

REPUBLIC OF KENYA



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REPORT

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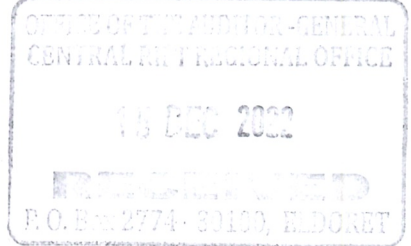
OF

THE AUDITOR-GENERAL

ON

**UASIN GISHU COUNTY ASSEMBLY MEMBERS
MORTGAGE AND CAR LOANS SCHEME FUND**

**FOR THE YEAR ENDED
30 JUNE, 2022**



**UASIN GISHU COUNTY ASSEMBLY MORTGAGE AND CAR LOAN
SCHEME FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2022**

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

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Uasin Gishu County assembly mortgage and car loan scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

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1. Key Entity Information and Management

a) Background information

Uasin Gishu County Assembly Mortgage and Car Loan Scheme Fund is established by and derives its authority and accountability from Public Finance Management (Uasin Gishu County Assembly Mortgage and Car Loan Scheme Fund) Regulation, 2014). The Fund is wholly owned by the County Government of Uasin Gishu and is domiciled in Kenya.

b) Principal Activities

The fund's objective is to provide Mortgage and Car Loan Scheme for purchase, development, renovation or repair of residential Property or Car by members' of the scheme.

The Fund's principal activity is to provide members of the scheme with loans as per the scheme's regulations.

c) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	Hon. Josphat Lowoi	Chair
2	Hon. Hosea Korir	V. chair
3	Hon. Stephen Letting	Member
5	Shadrack Choge	Fund Administrator
6	Lazarus Kemboi Bii	Fund Accountant
7	Michelle Saina	Legal Officer

d) Key Management

Ref	Name	Position
1	Shadrack Choge	Fund manager
2	Lazarus Kemboi	Fund Accountant
3	Peter Ouyo	Principal Finance officer
4	Sally Jesang	Principal Accountant

**Uasin Gishu County assembly mortgage and car loan scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

e)Registered offices

County Assembly Building
P.O. Box 100-30100
Uganda Road
Eldoret, KENYA

(f)Fund Contacts

Telephone: (254) 053-2062077
E-mail: info@ugcountyassembly.or.ke
Website: www.ugcountyassembly.or.ke

(g) Fund Bankers.

1. Access Bank
PO Box 4306-100
Nairobi
2. KCB Bank
P.O. Box 5197-30100
Eldoret West Branch
Eldoret, Kenya





(h)Independent Auditors

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





e) Principal Legal Adviser

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

2.The Fund Committee Members

Name	Details of qualifications and experience
<p>1.  Hon. Josphat Lowoi</p>	<p>Chair Loans Committee Bachelor's Degree ACCA Member of Fund Management Committee since 2014</p>
<p>2.  Shadrack Choge</p>	<p>Fund Manager Master's Degree Joined the Committee in 2018</p>
<p>3.  Lazarus Kemboi</p>	<p>Fund Accountant Master's Degree, CPA (K) Member of Fund Management Committee since 2014</p>
<p>4.  Michelle Sana</p>	<p>Bachelor's Degree LLB Member of Fund Management Committee since 2014</p>

3.Management Team

Name	Details of qualifications and experience
 1, Shadrack Choge	Fund Manager Master's Degree YOB: 1976 Work Experience: 25 Years
 1. Lazarus Kemboi	Fund Accountant Master's Degree, CPA (K) YOB: 1975 Work Experience: 25 Years
 2. Peter Ouyo	Principal Finance Officer Master's Degree YOB: 1967 Work Experience: 31 Years
 3. Sally Jesang	Principal Accountant Master's Degree, CPA (K) YOB: 1977 Work Experience: 16 years

4.Board/Fund Chairperson's Report

It is my pleasure to present the annual financial reports and statements for the Uasin Gishu County Assembly Mortgage and Car Loan Scheme Fund for the year ending 30th June 2022. This report is tabled for your consideration and discussion as part of the annual general meeting.

Financial year 2021/22 was an exciting year where we made several key decisions, which requires time-consuming commitment from all board members. . During the year under review the fund received interest of Ksh 3,111,460 from its operations. We are expecting to recover all the loans disbursed to honourable members before the end of their current term of office.

There were no changes in both fund management committee and fund management team during the year ended 30th June 2022 .This enabled the fund to run smoothly since there were no interruptions in the management of the fund.

In order to ensure that all honourable members and staff get access to this loans facility, the committee will seek for additional budgetary allocations to the fund to the in the next financial year. The committee will also put in place measures that ensure loans disbursed are recovered as scheduled to minimize the default risk.

In conclusion, I would like to thank the County Assembly service board, all honourable members, members of staff of the County Assembly and this Fund Management committee for their huge contribution and support they have given for the growth of the fund. As our current term of office comes to an end, I wish to take this opportunity to thank all the the Fund committee members and management for their tireless commitment in the management of the fund and wish the incoming committee members all the best.

