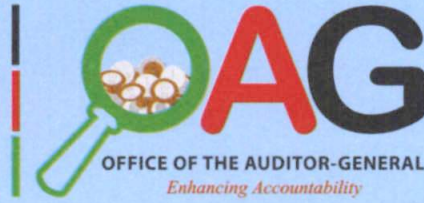


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NANDI COUNTY ASSEMBLY  
SCHEME FUND

FOR THE YEAR ENDED  
30 JUNE, 2025



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**COUNTY GOVERNMENT OF NANDI**



**NANDI COUNTY ASSEMBLY**



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**NANDI COUNTY ASSEMBLY SCHEME FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2025**

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

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**1. Acronyms and Glossary of Terms**

**a) Acronyms**

AIE	Authority to Incur Expenditure
CA	County Assembly
CARA	County Allocation of Revenue Act
CECM	County Executive Committee Member
CE	County Executive
CG	County Government
CIDP	County Integrated Development Plan
CRA	Commission on Revenue Allocation
CRF	County Revenue Fund
CT	County Treasury
FAC	Fund Administration Committee
IPSAS	International Public Sector Accounting Standards
LMC	Loans Management Committee
MCA	Member of County Assembly
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
NCA	Nandi County Assembly
NT	National Treasury
WB	World Bank
Kshs	Kenya Shillings

**b) Glossary of Terms**

Comparative FY      Means the financial year preceeding the current financial year.

*(This list is an indication of acronyms and key terms; the County Assembly should include all from the annual report and financial statements prepared)*

**2. Key Entity Information and Management****a) Background information**

Nandi County Assembly Scheme Fund was established by Public Finance Management (Nandi County Assembly Members Scheme Fund) Regulations of 2014 that repealed and replaced with the Nandi County Assembly Scheme Fund Regulations of 2021 and derives its authority from the Public Finance Management Act Section 116. The Fund is wholly owned by the County Assembly of Nandi and is domiciled in Kenya.

The fund's objective is to provide a loan scheme for the purposes of purchase of vehicles by members of the scheme and purchase, development, renovation or repair of residential property by members of the Scheme as per Salaries and Remuneration Commission (SRC) Guidelines PFM Act and PFM regulations.

**b) Principal Activities**

The principal activities of the Fund are;

- (a) To provide a loan scheme for the purchase, development, renovation or repair of residential property by members of the Scheme.
- (b) To provide a loan scheme for the purchase of vehicles by members of the Scheme.

**c) Fund Administration Committee**

Ref	Name	Position
1.	Mr. Barnaba GK Kosgei	Chairman
2.	Mr. Henry Kipkorir Tarus	Vice Chairman
3.	Mr. Wesley Cheruiyot Kimetto	Member
4.	Mr. Luke Kimutai Cherutich	Member
5.	Mr. Justice Kipyego Kirui	Member
6.	Mr. Bonface Kiptoo	Member
7.	Mrs. Lilian Chebet	Member

**d) Key Management**

Ref	Name	Position
1.	Mr. Barnaba GK Kosgei	Chairperson, FAC
2.	CPA Isaac Kiplagat Tum	Funds Administrator and Secretary, FAC
3.	CPA Wesley Kimetto	Fund Accountant and Treasurer, FAC
4.	CPA Luke Kimutai Cherutich	Member, FAC
5.	Mr. Lilian Chebet	Member, FAC
6.	Mr. Henry Kipkorir Tarus	Member, FAC
7.	Mr. Boniface Kiptoo	Member, FAC
8.	Mr. Justice Kipyego Kirui	Member, FAC

**e) Fiduciary Oversight Arrangements**

	<b>Name</b>	<b>Designation</b>
1.	Hon. Philemon Cheruiyot Melly	County Assembly Service Board Chairman
2.	Clarah Chepkemei	County Assembly Service Board Member
3.	Gideon Kibet Kisorio	County Assembly Service Board Member
4.	Keneth Kiplimo Kosgei	Internal Auditor

**f) Registered Offices**

C/o Fund Administrator,  
NCA Scheme Fund,  
Former Nandi County Council Building, Wilfred Bungei Street  
P.O. Box 673-30300, Kapsabet,  
Kapsabet, KENYA

**g) Fund Contacts**

Telephone: (254) 0535252039  
E-mail: [funds@nandiassembly.go.ke](mailto:funds@nandiassembly.go.ke)  
Website: [www.nandiassembly.go.ke/fund](http://www.nandiassembly.go.ke/fund)

**h) Fund Bankers**

1. Credit Bank Limited,  
Zion Mall, Eldoret Branch, Uganda Road,  
P O Box 61064 – 00200,  
NAIROBI
2. Housing Finance Company of Kenya Limited,  
KVDA Plaza, Oloo /Utalii Street,  
PO Box 9015-30100,  
ELDORET

**i) Independent Auditors**

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

**j) Principal Legal Adviser**

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

**1. Loan Management Committee**

The Loans Management Committee Members during the financial year consisted of:

**John Kiprotich Keter –  
Chairman**



John Kiprotich Keter, born in the year 1980, serves as the Vice-Chairman, County Assembly Service Board, a post that confers him the privilege to Chair to the Loans Management Committee under the approved regulations. Before his appointment, he served as a Chairman, Budget and Appropriations Committee in the first County Assembly. He has also held various top management positions in different institutions for over 20 years. He has entered into the Committee following the General Election seat as Member of County Assembly (Chepkunyuk Ward).

He is a graduate of Baraton University of East Africa.

He is the executive chairman, and chairs the Disbursement sub committee

**Hon. Eliud Kirongo,  
Vice Chairman**



**Eliud Kirongo**, born in the year 1986, is a holder of bachelor's degree in education from the Masinde Muliro University of Technology. He is currently a second term member of the Nandi County Assembly serving as the Leader of the Minority Party at the Nandi County Assembly since March 2013. He chairs audit, risk and assurance sub-committee.

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**Hon. Lydia Cheptoo,**  
**Member**

Lydia, born in 1993, she is a holder of Bachelors' degree from the Moi University. She is a first term member of the Nandi County Assembly and before her appointment; prior to the General Elections held on the Tuesday August 9<sup>th</sup> 2023, she served in various capacities within the Unite Democratic Alliance (UDA) political party.



**Mr. Barnaba GK**  
**Kosgei – Secretary**

Mr. Barnaba GK Kosgei, born in 1966, was appointed to serve as the first Clerk of Nandi County Assembly on 10<sup>th</sup> March 2013. He holds a Master of Business Administration degree (Strategic Management) from the Kenyatta University.

