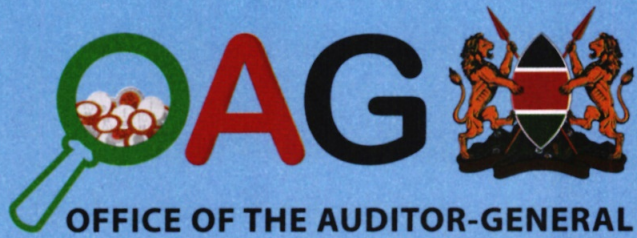


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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ON

**UASIN GISHU COUNTY STAFF MORTGAGE
AND CAR LOANS SCHEME FUND**

**FOR THE YEAR ENDED
30 JUNE, 2023**



**UASIN GISHU COUNTY STAFF MORTGAGE AND CAR LOANS
SCHEME FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2023**

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



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UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2023

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UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2023

2. 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

Ref	Name	Position
1	Fund Manager/ Administrator	Silas Ronoh
2	Fund Accountant	Julia Ngososei

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2023

3. Key Entity Information and Management

a) Background information

Uasin Gishu County Staff Mortgage And Car Loans Scheme Fund is established by and derives its authority and accountability from Uasin Gishu county staff car loans and mortgage fund regulations 2015Act. The Fund is wholly owned by the County Government of Uasin Gishu and is domiciled in Kenya.

The objective and purpose of the fund is to provide employees mortgage loans scheme for purchase, development, renovation or repair of residential property and /or car loan scheme for purchase of cars by members of staff of the county (state officers and public officers).

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to provide financing to the members of staff to purchase cars for personal use and acquire/construct/Renovate residential houses.

c) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	Ambrose Tarus	Chief Officer Public Service Management
2	Eliud Chemaget	Chief Officer Finance
3	Silas Ronoh	Director finance

d) Key Management Steam

Ref	Name	Position
1	Silas Ronoh	Fund Manager/ Administrator
2	Julia Ngososei	Fund Accountant

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Mary Kiarie
2	Staff car Mortgage and car Loan Advisory Committee	Micah Rogony
3	County Assembly	PAC

**UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2023**

f) Registered Offices

P.O. Box 40-30100
County Hall Building
Uganda Road
ELDORET, KENYA

g) Fund Contacts

Telephone: (254) -053-2016215,
053-2016125
053-2016000
E-mail: info@uasingishu.go.ke
Website: www.uasingishu.go.ke

h) Fund Bankers

Equity Bank
P.O. Box
Eldoret Market Branch
ELDORET, KENYA

i) Independent Auditors

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

j) Principal Legal Adviser




The County Attorney
County Hall
Uganda Road
P.O. Box 40 - 30100
Eldoret, Kenya

k) County Attorney

The County Attorney
County Hall
Uganda Road
P.O. Box 40 - 30100
Eldoret, Kenya



**UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2023**

4. Board of Trustees/ Fund Administration Committee (Or Any Other Corporate Governance Body for The Fund)

Name	Details of qualifications and experience
<p>1. AMBROSE K. TARUS</p> 	<p>Ambrose Kiprotich Tarus is the chief officer for public service management. He holds a BA in counselling psychology and has been a teacher and administrator. He is the founding director at Daraja counselling Centre</p>
<p>2. ELIUD K. CHEMAGET</p> 	<p>Chief officer for finance. He has been a member of the fund since February 2023. Has a Bachelor of Science with IT Majors in Mathematics & Computer Science, with over 11 years working experience in the banking sector and the county Government of Uasin Gishu as chief officer finance currently.</p>
<p>3.</p>  <p>SILAS K. RONO Fund administrator/ Secretary to the Board</p>	<p>Is a Fund administrator since inception of the fund and also the director for finance, County Government of Uasin Gishu. MBA, BBM, (accounting), CPA(K), CPS(K). Previously worked as an accountant, Deputy Municipal Treasurer and Municipal Treasurer in the local government for ten years and county government of Uasin Gishu as a Principal Accountant for six years and thereafter as director finance.</p>

**UASIN GISHU COUNTY
 Staff Mortgage and Car Loans Scheme fund
 Annual Report and Financial Statements
 for the year ended June 30, 2023**

5. Management Team

Name SILAS K. RONO	Details of qualifications and experience
	<p>Is a Fund administrator since inception of the fund and also the director for finance, County Government of Uasin Gishu. MBA, BBM, (accounting), CPA(K), CPS(K). Previously worked as an accountant, Deputy Municipal Treasurer and Municipal Treasurer in the local government for ten years and county government of Uasin Gishu as a Principal Accountant for six years and thereafter as director finance</p>
<p>Name JULIA NGOSOSEI</p> 	<p>Details of qualifications and experience</p> <p>Qualifications- Bachelor of business management (accounting option), CPA(K). Worked in local authority for 14 years as Accounts Assistant and later promoted as an Accountant. Currently working in Finance department as an Accountant in county Government of Uasin Gishu.</p>

