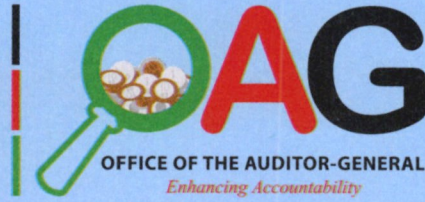
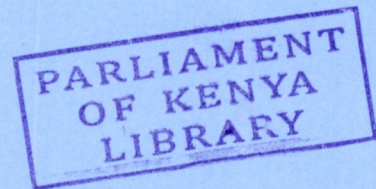


REPUBLIC OF KENYA



PAPERS LAID	
DATE	19th June 2025
TABLED BY	Sen. Mubinda on behalf of Majority Ldr
COMMITTEE	-
CLERK AT THE TABLE	Belinda

**REPORT**



**OF**

**THE AUDITOR-GENERAL**

**ON**

**BUNGOMA COUNTY ASSEMBLY  
MEMBERS' CAR LOAN AND  
MORTGAGE SCHEME FUND**

**FOR THE YEAR ENDED  
30 JUNE, 2025**



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**COUNTY ASSEMBLY OF BUNGOMA  
BUNGOMA COUNTY ASSEMBLY – MEMBERS CAR LOAN AND  
MORTGAGE FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
JUNE 30<sup>th</sup>, 2025**

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

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

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**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

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**1. Acronyms and Definition of Key Terms**

**A. Acronyms**

CAB	County Assembly of Bungoma
FY	Financial Year
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
Kshs	Kenya Shillings
MCA	Member of County Assembly
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
SRC	Salaries and Remuneration Commission

**B. Definition of Key Terms**

**Fiduciary Management-** Members of Management directly entrusted with the responsibility of financial resources of the organization.

**Comparative Year-** Means the prior period.

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

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**2. Key Fund Information and Management**

**a) Background information**

The Bungoma County Assembly Member Car Loan and Mortgage Scheme Fund is a revolving Fund established pursuant to the Salaries and Remuneration Commission (SRC) gazette Notice No.9792 of 27th July, 2022, Section 167 of the Public Finance Management (PFM) Act 2012 mandates the administrator of public Funds with the preparation of annual financial statements.

For proper management of the Fund and as advised by the SRC in the circular under the reference, Bungoma county adopted the PFM regulations 2025 to guide in the operationalization of the Fund. The Fund is internally administered in the county assembly by the office of the clerk.

The Fund is wholly owned by the county government of Bungoma and is domiciled in Kenya.

The fund's objective is to;

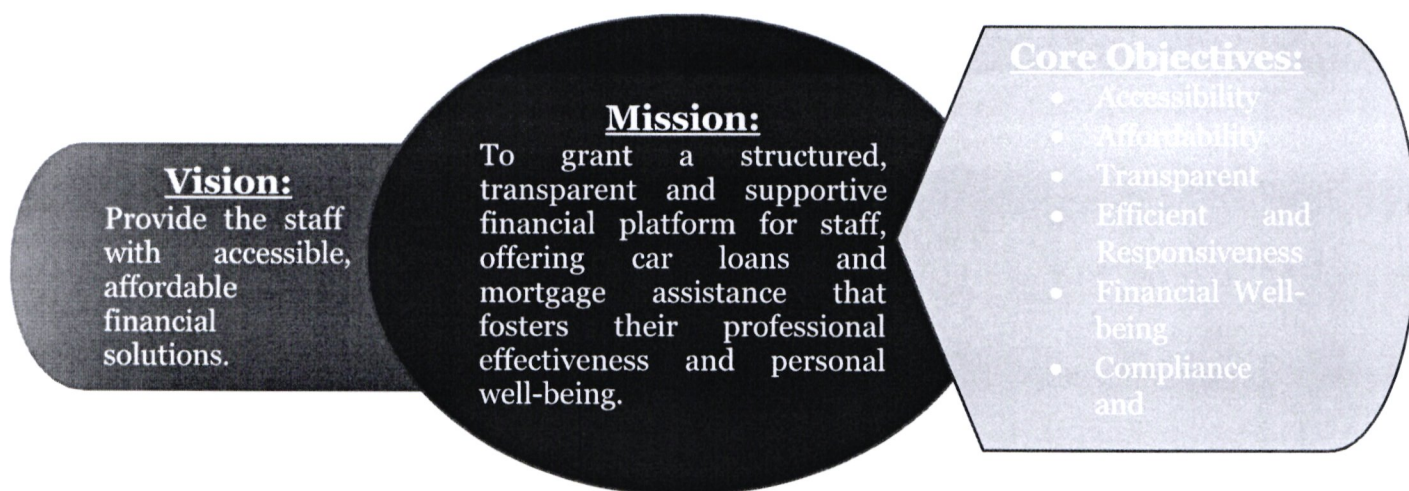
- a) Provide a loan scheme for the purchase, development, renovation or repair of residential houses to members of the scheme.
- b) Provide a loan scheme for the purchase of vehicles to members of the scheme.
- c) Raise Funds for the implementation of the loan scheme.

The Fund's principal activity is to provide car loan and Mortgage to Members of the County Assembly.

**b) Principal Activities**

The principal activity of the Fund is to provide car loan and Mortgage to Members of the County Assembly.

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**



**c) Fund Administration Committee**

Ref	Name	Position
1.	Hon. Meshack Simiyu Wekesa	Chairperson
2.	Hon. Aggrey W. Mulongo	Vice Chairperson
3.	Mr. Charles W. Wafula	Fund Administrator
4.	Dr. Leonard Momos	Member
5.	CPA, Symon Walukana	Member
6.	Mr. Ignatius Wangila	Member

**d) Key Management team**

Ref	Name	Position
1.	Mr. Charles W. Wafula	Fund Administrator
2.	CPA, Symon Walukana	Principal Finance Officer
3.	Mr. Elias Taskin	Fund Accountant

**e) Fiduciary Oversight Arrangements**

SN.	Name	Position
1.	CPA, Alfred Makokha	Principal Internal Auditor

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

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**Key Fund and Management (Continued)**

**f) County Assembly of Bungoma Headquarters**

County Assembly of Bungoma  
P.O. Box 1886 -50200  
Former County Council Building  
Moi Avenue  
**BUNGOMA, KENYA**

**g) County Assembly of Bungoma Contacts**

Telephone: 0202651905 / 0208000663  
E-mail: [info@bungomaassembly.go.ke](mailto:info@bungomaassembly.go.ke)  
Website: <http://www.bungomaassembly.go.ke>

**h) Bungoma County Assembly Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
**NAIROBI, KENYA**
2. Kenya Commercial Bank of Kenya  
P.O. Box 201- 50200  
**BUNGOMA, KENYA**

**i) Independent Auditors**

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

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

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**j) Principal Legal Adviser**




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

**k) County Attorney**

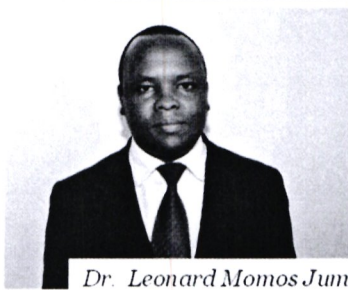
The County Attorney  
County Government of Bungoma  
P.O. Box 437 - 50200  
**BUNGOMA, KENYA**

