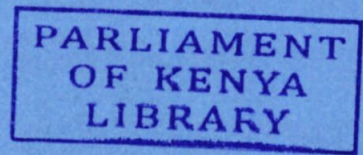


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

**COUNTY ASSEMBLY OF NYERI
CAR LOAN AND MORTGAGE
(STAFF) SCHEME FUND**

**FOR THE YEAR ENDED
30 JUNE, 2024**

PAPERS LAID	
DATE	6/3/2025
TABLED BY	Dep May Whip
COMMITTEE	
CLERK AT THE TABLE	Maalim



COUNTY ASSEMBLY OF NYERI

COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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



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COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME FUND
Annual Report and Financial Statements for the year ended June 30, 2024

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I. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
SRC	Salaries and Remuneration Commission

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility
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2. Key Entity Information and Management

a) Background information

County Assembly of Nyeri Car Loan and Mortgage (Staff) Scheme Fund is established by and derives its authority and accountability from Salaries and Remuneration Commission (SRC) Circular Number SRC/ADM/CIR/1/13/VOL.111 (128) dated 17th December, 2014. SRC/ADM/CIR/1/13/VOL.111 (130) dated 29th January, 2015, SRC/ADM/CIR/1/13/VOL.111 (142), of 25th August, 2016 and Nyeri County Assembly Car Loan and Mortgage Scheme Fund Regulations, 2017; Kenya Gazette Supplement No.14 dated 22nd November, 2017. Section 167 of the Public Finance Management (PFM) Act 2015 mandates the administrator of public funds with the preparation of annual financial statements.

The Fund is wholly owned by the County Assembly of Nyeri and is domiciled in Kenya.

The fund's objective is to provide Mortgage and Car loans to Staff of the County Assembly

Principal Activities

The Fund's principal activity is to offer subsidized loans to Staff of the County Assembly.

Vision

"The fund of choice for Staff of County Assembly"

Mission





"To provide affordable, accessible and sustainable car loans to Staff of County Assembly"

Core Values

The fund upholds the values of accountability, transparency, excellence, accessibility, integrity, responsiveness, equity and team work

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME FUND
Annual Report and Financial Statements for the year ended June 30, 2024**

b) Board of Trustees/Fund Administration Committee




Ref	Name	Position	Qualification
1	Dr Francis KabuiKariuki 	Chairman	Deputy Clerk of the County Assembly from 2013 to date. Holder of CPS(K) & PHD
2	Jernard Mwiggeh 	Fund Administrator	Clerk of the County Assembly from 2013 to date. Holder of a Master's Degree
	CPA Eustace M Kingori 	Fund Manager	Ass.Deputy Director Accounting Services of the County Assembly from 2020 to date. Holder of a Bachelor's Degree & CPA(K)
4	CPA Peter Maina Karuru 	Member	Head of Internal Auditor of the County Assembly from 2014 to date. Holder of a Master's Degree & CPA(K)

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME FUND
Annual Report and Financial Statements for the year ended June 30, 2024**

5	<p>Scolastica Wambui</p> 	Member	<p>Deputy Clerk, Procedural & Legislative Services Head of legal services from 2014 to date. Holder of Bachelor's Degree. Dip KSL</p>
6	<p>Josiah Mathenge Wahinya</p> 	Member	<p>Head of Human resource Management from 2014 to date. Holder of a Master Degree</p>
7	<p>Denis Omangi</p> 	Member	<p>Head of Sergeant at arms department resource from 2013 to date. Holder of a Bachelor's Degree</p>

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME FUND
Annual Report and Financial Statements for the year ended June 30, 2024**


c) Key Management Steam

Ref	Name	Position	Qualification
1	Dr Francis Kabui Kariuki 	Chairman	Deputy Clerk of the County Assembly from 2013 to date. Holder of CPS(K) & PHD
2	Jernard Mwiggeh 	Fund Administrator	Clerk of the County Assembly from 2013 to date. Holder of a Master's Degree
3	CPA Eustace M Kingori 	Fund Manager	Ass.Deputy Director Accounting Services of the County Assembly from 2020 to date. Holder of a Bachelor's Degree & CPA(K)

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME FUND
Annual Report and Financial Statements for the year ended June 30, 2024**

Key Entity and Management (Continued)

d) Fiduciary Oversight Arrangements

SN	Position	Name	Qualification
1	Directorate Internal Audit 	CPA Peter Maina Karuru	Head of Internal Auditor of the County Assembly from 2014 to date. Holder of a Master's Degree & CPA(K)

a) Registered Offices

P.O. Box 162 – 10100

County Assembly Building
Nyeri Nairobi Road
Nyeri, KENYA

b) Fund Contacts

Tel No.0612037100

c) Fund Bankers

Family Bank
Head Office
P.O. Box 74145 - 00200
Muindi Mbingu Street

Thro. Nyeri Branch

d) Independent Auditors

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

e) Principal Legal Adviser

Director Legal Services
County Assembly Headquarters
Off Nyeri-Karatina –Nairobi Highway
Ruringu
P.O. Box 162
Nyeri

e) County Attorney

County Government of Nyeri
P.o.Box 180
Nyeri

3. Board/Fund Chairperson's Report

It is my pleasure to present, on behalf of the Car Loan and Mortgage committees, financial statements for the year ended 30th June, 2024. The financial statements present the financial performance of the fund over the past year.