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2023

6. Board/Fund Chairperson's Report

From inception the fund has had four Chairpersons with the current office holder having taken up the position since the inception of the current term of government. The Chairperson is always the Chief Officer for Public Service Management as stipulated in the funds regulations of 2015, while the other chief officers are members of the Fund while the Fund administrator is the secretary to the committee. Currently only three members sit in the management team i.e. the Chairperson, Chief Officer for finance and the Fund administrator.

The fund has since received a total funding from the County Government to tune of Kshs. 350,648,290. The fund disbursed Kshs 125,800,000.00 to Fourteen (14) members of staff whose loans were approved during the year.

Sixty (64) members of staff have Since benefited from the fund since inception, bringing the total disbursement to Ksh. 519,668,282.00 to date.

The fund still experience liquidity challenge due inadequate capital to finance the high demand from the staff.

The fund is anticipates to grow and give loan to at least 25% eligible members of staff by the year 2024 with an asset base of at least Kshs. 1,000,000,000 (**say one billion**).

I would like to thank the County Government under the able leadership of H.E the Governor for the continued support offered to the fund during the period. In addition, the Fund Administrator for the time and sacrifice in spearheading, management of the fund and preparation of annual and quarterly financial statement for the fund. I also wish to re-affirm my commitments to enhanced financial discipline and fiscal responsibilities for the betterment of our County.



Name AMB ROSE K. TARUS Signature..... Date 8/11/2023

Chairperson of the Board/Fund

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2023

7. Report of The Fund Administrator

Uasin Gishu County Executive Mortgage and Car Loan Scheme Fund was established in 2015/2016 financial year in order to facilitate the County Executive staff and management purchase, develop, renovate or repair residential property and also purchase private/personal motor vehicles. In financial year 2022/2023 Kshs 80,000,000.00 was budgeted to cater for the county executive staff car loan and mortgage facility. From inception of the fund a total of Kshs 350,648,290.00 has been disbursed to the fund through the appropriation and the budget, which in turn enabled the fund to disburse Kshs. 519,668,282.00 to a number of county staff. The total repayments received from inception to date in terms of principal and interest amounted to Kshs. 132,659,278 and Kshs 38,832,313 respectively. The principal amount received during the year under review was Kshs. 23,135,708, while interest received amounted to Kshs 6,664,501. The principal amount due during the year was Kshs. 27,162,385 and interest Kshs. 8,317,266.00 leaving a balance due of Kshs. 4,026,677 in principal and advance interest of Kshs. 1,652,765 respectively.

The fund is still limited with resources, therefore its financing still depend heavily on the county executive budget for capital inflows and operational expenses. The fund requires a huge injection of capital in order to be able to sustain itself fully and to be able to finance loans to a majority of interested staff members. Currently the demand for the loan still outlive supply of funds.

The management of the fund have put in place measure to safeguard on the risks associated with the fund out of which they were experienced at the inception of the fund.

Ensuring that before the loans are disbursed, the property is secured by fully charging the security to the loan in case of a mortgage.

Carryout a Joint registration of the log book in the names of the applicant /county Government through NTSA online portal for purposes of a car loan.

Carrying out due diligence on documentation in order to ascertain full proof of ownership and authentication.

Taking necessary administrative and legal actions against staff who default on repayments of their loans. The former members of staff who have since left the services of the county government and have defaulted in repayments, legal action have also been taken against them.

The fund needs to establish a fully fledged board of trustees for a better operation and management of the fund.

Finally, let me take the earliest opportunity to thank all members of the technical team for their time and sacrifice in preparing the annual financial statement. I also wish to re-affirm our commitments to enhanced financial discipline and fiscal responsibilities for the betterment of our county.

Signed: _____



Silas K. Rono
Fund administrator/ Secretary to the Board

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2023

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

Introduction

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

The key development objectives of the Uasin Gishu County Government Entity's plan is anticipated to grow of its portfolio to be able to finance the loans to at least 25% eligible members of staff by the year 2024 with an asset base of at least Kshs. one billion (1,000,000,000).