SIGN: 

HON. JOSPHAT LOWOI

4. Report of The Fund Administrator

The County Assembly established and Mortgage Car loan scheme fund to cater for loans and mortgage for members and Staff in financial 2014/15. The initial budget for the fund was Ksh 225,000,000. This was disbursed to all the forty-five members of the First County Assembly each being advanced Ksh 5,000,000. In regards to Loans Issued in 2014 to Members of County Assembly, the Assembly is glad to report that it recovered it in full by the end of the term of the First Assembly.

During the financial year ending 30th June, 2017 the County Assembly enhanced the fund by Ksh 15,100,000. In the financial year (2017/18) the Assembly disbursed Ksh 245,499,900 to the Members of Second County Assembly and Staff, Ksh 21,439,304 in (2018/19), Ksh 16,706,478 in the FY 2019/2020 and a further Ksh24,394,448 in the FY 2020/2021.

During the year ended 30th June , 2022 the fund did not disburse loans to members of the scheme. The fund earned interest of Ksh 3,111,460 from its operations as indicated in the financial statement as at 30th June,2022 .

During the year under review ,the fund grew from Ksh 173,529,628 to Ksh 176,632,223,a growth of 1.76%

The major challenge encountered in administration of the fund is the huge demand for the Car loan and Mortgage facility by the County Assembly Staff. However, the County Assembly Service Board is exploring all possible ways to enhance the fund.

I would like to thank the County Assembly Service Board, the Chair and Members of County Assembly Car Loan and Mortgage Scheme Fund, County Assembly Members and Staff for their continued support and I look forward to realizing our future together.

I am pleased to inform you that all the loans issued to hon members we recovered in full before the respective hon members are cleared by the county Assembly.

During the year,the fund did not incur fund administration expenses since the measures had been put in place to minimize expenses.

The fund did not receive any additional funding during the year. There are also no property, plant and equipment, intangible assets and financial instruments owned by the fund.

The employees working for the fund are employees of the County Assembly who earn salaries and other employment benefits from the employer and do not receive anything from the fund.

Uasin Gishu County assembly mortgage and car loan scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

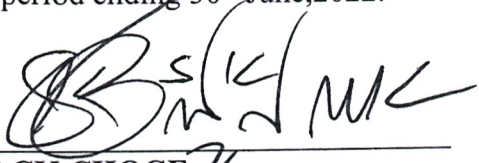
The fund has accumulated reserves of Ksh 29,529,628 and Ksh 3,102,595 being surplus for the year under review. These reserves arose due to surplus made by the fund from 2014/2015 financial year to date. The surplus are ploughed back as loans to members since the fund is yet to meet the demand of its members.

The major risk that is associated with the fund is the default risk. Adequate measures have been put in place to mitigate the fund against this risk.

The entities that are related with the fund include those who have ability to exercise control or exercise significant influence over its operations and financial decisions. The fund is related with the following entities;

- a) Uasin Gishu County Assembly Service board
- b) Uasin Gishu County Assembly
- c) Uasin Gishu County Government

Am glad therefore, to forward the financial statement in respect to Car Loan and Mortgage scheme Fund, for period ending 30th June, 2022.

Signed: 

SHADRACK CHOGE

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

Introduction

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

The key development objective of the Fund as per the strategic plan for (2017-2022) and the Public Finance Management (Uasin Gishu County Assembly Mortgage and Car Loan Scheme Fund) Regulation, 2014) is to loan members and staff of the Assembly loan for acquisition of a Motor Vehicle and for a Car.

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Loans to Members of the fund	To provide car loan and mortgage to honourable members of the County Assembly and staff	Increased number of members and staff issued with loans	% of honourable members and staff accessing the facility	Due to limited funding we were unable to issue loans to members of the fund

7. Corporate Governance Statement

During the financial year, the principal activities of the Fund consisted of recovering the loans advanced, ensure compliance with the statutory requirements and overall prudent management of the Fund.

FUND COMMITTEE MEMBERS

The following persons were the fund committee members for the financial year ended 30th June 2022. All the members were in office for the full financial year and until the date of this report:

- Hon. Josphat Lowoi (Chairman)
- Hon. Hosea Korir (Vice Chair)
- Hon. Stephen Letting (Member)
- Hon. David Keitany (Member)
- Shadrack Choge (Fund Administrator)
- Lazarus Kemboi (Fund Accountant)
- Michelle Saina (Legal Officer)

The above members were appointed based on the fund regulations that states that; the chair of the committee shall be the leader of the majority deputised by leader of minority and members are; Chair Finance and Planning Committee, one member from the committee on Finance and Economic Planning, Clerk to County Assembly who shall be the fund Administrator, Head of Budget/Finance who shall be the fund Accountant and Legal Officer.

The main role of the committee is to:-

- a) Process application for loans in accordance with the existing terms and condition of borrowing;
- b) Liaise with the housing company (if any) to set-up a revolving fund for the disbursement of loans;
- c) Supervise the day to day running of the fund.

Members to the Car Loan and Mortgage Committee are paid sitting allowances whenever they meet to discharge their duties.

