol.III (128) dated 17<sup>th</sup> December 2014 provided guidelines for access of car loan and mortgage benefits by state and public officers.

The financial statements for Car & Mortgage for the period ended 30<sup>th</sup> June, 2020 have been prepared in accordance to Section 167 of the Public Finance Management (PFM) Act 2012 which mandates the administrator of the fund.

During the year ended 30<sup>th</sup> June, 2020, total loan amounting to Sh.46,293,283 was recovered from members. Sh.42,660,000 was advanced to members during same period. The outstanding loans as at 30<sup>th</sup> June, 2020 amounted to 123,059,931 as indicated in note 12 of financial statements under long term receivables from exchange transactions. The Loan repayment schedule for the month of June, 2020 is annexed to the financial statements (**Marked as Annex D**)

The total transfers from County government to the revolving fund from inception of the fund to 30<sup>th</sup> June, 2020 amount to Sh.120,000,000 as tabulated below;

Date	Source	Amount
24/03/2015	Transfer from EMC	45,000,000
23/06/2015	Transfer from EMC	25,000,000
10/10/2016	Transfer from EMC	24,000,000
28/9/2018	Transfer from EMC	26,000,000
	<b>Total Ksh.</b>	<b>120,000,000</b>

During the year, 5 members cleared their loans in full and their securities discharged.

Signed: \_\_\_\_\_

John Keen Murkeu Jairo

Fund Administrator/County Executive Car & Mortgage Revolving Fund.

ELGEYO MARAKWET COUNTY EXECUTIVE  
 CAR & MORTGAGE REVOLVING FUND

08 DEC 2020

FUND ADMINISTRATOR  
 JOHN KEEN MURKEU JAIRU

## **7. CORPORATE GOVERNANCE STATEMENT**

For the overall management of the scheme, the Act established the Car and Mortgage Loans Management Committee. The Committee consists of;

- CECM-Public Service Management and ICT
- CECM- Public Works, Roads and Transport
- CECM-Finance and Economic Planning
- CECM-Youth, Sports Gender and Social Services
- CECM representing gender
- Chief Officer Finance and Finance and Economic

Clause 7 of The Elgeyo Marakwet County Executive Revolving Fund Act, 2015 establishes the Loan Management Committee. The committee performs the following functions among others: approves applications for loans in accordance with prescribed terms and conditions of borrowing; oversees the day-to-day running of the fund; oversees the implementation and carrying out policies formulated for the management and administration of the fund.

**8. MANAGEMENT DISCUSSION AND ANALYSIS**

During the year ended 30<sup>th</sup> June, 2020, total loan amounting to Sh.46,293,283 was recovered from members compared to Sh.24,797,888 in the year ended 30<sup>th</sup> June 2019.

Interest income increased from Sh.3,359,369 to 3,555,369 during the year. This represent growth of 6%.The long term exchange transactions decreased from Sh.123,137,450 to Sh.123,059,931.

Sh.42,660,000 was advanced to members in the year ended 30<sup>th</sup> June 2020. The membership grew from 35 to 44 members.

**9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

There were no corporate Social Responsibility activities undertaken during the year related to the fund.

## **10. REPORT OF THE CAR AND MORTGAGE LOAN MANAGEMENT COMMITTEE**

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2020 which show the state of the Fund affairs.

### **Principal activities**

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

### **Results**

The results of the Fund for the year ended June 30, 2020 are set out on page 16 to 20

### **Trustees**


The members of the County Executive Loan Management Committee who served during the year are shown on page 5 and page 7. There were no changes in the composition of the Car and Mortgage loan committee during the financial year ended 30<sup>th</sup> June 2020

### **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 to carry out the audit of the *Elgeyo Marakwet County Executive Car & Mortgage Fund* for the year ended June 30, 2020 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Loan Management committee

Date: 8/12/2020



Fund Administrator/Secretary



**11. 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 Elgeyo Marakwet County Executive Car and Mortgage Fund established by Car & Mortgage Loan Revolving Fund As Established by Elgeyo Marakwet County Executive Car & Mortgage Loan Revolving Fund Act (EMCECMLERF), 2015 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, 2020. 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 Elgeyo Marakwet County Executive Car and Mortgage 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 Elgeyo Marakwet County Executive Car & Mortgage Loan Revolving Fund Act (EMCECMLERF), 2015. 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, 2020, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Elgeyo Marakwet County Executive Car and Mortgage Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. 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 on **8<sup>th</sup> December, 2020** and signed on its behalf by:

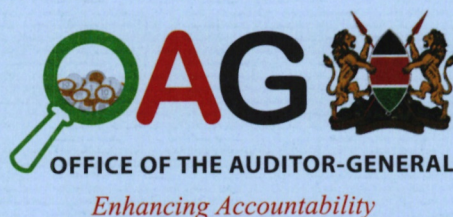
  
John Keen Murken Jairo

**Fund Administrator—Elgeyo Marakwet County Executive Car and Mortgage Fund**

ELGEYO MARAKWET COUNTY EXECUTIVE  
MORTGAGE REVOLVING FUND

ADMINISTRATOR  
x 220-30700, ITEN

# REPUBLIC OF KENYA



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

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

## REPORT OF THE AUDITOR-GENERAL ON ELGEYO MARAKWET COUNTY EXECUTIVE CAR AND MORTGAGE LOAN REVOLVING FUND FOR THE YEAR ENDED 30 JUNE, 2020

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Elgeyo Marakwet County Executive Car and Mortgage Revolving Fund set out on pages 16 to 49, which comprise the statement of financial position as at 30 June, 2020, statement of financial performance, statement of changes in net assets, statement of cash flows and the 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 Elgeyo Marakwet County Executive Car and Mortgage Revolving Fund as at 30 June, 2020, 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 Act, 2012 and the Elgeyo Marakwet County Executive Car and Mortgage Revolving Fund Act, 2015.

#### Basis for Qualified Opinion

##### 1.0 Long Term Receivables from Exchange Transactions

##### 1.1 Non-Performing Loans

The statement of financial position as at 30 June, 2020 reflects long term receivables from exchange transactions figure of Kshs.123,059,931 out of which Kshs.24,852,440 relates to outstanding balances for eleven (11) beneficiaries who exited from service before repaying their loans in full. No explanation was provided for not utilizing their gratuity dues to clear the outstanding amounts as required by Section 28(1) of Elgeyo Marakwet County Executive Car and Mortgage Loan Revolving Fund Act, 2015 which states that a borrower shall be required to give prior authority to the committee in writing

for gratuity dues to be utilized to clear any outstanding debt in case the member of the County Executive loses seat before fully repaying the loan.

In addition, the management did not avail supporting documents indicating measures taken to recover the defaulted loans as indicated in Section 28(2) which states that in the event that, the loanee does not authorize the committee in writing as provided for under sub-section (1) above, then the committee shall be authorized to charge gratuity or pension of the loanee to recover the loan. Further, no evidence was provided to show attempts by the Management to sell the charged property contrary to Section 29(1) of the Act, which states that upon default to repay the loan, the car and mortgage loans committee shall sell the charged car or property by public auction or private treaty, in which event the fund shall meet any short fall between the loan outstanding and the proceeds of sale.

Under the circumstances, the management breached the law and the recoverability of the long-term receivables from exchange transactions balance of Kshs.24,852,440 due from the eleven (11) beneficiaries as at 30 June, 2020 could not be confirmed.

## **1.2 Unsupported Loan Disbursements**

The statement of financial position for the year ended 30 June, 2020 reflects long term receivables from exchange transactions figure of Kshs.123,059,931 out of which Kshs.42,660,000 relates to loans disbursed to twenty-nine (29) members during the year under review.

However, loan committee minutes to support approval of the loans and the criteria used to award the loans were not provided for audit. In addition, some application forms were not supported by copies of official search of the titles and sale agreements. Further, a review of the records indicated that the portion of receivables recoverable within one year was not classified under current portion of receivables from exchange transactions.

Consequently, the accuracy and validity of loans disbursed totaling to Kshs.42,660,000 could not be confirmed.

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

## **Key Audit Matters**

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

# REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

## Conclusion

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

### 1.0 Long Term Receivables from Exchange Transactions

#### 1.1 Additional Loans

The statement of financial position as at 30 June, 2020 reflects long term receivables from exchange transactions figure of Kshs.123,059,931 out of which Kshs.15,810,000 relates to additional loans given to seventeen (17) members of the Fund during the year under review, thereby exceeding their maximum entitlement contrary to Section 2.4 of Elgeyo Marakwet County Executive Car and Mortgage Loan Revolving Fund Policy, 2014 which indicate that the maximum mortgage loan to be granted to a member of the scheme shall be Kshs.3,000,000 and Section 2.5.5 of the Fund policy which also states that no borrower shall be eligible to more than one mortgage at a time.

Consequently, the Management is in breach of the Fund's policies and the validity of the additional loans amounting to Kshs.15,810,000 could not be confirmed.

#### 1.2 Loans Receivable

The statement of financial position as at 30 June, 2020 reflects long-term receivables from exchange transactions of Kshs.123,059,931. Although the properties used as security were valued and loans thereof issued insured, there was no evidence that the loans for development of residential property were utilized for purchase, development, renovation or repair of residential property for the occupation of the applicant or immediate family as the application forms were not accompanied by copies of designs of the proposed residential property and bills of quantities in respect of the proposed development as required by section 16(1) of the Elgeyo Marakwet County Executive Car and Mortgage Loan Revolving Fund, 2015. Further, there was no evidence that property loans worth of Kshs.123,059,931 were charged and motor vehicles acquired under the scheme comprehensively insured and jointly registered between the County Executive and the Loanee.

Consequently, Management was in breach of the law.

### 2.0 Unresolved Prior Year Audit matters

There were issues raised in the audit report for 2018/2019 financial year of which no report or recommendations from the Fund's Management were submitted for audit verification. Further, the issues remain unresolved contrary to section 149(2)(l) of the Public Finance Management Act, 2012 which require accounting officers designated for

county government entities to try to resolve any issues resulting from an audit that remain outstanding.

Consequently, the Fund management is in breach of the law.

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

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

### **Conclusion**

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

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

### **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the County Government is aware of the intention to terminate the Fund or cease operations.

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

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

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.

Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

  
 CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**04 February, 2022**

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*Report of the Auditor-General on Elgeyo Marakwet County Executive Car and Mortgage Loan Revolving Fund for the year ended 30 June, 2020*

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**13. FINANCIAL STATEMENTS**

**13.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2020**

	Note	2019/2020	2018/2019
		KShs	KShs
<b>Revenue from non-exchange transactions</b>			
Public contributions and donations	1	-	-
Transfers from the County Government	2	-	-
Fines, penalties and other levies	3	-	-
		-	-
<b>Revenue from exchange transactions</b>			
Interest income	4	3,555,764	3,359,369
Other income	5	-	-
<b>Total revenue</b>		<b>3,555,764</b>	<b>3,359,369</b>
<b>Expenses</b>			
Fund administration expenses	6	1,477,850	828,457
Staff Costs	7	-	-
General expenses	8	8,148	-
Finance costs	9	-	-
		<b>1,485,998</b>	<b>828,457</b>
<b>Total expenses</b>			
<b>Other gains/losses</b>			
Gain/loss on disposal of assets	10		
<b>Surplus/( deficit) for the period</b>		<b>2,069,766</b>	<b>2,530,912</b>

The notes set out on pages 16 to 20 form an integral part of these Financial Statements

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**

**Financial Statements**

**For the year ended June 30, 2020**

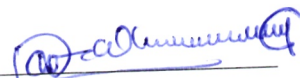
**13.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020**

	Note	2019/2020 KShs	2018/2019 KShs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	6,156,531	4,009,246
Current portion of long- term receivables from exchange transactions	12	-	-
Revenue from exchange transactions	13	-	-
Prepayments	14	-	-
Inventories	15	-	-
<b>Non-current assets</b>			
Property, plant and equipment	16	-	-
Intangible assets	17	-	-
Long term receivables from exchange transactions	12	123,059,931	123,137,450
		-	-
<b>Total assets</b>		<b>129,216,462</b>	<b>127,146,696</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	18	-	-
Provisions	19	-	-
Current portion of borrowings	20	-	-
Employee benefit obligations	23	-	-
<b>Non-current liabilities</b>			
Non-current employee benefit obligation	23	-	-
Long term portion of borrowings	20	-	-
<b>Total liabilities</b>		-	-
<b>Net assets</b>			
Revolving Fund	27	120,000,000	120,000,000
Reserves		-	-
Accumulated surplus		9,216,462	7,146,696
<b>Total net assets and liabilities</b>		<b>129,216,462</b>	<b>127,146,696</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 **8<sup>th</sup> December, 2020** and signed by:



Administrator of the Fund  
Name: John Keen Murkeu Jairo  
ICPAK Member Number: 8112



Fund Accountant  
Name: David Chebii  
ICPAK Member Number: 8088:

ELGEYO MARAKWET COUNTY EXECUTIVE  
MORTGAGE REVOLVING FUND  
18 DEC 2020  
ADMINISTRATOR  
& 220-30700, ITEN

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
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**13.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2020**

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
<b>Balance as at 1 July 2016</b>	<b>45,000,000</b>	-	<b>1,827,257</b>	<b>46,827,257</b>
Surplus/(deficit) for the period	-	-	614,895	614,895
Funds received during the year	25,000,000	-	-	25,000,000
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2017</b>	<b>70,000,000</b>	-	<b>2,442,152</b>	<b>72,442,152</b>
<b>Balance as at 1 July 2017</b>	<b>70,000,000</b>	-	<b>2,442,152</b>	<b>72,442,152</b>
Surplus/(deficit) for the period	-	-	2,173,633	2,173,633
Funds received during the year	24,000,000	-	-	-
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2018</b>	<b>94,000,000</b>	-	<b>4,615,784</b>	<b>98,615,784</b>
<b>Balance as at 1 July 2018</b>	<b>94,000,000</b>	-	<b>4,615,784</b>	<b>98,615,784</b>
Surplus/(deficit) for the period	-	-	2,530,912	2,530,912
Funds received during the year	26,000,000	-	-	26,000,000
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2019</b>	<b>120,000,000</b>	-	<b>7,146,696</b>	<b>127,146,696</b>
<b>Balance as at 1 July 2019</b>	<b>120,000,000</b>	-	<b>7,146,696</b>	<b>127,146,696</b>
Surplus/(deficit) for the period	-	-	2,069,766	2,069,766
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2020</b>	<b>120,000,000</b>	-	<b>9,216,462</b>	<b>129,216,462</b>

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**

**Financial Statements**

**For the year ended June 30, 2020**

**13.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2019/2020	2018/2019
		KShs	KShs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Public contributions and donations	1	-	-
Transfers from the County Government	2	-	-
Fines Penalties and other levies	3	-	-
Interest received	4	3,555,764	3,359,369
Other income	5	-	-
<b>Total Receipts</b>		<b>3,555,764</b>	<b>3,359,369</b>
<b>Payments</b>			
Fund administration expenses	6	1,477,850	828,457
Staff costs	7	-	-
General expenses	8	8,148	-
Finance cost	9	-	-
<b>Total Payments</b>		<b>1,485,998</b>	<b>828,457</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	21	-	(25,061,481)
Increase/(Decrease) in Accounts Payable:	22	-	-
<b>Net cash flows from operating activities</b>		<b>2,069,766</b>	<b>-</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		(-)	(-)
Proceeds from sale of property, plant and equipment		(-)	(-)
Proceeds from loan principal repayments		42,737,519	(-)
Loan disbursements paid out		(42,660,000)	(-)
<b>Net cash flows used in investing activities</b>		<b>77,519</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from revolving fund receipts		-	26,000,000

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
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Additional borrowings		-	-
Repayment of borrowings		(-)	(-)
<b>Net cash flows used in financing activities</b>		-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2,147,285</b>	<b>3,469,431</b>
Cash and cash equivalents at 1 JULY 2019	15	4,009,246	539,815
<b>Cash and cash equivalents at 30 JUNE 2020</b>	15	<b>6,156,531</b>	<b>4,009,246</b>

**Reconciliation of opening and closing bank balance**

<i>Opening Cash balance 1.7.2019</i>		<b>4,009,246</b>
<b>Add:</b>		
Principal Loan repayments	42,737,519	
Interest Received	<u>3,555,764</u>	46,293,283
<b>Less:</b>		
Loan advanced		42,660,000
Fund adm. Costs	1,477,850	
Bank charges	<u>8,148</u>	1,485,998
<i>Closing Cash balance 30.6.2020</i>		<b>6,156,531</b>

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**

**Financial Statements**

**For the year ended June 30, 2020**

**13.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30<sup>th</sup> JUNE 2020**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilisation
	2020	2020	2020	2020	2020	2020
	KShs	KShs	KShs	KShs	KShs	
<b>Revenue</b>						
Public contributions and donations	-	-	-	-	-	
Transfers from County Govt.						
Interest income	-	-	-	-	-	
Other income	-	-	-	3,555,764	(3,555,764)	100%
<b>Total income</b>	-	-	-	<b>3,555,764</b>	<b>(3,555,764)</b>	<b>100%</b>
<b>Expenses</b>						
Fund administration expenses	-	-	-	1,477,850	(1,477,850)	100%
General expenses	-	-	-	8,148	(8,148)	100%
Finance cost	-	-	-	-	-	
<b>Total expenditure</b>	-	-	-	<b>1,485,998</b>	<b>(1,485,998)</b>	<b>100%</b>
<b>Surplus for the period</b>	-	-	-	<b>2,069,766</b>	-	

**Budget notes**

The Fund did not receive additional appropriations in the FY 2019/2020 budget. Loans were advanced to members from the loan repayments recovered during the year.

**13.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. 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.

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

**a) Relevant new standards and amendments to published standards effective for the year ended 30 June 2020**

Standard	Impact
<b>IPSAS 40:</b> Public Sector Combinations	<b>Applicable: 1<sup>st</sup> January 2019</b> The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations.

**b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020**

Standard	Effective date and impact:
<b>IPSAS 41:</b> Financial Instruments	<b>Applicable: 1<sup>st</sup> January 2022:</b> The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none"> <li>Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> </ul>

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
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Standard	Effective date and impact:
	<ul style="list-style-type: none"> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<p><b>IPSAS 42: Social Benefits</b></p>	<p><b>Applicable: 1<sup>st</sup> January 2022</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2022:</b></p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other Improvements to IPSAS</p>	<p><b>Applicable: 1<sup>st</sup> January 2021:</b></p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.</p> <p>Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time</p>

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

Standard	Effective date and impact:
	<p>Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard</p>
	<p>IPSAS 40, Public Sector Combinations. Amendments to include the effective date paragraph which were inadvertently omitted when IPSAS 40 was issued</p>

**c) Early adoption of standards**

The entity did not early – adopt any new or amended standards in year 2020.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. 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.

**4. Budget information**

The original budget for FY 2019/2020 was approved by the County Assembly on 26<sup>th</sup> June, 2019. 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 County Government upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund did not record additional appropriations in the FY 2019/2020 budget following the governing body's approval.

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

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

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**5. 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.

**6. 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.

**7. Financial instruments**

***Financial assets***

***Initial recognition and measurement***

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Held-to-maturity***

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

***Impairment of financial assets***

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or a entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or a entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

***Financial liabilities***

***Initial recognition and measurement***

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

***Loans and borrowing***

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**8. 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.

**9. 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.

***Contingent liabilities***

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Contingent assets***

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

**10. Nature and purpose of reserves**

The fund did not create and maintains reserves in terms of specific requirements.

**11. Changes in accounting policies and estimates**

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

**12. Employee benefits – Retirement benefit plans**

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

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

**13. 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.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**14. 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.

**15. Related parties**

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

**16. 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.

**17. Comparative figures**

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

**18. Events after the reporting period**

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

**19. Ultimate and Holding Entity**

The entity is a County Public Fund established by Elgeyo Marakwet County Executive Car & Mortgage Loan Revolving Fund Act (EMCECMLERF), 2015 under the County Government of Elgeyo Marakwet. Its ultimate parent is the County Government of Elgeyo Marakwet.

**20. Currency**

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**21. Significant judgments and sources of estimation uncertainty**

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

**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.

**Useful lives and residual values**

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

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

**Provisions**

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

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.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**22. Financial risk management**

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

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

**a) Credit risk**

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

**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.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**c) Market risk**

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. 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.

**d) 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.

**e) Interest rate risk**

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

*Management of interest rate risk*

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**f) 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:

	2019/2020	2018/2019
	KShs	KShs
Revaluation reserve	-	-
Revolving fund	120,000,000	120,000,000
Accumulated surplus	9,216,462	7,146,695
<b>Total funds</b>	<b>129,216,462</b>	<b>127,146,696</b>
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
<b>Gearing</b>	<b>-</b>	<b>-</b>

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**13.7. NOTES TO THE FINANCIAL STATEMENTS**

**1. Public contributions and donations**

Description	2019/2020	2018/2019
	KShs	KShs
Donation from development partners	-	-
Contributions from the public	-	-
<b>Total</b>	-	-

**2. Transfers from County Government**

Description	2019/2020	2018/2019
	KShs	KShs
Transfers from County Govt. – operations	-	-
Payments by County on behalf of the entity	-	-
<b>Total</b>	-	-

**3. Fines, penalties and other levies**

Description	2019/2020	2018/2019
	KShs	KShs
Late payment penalties	-	-
Fines	-	-
<b>Total</b>	-	-

**4. Interest income**

Description	2019/2020	2018/2019
	KShs	KShs
Interest income from Mortgage loans	3,555,764	3,359,369
Interest income from car loans	-	-
Interest income from investments	-	-
Interest income on bank deposits	-	-
<b>Total interest income</b>	<b>3,555,764</b>	<b>3,359,369</b>

The interest was from Car and mortgage loans advanced to members at 3% per month

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**5. Other income**

Description	2019/2020 KShs	2018/2019 KShs
Insurance recoveries	-	-
Income from sale of tender documents	-	-
Miscellaneous income	-	-
<b>Total other income</b>	-	-

**6. Fund administration expenses**

Description	2019/2020 KShs	2018/2019 KShs
Staff costs (Note 7)	-	-
Loan processing costs	-	-
Professional services costs	-	-
Administration fees	1,477,850	828,457
<b>Total</b>	<b>1,477,850</b>	<b>828,457</b>