Sustainability

The fund and its stakeholders are increasingly emphasizing on the need to ensure sustainability for both its investments and its resource mobilization and financing capabilities with an objective of ensuring that the fund's going concern is secured.

The fund has conducted a basic assessment of available options for feasible financing tools that would assure the fund of its long term sustainability. The fund has reviewed its current resource mobilization strategies and proposed feasible sustainability financing options.

Review of performance

Income

The fund earned income amounting to Kshs. 3,580,713 from interest earned on loans. The performance was also attributed to a favourable opening cash balance of Kshs. 3,341,764 at the beginning the financial year.

Expenditures

The total expenditures during the period amounted to Kshs. 4,038,077 these is composed of interest paid to Bank for managing the funds amounting to Kshs. 1,190,687 and Bank charges amounting to Kshs. 2,300 hospitality Kshs. 233,090 and fridge benefit of Kshs. 2,612,000.

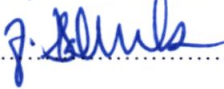
Future outlook

The outlook of the Fund for FY 2024/2025 looks brighter. The fund focus is looking to build a robust and sustainable fund with a motivated workforce and structures that enhance efficiency and effectiveness in the service delivery. The fund looks forward to continued support from the County Assembly and development partners to the realization of its mandate.

Appreciation

I take this opportunity to express my sincere gratitude and appreciation to the County Assembly, development partners, stakeholders, management, staff and the Car Loan and Mortgage committees for their continued support which made us achieve these results.

I look forward to your continued support in the year 2024/2025.

Name Dr. Francis Kariuki Signature  Date 4/11/2024

Chairperson of the Board/Fund

4. Report of the Fund Administrator

It is my pleasure to present the County Assembly of Nyeri Car Loan and Mortgage financial statements for the year ended June 30th 2024. The financial statements present the financial performance of the fund over the past year. The fund was established on 1st May 2017. The fund was operationalized in the financial year 2018-2019 when amount of Kshs.22, 818,125 was received from the exchequer. Further amount of Kshs.20, 200,000 was received from the exchequer in the subsequent financial year. In the financial year ended June, 2019 the Fund received additional fund amounting to Kshs.40, 000,000. In the year ended 30th June, 2021 the fund received an additional funding amounting to Kshs.30, 000,000. In the FY 2022-202 the fund received additional funding amounting Kshs.9, 375,000. The Mortgage Committee has disbursed Loans to 32 beneficiaries' amounting to Kshs. 152,191,812. The Fund continues to receive new applications throughout the financial year which will be funded through the funds received from repayment of loans issued.

During the financial year 2023/22024, the fund disbursed Kshs. 4,000,000 new loan bringing the total loan disbursed to beneficiaries to date to Kshs. 152,191,812.

Cash flows

In the FY 2023/2024, we have experienced liquidity disruptions due to non-allocations of funds from the Assembly budget meant to boost the Fund. This resulted denying/delaying our members accessing loans in time.

Conclusion

FY 2023/2024 was a good year in general. Good progress was made and the momentum has been created to enable County Assembly of Nyeri Car Loan And Mortgage (Staff) Scheme Fund continue on a trajectory into prosperity. We have identified gaps and areas to improve on in the subsequent years.

I take this opportunity to thank the Car Loan and Mortgage Committee for their support. I would also want to thank all staff who we have worked hand in hand to ensure that County Assembly of Nyeri Car Loan and Mortgage (Staff) Scheme Fund achieves its mission.



Jenard Mwiggeh
Fund Administrator

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME FUND
Annual Report and Financial Statements for the year ended June 30, 2024**

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 entity 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

Staff Capacity building and development to support the Assembly in the Nyeri County Assembly strategic plan 2019-2023 plans are to:

Housing for officers of the Assembly

Provision of vehicles for staff and Members'

Program	Objective	Outcome	Indicator	Performance
Provision of Mortgage Loans	Housing for officers of the Assembly	Number of mortgage loans applied	Completed houses by June 2024	Increase in number of staff owning houses
Provision of Car Loans	Provision of vehicles for staff and Members	Number of car loans applied	Cars bought	Increase in number of staff owning vehicles by June 2024

6. Corporate Governance Statement

During the year under review, the Car loan and Mortgage Committee held 14 meetings which were attended by all the seven members of the committee.

The officer administering the Fund shall be an ex-officio member of the Committee and the secretary to the Committee

Roles and functions of the Administration Committee members are as follows;

- The Committee shall administer the Fund and shall review applications for loans in accordance with the existing terms and conditions of borrowing.
- Notwithstanding Sub-regulation above, the Board may, if it considers it appropriate to do so, appoint a mortgage institution to administer the Fund.
- The Committee may appoint a secretariat from among the staff members to attend its meetings and assist it with its operations. Process and approve loans in accordance with these regulations;
- liaise with the financial institution where necessary to set up a Fund for the disbursement of the loans;
- oversee the management of the Fund;
- monitor and evaluate the performance of the Fund;
- approve annual work programmes and procurement plans for the Fund;
- recommend the investment of any surplus funds not immediately required in securities approved by the Board, for the purposes of realizing the objects and purpose for which the Fund is established;
- Cause to be kept all proper books and records of account of the income, expenditure, assets and liabilities of the Fund;
- receive any gifts, donations, grants or endowments made to the Fund;
- Consider and recommend approval of the financial. Statements to the officer administering the Fund;
- recommend as when required the procurement of a financial institution to administer the Fund on its behalf
- perform any other functions that are ancillary to the objects and purpose for which the Fund is established; and
- Determine its own procedures for conducting its business.