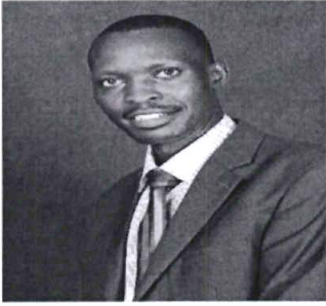
He is the executive secretary to the Fund



**Hon. Salima Amina**  
**Faraj, Member**

Salima, born in 1980, is a first term member of the Nandi County Assembly. She is a graduate of Kenyatta University. Before her nomination, she carried over nationwide management Community Based Organizations in support of addressing the plight of persons with disabilities. For over 10 years, she led various community-based organizations and welfare groups in fund raising towards the establishment of the now successful Nandi Youth Bunge. She is a nominated Member from majority party in the County Assembly representing Women.

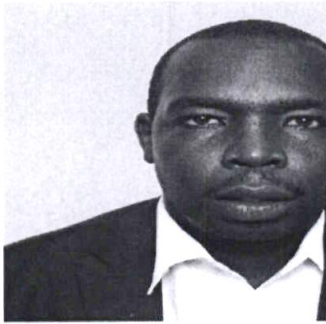
She chairs corporate affairs, ICT and support services sub-committee.



**Hon. Eliud Kirwa,  
Member**

Eliud, born 1986, is a member elected by citizens to represent Terik Ward in the County Assembly and serves as member. He previously worked at Moi Teaching Referral Hospital in various capacities before seeking elective post in General Elections held on Tuesday August 9<sup>th</sup>, 2022.

He chairs committee deliberations on Committee Meetings' standing orders, privileges and procedure.



**CPA Isaac Tum  
Fund Administrator**

Born in 1985, is serving as a Principal Fiscal Analyst to the County Assembly of Nandi and Fund Administrator.

Mr. Tum is a member of the Institute of Certified Public Accountant of Kenya (ICPAK). He is also a graduate of Maseno University.

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**2. Management Team**

The Management Team during the financial year consisted of:



Barnaba GK Kosgei,  
Chairman, Fund  
Administration  
Committee

Mr. Barnaba GK Kosgei, born in 1966, was appointed to serve as the first Clerk of Nandi County Assembly on 10<sup>th</sup> March 2013. He holds MBA (Strategic Management) from the Kenyatta University. Before his appointment as the clerk, he served as a Clerk at various local authorities over a period of 15 years before the establishing laws of those authorities was repealed in 2010.



Member,  
Fund Accountant

Mr. David Kipkosgey Too, born in 1986, was appointed to serve as a Fund Accountant of Nandi County Assembly Scheme Fund on 18<sup>th</sup> July 2021. He had established a financial management experience spanning 10 years. He holds BBM (Finance) degree from Moi University.



CPA Isaac Tum,  
Administrator

Born in 1985, is serving as a Principal Fiscal Analyst to the County Assembly of Nandi and Fund Administrator.

Mr. Tum is a member of the Institute of Certified Public Accountant of Kenya (ICPAK). He is also a graduate of both Maseno University and Kenyatta University



CPA Wesley  
Kimetto,  
Director

CPA Wesley Kimetto Cheruiyot was appointed as the Fund Accountant on 5<sup>th</sup> October 2014. He is serving as a Director, Finance and Strategy to the County Assembly of Nandi.

Mr. Kimetto is a member of the Institute of Certified Public Accountant of Kenya (ICPAK). He is also a graduate of Maasai Mara University and a member of the Institute of Certified Public Secretaries of Kenya. He holds over 20 years public finance management experience gained while working in various segments within the public sector.

### **3. Report of the Fund Administrator**

It is my pleasure to present on behalf of the Management Committee of Committee Members, the Nandi County Assembly Scheme Fund-Mortgage and Car Loans financial statements for the year ended October 31, 2025. The financial statements present the financial performance of the fund over the past year.

#### **Sustainability**

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

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

#### **Loans Management Committee Changes**

The Management Committee established a taskforce with the mandate to review and interrogate the adequacy and effectiveness of the fund's organogram in carrying out its mandate and make recommendations. The taskforce carried out the assignment and made several recommendations key among them the automation of the fund's operations. The organisation arrangement is expected to enhance efficiency in service delivery.

There were only changes in the membership of the Loans Management Committee during the year ended June 30<sup>th</sup>, 2025, was the demise of Mr Julius Kipruto Keter is yet to be replaced by the County Assembly in new appointment of a member representing Chesumei Constituency.

#### **Review of performance**

##### **Income**

The fund anticipates being earning its revenues from public contributions and donations, the County Assembly and other revenues from other exchange transactions. While the incomes from both public contributions/donations and the transfers from the County government of Nandi were nil, principal loans repayments were **KShs. 73,236,372** in the period and **KShs. 6,299,760** earned as interests from loan disbursements. Income from exchange transactions contributed nil balance during the year under review. Income before deductions of expenses increased by 13.04% from **KShs. 5,573,119** to **KShs. 6,299,760** owing to increased number of borrowers and favourable environment that enabled transfers from county government operations in the period under review.

Projects implementations during the period were carried out as per the plan with the coordinated efforts by all stakeholders. The performance was also attributed to a favourable opening cash balance of **KShs. 4,459,538** at the beginning the year.

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**Expenditures**

The Use of Good and Services during the period amounted to **KShs. 3,342,575**. Loan Management Committee allowances were **KShs. 3,222,200**. Thus, the gross expenditure was **KShs. 3,342,575** during the period, a rise compared to previous year.

**Outlook**

The outlook of the Fund for 2024/2025 looks brighter. The fund established other funds for 18-month car loan scheme to staff from recoveries arising from loans to Member of County Assembly. The aim is to ensure that the asset balance of the fund grows. The fund focus is looking to build a robust and sustainable fund with a motivated workforce and structures that enhance efficiency and effectiveness in the service delivery. The fund looks forward to continued support from the county government and development partners to the realization of its mandate.

**Appreciation**

I take this opportunity to express my sincere gratitude and appreciation to the county government, development partners, stakeholders, management, staff and fellow Committee Members for their continued support which made us achieve these results.

I look forward to the year 2024/2025.

Signed:

Barnaba GK Kosgei,  
**Chairperson, the Fund Administration Committee**



#### **4. Statement Of Performance against the County Fund's Predetermined Objectives**

The period under review was the period of planning for a transition from the second County Assembly under the devolution since 2013 to the third County Assembly. The County Assembly was therefore causing payments appropriate in respect of gratuity payments of exiting members while investing assets that will be crucial to assign staff and the new members elected on Tuesday the 9<sup>th</sup> of August 2022.

