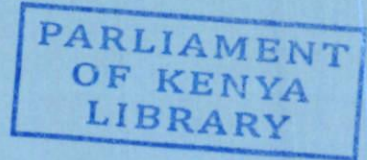


REPUBLIC OF KENYA



Enhancing Accountability



REPORT

OF

THE AUDITOR-GENERAL

ON

**HOMA BAY COUNTY ASSEMBLY CAR
LOAN AND MORTGAGE FUND**

**FOR THE YEAR ENDED
30 JUNE, 2020**

| PAPERS LAID | |
|--------------------|------------|
| DATE | 02/03/2022 |
| TABLED BY | SML |
| COMMITTEE | - |
| CLERK AT THE TABLE | DANIEL |





**HOMA BAY COUNTY ASSEMBLY
CAR AND MORTGAGE FUND**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

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

HOMA BAY COUNTY ASSEMBLY CAR AND MORTGAGE FUND
Reports and Financial Statements
For the year ended June 30, 2020

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

The Homa Bay County Assembly Car and Mortgage loan scheme is a revolving fund established pursuant to the Salaries and Remuneration Commission (SRC) circular number SRC/TS/WH/3/14 of 14th February 2014. Section 167 of the Public Finance Management (PFM) Act 2012 mandates the 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, Homa Bay County Assembly adopted the PFM regulations 2014 to guide in the operationalization of the fund.

The SRC in its circular reference SRC/ADM/CIR/1/13 Vol.III (128) dated 17th December 2014 provided guidelines for access of car loan and mortgage benefits by state and public officers. Arising therefrom, the Homa Bay County Assembly passed a Car Loan and Mortgage Regulations in 2014.

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

b) Principal Activities

The principal activity/mission/ mandate of the fund is to provide mortgage and car loans to MCAs and staff.

Vision

“A modern County Assembly that offers excellence in service delivery and leadership for the people of Homa Bay County”

Mission

To ensure that the Assembly exercises its legislative, oversight and representation functions effectively within the framework of the Kenyan Constitution and working with all those committed to building productive and prosperous Homa Bay County.

Strategic Objectives

- To develop and sustain the Homa Bay County assembly institutional capacity to better discharge its constitutional mandate
- To improve the legislative process at Homa Bay County assembly
- To improve the capacity of Homa Bay County assembly and to provide effective oversight to county government
- To fully develop the representation and outreach work of the members of county assembly

HOMABAY COUNTY ASSEMBLY CAR AND MORTGAGE FUND
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(c) Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P O box 60000
City Square 00200
Nairobi, Kenya

2. Equity Bank
Equity Centre, Upper Hill
P O Box 1234 – 00100
Nairobi, Kenya

(d) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P O Box 30084
City Square 00200
Nairobi, Kenya

(e) Principal Legal Adviser

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

HOMA BAY COUNTY ASSEMBLY CAR AND MORTGAGE FUND
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For the year ended June 30, 2020

2. MANAGEMENT TEAM

a)Key Management

| Ref | Name | Position |
|------------|-----------------------|-------------------------------------|
| 1 | Odhiambo Daniel Kaudo | Fund Administrator (Assembly Clerk) |
| 2 | Jacinter Adede | Fund Accountant |

b) Fund Administration Committee

| Ref | Name | Position |
|------------|----------------------|------------------|
| 1 | Hon Philemon Okombo | Chairperson |
| 2 | Hon. Evelyn Otieno | Vice Chairperson |
| 3 | Hon. Walter Muok | Member |
| 4 | Hon. Susan Akoth | Member |
| 5 | Hon. Paul Wamunga | Member |
| 6 | Hon. James Okeyo | Member |
| 7 | Hon. Geoffrey Otieno | Member |
| 8 | Relex Amollo Oswali | Secretariat |
| 9 | Wendy Winnie Opar | Secretariat |

HOMA BAY COUNTY ASSEMBLY CAR AND MORTGAGE FUND
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For the year ended June 30, 2020

4. FINANCIAL PERFORMANCE

a) Revenue

In the year ended 30th June 2020, the fund had projected interest income of KShs 5,545,556. Out of the projected revenue, the fund was able to realise actual interest income, representing 98.7% performance.