The Committee Members are required to declare their interest during the discharge of their duties to avoid Conflict of Interest. They are also guided by the institution code of ethics and their conduct is subject governance audit.

Uasin Gishu County assembly mortgage and car loan scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

The Committee held 11 meetings during the financial year. All members attended the said meetings which was majorly review the performance of the fund and ensure loan repayments by members of the County Assembly adhere to the time lanes since the term of office of the members is coming to an end in August 2022.

The Fund Management committee is in the process of developing a charter for the fund. This exercise is expected to be completed by December 2022.

The term of office for four members Fund Management members including the Chairman will come to an end in August 2022. The retiring members will be replaced by the new members in September 2022 and adequate measures have been put in place to ensure that the services of the fund are not interrupted during the transition period.

Plans have also been put in place to ensure that induction and training for the new Fund Committee members and the incoming members of the County Assembly is conducted in order to equip them with knowledge on Fund management and other financial related issues.

8. Management Discussion and Analysis

The Fund grew by Ksh 3,111,460 as 3% interest on the loan as demanded by SRC and Fund regulations.

Ksh 68,684,487 was recovered in FY/2021-22 from loans issued to both members and staff. As of close of the financial year under review, outstanding loans amount to Ksh 67,222,705.

The major risk on the management of this fund is default risk that may arise due to changes in Constitution and Laws that may affect employment contracts, retirement age and wage bill. This will definitely affect servicing of the loan bearing in mind they were not factored in during the insurance of the loans.

The Fund has no material arrears in statutory and other financial obligation since the fund is in compliance with the statutory requirement.

During the financial year ending 30th June, 2017 the County Assembly enhanced the fund by Ksh 15,100,000. In the financial year (2017/18) the Assembly disbursed Ksh 245,499,900 to the Members of Second County Assembly and Staff, Ksh 21,439,304 in (2018/19), Ksh 16,706,478 in the FY 2019/2020 and a further Ksh 24,394,448 in the FY 2020/2021.

During the year ended 30th June, 2022 the fund did not disburse loans to members of the scheme. The fund earned interest of Ksh 3,111,460 from its operations as indicated in the financial statement as at 30th June, 2022.

During the year under review, the fund grew from Ksh 173,529,628 to Ksh 176,632,223, a growth of 1.76%

The fund did not carry out any investment activity during the year, however the fund committee took most of the time to ensure that loans issued to members of the County Assembly are recovered in full before the end of their term. The committee also ensured that there were adequate funds in the account for the incoming members of the County Assembly to benefit from the loans facility as early as September 2022.

There were no fund administration expenses incurred during the year since the fund committee had embarked on cost cutting measures and relied mostly on County Assembly service board to meet the costs of its operations.

General expenses of Ksh 8,865 comprised of bank charges paid to our bankers.

There were no other grants and transfers to the fund during the year under review.

The Fund did not pay social security benefits for its employees since the management and employees of the fund are employees of the County Assembly employed by the County Assembly service board.

Uasin Gishu County assembly mortgage and car loan scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

The Car Loan and Mortgage Scheme Fund has a revolving fund of Ksh 144,000,000 which forms part of its capital. The fund has accumulated reserves of Ksh 29,529,628 and Ksh 3,102,595 being surplus for the year under review. These reserves arose due to surplus made by the fund from 2014/2015 financial year to date. The surplus is ploughed back as loans to members since the fund is yet to meet the demand of its members.

9.Environmental and Sustainability Reporting

Uasin Gishu Car Loan and Mortgage Scheme Fund exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on these five pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile -

The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

2. Environmental performance

Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.

3. Employee welfare

Give account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

4. Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

b) Responsible Supply chain and supplier relations- explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices

d) Product stewardship- outline efforts to safeguard consumer rights and interests

5. Community Engagements-

Due to Financial Constraints the Fund has been unable to engage in activities that are beneficial to the Community, However, as the Fund grows there are plans and mechanisms in place for the Fund to engage in charitable activities (Cash & Materials), community social investments and any other form of community initiatives.

10 .Report of The Trustees

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2022 which show the state of the Fund affairs.

Principal activities

The principal activity of the Fund is to issue loans to members of the scheme and ensure the same is recovered accordingly.

Results

The results of the Fund for the year ended June 30, 2022 are set out on page 1-6

Fund Management Committee

The members of the Fund Management Committee who served during the year are shown on page (iii). There were no changes in the Fund Committee during the financial year.

Auditors

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

By Order of the Fund Committee

.....


Chair of the Fund Administration Committee

Date: 14/12/2022

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 a County Public Fund established by The Uasin Gishu County Assembly Mortgage and Car Loan Scheme Fund Act, 2014 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

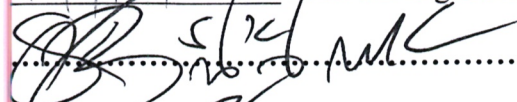
The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and The Uasin Gishu County Assembly Mortgage and Car Loan Scheme Fund Act, 2014. 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, 2022, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

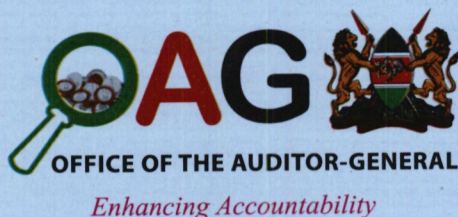
Approval of the financial statements

The Fund’s financial statements were approved by the Fund Management Committee on 14/12/2022 and signed on its behalf by:


.....