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

**3. Fund Administration Committee**

Name	Details of qualifications and experience
<p>1.</p>  <p><i>Hon Meshack Simiyu Chairman</i></p>	<p><i>Hon Meshack Simiyu is currently the Majority Party Chief Whip at the County Assembly. He is serving his second term as MCA for Mukuyuni Ward. He has served on many Committees at the County Assembly as a Vice Chair and a Member. He previously served as a Councillor under the defunct local authority before rising through the ranks to be elected Chairman of the then Bungoma County Council. He has vast knowledge in Governance.</i></p>
<p>2.</p>  <p><i>Hon Aggrey Mulongo Vice Chair</i></p>	<p><i>Hon. Aggrey W. Mulongo is the Minority Party Chief Whip at the Bungoma County Assembly. He is serving his second term as MCA for Kibingei Ward. Hon. Mulongo contributes to fiscal oversight and development planning as a member of Finance and Economic Planning Committee which plays a key role in shaping Bungoma's budgetary priorities and economic strategies.</i></p>
<p>3.</p>  <p><i>Symon Wanjala Walukana Member</i></p>	<p><i>Symon Walukana, CPA is the Principal Finance Officer at the County Assembly. He holds a Bachelor's Degree in Commerce (Accounting Option) and a Diploma in Accountancy and is a CPA-K holder.</i></p> <p><i>He has earned a Senior Management Certificate from Kenya School of Government and a Strategic Leadership Development Program certificate from the Kenya Institute of Management. CPA Walukana is a member of the Institute of Certified Public Accountants of Kenya (ICPAK). He began his career as an Accountant at Kimilili Municipal Council before joining the Bungoma County Assembly as a Budget Officer, eventually rising to his current position.</i></p>

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**



*Dr. Leonard Momos Juma  
Member*

4.

*Dr. Momos Leonard is a distinguished academic and professional expert with extensive knowledge in business management and strategic leadership. He holds a PhD in Business Management with a focus on Strategic Management from Masinde Muliro University of Science and Technology, complemented by an MBA in Strategic Management from Kibabii University.*

*His educational background also includes a Bachelor's degree in Education Arts from Moi University and various diplomas and certifications in areas including strategic management, performance appraisals, gender mainstreaming, and parliamentary practices, reflecting his commitment to continuous professional development and expertise in both management and educational fields. He currently serves as the Deputy Clerk of Legislative Services at the County Assembly of Bungoma, where he has held pivotal roles in legislative services. Dr. Leonard is also a seasoned consultant and trainer, having participated in numerous workshops and conferences, including significant contributions to research, legislative management, reviewing advocacy plans and developing and review strategic plans. His achievements include transforming the County Assembly's document management system and authoring key procedural handbooks and have authored several influential publications.*



*Ignatius Wekesa Wangila  
Member*

5.

*Mr. Ignatius Wangila is the Principal Legal Counsel at the County Assembly. He holds an LLB from Kampala International University and a Diploma in Law from the Kenya School of Law.*

*He is an Advocate of the High Court of Kenya, a Commissioner for Oaths, and a Certified Secretary (Advanced Level). Before his current role, Mr. Wangila served as a Prosecuting Counsel in the Office of the Director of Public Prosecutions and worked as a Private Legal Practitioner.*

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**



Charles W. Wafula  
Fund Administrator


6.

*Mr. Charles Wafula is a distinguished public servant currently serving as the Clerk of the County Assembly of Bungoma. With a strong educational background, Wafula holds a Master's degree in Corporate Governance and an undergraduate degree in Accounting from KCA University. His commitment to professional excellence is further demonstrated by his CPA II certification and membership in the Institute of Internal Auditors and Kenya Institute of Management. Mr. Wafula has undergone extensive training at the Kenya School of Government, earning certificates in Transformative Leadership, Strategic Leadership Development Program, and Senior Management.*


*Wafula's career in public service spans an impressive 14 years, during which he has honed his skills and expertise in governmental accounting and administration. He began his journey with the Municipal Council of Bungoma, where he served as an accountant, gaining valuable experience in local government finance. Wafula then transitioned to the County Assembly of Bungoma, continuing to contribute his financial acumen to the region's governance. His dedication and proficiency in his field culminated in his appointment as the Clerk of the County Assembly of Bungoma in 2022, a position that recognizes his extensive experience and leadership capabilities in public sector management.*

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

**4. Management Team**

Name	Details of qualifications and experience
<p>1.</p>  <p><i>Charles W. Wafula Fund Administrator</i></p>	<p><i>Mr. Charles Wafula is a distinguished public servant currently serving as the Clerk of the County Assembly of Bungoma. With a strong educational background, Wafula holds a Master's degree in Corporate Governance and an undergraduate degree in Accounting from KCA University. His commitment to professional excellence is further demonstrated by his CPA II certification and membership in the Institute of Internal Auditors and Kenya Institute of Management. Mr. Wafula has undergone extensive training at the Kenya School of Government, earning certificates in Transformative Leadership, Strategic Leadership Development Program, and Senior Management.</i></p> <p><i>Wafula's career in public service spans an impressive 14 years, during which he has honed his skills and expertise in governmental accounting and administration. He began his journey with the Municipal Council of Bungoma, where he served as an accountant, gaining valuable experience in local government finance. Wafula then transitioned to the County Assembly of Bungoma, continuing to contribute his financial acumen to the region's governance. His dedication and proficiency in his field culminated in his appointment as the Clerk of the County Assembly of Bungoma in 2022, a position that recognizes his extensive experience and leadership capabilities in public sector management.</i></p>
<p>2.</p>  <p><i>Symon Wanyala Walukana Principal Finance Officer</i></p>	<p><i>Symon Walukana, CPA is the Principal Finance Officer at the County Assembly. He holds a Bachelor's Degree in Commerce (Accounting Option) and a Diploma in Accountancy and is a CPA-K holder.</i></p> <p><i>He has earned a Senior Management Certificate from Kenya School of Government and a Strategic Leadership Development Program certificate from the Kenya Institute of Management. CPA Walukana is a member of the Institute of Certified Public Accountants of Kenya (ICPAK). He began his career as an Accountant at Kimilili Municipal Council before joining the Bungoma County Assembly as a Budget Officer, eventually rising to his</i></p>

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

	<p><i>current position.</i></p>
 <p><i>Elias Taskin Fund Accountant</i></p> <p>3.</p>	<p><i>Mr. Elias Taskin is the Fund Accountant. He holds a Bachelor's Degree in Commerce (Finance Option) and is a CPA Finalist. Currently, he works as an Accountant at the County Assembly. Before his current position, Mr. Taskin worked as an Accountant at Elgon Teachers Sacco.</i></p>

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

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**5. Fund Chairperson's Report**

It is my pleasure to present the Bungoma County Assembly Members Car Loan and Mortgage scheme Fund financial statements for the period ended 30<sup>th</sup> June, 2025. The financial statements present the financial performance of the Fund over the period.

**Sustainability**

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

**Review of performance**

The income from interest amounted to Kshs 6,519,105. The total expenditures during the period amounted to Kshs 3,578,523 meant for Fund's administration expenses. I take this opportunity to express my sincere gratitude and appreciation to the County Government of Bungoma, stakeholders, management committees and fellow members for their continued support which made us achieve these results. I look forward to your continued support.

Signature:  Date: **22<sup>nd</sup> August, 2025**

**Hon. Meshack Simiyu**  
**Chairperson of the Fund**

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

**6. Report of the Fund Administrator**

It is my pleasure to present the Bungoma County Assembly Members' Car Loan and Mortgage Scheme financial statements for the year ended 30<sup>th</sup> June, 2025. The financial statements present the financial performance of the Fund over the period.