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

| Revenue classification | Revenue budget (KShs) | Actual (KShs) | Realisation (%) |
|-----------------------------------|------------------------------|----------------------|------------------------|
| Revenue | KShs | KShs | |
| Transfers from County Govt. | 80,000,000 | 40,000,000 | 50% |
| Interest income | 5,545,556 | 5,545,556 | 100% |
| Fines, penalties and other levies | - | - | - |
| Other income | - | - | - |
| Total income | 85,545,556 | 45,545,556 | 53% |

b) Loans

During the financial year 2019/2020, the fund disbursed a total of Kshs.88, 350, 000 being staff Mortgage and Car loans. The total loan beneficiaries to date is 118.

Cash flows

In the financial year 2019/2020, we had a few liquidity disruptions. This was as a result of late disbursement from the national treasury hence affecting issuance of new loans, deductions and remission of the interest and principal. The cash and cash equivalents was Kshs. 60,189,358 as at 30th June 2020, being an increase from Kshs 60,189,358 as at 30th June 2020.

c) Conclusion

The financial year 2019/2020 was a good year in general. Good progress was made and the momentum has been created to enable Homa Bay County Assembly car loan fund continue on a trajectory into prosperity.

The loan repayment during the year wasn't 100% realized though. The County Assembly Service Board differed loan repayment for three months to beneficiaries who applied in an effort to cushion them from the Covid-19 uncertainties. We have identified gaps and areas to improve on in the subsequent years.

REPUBLIC OF KENYA

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



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON HOMA BAY COUNTY ASSEMBLY CAR LOAN AND MORTGAGE FUND FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Homa Bay County Assembly Car Loan and Mortgage Fund set out on pages 7 to 23, which comprise the statement of financial position as at 30 June, 2020, the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters described in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of the Homa Bay County Assembly Car Loan and Mortgage Fund as at 30 June, 2020, 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 do not comply with the County Government Act, 2012, the Public Finance Management (Homa Bay County Assembly Car Loan and Mortgage Fund) Regulations, 2016 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1.0 Presentation of the Financial Statements

The statement of changes in net assets and statement of comparison of budget and actual are indicated "as at and for the period" ended 30 June, 2020 instead of year ended 30 June, 2020 contrary to the requirement of Section 66(a) of IPSAS 1 on the presentation of financial statement. The financial statements also did not have a Note on progress on follow up of auditor's recommendations and annexures on analysis of pending staff payables, analysis of other pending payables and analysis of outstanding imprest contrary to The Public Sector Accounting Standards Board (PSASB) reporting template for June, 2020.

Further, the financial statement availed for review did not reflect the following elements contrary to the Public Sector Accounting Standards Board (PSASB) reporting template; finance officer's ICPAK membership number, passport size photos, names and concise description of both corporate governance body, management team,

board/fund Chairperson's report, corporate governance statement, management discussion analysis, corporate social responsibility statement, report of the committee on car and mortgage fund and statement of management responsibilities.

In the circumstances, the Fund's financial statements for the year under review are not prepared in accordance with the PSASB reporting template of June 2020.

2. Lack of Trial Balance

The financial statements submitted for audit were not supported with a trial balance for the financial year ended 30 June, 2020.

In the circumstances, the validity and accuracy of all the balances in the Fund's financial statements for the year ended 30 June, 2020 could not be confirmed.

3. Unsupported Loan Disbursements and Repayments

The statement of cash flows for the year ended 30 June, 2020 reflects balances of loan disbursements paid out of Kshs.88,350,000 and repayment of borrowed loans of Kshs.67,514,012 whose details have not been provided for audit review or explained.