**7. Staff costs**

Description	2019/2020 KShs	2018/2019 KShs
Salaries and wages	-	-
Staff gratuity	-	-
Staff training expenses	-	-
Social security contribution	-	-
Other staff costs	-	-
<b>Total</b>	-	-

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**8. General expenses**

Description	2019/2020	2018/2019
	KShs	KShs
Consumables	-	-
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	-	-
Postage	-	-
Printing and stationery	-	-
Rental costs	-	-
Security costs	-	-
Telecommunication	-	-
Bank Charges	8,148	-
Hospitality	-	-
Depreciation and amortization costs	-	-
Other expenses	-	-
<b>Total</b>	<b>8,148</b>	<b>-</b>

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**9. Finance costs**

Description	2019/2020	2018/2019
	KShs	KShs
Interest on Bank overdrafts	-	-
Interest on loans from banks	-	-
<b>Total</b>	-	-

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

Description	2019/2020	2018/2019
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
<b>Total</b>	-	-

**11. Cash and cash equivalents**

Description	2019/2020	2018/2019
	KShs	KShs
Car loan account	-	-
County Executive mortgage account	6,156,531	4,009,246
Fixed deposits account	-	-
On – call deposits	-	-
Current account	-	-
Others	-	-
<b>Total cash and cash equivalents</b>	<b>6,156,531</b>	<b>4,009,246</b>

*(The amount agree with the closing and opening balances as included in the statement of cash flows)*

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

Financial institution	Account number	2019/2020	2018/2019
		KShs	KShs
<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>			
Kenya Commercial bank		-	-
TransNational Bank	180012001	6,156,531	4,009,246
<b>Sub- total</b>		-	-
<b>d) Others(specify)</b>			
Cash in transit		-	-
Cash in hand		-	-
M Pesa		-	-
<b>Sub- total</b>		-	-
<b>Grand total</b>		<b>6,156,531</b>	<b>4,009,246</b>

**12. Receivables from exchange transactions**

Description	2019/2020	2018/2019
	KShs	KShs
<b>Current Receivables</b>		
Interest receivable	678,069	-
Current loan repayments due	45,615,214	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
<b>Total Current receivables</b>	<b>46,293,283</b>	
<b>Non-Current receivables</b>		
Long term loan repayments due	76,766,648	123,137,450
<b>Total Non- current receivables</b>	<b>123,059,931</b>	<b>123,137,450</b>
<b>Total receivables from exchange transactions</b>	<b>123,059,931</b>	<b>123,137,450</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Reconciliation of Loan brought forward and loan carried forward**

<b>Loan brought forward 1.7.2020</b>	<b>123,137,450</b>
Add: Loan Loans advanced	42,660,000
Interest Receivable	<u>3,555,764</u>
	169,353,214
Less: Loan repayments	<u>46,293,283</u>
<b>Loan carried forward 30.6.2020</b>	<b><u>123,059,931</u></b>

**Additional disclosure on interest receivable**

Description	2019/2020	2018/2019
	KShs	KShs
<b>Interest receivable</b>		
Interest receivable from current portion of long-term loans of previous years	678,069	-
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	2,877,695	-
<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	-	-

Note: Sh.678,069 relate to interest from 11 members who had defaulted in making their monthly remittances

**13. Revenue from Non-Exchange transaction**

Description	2019/2020	2018/2019
	KShs	KShs
Transfer to County Executive	-	-
Transfer to other Fund	-	-
<b>Total receivables from non-exchange transactions</b>	-	-

**14. Prepayments**

Description	2019/2020	2018/2019
	KShs	KShs
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Other prepayments(specify)	-	-
<b>Total</b>	-	-

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**15. Inventories**

Description	2019/2020	2018/2019
	KShs	KShs
Consumable stores	-	-
Spare parts and meters	-	-
Catering	-	-
Other inventories(specify)	-	-
<b>Total inventories at the lower of cost and net realizable value</b>	-	-

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**16. Property, plant and equipment**

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
	KShs	KShs	KShs	KShs	KShs
<b>Cost</b>					
At 1 <sup>st</sup> July 2018	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-
<b>At 30<sup>th</sup> June 2019</b>					
At 1 <sup>st</sup> July 2019	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-
<b>At 30<sup>th</sup> June 2020</b>					
<b>Depreciation and impairment</b>					
At 1 <sup>st</sup> July 2018	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
<b>At 30<sup>th</sup> June 2019</b>					
At 1 <sup>st</sup> July 2019	-	-	-	-	-
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-
<b>At 30<sup>th</sup> June 2020</b>					
<b>Net book values</b>					
At 30 <sup>th</sup> June 2019	-	-	-	-	-
At 30 <sup>th</sup> June 2020	-	-	-	-	-

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**17. Intangible assets-software**

Description	2019/2020	2018/2019
	KShs	KShs
<b>Cost</b>		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
<b>Amortization and impairment</b>		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
<b>NBV</b>	-	-

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

Description	2019/2020	2018/2019
	KShs	KShs
Trade payables	-	-
Refundable deposits	-	-
Accrued expenses	-	-
Other payables	-	-
<b>Total trade and other payables</b>	-	-

**19. Provisions**

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year(1.07.2019)	-	-	-	-
Additional Provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Transfers from non -current provisions	-	-	-	-
<b>Balance at the end of the year (30.06.2020)</b>	-	-	-	-

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**20. Borrowings**

Description	2019/2020	2018/2019
	KShs	KShs
<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 domestics borrowings during the period	-	-
<b>Balance at end of the period</b>	-	-

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

Description	2019/2020	2018/2019
	KShs	KShs
<b>External Borrowings</b>		
Dollar denominated loan from other organisation'	-	-
Sterling Pound denominated loan from other organisation'	-	-
Euro denominated loan from other organisation'	-	-
<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	2019/2020	2018/2019
	KShs	KShs
Short term borrowings(current portion)	-	-
Long term borrowings	-	-
<b>Total</b>	-	-

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**21. CHANGES IN RECEIVABLE**

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Account receivable as at 1 <sup>st</sup> July 2019 (A)	-	-
Account receivable issued during the year (B)	-	-
Account receivable settled during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

**22. CHANGES IN ACCOUNTS PAYABLE**

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Accounts Payable as at 1 <sup>st</sup> July 2019 (A)	-	-
Accounts Payable held during the year (B)	-	-
Accounts Payable paid during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

**23. Employee benefit obligations**

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Total
	KShs	KShs	KShs	KShs
Current benefit obligation	-	-	-	-
Non-current benefit obligation	-	-	-	-
<b>Total employee benefits obligation</b>	-	-	-	-

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**24. Cash generated from operations**

	2019/2020	2018/2019
	KShs	KShs
<b>Surplus/ (deficit) for the year before tax</b>	<b>2,069,766</b>	<b>2,530,912</b>
<b>Adjusted for:</b>		
Depreciation	-	-
Amortisation	-	-
Gains/ losses on disposal of assets	-	-
Interest income	-	-
Finance cost	-	-
<b>Working Capital adjustments</b>		
Increase in inventory	-	-
Increase in receivables	-	-
Increase in payables	-	-
Proceeds from Revolving fund receipts		
<b>Net cash flow from operating activities</b>	<b>2,069,766</b>	<b>2,530,912</b>

**25. Related party balances**

**a) Nature of related party relationships**

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

- a) The County Government;
- b) The Parent County Government Ministry;
- c) Key management;
- d) Fund committee

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**b) Related party transactions**

	2019/2020	2018/2019
	KShs	KShs
Transfers from related parties'	-	-
Transfers to related parties	-	-

**c) Key management remuneration**

	2019/2020	2018/2019
	KShs	KShs
Board of Trustees	-	-
Key Management Compensation	1,477,850	821,500
<b>Total</b>	<b>1,477,850</b>	<b>821,500</b>

**d) Due from related parties**

	2019/2020	2018/2019
	KShs	KShs
Due from parent Ministry	-	-
Due from County Government	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**e) Due to related parties**

	2019/2020	2018/2019
	KShs	KShs
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**26. Contingent assets and contingent liabilities**

<b>Contingent liabilities</b>	2019/2020	2018/2019
	KShs	KShs
Court case against the Fund	-	-
Bank guarantees	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**27. Revolving Fund**

	<b>2019/2020</b>	<b>2018/2019</b>
	<b>KShs</b>	<b>KShs</b>
Revolving fund	120,000,000	120,000,000
<b>Total</b>	<b>120,000,000</b>	<b>120,000,000</b>

**Note:**

There were no funds transferred to the Revolving Fund during the year.

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**14. 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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe:
1.0	Long term receivable exchange transaction	The financial statements for the year 2016/2017 were restated as a result of change in accounting policy (Cash to accrual).The schedule for the figure for long term receivable exchange transaction has been amended to agree with the figure of Sh.98,075,969 reported in the financial statements ( <b>Note 12</b> )  The gratuity of the outgoing CEC members was not utilized since most of them had returned to their previous employers and had started repaying their loans. The loans securities are fully charged	JohnKeen Murkeu Jairo	Not resolved	6 months
2.0	Failure to provide approved Budget	The County government did not allocate or transfer funds to the revolving fund. The loans disbursed during the year were made from the total monthly loan repayments realized during the year.	JohnKeen Murkeu Jairo	Not Resolved	6 months
3.0	Unresolved prior year audit matter- Unsecured car & mortgage loans	All loans are now secured. All Title deeds have been charged to loans	JohnKeen Murkeu Jairo	Resolved	6 months