The committee regularly attends induction training as well as benchmarking with other County Assembly on how best to administer the fund. Member's performance is evaluated on annually basis through self-assessment and Chairman Assessment. Before the start of the committee meetings members, are required to declare whether they have conflict of interest on any of the agenda before the start of the meeting. The Committee remuneration is catered for through interest generated by the fund. The fund is regularly audited every end of financial year by the office of the Auditor General.

7. Management Discussion and Analysis

The Car Loan & Mortgage Committee is established under the County Assembly of Nyeri Car Loan and Mortgage (Staff) Scheme Fund Regulations, 2017. It is composed of the following members;

- a) The Deputy Clerk of the County Assembly who shall be the Chairperson;
- b) The Clerk of the County Assembly who shall be the fund administrator
- c) Head of Human Resource and Administration who shall be the Vice Chairperson;
- d) The Principal Legal Counsel of the Assembly;
- e) One officer from the Department of Finance who shall be the fund manager;
- f) The Internal Auditor of the County Assembly;
- g) One member of staff of the Assembly elected by all staff who shall not be below CASB 8

The committee is guided and operates within the established regulations to perform its functions. However, major risks faced by the fund are lack of adequate funding from the exchequer due to limited resources which has greatly affected the availability of funds set aside in the approved budget.

8. Environmental and Sustainability Reporting

County Assembly of Nyeri Car Loan and Mortgage (Staff) Scheme Fund exists to transform Staff welfare. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on Nyeri County Assembly pillars: putting the staff first, delivering services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

Sustainability strategy and profile

County Assembly of Nyeri Car Loan and Mortgage (Staff) Scheme Fund has well established a management committee, This Committee ensures that the welfare of the staff comes first through following the guidelines as per stipulated in the Funds Regulations.

County Assembly of Nyeri Car Loan and Mortgage (Staff) Scheme Fund has in place Regulations that guide the management in executing its mandates.

Environmental performance

The organization does not have an environmental policy to guide the organization. However The County Assembly of Nyeri Car Loan and Mortgage (Staff) Scheme Fund is guided by the national Kenya national environment policy 2013, the policy provides a framework for an integrated approach to sustainable management environment and natural resources

Employee welfare

The County Assembly of Nyeri County Assembly of Nyeri Car Loan and Mortgage (Staff) Scheme Fund is guided by the constitution of Kenya chapter 226 in matters concerning employment. The management ensures that applicant for Loans is done on first come basis.

Market place practices-

In regards to the above matter, the County Assembly of Nyeri Car Loan and Mortgage (Staff) Scheme Fund being part of the County Assembly of Nyeri, Follows and adheres to the following;

a) Generally, the Assembly operates in a highly political environment on a day-to-day basis. However, despite the influence this can have in operations, the institution sees to it that procedures are followed and this ensures that there are no issues with bodies like the EACC. The Assembly competes fairly on all aspects as situations may demand responsible competition practice.

b)The County Assembly of Nyeri maintains an updated list of Registered Suppliers. The list is developed competitively by placing an advert in the dailies and having all interested bidders submits their tender. This then goes through an evaluation process which ensures the qualified suppliers are shortlisted for the stated period. The list is further developed on a continuous basis as provided for the in PPAD 2015 Act. The Assembly ensures that payments to suppliers are done in good time; on a first come, first served basis

c) Whenever the Assembly requires running an advertisement, it does so either on the dailies with a wide circulation in the Country or via its website. This ensures that the advertisement reaches a wide population as it should without any agenda to withhold information from reaching any particular group.

d) The Assembly is among other duties, charged with the responsibility of serving the electorate. Thus, it ensures that whatever engagements it is involved in on a day-to-day basis, the interests of the electorate come first. Product stewardship- outline efforts to safeguard consumer rights and interests

Community Engagements-

Nyeri Car Loan and Mortgage (Staff) Scheme Fund has not budgeted for corporate social responsibly; this was informed by the controller of budget that county assemblies should not be involved in the CSP activities because there is a very likelihood that may easily conflict with assembly oversight role. While on the other hand the office of the controller of the budget also felt that CSP activates could also be used to gain political mileage to the detriment of the Assembly's mandate of representation.

9. Report of the Trustees

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2024 which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are offer subsidized loans to Staff of the County Assembly

Results

The results of the Fund for the year ended June 30, 2024 are set out on page 1 to 6.

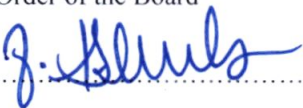
Trustees

The members of the Board of Trustees who served during the year are shown on page vi to vii. There were no changes in the Board 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 Board


.....

Chair of the Board/Fund Administration Committee

Date: 4/11/2024

COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME FUND
Annual Report and Financial Statements for the year ended June 30, 2024

10. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by (Nyeri County Assembly Car Loan and Mortgage (Staff) Scheme Fund Regulations, 2017) shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 20xx. 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.

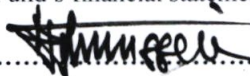
The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (Nyeri County Assembly Car Loan and Mortgage (Staff) Scheme Fund Regulations, 2017). The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2024, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

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.

