

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

**BOMET COUNTY ASSEMBLY
CAR LOAN AND MORTGAGE
SCHEME FUND**

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



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BOMET COUNTY ASSEMBLY CAR LOAN AND MORTGAGE SCHEME FUND

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2024**

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

Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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1. Acronyms and Glossary of Terms

a) Acronyms

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

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility
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**Bomet County Assembly Car Loan and Mortgage Scheme Fund
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2. Key Entity Information and Management

a) Background information

The Bomet County Assembly Car Loan and Mortgage Scheme Fund is a revolving Fund established pursuant to the Salaries and Remuneration Commission (SRC) circular number SRC/TS/WH/3/14 of 14th February 2014. Section 167 of the Public Finance Management (PFM) Act 2012 mandates the administration of the public funds with the preparation of annual financial statements.

For proper management of the fund and as advised by the SRC in the circular under the reference, Bomet County Assembly adopted the Public Finance Management Regulations 2015 to guide in the operationalization of the fund. As advised by the SRC and as provided for under Regulation 16 of the said regulations, the County Assembly Service Board appointed the Clerk to manage the fund.

The SRC in its circular reference SRC/ADM/CIR/1/13 Vol III (128) dated 17th December 2014 provided guidelines for access of car loan and mortgage benefits by state and public officers. Arising there from, the County Assembly Service Board approved and adopted the Staff Loans Regulation on 2018.

The fund is wholly owned by the County Assembly of Bomet and is domiciled in Kenya.

b) Principal Activities

The mandate of the Fund is to provide loans to staff and members of the County Assembly

c) Fund Administration Committee

S/N	Name	Designation
1	Cosmas Kipngetich Korir	Chairperson
2	Nathan Ngetich	Secretary/ Fund manager
3	Wesley Kiprotich	Member
4	Anne Chepkemoi	Member
5	Robert Kiprono Langat	Member
6	Haron Ngeno	Member
7	Diana Ngeno	Member
8	Isaac Kitur	Member

d) Key Management Team

Ref	Position	Name
1	Fund Administrator	Isaac Kitur
2	Fund Accountant	Geofrey Maritim
3	Senior Legal Counsel	Haron Ngeno
4	Head of Human Resource	Diana Ngeno
5	Fund Manager	Nathan Ngetich

e) Fiduciary Oversight Arrangements

- (i) Bomet Internal Audit Committee
- (ii) Bomet Assembly Public Account Investment Committee
- (iii) Senate Public Accounts and Investment committee

f) Registered Offices

P.O. Box 590-20400
Bomet County Assembly Headquarters
Bomet- Sotik Highway
Bomet, Kenya.

g) Fund Contacts

Telephone :(254) 712036036
E-mail: info@bometassembly.go.ke
Website: www.bometassembly.go.ke

Bomet County Assembly Car Loan and Mortgage Scheme Fund
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h) Fund Bankers

- i. Central Bank of Kenya
Haile Selassie Avenue
P.O Box 60000
City square 00200
Nairobi, Kenya.

- ii. Access Bank
Kipchamba Street
P.O Box 19828-00100
Bomet, Kenya.

- iii. Family Bank
Kipchamba Street
P.O Box
Bomet, Kenya

- iv. Co-operative Bank of Kenya
Kipchamba Street
P.O Box
Bomet Kenya

Bomet County Assembly Car Loan and Mortgage Scheme Fund
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i) Independent Auditors





Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084-00100
NAIROBI-KENYA

j) Principal Legal Adviser

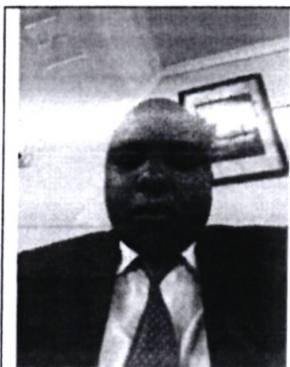
County Attorney
County headquarters
P.O. Box 590-20400
BOMET

3. Fund Administration Committee

Name	Details of qualifications and experience
	<p><u>Cosmas Korir-Fund Chairperson</u></p> <p>Cosmas Korir is the 4th Speaker of the County Assembly of Bomet. He holds Bachelor Degree in Agribusiness Management from Egerton University and Masters in Agrieconomics from Kabianga University</p> <p>As the Speaker of the Assembly he is also the Chairperson of the Loans Management Committee.</p> <p>He was born in the year 1982 in Bomet County</p>
	<p><u>Isaac Kiplangat Kitur – Fund Administrator</u></p> <p>Isaac Kitur has been the Fund Administrator since 2017. He is the Accounting Officer of the County Assembly and secretary to the Board.</p> <p>He is the Advocate of the High Court of Kenya with 24 years of Experience</p> <p>He is Certified Secretary, a Member of the Institute of Directors and the Law Society of Kenya.</p> <p>He holds a degree in Law and post graduate diploma in Legal practice</p> <p>He has received extensive training in governance and strategic management</p> <p>He was born in the year 1971 in Nandi County</p>
	<p><u>Wesley Kiprotich– Fund Member</u></p> <p>Wesley Kiprotich is a member of the County Assembly representing Chebchabas Ward. He was elected by the members of the Board to be the Vice Chairperson of the Loans Committee.</p> <p>He holds a Bachelor’s degree in Education Science and MSc Physics. from Moi University.</p> <p>He was born in the year 1983 in Bomet County</p>