*JohnKeen*  
**JohnKeen Murkeu Jairo-Administrator of the Fund**



## ANNEX 1

**COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND  
LOAN REPAYMENT SCHEDULE FOR THE MONTH OF JUNE 2020**

	Period	Name of borrower	Balance b/f	Additional advance	Interest	Repayment	Outstanding Balance
1	Jun-20	ANNE CHERONO KIBOSIA	4,419,585.81		11,048.96	347,064.00	4,083,570.78
2	Jun-20	MONICA JEPTUM ROTICH	672,780.74		1,681.95		674,462.69
3	Jun-20	SHADRACK KIPROP YATICH	4,236,544.98		10,591.36	333,214.00	3,913,922.34
4	Jun-20	SIMION CHIRCHIR KIPLAGAT	562,752.43	-	1,406.88	121,726.00	442,433.31
5	Jun-20	STELLA KIRUI KIPRONO	809,762.32		2,024.41		811,786.72
6	Jun-20	STEPHEN RUTTO BIWOTT	3,308,355.74	-	8,270.89		3,316,626.63
7	Jun-20	MORRIS KIPKOSGEI ROTICH	918,879.57	-	2,297.20		921,176.77
8	Jun-20	ALEX TANUI TOLGOS	27,880,682.09	-	69,701.71	1,103,638.00	26,846,745.79
9	Jun-20	THOMAS KIPKEMOY RUTTO	758,386.87	-	1,895.97		760,282.84
10	Jun-20	JEREMIAH ROTICH CHANGWONY	4,039,785.98	-	10,099.46		4,049,885.44
11	Jun-20	SHADRACK K. CHELIMO	2,282,573.10	-	5,706.43		2,288,279.53
12	Jun-20	THOMAS KIPLAGAT TUITOEK	320,548.23	-	801.37	110,840.00	210,509.60
13	Jun-20	DANIEL KIPCHUMBA KIPTUM	893,213.73	-	2,233.03		895,446.77
14	Jun-20	GABRIEL KOSGEY LAGAT	7,155,967.81	-	17,889.92		7,173,857.73
15	Jun-20	GIDEON KIPKOECH KIPYAKWAI	2,807,352.45	-	7,018.38		2,814,370.83
16	Jun-20	JOHN K CHEBOI	-	-	-		-
17	Jun-20	ANITA C TOROITICH	3,465,220.66		8,663.05	284,886.68	3,188,997.03
18	Jun-20	BOAZ CHANGACH	-		-		-
19	Jun-20	CAROLINE MAGUT	1,114,262.56		2,785.66	-	1,117,048.21
20	Jun-20	ISMAEL CHELANGA	678,627.78		1,696.57	107,814.00	572,510.35
21	Jun-20	NETTY JEMUTAI	-		-	-	-
22	Jun-20	PIUS YEGO CHESEREK	4,539.97		11.35	4,551.32	0.00
23	Jun-20	TITUS AIYABEI	-		-	-	-
24	Jun-20	MICHAEL KIPCHUMBA LELIT	2,006,147.61		5,015.37	200,046.00	1,811,116.98
25	Jun-20	PAUL CHEBOI CHEMMUTTUT	2,122,698.36		5,306.75	162,348.00	1,965,657.11
26	Jun-20	JOSEPH KIYENG	2,559,244.83		6,398.11	223,642.00	2,342,000.95
27	Jun-20	KEVIN BIWOTT	3,850,332.11		9,625.83	317,280.00	3,542,677.94
28	Jun-20	LEAH PAMELA RONO	3,351,530.60		8,378.83	263,230.00	3,096,679.43
29	Jun-20	ISAAC KAMAR	3,352,176.27		8,380.44	270,608.00	3,089,948.71
30	Jun-20	WISLEY KIPYEGON ROTICH	7,888,603.39		19,721.51	302,507.00	7,605,817.90
31	Jun-20	ABRAHAM BARSOSIO	3,918,842.57		9,797.11	296,170.00	3,632,469.67
32	Jun-20	EDWIN KISANG	3,231,052.67		8,077.63	277,986.00	2,961,144.31
33	Jun-20	JOHANA KIPTOO CHEPTOO	2,322,645.79		5,806.61	110,474.00	2,217,978.41
34	Jun-20	KIPRONO CHEPKOK	2,270,763.84		5,676.91	174,488.00	2,101,952.75
35	Jun-20	KIMWETICH BARMASAI	1,412,846.23	-	3,532.12	116,324.00	1,300,054.35
36	Jun-20	PENINAH KOMEN	3,384,036.13	-	8,460.09	106,356.00	3,286,140.22
37	Jun-20	JOHNKEEN MURKEU JAIRO	1,686,951.90		4,217.38	51,660.00	1,639,509.28
38	Jun-20	EDWIN KIBET SERONEI	2,912,675.00		7,281.69	189,650.00	2,730,306.69
39	Jun-20	MARY KIPCHUMBA	2,912,675.00		7,281.69	189,650.00	2,730,306.69
40	Jun-20	NIXON CHANGKWONY	2,920,193.75		7,300.48	189,650.00	2,737,844.23
41	Jun-20	DAVID CHEBII	1,503,750.00		3,759.38	66,404.00	1,441,105.38
42	Jun-20	SHARON JEPKORIR SIRMA	2,912,675.00		7,281.69	189,650.00	2,730,306.69
43	Jun-20	GEOFREY KIPKEMBOI KIMAIYO	3,000,000.00		7,500.00	-	3,007,500.00
44	Jun-20	TIMOTHY KIPTUM KOECH	-	3,000,000	7,500.00	-	3,007,500.00
			<b>125,849,663.88</b>	<b>3,000,000</b>	<b>322,124.16</b>	<b>6,111,857.00</b>	<b>123,059,931.04</b>

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# REPORT

OF

## THE AUDITOR-GENERAL

ON

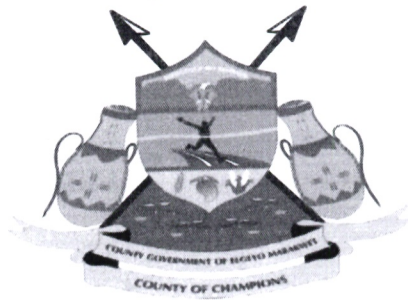
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### ELGEYO MARAKWET COUNTY EXECUTIVE CAR AND MORTGAGE REVOLVING FUND

### FOR THE YEAR ENDED 30 JUNE, 2020

12





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**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE  
REVOLVING FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2020**

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

OFFICE OF THE AUDITOR GENERAL  
ELDORET HUB

09 DEC 2020

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**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**1. KEY ENTITY INFORMATION AND MANAGEMENT**

**a) Background information**

Elgeyo Marakwet County Executive Car and Mortgage Fund is established by and derives its authority and accountability from The Elgeyo Marakwet County Executive Car & Mortgage Loan Revolving Fund Act, 2015 on 6<sup>th</sup> March, 2015. The Fund is wholly owned by the County Government of Elgeyo Marakwet and is domiciled in Kenya.

The Fund's principal activity is to provide car and mortgage loans to its members

**b) Principal Activities**

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

**c) Fund Administration Committee**

Ref	Name	Details of qualifications and experience
1	Ann Kibosia	<b>Date of Birth:</b> 10-11-1968 <b>Qualification:</b> Master of Arts in Governance and Ethics, BED(Arts) <b>Experience:</b> 28 years in various fields <b>Position:</b> Chairperson
2	Kevin Biwott	<b>Date of Birth:</b> 10-01-1988 <b>Qualification:</b> MBA-Strategic Management, CPA (K) <b>Experience:</b> 11 years <b>Position:</b> Vice Chairman
3	Leah Pamela Rono	<b>Date of Birth:</b> 1981 <b>Qualification:</b> Master of Science Human Resource management <b>Experience:</b> 12 years <b>Position:</b> Member
4	Isaac Kamar	<b>Date of Birth:</b> 8-11-1978 <b>Qualification:</b> MBA -Strategic management <b>Experience:</b> 23 years in Financial management <b>Position:</b> Member
5	Shadrack Yatich	<b>Date of Birth:</b> 25-8-1978 <b>Qualification:</b> MED- Planning and Administration <b>Experience:</b> 16 years in civil service <b>Position:</b> Member
6	JohnKeen Murkeu	<b>Date of Birth:</b> 12-02-1969 <b>Qualification:</b> MBA-Finance, CPA (K) <b>Experience:</b> 28 years <b>Position:</b> Fund Administrator/Secretary

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**d) Key Management**

<b>Ref</b>	<b>Name</b>	<b>Position</b>
1	John Keen Murkeu	<b>Date of Birth:</b> 12-02-1969 <b>Qualification:</b> MBA-Finance <b>Experience:</b> 28 years <b>Position:</b> Fund Administrator/Secretary, Director Accounting Services
2	Kevin Biwott	<b>Date of Birth:</b> 10-01-1988 <b>Qualification:</b> MBA-Strategic Management, CPA (K) <b>Experience:</b> 11 years <b>Position:</b> Vice Chairman
3	Isaac Kamar	<b>Date of Birth:</b> 8-11-1978 <b>Qualification:</b> MBA -Strategic management <b>Experience:</b> 23 years in Financial management <b>Position:</b> CEC Finance and Economic Planning
4	Ann Kibosia	<b>Date of Birth:</b> 10-11-1968 <b>Qualification:</b> Master of Arts in Governance and Ethics, BED(Arts) <b>Experience:</b> 28 years in various fields <b>Position:</b> Chairperson
5	David Chebii	<b>Date of Birth:</b> 1-11-1973 <b>Qualification:</b> MBA-Finance, CPA (K) <b>Experience:</b> 24 years <b>Position:</b> Financial Reporting Accountant

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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**e) Registered Offices**

P.O. Box 220-30700  
Elgeyo Marakwet County Building  
Iten

**f) Fund Contacts**

Telephone: 053-4142277  
E-mail: [elgeyomarakwet.go.ke](mailto:elgeyomarakwet.go.ke)  
Website: [www.elgeyomarakwet.go.ke](http://www.elgeyomarakwet.go.ke)

**g) Fund Bankers**

Trans National Bank  
P.O. Box 34353-00200  
Nairobi

**h) Independent Auditors**






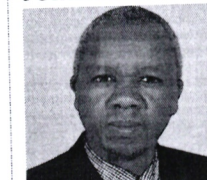
Auditor General  
Kenya National Audit Office  
Anniversary Towers, University Way  
P.O. Box 30084  
GOP 00100  
Nairobi, Kenya

**i) Principal Legal Adviser**

The County Attorney  
P.O. Box 220-30700  
Iten, Kenya

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**2. LOAN MANAGEMENT COMMITTEE**

<b>Ref</b>	<b>Name</b>	<b>Details of qualifications and experience</b>
1	Ann Kibosia 	<b>Date of Birth:</b> 10-11-1968 <b>Qualification:</b> Master of Arts in Governance and Ethics, BED(Arts) <b>Experience:</b> 28 years in various fields <b>Position:</b> Chairperson
2	Kevin Biwott 	<b>Date of Birth:</b> 10-01-1988 <b>Qualification:</b> MBA-Strategic Management, CPA (K) <b>Experience:</b> 11 years <b>Position:</b> Vice Chairman
3	Leah Pamela Rono 	<b>Date of Birth:</b> 1981 <b>Qualification:</b> Master of Science Human Resource management <b>Experience:</b> 12 years <b>Position:</b> Member
4	Isaac Kamar 	<b>Date of Birth:</b> 8-11-1978 <b>Qualification:</b> MBA -Strategic management <b>Experience:</b> 23 years in Financial management <b>Position:</b> Member
5	Shadrack Yatich 	<b>Date of Birth:</b> 25-8-1978 <b>Qualification:</b> MED- Planning and Administration <b>Experience:</b> 16 years in civil service <b>Position:</b> Member
6	John Keen Murkeu 	<b>Date of Birth:</b> 12-02-1969 <b>Qualification:</b> MBA-Finance, CPA (K) <b>Experience:</b> 28 years <b>Position:</b> Fund Administrator/Secretary

**3. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'S  
 PREDETERMINED OBJECTIVES**

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 Elgeyo Marakwet County Executive Car and Mortgage Revolving Fund principal purpose and objective is to provide loans to members of the County Executive to purchase vehicles or residential houses in addition to develop, renovate or repair their residential property at a low interest rate of 3% pa.