**Financial Performance**

In the year ended 30<sup>th</sup> June, 2025, the Fund was able to realize Kshs 6,519,105 in actual interest. There was a decrease in interest realized from Kshs 8,664,878 in the comparative financial year.

During the financial year 2024/2025, the total loans disbursed amounted to Kshs 4,480,000 comprising of Car loans of Kshs 2,000,000 and Mortgage of Kshs 2,480,000.

During the financial year, the Fund managed to recover loans from beneficiaries as follows: -

	<b>Interest</b>	<b>Insurance</b>	<b>Principal</b>	<b>Total</b>
Car Loan	2,214,555	854,280	31,989,808	<b>35,058,643</b>
Mortgage	4,304,550	1,362,771	52,206,258	<b>57,173,234</b>
<b>Total</b>	<b>6,519,105</b>	<b>2,217,051</b>	<b>84,196,066</b>	<b>92,231,877</b>

Signature.....

**Mr. Charles W. Wafula**  
**Administrator of the Fund**

Date: 27<sup>th</sup> August, 2025

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

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**7. 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 fund Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government fund's performance against predetermined objectives.

The key development objectives of Bungoma County Assembly Members' Car Loan and Mortgage Fund are to;

- a) Provide a loan scheme for the purchase, development, renovation or repair of residential houses to members of the scheme
- b) Provide a loan scheme for the purchase of vehicles to members of the scheme
- c) Raise Funds for the implementation of the loan scheme.

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

**8. Corporate Governance Statement**

**The Fund**

The Bungoma County Assembly Members Car Loan and Mortgage Scheme Fund is a revolving Fund established pursuant to the Salaries and Remuneration Commission (SRC) gazette Notice No.9792 of 27th July, 2022, Section 167 of the Public Finance Management (PFM) Act 2012. Its mandate is to provide car loans and mortgage to Members of County Assembly. The Fund is committed to ensuring compliance with regulatory and supervisory corporate governance requirements. Essential to the establishment of a corporate governance framework in the Fund is a formal governance structure with the Fund Management Committee at its apex. The operations of the Fund are governed by the Revised Members Car Loan and Mortgage regulations, 2025. The structure is designed to ensure an informed decision-making process based on accurate reporting to the Fund.

**Audit Committee**

In ensuring that corporate governance and integrity is enhanced, the Fund Management Committee engages the audit committee. The members of this committee during the year under review were:

SN.	Name	Position
1.	Dr. Destings N. Nyongesa	Chairperson
2.	Mr. Fred Wasike	Member
3.	Mr. Murambi Njibwakale	Member
4.	Ms. Carolyn Akirapa	Member
5.	CPA Alfred Makokha	Secretary

*Table 1: Audit Committee Members*

**Statement of Compliance**

The Fund Management Committee confirms that the Fund has throughout the period complied with all statutory and regulatory requirements and that the Fund has been managed in accordance with the principles of good corporate governance.

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

**Internal Control and Risk Management**

**Internal Control**

The Fund Management Committee is responsible for reviewing the effectiveness of the Fund's system of internal control which is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against unauthorized use or disposition and the maintenance of proper accounting records and the reliability of financial information used within the business or for publication. These controls are designed to manage rather than eliminate the risk of failure to achieve business objectives due to circumstances which may reasonably be foreseen and can only provide reasonable and not absolute assurance against material misstatement or loss.

**Internal Control Framework**

The Fund continues to review its internal control framework to ensure it maintains a strong and effective internal control environment. Business processes and controls are reviewed on an on-going basis. No significant failings or weaknesses were identified during the period.

**Management Team**

The management team headed by the Fund Administrator implements the Fund Management Committee decisions and policies through committee meetings. The team meets regularly to ensure that the Committee's objectives are achieved effectively and efficiently. During the period, the committee held 4 meetings.

<b>Fund Committee Meetings Attendance Summary FY 2024/2025</b>						
<b>S/No.</b>	<b>Member</b>	<b>Designation</b>	<b>Meeting 1</b>	<b>Meeting 2</b>	<b>Meeting 3</b>	<b>Meeting 4</b>
1.	Hon. Meshack Simiyu	Chairperson	√	√	√	√
2.	Hon. Aggrey Mulongo	Vice Chairperson	x	x	x	x
3.	Mr. Charles W. Wafula	Fund Administrator	√	√	√	√
4.	Ignatius Wangila	Member	√	√	√	√
5.	Dr. Leonard Momos	Member	√	√	√	√
6.	Symon Wanjala Walukana, CPA	Member	√	√	√	√

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

**Auditor**

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.

## **Bungoma County Assembly Members' Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025**

### **9. Management Discussion and Analysis**

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

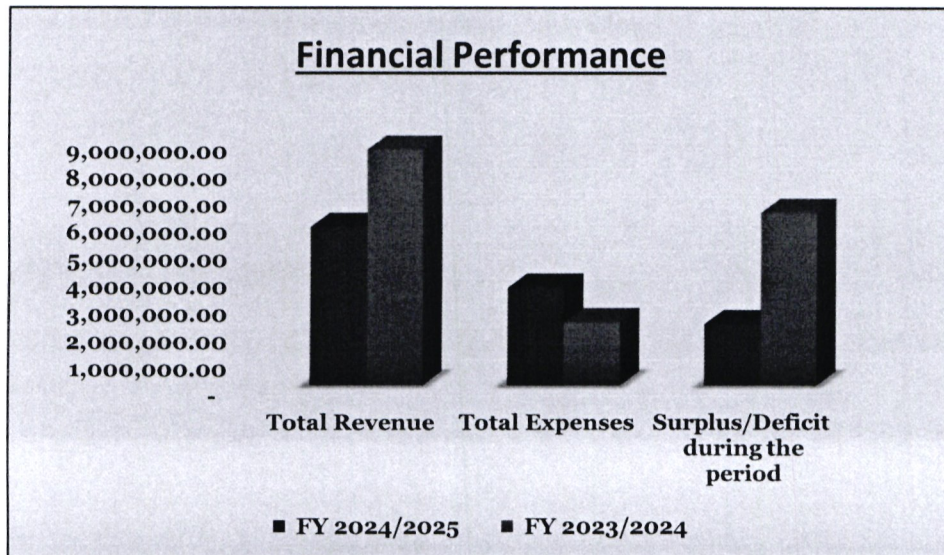
The Fund's activities expose it to a variety of financial risks including credit and liquidity risks. The Fund's overall risk management program focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and CAB has in place Enterprise Risk Management Policy 2022, to ensure that credit is only extended to members with an established credit history.