	<p><u>Anne Chepkemoi– Member of the Fund</u></p> <p>Ann Chepkemoi is a member of the County Assembly representing Silibwet Township.</p> <p>She holds a Certificate in Land Survey and Mapping from Siaya Institute of Technology.</p> <p>She was born in the year 1976 in Bomet County</p>
	<p><u>Robert Langat– Member</u></p> <p>Robert Langat was appointed member of the Fund in the year 2022. He serves as an MCA of Mutarakwa Ward. He holds a Certificate in Water Engineering from Kenya Water Institute, Diploma in Public Relations and Bsc Communications and Public Relations from Moi University.</p> <p>He was born in the year 1979 in Bomet County.</p>
	<p><u>Nathan Ngetich-Member</u></p> <p>Nathan Ngetich was appointed the Fund Manager of Bomet County Assembly Car Loan and Mortgage Scheme Fund in the year 2022.</p> <p>He holds a Bachelor’s degree in Finance from Egerton University.</p> <p>He was born in the year 1984 in Bomet County</p>
	<p><u>Diana Ngeno-Member</u></p> <p>Diana Ngeno was appointed the Human Resource Officer of Bomet County Assembly in the year 2014.</p> <p>She holds a degree in Human Resource from Moi University</p> <p>She was born in the year 1986 in Bomet County</p>

**Bomet County Assembly Car Loan and Mortgage Scheme Fund
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Haron Ngeno-Member

Haron Ngeno was appointed the Legal Counsel of Bomet County Assembly in the year 2014. He holds a Bachelor of Law degree from the Moi University.

He was born in the year 1980 in Kericho County.

4. Management Team

Name	Details of qualifications and experience
<p>1. </p>	<p><u>Isaac Kiplangat Kitur – Fund Administrator</u></p> <p>Isaac Kitur has been the Fund Administrator since 2017. He is the Accounting Officer of the County Assembly and secretary to the Board.</p> <p>He is the Advocate of the High Court of Kenya with 24 years of Experience</p> <p>He is Certified Secretary, a Member of the Institute of Directors and the Law Society of Kenya.</p> <p>He holds a degree in Law and post graduate diploma in Legal practice</p> <p>He has received extensive training in governance and strategic management</p> <p>He was born in the year 1971 in Nandi County</p>
<p>2. </p>	<p><u>Geoffrey Maritim – Fund Accountant</u></p> <p>Geoffrey Maritim was appointed as the Fund Accountant in the year 2018.</p> <p>Currently, he is the Director Financial Services of Bomet County Assembly. He holds a Bachelor of Commerce (Finance) from Kenyatta University. He is also a Certified Public Accountant of Kenya, CPA(K).</p> <p>He was born in the year 1986 in Bomet County</p>
<p>3. </p>	<p><u>Nathan Ngetich– Fund Manager</u></p> <p>Nathan Ngetich was appointed as the Fund Manager in the year 2022. He holds a Bachelor of Commerce (Finance) from University of Egerton.</p> <p>He was born in the year 1984 in Bomet County</p>

5. Fund Chairperson's Report

REPORT

It is my pleasure to present, on behalf of the board of trustees, the Bomet County Assembly Car loan and Mortgage Scheme Fund financial statements for the year ended 30 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.

Fund Committee Changes

There were no changes on the composition of the Fund Administration Management Committee during the financial year

Review of performance

Income

The fund earned revenues amounting to KShs. 12,251,048.17 revenues from other exchange transactions.

Projects implementations during the period were carried out as per the plan with the coordinated efforts by all stakeholders. The performance was also attributed to favourable exchequer releases of KShs. 55,110,000 during the year.

Expenditure

During the year the Fund incurred expenses relating to bank charges amounting to Kshs 20,593

Future outlook

The outlook of the Fund for the year ending 30th June 2024 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 Service Board and the Budget Committee so that it allocates more money to the fund so that more staff and MCAs can benefit from mortgages and car loan.

Appreciation

I take this opportunity to express my sincere gratitude and appreciation to the County Assembly Service Board and the County Assembly, stakeholders, management, staff and fellow members for their continued support which made us achieve these results.

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



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COSMAS KORIR

CHAIRPERSON OF THE FUND

**Bomet County Assembly Car Loan and Mortgage Scheme Fund
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6. Report of The Fund Administrator

It is my pleasure to present the Bomet County Assembly Car Loan and Mortgage Scheme Fund financial statements for the year ended 30th June 2024. The financial statements present the financial performance of the fund over past year.

Financial Performance

a) Revenue.

In the year ended 30th June 2024, the fund had projected revenues of KShs 13,000,000. Out of the projected revenue, the fund was able to realise Ksh 12,251,048.17 in actual interest representing 94% performance.