Administrator of the County Public Fund

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON UASIN GISHU COUNTY ASSEMBLY MEMBERS MORTGAGE AND CAR LOANS SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Uasin Gishu County Assembly Members Mortgage and Car Loans Scheme Fund set out on pages 1 to 39, which comprise the statement of financial position as at 30 June, 2022 and the statement of

Report of the Auditor-General on Uasin Gishu County Assembly Members Mortgage and Car Loans Scheme Fund for the year ended 30 June, 2022

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Uasin Gishu County Assembly Members Mortgage and Car Loans Scheme Fund as at 30 June, 2022 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 Public Finance Management (Uasin Gishu County Assembly Members Mortgage and Car Loans Scheme Fund) Regulations, 2014.

Basis for Qualified Opinion

1. Outstanding Loans

The statement of financial position reflects long-term receivables from exchange transactions balance of Kshs.67,222,705 as disclosed in Note 12 to the financial statements. Included in this amount are outstanding loans totaling Kshs.300,526 owed by two former Members of County Assembly (MCA). The Fund Management however, failed to recover the loan within the five-year term of the assembly. Although the Management explained that the outstanding amounts would be deducted from their terminal dues, no evidence was provided to confirm that the terminal dues would be sufficient to offset the outstanding loans.

In the circumstances, the accuracy and completeness of the long-term receivables from exchange transactions of Kshs.300,526 could not be confirmed

2. Non-Performing Long -Term Loan

The statement of financial position reflects long-term receivables from exchange transactions balance of Kshs.67,222,705 as disclosed in Note 12 to the financial statements which includes a car loan amounting to Kshs.3,800,000 advanced in December, 2016 to one member. However, as previously reported, the member had repaid Kshs.2,473,666 as at December, 2018 resulting to an unpaid balance of Kshs.1,326,334. There was no evidence that additional loan repayments had been received from the member since December, 2018 to the time of the audit completion.

In the circumstances, the long-term receivables from exchange transactions of Kshs.1,326,334 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Uasin Gishu County Assembly Members Mortgage and Car Loans Scheme 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 judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

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.

Basis for Conclusion

Name of the Fund and Loans to Staff

As reported previously, Regulation 2 of the Public Finance Management (Uasin Gishu County Assembly Members Mortgage and Car Loans Scheme Fund), Regulations, 2014, the name of the Fund should be cited as Uasin Gishu County Assembly Members Mortgage and Car Loans Scheme Fund. However, the name of the Fund indicated on the financial statements is Uasin Gishu County Assembly Mortgage and Car Loan Scheme Fund. In addition, Regulation 3 on the objects and purpose of the Fund states that the Fund shall provide Mortgage and Car Loan Scheme for the purchase, development, renovation or repair of residential property or car by Members of the scheme, where Member means Member of Uasin Gishu County Assembly. However, loans were also provided to staff members from the Fund.

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

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.

Basis for Conclusion

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

Responsibilities of Management and 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 its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements 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 Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall 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 overall 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 non-compliance. 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 Funds' 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 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 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, SBS
AUDITOR-GENERAL

Nairobi

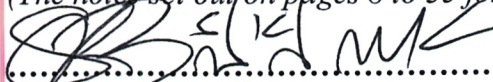
30 March, 2023

Uasin Gishu County assembly mortgage and car loan scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

13. STATEMENT OF FINANCIAL PERFORMANCE FOR YEAR ENDED 30TH JUNE 2022

	Note	2021/2022	2020/2021
		KES	KES
Revenue from non-exchange transactions			
Public contributions and donations		-	-
Transfers from the County Government		-	-
Fines, penalties and other levies		-	-
Revenue from exchange transactions			
Interest income	4	3,111,460	5,058,057
Other income		-	-
Total revenue		3,111,460	5,058,057
Expenses			
Fund administration expenses		-	0
General expenses	7	8,865	88,515
Total expenses		8,865	88,515
Other gains/losses			
Gain/loss on disposal of assets		-	-
Surplus/(deficit)for the period		3,102,595	4,969,542

(The notes set out on pages 8 to 35 form an integral part of these Financial Statements)



Name: **Shadrack Choge**
Administrator of the Fund



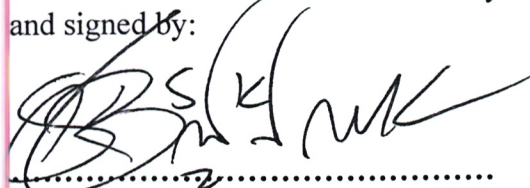
Name: **Lazarus Kemboi**
Fund Accountant
ICPAK Member Number:7993