##### **Introduction**

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

##### **Introduction**

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

The key development objectives of the Nandi County Assembly Scheme Fund 2018-2022 plan are to:

- a) Disburse at least KShs. 300 million to members of the Scheme Fund
- b) Recover principal repayments within the five years to August 2022 KShs.200 million.
- c) Discharge collaterals of the scheme borrowers as and when they clear dues.

##### **Progress on attainment of strategic development objectives**

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
1. Disbursement	<ul style="list-style-type: none"><li>• To disburse to the scheme members at least KShs. 60 million in forms of car and mortgage loans</li></ul>	<ul style="list-style-type: none"><li>• By the end year ended 30 June 2025, the Scheme Fund had recovered a total <b>KShs. 73,236,372</b> and disbursed out the approved loans (mortgages and car loans) totalling <b>KShs. 68,860,000.</b></li></ul>	<ul style="list-style-type: none"><li>• 96 currently loan borrowers repaying loans</li></ul>	65% scheme fund members funded

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
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Program	Objective	Outcome	Indicator	Performance
2. Recovery	<ul style="list-style-type: none"> <li>To seek the Treasury release of <b>KShs.69 million</b> still held in the County Treasury.</li> <li>To recover no less than <b>KShs.200 million</b> before August 2022.</li> </ul>	<ul style="list-style-type: none"> <li>The recovery of the <b>KShs. 69,876,335</b> still held at the County Treasury was not achieved in the year to June 30, 2025, and</li> <li>The total recovery was over of <b>KShs. 73,236,372</b> as of JUNE 30, 2025</li> </ul>	<ul style="list-style-type: none"> <li>Cash transfer to Fund Accounts and</li> <li>All borrowers currently repaying loans and all loans insured.</li> </ul>	<b>Achieved.</b>
3. Custody and discharge of collaterals	<ul style="list-style-type: none"> <li>To charge for each title</li> <li>To ensure that all the motor vehicles acquired are registered in the joint names of the County Assembly and the scheme fund borrower</li> </ul>	<ul style="list-style-type: none"> <li>Properties were revalued to consider the worth</li> <li>Failed to secure spousal consent, therefore unable to charge</li> </ul>	<ul style="list-style-type: none"> <li>No default in submission of the land title deed and particular custodial service under lock and key</li> </ul>	100%

**5. Corporate Governance Statement**

**Preface**

The NCA Member’s Scheme Fund for Mortgage and Car Loan is a revolving fund established pursuant to the Salaries and Remuneration Commission (SRC) circular number SRC/TS/WH/3/14 of 14<sup>th</sup> February 2014. In line with Section 167 of the PFM Act 2012, the fund administrator causes the preparation of these financial statements at the end of each of the financial year pursuant to the provisions of the law. Its mandate is to provide mortgage and car loans to public and state officers of the County Assembly of Nandi.

The fund is committed to ensuring compliance with regulatory and supervisory corporate governance requirements. The operations of the fund were then governed by a Public Finance Management Regulations enacted in 2014 which were repealed by the County Assembly of Nandi on January 31, 2018, upon enactment of Public Finance Management (Nandi County Assembly Members’ Scheme Fund Mortgages and Car Loans) Regulations, 2018 to govern the operations of the fund. The structure is designed to ensure an informed decision-making process based on accurate reporting to the board.

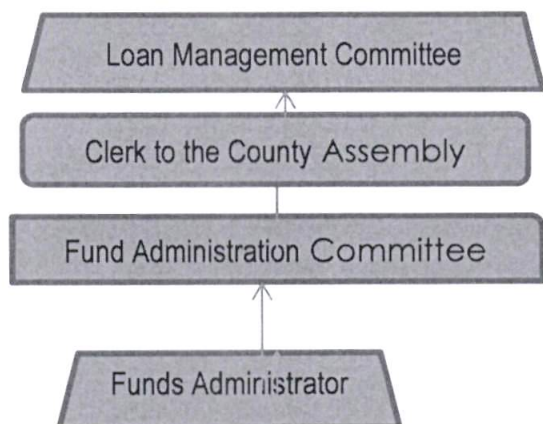
**Fund Committees**

Essential to the establishment of a corporate governance framework in the fund is a formal governance structure with the two committees.

- (a) the Fund Administration Committee and
- (b) Loans Management Committee.

While the Fund Administration Committee constituted from among administrative staff of the County Assembly of Nandi who hold fiduciary responsibilities, the Loan Management Committee is the apex body of the Fund. The Clerk to the County Assembly sits in both committees; as a Chairman of the Fund Administration Committee and a secretary to the LMC. The Fund Administration Committee meets quarterly or as required to monitor the implementation of the fund’s strategic plan and achievement of the targets in the performance contract signed with the county assembly. The Fund Administration Committee also plays an oversight role over all other financial and operational issues.

**Organization Structure**



**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**Statement of Compliance**

The Fund Administration Committee confirms that the fund has throughout the FY2024/25 complied with all statutory and regulatory requirements and that the fund has been managed in accordance with the principles of good corporate governance.

**Committee meetings**

The Fund Administration Committee held four (4) meetings in each of the twelve months throughout the year ending June 30, 2025, while the Loans Management Committee met forty (40) times during the year. Therefore, during the year under review, the Fund Committees held 88 meetings in total and members' attendance during the period was as follows.

	Loans Management Committee		Fund Administration Committee		Total No of Meetings
	No of Meetings	Members' Attendance	No of Meetings	Members' Attendance	
Jul-23	4	5	4	7	8
Aug-23	4	6	4	6	8
Sep-23	4	4	4	7	8
Oct-23	3	5	4	7	7
Nov-23	4	6	4	6	8
Dec-23	3	6	4	7	7
Jan-24	4	4	4	5	8
Feb-24	2	6	4	7	6
Mar-24	4	7	4	4	8
Apr-24	4	5	4	7	8
May-24	2	7	4	5	6
Jun-24	4	6	4	7	8
	40		48		98

**Succession plan**

The Fund Committees are to transition in the next financial year with the election campaign period commencing, this phenomenon especially affecting the membership of the Loans Management Committee. To this extend the Scheme Fund has the following plans.

1. Drafting regulations to introduce new membership of the Loans Management Committee who shall be representatives of the Scheme Fund banks, an external member representing the public interest and representative of the County Assembly Service Boards secretariat. The approval of these regulations, in either

its current form or amended version, will be largely dependent upon the County Assembly of Nandi.

2. **Employment of one staff.** The Loans Management Committee had in the year 2023-2024 considered this proposal, advertised for applications and a selection of Mrs Eunice Chebitok who qualified during the interview for the position of a Fund Clerk had been done. A meeting to ratify this decision is scheduled to be undertaken at the County Assembly Service Board of Nandi in due course during the year 2024-2025.