Consequently, the validity and accuracy of the figures reported in the statement of cash flows for the year ended 30 June, 2020 could not be ascertained.

4. Erroneous and Unsupported Dormant Bank Account Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.60,189,358 as disclosed in Note 3 to the financial statements. The balance includes an amount of Kshs.269,225 which was erroneously credited to the account and had not been reversed as at 30 June, 2020. Further, certificate of bank balance, bank reconciliation statement and bank statement were not availed for audit review.

Consequently, the accuracy and completeness of cash and cash equivalent of Kshs.60,189,358 as at 30 June, 2020 could not be confirmed.

6. Unsupported Cash Withdrawals

Review of the bank statements of car and mortgage account held at Equity bank Homa Bay branch revealed various cash withdrawals totaling Kshs.24,104,709. However, the relevant supporting documents such as payment vouchers and invoices were not availed for audit review.

Consequently, the regularity and validity of cash withdrawals of Kshs.24,104,709 could not be confirmed.

7. Unsupported Cash Transfers

The Assembly transferred Kshs.28,000,000 from mortgage account to operation account held at Equity Bank Homa Bay branch and withdrawn on the same date. Management did not provide a break down on how the funds were utilized.

Consequently, the accuracy, validity and regularity of transferred amount of Kshs.28,000,000 and subsequent withdrawals could not be ascertained as at 30 June, 2020.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2020 reflect Kshs.85,545,556 in respect to budgeted revenue and Kshs.45,545,556 in respect to actual revenue resulting in under collection of revenue of Kshs.40,000,000 or 47%. Similarly, the statement reflects Kshs.2,271,000 in respect to budgeted expenditure while actual expenditure is Kshs.5,694,593 resulting to an over expenditure of Kshs.3,423,593 which was not approved.

In the circumstances, under collection of revenue affected the planned activities and may have impacted negatively on service delivery to the public while excess expenditure is in breach of the law and its propriety could not be ascertained.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Unbalanced Budget

The statement of comparison of budget and actual amounts for the year ended 30 June, 2020 reflects Kshs.85,545,556 and Kshs.2,271,000 in respect to approved revenue and expenditure budgets respectively resulting to a variance of Kshs.83,274,556 being budget imbalance contrary to Section 31(c) of the Public Finance Management (County Government) Regulations, 2015 which states that budget revenue and expenditure appropriations shall be balanced.

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

2. Release of Logbooks before Loan Clearance

A review of Fund records revealed that the Fund administration committee irregularly resolved to release two logbooks to two MCAs contrary to the provision of Part III Section 10(2) of Homa Bay Assembly Car Loan and Mortgage Regulations 2016 which states that a logbook released shall be returned to the officer administering the Fund within 21 working days of such release.

Further, the Assembly Fund Management does not maintain records of logbooks received and released from the members.

Consequently, the Management is in breach of the law and there is a high risk that the loanees default on the car loan without any collateral security.

3. Irregular Deferment of Loan and Mortgage Repayments

A review of loan repayments revealed that Homa Bay County Assembly Service Board resolved to defer loans and mortgage repayments of the thirty-five (35) MCAs for a period of three (3) months effective April, 2020 due to the effects of Covid 19 without justification. Postponing loans repayment may result in increased number of defaulters especially the elected Members of County Assembly whose term is limited to 5 years.

Consequently, the Management is in breach of the law.

4. Irregular Borrowing from Revolving Fund

The statement of financial position as at 30 June, 2020 reflects revolving fund balance of Kshs.345,347,524 as disclosed in Note 5 to the financial statements. Included in the balance is an amount of Kshs.190,000,000 borrowed by County Assembly operations out of which balance of Kshs.143,272,154 has so far been repaid resulting to outstanding balance of Kshs.46,727,846.

Consequently, the propriety of the revolving fund amounting to Kshs.345,347,524 could not be ascertained.