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

### **Business Performance**

#### **Revenue**

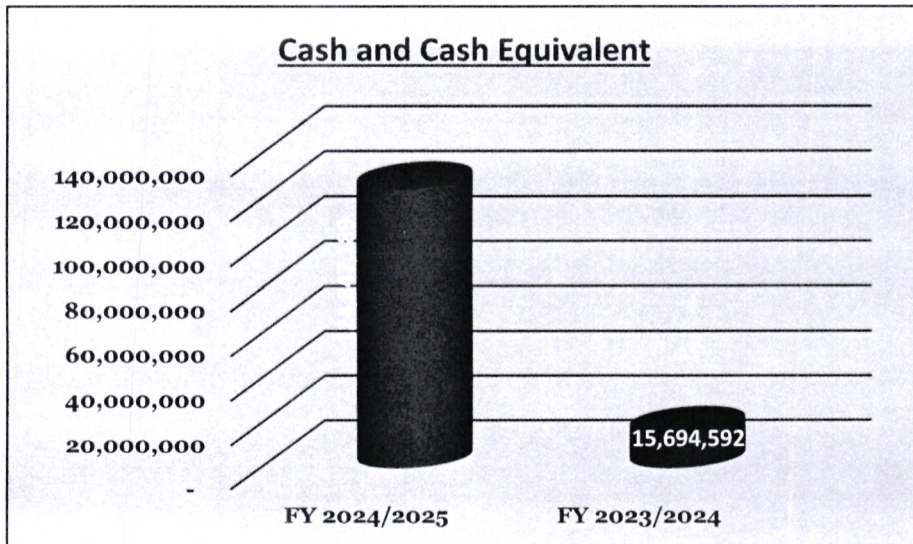
In the year ended 30<sup>th</sup> June, 2025, the Fund was able to realize Kshs 6,519,105 in actual interest which is a decrease from Kshs. 8,664,878 realized in the comparative financial year 2024/2025.



**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

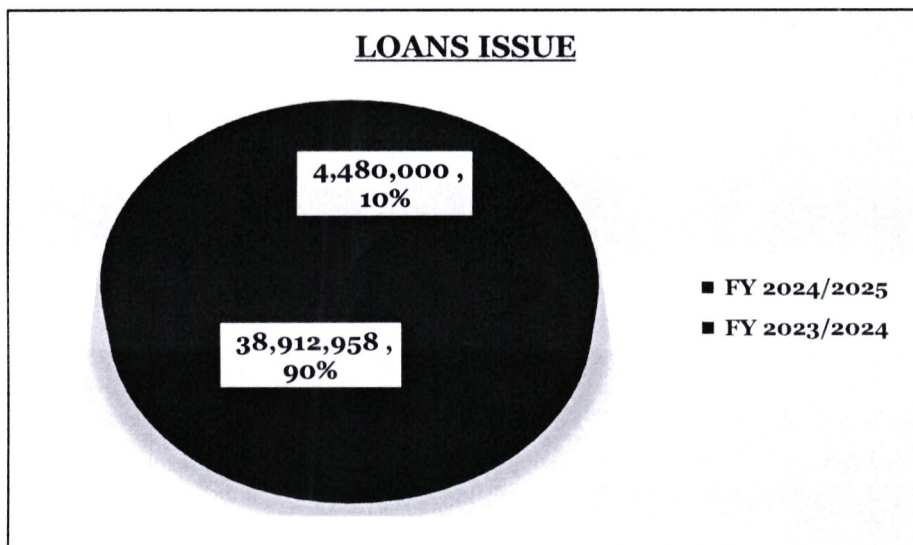
**Cash flows**

We have not had many liquidity disruptions in the period under review. The cash and cash equivalents was Kshs. 124,847,189 as at 30<sup>th</sup> June, 2025 which is a significant increase from the prior year's cash flow of Kshs. 15,694,592.



**Loans Disbursements**

During the financial year 2024/2025, the Fund disbursed a total of Kshs. 4,480,000 analyzed as follows;



**Operational Performance**

The Fund's core operating activity is to offer car loans and mortgage to MCA's.

## **Bungoma County Assembly Members' Car Loan and Mortgage Fund Annual Report and Financial Statements for the year ended June 30, 2025**

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### **10. Environmental and Sustainability Reporting**

The Bungoma County Assembly Members Car Loan and Mortgage Scheme Fund exists to motivate the members in articulating their role of legislation, representation and oversight. Key factors on which the disbursement of the loans is anchored to:

#### **i) Sustainability strategy and profile**

The Revolving fund sustainability is assured through the existence of the Fund Management Committee who ensure that the loans taken up by MCAs are sufficiently secured, whilst the beneficiaries can repay the loan without strain on their financial resources as per the requirement of the 1/3rd salary rule. A proportion of the income interest is also lumped up with the Fund and marginally contribute to the growth of the Fund.

#### **ii) Environmental performance**

CAB's Environmental Management and Sustainability Policy guides its commitment to environmental conservation. The policy, enforced by the Environment Management and Sustainability Committee (EMSC), promotes energy conservation, responsible water use, and sustainable waste management. Successes include the disposal of e-waste through the ICT Authority (ICTA) E-waste Kenya Centre on August 1, 2024, ensuring compliance with the Asset Disposal Act, 2015. Additionally, CAB partnered with the Kenya Forestry Research Institute (KEFRI) to plant trees, increasing green cover and supporting biodiversity preservation. A notable initiative was the town cleanup exercise on October 21, 2024, in collaboration with the County Assemblies Sports Association (CASA), enhancing Bungoma town's cleanliness. Shortcomings include limited funding for large-scale environmental projects, such as solar energy adoption.

#### **iii) Employee welfare**

MCAs welfare is essential for sustainability in the implementation of County Programs and projects. Disbursement of the loans at the favorable rates allow for personal development whilst removing hurdles that limit their disposable income.

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

**11. Report of The Trustees**

The Members submit their report together with the audited financial statements for the year ended June 30<sup>th</sup>, 2025 which show the state of the Fund affairs.

**Principal activities**

The principal activities of the Fund continue to be providing car loan and Mortgage to Members of the County Assembly of Bungoma.

**Results**

The results of the Fund for the year ended June 30<sup>th</sup>, 2025 are set out on page xviii - xix.

**Trustees**

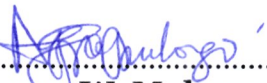
The members of the Fund Administration Committee who served during the year are shown on page vii – ix. The changes in the Board during the financial year are as shown below:

Ref	Name	Position
1.	Hon. Milliah Masungu	Former Vice Chairperson
2.	Hon. Aggrey W. Mulongo	Current Vice Chairperson

**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.

By Order of the Committee.

Signed:  Date: 27<sup>th</sup> August, 2025  
**Hon. Aggrey W. Mulongo**

**Fund Administration Committee**

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

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**12. Statement of Management's Responsibilities**

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

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. 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. 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, 2025, 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.

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

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**Approval of the financial statements**

The Fund's financial statements were approved by the Board on 27<sup>th</sup> August, 2025 and signed on its behalf by:



**Mr. Charles W. Wafula**  
**Administrator of the Fund**

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

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- 13. Report of The Independent Auditor on the Financial Statements for the Bungoma County Assembly Members Car Loan and Mortgage Scheme Fund for the Period Ended 30th June 2025**

# REPUBLIC OF KENYA

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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON BUNGOMA COUNTY ASSEMBLY MEMBERS' CAR LOAN AND MORTGAGE SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2025

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

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

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*Report of the Auditor-General on Bungoma County Assembly Members' Car Loan and Mortgage Scheme Fund for the year ended 30 June, 2025*

comprise of the statement of financial position as at 30 June, 2025 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 Bungoma County Assembly Members' Car Loan and Mortgage Scheme Fund as at 30 June, 2025, 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 (Bungoma County Assembly Members' Car Loan Scheme Fund) Regulations, 2022 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Long Outstanding Receivables from Exchange Transactions**

The statement of financial position reflects long-term receivables from exchange transactions balance of Kshs.186,410,726 as disclosed in Note 18 to the financial statements. The balance includes a balance brought forward amount of Kshs.23,009,233 which refers to loans advanced to members of the first and second County Assemblies who were not subsequently re-elected. No explanation was provided on why the former members were advanced loans that were not confined to the term of their respective office tenure of five (5) years.