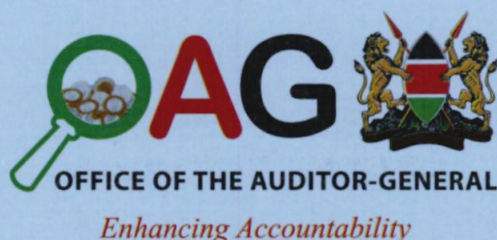
Approval of the financial statements

The Fund's financial statements were approved by the Board on 4/11 2024 and signed on its behalf by:

..........

Administrator of the County Public Fund

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

Report of the Auditor-General on County Assembly of Nyeri Car Loan and Mortgage (Staff) Scheme Fund for the year ended 30 June, 2024

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Nyeri Car Loan and Mortgage (Staff) Scheme Fund set out on pages 1 to 40, which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Assembly of Nyeri Car Loan and Mortgage (Staff) Scheme Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the County Assembly of Nyeri Car Loan and Mortgage (Staff) Scheme Fund Regulations, 2017 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Receivables

The statement of financial position and as disclosed in Note 13 to the financial statements reflect current portion of long-term receivables from exchange transactions balance of Kshs.117,082,326. However, Management did not provide a supporting schedule during the audit.

In the circumstances, the validity, accuracy and completeness of current portion of long-term receivables from exchange transactions balance of Kshs.117,082,326 could not be confirmed.

2. Un-Reconciled Fringe Benefit Taxes

The statement of financial position and as disclosed in Note 20 to the financial statements reflects trade and other payables balance of Kshs.3,136,486 which include Kshs.2,655,119 in respect of accrued fringe benefits, which differs with supporting schedule balance of Kshs.3,060,485 resulting to un-reconciled and unexplained variance of Kshs.405,366. Further, the liability has been long outstanding attracting extra cost which could otherwise been avoided .

In the circumstances, the validity, accuracy and completeness of the trade and other payables amount of Kshs.3,136,486 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit section of the report, including in relation to these matters. Accordingly, the audit included the performance of procedures designed to respond to the assessment of the risks of material misstatement of the financial statements. The results of the audit procedures, including the procedures performed to address the matters above, provide the basis for my audit opinion on the accompanying financial statements.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2024.

Other Information

Conclusion

The Management is responsible for the Other Information set out on page ii to xvi which comprise of Key Entity Information and Management, Report of the Fund Administrator, Management Discussion and Analysis, overview of the Fund Operations and Statement of Management Responsibilities.

The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

In connection with my audit on Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed,

I conclude that there is a material misstatement of this other information and I am required to report that fact.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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

Unapproved Budget

Management did not provide approved annual estimates for the activities of the Fund for the year ended 30 June, 2024. In addition, there were no approved annual work plans and procurement plan for the Fund contrary to Regulation 7(1)e of the County Assembly of Nyeri Car Loan and Mortgage (Staff) Scheme Fund Regulations, 2017 which states that the function of the Loan Management Committee is to approve annual work programmes and procurement plans for the Fund. In addition, the budget was unbalanced as the review of the statement of budgeted versus actuals indicated that the Fund's final budget amounted to Kshs.3,580,713 against final budget expenditure of Kshs.4,038,077 resulting to unbalanced budget by Kshs.457,364 and it was unclear how the excess expenditure would be met.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

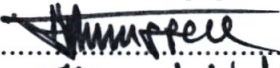
31 December, 2024

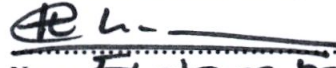
COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME FUND
Annual Report and Financial Statements for the year ended June 30, 2024

12. Statement of Financial Performance for the Year Ended 30th June 2024

Description	Note	2023-2024 Kshs	2022-2023 Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	0	-
Transfers From the County Government	2	0	-
Fines, Penalties and Other Levies	3	0	-
		0	
Revenue From Exchange Transactions			
Interest Income	4	3,580,713	3,932,128
Other Income	5		235,297
Total Revenue		3,580,713	4,167,425
Expenses			
Employee Costs	6		
Use of goods and services	7	4,038,077	3,718,647
Depreciation and Amortization Expense	8		
Finance Costs	9		
Total Expenses		4,038,077	3,718,647
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10		
Gain /Loss on fair value of investments	11	-	-
Surplus/(Deficit) for the Period		(457,364)	448,778

(The notes set out on pages 7 to 43 form an integral part of these Financial Statements)


 Name: Jeremiah N. Mwiggo
 Administrator of the Fund


 Name: Eustace M. King'oro
 Fund Accountant
 ICPAK Member Number: 15953

COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME FUND
Annual Report and Financial Statements for the year ended June 30, 2024


13. Statement of Financial Position as at 30 June 2024

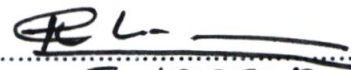
Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	8,219,092	3,341,765
Current Portion of Long- Term Receivables From Exchange Transactions	13	117,082,326	121,201,987
Prepayments	14		
Inventories	15	-	
Investments in financial assets	16	-	
Total current assets		125,301,419	124,543,752
Non-Current Assets			
Property, Plant and Equipment	17	-	-
Intangible Assets	18	-	-
Long Term Receivables from Exchange Transactions	13	-	-
Investment Property	19	-	-
Total non- current assets			
Total Assets (A)		125,301,419	124,543,752
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	3,136,486	1,921,455
Current Provisions	21	-	-
Current Portion of Borrowings	22	-	-
Employee Benefit Obligations	23	-	-
Social benefit liabilities	24	-	-
Total current liabilities		3,136,486	1,921,455
Non-Current Liabilities			
Non-Current Provisions	21	-	-
Long Term Portion of Borrowings	22	-	-
Non-Current Employee Benefit Obligation	23	-	-
Social benefit liabilities	24	-	-
Total Liabilities (B)		3,136,486	1,921,455

COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME FUND
Annual Report and Financial Statements for the year ended June 30, 2024

Net Assets (A-B)	122,164,933	122,622,297
Represented By:		
Revolving Fund	122,389,122	122,389,122
Reserves	-	
Accumulated Surplus	(224,189)	233,175
Net Assets	122,164,933	122,622,297

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 4/11/24 2024 and signed by:


 Name: Francis N. Mung'ath
 Administrator of the Fund


 Name: Etwace Mwangi
 Fund Accountant
 ICPAK Member Number: 15953

COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME FUND
Annual Report and Financial Statements for the year ended June 30, 2024

14. Statement of Changes in Net Assets for the year ended 30th June 2024

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance as at 30 June 2022	113,014,122		(215,603)	112,798,519
Surplus/(deficit) for the period			448,778	448,778
Funds received during the year	9,375,000			9,375,000
Revaluation gain (accrued exp of fridge benefits)				
Balance as at 30 June 2023	122,389,122		233,175	122,622,297
Balance As At 1 July 2023	122,389,122		233,175	122,622,297
Surplus/(Deficit) For the Period			(457,364)	(457,364)
Funds Received During the Year				
Transfers				
Revaluation Gain				
Balance As At 30 June 2024	122,389,122		(224,189)	122,164,933

COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME FUND
Annual Report and Financial Statements for the year ended June 30, 2024

15. Statement of Cash Flows for the Year Ended 30 June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations			
Transfers from the county government			
Interest received		3,572,063	3,618,251
Receipts from other operating activities		-	235,297
Total receipts		3,572,063	3,853,547
Payments			
Fund administration expenses		3,554,410	3,207,254
General expenses			
Finance cost			
Other payments			
		3,554,410	3,207,254
Net cash flows from operating activities	24	17,652	646,293
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets			
Proceeds from sale of property, plant & equipment			-
Proceeds from loan principal repayments		8,859,677	8,765,337
Loan disbursements paid out		(4,000,000)	(18,350,000)
Net cash flows used in investing activities		4,859,677	(9,584,663)
Cash flows from financing activities			
Proceeds from revolving fund receipts			9,375,000
Additional borrowings			
Repayment of borrowings			
Net cash flows used in financing activities			9,375,000
Net increase/(decrease) in cash & cash Equivalents		4,877,329	436,630
Cash and cash equivalents at 1 July		3,341,764	2,905,133
Cash and cash equivalents at 30 June		8,219,092	3,341,764

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME FUND
Annual Report and Financial Statements for the year ended June 30, 2024**

16. Statement of Comparison of Budget and Actual Amounts for the Period 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs a	Kshs b	Kshs C=(a+b)	Kshs d	Kshs e=(c-d)	f=d/c*100
Revenue						
Public Contributions and Donations						
Transfers From County Govt.						
Interest Income	4,038,077		4,038,077	3,580,713	0	100%
Other Income						
Total Income	4,038,077		4,038,077	3,580,713	0	100%
Expenses						
Fund Administration Expenses	4,038,077		4,038,077	4,038,077	0	100%
General Expenses					0	100%
Finance Cost	0		0	0		
Total Expenditure	4,038,077		4,038,077	4,038,077	0	
Surplus For the Period				-457,364		100%

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
FUND Annual Report and Financial Statements for the year ended June 30, 2024**

17. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

County Assembly of Nyeri Car Loan and Mortgage (Staff) Scheme Fund is established by and derives its authority and accountability from Salaries and Remuneration Commission (SRC) Circular Number SRC/ADM/CIR/1/13/VOL.111 (128) dated 17th December, 2014. SRC/ADM/CIR/1/13/VOL.111 (130) dated 29th January, 2015, SRC/ADM/CIR/1/13/VOL.111 (142), of 25th August, 2016 and Nyeri County Assembly Car Loan and Mortgage Scheme Fund Regulations, 2017; Kenya Gazette Supplement No.14 dated 22nd November, 2017 from. The County Assembly of Nyeri Car Loan and Mortgage (Staff) Scheme Fund is wholly owned by the Nyeri County Government and is domiciled in Kenya. The County Assembly of Nyeri Car Loan and Mortgage (Staff) Scheme Fund's principal activity is – issuing subsidized Car Loan and Mortgage Loans to staff members.

2. Statement of compliance and basis of preparation

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

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

3. Adoption of new and revised standards

(i) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024

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

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and; Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
FUND Annual Report and Financial Statements for the year ended June 30, 2024**

IPSAS 45- Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47- Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

(i) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or **Summary of Significant Accounting Policies**

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
FUND Annual Report and Financial Statements for the year ended June 30, 2024**

conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2023-2024 was approved by the County Assembly on 21st June 2023. 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 did record additional appropriations for the FY 2023/2024 budget.