5. Unsecured and Unrecoverable Loan from Defaulters

The statement of financial position reflects long term portion of borrowing of Kshs.257,890,291 as disclosed in Note 4 to the financial statements. However, no evidence was provided to show existence of collateral such as logbooks jointly owned by the Assembly Service Board and members of the County Assembly (MCA), to secure the loans as required by the Fund Regulations. Further, only 58 logbooks were provided for audit verification and the management also failed to provide evidence that members undertook comprehensive insurance policy for their vehicles and valuation reports to determine the value of the vehicle before payment to suppliers contrary to Homa Bay County Assembly (Mortgage Scheme) Regulations 2016 Part III Section 9(2) which states that the logbook of a vehicle subject to a loan from the Fund shall be issued jointly between the County Assembly Service Board and the member of the scheme and shall be kept in custody of the officer administering the fund until the loan is repaid in full by member of the scheme.

In addition, the balance includes Kshs.3,802,750 in respect to outstanding car and mortgage loans advanced to two (2) staff who left the Assembly in 2018. The former

staff had defaulted on the loan repayment and one of them had already left employment with the logbook. Management has not taken any measures to recover the loans contrary to Section 17 of Homa Bay County Assembly Car Loan and Mortgage Fund Regulations, 2016 which states that the Fund may call in a loan and sell the charged property by public auction or private treaty where the borrower is in breach of the terms under the loan agreement or the covenant contained in the charge of the mortgage instrument. Further, accrued interest on the outstanding loans has not been reflected in the financial statements.

Consequently, the Management is in breach of the law and the recoverability of the loans outstanding of Kshs.3,802,750 as at 30 June, 2020 is doubtful.

6. Irregular Acquisition of Mortgage Loans

A review of Fund records revealed that loans totalling Kshs.100,000,000 was given out to eight (8) Staff of the County Assembly without copies of proposed residential property, bills of quantity, official search and copies of sale agreement relating to the property contrary to Section 10 of Homa Bay County Assembly Mortgage Scheme Regulations 2016 which states that an application for loan shall be accompanied by copies of design of the proposed residential property duly approved by the County Government within whose area it is situated; bills of quantity in respect of proposed development, renovation or repair; an official search of the title to the property intended to be purchased and certified copy of the sale agreement relating to the property where appropriate

Consequently, the Management is in breach of the law.

7. Purchase of Low Value Vehicle using Car Loan

Review of loan applications revealed that an officer applied and received a car loan of Kshs.3,000,000 for the purchase a Toyota Vanguard. However, the officer after receiving the funds purchased a Toyota Auris saloon model, at Kshs.1,200,000 from a supplier as per the invoice, therefore changing the form and substance of the terms of the loan. Further examination revealed that the car is not jointly owned by County Assembly Service Board contrary to Section 9(2) of Part III of the Homa Bay County Assembly Mortgage Scheme Regulations, 2016 and no valuation report was issued before disbursement of the loan.

Consequently, the Management is in breach of the law.

8. Irregular Borrowing from Revolving Fund

Included in the revolving fund amounting to Kshs.345,347,524 in the statement of financial position is an amount of Kshs.190,000,000 borrowed by County Assembly operations out of which balance of Kshs.143,272,154 has so far been repaid resulting to outstanding balance of Kshs.46,727,846. Further, examination of records revealed that the amount of Kshs.190,000,000 includes Kshs.30,303,118 which was approved by mortgage and car loan committee. No explanation for the anomaly was provided for review.