**Progress on attainment of Strategic objectives for Elgeyo Marakwet County Executive  
 Car and Mortgage Revolving Fund,**

Below we provide the progress on attaining the stated objectives:

<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
EMCE Revolving Fund – Housing Scheme	To purchase, develop, renovate and repair of residential property for occupation of members and staff and his or her immediate family	Increased access to descent housing	% of members and staff accessing the loan	<b>In FY 19/20 Eleven (9) additional staff members accessed the loan.</b>
<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
EMCE Revolving Fund – Car Loan Scheme	To purchase motor vehicles for members and staff for efficient transport	Increased efficient transport to office for hon. Members and staff	% of members and staff accessing the loan	<b>In FY 19/20 One (1) additional staff members accessed the loan.</b>

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**4. MANAGEMENT TEAM**

Ref	Name	Position
1	John Keen Murkeu 	<b>Date of Birth:</b> 12-02-1969 <b>Qualification:</b> MBA (Finance), CPA (K) <b>Experience:</b> 27 years <b>Position:</b> Fund Administrator/Secretary, Director Accounting Services
2	Kevin Biwott 	<b>Date of Birth:</b> 10-01-1988 <b>Qualification:</b> MBA-Strategic Management, CPA (K) <b>Experience:</b> 10 years <b>Position:</b> Vice Chairman
3	Isaac Kamar 	<b>Date of Birth:</b> 8-11-1978 <b>Qualification:</b> MBA -Strategic management <b>Experience:</b> 22 years in Financial management <b>Position:</b> CEC Finance and Economic Planning
4	Ann Kibosia 	<b>Date of Birth:</b> 10-11-1968 <b>Qualification:</b> Master of Arts in Governance and Ethics, BED(Arts) <b>Experience:</b> 27 years in various fields <b>Position:</b> Chairperson
5	Chang'wony M.Nixom 	<b>Date of Birth:</b> 12-02-1978 <b>Qualification:</b> MBA,B.Com (Finance), CPA (K) <b>Experience:</b> 10 years <b>Position:</b> Chief Officer-Finance
7	David Chebii 	<b>Date of Birth:</b> 1-11-1973 <b>Qualification:</b> MBA (Finance),CPA (K) <b>Experience:</b> 23 years <b>Position:</b> Financial Reporting Accountant

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

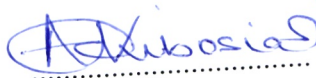
**5. FUND CHAIRPERSON'S REPORT**

The financial statements for County Executive Car & Mortgage Loan Revolving Fund for the financial year 2018/19 have been prepared to comply with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

The County Executive Car & Mortgage Revolving Fund of Elgeyo Marakwet operates County Executive Car & Mortgage Loan Revolving Fund Account No.18002/2000A00/1/0.

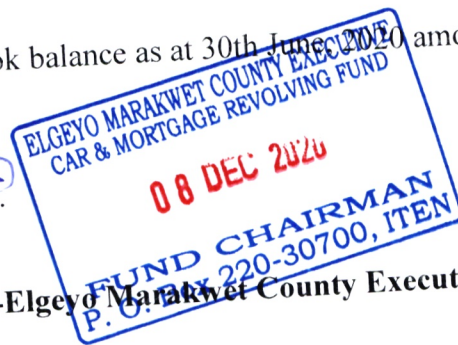
The fund has advanced total cumulative loan of Sh.233,760,000 to 44 members since the inception of the fund to 30<sup>th</sup> June, 2020. During the year, total loan repaid amounted to sh.46,293,283. The total outstanding loans (principal and interest) from members as at 30<sup>th</sup> June, 2020 amounted to Sh.123,059,931. Total loans advanced to members during the year Sh.42,660,000. The fund earned total interest of Sh.3,555,764 during the period. The fund had 44 members as at 30<sup>th</sup> June, 2020.

The available cashbook balance as at 30<sup>th</sup> June, 2020 amounts to sh.6,156,531



Hon. Ann Kibosia

Fund Chairperson - Elgeyo Marakwet County Executive Car & Mortgage Revolving Fund



**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**6. REPORT OF THE FUND ADMINISTRATOR**

The County Executive Car & Mortgage loan scheme is a revolving fund established pursuant to the Salaries and Remuneration Commission (SRC) circular number SRC/TS/WH/3/14 of 14<sup>th</sup> February 2014.

The SRC in its circular reference SRC/ADM/CIR/1/13 Vol.III (128) dated 17<sup>th</sup> December 2014 provided guidelines for access of car loan and mortgage benefits by state and public officers.

The financial statements for Car & Mortgage for the period ended 30<sup>th</sup> June, 2020 have been prepared in accordance to Section 167 of the Public Finance Management (PFM) Act 2012 which mandates the administrator of the fund.

During the year ended 30<sup>th</sup> June, 2020, total loan amounting to Sh.46,293,283 was recovered from members. Sh.42,660,000 was advanced to members during same period. The outstanding loans as at 30<sup>th</sup> June, 2020 amounted to 123,059,931 as indicated in note 12 of financial statements under long term receivables from exchange transactions. The Loan repayment schedule for the month of June, 2020 is annexed to the financial statements (**Marked as Annex D**)

The total transfers from County government to the revolving fund from inception of the fund to 30<sup>th</sup> June, 2020 amount to Sh.120,000,000 as tabulated below;

Date	Source	Amount
24/03/2015	Transfer from EMC	45,000,000
23/06/2015	Transfer from EMC	25,000,000
10/10/2016	Transfer from EMC	24,000,000
28/9/2018	Transfer from EMC	26,000,000
	<b>Total Ksh.</b>	<b>120,000,000</b>

During the year, 5 members cleared their loans in full and their securities discharged.

Signed: \_\_\_\_\_

John Keen Murkeu Jairo

**Fund Administrator/County Executive Car & Mortgage Revolving Fund.**

ELGEYO MARAKWET COUNTY EXECUTIVE  
 CAR & MORTGAGE REVOLVING FUND

08 DEC 2020

FUND ADMINISTRATOR  
 ELGEYO MARAKWET COUNTY

## **7. CORPORATE GOVERNANCE STATEMENT**

For the overall management of the scheme, the Act established the Car and Mortgage Loans Management Committee. The Committee consists of;

- CECM-Public Service Management and ICT
- CECM- Public Works, Roads and Transport
- CECM-Finance and Economic Planning
- CECM-Youth, Sports Gender and Social Services
- CECM representing gender
- Chief Officer Finance and Finance and Economic

Clause 7 of The Elgeyo Marakwet County Executive Revolving Fund Act, 2015 establishes the Loan Management Committee. The committee performs the following functions among others: approves applications for loans in accordance with prescribed terms and conditions of borrowing; oversees the day-to-day running of the fund; oversees the implementation and carrying out policies formulated for the management and administration of the fund.

**8. MANAGEMENT DISCUSSION AND ANALYSIS**

During the year ended 30<sup>th</sup> June, 2020, total loan amounting to Sh.46,293,283 was recovered from members compared to Sh.24,797,888 in the year ended 30<sup>th</sup> June 2019.

Interest income increased from Sh.3,359,369 to 3,555,369 during the year. This represent growth of 6%.The long term exchange transactions decreased from Sh.123,137,450 to Sh.123,059,931.

Sh.42,660,000 was advanced to members in the year ended 30<sup>th</sup> June 2020. The membership grew from 35 to 44 members.

**9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

There were no corporate Social Responsibility activities undertaken during the year related to the fund.

## **10. REPORT OF THE CAR AND MORTGAGE LOAN MANAGEMENT COMMITTEE**

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2020 which show the state of the Fund affairs.

### **Principal activities**

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

### **Results**

The results of the Fund for the year ended June 30, 2020 are set out on page 16 to 20

### **Trustees**

The members of the County Executive Loan Management Committee who served during the year are shown on page 5 and page 7. There were no changes in the composition of the Car and Mortgage loan committee during the financial year ended 30<sup>th</sup> June 2020

### **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 to carry out the audit of the *Elgeyo Marakwet County Executive Car & Mortgage Fund* for the year ended June 30, 2020 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Loan Management committee

Date: 8/12/2020

*M. M. M. M.*

Fund Administrator/Secretary

ELGEYO MARAKWET COUNTY EXECUTIVE  
MORTGAGE REVOLVING FUND

08 DEC 2020

ADMINISTRATOR  
P.O. BOX 220-30700, ITEN

**11. 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 Elgeyo Marakwet County Executive Car and Mortgage Fund established by Car & Mortgage Loan Revolving Fund As Established by Elgeyo Marakwet County Executive Car & Mortgage Loan Revolving Fund Act (EMCECMLERF), 2015 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

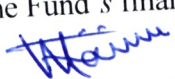
The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2020. This responsibility includes: (i) 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 Elgeyo Marakwet County Executive Car and Mortgage 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 Elgeyo Marakwet County Executive Car & Mortgage Loan Revolving Fund Act (EMCECMLERF), 2015. 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, 2020, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Elgeyo Marakwet County Executive Car and Mortgage Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. 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 on 8<sup>th</sup> December, 2020 and signed on its behalf by:

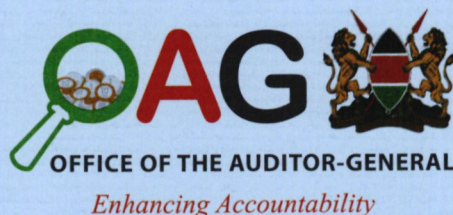
  
John Keen Murken Jairo

**Fund Administrator—Elgeyo Marakwet County Executive Car and Mortgage Fund**

ELGEYO MARAKWET COUNTY EXECUTIVE  
MORTGAGE REVOLVING FUND

ADMINISTRATOR  
x 220-30700, ITEN

# REPUBLIC OF KENYA



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

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

## REPORT OF THE AUDITOR-GENERAL ON ELGEYO MARAKWET COUNTY EXECUTIVE CAR AND MORTGAGE LOAN REVOLVING FUND FOR THE YEAR ENDED 30 JUNE, 2020

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Elgeyo Marakwet County Executive Car and Mortgage Revolving Fund set out on pages 16 to 49, which comprise the statement of financial position as at 30 June, 2020, statement of financial performance, statement of changes in net assets, statement of cash flows and the 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 Elgeyo Marakwet County Executive Car and Mortgage Revolving Fund as at 30 June, 2020, 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 Act, 2012 and the Elgeyo Marakwet County Executive Car and Mortgage Revolving Fund Act, 2015.

#### Basis for Qualified Opinion

##### 1.0 Long Term Receivables from Exchange Transactions

##### 1.1 Non-Performing Loans

The statement of financial position as at 30 June, 2020 reflects long term receivables from exchange transactions figure of Kshs.123,059,931 out of which Kshs.24,852,440 relates to outstanding balances for eleven (11) beneficiaries who exited from service before repaying their loans in full. No explanation was provided for not utilizing their gratuity dues to clear the outstanding amounts as required by Section 28(1) of Elgeyo Marakwet County Executive Car and Mortgage Loan Revolving Fund Act, 2015 which states that a borrower shall be required to give prior authority to the committee in writing

for gratuity dues to be utilized to clear any outstanding debt in case the member of the County Executive loses seat before fully repaying the loan.

In addition, the management did not avail supporting documents indicating measures taken to recover the defaulted loans as indicated in Section 28(2) which states that in the event that, the loanee does not authorize the committee in writing as provided for under sub-section (1) above, then the committee shall be authorized to charge gratuity or pension of the loanee to recover the loan. Further, no evidence was provided to show attempts by the Management to sell the charged property contrary to Section 29(1) of the Act, which states that upon default to repay the loan, the car and mortgage loans committee shall sell the charged car or property by public auction or private treaty, in which event the fund shall meet any short fall between the loan outstanding and the proceeds of sale.

Under the circumstances, the management breached the law and the recoverability of the long-term receivables from exchange transactions balance of Kshs.24,852,440 due from the eleven (11) beneficiaries as at 30 June, 2020 could not be confirmed.