In the circumstances, the accuracy and recoverability of the opening balance of long outstanding loans of Kshs.23,009,233 issued to the former Members of County Assembly could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparative basis amounting to Kshs.6,000,000 and Kshs.6,519,105 respectively, resulting to an over-collection of Kshs.519,105 or 9% of the approved

budget. Similarly, the Fund expended Kshs.3,578,523 against an approved budget of Kshs.5,030,000 resulting to under-utilization of Kshs.1,451,477 or 29% of the budget.

In the circumstances, Management did not observe fiscal discipline.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the report for the previous year, several issues were raised under Report on the Financial Statements, Emphasis of Matter and Report on Lawfulness and Effectiveness in use of Public Resources, as detailed in **Appendix I**. However, the issues had not been resolved and Management did not provide satisfactory reasons for the delay in resolving the issues.

### **Other Information**

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

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

# REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

## **Conclusion**

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

## **Basis for Conclusion**

### **1. Outstanding Borrowing by County Assembly Service Board**

The statement of financial position reflects current portion of long-term receivables from exchange transactions balance of Kshs.12,185,053 as disclosed in Note 18 to the financial statements. The balance includes Kshs.7,935,458 in respect to unrefunded borrowings by the County Assembly Service Board contrary to Regulation 4 of both the Public Finance Management (County Assembly Members Car Loan Scheme Fund) Regulations, 2022 and the Public Finance Management (County Assembly Members Mortgage Fund) Regulations, 2018 which states that the object and purpose of the fund is to provide a loan scheme for purchase of vehicles by members and for the purchase, development, renovation or repair of residential property by members of the scheme respectively.

In the circumstances, Fund's monies may not be available for disbursement to new applicants.

### **2. Failure to Provide Jointly Registered Ownership Documents**

The statement of financial position reflects long-term receivables from exchange transactions balance of Kshs.186,410,726 as disclosed in Note 18 to the financial statements. The balance includes loans of Kshs. 4,480,000 disbursed during the year under review. However, the log books and title deeds which are jointly registered under the Fund and borrowers were not provided for audit as required by Regulation 8(2) of the Public Finance Management (Bungoma County Assembly Members' Car Loan Scheme Fund) Regulations, 2022, which provides that, jointly registered ownership documents of property financed by the Fund should be kept in the custody of the officer administering the Fund.

In the circumstances, the ownership rights and obligations of long-term receivables from exchange transactions balance of Kshs. 4,480,000 could not be confirmed.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in

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*Report of the Auditor-General on Bungoma County Assembly Members' Car Loan and Mortgage Scheme Fund for the year ended 30 June, 2025*

the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

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

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes

and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

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

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

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

**Nairobi**

**05 November, 2025**

## Appendix I

### Unresolved Prior Year Issues

Reference No. on the Auditor-General's Audit Report	Issue / Observation
	<b>Report on the Financial Statements</b>
	Long Outstanding Receivables from Exchange Transactions
	<b>Emphasis of Matter</b>
	Budgetary Control and Performance
	<b>Report on Lawfulness and Effectiveness in the Use of Public Resources</b>
1	Failure to Provide Jointly Registered Ownership Documents
2	Outstanding Borrowing by County Assembly Service Board

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
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**14. Statement of Financial Performance for the Year Ended 30<sup>th</sup> June 2025**

Description	Note	FY2024/2025	FY2023/2024
		Kshs	Kshs
<b>Revenue From Non-Exchange Transactions</b>			
Public Contributions and Donations	6	-	-
Transfers From the County Government	7	-	-
Fines, Penalties and Other Levies	8	-	-
		-	-
<b>Revenue From Exchange Transactions</b>			
Interest Income	9	6,519,105	8,664,878
Other Income	10	-	-
		<b>6,519,105</b>	<b>8,664,878</b>
<b>Total Revenue</b>		<b>6,519,105</b>	<b>8,664,878</b>
<b>Expenses</b>			
Employee Costs	11	-	-
Use of goods and services	12	3,578,523	2,311,397
Depreciation and Amortization Expense	13	-	-
Finance Costs	14	-	-
<b>Total Expenses</b>		<b>3,578,523</b>	<b>2,311,397</b>
<b>Other Gains/Losses</b>			
Gain/Loss on Disposal of Assets	15	-	-
Gain /Loss on fair value of investments	16	-	-
<b>Surplus/(Deficit) for the Period</b>		<b>2,940,582</b>	<b>6,353,481</b>

.....  
**Name: Charles W. Wafula**  
**Administrator of the Fund**

.....  
**Name: Symon Walukana**  
**Principal Finance Officer**  
**ICPAK Member Number:19456**

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
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**15. Statement of Financial Position As at 30<sup>th</sup> June 2025**

Description	Note	FY2024/2025	FY2023/2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	17	124,847,189	15,694,592
Current Portion of Long- Term Receivables From Exchange Transactions	18	12,185,053	76,055,204
Prepayments	19	-	-
Inventories	20	-	-
Investments in financial assets	21	-	-
<b>Total current assets</b>		<b>137,032,242</b>	<b>91,749,796</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	22	-	-
Intangible Assets	23	-	-
Long Term Receivables from Exchange Transactions	18	186,410,726	268,343,843
Investment Property	24	-	-
<b>Total non- current assets</b>		<b>186,410,726</b>	<b>268,343,843</b>
<b>Total Assets (A)</b>		<b>323,442,968</b>	<b>360,093,640</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables from Exchange Transactions	25	-	39,591,254
Current Provisions	26	-	-
Current Portion of Borrowings	27	-	-
Employee Benefit Obligations	28	-	-
Social benefit liabilities	29	-	-
<b>Total current liabilities</b>		<b>-</b>	<b>39,591,254</b>
<b>Non-Current Liabilities</b>			
Non-Current Provisions	-	-	-
Long Term Portion of Borrowings	-	-	-
Non-Current Employee Benefit Obligation	-	-	-
Social benefit liabilities	29	-	-
<b>Total Liabilities (B)</b>		<b>-</b>	<b>39,591,254</b>

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2025**

<b>Net Assets (A-B)</b>		<b>323,442,968</b>	<b>320,502,386</b>
<b>Represented By:</b>			
Revolving Fund		314,606,924	314,606,924
Reserves		-	-
Accumulated Surplus		8,836,044	5,895,461
<b>Net Assets</b>		<b>323,442,968</b>	<b>320,502,386</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The fund financial statements were approved on 27<sup>th</sup> August, 2025 and signed by:

.....  
**Name: Charles W. Wafula**  
**Administrator of the Fund**

.....  
**Name: Symon Walukana**  
**Principal Finance Officer**  
**ICPAK Member Number:**

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
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**16. Statement of Changes in Net Assets for the year ended 30<sup>th</sup> June 2025**

	<b>Revolving Fund</b>	<b>Revaluation Reserve</b>	<b>Accumulated surplus</b>	<b>Total</b>
		<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
<b>Balance as at 1 July 2023</b>	<b>314,606,924</b>	-	<b>(3,320,924)</b>	<b>311,286,000</b>
Surplus/(deficit) for the period	-	-	6,353,481	<b>6,353,481</b>
Funds received during the year	-	-	-	-
Accrued interest			2,862,904	<b>2,862,904</b>
<b>Balance as at 30 June 2024</b>	<b>314,606,924</b>	-	<b>5,895,461</b>	<b>320,502,386</b>
<b>Balance as at 1 July 2024</b>	<b>314,606,924</b>	-	<b>5,895,461</b>	<b>320,502,386</b>
Surplus/(deficit) for the period	-	-	2,940,582	<b>2,940,582</b>
Funds received during the year	-	-	-	-
<b>Balance as at 30 June 2025</b>	<b>314,606,924</b>	-	<b>8,836,044</b>	<b>323,442,968</b>