In the table below, we present an analysis of revenue performance during the year.

Revenue classification	Revenue budget (KShs)	Actual (KShs)	Realization (%)
Revenue	KShs	KShs	
Public contributions and donations	-	-	-
Transfers from County Govt.	-	-	-
Interest income	13,000,000	12,251,048	94%
Fines, penalties and other levies	-	-	
Other income	-	-	-
Total income	13,000,000	12,251,048.	94%

b) Loans

During the financial year 2023/2024, the Fund disbursed forty-four (44) loans bringing the total loan beneficiaries to date to 108.

Cash flows

In the FY 2023/2024, the exchequer releases were Kshs 55,110,000, this facilitated the staff and Members of the County Assembly acquire loans.

c) Implementation Challenges

Technology Integration –The Ministry of Land and Housing Ardhi Sasa platform at times faced challenges hence hindering process of charging titles.

d) Key Risk Management Strategy

The Fund Administrative Committee have identified key risk strategies as follows;

- Continuous Monitoring and Evaluation to ensure that beneficiaries uses funds for the intended purpose.

**Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

- Periodic revaluation of the assets.

e) Conclusion

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

The Fund received value for the fund disbursed since all the members acquired properties and vehicles as per applications. This Fund earns interest at 3% and at the end of the year Kshs 12,251,048 was realised.

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



**ISAAC KITUR
FUND ADMINISTRATOR**

**Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

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

Guidance

The fund budget for the financial year ending 30th June 2024 was Kshs 13,000,000 as interest income. The fund realised Kshs 12,251,048 as interest income

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

The key development objectives of the Fund as per the strategic plan for 2021-2027 are to:

- a) Enable the Members of the County Assembly and staff to have cars for movement within and without the County.
- b) Staff and Members of the County Assembly to have proper houses for habitation.

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Provision of Mortgage facilities to all members of staff	To ensure all staff have access to Mortgage facilities	Number mortgages successfully applied and approved	% of staff taking Mortgage facilities	During FY 2023/2024 three (3) Members of staff accessed the facility and were able build their own houses
Provision of car loan facilities to all members of staff	To ensure staff and MCAs move with ease to the offices.	Number of car loans successfully applied and approved	% of members taking the loan facility	Thirty-nine (39) Members of the County Assembly acquired new vehicles.

8. Corporate Governance Statement

THE FUND ADMINISTRATION COMMITTEE

The Bomet County Assembly Car loan and Mortgage Scheme is a revolving fund established pursuant to the Public Finance Management (Bomet County Assembly Car Loan and Mortgage Scheme Fund) Regulation 2022. Its mandate is to provide car loans to members of staff. The Fund is committed to ensuring compliance with regulatory and supervisory corporate governance requirements. Essential to the establishment of a corporate governance framework in the fund is a formal governance structure with the committee members at its apex. The structure is designed to ensure an informed decision making process based on accurate reporting to the board.

Meetings

The committee held a total of fifty-six (56) meetings during the financial year under review, and its main agenda were to deliberate on Members loans applications and Compliance.

Roles and Functions of the Fund Administrative Committee

The major functions of the Committee were;

- i. Making recommendations with respect to the conditions under which a Car Loan and Mortgage shall be granted or repaid under the regulations.
- ii. Processing applications for the granting of Car Loans and mortgages to beneficiaries of the Fund.
- iii. Supervising the day to day running of the Fund.

Remunerations

The Fund members were treated as a subcommittee of the board and were paid in accordance with the SRC circular on remuneration of board sub-committee.

Strategic Plan and Charter

The business of the fund is determined by the strategic plan. The strategic plan sets out the objectives of the fund, and the annual targets to be met to attain those objectives. The strategic plan is evaluated annually to assess the achievement of those objectives. The board on an annual basis approves the work plan supported by the financial plan for the year. Progress against the plan is monitored on a quarterly basis.

The committee is in the process of developing a committee charter which outlines the purpose and responsibilities and structure of the Committee.

Organization Structure

A clear organizational structure exists, detailing lines of authority and control responsibilities. The professionalism and competence of staff is maintained both through rigorous recruitment policies and a performance appraisal system which establishes targets, reinforces accountability and awareness of controls, and identifies appropriate training requirements. Training plans are prepared and implemented to ensure that staff develop and maintain the required skills to fulfil their responsibilities, and that the fund can meet its future management requirements.

Internal Control Framework

The fund continues to review its internal control framework to ensure it maintains a strong and effective internal control environment. Business processes and controls are reviewed on an ongoing basis. A risk-based audit plan, which provides assurance over key business processes and operational and financial risks facing the fund, is approved by the audit and risk committee.

The audit and risk committee considers significant control matters raised by management and both the internal and external auditors and reports its findings to the board. Where weaknesses are identified, the committee ensures that management takes appropriate action. No significant failings or weaknesses were identified during the FY 2023/2024.