- a) To Provide housing loans to staff and management.
- b) To Provide personal car loans to staff and management

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Staff Car Loan and Mortgage	provide financing to the members of staff to purchase cars for personal use and acquire/construct residential houses	Increased number of staff accessing loan in the County thus increased productivity	Increased staff motivation and hence improved effectiveness and efficiency at work	In FY 22/23, we increased the number of staff who accessed the facility by eleven (14) members with total loan of Kshs. 125,800,000.00

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2023

9. Corporate Governance Statement

- The board held four meetings during year where all the requisite committee members were in attendance
- The appointment and/or removal of the committee/board member(s) may be done by the County Executive Committee Member For Finance And Economic Planning in line with the funds regulations.
- Currently the fund doesn't have a service charter however it intends to develop and implement one in the near future.
- The committee Chairman is responsible for providing leadership to the fund while the fund administrator is responsible for overseeing and managing the operations of the fund.
- The fund administrator is also the secretary to the committee
- The fund administrator is under a fiduciary duty to act honestly and in the best interests of the fund. The committee is expected to ensure that they avoid putting themselves in positions where their self-interests' conflict with their duty to act in the best interests of the fund and make any declaration of any conflicts that may have arisen in the course of their duty. A member must refrain from discussion or voting on matters of potential conflict of interests. Individual members are also required to declare their interest before participating in committee meetings and are excluded from deliberations in the case of any potential conflicts of interest.
- The board currently works on voluntary basis because the fund is still at the formative stage and cannot provide any form of remuneration to the members.
- The fund is audited internally and externally by the internal audit and the office of the auditor general.
- The county assembly also over-sites the functions of the fund through suctions and submission of reports to the relevant county assembly committees.

**UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2023**

10. Management Discussion and Analysis

From the inception of the fund in the year 2015, a number gaps have been identified in the regulations governing it. In this respect therefore, we are in the process of amending the staff car loan and mortgage regulations Act 2015 so as to incorporate the appointment and roles of the fund administrator to the fund. The administrator of staff car loan and mortgage fund shall have the power to provide mechanisms for disposal of property vested in him upon default subject to any restriction which may be imposed on his behalf by the will appointing him.

All the current loans issued have been subjected to the terms and conditions as laid out in the mortgage regulations (18) Of 2015 and unlike the earlier loans issued, the repayment period for car loan and mortgages is limited to the the period as stipulated by the salaries and remuneration for employees who are serving on contract terms while those on permanent employment, their loan shall be repaid within their term of service.

The fund still experiences loan repayment challenges especially for the initial loan beneficiaries who acquired loan in the financial year 2016-2017. The legal department has been pursuing the matter through the legal process with a limited success. All the beneficiaries working on contract with their term ending 2023, cleared their loans successfully since salaries and remuneration guidelines were well stipulated to the effect that the loans for contract staff should be cleared within the contract period. In the year 2022, salaries and remuneration commission issued new guidelines reverting back to the earlier repayment period whereby contract staff were allowed to take loans whose repayment period exceeded their contract term in office. To our observation, this may end creating more loan defaulters in future which in the long run may jeopardize the operations of the fund.

The fund is also working in conjunction with the county treasury for more budgetary allocation so as to enable us acquire a software that will ensure timely and accurate preparation of financial and management reports.

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2023

11. Environmental and Sustainability Reporting

Many corporations today have come to the realization that there are enormous benefits to be derived from being socially responsible in the societies they operate. Today, the argument is no longer about being a good corporate citizen on the part of businesses but the ability of businesses to communicate their social contributions to stakeholders.

The fund exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on the fund regulations: putting the staff first, delivering relevant services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

1. Sustainability strategy and profile -

Modern business is facing big demands from all sorts of groups today – particularly if you work in a sustainability function. From business colleagues, there are always demands to justify budgets, improve performance and do more for less. In relations with the fund, we are focusing more on staff befitting in the long run. I'm hopeful that these can help the fund on its journey to make it sustainable and more enjoyable, impact-full and beneficial for your organization. Ultimately, we think this is all about more success in the long-term. That means financial sustainability, but also understanding a purpose beyond. Corporate organizations are legal entities that all things being equal ordinarily would continue in operation as going concern. This translates to operating indefinitely.

2. Environmental performance

At the moment the fund does not provide environmental sustainability programmes

3. Employee welfare

Employee welfare means anything done for the comfort and (intellectual or social) improvement of the employees, over and above the wages paid. In simple words, it means "the efforts to make life worth living for workmen." It includes various services, facilities and amenities provided to employees for their betterment. Loan facilities come in handy with the need for that extra cash. employers offer loans to their employees at interest rates lower than market rate. This is an employment benefit to the employee(s) which is subject to a tax known as Fringe Benefit Tax (FBT). In order to mitigate financial hardships for acquiring land / house, vehicle, etc. loan facility is available to employees

4. Market place practices-

At the moment the fund does not provide.