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
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**17. Statement of Cash Flows for The Year Ended 30<sup>th</sup> June 2025**

Description	Note	FY2024/2025	FY2023/2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Public contributions and donations		-	-
Transfers from the county government		-	-
Fines, penalties and other levies		-	-
Interest received		5,818,760	7,978,533
Receipts from other operating activities		-	-
<b>Total receipts</b>		<b>5,818,760</b>	<b>7,978,533</b>
<b>Payments</b>			
Employee costs		-	-
Use of Goods and Services		(3,578,523)	(2,311,397)
Depreciation and Amortization Expense		-	-
Finance cost		-	-
Other payments		-	-
<b>Total Payments</b>		<b>(3,578,523)</b>	<b>(2,311,397)</b>
Debtors Borrowings		(8,834,903)	(9,692,000)
Debtors Repayments		73,405,400	6,000,000
		<b>64,570,497</b>	<b>(3,692,000)</b>
<b>Net cash flows from operating activities</b>	30	<b>66,810,734</b>	<b>1,975,136</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and Intangible assets		-	-
Proceeds from sale of property, plant & equipment		-	-
Proceeds from Insurance Premium Recovered		2,217,051	2,146,658
Proceeds from loan principal repayments		84,196,066	80,752,190
Loan disbursements paid out		(4,480,000)	(38,912,958)
<b>Net cash flows used in investing activities</b>		<b>81,933,117</b>	<b>43,985,890</b>
<b>Cash flows from financing activities</b>			
Proceeds from revolving fund receipts		-	-
Repayment of borrowings (from Employees' Fund)		-	571
Repayment of borrowings (to Employees' Fund)		(39,591,254)	(35,410,000)
<b>Net cash flows used in financing activities</b>		<b>(39,591,254)</b>	<b>(35,409,429)</b>
<b>Net increase/(decrease) in cash &amp; cash Equivalents</b>		<b>109,152,597</b>	<b>10,551,597</b>
Cash and cash equivalents at 1 July		15,694,592	5,142,995
<b>Cash and cash equivalents at 30 June</b>	17	<b>124,847,189</b>	<b>15,694,592</b>

18. Statement Of Comparison Of Budget And Actual Amounts For The Period 30<sup>th</sup> June, 2025

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
<b>Revenue</b>						
Public Contributions and Donations	-	-	-	-	-	0%
Transfers From County Govt.	-	-	-	-	-	-
Interest Income	6,000,000	-	6,000,000	6,519,105	- 519,105	109%
Other Income	-	-	-	-	-	-
<b>Total Income</b>	<b>6,000,000</b>	<b>-</b>	<b>6,000,000</b>	<b>6,519,105</b>	<b>519,105</b>	<b>109%</b>
<b>Expenses</b>						
Employee Costs	-	-	-	-	-	0%
Use of goods and services	5,030,000	-	5,030,000	3,578,523	1,451,477	71%
Finance Cost	-	-	-	-	-	0%
<b>Total Expenditure</b>	<b>5,030,000</b>	<b>-</b>	<b>5,030,000</b>	<b>3,578,523</b>	<b>1,451,477</b>	<b>71%</b>
<b>Surplus For the Period</b>	<b>970,000</b>	<b>-</b>	<b>970,000</b>	<b>2,940,582</b>	<b>1,970,582</b>	

## **19. Notes to the Financial Statements**

### **Significant Accounting Policies**

#### **1. General Information**

The Bungoma County Assembly Car Loan and Mortgage Scheme Fund is a revolving Fund established pursuant to the Salaries and Remuneration Commission (SRC) gazette Notice No.9792 of 27<sup>th</sup> July 2022, Section 167 of the Public Finance Management (PFM) Act 2012 mandates the administrator of public Funds with the preparation of annual financial statements.

For proper management of the Fund and as advised by the SRC in the circular under the reference, Bungoma county adopted the PFM regulations 2014 to guide in the operationalization of the Fund. The Fund is internally administered in the county assembly by the office of the clerk.

The Fund is wholly owned by the county government of Bungoma and is domiciled in Kenya, the Fund's objective is to;

- a) Provide a loan scheme for the purchase of vehicles and purchase, development, renovation or repair of residential houses to members of the scheme
- b) Raise Funds for the implementation of the objectives contemplated in (a) above.

#### **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 2025***

**Bungoma County Assembly Members' Car Loan and Mortgage Fund**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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

*(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.*

**(i) Early adoption of standards**

The Fund did not adopt any new or amended standards in the financial year 2024/2025.

#### **4. Summary of Significant Accounting Policies**

##### **a) Revenue recognition**

##### **i. Revenue from non-exchange transactions**

###### **Transfers from other government entities**

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

##### **ii. Revenue from exchange transactions**

###### **Interest income**

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

###### **Dividends**

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

###### **Rental income**

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

##### **b) Budget information**

The original budget for FY 2024/2025 was approved by the County Assembly on 15<sup>th</sup> April, 2024. There was no subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

**Summary of Significant Accounting Policies (Continued)**

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

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 cash flows has been presented.

**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 fund recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**Summary of Significant Accounting Policies (Continued)**

**a) Intangible Assets**

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

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

**a) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition.

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

**b) 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 Fund does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise

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

## **Financial assets**

### **Classification of financial assets**

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

### **Subsequent measurement**

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

**Summary of Significant Accounting Policies (Continued)**

**Amortized cost**

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

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

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

**Summary of Significant Accounting Policies (Continued)**

**Financial liabilities**

**Classification**

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

**c) 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 labor 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 Fund.

**d) Provisions**

Provisions are recognized when the Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Fund expects some or all of a provision to be reimbursed, for example,

under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**e) 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 fund recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the fund will incur in fulfilling the present obligations represented by the liability.

**f) Contingent liabilities**

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

**Contingent assets**

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

**g) Nature and purpose of reserves**

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

**Summary of Significant Accounting Policies (Continued)**

**h) Changes in accounting policies and estimates**

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

**i) Employee benefits – Retirement benefit plans**

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

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

**j) Foreign currency transactions**

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

**Summary of Significant Accounting Policies (Continued)**

**k) Borrowing costs**

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

**l) Related parties**

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

**m) Cash and cash equivalents**

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

**n) Comparative figures**

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

**Summary of Significant Accounting Policies (Continued)**

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

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

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

**b) Useful lives and residual values**

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

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

**c) Provisions**

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

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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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**Notes To the Financial Statements Continued**

**6. Public contributions and donations**

<b>Description</b>	<b>FY2024/2025</b>	<b>FY2023/2024</b>
	<b>KShs</b>	<b>KShs</b>
Donation From Development Partners	-	-
Contributions From The Public	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**7. Transfers from County Government**

<b>Description</b>	<b>FY2024/2025</b>	<b>FY2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers From County Govt. –Operations	-	-
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

<b>Description</b>	<b>FY2024/2025</b>	<b>FY2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Late Payment Penalties	-	-
Fines	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**9. Interest income**

<b>Description</b>	<b>FY2024/2025</b>	<b>FY2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Income from Mortgage Loans	4,304,550	5,635,195
Interest Income From Car Loans	2,214,555	3,029,683
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	-	-
<b>Total Interest Income</b>	<b>6,519,105</b>	<b>8,664,878</b>

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
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**10. Other income**