## **1.2 Unsupported Loan Disbursements**

The statement of financial position for the year ended 30 June, 2020 reflects long term receivables from exchange transactions figure of Kshs.123,059,931 out of which Kshs.42,660,000 relates to loans disbursed to twenty-nine (29) members during the year under review.

However, loan committee minutes to support approval of the loans and the criteria used to award the loans were not provided for audit. In addition, some application forms were not supported by copies of official search of the titles and sale agreements. Further, a review of the records indicated that the portion of receivables recoverable within one year was not classified under current portion of receivables from exchange transactions.

Consequently, the accuracy and validity of loans disbursed totaling to Kshs.42,660,000 could not be confirmed.

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

### **Key Audit Matters**

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

# REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

## Conclusion

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

### 1.0 Long Term Receivables from Exchange Transactions

#### 1.1 Additional Loans

The statement of financial position as at 30 June, 2020 reflects long term receivables from exchange transactions figure of Kshs.123,059,931 out of which Kshs.15,810,000 relates to additional loans given to seventeen (17) members of the Fund during the year under review, thereby exceeding their maximum entitlement contrary to Section 2.4 of Elgeyo Marakwet County Executive Car and Mortgage Loan Revolving Fund Policy, 2014 which indicate that the maximum mortgage loan to be granted to a member of the scheme shall be Kshs.3,000,000 and Section 2.5.5 of the Fund policy which also states that no borrower shall be eligible to more than one mortgage at a time.

Consequently, the Management is in breach of the Fund's policies and the validity of the additional loans amounting to Kshs.15,810,000 could not be confirmed.

#### 1.2 Loans Receivable

The statement of financial position as at 30 June, 2020 reflects long-term receivables from exchange transactions of Kshs.123,059,931. Although the properties used as security were valued and loans thereof issued insured, there was no evidence that the loans for development of residential property were utilized for purchase, development, renovation or repair of residential property for the occupation of the applicant or immediate family as the application forms were not accompanied by copies of designs of the proposed residential property and bills of quantities in respect of the proposed development as required by section 16(1) of the Elgeyo Marakwet County Executive Car and Mortgage Loan Revolving Fund, 2015. Further, there was no evidence that property loans worth of Kshs.123,059,931 were charged and motor vehicles acquired under the scheme comprehensively insured and jointly registered between the County Executive and the Loanee.

Consequently, Management was in breach of the law.

### 2.0 Unresolved Prior Year Audit matters

There were issues raised in the audit report for 2018/2019 financial year of which no report or recommendations from the Fund's Management were submitted for audit verification. Further, the issues remain unresolved contrary to section 149(2)(I) of the Public Finance Management Act, 2012 which require accounting officers designated for

county government entities to try to resolve any issues resulting from an audit that remain outstanding.

Consequently, the Fund management is in breach of the law.

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

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

### **Conclusion**

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

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

### **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the County Government is aware of the intention to terminate the Fund or cease operations.

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

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

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.

Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

  
 CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**04 February, 2022**

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*Report of the Auditor-General on Elgeyo Marakwet County Executive Car and Mortgage Loan Revolving Fund for the year ended 30 June, 2020*

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**13. FINANCIAL STATEMENTS**

**13.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2020**

	Note	2019/2020	2018/2019
		KShs	KShs
<b>Revenue from non-exchange transactions</b>			
Public contributions and donations	1	-	-
Transfers from the County Government	2	-	-
Fines, penalties and other levies	3	-	-
		-	-
<b>Revenue from exchange transactions</b>			
Interest income	4	3,555,764	3,359,369
Other income	5	-	-
<b>Total revenue</b>		<b>3,555,764</b>	<b>3,359,369</b>
<b>Expenses</b>			
Fund administration expenses	6	1,477,850	828,457
Staff Costs	7	-	-
General expenses	8	8,148	-
Finance costs	9	-	-
		<b>1,485,998</b>	<b>828,457</b>
<b>Total expenses</b>			
<b>Other gains/losses</b>			
Gain/loss on disposal of assets	10		
		<b>2,069,766</b>	<b>2,530,912</b>
<b>Surplus/( deficit) for the period</b>			

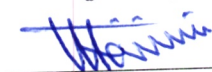
The notes set out on pages 16 to 20 form an integral part of these Financial Statements

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Financial Statements**  
**For the year ended June 30, 2020**

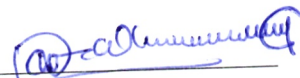
**13.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020**

	Note	2019/2020 KShs	2018/2019 KShs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	6,156,531	4,009,246
Current portion of long- term receivables from exchange transactions	12	-	-
Revenue from exchange transactions	13		
Prepayments	14	-	-
Inventories	15	-	-
		-	-
<b>Non-current assets</b>			
Property, plant and equipment	16	-	-
Intangible assets	17	-	-
Long term receivables from exchange transactions	12	123,059,931	123,137,450
		-	-
<b>Total assets</b>		<b>129,216,462</b>	<b>127,146,696</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	18	-	-
Provisions	19	-	-
Current portion of borrowings	20	-	-
Employee benefit obligations	23	-	-
		-	-
<b>Non-current liabilities</b>			
Non-current employee benefit obligation	23	-	-
Long term portion of borrowings	20	-	-
		-	-
<b>Total liabilities</b>			
		-	-
<b>Net assets</b>			
Revolving Fund	27	120,000,000	120,000,000
Reserves			
Accumulated surplus		9,216,462	7,146,696
<b>Total net assets and liabilities</b>		<b>129,216,462</b>	<b>127,146,696</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 **8<sup>th</sup> December, 2020** and signed by:



Administrator of the Fund  
 Name: John Keen Murkeu Jairo  
 ICPAK Member Number: 8112



Fund Accountant  
 Name: David Chebii  
 ICPAK Member Number: 8088:

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**18 DEC 2020**  
**ADMINISTRATOR**  
 & 220-30700, ITEN

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Financial Statements**  
**For the year ended June 30, 2020**

**13.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2020**

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
<b>Balance as at 1 July 2016</b>	<b>45,000,000</b>	-	<b>1,827,257</b>	<b>46,827,257</b>
Surplus/(deficit) for the period	-	-	614,895	614,895
Funds received during the year	25,000,000	-	-	25,000,000
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2017</b>	<b>70,000,000</b>	-	<b>2,442,152</b>	<b>72,442,152</b>
<b>Balance as at 1 July 2017</b>	<b>70,000,000</b>	-	<b>2,442,152</b>	<b>72,442,152</b>
Surplus/(deficit) for the period	-	-	2,173,633	2,173,633
Funds received during the year	24,000,000	-	-	-
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2018</b>	<b>94,000,000</b>	-	<b>4,615,784</b>	<b>98,615,784</b>
<b>Balance as at 1 July 2018</b>	<b>94,000,000</b>	-	<b>4,615,784</b>	<b>98,615,784</b>
Surplus/(deficit) for the period	-	-	2,530,912	2,530,912
Funds received during the year	26,000,000	-	-	26,000,000
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2019</b>	<b>120,000,000</b>	-	<b>7,146,696</b>	<b>127,146,696</b>
<b>Balance as at 1 July 2019</b>	<b>120,000,000</b>	-	<b>7,146,696</b>	<b>127,146,696</b>
Surplus/(deficit) for the period	-	-	2,069,766	2,069,766
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
<b>Balance as at 30 June 2020</b>	<b>120,000,000</b>	-	<b>9,216,462</b>	<b>129,216,462</b>

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**

**Financial Statements**

**For the year ended June 30, 2020**

**13.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2019/2020	2018/2019
		KShs	KShs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Public contributions and donations	1	-	-
Transfers from the County Government	2	-	-
Fines Penalties and other levies	3	-	-
Interest received	4	3,555,764	3,359,369
Other income	5	-	-
<b>Total Receipts</b>		<b>3,555,764</b>	<b>3,359,369</b>
<b>Payments</b>			
Fund administration expenses	6	1,477,850	828,457
Staff costs	7	-	-
General expenses	8	8,148	-
Finance cost	9	-	-
<b>Total Payments</b>		<b>1,485,998</b>	<b>828,457</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	21	-	(25,061,481)
Increase/(Decrease) in Accounts Payable:	22	-	-
<b>Net cash flows from operating activities</b>		<b>2,069,766</b>	<b>-</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		(-)	(-)
Proceeds from sale of property, plant and equipment		(-)	(-)
Proceeds from loan principal repayments		42,737,519	(-)
Loan disbursements paid out		(42,660,000)	(-)
<b>Net cash flows used in investing activities</b>		<b>77,519</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from revolving fund receipts		-	26,000,000

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

Additional borrowings		-	-
Repayment of borrowings		(-)	(-)
<b>Net cash flows used in financing activities</b>		-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2,147,285</b>	<b>3,469,431</b>
Cash and cash equivalents at 1 JULY 2019	15	4,009,246	539,815
<b>Cash and cash equivalents at 30 JUNE 2020</b>	15	<b>6,156,531</b>	<b>4,009,246</b>

**Reconciliation of opening and closing bank balance**

<i>Opening Cash balance 1.7.2019</i>		<b>4,009,246</b>
<b>Add:</b>		
Principal Loan repayments	42,737,519	
Interest Received	<u>3,555,764</u>	46,293,283
<b>Less:</b>		
Loan advanced		42,660,000
Fund adm. Costs	1,477,850	
Bank charges	<u>8,148</u>	1,485,998
<i>Closing Cash balance 30.6.2020</i>		<b>6,156,531</b>

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**13.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30<sup>th</sup> JUNE 2020**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilisation
	2020	2020	2020	2020	2020	2020
	KShs	KShs	KShs	KShs	KShs	
<b>Revenue</b>						
Public contributions and donations	-	-	-	-	-	
Transfers from County Govt.						
Interest income	-	-	-	-	-	
Other income	-	-	-	3,555,764	(3,555,764)	100%
<b>Total income</b>	-	-	-	<b>3,555,764</b>	<b>(3,555,764)</b>	<b>100%</b>
<b>Expenses</b>						
Fund administration expenses	-	-	-	1,477,850	(1,477,850)	100%
General expenses	-	-	-	8,148	(8,148)	100%
Finance cost	-	-	-	-	-	
<b>Total expenditure</b>	-	-	-	<b>1,485,998</b>	<b>(1,485,998)</b>	<b>100%</b>
<b>Surplus for the period</b>	-	-	-	<b>2,069,766</b>	-	

**Budget notes**

The Fund did not receive additional appropriations in the FY 2019/2020 budget. Loans were advanced to members from the loan repayments recovered during the year.

**13.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. 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.

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

**a) Relevant new standards and amendments to published standards effective for the year ended 30 June 2020**

Standard	Impact
<b>IPSAS 40:</b> Public Sector Combinations	<b>Applicable: 1<sup>st</sup> January 2019</b> The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations.

**b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020**

Standard	Effective date and impact:
<b>IPSAS 41:</b> Financial Instruments	<b>Applicable: 1<sup>st</sup> January 2022:</b> The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> </ul>

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Standard	Effective date and impact:
	<ul style="list-style-type: none"> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<p><b>IPSAS 42: Social Benefits</b></p>	<p><b>Applicable: 1<sup>st</sup> January 2022</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2022:</b></p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other Improvements to IPSAS</p>	<p><b>Applicable: 1<sup>st</sup> January 2021:</b></p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.</p> <p>Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time</p>

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Standard	Effective date and impact:
	<p>Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard</p>
	<p>IPSAS 40, Public Sector Combinations. Amendments to include the effective date paragraph which were inadvertently omitted when IPSAS 40 was issued</p>

**c) Early adoption of standards**

The entity did not early – adopt any new or amended standards in year 2020.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. 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.