### **Existence of a service charter**

While currently there is no approved service charter, the Scheme Fund awaits the approval of regulations to enhance the promulgation of service charter consistent with those regulations.

### **Process of appointment and removal of trustees**

Currently the process of appointment and removal of trustees is within the discretion of the accounting officer to the Fund, the Clerk of the County Assembly of Nandi, as per the approved regulations.

### **The roles and functions of Trustees**

The primary purpose of the loans management and fund administration committees are to approve loans disbursements, financial statements and strategy reports.

### **Induction and training**

The members of the committees underwent various trainings during the year.

### **Conflict of interest**

There have been no reports in the conflict of interest register to warrant discussion. There are no imminent threats of compromise of integrity of officers at the moment. However, with the anticipated employment of the clerical staff to the Fund.

### **Board Remuneration**

There were no board remunerations during the year under review.

### **Ethics and Conduct**

The officers assigned responsibilities to work within the structures of the fund are guided by the laws governing the public finance management and the constitutional foundations guiding ethics and integrity.

### **Governance audit**

The governance audit was undertaken by a team of consultants and report was tabled at the County Assembly Service Board for review and possible adoption. The audit comments, advisory opinions and recommendations arising from the exercise shall inform the Loans Management Committee and the Board on establishment of scheme of service of officers to serve in the Scheme Fund.

### **Fund Administration Committee changes**

There were neither fund administration committee changes or loan management committee member's reconstitution or amendment of list of members during the period.

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

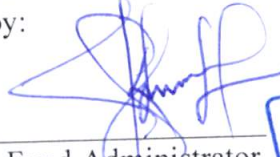
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**Auditor**

The fund is audited by the Auditor-General. The Office of the Auditor conducted the first external audit for the financial operations of FY 2016/2017 which gave the fund an adverse opinion. The subsequent two audits have consequently given the Fund qualified opinion.

**Approval of the corporate governance statement**

The corporate governance statement was approved by the Fund Administration Committee on and signed on its behalf by:



Isaac Kiplagat Tum, Fund Administrator,  
NCA MEMBERS' SCHEME FUND

**NCA SCHEME FUND  
FUND ADMINISTRATOR**  
Date.....  
**CAR LOANS & MORTGAGES**

## **6. Management Discussion and Analysis**

### **7.1 Preface**

The fund has continued to grow over the 5 years since its establishment, and the management has put measures in place to safeguard against risks. The management has ensured that we comply with statutory requirements relating to the functions of the fund.

### **7.2 Business Performance**

#### **7.2.1 Revenues**

The performance of business in FY 2024/25 was **KShs. 2,957,185** up from business performance of **KShs. 2,372,577** in a similar period in the FY 2023/2024. This represents a positive business performance of 24.6%. There was an increase in interest incomes in FY 2024/25 from **KShs. 5,573,119** charged on loans from in FY 2023/2024 to **KShs. 6,299,760** charged on loans in FY 2024/25 mainly because the increase in the number of running loans of MCAs and Staff.

The total expenses in the financial year 2024/25 amounted to **KShs. 3,200,542** comprised of.

- a) Bank charges and commissions of **KShs. 22,435** in FY 2024/25 up by **KShs. 11,665** (108.3%) from **KShs. 10,770** in FY 2023/2024.
- b) Administration Fees of **KShs. 560,172** incurred during the period.
- c) Committee Allowances totalling to **KShs. 3,222,200** incurred during the year ending June 30, 2025.
- d) Administration costs on land valuation services totalling **KShs. 97,940** incurred during the year ending June 30, 2025.

#### **7.2.2 Cash flow**

The cash and cash equivalents increased from **KShs 4,459,538** as at 30 June 2024 to **KShs. 11,793,095** as of 30 June 2025. There was net increase in cash and cash equivalents of **KShs. 7,333,557** during the period under review.

Summarily, the net changes in.

- 1) Cash flows from operations resulted in a net increase of **KShs. 2,957,185** comprising of incomes totalling **KShs. 6,299,760** less expenses totalling **KShs. 3,342,575**.
- 2) Cash flow from investing activities were net decrease of **KShs. 4,376,372** comprising of proceeds from loan principal repayments totalling **KShs. 73,236,372** less loan disbursements paid out totalling **KShs. 68,860,000**.
- 3) Cash flows from financing activities were **nil during the period**.  
The regulations mandated the Fund committees with strategic decision making including on investing activities.

### **7.3 Operational Performance**

7.3.1 The Fund continues to encounter challenges in its cash flow management mainly because of the following reasons.

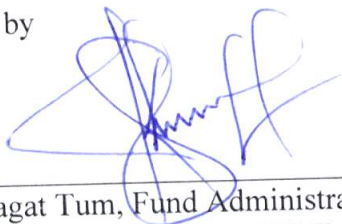
7.3.1.1 Historically, there exists an unfavourable decision making set up in the approval of the Nandi County Budgetary decisions and delayed treasury releases to the County Assembly. In all approvals the specific allocations for the transfers to the Fund became donor votes to other needy areas. In FY 2017/2018, the appropriation as of July 1, 2017, KShs. 61 million earmarked for loans were reduced on April 30, 2018, to KShs. 20 million, while in FY 2018/2019, the County Assembly of Nandi allocation as of July 1, 2018, budgeted to be transferred to the Fund was KShs. 44 million which were later reduced to KShs. 22 million on May 2019. Similarly, in FY 2019/2020, owing the Covid-19 virus pandemic and prior amendment of County priorities and objectives, the provision of KShs. 20,800,000 in the County Assembly of Nandi Budget Estimates were transferred to more needy programs much to the detriment of the Scheme Fund. In FY 2020/2021, the budget of transfers from the County Government operations was KShs. 15 million but only KShs. 4.1 million were received in respect of those transfers, a dismal performance of 27.33%.

7.3.2 The Fund disbursed a total of **KShs. 68,860,000** as loans based as approved loan application(s) of the 13 public officers.

### **7.4 Conclusion**

We, the management team of the Nandi County Assembly Scheme Fund, reviewed the prospects of the Fund and affirm that the Fund's outlook is bright. We look forward to a better FY 2024/2025!

Signed on, by



Isaac Kiplagat Tum, Fund Administrator,  
NCA MEMBERS' SCHEME FUND



## **7. Environmental and Sustainability Reporting**

Nandi County Assembly Scheme Fund exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on four pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

### **1. Sustainability strategy and profile -**

The strategy towards sustainability is to ensure that all loans are recovered and are financed. To this end, the County Assembly of Nandi strives to achieve success in its budget approval initiatives.