**Uasin Gishu County assembly mortgage and car loan scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

14. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2022

	Note	2021/2022	2020/2021
		KES	KES
Assets			
Current assets			
Cash and cash equivalents	11	38,156,568	18,137,111
Current portion receivables from exchange transaction	12	71,344,550	19,577,925
		109,501,118	37,715,036
Non-current assets		-	-
Property, plant and equipment		-	-
		-	-
Long term receivables from exchange transactions	12	67,222,705	135,906,192
Total assets		176,723,823	173,621,228
		-	-
Liabilities		-	-
Current liabilities		-	-
Trade and other payables from exchange transactions	17	91,600	91,600
Provisions			-
Current portion of borrowings			-
Employee benefit obligations			-
		91,600	91,600
Non-current liabilities			
Non-current employee benefit obligation			-
Long term portion of borrowings			-
Total liabilities		91,600	91,600
Net assets		176,632,223	173,529,628
Revolving Fund		144,000,000	144,000,000
Reserves/Surplus for the year		3,102,595	4,969,542
Accumulated surplus		29,529,628	24,560,086
Prior Year Adjustment		-	-
Total net assets and liabilities		176,632,223	173,529,628

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 14/12/2022 and signed by:



Name: Shadrack Choge
Administrator of the Fund



Name: Lazaus Kemboi
Fund Accountant
ICPAK Member Number: 7993

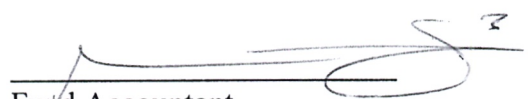
**Uasin Gishu County assembly mortgage and car loan scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

15. STATEMENT OF CHANGES IN NET ASSETS AS AT 30TH JUNE 2022

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2020	240,100,000	-	24,560,086	264,660,086
Surplus/(deficit) for the period	-	-	4,969,542	4,969,542
Funds received during the year	(96,100,000)	-	-	(96,100,000)
Revaluation gain	-	-	-	-
Balance as at 30 June 2021	144,000,000	-	29,529,628	173,529,628
Balance as at 1 July 2021	144,000,000	-	29,529,628	173,529,628
Surplus/(deficit)for the period	-	-	3,102,595	3,102,595
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30 th JUNE 2022	144,000,000	-	32,632,223	176,632,223

The above reserves arose due to surpluses made by the fund from when the fund was established. The surplus reserve for the year ended 30th June 2022 is ksh **3,102,595**. This reserves will used to form part of the capital to the fund and loaned to members.


Fund Administrator
Name: Shadrack Choge


Fund Accountant
Name: Lazarus Kemboi
ICPAK Member Number: 7993

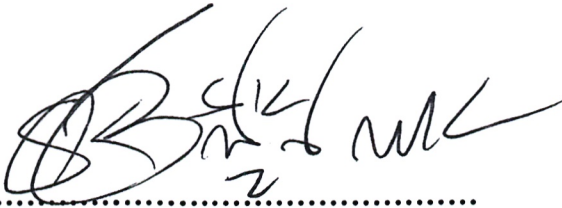
Uasin Gishu County assembly mortgage and car loan scheme Fund
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16.Statement Of Cash Flows For The Year Ended 30 June 2022

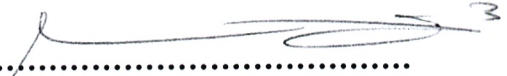
	Note	2021-2022	2020-2021
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government		-	-
Principal Amount Received		-	
Interest received	4	3,111,460	5,058,057
Receipts from other operating activities	5	19,577,925	7,268,188
Total receipts		22,689,385	12326245
Payments			
Fund administration expenses		-	358,400
General expenses	7	8,865	88,515
Finance cost		-	-
Other payments	12	71,344,550	19,577,925
Net cash flows from operating activities		(48,664,030)	(7,698,595)
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		-	-
Payments of car grant	8	-	(96,100,000)
Proceeds from loan principal repayments	5	68,683,487	62,965,896
Loan disbursements paid out	20	-	(24,349,448)
Net cash flows used in investing activities			(65,182,147)
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalents	21	20,019,457	(65,182,147)
Cash and cash equivalents at 1 July	11	18,137,111	83,319,257
Cash and cash equivalents at 30 June		38,156,568	18,137,111

**Uasin Gishu County assembly mortgage and car loan scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

(IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation. The above illustration assumes direct method)



.....
Name: Shadrack Choge
Administrator of the Fund



.....
Name: Lazarus Kemboi
Fund Accountant
ICPAK Member Number:7993

**Uasin Gishu County assembly mortgage and car loan scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

17.STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30TH JUNE 2022

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilization
	2020/22	2020/22	2021/22	2021/2022	2021/2022	2021/2022
	KShs	KShs	KShs	KShs	KShs	
Revenue						
Public contributions and donations	-	-	-	-	-	
Transfers from County Govt.	-	-	-	-	-	
Interest income	3,500,000	-	3,500,000	3,111,460	(388,540)	89%
Other income- from Investment	1000	-	1,000	0	1,000	0%
Total income	3,501,000	-	3,501,000	3,111,460	(389,540)	89%
Expenses						
Fund administration expenses	200,000	-	200,000	0	200,000	0%
General expenses	3,301,000	-	3,301,000	8,865	3,292,135	0%
Finance cost	0	-	0			
Total expenditure	3,501,000	-	3,501,000	8,865	3,492,135	0.0025%
Surplus for the period	0	-	0	3,102,595	-3,102,595	99.995%