5. Community Engagements-

At the moment the fund does not provide though in future the fund endeavors to do so

**UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2023**

12. Report of The Trustees

From inception the fund has had four Chairpersons with the current office holder having taken up the position since the inception of the current term of government. The Chairperson is always the Chief Officer for Public Service Management as stipulated in the funds regulations of 2015, while the other chief officers are members of the Fund while the Fund administrator is the secretary to the committee. Currently only three members sit in the management team i.e. the Chairperson, Chief Officer for finance and the Fund administrator.

The fund has since received a total funding from the County Government to tune of Kshs. 350,648,290. The fund disbursed Kshs 125,800,000.00 to eleven (14) members of staff whose loans were approved during the year.

Sixty (64) members of staff have Since benefited from the fund since inception, bringing the total disbursement to Ksh. 519,668,282.00 to date.

The fund still experience liquidity challenge due inadequate capital to finance the high demand from the staff.

The fund is anticipates to grow and give loan to at least 25% eligible members of staff by the year 2024 with an asset base of at least Kshs. 1,000,000,000 (say **one billion**).

10.1 Principal activities

The principal activities of the Fund are to Provide a mortgage loan scheme for purchase, development, renovation or repair of residential property and /or car loan scheme for purchase of car by at by all members of staff of the county (state officers and public officers).

10.2 Performance

The performance of the Fund for the year ended June 30, 2023, are set out on page 1

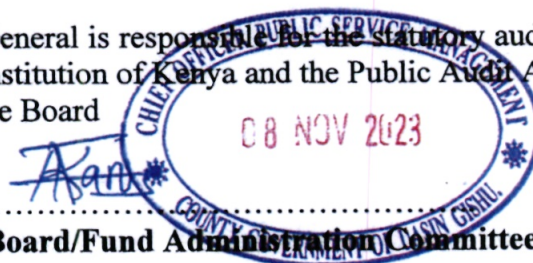
10.3 Trustees

Ref	Name	Position
1	Chairperson of the Board (Chief Officer Public Service Management)	Ambrose Tarus
2	Chief Officer Finance	Eliud Chemaget
3	Fund Manager/ Administrator	Silas Ronoh

10.4 Auditors

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

By Order of the Board



Chair of the Board/Fund Administration Committee
Date:

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2023

13. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Uasin Gishu County Staff Mortgage and Car Loans Scheme 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, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and County Public Fund established by Uasin Gishu County Staff Mortgage and Car Loans Scheme Fund. 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, 2023, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

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

Approval of the financial statements

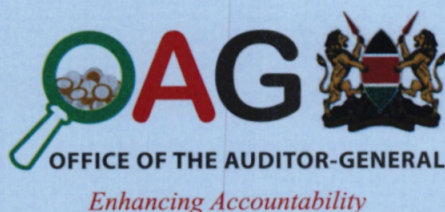
The Fund's financial statements were approved by the Board on 8th November 2023 and signed on its behalf by:



.....
Administrator of the County Staff Mortgage and Car Loans Scheme fund

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON UASIN GISHU COUNTY STAFF MORTGAGE AND CAR LOANS SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Uasin Gishu County Staff Mortgage and Car Loans Scheme Fund set out on pages 1 to 38, which comprise of the

statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Uasin Gishu County Staff Mortgage and Car Loans Scheme Fund as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Uasin Gishu County Staff Mortgage and Car Loans Scheme Fund Regulations, 2015.

Basis for Qualified Opinion

Non-Performing Loans and Unpaid Interest Receivable

The statement of the financial position and Note 13 to the financial statements reflects receivables from exchange transactions balance of Kshs.389,530,434 which includes non-current receivables balance of Kshs.350,004,055 whose credit risk has been disclosed under Note- 28(a) to the financial statements as fully performing. However, review of the loan repayment and loan amortization schedules provided for audit revealed that loan balances of Kshs.21,873,828 were not serviced during the year under review and provision for bad and doubtful debts was not disclosed in the statement of financial performance. In addition, the receivables from exchange transactions balance include current receivables balance of Kshs.39,526,379 out of which a balance of Kshs.2,521,429 was in respect of interest receivable.