<b>Description</b>	<b>FY2024/2025</b>	<b>FY2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
<b>Total Other Income</b>	<b>-</b>	<b>-</b>

**11. Employee Costs**

<b>Description</b>	<b>FY2024/2025</b>	<b>FY2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other ( <i>Specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**12. Use of Goods and Services**

<b>Description</b>	<b>FY2024/2025</b>	<b>FY2023/2024</b>
	<b>KShs</b>	<b>KShs</b>
Hospitality (Allowances)	3,561,350	2,296,000
Other expenses-Bank Charges	17,173	15,397
<b>Total</b>	<b>3,578,523</b>	<b>2,311,397</b>

**13. Depreciation and Amortization Expenses**

<b>Description</b>	<b>FY2024/2025</b>	<b>FY2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Property Plant and Equipment	-	-
Intangible Assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
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**14. Finance costs**

<b>Description</b>	<b>FY2024/2025</b>	<b>FY2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

<b>Description</b>	<b>FY2024/2025</b>	<b>FY2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Property, Plant and Equipment	-	-
Intangible Assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**16. Gain/ (loss) on Fair Value Investments**

<b>Description</b>	<b>FY2024/2025</b>	<b>FY2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
<b>Total Gain</b>	<b>-</b>	<b>-</b>

**17. Cash and cash equivalents**

<b>Description</b>	<b>FY2024/2025</b>	<b>FY2023/2024</b>
On – call deposits	-	-
Current account	124,847,189	15,694,592
<b>Total cash and cash equivalents</b>	<b>124,847,189</b>	<b>15,694,592</b>

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
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Detailed analysis of the cash and cash equivalents are as follows:

		<b>FY2024/2025</b>	<b>FY2023/2024</b>
<b>Financial institution</b>	<b>Account number</b>	<b>KShs</b>	<b>KShs</b>
<b>Current account</b>			
Kenya Commercial bank	1220563730	124,750,364	15,592,727
Kenya Commercial bank Collection	1265050945	96,825	101,865
<b>Total</b>		<b>124,847,189</b>	<b>15,694,592</b>

**18. Receivables from exchange transactions**

<b>Description</b>	<b>FY2024/2025</b>	<b>FY2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Current Receivables</b>		
Interest Receivable	4,249,595	3,549,249
Current Loan Repayments Due	-	-
Other Debtors	7,935,458	72,505,955
Less: Impairment Allowance	-	-
<b>Total Current Receivables</b>	<b>12,185,053</b>	<b>76,055,204</b>
<b>Non-Current Receivables</b>		
Long Term Loan Repayments Due	186,410,726	268,343,843
<b>Total Non- Current Receivables</b>	<b>186,410,726</b>	<b>268,343,843</b>
<b>Total Receivables From Exchange Transactions</b>	<b>198,595,779</b>	<b>344,399,047</b>

**Additional disclosure on interest receivable**

<b>Description</b>	<b>FY2024/2025</b>	<b>FY2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Interest Receivable</b>		
Interest receivable from current portion of long-term loans of previous years	700,346	686,345
Accrued interest receivable from long-term loans of previous years	3,549,249	2,862,904
Interest receivable from current portion of long-term loans issued in the current year	-	-
<b>Current loan repayments due</b>		

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Current portion of long-term loans from previous years	149,003,915	210,992,753
Accrued principal from long-terms loans from previous periods	20,196,801	16,280,048
Current portion of long-term loans issued in the current year	1,623,732	23,267,713

**19. Prepayments**

Description	FY2024/2025	FY2023/2024
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments	-	-
<b>Total</b>	-	-

**20. Inventories**

Description	FY2024/2025	FY2023/2024
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories	-	-
<b>Total Inventories at The Lower of Cost and Net Realizable Value</b>	-	-

Detailed disclosure on inventories

	FY2024/2025	FY2023/2024
	Kshs	Kshs
Opening balance	-	-
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	-	-

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21. Investments in financial assets

Description	FY2024/2025	FY2023/2024
	Kshs	Kshs
<b>a. Investment in Treasury bills and bonds</b>		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
<b>b. Investment with Financial Institutions/ Banks</b>		
Bank	-	-
Bank	-	-
Sub- total	-	-
<b>c. Equity investments (specify)</b>		
Equity/ shares in Entity	-	-
Sub- total	-	-
<b>Grand total</b>	-	-

Movement of Equity Investments

Description	FY2024/2025	FY2023/2024
	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	-	-
<b>At the end of the year</b>	-	-

d) Shareholding in other entities

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	FY 2024/2025 Kshs	FY 2023/2024 Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

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22. Property, plant, and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Cost</b>					
<b>At 1<sup>st</sup> July, 2023</b>	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
<b>At 30<sup>th</sup> June, 2024</b>	-	-	-	-	-
<b>At 1<sup>st</sup> July, 2024</b>	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
<b>At 30<sup>th</sup> June, 2025</b>	-	-	-	-	-
<b>Depreciation And Impairment</b>					
At 1 <sup>st</sup> July, 2023	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
<b>At 30<sup>th</sup> June, 2024</b>	-	-	-	-	-
<b>At 1<sup>st</sup> July, 2024</b>	-	-	-	-	-
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
<b>At 30<sup>th</sup> June, 2025</b>	-	-	-	-	-
<b>Net Book Values</b>					
<b>At 30<sup>th</sup> June, 2024</b>	-	-	-	-	-
<b>At 30<sup>th</sup> June, 2025</b>	-	-	-	-	-

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**23. Intangible assets**

Description	FY2024/2025	FY2023/2024
	Kshs	Kshs
<b>Cost</b>		
<b>At Beginning of The Year</b>	-	-
Additions	-	-
<b>At End of The Year</b>	-	-
<b>Amortization And Impairment</b>		
<b>At Beginning of The Year</b>	-	-
Amortization	-	-
<b>At End of The Year</b>	-	-
Impairment Loss	-	-
<b>At End of The Year</b>	-	-
<b>NBV</b>	-	-

**24. Investment Property**

Description	FY2024/2025	FY2023/2024
	Kshs	Kshs
<b>At beginning of the year</b>	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
<b>At end of the year</b>	-	-

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

Description	FY		FY	
	2024/2025		2023/2024	
	Kshs		Kshs	
Trade Payables	-		-	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		39,591,254	
<b>Total Trade and Other Payables</b>	-		<b>39,591,254</b>	
Ageing analysis (Trade and other payables)	FY	% of the	FY	% of the
	2024/2025	Total	2023/2024	Total
Under one year	-	%	-	%
1-2 years	-	%	39,591,254	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (tie to above total)</b>	-		<b>39,591,254</b>	

**Bungoma County Assembly Members' Car Loan and Mortgage Fund  
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**26. Provisions**

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

**27. Borrowings**

Description	FY2024/2025	FY2023/2024
	Kshs	Kshs
<b>Balance At Beginning of The Period</b>	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments of External Borrowings During the Period	-	-
Repayments of Domestic Borrowings During the Period	-	-
<b>Balance At End of The Period</b>	-	-

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

Description	FY2024/2025	FY2023/2024
	Kshs	Kshs
<b>External Borrowings</b>		
Dollar Denominated Loan From 'X Organization'	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from Z Organization'	-	-
<b>Domestic Borrowings</b>		
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
<b>Total Balance at End of The Year</b>	-	-

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

<b>Description</b>	<b>FY2024/2025</b>	<b>FY2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
<b>Total</b>	-	-