Risk Management

The fund has in place a risk management framework which guides the fund in identifying, assessing and managing the risks. The fund has developed a risk register which documents and prescribes mitigating measures of all the risks both external and internal facing the fund. The risk management framework and register are regularly reviewed to incorporate any emerging issues in the operating environment. The risk management is coordinated by the head of internal audit, who reviews all the risks in the fund and updates the risk register and ensures that all new and emerging risks are appropriately evaluated and any further actions identified.

Appointment and Removal of Committee Members

The appointment and removal of committee members is outline in the Fund regulations

Induction and Training

The members of the Committee were inducted and trained on their mandate and operation of the Fund.

Performance

The performance of the members is evaluated regularly through self-assessment and report submitted to the County Assembly Service Board.

Ethics and Conduct

The Loan Management Committee typically operates under a formal code of conduct that outlines expected behaviours and ethical standards for its members. This code emphasizes the importance of acting with integrity, impartiality, and professionalism. Members are required to avoid conflicts of interest, ensuring that personal interests do not interfere with their responsibilities to the Fund.

Conflict of Interest

Beneficiaries of the loans who were members of the Fund Administrative Committee had to make full disclosure during the process and they did not take part in the decision of the approval of the loan.

9. Management Discussion and Analysis

The Fund has continued to grow over the years and the management has put measures in place to safeguard against risks.

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 staff with an established credit history.

The management has ensured that we comply with statutory requirements relating to the functions of the Fund and also making sure that statutory deductions are remitted on time to avoid incurring penalties and interests for non-compliance.

BUSINESS PERFORMANCE

Revenue

The fund earned revenues amounting to KShs. 55,110,000 from the county government. The interest income amounted to KShs. 12,251,048

Cash flow

The cash and cash equivalents increased from KShs 36,334,476 as at 30 June 2023 to KShs 39,453,150 as at 30 June 2024.

Budget

The Fund had a budget of Ksh 13,000,000 which was budgeted for interest income from exchange transactions.

The Fund realised Kshs 12,251,048 as actual revenue for the year.

Expenditure

The Fund incurred expenditure of Kshs 20,593 against actual budget of Kshs 40,000.

Financial Position of the Fund

The total net asset and liabilities of the Fund at the end of the year stands at Kshs 468,631,581

OPERATIONAL PERFORMANCE

The fund's core operating activity is to offer car loans and mortgage to Members of the County Assembly and staff. During the financial year 44 loans was dispersed amounting to Ksh 97,996,442. The total number of loans dispersed to date is 122.

10. Environmental and Sustainability Reporting

1. Sustainability strategy and profile -

The budget for the fund has been growing over the last 8 years and it is high time the fund is made to be self-sustaining. In this case therefore, going forward there will be no more capital injection so that that the money will revolve within the Fund.

2. Environmental performance

The County Assembly adopted a report of the Committee on Energy, Environment, Water and Natural Resources on Bomet County Climate Change Action Plan 2022-2026 on 24th May 2023. The implementation of this report will go a long way in addressing the issues of climate change and its effects

3. Employee welfare

- i. The County Assembly has developed Human Resource and Procedure Manual which on all the processes of human capital.
- ii. The adoption of performance appraisal systems by the County Assembly Service Board has assisted in appraising and rewarding staff.
- iii. The Career Progression Guidelines were approved and implemented. This document has help in the career growth of the staff.

4. Market place practices-

a) Responsible Supply chain and supplier relations-

The County Assembly considers the fair competition in procurement opportunities within the Assembly. These measures include, consideration of persons with the disability, women and youths (AGPO) where the County Assembly gave the group 30% of the procurement opportunities, advertising through website and print media for ease of coverage, continuous registration of suppliers etc.

b) Responsible ethical practices-

The whistle Blowing Policy has played a key role in uprooting unethical practices within the assembly.

5. Community Engagements

The County Assembly through its various committees engaged in various community activities as follows.

11. Report of The Fund Administration Committee

The Fund Administration Committee submits their reports 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 activity of the fund is to provide financing to the members of the County Assembly and staff for mortgage financing and purchase of cars for personal use.

Results

The results of the Fund for the year ended June 30, 2024 are set out on pages 1 to 38.

Fund Administration Committee

The members of the Fund Administrative Committee who served during the year are shown on page vii - ix

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



Nathan Ngetich
Member of the Board

12. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

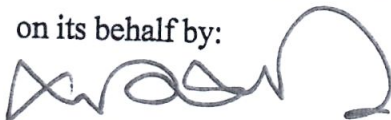
The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) 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 Public Finance Management Act, 2012 and Bomet County Assembly Car loan and Mortgage Scheme Regulation 2022. 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. 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 25/09/2024 and signed on its behalf by:



Isaac K Kitur

Fund Administrator

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON BOMET COUNTY ASSEMBLY CAR LOAN AND MORTGAGE 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 ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Bomet County Assembly Car Loan and Mortgage Scheme Fund set out on pages 1 to 40, which comprise the statement

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

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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Bomet County Assembly Car Loan and Mortgage 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 Public Finance Management (Bomet County Assembly Car Loan and Mortgage Scheme Fund) Regulations, 2022 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Proceeds from Loan Principal Repayments

The statement of cash flows reflects proceeds from loan principal repayments totalling Kshs.33,774,662. However, the amount was not supported by loan repayment schedule for each beneficiary and payroll by-products.