In the circumstances, the accuracy, completeness and recoverability of the receivables from exchange transactions balance of Kshs.389,530,434 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a revenue budget of Kshs.133,376,896 against actual performance of Kshs.128,180,523 resulting into

revenue under realization of Kshs.5,196,373 or 4% of the budget. Similarly, the statement reflects an expenditure budget of Kshs.133,376,896 against actual performance of Kshs.125,817,400 thereby resulting into an under expenditure of Kshs.7,559,496 or 6% of the budget.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Issues

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, the issues remained unresolved as at 30 June, 2023. Management did not provide reasons for the delay in resolving the issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Non-Compliance with Loan Disbursement Guidelines

The statement of cash flow reflects loans disbursed during the year totalling to Kshs.125,800,000. However, review of records revealed that two (2) beneficiaries were advanced loans totalling to Kshs.70,000,000 where one loan was not secured while the other even though had a security provided had no charge against the security. This is contrary to regulation 13(1) of Uasin Gishu County Car and Mortgage Regulation 2015 which requires the Officer Administering the Fund to have a charge registered on the property financed through a loan granted under the scheme and shall be entitled to have the County Government have its name entered in all documents of title for such property.

In the circumstances, the security of the loans could not be confirmed and Management was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and the Board of Trustees

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

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

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

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

The Board of Trustees is 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

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

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

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

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

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

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

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

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


 FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

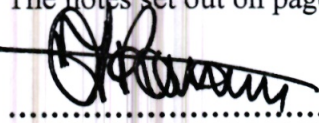
05 February, 2024

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
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15. Statement of Financial Performance for the Year Ended 30th June 2023

Description	Note	FY 2022-2023	FY 2021-2022
		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	8,317,266	7,364,297
Other Income	5	-	-
		-	-
Total Revenue		8,317,266	7,364,297
Expenses			
Employee Costs	6	-	-
Use of goods and services	7	17,400	10,800
Depreciation and Amortization Expense	8	-	-
Finance Costs	9	-	-
Total Expenses		17,400	10,800
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	-	-
Gain /Loss on fair value of investments	11	-	-
Surplus/(Deficit) for the Period		8,299,866	7,353,497

The notes set out on pages 19 to 41 form an integral part of these Financial Statements



Name:
 Administrator of the Fund



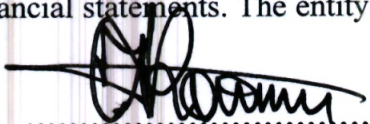
Name: Collins Chacmak
 Fund Accountant
 ICPAK Member Number:

UASIN GISHU COUNTY
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16. Statement of Financial Position As at 30 June 2023

Description	Note	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	2,363,123	18,380,314
Current Portion of Long- Term Receivables From Exchange Transactions	13	39,526,379	33,895,105
Prepayments	14	-	-
Inventories	15	-	-
Investments in financial assets	16	-	-
Total current assets		41,889,503	52,275,419
Non-Current Assets			
Property, Plant and Equipment	17	-	-
Intangible Assets	18	-	-
Long Term Receivables from Exchange Transactions	13	350,004,055	251,366,440
Investment Property	19	-	-
Total non- current assets		350,004,055	251,366,440
Total Assets		391,893,557	303,641,859
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	-	48,168
Current Portion of Borrowings	21	-	-
Employee Benefit Obligations	22	-	-
Social benefit liabilities	23	-	-
Total current liabilities		-	48,168
Non-Current Liabilities			
Long Term Portion of Borrowings	21	-	-
Non-Current Employee Benefit Obligation	22	-	-
Social benefit liabilities	23	-	-
Total Liabilities		-	-
Net Assets		391,893,557	303,593,691
Revolving Fund		350,648,290	270,648,290
Reserves		-	-
Accumulated Surplus		41,245,267	32,945,401
Total Net Assets and Liabilities		391,893,557	303,593,691

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 8th November 2023 and signed by:



Name:
 Administrator of the Fund



Name: Collins Chiroch.
 Fund Accountant
 ICPAK Member Number:

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17. Statement Of Changes in Net Assets for the year ended 30th June 2023

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2020	216,348,290	-	18,828,459	235,176,749
Surplus/(Deficit) For the Period	-	-	6,763,445	6,763,445
Funds Received During the Year	40,000,000	-	-	40,000,000
Transfers	-	-	-	0
Revaluation Gain	-	-	-	0
Prior Year Adjustment	-	-	-339,241	-339,241
Balance As At 30 June 2021	256,348,290	0	25,252,663	281,600,953
Balance As At 1 July 2021	256,348,290	0	25,252,663	281,600,953
Surplus/(Deficit) For the Period	0	-	7,353,497	7,353,497
Funds Received During the Year	14,300,000	-	-	14,300,000
Transfers	-	-	-	0
Revaluation Gain	-	-	-	0
Prior Year Adjustment	0	0	339,241	339,241
Balance As At 30 June 2022	270,648,290	0	32,945,401	303,593,691
Balance As At 1 July 2022	270,648,290	0	32,945,401	303,593,691
Surplus/(Deficit) For the Period	0	-	8,299,866	8,299,866
Funds Received During the Year	80,000,000	-	-	80,000,000
Transfers	-	-	-	0
Revaluation Gain	-	-	-	0
Balance As At 30 June 2023	350,648,290	0	41,245,267	391,893,557