### **2. Environmental performance**

To ensure that we conserve trees globally, the Scheme Fund invested in paperless governance mechanisms of loan management committee meetings, financial reporting and execution of its budgets since papers are made from trees. Combined with the an effort to plan at least 15,000 trees annually in conservation efforts, the Scheme Fund shall have contributed immensely in increasing global forestry cover.

### **3. Employee welfare**

The employees recruited by the Scheme Fund are comprised of at least a third of either gender. It is in this initiative that staff appraisal mechanisms have been introduced. The organisation adheres to Occupational Safety and Health Act of 2007, (OSHA).

### **4. Market place practices-**

The organisation has undertaken efforts to ensure that the borrowers receive fair treatments because of:

- a) Responsible competition practice.
- b) Responsible Supply chain and supplier relations
- c) Responsible marketing and advertisement
- d) Product stewardship

### **5. Community Engagements.**

The community engagement has already been undertaken under the auspices of Youth Bunge to enhance the financial literacy levels among the youth, the leaders of the future. Public fora presided over by the Chairman in two venues (Nandi Hills Social Hall and Kapsabet Municipal Hall) further buttressed the levels of literacy among the youth on diverse matters of loans including Equated Monthly Instalments.

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**8. Report of the Trustees**

The Loan Management Committee submits their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Fund affairs.

**Principal activities**

The principal activities of the Fund are.

- (a) To provide a loan scheme for the purchase, development, renovation or repair of residential property by members of the Scheme.
- (b) To provide a loan scheme for the purchase of vehicles by members of the Scheme.

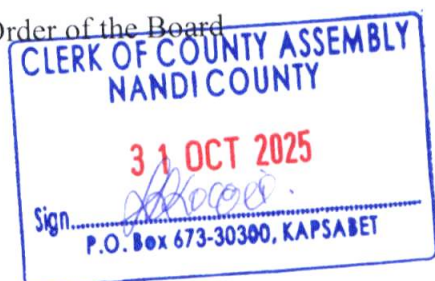
**Results**

The results of the Fund for the year ended June 30, 2025, are set out on page 20-25

**Auditors**

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

By Order of the Board



Barnaba GK Kosgei,

Member of the Loans Management Committee

Date: October 31, 2025.

**9. Statement of Management’s Responsibilities**

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Public Finance Management (Nandi County Assembly Scheme Fund) Regulations of 2018 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:

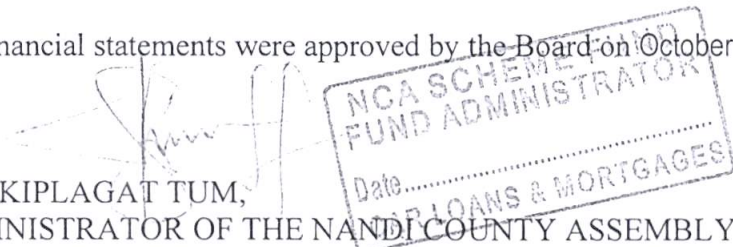
- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period.
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund
- (iii) designing, implementing 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 and Public Finance Management (Nandi County Assembly Scheme Fund) Regulations of 2018. 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. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Fund’s financial statements were approved by the Board on October 31, 2025, and signed on its behalf by:

CPA ISAAC KIPLAGAT TUM,  
FUND ADMINISTRATOR OF THE NANDI COUNTY ASSEMBLY SCHEME FUND .



# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON NANDI COUNTY ASSEMBLY 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; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Nandi County Assembly Scheme Fund set out on pages 1 to 40, which comprise of the statement of financial position as at 30 June, 2025 and the statement of statement of financial performance,

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*Report of the Auditor-General on Nandi County Assembly Scheme Fund for the year ended 30 June, 2025*

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Nandi County Assembly 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 Act, 2012 and Nandi County Assembly Scheme Fund Regulations, 2021.

### **Basis for Qualified Opinion**

#### **1. Unsupported Interest Income**

The statement of financial performance reflects interest income of Kshs.6,299,760 as disclosed in Note 4 to the financial statements. However, the amortization schedules supporting documents in support of this amount was not provided for audit.

In the circumstances, the accuracy and completeness of interest income amount of Kshs.6,299,760 could not be confirmed.

#### **2. Current Receivables**

The statement of financial position reflects current term receivable balance of Kshs.80,403,259. However, the relevant Note 12 disclose Kshs.82,885,072 resulting to unexplained variance of Kshs.2,481,813. In addition, amortization schedules were not provided for verification to verify the current receivable balance of Kshs.80,403,259.

In the circumstances, the accuracy and completeness of current receivables balance of Kshs.80,403,259 could not be confirmed.

#### **3. Long Term Receivables from Exchange Transactions**

The statement of financial position reflects long-term receivables from exchange transactions balances of Kshs.298,417,396 which differs with long-term receivables balance reflected in Note 12 of the financial statements of Kshs.306,937,882 resulting to a variance of Kshs.8,520,486 which has not been explained. In addition, included in long-term receivable balance of Kshs.306,937,882 as per Note 12 to the financial statements is a debt balance of Kshs.69,876,335 owed by County executive of Nandi. This amount has been outstanding for over ten (10) years and the management has not indicated measures taken for the recovery of the long outstanding debts.

In the circumstances, the accuracy and completeness of long-term receivables balance of Kshs.298,417,396 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Nandi County Assembly 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 indicate the Assembly spent Kshs.3,200,542 against actual receipts of Kshs.5,573,119 resulting to under-expenditure of Kshs.2,372,577 or 41% of the actual receipts.

The underutilization affected the planned activities and may have impacted negatively on service delivery to the public.

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 effect of the matters 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 Audit Matters**

In the audit report of the previous year, several paragraphs were raised under the report on Lawfulness and Effectiveness in Use of Public Resources, Effectiveness of Internal Controls, risk management and Governance, Emphasis of matter and Other Matter. Even though Management has provided explanations on the progress made on the recommendations by auditors, the issues have remained un resolved as relevant parliamentary committee had not discussed them. Refer to **Appendix I**.

### **Other Information**

The Management is responsible for the Other Information set out on page iii) to xxi which comprise of Key Entity Information and Management, Loan Management Committee, Management Team, Report of the Fund Administrator, Statement of Performance against

Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Trustees, Statement of Directors 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 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 the Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Unsupported Payment of Committee Allowances**

The statement of financial performance reflects use of goods and services amount of Kshs.3,342,575 which includes Committee allowance amount of Kshs.3,222,200 as shown in Note 7 to the financial statements. However, the Fund did not provide Committee minutes to support the budget process nor an approved budget. It was not possible to confirm whether the administrative cost met the 3% threshold of the approved budget. Further, the Fund was not operating with an approved budget contrary to the requirements of Regulation 29.(1) Public Finance Management County Government Regulation 2015, which states that the accounting officer shall ensure that the draft estimates relating to her or his department are prepared in conformity with the Constitution, the Act and these Regulation.