**28. Employee benefit obligations**

<b>Description</b>	<b>Define d benefit plan</b>	<b>Post employem t medical benefits</b>	<b>Other Provision s</b>	<b>FY2024/202 5</b>	<b>FY2023/202 4</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
	-	-	-	-	-

**29. Social Benefit Liabilities**

<b>Description</b>	<b>FY2024/2025</b>	<b>FY2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
<b>Total</b>	-	-
Current social benefits	-	-
Non- current social benefits	-	-
<b>Total (tie to totals above)</b>	-	-

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**30. Cash generated from operations.**

<b>Description</b>	<b>FY2024/2025</b>	<b>FY2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Surplus/ (Deficit) For the Year Before Tax</b>	<b>2,940,582</b>	<b>6,353,481</b>
<b>Adjusted For:</b>		
Depreciation	-	-
Amortization	-	-
Gains/ Losses on Disposal of Assets	-	-
Interest Income	-	-
Finance Cost	-	-
<b>Working Capital Adjustments</b>	-	-
Increase In Inventory	-	-
Increase In Receivables	(63,870,152)	(4,378,345)
Increase In Payables	-	-
<b>Net Cash Flow From Operating Activities</b>	<b>66,810,734</b>	<b>1,975,136</b>

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**31. 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 Assembly of Bungoma;
- b) The Bungoma County Government;
- c) Key management;
- d) Board of Trustees; etc.

**b) Related party transactions**

<b>Description</b>	<b>FY2024/2025</b>	<b>FY2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-
<b>Total</b>	-	-

**c) Key management remuneration**

<b>Description</b>	<b>FY2024/2025</b>	<b>FY2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Board Of Trustees	-	-
Key Management Compensation	-	-
<b>Total</b>	-	-

**d) Due from related parties**

<b>Description</b>	<b>FY2024/2025</b>	<b>FY2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Due From CASB	7,935,458	72,505,955
Due From County Government	-	-
<b>Total</b>	<b>7,935,458</b>	<b>72,505,955</b>

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**Other Disclosures Continued**

**e) Due to related parties**

<b>Description</b>	<b>FY2024/2025</b>	<b>FY2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Due to Employees Fund Scheme	-	39,591,254
Due To County Government	-	-
Due To Key Management Personnel	-	-
<b>Total</b>	<b>-</b>	<b>39,591,254</b>

**32. Contingent assets and contingent liabilities**

<b>Contingent Liabilities</b>	<b>FY2024/2025</b>	<b>FY2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Court Case Against the Fund	-	-
Bank Guarantees	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**33. Financial risk management**

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

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

**a) Credit risk**

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of

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financial position are net of allowances for doubtful receivables, estimated by the fund's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the fund's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2025</b>				
Receivables From Exchange Transactions	<b>190,660,321</b>	186,410,726		
Receivables From Non-Exchange Transactions	<b>7,935,458</b>	7,935,458	-	-
Bank Balances	124,847,189	124,847,189	-	-
<b>Total</b>	<b>323,442,968</b>	<b>319,193,373</b>	<b>4,249,595</b>	-
<b>At 30 June 2024</b>	<b>323,442,968</b>			
Receivables From Exchange Transactions	<b>271,893,092</b>	268,343,843	3,549,249	-
Receivables From Non-Exchange Transactions	<b>72,505,955</b>	-	72,505,955	-
Bank Balances	15,694,592	15,694,592	-	
<b>Total</b>	<b>360,093,639</b>	<b>284,038,435</b>	<b>76,055,204</b>	-

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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 fund has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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

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

<b>Description</b>	<b>Less than 1 month</b>	<b>Between 1-3 months</b>	<b>Over 5 months</b>	<b>Total</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>At 30 June 2025</b>				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2024</b>				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-

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**c) Market risk**

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

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

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

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

**i. Foreign currency risk**

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

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

<b>Description</b>		<b>Other currencies</b>	<b>Total</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>At 30 June, 2025</b>			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables	-	-	-
<b>Liabilities</b>	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
<b>Net Foreign Currency Asset/(Liability)</b>	-	-	-

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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
<b>(Current FY)</b>			
Euro	10%	-	-
USD	10%	-	-
<b>(Comparative FY)</b>			
Euro	10%	-	-
USD	10%	-	-

**ii. Interest rate risk**

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

***Management of interest rate risk***

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

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**d) Capital risk management.**

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

<b>Description</b>	<b>FY2024/2025</b>	<b>FY2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Revaluation reserve	-	-
Revolving fund	314,606,924	314,606,924
Accumulated surplus	8,836,044	5,895,461
<b>Total funds</b>	<b>323,442,968</b>	<b>320,502,386</b>
Total borrowings	-	39,591,254
Less: cash and bank balances	(124,847,189)	(15,694,592)
Net debt/(excess cash and cash equivalents)	(124,847,189)	23,896,662
<b>Gearing</b>	<b>(38.60%)</b>	<b>7.46%</b>

**33. Events after the reporting period**

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

**34. Ultimate and Holding Fund**

The Bungoma County Assembly Member Car Loan and Mortgage Scheme Fund is a revolving fund established pursuant to the Salaries and Remuneration Commission (SRC) gazette Notice No.9792 of 27<sup>th</sup> July 2022, Section 167 of the Public Finance Management (PFM) Act 2012 mandates the administrator of public funds with the preparation of annual financial statements.

For proper management of the fund and as advised by the SRC in the circular under the reference, Bungoma county adopted the PFM regulations 2014 to guide in the operationalization of the fund. The fund is internally administered in the county assembly by the office of the clerk.

The fund is wholly owned by the County Government of Bungoma and is domiciled in Kenya.

**35. Currency**

The financial statements are presented in Kenya Shillings (Kshs)

20. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/KRO/BCAM CL&MF/2023/2024(14)	Long Term Outstanding Receivables From Exchange Transactions	The management agrees with the Audit Findings that Outstanding loans to members of first assembly were not recovered before the end of their term. At the end of their term the management could not fully recover the loans disbursed because in 2015, The MCA had filed a case in court through petition no 576 of 2015 where they Argued that they had not served their term in full but the same was finally dismissed by the Supreme Court on 28 <sup>th</sup> October, 2022 and therefore the management has initiated the process of recovering the same Loans. Fortunately the Assembly is still holding their securities and has put CAUTION on them.	Not Resolved	FY 2025/2026
OAG/KRO/BCAM CL&MF/2023/2024(14)	Budgetary Control and Performance	The management agrees with the audit findings that there were under absorption of KShs. 2,728,603 or 54% of the budget and the amount was meant for charging of the securities and this was due to bureaucratic process involved in the charging the securities at the ministry of Lands	Not Resolved	FY2025/2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		,Public works, Housing and Urban development . There is a budget absorption improvement in the current financial year from 54% to 71%.		
OAG/KRO/BCAM CL&MF/2023/2024(14)	Failure to provide Jointly Registered Ownership Documents	The management agrees with the findings, however some of the properties have already been charged and the others are in the process of being charged and this has been due to bureaucratic process involved in charging property securities at Ministry Lands	Not Resolved	FY 2025/2026
OAG/KRO/BCAM CL&MF/2023/2024(14)	Outstanding Borrowing by County Assembly Service Board	The management agrees with the finding that at the time of Audit there were still outstanding balances of KShs. 72,505,204. The management has since refunded 82% of the borrowings in the current financial year (FY 2025/2025).	82% Resolved	FY 2025/2026

Sign:..... Date: 27<sup>th</sup> August, 2025

**Mr. Charles W. Wafula**  
**Administrator of the Fund**