**4. Budget information**

The original budget for FY 2019/2020 was approved by the County Assembly on 26<sup>th</sup> June, 2019. 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 County Government upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund did not record additional appropriations in the FY 2019/2020 budget following the governing body's approval.

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

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

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**5. 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.

**6. 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.

**7. Financial instruments**

***Financial assets***

***Initial recognition and measurement***

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Held-to-maturity***

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

***Impairment of financial assets***

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or a entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or a entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

***Financial liabilities***

***Initial recognition and measurement***

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

***Loans and borrowing***

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**8. 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.

**9. 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.

***Contingent liabilities***

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Contingent assets***

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

**10. Nature and purpose of reserves**

The fund did not create and maintains reserves in terms of specific requirements.

**11. Changes in accounting policies and estimates**

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

**12. Employee benefits – Retirement benefit plans**

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

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

**13. 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.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**14. 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.

**15. Related parties**

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

**16. 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.

**17. Comparative figures**

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

**18. Events after the reporting period**

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

**19. Ultimate and Holding Entity**

The entity is a County Public Fund established by Elgeyo Marakwet County Executive Car & Mortgage Loan Revolving Fund Act (EMCECMLERF), 2015 under the County Government of Elgeyo Marakwet. Its ultimate parent is the County Government of Elgeyo Marakwet.

**20. Currency**

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**21. Significant judgments and sources of estimation uncertainty**

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

**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.

**Useful lives and residual values**

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

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

**Provisions**

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

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.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**22. Financial risk management**

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

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

**a) Credit risk**

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

**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.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**c) Market risk**

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. 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.

**d) 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.

**e) Interest rate risk**

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

*Management of interest rate risk*

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**f) 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:

	2019/2020	2018/2019
	KShs	KShs
Revaluation reserve	-	-
Revolving fund	120,000,000	120,000,000
Accumulated surplus	9,216,462	7,146,695
<b>Total funds</b>	<b>129,216,462</b>	<b>127,146,696</b>
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
<b>Gearing</b>	-	-

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**13.7. NOTES TO THE FINANCIAL STATEMENTS**

**1. Public contributions and donations**

Description	2019/2020	2018/2019
	KShs	KShs
Donation from development partners	-	-
Contributions from the public	-	-
<b>Total</b>	-	-

**2. Transfers from County Government**

Description	2019/2020	2018/2019
	KShs	KShs
Transfers from County Govt. – operations	-	-
Payments by County on behalf of the entity	-	-
<b>Total</b>	-	-

**3. Fines, penalties and other levies**

Description	2019/2020	2018/2019
	KShs	KShs
Late payment penalties	-	-
Fines	-	-
<b>Total</b>	-	-

**4. Interest income**

Description	2019/2020	2018/2019
	KShs	KShs
Interest income from Mortgage loans	3,555,764	3,359,369
Interest income from car loans	-	-
Interest income from investments	-	-
Interest income on bank deposits	-	-
<b>Total interest income</b>	<b>3,555,764</b>	<b>3,359,369</b>

The interest was from Car and mortgage loans advanced to members at 3% per month

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**5. Other income**

Description	2019/2020 KShs	2018/2019 KShs
Insurance recoveries	-	-
Income from sale of tender documents	-	-
Miscellaneous income	-	-
<b>Total other income</b>	-	-

**6. Fund administration expenses**

Description	2019/2020 KShs	2018/2019 KShs
Staff costs (Note 7)	-	-
Loan processing costs	-	-
Professional services costs	-	-
Administration fees	1,477,850	828,457
<b>Total</b>	<b>1,477,850</b>	<b>828,457</b>

**7. Staff costs**

Description	2019/2020 KShs	2018/2019 KShs
Salaries and wages	-	-
Staff gratuity	-	-
Staff training expenses	-	-
Social security contribution	-	-
Other staff costs	-	-
<b>Total</b>	-	-

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**8. General expenses**

Description	2019/2020	2018/2019
	KShs	KShs
Consumables	-	-
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	-	-
Postage	-	-
Printing and stationery	-	-
Rental costs	-	-
Security costs	-	-
Telecommunication	-	-
Bank Charges	8,148	-
Hospitality	-	-
Depreciation and amortization costs	-	-
Other expenses	-	-
<b>Total</b>	<b>8,148</b>	<b>-</b>

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**9. Finance costs**

Description	2019/2020	2018/2019
	KShs	KShs
Interest on Bank overdrafts	-	-
Interest on loans from banks	-	-
<b>Total</b>	-	-

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

Description	2019/2020	2018/2019
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
<b>Total</b>	-	-

**11. Cash and cash equivalents**

Description	2019/2020	2018/2019
	KShs	KShs
Car loan account	-	-
County Executive mortgage account	6,156,531	4,009,246
Fixed deposits account	-	-
On – call deposits	-	-
Current account	-	-
Others	-	-
<b>Total cash and cash equivalents</b>	<b>6,156,531</b>	<b>4,009,246</b>

*(The amount agree with the closing and opening balances as included in the statement of cash flows)*

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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

Financial institution	Account number	2019/2020	2018/2019
		KShs	KShs
<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>			
Kenya Commercial bank		-	-
TransNational Bank	180012001	6,156,531	4,009,246
<b>Sub- total</b>		-	-
<b>d) Others(specify)</b>			
Cash in transit		-	-
Cash in hand		-	-
M Pesa		-	-
<b>Sub- total</b>		-	-
<b>Grand total</b>		<b>6,156,531</b>	<b>4,009,246</b>

**12. Receivables from exchange transactions**

Description	2019/2020	2018/2019
	KShs	KShs
<b>Current Receivables</b>		
Interest receivable	678,069	-
Current loan repayments due	45,615,214	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
<b>Total Current receivables</b>	<b>46,293,283</b>	
<b>Non-Current receivables</b>		
Long term loan repayments due	76,766,648	123,137,450
<b>Total Non- current receivables</b>	<b>123,059,931</b>	<b>123,137,450</b>
<b>Total receivables from exchange transactions</b>	<b>123,059,931</b>	<b>123,137,450</b>

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Reconciliation of Loan brought forward and loan carried forward**

<b>Loan brought forward 1.7.2020</b>	<b>123,137,450</b>
Add: Loan Loans advanced	42,660,000
Interest Receivable	<u>3,555,764</u>
	169,353,214
Less: Loan repayments	<u>46,293,283</u>
<b>Loan carried forward 30.6.2020</b>	<b><u>123,059,931</u></b>

**Additional disclosure on interest receivable**

Description	2019/2020 KShs	2018/2019 KShs
<b>Interest receivable</b>		
Interest receivable from current portion of long-term loans of previous years	678,069	-
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	2,877,695	-
<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	-	-

Note: Sh.678,069 relate to interest from 11 members who had defaulted in making their monthly remittances

**13. Revenue from Non-Exchange transaction**

Description	2019/2020 KShs	2018/2019 KShs
Transfer to County Executive	-	-
Transfer to other Fund	-	-
<b>Total receivables from non-exchange transactions</b>	-	-

**14. Prepayments**

Description	2019/2020 KShs	2018/2019 KShs
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Other prepayments(specify)	-	-
<b>Total</b>	-	-

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**15. Inventories**

<b>Description</b>	<b>2019/2020</b>	<b>2018/2019</b>
	<b>KShs</b>	<b>KShs</b>
Consumable stores	-	-
Spare parts and meters	-	-
Catering	-	-
Other inventories(specify)	-	-
<b>Total inventories at the lower of cost and net realizable value</b>	-	-

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**16. Property, plant and equipment**

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
	KShs	KShs	KShs	KShs	KShs
<b>Cost</b>					
<b>At 1<sup>st</sup> July 2018</b>	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-
<b>At 30<sup>th</sup> June 2019</b>	-	-	-	-	-
<b>At 1<sup>st</sup> July 2019</b>	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-
<b>At 30<sup>th</sup> June 2020</b>	-	-	-	-	-
<b>Depreciation and impairment</b>					
<b>At 1<sup>st</sup> July 2018</b>	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
<b>At 30<sup>th</sup> June 2019</b>	-	-	-	-	-
<b>At 1<sup>st</sup> July 2019</b>	-	-	-	-	-
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-
<b>At 30<sup>th</sup> June 2020</b>	-	-	-	-	-
<b>Net book values</b>					
<b>At 30<sup>th</sup> June 2019</b>	-	-	-	-	-
<b>At 30<sup>th</sup> June 2020</b>	-	-	-	-	-

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**17. Intangible assets-software**

Description	2019/2020	2018/2019
	KShs	KShs
<b>Cost</b>		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
<b>Amortization and impairment</b>		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
<b>NBV</b>	-	-

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

Description	2019/2020	2018/2019
	KShs	KShs
Trade payables	-	-
Refundable deposits	-	-
Accrued expenses	-	-
Other payables	-	-
<b>Total trade and other payables</b>	-	-

**19. Provisions**

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year(1.07.2019)	-	-	-	-
Additional Provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Transfers from non -current provisions	-	-	-	-
<b>Balance at the end of the year (30.06.2020)</b>	-	-	-	-

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**20. Borrowings**

Description	2019/2020	2018/2019
	KShs	KShs
<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 domestics borrowings during the period	-	-
<b>Balance at end of the period</b>	-	-

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

Description	2019/2020	2018/2019
	KShs	KShs
<b>External Borrowings</b>		
Dollar denominated loan from other organisation'	-	-
Sterling Pound denominated loan from other organisation'	-	-
Euro denominated loan from other organisation'	-	-
<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	2019/2020	2018/2019
	KShs	KShs
Short term borrowings(current portion)	-	-
Long term borrowings	-	-
<b>Total</b>	-	-

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**21. CHANGES IN RECEIVABLE**

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Account receivable as at 1 <sup>st</sup> July 2019 (A)	-	-
Account receivable issued during the year (B)	-	-
Account receivable settled during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

**22. CHANGES IN ACCOUNTS PAYABLE**

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Accounts Payable as at 1 <sup>st</sup> July 2019 (A)	-	-
Accounts Payable held during the year (B)	-	-
Accounts Payable paid during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

**23. Employee benefit obligations**

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Total
	KShs	KShs	KShs	KShs
Current benefit obligation	-	-	-	-
Non-current benefit obligation	-	-	-	-
<b>Total employee benefits obligation</b>	-	-	-	-

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**24. Cash generated from operations**

	2019/2020	2018/2019
	KShs	KShs
<b>Surplus/ (deficit) for the year before tax</b>	<b>2,069,766</b>	<b>2,530,912</b>
<b>Adjusted for:</b>		
Depreciation	-	-
Amortisation	-	-
Gains/ losses on disposal of assets	-	-
Interest income	-	-
Finance cost	-	-
<b>Working Capital adjustments</b>		
Increase in inventory	-	-
Increase in receivables	-	-
Increase in payables	-	-
Proceeds from Revolving fund receipts		
<b>Net cash flow from operating activities</b>	<b>2,069,766</b>	<b>2,530,912</b>

**25. Related party balances**

**a) Nature of related party relationships**

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

- a) The County Government;
- b) The Parent County Government Ministry;
- c) Key management;
- d) Fund committee

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**b) Related party transactions**

	2019/2020	2018/2019
	KShs	KShs
Transfers from related parties'	-	-
Transfers to related parties	-	-

**c) Key management remuneration**

	2019/2020	2018/2019
	KShs	KShs
Board of Trustees	-	-
Key Management Compensation	1,477,850	821,500
<b>Total</b>	<b>1,477,850</b>	<b>821,500</b>

**d) Due from related parties**

	2019/2020	2018/2019
	KShs	KShs
Due from parent Ministry	-	-
Due from County Government	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**e) Due to related parties**

	2019/2020	2018/2019
	KShs	KShs
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**26. Contingent assets and contingent liabilities**

<b>Contingent liabilities</b>	2019/2020	2018/2019
	KShs	KShs
Court case against the Fund	-	-
Bank guarantees	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Reports and Financial Statements**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**27. Revolving Fund**

	<b>2019/2020</b>	<b>2018/2019</b>
	<b>KShs</b>	<b>KShs</b>
Revolving fund	120,000,000	120,000,000
<b>Total</b>	<b>120,000,000</b>	<b>120,000,000</b>

**Note:**

There were no funds transferred to the Revolving Fund during the year.