BUDGET NOTE

On income, the fund budgeted for **ksh 3,500,000** but received **ksh3111460** because their were no loans issued during the year resulting to short fall of **ksh 3,88,540**,we also budgeted **ksh 1,000** as investment income which was not received as there was no investment done. Although the fund administration expenses, the fund did not incur such expenses because cost cutting measures put in place by the fund management. Due to the measures stated, the budgeted general expenses were also reduced by **99.995%**

Uasin Gishu County assembly mortgage and car loan scheme Fund
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18. Notes to the Financial Statements

1. General Information

Uasin Gishu County Assembly mortgage and car loan scheme is established by and derives its authority and accountability from public finance management(Uasin Gishu County Assembly mortgage and car loan scheme fund) Regulations 2014 . The entity is wholly owned by the County Assembly of Uasin Gishu and is domiciled in Kenya. The entity’s principal activity is to provide members of the scheme with loans as per the schemes regulations .

2. Statement of compliance and basis of preparation

The Fund’s financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. Adoption of new and revised standards

(i) Relevant new standards and amendments to published standards effective for the year ended 30 June 2022

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022

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

Uasin Gishu County assembly mortgage and car loan scheme Fund
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Standard	Effective date and impact:
	<ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representatives 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> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on

**Uasin Gishu County assembly mortgage and car loan scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

Standard	Effective date and impact:
	<p>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>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p>

Uasin Gishu County assembly mortgage and car loan scheme Fund
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Standard	Effective date and impact:
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

(iii) Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2022.

3. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2021-2022 was approved by the County Assembly on **30th June 2021**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund not record additional appropriations in the FY 2021-2022.

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.

Summary Of Significant Accounting Policies (Continued)

c) Property, plant and equipment

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

d) 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.

e) 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.

Uasin Gishu County assembly mortgage and car loan scheme Fund
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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)

f) 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.

g) 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.

h) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. The reserve were maintained by fund are derived from the surpluses made during the funds operations. These reserves are currently used as capital and loaned to members.

i) 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.

j) 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.

k) Foreign currency transactions

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

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Summary Of Significant Accounting Policies (Continued)

l) Borrowing costs

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

m) 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 fund management Committee,fund Manager and senior managers.

n) Cash and cash equivalents

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

o) Comparative figures

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

p) Events after the reporting period

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

q) Ultimate and Holding Entity

The entity is a County Public Fund established by Public Finance Management (Uasin Gishu County Assembly Mortgage and Car loan Scheme Fund) Regulation 2014 under the Ministry of under Ministry of Devolution. Its ultimate parent is the County Government of Uasin Gishu.

r) Currency

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

Summary Of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

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

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 18.

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.

The fund did not made provisions for bad debts and provisions for obsolete stocks.

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6. Notes To The Financial Statements

1. Public contributions and donations

Description	2021-2022	2020-2021
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

The fund did not receive public contributions and donations

2. Transfers from County Government

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers From County Govt. –Operations	-	-
Payments By County On Behalf Of The Entity	-	-
Total	-	-

3. Fines, penalties and other levies

Description	2021-2022	2020-2021
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

The fund did not receive fines ,penalties and other levies.

4. Interest income

Description	2021/2022	2020/2021
	KShs	KShs
Interest income from Mortgage loans	3,111,460	5,057,344
Interest income from car loans	-	-
Interest income from investments	-	713
Interest income on bank deposits	-	-
Total interest income	3,111,460	5,058,057

The amount of kshs3,111,460 indicates interest income from loans issued to members during the financial year.

**Uasin Gishu County assembly mortgage and car loan scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

Notes to the Financial Statements Continued

5. Other income

Description	2021-2022	2020-2021
	Kshs	Kshs
Principal amount Recovered during the year	68,683,487	62,965,896
Accrued Income received	19,577,925	-
Miscellaneous Income	-	-
Total Other Income	88,261,41	62,865,896

Accrued interest of kshs 19,577,925 was received during the year under review.