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.

Summary of Significant Accounting Policies (Continued)

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

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

c) Property, plant and equipment

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

a) Intangible Assets

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

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

b) Investment property

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

Summary of Significant Accounting Policies (Continued)

c) Financial instruments

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) Inventories

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

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

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

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

e) Provisions

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

f) Social Benefits

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

Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

Contingent assets

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

h) Nature and purpose of reserves

The Entity did not create or maintain reserves in terms of specific requirements. Changes in accounting policies and estimates

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

i) Employee benefits – Retirement benefit plans

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

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

Summary of Significant Accounting Policies (Continued)

j) 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.

k) 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.

l) Related parties

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

m) 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.

n) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

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.

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
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6. Notes to the Financial Statements Continued

1. Public contributions and donations

Description	2023-2024	2022-2023
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

2. Transfers from County Government

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfers From County Govt. –Operations	-	-
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	-	-

3. Fines, penalties and other levies

Description	2023-2024	2022-2023
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest Income from Mortgage Loans	3,580,713	3,932,128
Interest Income From Car Loans	-	
Interest Income From Investments in financial assets	-	
Interest Income On Bank Deposits	-	
Total Interest Income	3,580,713	3,932,128

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
FUND Annual Report and Financial Statements for the year ended June 30, 2024**

Notes to the Financial Statements Continued

5. Other income

Description	2023-2024	2022-2023
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	
Bad debts recovered	-	
Miscellaneous Income	-	235,297
Total Other Income	0	235,297

6. Employee Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other (Specify)	-	-
Total	-	-

7. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs.	Kshs.
General Office Expenses	-	-
Loan Processing Costs	-	-
Professional Services Costs	-	
Administration Fees	1,190,687	1,206,084
Committee Allowances	233,090	495,170
Bank Charges	2,300	6,000
Electricity And Water Expenses	-	
Fuel And Oil Costs	-	
Insurance Costs	-	
Postage And Courier	-	
Printing And Stationery	-	
Rental Costs	-	
Security Costs	-	
Telephone And Communication Expenses	-	
Bank Charges	-	

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
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Audit Fees	-	
Provision For Doubtful Debts	-	
Other (<i>Fridge Benefits</i>)	2,612,000	2,011,393
Social benefit expenses*		
Total	4,038,077	3,718,647

8. Depreciation and Amortization Expense

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

9. Finance costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
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10. Gain/(loss) on disposal of assets

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

11. Gain/ (loss) on Fair Value Investments

Description	2023-2024	2022-2023
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

12. Cash and cash equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Main Account	4,012,511	12,511
Collection Account	4,138,761	1,832,685
Interest Account	67,821	1,496,569
On – Call Deposits	-	-
Current Account	-	-
Others (Specify)	-	-
Total Cash And Cash Equivalents	8,219,092	3,341,765

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
FUND Annual Report and Financial Statements for the year ended June 30, 2024**

Notes to the Financial Statements Continued

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

Financial Institution	Account number	2023-2024 Kshs	2022-2023 Kshs
a) Family Bank-Nyeri	055000045389	4,012,511	12,511
Family Bank-Nyeri	055000047206	4,138,761	1,832,685
Family Bank-Nyeri	055000047205	67,821	1,496,569
Sub- Total		8,219,092	3,341,764
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
Sub- Total		-	-
c) Current Account			
Kenya Commercial Bank		-	-
Bank B		-	-
Sub- Total		-	-
d) Others(Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		8,219,092	3,341,764

13. Receivables from exchange transactions

Description	2023-2024 Kshs	2022-2023 Kshs
Current Receivables		
Interest Receivable	8,651	367,136
Current Loan Repayments Due	12,135,872	42,228
Other Exchange Debtors	-	-
Less: Impairment Allowance		
Total Current Receivables	12,144,523	409,364
Non-Current Receivables		
Long Term Loan Repayments Due	104,937,805	120,792,623
Total Non- Current Receivables	104,937,805	120,792,623
Total Receivables From Exchange Transactions	117,082,327	121,201,987

Notes to the Financial Statements Continued

Additional disclosure on interest receivable

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
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Description	2023-2024	2022-2023
	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		
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	120,792,623	111,199,270
Accrued principal from long-terms loans from previous periods	120,792,623	111,199,270
Current portion of long-term loans issued in the current year	4,000,000	18,350,000

14. Prepayments

Description	2023-2024	2022-2023
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (Specify)	-	-
Total	-	-

15. Inventories

Description	2023-2024	2022-2023
	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

16. Investments in financial assets

Description	2023-2024	2022-2023
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK		
CBK		

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
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Sub- total

b. Investment with Financial Institutions/ Banks

Bank x

Bank y

Sub- total

c. Equity investments (specify)

Equity/ shares in Entity -

Sub- total

Grand total

Movement of Equity Investments

Impairment allowance/ provision

2023-2024

Insert Previous.