Consequently, for the year ended 30 June, 2020 the propriety of the revolving fund amounting to Kshs.345,347,524 could not be ascertained.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, based on the audit procedures performed, I confirm that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the ability of the County Assembly to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to abolish the Fund or to cease operations, Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

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

Those charged with governance are responsible for overseeing the County Assembly's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and

responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause dissolve or cease operation.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the entity to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 February, 2022

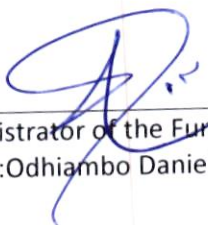
HOMA BAY COUNTY ASSEMBLY CAR AND MORTGAGE FUND
Reports and Financial Statements
For the year ended June 30, 2020


5. FINANCIAL STATEMENTS

5.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE 2020

| | Note | FY2019/2020 | FY2018/2019 |
|---|------|------------------|------------------|
| | | KShs | KShs |
| Revenue from non-exchange transactions | | | |
| Interest income | 1 | 5,545,556 | 6,101,000 |
| Total revenue | | | 6,101,000 |
| Expenses | | | |
| General expenses | 2 | 5,694,593 | 2,271,000 |
| Total expenses | | | 2,271,000 |
| Surplus for the period | | (149,037) | 3,830,000 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on Sept 30 2020 and signed by:


 Administrator of the Fund
 Name :Odhiambo Daniel Kaudo

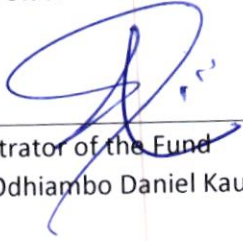

 Fund Accountant
 Name: CPA Jacinter Adede


HOMA BAY COUNTY ASSEMBLY CAR AND MORTGAGE FUND
Reports and Financial Statements
For the year ended June 30, 2020

5.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

| | Note | FY2019/2020 KShs | FY2018/2019 KShs |
|---|------|----------------------|----------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 3 | 60,189,358 | 87,902,229 |
| Current portion of long term receivables from exchange transactions | | - | - |
| Total assets | | 60,189,358 | 87,902,229 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Long term portion of borrowings | 4 | (257,890,291) | (190,326,458) |
| Total liabilities | | (257,890,291) | (190,326,458) |
| Net assets | | | |
| Revolving Fund | 5 | 345,347,524 | 305,347,524 |
| Accumulated surplus | 6 | (27,267,874) | (27,118,837) |
| Total net assets and liabilities | | 60,189,358 | 87,902,229 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on Sept 30 2020 and signed by:


 Administrator of the Fund
 Name: Odhiambo Daniel Kaudo

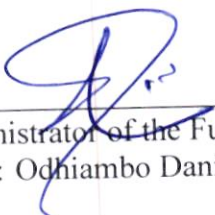

 Fund Accountant
 Name: Jacinter Adede


HOMA BAY COUNTY ASSEMBLY CAR AND MORTGAGE FUND
Reports and Financial Statements
For the year ended June 30, 2020

5.3 STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2020

| | Revolving Fund | Revaluation Reserve | Accumulated surplus | Total |
|----------------------------------|----------------|---------------------|---------------------|-------------|
| | | KShs | KShs | KShs |
| Balance as at 1 July 2019 | - | - | - | - |
| Surplus/(deficit) for the period | 305,347,524 | - | 3,830,000 | 309,177,524 |
| Funds received during the year | 40,000,000 | - | - | 40,000,000 |
| Balance as at 30 June 2020 | 345,347,524 | - | 3,830,000 | 349,177,524 |
| Balance as at 1 July 2019 | 345,347,524 | - | (27,118,837) | 318,228,687 |
| Surplus/(deficit) for the period | - | - | (149,037) | (149,037) |
| Balance as at 30 June 2020 | 345,347,524 | - | (27,267,874) | 318,079,650 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on Sept 30 2020 and signed by:


 Administrator of the Fund
 Name: Odhiambo Daniel Kaudo

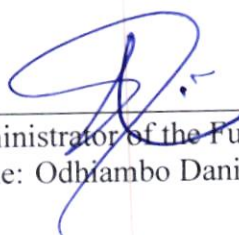

 Fund Accountant
 Name: Jacinter Adede


HOMA BAY COUNTY ASSEMBLY CAR AND MORTGAGE LOAN FUND
Reports and Financial Statements
For the year ended June 30, 2020