6. Employee Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other (<i>Specify</i>)	-	-
Total	-	-

7. Use of Goods and Services

Description	2021/22	2020/21
	Kshs.	Kshs.
General Office Expenses	-	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	91,600
Committee Allowances	-	-
Bank Charges	-	-
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	-	-
Description	2021/22	2020/21

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		91,600
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Bank Charges	8,865	88,515
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other (<i>Specify</i>)	-	-
Total	8,865	180,115

8. Depreciation and Amortization Expense

Description	2021/22	2020/21
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

9. Finance costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

10. Gain/(loss) on disposal of assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, Plant And Equipment	-	-
Intangible Assets	-	-
Total	-	-

Uasin Gishu County assembly mortgage and car loan scheme Fund
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Notes to the Financial Statements Continued

11. Cash and cash equivalents

Description	2021/2022	2020/2021
	KShs	KShs
Access Bank- Mortgage and Car Loan Account	56,971	17,995,924
KCB Bank- Mortgage and Car Loan Account	38,099,597	141,187
Fixed deposits account		
On – call deposits		
Current account		
Others		
Total cash and cash equivalents	38,156,568	18,137,111

Trans – National bank Limited changed its name to Access Bank limited during the year 2020/2021

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

Financial institution	Account number	2021/2022	2020/2021
		KShs	KShs
a) Fixed deposits account			
Access Bank		--	-
Equity Bank, etc		-	-
Sub- total		-	-
b) Current Account			
Access Bank	0030130000053	56,971	17,995,924
Kenya Commercial bank	1198735740	38,099,597	141,187
Sub- total		38,099,597	141,187
c) Others(specify)			-
Cash in transit		-	-
Cash in hand		-	-
M -Pesa		-	-
Sub- total		-	-
Grand total		38,156,568	18,137,111

12. Receivables from exchange transactions

Description	2021/2022	2020/2021
	KShs	KShs
Current Receivables		
Interest receivable	-	-
Current loan repayments due	71,344,550	18,577,925

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Other exchange debtors-Uasin Gishu County Assembly	-	1,000,000
Less: impairment allowance		
Total Current receivables	71,344,550	19,577,925
Non-Current receivables		
Long term loan repayments due	67,222,705	135,906,193
Total Non- current receivables	67,22,705	135,906,193
Total receivables from exchange transactions	138,567,255	155,484,118

Additional disclosure on interest receivable

Description	2021/2022	2020/2021
	KShs	KShs
Interest receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	1,106,845
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due	-	-
Current portion of long-term loans from previous years	67,222,705	111,511,745
Accrued principal from long-terms loans from previous periods	71,344,550	17,471,080
Current portion of long-term loans issued in the current year	-	24,394,448

13. Prepayments

Description	2021-2022	2020-2021
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (Specify)	-	-
	-	-
Total	-	-

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14. Inventories

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (Specify)	-	-
Total Inventories At The Lower Of Cost And Net Realizable Value	-	-

Notes To The Financial Statements (Continued)

15. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2020	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
At 30th June 2021	-	-	-	-	-
At 1st July 2021	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
At 30th June 2022	-	-	-	-	-
Depreciation And Impairment	-	-	-	-	-
At 1 st July 2020	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30th June 2021	-	-	-	-	-
At 1st July 2021	-	-	-	-	-
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-

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	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
Transfer/Adjustment	-	-	-	-	-
At 30th June 2022	-	-	-	-	-
Net Book Values	-	-	-	-	-
At 30th June 2021	-	-	-	-	-
At 30th June 2022	-	-	-	-	-
-	-	-	-	-	-

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Notes To The Financial Statements (Continued)

16. Intangible assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Cost	-	-
At Beginning Of The Year	-	-
Additions	-	-
At End Of The Year	-	-
Amortization And Impairment	-	-
At Beginning Of The Year	-	-
Amortization	-	-
At End Of The Year	-	-
Impairment Loss	-	-
At End Of The Year	-	-
NBV	-	-

17. Trade and other payable s from exchange transactions

Description	2021/2022	2020/2021
	KShs	KShs
Trade payables	-	-
Refundable deposits	-	-
Accrued expenses	91,600	91,600
Other payables	-	-
Total trade and other payables	91,600	91,600

18. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance At The Beginning Of The Year (1.07.2021)	-	-	-	-
Additional Provisions	-	-	-	-
Provision Utilized	-	-	-	-
Change Due To Discount And Time Value For Money	-	-	-	-
Transfers From Non -Current Provisions	-	-	-	-
Balance At The End Of The Year (30.06.2022)	-	-	-	-

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Notes To The Financial Statements (Continued)

19. Borrowings

Description	2021-2022	2020-2021
	Kshs	Kshs
Balance At Beginning of The Period	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments Of External Borrowings During the Period	-	-
Repayments Of Domestic Borrowings During the Period	-	-
Balance At End of The Period	-	-

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

	2021-2022	2020-2021
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization	-	-
Sterling Pound Denominated Loan From 'Y Organization	-	-
Euro Denominated Loan from Z Organization	-	-
Domestic Borrowings	-	-
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
Total Balance at End Of The Year	-	-

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Short Term Borrowings(Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

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Notes To The Financial Statements (Continued)

20. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	2021-2022	2020-2021
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

21. Cash generated from operations

	2021-2022	2020-2021
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	-	-
Adjusted For:		
Depreciation	-	-
Amortization	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	3,111,460	5,058,057
Receipts from other operating activities	19,577,925	7,268,188
Fund administration expenses		358,400
General expenses	(8,865)	(88,515)
Other payments	(71,344,550)	(19,577,925)
Net Cash Flow From Operating Activities	(48,664,034,030)	(7,698,595)

**Uasin Gishu County assembly mortgage and car loan scheme Fund
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Other Disclosures

22. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

	2021-2022	2020-2021
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	71,344,550	19,577,925

c) Key management remuneration

	2021-2022	2020-2021
	Kshs	Kshs
Fund Committee Members	-	863,888
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

	2021-2022	2020-2021
	Kshs	Kshs
Due From Parent Ministry		
Due From County Government	71,344,550	19,577,925
Total	71,344,550	19,577,925

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Other Disclosures Continued

e) **Due to related parties**

	2021-2022	2020-2021
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	91,600	91,600
Total	91,600	91,600

23. Contingent assets and contingent liabilities

Contingent Liabilities	2021-2022	2020-2021
	Kshs	Kshs
Court Case Against The Fund	-	-
Bank Guarantees	-	-
Total	-	-

There were no case against the County Fund.