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

#### **2. Failure to Pay Fringe Benefits Tax**

Review of the financial statements revealed that the Fund had disbursed loans amounting to Kshs.68,860,000 to the scheme members. However, Management did not provide

evidence of remittance of the applicable fringe benefit tax to the tax authorities. This is in contravention to the provisions of Income Tax Act Cap. 470 12B (1) which states that notwithstanding any other provision of this Act, a tax to be known as fringe benefit tax shall be payable commencing on the 12 June, 1998 by every employer in respect of a loan provided at an interest rate lower than the market interest rate, to an individual who is a director or an employee or is a relative of a director or an employee, by virtue of his position as director or his employment or the employment of the person to whom is related.

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

### 3. Loan Defaulters

The statement of financial position and as disclosed in Note 12 to the financial statements reflects long-term receivables from exchange transactions balance of Kshs.298,417,396. However, loan records indicates that three (3) borrowers with total outstanding loans of Kshs.8,536,717 had defaulted. It was noted that there was no evidence by the Loan Management Committee of any legal action taken to recover the debts. Management analysis for bad and doubtful debts did not include the defaulters. This was contrary to Nandi County Assembly (Mortgage Scheme) Regulations 2021 Section 7(2) which states that the officer administering the fund shall satisfy himself or herself of the applications financial status and capacity to repay the either the mortgage or car loans applied for in accordance with the laid down requirements and were so satisfied shall forward the application to the committee for consideration.

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

### 4. Inaccuracies in Presentation and Disclosure of the Financial Statements

Review of financial statements revealed non-compliance with approved financial reporting standards and templates as indicated below:

No	Item	Observation
1.	Table of Contents	(i) The entire table of content numbering not sequentially arranged as well as numbering of reports in the financial statements.  (ii) The last item in the table of contents should be annexes. Where progress on follow up of prior year auditors report is included.
2.	Statement of performance against the County funds predetermined objectives	It was observed that the introduction part under the statement of performance of Against the County Fund's Predetermined Objectives were repeated twice.

3.	Report of the fund administrator	The fund administrator report indicates that loans management committee allowances were Kshs.3,222,200 and gross expenditure of Kshs.3,342,575. However, this information is not anywhere in the financial statements.
4.	Management Discussion Analysis	The total expenses of Kshs.3,200,542 and administrative fee of Kshs.560,172 in the financial year 2024/2025 as disclosed in this report is incorrect.
5	Statement of Comparison of Budget and Actual Amounts	The Final budget figures cannot be confirmed as the approved budget was not provided.

This was contrary to International Public Sector Accounting Standards (IPSAS) 1 - presentation of financial statements, paragraph 27 which stipulates that those financial statements shall present fairly the financial position, financial performance and cash flows of an entity.

In the circumstances, the financial statements could not be confirmed to present a true and fair position of the Fund.

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

## REPORT ON THE 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, except for the effects of the matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, 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

#### Failure to Conduct Internal Audit Reviews

As previously reported, the Fund's books were not subjected to internal audit reviews. This is Contrary to Section 153(1)(a)(b)(c) of the Public Finance Management (County Government) Regulations, 2015 which requires the internal audit to review and evaluate budgetary performance, financial management, transparency and accountability mechanisms and processes in county government entities , including County Assembly (b) have a duty to give reasonable assurance through the audit committee on the state of

risk management control and governance within the organization; and (c) review the effectiveness of financial and non-financial performance management systems of entities.

In the circumstances, the Fund did not benefit from advantages of oversight.

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

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

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

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

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

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

Those charged with governance 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 ISSAIs requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error

and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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

28 November, 2025

## Appendix I

### Unresolved Prior Year Audit Matters 2023 - 2024

S/No	Report on the Financial Statements
1	Long Outstanding Receivables
	<b>Emphasis of Matter</b>
2	Budgetary Control and Performance.
	<b>Report on the Effectiveness of Internal Controls, Risk Management and Governance</b>
3	Failure to Conduct Internal Audit Reviews
4	Weak Information Technology Internal Control Environment

**NANDI COUNTY ASSEMBLY SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2025**

**11. Statement of Financial Performance for the Year ended June 30, 2025**

	Note	FY 2024/25 KShs	FY 2023/2024 KShs
<b>Revenue from non-exchange transactions</b>			
Public contributions and donations	1		0
Transfers from the County Government	2		0
Fines, penalties and other levies	3		0
<b>Revenue from exchange transactions</b>			
Interest income	4	6,299,760	5,573,119
Other income	5		
<b>Total revenue</b>		<b>6,299,760</b>	<b>5,573,119</b>
<b>Expenses</b>			
Staff costs	6		0
Use of Goods and Services	7	3,342,575	3,200,542
Depreciation and Amortization Expense	8		0
Finance costs			0
<b>Total expenses</b>		<b>3,342,575</b>	<b>3,200,542</b>
<b>Other gains/losses</b>			
Gain/loss on disposal of assets	10		0
<b>Surplus/(deficit) for the period</b>		<b>2,957,185</b>	<b>2,372,577</b>

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 October 31, 2025, and signed by:

**NCA SCHEME FUND  
FUND ADMINISTRATOR**  
Date: .....  
**CAR LOANS & MORTGAGES**

ISAAC KIPLAGAT TUM  
Fund Administrator

DAVID KIPKOSGEY TOO  
Fund Accountant  
ICPAK M/No.26135

**CLERK OF COUNTY ASSEMBLY  
NANDI COUNTY**  
**31 OCT 2025**  
Sign: .....  
P.O. Box 673-30300, KAPSABET

BARNABA GK KOSGEI  
Chairman,  
Fund Administration Committee

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**12. Statement of Financial Position as at June 30, 2025**

	Note	2024/25 KShs.	2023/24 KShs.
<b>Assets</b>			
Current assets			
Cash and cash equivalents	11	11,793,095	4,459,538
Current term receivables	12	80,403,259	79,237,343
Prepayments	13		
Inventories	14		
Non-current assets			
Property, plant and equipment	15		
Intangible assets	16		
Long term receivables from exchange transactions	12	298,417,396	303,959,684
<b>Total assets</b>		<b>390,613,750</b>	<b>387,656,565</b>
<b>Liabilities</b>			
Current liabilities			
Trade and other payables	17		
Provisions	18		
Current portion of borrowings	19		
Employee benefit obligations	20		
Non-current liabilities			
Non-current employee benefit obligation	20		
Long term portion of borrowings	19		
<b>Total liabilities</b>		<b>0</b>	<b>0</b>
<b>Net assets</b>		<b>390,613,750</b>	<b>387,656,565</b>
<b>FINANCED BY:</b>			
Revolving Fund		379,787,054	379,787,054
Reserves			
Accumulated surplus		10,826,696	7,869,511
<b>Total Equity</b>		<b>390,613,750</b>	<b>387,656,564</b>