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18. Statement of Cash Flows for The Year Ended 30 June 2023

Description	Note	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Interest received		6,664,501	7,412,465
Receipts from other operating activities		-	-
Total receipts		-	-
Payments			
Fund administration expenses		-	-
General expenses		17,400	10,800
Finance cost		-	-
Other payments		-	-
Net cash flows from operating activities	25	6,647,101	7,401,665
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		23,135,708	40,031,239
Transfers from the county government		80,000,000	14,300,000
Loan disbursements paid out		(125,800,000)	(54,868,282)
Net cash flows used in investing activities		(22,664,292)	(537,043)
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalents		(16,017,191)	6,864,622
Cash and cash equivalents at 1 July		18,380,314	11,515,692
Cash and cash equivalents at 30 June		2,363,123	18,380,314

(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)

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19. Statement Of Comparison Of Budget And Actual Amounts For The Year ended 30th June 2023

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.	80,000,000	-	80,000,000	80,000,000	0	100%
Balance B/F	18,380,314		18,380,314	18,380,314	0	100%
Interest Income	8,317,266		8,317,266	6,664,501	1,652,765	114%
Other Income	26,679,316		26,679,316	23,135,708	3,543,608	76%
Total Income	133,376,896	0	133,376,896	128,180,523	5,196,373	96%
Expenses						
Fund Administration Expenses	-	-	-	-	-	
Loan disbursements	133,356,896		133,356,896	125,800,000	7,556,896	94%
General Expenses	20,000		20,000	17,400	2,600	87%
Finance Cost	-	-	-	-	0	
Total Expenditure	133,376,896	0	133,376,896	125,817,400	7,559,496	94%
Surplus For the Period	0	0	0	2,363,123	(2,363,123)	
Capital expenditure	-	-	-	-	-	

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20. Notes to the Financial Statements

1. General Information

- entity is established by and derives its authority and accountability from - Uasin Gishu County Staff Mortgage And Car Loans Scheme Fund Act. The entity is wholly owned by the - County Government and is domiciled in Kenya. The entity's principal activity is to provide financing to the members of staff to purchase cars for personal use and acquire/construct residential houses. -.

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 2023

Standard	Effective date and impact
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;

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Standard	Effective date and impact
	<ul style="list-style-type: none"> • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.

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Standard	Effective date and impact
	Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows 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>
IPSAS 44: Non-	Applicable 1st January 2025

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Standard	Effective date and impact:
Current Assets Held for Sale and Discontinued Operations	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.

(iii) Early adoption of standards

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

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
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1. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 20xx was approved by the County Assembly on 29th June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Kshs. 80,000,000 on the FY 2022-02023 budget following the governing body's approval.

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

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Summary of Significant Accounting Policies (Continued)

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

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

c) Property, plant and equipment

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

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 property is measured at fair value with gains and losses recognised through surplus or deficit.* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Summary of Significant Accounting Policies (Continued)

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

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Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

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Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) Provisions

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

i) Social Benefits

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

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Significant Accounting Policies (Continued)

j) Contingent liabilities

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

Contingent assets

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

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

l) Changes in accounting policies and estimates

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

m) Employee benefits – Retirement benefit plans

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

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

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Significant Accounting Policies (Continued)

n) 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.

o) 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.

p) Related parties

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

q) 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.

r) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

There were No judgments, estimates and assumptions made e.g.

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

The condition of the asset based on the assessment of experts employed by the Entity

The nature of the asset, its susceptibility and adaptability to changes in technology and processes

The nature of the processes in which the asset is deployed

Availability of funding to replace the asset

Changes in the market in relation to the asset

c) Provisions

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

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.