In the circumstance, the accuracy and completeness of proceeds from loan principal repayments totalling Kshs.33,774,662 could not be confirmed.

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

Emphasis of Matter

The statement of comparison of budget and actual amounts reflects final total income budget and actual on comparable basis of Kshs.13,000,000 and Kshs.12,251,048 respectively, resulting to underfunding of Kshs.748,952 or six percent (6%) of budget. Further, the statement reflects total expenditure actual on comparable basis amounting to Kshs.20,593 resulting to under expenditure of Kshs.12,979,407 of budget.

In addition, the statement reflects final total income and expenditure budget amounting to Kshs.13,000,000 and Kshs.40,000 resulting in unbalanced budget by Kshs.12,960,000. This was contrary to Regulation 31(c) of the Public Finance Management (County Governments) Regulations, 2015 which requires budget revenue and expenditure appropriations to be balanced.

The underfunding and under expenditure affected the planned activities and may have impacted negatively on the delivery of services to the Members and Staff of County Assembly of Bomet.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit reports of previous year, five (5) issues were raised under the Report on Financial Statements, Other Matter, and Report on Lawfulness and Effectiveness in use of Public Resources. However, Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the standards prescribed by the Public Sector Accounting Standards Board.

My opinion is not modified in respect of this matter.

Other Information

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

In connection with my audit on the 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 effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Lack of Comprehensive Motor Insurance

Review of records revealed that motor vehicles acquired through loans granted to members did not have comprehensive insurance policies contrary to Regulation 22(1) of the Public Finance Management (Bomet County Assembly Car Loan and Mortgage Scheme Fund) Regulations 2022 which requires a borrower to comprehensively insure any vehicle purchased through the Fund. This exposes the Fund to possible loss of public funds in case of any unforeseen occurrence.

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

2. Lack of an Approved Budget

Review of records revealed that Fund operated without an approved budget in the year under review. The budgetary requirements of the Fund were incorporated in the County Assembly's budget. This was contrary to Regulation 31 (5) of the Public Finance Management (Bomet County Assembly Car Loan and Mortgage Scheme Fund) Regulations 2022 which states that all payments made from the Fund shall be on the basis of the approved annual budget.

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 has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires 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


16 December, 2024


**Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

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

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	-	-
Transfers From the County Government	2	-	-
Fines, Penalties and Other Levies	3	-	-
		-	-
Revenue From Exchange Transactions			
Interest Income	4	12,251,048	10,818,508
Other Income	5	-	-
Total Revenue		12,251,048	10,818,508
Expenses			
Employee Costs	6	-	-
Use of goods and services	7	20,593	7,758,323
Depreciation and Amortization Expense	8	-	-
Finance Costs	9	-	-
Total Expenses		20,593	7,758,323
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	-	-
Gain /Loss on fair value of investments	11	-	-
Surplus/(Deficit) for the Period		12,230,455	3,060,185

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Bomet County Assembly Fund financial statements were approved on 25/09/2024 and signed by


.....
Isaac Kiplangat Kitur
Administrator of the Fund


.....
Geoffrey Maritim
Fund Accountant
ICPAK Member Number: 12685

Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024

15. 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	39,453,151	36,334,476
Current Portion of Long- Term Receivables From Exchange Transactions	13	62,393,557	68,134,804
Prepayments	14	-	-
Inventories	15	-	-
Investments in financial assets	16	-	-
Total current assets		101,846,708	104,469,280
Non-Current Assets			
Property, Plant and Equipment	17	-	-
Intangible Assets	18	-	-
Long Term Receivables from Exchange Transactions	13	366,784,873	296,821,846
Investment Property	19	-	-
Total non- current assets			
Total Assets (A)		468,631,581	401,291,126
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	-	-
Current Provisions	21	-	-
Current Portion of Borrowings	22	-	-
Employee Benefit Obligations	23	-	-
Social benefit liabilities	24	-	-
Total current liabilities			
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)		-	-
Net Assets (A-B)		468,631,581	401,291,126
Represented By:			

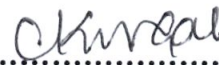
Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Revolving Fund		435,610,000	380,500,000
Reserves		-	-
Accumulated Surplus		33,021,581	20,791,126
Net Assets		468,631,581	401,291,126

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 25/09/2024 and signed by:



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Geoffrey Maritim
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**Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

16. 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 1 July 2022	240,500,000		17,730,941	258,230,941
Surplus/(Deficit) For the Period			3,060,185	3,060,185
Funds Received During the Year	140,000,000	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2023	380,500,000		20,791,126	401,291,126
Balance As At 1 July 2023	380,500,000		20,791,126	401,291,126
Surplus/(Deficit) For the Period			12,230,455	12,230,455
Funds Received During the Year	55,110,000			55,110,000
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2024	435,610,000		33,021,581	468,631,581

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 25/09/2024 and signed by:



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Isaac Kiplangat Kitur
Administrator of the Fund