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Other Disclosures Continued

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

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

a) Credit risk

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

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

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount KShs	Fully performing KShs	Past due KShs	Impaired KShs
At 30 June 2022				
Receivables from exchange transactions	138,567,255	138,566,278	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	38,156,568	38,156,568	-	-
Total	176,723,823	176,722,846	-	-
At 30 June 2021				
Receivables from exchange transactions	155,484,117	155,484,117	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	18,137,111	18,137,111	-	-
Total	173,621,228	173,621,228	-	-

Uasin Gishu County assembly mortgage and car loan scheme Fund
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(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

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

The entity has significant concentration of credit risk on amounts due from loans issued to members of the fund. The board of trustees sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

b) Liquidity risk management

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	KShs	KShs	KShs	KShs
At 30 June 2022				
Trade payables	-	-	91,600	91,600
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	91,600	91,600
At 30 June 2021				
Trade payables	-	-	91,600	91,600
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	91,600	91,600

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2021			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
Trade And Other Parables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

The fund does not operate with foreign currency.

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Foreign currency sensitivity analysis

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

	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
2022			
Euro	10%	-	-
USD	10%	-	-
2021			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

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d) Capital risk management

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

	2021/2022	2020/2021
	KShs	KShs
Revaluation reserve	-	-
Revolving fund	144,000,000	144,000,000
Accumulated surplus	29,529,628	24,560,086
Total funds	173,529,628	168,560,086
Total borrowings	-	-
Less: cash and bank balances	38,156,568	18,137,111
Net debt/(excess cash and cash equivalents)	-	-
Gearing	0%	0%

Uasin Gishu County assembly mortgage and car loan scheme Fund
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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.**FOLLOW UP TO PRIOR YEAR AUDITOR'S RECOMMENDATION**

10.0 Unresolved Prior Year Audit Matters

There were issues raised in the audit report for 2019/2020 financial year of which no report or recommendations from the Fund Management and oversight bodies were submitted for audit verification and clearance. Further, the issues remain unresolved contrary to section 149(2)(1) 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. As summarized below:

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
10.1.1 Unsupported Long-Term Loans	The statement of Financial Position as at 30 June, 2020 reflects long term receivables total amount of Ksh 174,553,436 being mortgage loans advanced to sixty-three (63) fund members. However, included in the figure of Ksh 174,553,436 was a total of Ksh 6,930,272 in loans advanced to three members of the scheme whose evidence pertaining to	The statement of Financial Position as at 30 June, 2020 reflects long term receivables total amount of Ksh 174,553,436 being mortgage loans advanced to sixty-three (63) fund members. However, included in the figure of Ksh 174,553,436 was a	The issues were resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>official search of the title deed, certified copy of sale agreement, original title deed/logbook and charge registered on the property/motor vehicle between the fund and the member were not provided for audit verification.</p> <p>Consequently, the accuracy, validity and propriety of Ksh 6,930,272 outstanding long-term receivables (loans) as at 30 June, 2020 could not be confirmed.</p>	<p>total of Ksh 6,930,272 in loans advanced to three members of the scheme whose evidence pertaining to official search of the title deed, certified copy of sale agreement, original title deed/logbook and charge registered on the property/motor vehicle between the fund and the member were not provided for audit verification.</p> <p>Consequently, the accuracy, validity and propriety of Ksh 6,930,272 outstanding long-term</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		receivables (loans) as at 30 June, 2020 could not be confirmed.		
10.1.2 Non-performing Long -Term Loan	The statement financial position as at 30 June, 2020 reflects long-term receivables of Ksh 174,553,436 which includes a car loan advanced in December, 2016 to one-member amounting to Ksh 3,800,000. The evidence available from the bank statement and loan repayment schedule revealed that the member had repaid a total amount of Ksh 2,473,666 as at December, 2018 resulting to unpaid balance of Kshs. 1,326,334. There is no evidence that additional loan repayments have been received from the member since December, 2018 to the date of the audit.	The amount Ksh 1,326,344 that stood as non-performing loan as at the close the financial year will be settled as soon the county Assembly completes the reconciliation and deduct the same from the outstanding dues owed the member of the fund.	Not resolved	Will be resolved on or before the end of 31 st March 2023.

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Consequently, the outstanding loan of Ksh 1,326,334 remain a non-performing loan thereby affecting cash flows of the scheme fund.			



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