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6. Notes To The Financial Statements

1. Public contributions and donations

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

2. Transfers from County Government

Description	Insert Current FY	Insert Comparative FY
	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	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Interest Income from Mortgage Loans	8,149,671	7,051,398
Interest Income From Car Loans	167,595	312,899
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	-	-
Total Interest Income	8,317,266	7,364,297

UASIN GISHU COUNTY
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Notes to the Financial Statements Continued

5. Other income

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

6. Employee Costs

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other (<i>Specify</i>)	-	-
Total	-	-

7. Use of Goods and Services

Description	Insert Current FY	Insert Previous FY
	Kshs.	Kshs.
General Office Expenses	-	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	-
Committee Allowances	-	-
Bank Charges	17,400	10,800
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-

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Description	Insert Current FY	Insert Previous FY
	Kshs.	Kshs.
Printing And Stationery	-	-
Rental Costs	-	-
Security Costs	-.	-.
Telephone And Communication Expenses	-	-
Bank Charges	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other (<i>Specify</i>)	-	-
Social benefit expenses*		
Total	17,400	10,800

8. Depreciation and Amortization Expense

Description	Insert Current FY	Insert Comparative FY
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

9. Finance costs

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

10. Gain/(loss) on disposal of assets

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

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11. Gain/ (loss) on Fair Value Investments

Description	Insert Current FY	Insert Comparative FY
	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	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Staff Car And Mortgage Loan A/C1090265192730	2,203,860	18,019,093
Staff Car And Mortgage Loan Repayment A/C1090268450986	159,263	361,221
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	-	-
Others (<i>Specify</i>)	-	-
Total Cash And Cash Equivalents	2,363,123	18,380,314

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Notes to the Financial Statements Continued

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

Financial Institution	Account number	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Equity Bank, Etc.		-	-
Sub- Total		-	-
b) On - Call Deposits			
Equity Bank,		-	-
Staff Car And Mortgage Loan	1090265192730	2,203,860	18,019,093
Staff Car And Mortgage Loan Repayment	1090268450986	159,263	361,221
Sub- Total		2,363,123	18,380,314
c) Current Account			
Kenya Commercial Bank		-	-
Bank B		-	-
Sub- Total		-	-
d) Others(Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		2,363,123	18,380,314

13. Receivables from exchange transactions

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Current Receivables		
Interest Receivable	2,521,429	868,664
Current Loan Repayments Due	37,004,950	32,978,273
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	39,526,379	33,846,937
Non-Current Receivables		
Long Term Loan Repayments Due	350,004,055	251,366,440
Total Non- Current Receivables	350,004,055	251,366,440
Total Receivables From Exchange Transactions	389,530,434	285,213,377

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Notes to the Financial Statements Continued

Additional disclosure on interest receivable

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	1,551,752	(182,320)
Accrued interest receivable from of long-term loans of previous years	868,664	916,832
Interest receivable from current portion of long-term loans issued in the current year	101,013	134,152
Current loan repayments due		
Current portion of long-term loans from previous years	4,026,677	11,695,467
Accrued principal from long-terms loans from previous periods	32,978,273	21,038,055
Current portion of long-term loans issued in the current year	(0)	244,751

14. Prepayments

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	-	-

15. Inventories

Description	Insert Current FY	Insert Previous FY
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (<i>Specify</i>)	-	-
Total Inventories at The Lower of Cost and Net Realizable Value	-	-

UASIN GISHU COUNTY
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Notes to the Financial Statements Continued

16. Investments in financial assets

Description	Insert Current FY	Insert Previous FY
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
Bank x	-	-
Bank y	-	-
Sub- total	-	-
c. Equity investments (specify)		
Equity/ shares in Entity -	-	-
Sub- total	-	-
Grand total	-	-

Movement of Equity Investments

Impairment allowance/ provision	Insert Current FY	Insert Previous FY
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

e) Shareholding in other entities

For investments in equity share listed above, list down the equity investments under the following categories:

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		Current year	Prior year
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

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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 (Previous FY)	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
At 30th June (Previous FY)	-	-	-	-	-
At 1st July (Current FY)					
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
At 30th June (Current FY)	-	-	-	-	-
Depreciation And Impairment					
At 1st July (Previous FY)	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30th June (Previous FY)	-	-	-	-	-
At 1st July (Current FY)					
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
At 30th June (Current FY)	-	-	-	-	-
Net Book Values					
At 30th June (Previous FY)	-	-	-	-	-
At 30th June (Current FY)	-	-	-	-	-

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Notes To The Financial Statements (Continued)

18. Intangible assets

Description	Insert Current FY	Insert Comparative FY
	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	Insert Current FY	Insert Comparative FY
	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	-	-

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Notes To The Financial Statements (Continued)

20. Trade and other payables from exchange transactions

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
Trade Payables	-		48,168	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
Total Trade and Other Payables	-		48,168	
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	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance At the Beginning Of The Year	-	-	-	-
Additional Provisions	-	-	-	-
Provision Utilised	-	-	-	-
Change Due To Discount And Time Value For Money	-	-	-	-
Transfers From Non -Current Provisions	-	-	-	-
Balance At The End of The Year	-	-	-	-