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Geoffrey Maritim
Fund Accountant
ICPAK Member Number: 12685

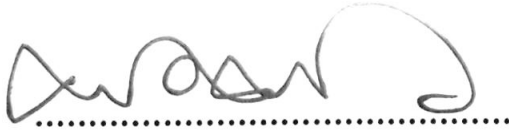
**Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

17. Statement of Cash Flows for The Year Ended 30 June 2024

Description	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts		-	-
Public contributions and donations		-	-
Transfers from the county government		-	-
Interest received		12,251,048	10,818,508
Receipts from other operating activities			
Total receipts		12,251,048	10,818,508
Payments			
Fund administration expenses		-	7,758,323
General expenses		-	-
Finance cost		20,593	-
Other payments		-	-
Net cash flows from operating activities	25	12,230,455	3,060,185
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		33,774,662	45,593,433
Loan disbursements paid out		(97,996,442)	(172,658,198)
Net cash flows used in investing activities		(64,221,780)	(127,064,765)
Cash flows from financing activities			
Proceeds from revolving fund receipts		55,110,000	140,000,000
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		55,110,000	140,000,000
Net increase/(decrease) in cash & cash Equivalents		3,118,675	15,995,420
Cash and cash equivalents at 1 July		36,334,476	20,339,056
Cash and cash equivalents at 30 June 2024		39,453,151	36,334,476

Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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 25/09 2024 and signed by:



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Isaac Kiplangat Kitur
Administrator of the Fund





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Geoffrey Maritim
Fund Accountant
ICPAK Member Number: 12685

**Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

18. 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	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	D	e=(c-d)	f=d/c*100
Revenue						
Public Contributions and Donations	-	-	-	-	-	-
Transfers From County Govt.	-	-	-	-	-	-
Interest Income	13,000,000	-	13,000,000	12,251,048	748,951.83	94
Other Income	-	-	-	-	-	-
Total Income	13,000,000	-	13,000,000	12,251,048	748,951.83	94
Expenses						
Fund Administration Expenses	-	-	-	-	-	-
General Expenses	-	-	-	-	-	-
Finance Cost	40,000	-	40,000	20,593	19,407	51
Total Expenditure	40,000	-	40,000	20,593	19,407	51
Surplus For the Period	12,960,000		12,960,000	12,230,455	729,544	94


Name: Isaac Kiplangat Kitur
Administrator of the Fund


Name: Geoffrey Maritim
Fund Accountant ICPAK Member Number: 12685

**Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Bomet County Assembly Car Loan and Mortgage Scheme Fund is established by and derives its authority and accountability from PFM Act. The Bomet County Assembly Fund is wholly owned by the Bomet County Assembly and is domiciled in Kenya. The Bomet County Assembly Fund's principal activity is to provide financing to members of the County Assembly and staff to acquire houses and cars.

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	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>

**Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><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.</p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><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.</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> 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. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><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.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p><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</p>

**Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

	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 Bomet County Assembly Car Loan and Mortgage Scheme Fund did not early – adopt any new or amended standards in the financial year.

Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024

1. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Bomet County Assembly Fund'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 30 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 Bomet County Assembly Fund upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Kshs 55,110,000 on the FY 2023-2024 budget following the governing body's approval.

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

Summary of Significant Accounting Policies (Continued)

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 12.5 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 Bomet County Assembly Fund recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Intangible Assets

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

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

e) 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. 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)

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

Financial assets

Classification of financial assets

The Bomet County Assembly Fund classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the Bomet County Assembly Fund's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows 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 Bomet County Assembly Fund 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 Bomet County Assembly Fund classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

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 Bomet County Assembly Fund manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

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

Impairment

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

Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

a) 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 Bomet County Assembly Fund.

b) Provisions

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

c) 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 Bomet County Assembly Fund 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) 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)

d) Contingent liabilities

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

Contingent assets

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

e) Nature and purpose of reserves

The Bomet County Assembly Fund creates and maintains reserves in terms of specific requirements.

f) Changes in accounting policies and estimates

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

g) Employee benefits – Retirement benefit plans

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

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

Summary of Significant Accounting Policies (Continued)

h) 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.

i) Borrowing costs

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

j) Related parties

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

k) Cash and cash equivalents

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

l) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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 Bomet County Assembly Fund based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Bomet County Assembly Fund. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available. There was no additional disclosure of these estimates of provisions.

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.

**Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

6. Notes to The Financial Statements Continued

1. Public contributions and donations

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

2. Transfers from County Government

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

4. Interest income

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Interest Income from Mortgage Loans	12,251,048	10,818,508
Interest Income From Car Loans	-	-
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	-	-
Total Interest Income	12,251,048	10,818,508

**Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Notes to the Financial Statements Continued

5. Other income

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

6. Employee Costs

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other	-	-
Total	-	-

7. Use of Goods and Services

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
General Office Expenses	-	1,088,392
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	-
Committee Allowances	-	-
Bank Charges	20,593	27,140.00
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	-	-

**Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Bank Charges	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other	-	-
Fringe Benefit	-	6,642,791
Total	20,593	7,758,323

8. Depreciation and Amortization Expense

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

9. Finance costs

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Bank Charges	-	-
Interest On Loans From Banks	-	-
Total	-	-

**Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

10. Gain/(loss) on disposal of assets

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

11. Gain/ (loss) on Fair Value Investments

Description	FY 2023/2024	FY 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	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Car Loan Account		
Family Bank Mortgage Fund Account	152,167	82,167
Access Bank Fund Account	40,955	36,123,508
Family Bank Car Loan Fund Account	128,801	128,801
Co-operative Bank Fund Account	39,131,228	-
Total Cash And Cash Equivalents	39,453,151	36,334,476

**Bomet County Assembly Car Loan and Mortgage 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	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
a) Fund Account			
Access Bank	0170130000003	40,955	36,123,508
Sub- Total			
b) Car Loan			
Family Bank	084000024314	128,801	128,801
Sub- Total			
c) Mortgage			
Family Bank	084000024313	152,167	82,167
Sub- Total			
d) Car and Mortgage			
Co-operative Bank Fund Account	01103583678002	39,131,228	-
Sub – Total			
Grand Total		39,453,151	36,334,476

13. Receivables from exchange transactions

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Current Receivables		
Interest Receivable	-	-
Current Loan Repayments Due	62,393,557	68,134,804
Total Current Receivables	62,393,557	68,134,804
Non-Current Receivables		
Long Term Loan Repayments Due	366,784,873	296,821,846
Total Non- Current Receivables	366,784,873	296,821,846
Total Receivables From Exchange Transactions	429,178,431	364,956,650

**Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Notes to the Financial Statements Continued

Additional disclosure on interest receivable

Description	FY 2023/2024	FY 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	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

14. Prepayments

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments	-	-
Total	-	-

15. Inventories

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories	-	-
Total Inventories at The Lower of Cost and Net Realizable Value	-	-

**Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Notes to the Financial Statements Continued

16. Investments in financial assets

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution	-	-
	-	-
	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
	-	-
	-	-
Sub- total	-	-
c. Equity investments		
Equity/ shares	-	-
Sub- total	-	-
Grand total	-	-

Movement of Equity Investments

Impairment allowance/ provision	FY 2023/2024	FY 2022/2023
	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			
	%	%	%	Kshs	Current year Kshs	Prior year Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

**Bomet County Assembly Car Loan and Mortgage 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	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2022	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
At 30th June 2023	-	-	-	-	-
At 1st July 2023	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
At 30th June 2024	-	-	-	-	-
Depreciation And Impairment	-	-	-	-	-
At 1 st July 2022	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30th June 2023	-	-	-	-	-
At 1st July 2023	-	-	-	-	-
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
At 30th June 2024	-	-	-	-	-
Net Book Values	-	-	-	-	-
At 30th June 2023	-	-	-	-	-
At 30th June 2024	-	-	-	-	-

**Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Notes To The Financial Statements (Continued)

18. Intangible assets

Description	FY 2023/2024	FY 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	FY 2023/2024	FY 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	-	-

**Bomet County Assembly Car Loan and Mortgage 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	FY 2023/2024		FY 2022/2023	
	Kshs		Kshs	
Trade Payables	-		-	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year		%		%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
Total (tie to above total)				

21. Provisions

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	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	-	-	-	-

**Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Notes To The Financial Statements (Continued)

22. Borrowings

Description	FY 2023/2024	FY 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	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan	-	-
Sterling Pound Denominated Loan	-	-
Euro Denominated Loan	-	-
Domestic Borrowings	-	-
Kenya Shilling Loan	-	-
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	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

**Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Notes to The Financial Statements (Continued)

23. Employee benefit obligations

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

24. Social Benefit Liabilities

Description	FY 2023/2024	FY 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)	-	-

**Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Notes To The Financial Statements (Continued)

25. Cash generated from operations.

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	12,230,455	-
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	12,230,455	-

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	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Transfers From Related Parties'	55,110,000	140,000,000
Transfers To Related Parties		

c) Key management remuneration

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

d) Due from related parties

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

**Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Other Disclosures Continued

e) Due to related parties

Description	FY 2023/2024	FY 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	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

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 Bomet County Assembly Fund's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the Bomet County Assembly Fund's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performin g Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables From Exchange Transactions	429,178,430	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	39,453,151	-	-	-
Total	468,631,581	-	-	-
At 30 June 2023	-	-	-	-
Receivables From Exchange Transactions	364,956,650	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	36,334,476	-	-	-
Total	401,291,126	-	-	-

**Bomet County Assembly Car Loan and Mortgage 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 Bomet County Assembly Fund has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The Bomet County Assembly Fund has significant concentration of credit risk on amounts due

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 Bomet County Assembly Fund's short, medium and long-term funding and liquidity management requirements. The Bomet County Assembly Fund manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June (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	-	-	-	-

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 Bomet County Assembly Fund on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

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

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

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

i. Foreign currency risk

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

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

Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2024	-	-	-
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables	-	-	-
Liabilities	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

**Bomet County Assembly Car Loan and Mortgage 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 Bomet County Assembly Fund's financial condition may be adversely affected as a result of changes in interest rate levels. The Bomet County Assembly Fund's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

Management of interest rate risk

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

Sensitivity analysis

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

**Bomet County Assembly Car Loan and Mortgage Scheme Fund
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Notes to The Financial Statements (Continued)

d) Capital risk management.