5.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

| | Note | FY2019/2020 | FY2018/2019 |
|---|------|---------------------|-------------------------|
| | | KShs | KShs |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Interest received | 1 | 5,545,555 | 6,101,000 |
| Exchequer Received | | 40,000,000 | |
| Total Receipts | | 45,545,555 | 6,101,000 |
| Payments | | | |
| General expenses | 2 | 5,694,593 | 2,271,000 |
| | | 46,727,846 | |
| Total Payments | | 52,422,439 | 2,271,000 |
| Net cash flows from operating activities | | (6,876,883) | 3,830,000 |
| Cash flows from investing activities | | | |
| Loan disbursements paid out | | (88,350,000) | (1,350,000) |
| Net cash flows used in investing activities | | (88,350,000) | (1,350,000) |
| Cash flows from financing activities | | | |
| Repayment of borrowings | | 67,514,012. | (94,381,161) |
| Net cash flows used in financing activities | | | (94,381,161.20) |
| Net increase/(decrease) in cash and cash equivalents | | (27,712,871) | (91,901,161) |
| Cash and cash equivalents at 1 JULY | | 87,902,229 | 5,265,671 |
| Cash and cash equivalents at 30 JUNE | | 60,189,358 | 87,902,229 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on Sept 30 2020 and signed by:


 Administrator of the Fund
 Name: Odhiambo Daniel Kaudo

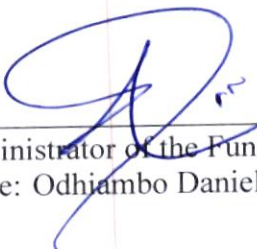

 Fund Accountant
 Name: Jacinter Adede


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5.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30th JUNE 2020

| | Original budget | Adjustments | Final budget | Actual on comparable basis | Performance difference | % utilisation |
|------------------------------|-------------------|-------------|-------------------|----------------------------|------------------------|---------------|
| | 2020 | 2020 | 2020 | 2020 | 2020 | 2020 |
| Revenue | KShs | KShs | KShs | KShs | KShs | |
| Transfers from County Govt. | 80,000,000 | - | 80,000,000 | 40,000,000 | 40,000,000 | 50% |
| Interest income | 5,545,556 | - | 5,545,556 | 5,545,556 | - | 100% |
| Total income | 85,545,556 | - | 85,545,556 | 45,545,556 | 40,000,000 | 100% |
| Expenses | | | | | | |
| Fund administration expenses | 2,271,000 | - | 2,271,000 | 2,271,000 | - | 100% |
| General expenses | - | - | - | - | - | 0% |
| Total expenditure | 2,271,000 | - | 2,271,000 | 2,271,000 | - | |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on Sept 30 2020 and signed by:


 Administrator of the Fund
 Name: Odhiambo Daniel Kaudo


 Fund Accountant
 Name: Jacinter Adede

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7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. 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.

2. Adoption of new and revised standards

a) Relevant new standards and amendments to published standards effective for the year ended 30 June 2018

| Standard | Effective date and impact: |
|---------------------------------------|--|
| IPSAS 39: Employee Benefits | Applicable: 1st January 2018 The objective to issue IPSAS 39 was to create convergence to changes in IAS 19 Employee benefits. The IPSASB needed to create convergence of IPSAS 25 to the amendments done to IAS 19. The main objective is to ensure accurate information relating to pension liabilities arising from the defined benefit scheme by doing away with the corridor approach. |

b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

| Standard | Effective date and impact: |
|---|---|
| IPSAS 40: Public Sector Combinations | Applicable: 1st January 2019: The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only) Business combinations and combinations arising from non-exchange transactions which are covered purely under Public Sector combinations as amalgamations. |

c) Early adoption of standards

The fund did not early – adopt any new or amended standards in year 2020.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

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

4. Budget information

The Homa Bay County 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 performance has been presented in page 11 of these financial statements.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Property, plant and equipment

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

6. 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.

7. Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.



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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The fund assesses at each reporting date whether there is objective evidence that a financial asset or a entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Inventories

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

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

9. 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 Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The 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.

HOMA BAY COUNTY ASSEMBLY CAR AND MORTGAGE FUND
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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contingent assets

The Homa Bay County Assembly Car and Mortgage 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 Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

10. Nature and purpose of reserves

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

11. 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.

12. 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 an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

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

13. 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.

HOMA BAY COUNTY ASSEMBLY CAR AND MORTGAGE FUND
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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. 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.

15. Related parties

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

16. Cash and cash equivalents

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

17. Comparative figures

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

18. Events after the reporting period

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

19. Ultimate and Holding Entity

The Homa Bay County Car and Mortgage is a County Public Fund established by Section 167 of the Public Finance Management (PFM) Act 2012. Its ultimate parent is the Homa Bay County Executive.

20. Currency

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

HOMA BAY COUNTY ASSEMBLY CAR AND MORTGAGE FUND
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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

21. Significant judgments and sources of estimation uncertainty

The preparation of the Homa Bay Assembly Car and Mortgage 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.

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 Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

Useful lives and residual values

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

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

Provisions

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

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

22. Financial risk management

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

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

a) Credit risk

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

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

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained. The Staff 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 company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has significant concentration of credit risk on amounts due from customers. The Fund management sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

b) Liquidity risk management

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

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

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Market risk

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

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

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

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

HOMA BAY COUNTY ASSEMBLY CAR AND MORTGAGE FUND
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8. NOTES TO THE FINANCIAL STATEMENTS

1 Interest income

| Description | FY2019/2020 | FY2018/2019 |
|---|------------------|------------------|
| | KShs | KShs |
| Interest income from loans(mortgage or car loans) | 5,545,555 | 6,101,000 |
| Total interest income | 5,545,555 | 6,101,000 |

2 General expenses

| Description | FY2019/2020 | FY2018/2019 |
|-----------------------|------------------|------------------|
| | KShs | KShs |
| Insurance Expenses | 3,000,000 | - |
| Management Expenses | 2,621,400 | 2,253,600 |
| Bank Charges | 19,380 | 17,400 |
| Other Expenses | 53,813 | - |
| Total | 5,694,593 | 2,271,000 |

3. Cash and cash equivalent

| Financial institution | Account number | FY2019/2020 | FY2018/2019 |
|---------------------------|----------------|-------------------|-------------------|
| | | KShs | KShs |
| a) Current account | | | |
| Equity Bank | 0980162413604 | 59,920,133 | 87,902,229 |
| Equity Bank | 0980260411231 | 269,225 | - |
| Sub- total | | 60,189,358 | 87,902,229 |
| Grand total | | 60,189,358 | 87,902,229 |

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4 Receivables from exchange transactions

| Description | FY2019/2020 | FY2018/2019 |
|---|--------------------|--------------------|
| | KShs | KShs |
| Current Receivables | | |
| County Assembly | 257,890,291 | 190,326,458 |
| County Assembly MCAs | - | - |
| Total Current receivables | 257,890,291 | 190,326,458 |
| Non-Current receivables | | |
| Total receivables from exchange transactions | 257,890,291 | 190,326,458 |

5. Revolving fund

| Description | FY2019/2020 | FY2018/2019 |
|----------------|--------------------|--------------------|
| | KShs | KShs |
| Revolving Fund | 345,397,524 | 305,347,524 |
| Total | 345,397,524 | 305,347,524 |

6. Accumulated surplus

| Description | FY2019/2020 | FY2018/2019 |
|----------------------------|---------------------|---------------------|
| | KShs | KShs |
| Surplus from Previous year | (27,118,837) | (30,948,837) |
| Surplus for the year | (149,037) | 3,830,000 |
| Total | (27,267,874) | (27,118,837) |