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Notes To The Financial Statements (Continued)

22. Borrowings

Description	Insert Current FY	Insert Comparative FY
	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	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization'	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from Z Organization'	-	-
Domestic Borrowings		
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
Total Balance at End of The Year	-	-

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

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

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Notes To The Financial Statements (Continued)

23. Employee benefit obligations

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

24. Social Benefit Liabilities

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

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Notes To The Financial Statements (Continued)

25. Cash generated from operations

Description	Insert	Insert
	Current FY	Comparative FY
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	8,299,866	7,353,497
Adjusted For:		
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	-	7,364,297
Finance Cost	-	10,800
Working Capital Adjustments		
Increase In Inventory	-	-
Increase In Receivables	1,652,765	(48168)
Increase In Payables	-	-
Net Cash Flow From Operating Activities	6,647,101	7,401,665

UASIN GISHU COUNTY
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Notes To The Financial Statements (Continued)

26. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Transfers From County Government-	80,000,000	14,300,000
Transfers From County Government- Loan Repayments	29,800,209	
Transfers To Related Parties	-	-

c) Key management remuneration

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

There was nothing due from the county government or any related party at the end of the year

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Other Disclosures Continued

e) **Due to related parties**

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

27. Contingent assets and contingent liabilities

Contingent Liabilities	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Court Case - Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

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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 no policies in place to ensure that credit is only extended to customers with an established credit history.

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

a) Credit risk

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables From Exchange Transactions			-	-
Receivables From Non-Exchange Transactions			-	-
Bank Balances			-	-
Total			-	-
At 30 June 2022				
Receivables From Exchange Transactions			-	-
Receivables From Non-Exchange Transactions			-	-
Bank Balances			-	-
Total			-	-

The Fund does not hedge any risks and has no policies in place to ensure that credit worthiness of its clients but relies only on the value the security availed and the ability to repay the loan within a stipulated time.

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Notes To The Financial Statements (Continued)

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

The entity has significant concentration of credit risk on amounts due from -x

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

b) Liquidity risk management

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

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

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

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Notes To The Financial Statements (Continued)

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

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

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Foreign currency sensitivity analysis

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

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

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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Notes To The Financial Statements (Continued)

d) Capital risk management.

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	350,648,290	270,648,290
Accumulated surplus	41,245,267	32,945,401
Total funds	391,893,557	303,593,691
Total borrowings	0	0
Less: cash and bank balances	2,363,123	18,380,314
Net debt/(excess cash and cash equivalents)	0	285,213,377
Gearing	0%	0%

29. Events after the reporting period

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

30. Ultimate and Holding Entity

The entity is a County Public Fund established by Uasin Gishu County Staff Mortgage And Car Loans Scheme Fund -Act under the department of finance. Its ultimate parent is the County Government of Uasin Gishu

31. Currency

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

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21. Annexes

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

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

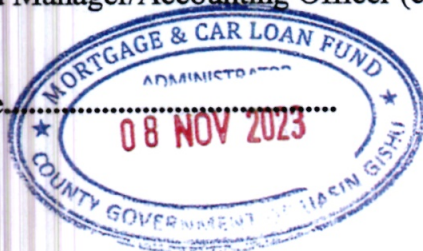
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Overdue loans from members not in service	Legal and administrative action commenced	Not Resolved	30 th June 2024
2.0	Un-secured staff mortgage and car loans	Legal and administrative action commenced	Not Resolved	30 th June 2024

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Fund responsible for implementation of each issue.
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

Fund Manager/Accounting Officer (enter title of head of Fund)

Date



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Annex II: Inter-Fund Confirmation Letter

Uasin Gishu County Staff Mortgage And Car Loans Scheme Fund

The Uasin Gishu County Staff Mortgage And Car Loans Scheme Fund wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30 th June 20xx								
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 th June 20xx				Total (D)=(A+B+C)	Amount Received by Uasin Gishu County Staff Mortgage And Car Loans Scheme Fund (KShs) as at 30 th June 2023 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)				
REF: UGC/REC/CT/16/22/23	26-Oct-22	Recurrent				80,000,000	80,000,000	NIL
Total						80,000,000	80,000,000	

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

Head of Accountants department of beneficiary Fund:

Name Stanley K. Kaut Sign [Signature] Date 8/11/23

Stamp: COUNTY GOVERNMENT OF UASIN GISHU, NOV 2023, DIRECTOR FINANCE

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Annex III: Reporting of Climate Relevant Expenditures

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

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Annex IV: Reporting on Disaster Management Expenditure

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