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 October 31, 2025, and signed by:

.....  
**ISAAC KIPLAGAT TUM**  
 Fund Administrator

.....  
**DAVID KIPKOSGEY TOO**  
 Fund Accountant  
 ICPAK M/No.26135

.....  
**BARNABA GK KOSGEI**  
 Chairman,

Fund Administration Committee

**NCA SCHEME FUND  
 FUND ADMINISTRATOR**  
 Date.....  
**CAR LOANS & MORTGAGES**

**CLERK OF COUNTY ASSEMBLY  
 NANDI COUNTY**  
**31 OCT 2025**  
 Sign.....  
 P.O. Box 673-30300, KAPSABET


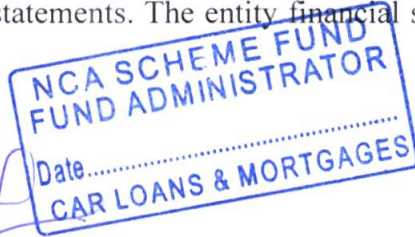
**NANDI COUNTY ASSEMBLY SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2025**


**13. Statement of Changes in Net Assets for the Year Ended June 30, 2025**

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
<b>Balance as at 1st July 2023</b>	379,787,054	0	5,496,934	385,283,988
Surplus/(deficit) for the period	0		2,372,577	<b>2,372,577</b>
Funds received during the year	0		0	<b>0</b>
Revaluation gain	0	0	0	<b>0</b>
<b>Balance as at 30th June 2024</b>	<b>379,787,054</b>	<b>0</b>	<b>7,869,511</b>	<b>387,656,564</b>
<b>Balance as at 1st July 2024</b>	379,787,054	0	7,869,511	387,656,564
Surplus/(deficit) for the period	0		2,957,185	<b>2,957,185</b>
Funds received during the year	0		0	<b>0</b>
Revaluation gain	0	0	0	<b>0</b>
<b>Balance as at 30th June 2025</b>	<b>379,787,054</b>	<b>0</b>	<b>10,826,696</b>	<b>390,613,750</b>

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 October 31, 2025, and signed by:

  
  
**ISAAC KIPLAGAT TUM**  
**Fund Administrator**

.....  
**DAVID KIPKOSGEY TOO**  
**Fund Accountant**  
**ICPAK M/No.26135**

  
**BARNABA GK KOSGEI**  
**Chairman,**  
**Fund Administration Committee**

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

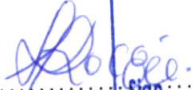
**14. Statement of cash flows for the year ended June 30, 2025**

	Note	2022-2023	2021-2022
		KShs	KShs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Public contributions and donations			
Transfers from the County Government		6,299,760	5,573,119
Interest received			
Receipts from other operating activities		6,299,760	5,573,119
<b>Total Receipts</b>			
<b>Payments</b>			
Staff costs		3,342,575	3,200,542
General expenses			0
Finance cost		3,342,575	3,200,542
<b>Total Payments</b>			
<b>Net cash flows from operating activities</b>	21	2,957,185	2,372,577
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets			
Interest on Fixed Deposit			
Proceeds from sale of property, plant and equipment		73,236,372	54,685,156
Proceeds from loan principal repayments		(68,860,000)	(55,296,074)
Loan disbursements paid out		4,376,372	(610,918)
<b>Net cash flows used in investing activities</b>			
<b>Cash flows from financing activities</b>		0	0
Proceeds from revolving fund receipts			
Additional borrowings			
Repayment of borrowings		0	0
<b>Net cash flows used in financing activities</b>			
<b>Net increase/(decrease) in cash and cash equivalents</b>	21	7,333,557	1,761,659
Cash and cash equivalents at 1 JULY	11	4,459,538	2,697,880
<b>Cash and cash equivalents at 30 JUNE</b>	11	11,793,095	4,459,538

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 October 31, 2025 and signed by:

  
 .....  
**ISAAC KIPLAGAT TUM**  
 Fund Administrator

.....  
**DAVID KIPKOSGEY TOO**  
 Fund Accountant  
 ICPAK M/No.26135

  
 Sign.....  
**BARNABA GK KOSGEY** 73-30300, KAPSABET  
 Chairman,  
 Fund Administration Committee

**CLERK OF COUNTY ASSEMBLY**  
**NANDI COUNTY**  
**31 OCT 2025**

**NCA SCHEME FUND**  
**FUND ADMINISTRATOR**  
 Date.....  
**CAR LOANS & MORTGAGES**

**NANDI COUNTY ASSEMBLY SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2025**

**15. Statement of Comparison of Budget and Actual Amounts for the Period**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilisation
	FY 2024/2025	FY 2024/2025	FY 2024/2025	FY 2024/2025	FY 2024/2025	FY 2024/2025
	KShs	KShs	KShs	KShs	KShs	KShs
<b>Revenue</b>						
Public contributions and donations	0	0	0	0	0	0%
Transfers from County Govt.	0	0	0	0	0	0%
Interest income	5,532,852	0	5,532,852	5,573,119	(40,267)	-1%
<b>Total income</b>	<b>5,532,852</b>	<b>0</b>	<b>5,532,852</b>	<b>5,573,119</b>	<b>(40,267)</b>	<b>-1%</b>
					0	0%
<b>Expenses</b>					0	0%
Staff Costs	0	0	0	0	0	0%
General Expenses	4,540,000	0	4,540,000	3,200,542	1,339,458	30%
Finance Cost	0	0	0	0	0	0%
<b>Total expenditure</b>	<b>4,540,000</b>	<b>0</b>	<b>4,540,000</b>	<b>3,200,542</b>	<b>1,339,458</b>	<b>30%</b>
<b>Surplus for the period</b>	<b>992,852</b>	<b>0</b>	<b>992,852</b>	<b>2,372,577</b>	<b>(1,379,725)</b>	<b>-139%</b>

.....  
  
**ISAAC KIPLAGAT TUM**


Fund Administrator

**NCA SCHEME FUND  
 FUND ADMINISTRATOR**  
 Date.....  
**CAR LOANS & MORTGAGES**

.....  
**DAVID KIPKOSGEY TOO**

Fund Accountant

ICPAK M/No.26135

.....  
  