FY

Kshs

Kshs

At the beginning of the year

Purchase of investments in the year

Sale of investments during the year

Gain/(loss) in fair value of investments through surplus or deficit

At the end of the year

e) Shareholding in other entities

Name of Entity where investment is held

No of shares

Nominal value of shares

Fair value of shares

Fair value of shares

Direct shareholding

Indirect shareholding

Effective shareholding

Current year

Prior year

%

%

%

Kshs

Kshs

Kshs

Entity A

Entity B

Entity C

COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME FUND Annual Report and Financial Statements for the year ended June 30, 2024

Notes to The Financial Statements (Continued)

17. Property, plant and equipment

	Land and Buildings Kshs	Motor vehicles Kshs	Furniture and fittings Kshs	Computers and office equipment Kshs	Total Kshs
Cost					
At 1 st July (Previous FY)					
Additions					
Disposals					
Transfers/Adjustments					
At 30 th June (Previous FY)					
At 1 st July (Current FY)					
Additions					
Disposals					
Transfer/Adjustments					
At 30 th June (Current FY)					
Depreciation And Impairment					
At 1st July (Previous FY)					
Depreciation					
Impairment					
At 30 th June (Previous FY)					
At 1 st July (Current FY)					
Depreciation					
Disposals					
Impairment					
Transfer/Adjustment					
At 30 th June (Current FY)					
Net Book Values					
At 30 th June (Previous FY)					
At 30 th June (Current FY)					

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
FUND Annual Report and Financial Statements for the year ended June 30, 2024**

Notes to the Financial Statements (Continued)

18. Intangible assets

Description	2023-2024	2022-2023
	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		

19. Investment Property

Description	2023-2024	2022-2023
	Kshs	Kshs
At beginning of the year		
Additions		
Disposal during the year		
Depreciation		
Impairment		
Gain/(loss) in fair value (if fair value is elected)		
At end of the year		

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
FUND Annual Report and Financial Statements for the year ended June 30, 2024**

Notes to the Financial Statements (Continued)

20. Trade and other payables from exchange transactions

Description	2023-2024	Insert Comparative FY
	Kshs	Kshs
Trade Payables	-	-
Refundable Deposits	-	-
Accrued Expenses(Fridge Benefits)	2,655,119	1,921,455
Other Payables(Administrative charges)	481,367	
Total Trade and Other Payables	3,136,486	1,921,455

Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparativ e FY	% of the Total
Under one year		%		%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
Total (tie to above total)				

21. Provisions

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

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
FUND Annual Report and Financial Statements for the year ended June 30, 2024**

Notes to the Financial Statements (Continued)

22. Borrowings

Description	2023-2024	2022-2023
	Kshs	Kshs
Balance At Beginning of The Period		
External Borrowings During the Year		
Domestic Borrowings During the Year		
Repayments of External Borrowings During the Period		
Repayments of Domestic Borrowings During the Period		
Balance At End of The Period		

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

Description	2023-2024	2022-2023
	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	2023-2024	2022-2023
	Kshs	Kshs
Short Term Borrowings (Current Portion)		
Long Term Borrowings		
Total		

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Notes to the Financial Statements (Continued)

23. Employee benefit obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2023-2024	2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation					
Non-Current Benefit Obligation					
Total					

24. Social Benefit Liabilities

Description	2023-2024	2022-2023
	Kshs	Kshs
Health social benefit scheme		
Unemployment social benefit scheme		
Orphaned and vulnerable benefit scheme		
Elderly social benefit scheme		
Bursary social benefits		
Total		
Current social benefits		
Non- current social benefits		
Total (tie to totals above)		

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
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otes to the Financial Statements (Continued)

25. Cash generated from operations.

Description	2023-2024	2022-2023
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax		
Adjusted For:		
Depreciation		
Amortisation		
Gains/ Losses On Disposal Of Assets		
Interest Income		
Finance Cost		
Working Capital Adjustments		
Increase In Inventory		
Increase In Receivables		
Increase In Payables		
Net Cash Flow From Operating Activities		

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
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Notes to the Financial Statements (Continued)

26. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfers From Related Parties'		
Transfers To Related Parties		

c) Key management remuneration

Description	2023-2024	2022-2023
	Kshs	Kshs
Board Of Trustees		
Key Management Compensation		
Total		

d) Due from related parties

Description	2023-2024	2022-2023
	Kshs	Kshs
Due From Parent Ministry		
Due From County Government		
Total		

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
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Other Disclosures Continued

e) Due to related parties

Description	2023-2024	2022-2023
	Kshs	Kshs
Due To Parent Ministry		
Due To County Government		
Due To Key Management Personnel		
Total		

27. Contingent assets and contingent liabilities

Contingent Liabilities	2023-2024	2022-2023
	Kshs	Kshs
Court Case - Against the Fund		
Bank Guarantees		
Total		

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
FUND Annual Report and Financial Statements for the year ended June 30, 2024**

Notes to the Financial Statements (Continued)

28. Financial risk management

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

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

a) Credit risk

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
-------------	----------------------	-----------------------------	------------------	------------------

At 30 June 2022

Receivables From Exchange Transactions

**Receivables From Non-Exchange
Transactions**

Bank Balances

Total

At 30 June 2021

Receivables From Exchange Transactions

**Receivables From Non-Exchange
Transactions**

Bank Balances

Total

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
FUND Annual Report and Financial Statements for the year ended June 30, 2024**

Notes to the Financial Statements (Continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised 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 - x

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

b) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June (Current FY)				
Trade Payables				
Current Portion Of Borrowings				
Provisions				
Employee Benefit Obligation				
Total				
At 30 June (Comparative FY)				
Trade Payables				
Current Portion Of Borrowings				
Provisions				
Employee Benefit Obligation				
Total				

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
FUND Annual Report and Financial Statements for the year ended June 30, 2024**

Notes to the Financial Statements (Continued)

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

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

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
FUND Annual Report and Financial Statements for the year ended June 30, 2024**

Notes to the Financial Statements (Continued)

Foreign currency sensitivity analysis

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

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

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs - (2022: Kshs -). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs - (2021 - Kshs -).