**ELGEYO MARAKWET COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**14. 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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe:
1.0	Long term receivable exchange transaction	The financial statements for the year 2016/2017 were restated as a result of change in accounting policy (Cash to accrual).The schedule for the figure for long term receivable exchange transaction has been amended to agree with the figure of Sh.98,075,969 reported in the financial statements ( <b>Note 12</b> )  The gratuity of the outgoing CEC members was not utilized since most of them had returned to their previous employers and had started repaying their loans. The loans securities are fully charged	JohnKeen Murkeu Jairo	Not resolved	6 months
2.0	Failure to provide approved Budget	The County government did not allocate or transfer funds to the revolving fund. The loans disbursed during the year were made from the total monthly loan repayments realized during the year.	JohnKeen Murkeu Jairo	Not Resolved	6 months
3.0	Unresolved prior year audit matter- Unsecured car & mortgage loans	All loans are now secured. All Title deeds have been charged to loans	JohnKeen Murkeu Jairo	Resolved	6 months

*JohnKeen Murkeu Jairo*  
**JohnKeen Murkeu Jairo-Administrator of the Fund**



## ANNEX 1

**COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND  
LOAN REPAYMENT SCHEDULE FOR THE MONTH OF JUNE 2020**

	Period	Name of borrower	Balance b/f	Additional advance	Interest	Repayment	Outstanding Balance
1	Jun-20	ANNE CHERONO KIBOSIA	4,419,585.81		11,048.96	347,064.00	4,083,570.78
2	Jun-20	MONICA JEPTUM ROTICH	672,780.74		1,681.95		674,462.69
3	Jun-20	SHADRACK KIPROP YATICH	4,236,544.98		10,591.36	333,214.00	3,913,922.34
4	Jun-20	SIMION CHIRCHIR KIPLAGAT	562,752.43	-	1,406.88	121,726.00	442,433.31
5	Jun-20	STELLA KIRUI KIPRONO	809,762.32	-	2,024.41		811,786.72
6	Jun-20	STEPHEN RUTTO BIWOTT	3,308,355.74	-	8,270.89		3,316,626.63
7	Jun-20	MORRIS KIPKOSGEI ROTICH	918,879.57	-	2,297.20		921,176.77
8	Jun-20	ALEX TANUI TOLGOS	27,880,682.09	-	69,701.71	1,103,638.00	26,846,745.79
9	Jun-20	THOMAS KIPKEMOY RUTTO	758,386.87	-	1,895.97		760,282.84
10	Jun-20	JEREMIAH ROTICH CHANGWONY	4,039,785.98	-	10,099.46		4,049,885.44
11	Jun-20	SHADRACK K. CHELIMO	2,282,573.10	-	5,706.43		2,288,279.53
12	Jun-20	THOMAS KIPLAGAT TUITOEK	320,548.23	-	801.37	110,840.00	210,509.60
13	Jun-20	DANIEL KIPCHUMBA KIPTUM	893,213.73	-	2,233.03		895,446.77
14	Jun-20	GABRIEL KOSGEY LAGAT	7,155,967.81	-	17,889.92		7,173,857.73
15	Jun-20	GIDEON KIPKOECH KIPYAKWAI	2,807,352.45	-	7,018.38		2,814,370.83
16	Jun-20	JOHN K CHEBOI	-	-	-		-
17	Jun-20	ANITA C TOROITICH	3,465,220.66		8,663.05	284,886.68	3,188,997.03
18	Jun-20	BOAZ CHANGACH	-		-		-
19	Jun-20	CAROLINE MAGUT	1,114,262.56		2,785.66	-	1,117,048.21
20	Jun-20	ISMAEL CHELANGA	678,627.78		1,696.57	107,814.00	572,510.35
21	Jun-20	NETTY JEMUTAI	-		-	-	-
22	Jun-20	PIUS YEGO CHESEREK	4,539.97		11.35	4,551.32	0.00
23	Jun-20	TITUS AIYABEI	-		-	-	-
24	Jun-20	MICHAEL KIPCHUMBA LELIT	2,006,147.61		5,015.37	200,046.00	1,811,116.98
25	Jun-20	PAUL CHEBOI CHEMMUTTUT	2,122,698.36		5,306.75	162,348.00	1,965,657.11
26	Jun-20	JOSEPH KIYENG	2,559,244.83		6,398.11	223,642.00	2,342,000.95
27	Jun-20	KEVIN BIWOTT	3,850,332.11		9,625.83	317,280.00	3,542,677.94
28	Jun-20	LEAH PAMELA RONO	3,351,530.60		8,378.83	263,230.00	3,096,679.43
29	Jun-20	ISAAC KAMAR	3,352,176.27		8,380.44	270,608.00	3,089,948.71
30	Jun-20	WISLEY KIPYEGON ROTICH	7,888,603.39		19,721.51	302,507.00	7,605,817.90
31	Jun-20	ABRAHAM BARSOSIO	3,918,842.57		9,797.11	296,170.00	3,632,469.67
32	Jun-20	EDWIN KISANG	3,231,052.67		8,077.63	277,986.00	2,961,144.31
33	Jun-20	JOHANA KIPTOO CHEPTOO	2,322,645.79		5,806.61	110,474.00	2,217,978.41
34	Jun-20	KIPRONO CHEPKOK	2,270,763.84		5,676.91	174,488.00	2,101,952.75
35	Jun-20	KIMWETICH BARMASAI	1,412,846.23	-	3,532.12	116,324.00	1,300,054.35
36	Jun-20	PENINAH KOMEN	3,384,036.13	-	8,460.09	106,356.00	3,286,140.22
37	Jun-20	JOHNKEEN MURKEU JAIRO	1,686,951.90		4,217.38	51,660.00	1,639,509.28
38	Jun-20	EDWIN KIBET SERONEI	2,912,675.00		7,281.69	189,650.00	2,730,306.69
39	Jun-20	MARY KIPCHUMBA	2,912,675.00		7,281.69	189,650.00	2,730,306.69
40	Jun-20	NIXON CHANGKWONY	2,920,193.75		7,300.48	189,650.00	2,737,844.23
41	Jun-20	DAVID CHEBII	1,503,750.00		3,759.38	66,404.00	1,441,105.38
42	Jun-20	SHARON JEPKORIR SIRMA	2,912,675.00		7,281.69	189,650.00	2,730,306.69
43	Jun-20	GEOFFREY KIPKEMBOI KIMAIYO	3,000,000.00		7,500.00	-	3,007,500.00
44	Jun-20	TIMOTHY KIPTUM KOECH	-	3,000,000	7,500.00	-	3,007,500.00
			<b>125,849,663.88</b>	<b>3,000,000</b>	<b>322,124.16</b>	<b>6,111,857.00</b>	<b>123,059,931.04</b>

**COUNTY EXECUTIVE CAR & MORTGAGE REVOLVING FUND  
SUMMARY OF TOTAL LOANS ADVANCED, INTEREST AND REPAYMENTS FOR PERIOD JULY 2019  
TO JUNE 2020**

	<b>Month</b>	<b>Loan Advanced</b>	<b>Total Interest</b>	<b>Total Repayment</b>	<b>Outstanding Balance</b>
1	Jun-20	800,000	145,842	2,311,955	4,083,571
2	Jun-20	-	27,460	563,996	674,463
3	Jun-20	800,000	139,598	2,148,790	3,913,922
4	Jun-20	-	36,522	1,460,712	442,433
5	Jun-20	-	31,150	570,308	811,787
6	Jun-20	-	97,901	-	3,316,627
7	Jun-20	-	27,191	-	921,177
8	Jun-20	4,000,000	842,803	7,173,647	26,846,746
9	Jun-20	-	22,442	-	760,283
10	Jun-20	-	119,545	-	4,049,885
11	Jun-20	-	67,546	-	2,288,280
12	Jun-20	-	18,396	720,460	210,510
13	Jun-20	-	26,432	-	895,447
14	Jun-20	-	211,759	-	7,173,858
15	Jun-20	-	83,075	-	2,814,371
16	Jun-20	-	16,341	1,644,306	0
17	Jun-20	1,150,000	114,605	1,747,314	3,188,997
18	Jun-20	-	14,609	1,470,034	0
19	Jun-20	-	37,131	485,907	1,117,048
20	Jun-20	-	33,504	916,419	572,510
21	Jun-20	-	16,325	1,642,766	(0)
22	Jun-20	-	36,024	1,859,471	-
23	Jun-20	-	23,407	2,355,257	-
24	Jun-20	-	75,448	1,300,299	1,811,117
25	Jun-20	1,000,000	61,265	1,026,829	1,965,657
26	Jun-20	155,000	91,026	1,453,673	2,342,001
27	Jun-20	750,000	125,595	1,998,280	3,542,678
28	Jun-20	1,155,000	106,684	1,592,231	3,096,679
29	Jun-20	1,200,000	109,081	1,632,432	3,089,949
30	Jun-20	2,900,000	222,846	2,950,459	7,605,818
31	Jun-20	2,750,000	93,386	1,360,023	3,632,470
32	Jun-20	150,000	115,362	1,806,909	2,961,144
33	Jun-20	1,000,000	77,475	662,844	2,217,978
34	Jun-20	150,000	78,625	1,134,172	2,101,953
35	Jun-20	-	51,160	756,106	1,300,054
36	Jun-20	3,500,000	52,030	265,890	3,286,140
37	Jun-20	1,700,000	16,999	77,490	1,639,509
38	Jun-20	3,000,000	14,782	284,475	2,730,307
39	Jun-20	3,000,000	14,782	284,475	2,730,307
40	Jun-20	3,000,000	22,319	284,475	2,737,844
41	Jun-20	1,500,000	7,509	66,404	1,441,105
42	Jun-20	3,000,000	14,782	284,475	2,730,307
43	Jun-20	3,000,000	7,500	-	3,007,500
44	Jun-20	3,000,000	7,500	-	3,007,500
		<b>42,660,000</b>	<b>3,555,764</b>	<b>46,293,283</b>	<b>123,059,931</b>