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

Description	Current FY 2023-2024	Comparative FY 2022-2023
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	435,610,000	380,500,000
Accumulated surplus	33,021,581	20,791,126
Total funds	468,631,581	401,291,126
	-	-
Total borrowings	-	-
Less: cash and bank balances	39,453,151	36,334,476
Net debt/(excess cash and cash equivalents)	-	-
Gearing	429,178,430	364,956,650

29. Events after the reporting period

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

30. Ultimate and Holding Bomet County Assembly Fund

The Bomet County Assembly Fund is a County Public Fund established by PFM Act (Bomet County Assembly Car loan and Mortgage Regulation 2021) under the Bomet County Assembly. Its ultimate parent is the County Government of Bomet.

31. Currency

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

**Bomet County Assembly Car Loan and Mortgage Scheme Fund
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20. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
(i)	Unsupported Loan Disbursements Paid Out	Though we had provided the same during the audit process we have further attached here the supporting documentations including bank statements (Appendix 4a) and supporting schedules (Appendix 4b) indicating the beneficiaries of the loan disbursements amounting to Kshs 172,658,198 for your audit verifications.	Resolved	
(ii)	Budgetary Control and Performance	The under-funding affected the planned activities and may have impacted negatively on service delivery to the public	Resolved	
(iii)	Unresolved Prior Year Matters	The financial statement has been corrected and it now complies with the reporting format as prescribed and published by the Public Sector Accounting Standards Board	Resolved	
(iv)	Failure to Register Charges on Securities	The County Assembly has already started the process of registration of the six (6) log book belonging to the beneficiaries of the fund.	Resolved	

**Bomet County Assembly Car Loan and Mortgage Scheme Fund
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
		<p>The NTSA portal has been facing challenges which affected the completion of the registration process. The comprehensive insurance cover was done by the beneficiary but the records was not updated in the file.</p>		
(v)	Lack of an Approved Budget	<p>The budget for the fund was approved by the Fund Administrative Committee in the month of July 2022. The minutes and the budget has been attached for your audit review.</p>	Resolved	

Fund Manager 

Date.....14/11/2024.....

**Bomet County Assembly Car Loan and Mortgage Scheme Fund
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Annex II: Inter-Fund Confirmation Letter

Bomet County Assembly Car Loan and Mortgage Scheme Fund

P. O Box 590 Bomet

The Bomet County Assembly Car Loan and Mortgage Scheme Fund wishes to confirm the amounts disbursed to you as at 30th June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Bomet County Assembly Fund as at 30 th June 2024							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 th June 2024				Amount Received by [beneficiary Fund] (KShs) as at 30 th June 2024 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
FT232994RKN42	26.10.2023	20,000,000			20,000,000	20,000,000	
FT243061GHY47	26.10.2023	3,000,000			3,000,000	3,000,000	
FT23300NQMC9	31.10.2023	1,500,000			1,500,000	1,500,000	
FT240056LG1D	05.01.2024	3,000,000			3,000,000	3,000,000	
FT24051FJFJW	20.02.2024	15,000,000			15,000,000	15,000,000	
FT241072DRZ3	16.04.2024	110,000			110,000	110,000	
FT24130VWXB	09.05.2024	10,000,000			10,000,000	10,000,000	
FT241636DNMM	11.06.2024	1,000,000			1,000,000	1,000,000	
FT241638T1VF	11.06.2024	1,500,000			1,500,000	1,500,000	
Total		55,110,000			55,110,000	55,110,000	

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

Head of Accountants department of beneficiary Fund:

Name Gregory Manlin Sign [Signature] Date 14/11/2024

Bomet County Assembly Car Loan and Mortgage Scheme Fund
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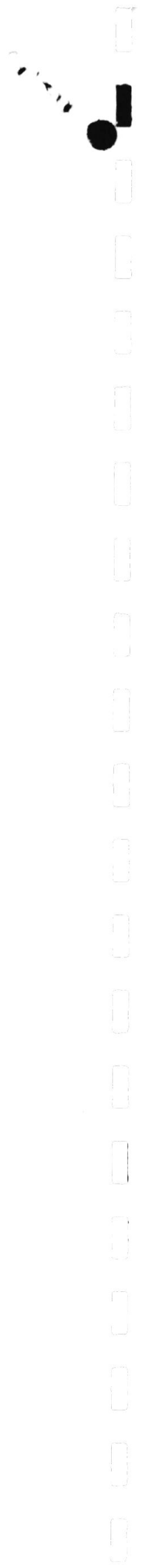
Annex III: Reporting of Climate Relevant Expenditures

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

**Bomet County Assembly Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Annex IV: Reporting on Disaster Management Expenditure

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



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