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
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Notes to the Financial Statements (Continued)

d) Capital risk management.

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

Description	Current FY	Comparative FY
	Kshs	Kshs
Revaluation reserve		
Revolving fund		
Accumulated surplus		
Total funds		
Total borrowings		
Less: cash and bank balances		
Net debt/(excess cash and cash equivalents)		
Gearing		

29. Events after the reporting period

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

30. Ultimate and Holding Entity

The entity is a County Public Fund established by Act ((Nyeri County Assembly Car Loan and Mortgage (Staff) Scheme Fund Regulations, 2017 under the Ministry of Finance. Its ultimate parent is the County Government of Nyeri.

31. Currency

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

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
FUND Annual Report and Financial Statements for the year ended June 30, 2024**

18. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2019/2020 Unsupported Revolving Fund	Statement of change in assets for the year ended 30 th June, 2020 reflects revolving fund brought forward balance of kshs.43,013,123 as at 1 July ,2019 which received in fy 2018/2019.However, the balance was not supported by comparative balances for 2018/2019 in the statement of financial position as at 30 th June,2020.As result the validity, completeness and accuracy of revolving fund brought forward balance of ksh. 43,013,123 could not be confirmed.		<i>Resolved</i>	
2019/2020 Failure to maintain mortgage protection and fire policy insurance	The statement of financial position reflects current portion of long term receivables transactions balance of Kshs.57,606,263 as at 30 th June ,2020. These long-term receivables relate to housing mortgage loans totalling Kshs.61,451,812 issued to twenty(20) applicants between 8 th April, 2019 and 4 th	The mortgage protection and fire policy insurance cover is in place.	<i>Resolved</i>	

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
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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>march ,2020.However ,the fund management has not made any arrangements for mortgage protection and fire policy insurance cover contrary to Regulation(staff)fund regulation 14(1) of the Nyeri County Assembly car loan and mortagage scheme(staff) fund regulations,2017.</p>			
<p>STAFF SCHEME FUND PRIOR YEAR MATTERS 2022, JUNE</p>				
<p>1. Non-Remittance of Fringe Benefit Tax</p>	<p>The statement of financial position reflects trade and other payables from exchange transactions balances of ksh 1,336,792, 702 as indicated in Note 17 to the Financial statements, which includes fringe benefits tax payable to Kenya Revenue Authority (KRA) of Kshs. 1,257,622. However, the accrued fringe benefit tax of Kshs. 1.257,622 includes accrued penalties and interest amount of ksh 423,312 which has remained outstanding for a long period , since</p>	<p><i>The management wants to state that the remittance of fridge benefits taxes to Kenya Revenue Authority had posed a challenge during the inception of the fund, however through non-formal consultations with Kenya Revenue Authority, the management has come up with a plan to be remitting outstanding dues and wishes to assure the debts will be cleared with the current financial year.</i></p>	<p>Not resolved</p>	<p>30th June 2024</p>

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
FUND Annual Report and Financial Statements for the year ended June 30, 2024**

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>inception of the fund. This has led to delayed remittance of fringe benefits tax which will result to additional costs in terms of penalties and interest. No satisfactory explanation was provided for failure to remit the fringe benefits tax to KRA on time</p>			
<p>2.0 Failure to Prepare Budget for the Fund</p>	<p>The statement of Comparison of Budget and actual amounts for the year under review reflects a final revenue and expenses budget amounting to Kshs. 3,010,123 and Kshs. 2,725,899 respectively. However, the management of the fund did not operate with an approved budget contrary to the provision of Section 149 (2h) of the Public Finance Management Act, 2012, which requires the Accounting Officer to prepare estimates of expenditure of the</p>	<p><i>The Management wants to state that the County Assembly of Nyeri had in place an approved budget for the financial year 2021-2022. This budget caters for all the activities of the County Assembly of Nyeri, where the County Assembly of Nyeri Car Loan and Mortgage (Members) Scheme Fund is one the activities.</i></p>	<p>Not resolved</p>	

COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME
FUND Annual Report and Financial Statements for the year ended June 30, 2024

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)
	entity in conformity with the strategic plan. In the circumstances, Management of the Fund was in breach of the law.			

Fund Manager/Accounting Officer (County Assembly of Nyeri Car Loan and Mortgage (Staff) Scheme)

Date 4/11/2024 PK

Annex II: Inter-Fund Confirmation Letter

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30th June 20xx

Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 th June 20xx			Total (D)=(A+B+C)	Amount Received by [beneficiary Fund] (KShs) as at 30 th June 20xx (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)			

Total

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

Head of Accountants department of beneficiary Fund:

Name Jenavus N. Nwiggel Sign [Signature] Date 04/11/2024

COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME FUND Annual Report and Financial Statements for the year ended June 30, 2024

Annex III: Reporting of Climate Relevant Expenditures

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

COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (STAFF) SCHEME FUND Annual Report and Financial Statements for the year ended June 30, 2024

Annex IV: Reporting on Disaster Management Expenditure

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