**BARNABA GK KOSGEI**

Chairman,

Fund Administration Committee

**CLERK OF COUNTY ASSEMBLY  
 NANDI COUNTY**  
**31 OCT 2025**  
 Sign.....  
 P.O. Box 673-30300, KAPSABET

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**16. Notes to the Financial Statements**

**1. General Information**

Nandi County Assembly is established by and derives its authority and accountability from Public Finance Management Act. The entity is wholly owned by the County Government of Nandi and is domiciled in Kenya. The entity's principal activity is lending mortgage and car loans.

**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 based on 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) Relevant new standards and amendments to published standards effective for the year ended 30 June 2022**

IPSASB deferred the application date of standards from 1<sup>st</sup> January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1<sup>st</sup> January 2023.

**(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022**

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p>

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

Standard	Effective date and impact:
	<p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i></li> </ul> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> <li>• <i>IPSAS 39: Employee Benefits</i></li> </ul> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement</b></li> </ul> <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</p>
IPSAS 43	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

Standard	Effective date and impact:
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

**(iii) Early adoption of standards**

The entity did not early – adopt any new or amended standards in year 2022.

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**1. Significant Accounting Policies**

**a) Revenue recognition**

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

Transfers from other government entities

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

**ii. Revenue from exchange transactions**

***Interest income***

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

**b) Budget information**

The original budget for FY 2022-2023 was approved by the County Assembly on 24<sup>th</sup> June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 12 of these financial statements.

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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

**c) Property, plant and equipment**

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

**d) Intangible Assets**

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

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

**e) 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.

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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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 Entity 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 a 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 a 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.

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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

**f) 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.

**g) Provisions**

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

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

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

***Contingent liabilities***

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

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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*Summary of Significant Accounting Policies (Continued)*

**Contingent assets**

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

**h) Nature and purpose of reserves**

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

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

The Nandi County Assembly Scheme 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.

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

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

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

**k) 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.

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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

**l) 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.

**m) Related parties**

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

**n) 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.

**o) Comparative figures**

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

**p) Events after the reporting period**

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

**q) Ultimate and Holding Entity**

The entity is a County Public Fund established by Public Finance Management Act, 2012 under the County Assembly of Nandi. Its ultimate parent is the County Assembly of Nandi

**r) Currency**

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

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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*Summary of Significant Accounting Policies (Continued)*

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

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

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

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

**b) Useful lives and residual values**

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

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

**c) Provisions**

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

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.

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**6. Notes to the Financial Statements**

**1 Public contributions and donations**

Description	FY 2024/25	FY 2023/2024
	KShs	KShs
Donation from development partners	0	0
Contributions from the public	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**2 Transfers from County Government**

Description	FY 2024/25	FY 2023/2024
	KShs	KShs
Transfers from County Government – operations	0	0
Payments by County Assembly on behalf of the entity	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**3 Fines, penalties and other levies**

Description	FY 2024/25	FY 2023/2024
	KShs	KShs
Late payment penalties		0
Fines	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**4 Interest income**

Description	FY 2024/25	FY 2023/2024
	KShs	KShs
Interest income from loans (mortgage or car loans)	6,299,760.00	5,573,118.95
Interest income from loans (fixed term deposits)	0	0
<b>Total interest income</b>	<b>6,299,760</b>	<b>5,573,119</b>

**5 Other income**

Description	FY 2024/25	FY 2023/2024
	KShs	KShs
Insurance recoveries	0	0
Income from sale of tender documents	0	0
Miscellaneous income	0	0
<b>Total other income</b>	<b>0</b>	<b>0</b>

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**Notes to the Financial Statements Continued**

**6 Staff Costs**

Description	FY 2024/25	FY 2023/2024
	KShs	KShs
Salaries and wages	0	0
Presidential Grants	0	0
Staff gratuity	0	0
Staff training expenses	0	0
Social security contribution	0	0
Other staff costs	0	0

**7 Use of Goods and Services**

Description	FY 2024/25	FY 2023/2024
	KShs	KShs
General Office Expenses		0
Loan Processing Costs		0
Professional Services Costs		0
Administration Fees	97,940	1,680,172
Committee Allowances	3,222,200	1,509,600
Bank Charges	22,435	10,770
Electricity And Water Expenses		0
Fuel and Oil Costs		0
Insurance Costs		
Postage And Courier		
Printing And Stationery		
Rental Costs		
Security Costs		
Telephone And Communication Expenses		
Audit Fees		
Provision For Doubtful Debts		
Other		
<b>Total</b>	<b>3,342,575</b>	<b>3,200,542</b>

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**Notes to the Financial Statements Continued**

**8 Depreciation and Amortization Expense**

Description	FY 2024/25	2023/24
	KShs	KShs.
Property Plant and Equipment	0	0
Intangible Assets	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**9 Finance costs**

Description	FY 2024/25	FY 2023/2024
	KShs	KShs
Bank charges	0	0
Other charges	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**10 Gain/(loss) on disposal of assets**

Description	FY 2024/25	FY 2023/2024
	KShs	KShs
Property, plant and equipment	0	0
Intangible assets	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
Annual Report and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements Continued

**11 Cash and cash equivalents**

Description	FY 2024/25	FY 2023/2024
	KShs	KShs
Fixed deposits account		
On – call deposits		
HFCK Current account: No.7040003061-0	8,317,977	334,975
Credit Bank Limited Ac No. 0091018000055	3,475,118	4,124,563
<b>Total cash and cash equivalents</b>	<b>11,793,095</b>	<b>4,459,538</b>

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

Financial institution	FY 2024/25	FY 2023/2024
	KShs	KShs
<b>a) Fixed deposits account</b>		
Kenya Commercial bank	0	0
Equity Bank, etc	0	0
<b>Sub- total</b>	<b>0</b>	<b>0</b>
<b>b) On - call deposits</b>		
Kenya Commercial bank		
Equity Bank - etc		
<b>Sub- total</b>	<b>0</b>	<b>0</b>
<b>c) Current account</b>		
HFCK Limited A/c No. 7040003061-0	8,317,977	334,975
Credit Bank Limited A/c No. 0091018000055	3,475,118	4,124,563
<b>Sub- total</b>	<b>11,793,095</b>	<b>4,459,538</b>
<b>d) Others (specify)</b>		
Cash in transit		
Cash in hand		
M Pesa		
<b>Sub- total</b>		
<b>Grand total</b>	<b>11,793,095</b>	<b>4,459,538</b>

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

Description	FY 2024/25	FY 2023/2024
	KShs	KShs
<b>Current Receivables</b>		
Interest receivable		
Current loan repayments due	82,885,072.00	87,031,737.22
Other debtors		
Less: impairment allowance		
<b>Total Current receivables</b>	<b>82,885,072</b>	<b>87,031,737</b>
<b>Non-Current receivables</b>		
Long term loan repayments due	237,061,547	268,831,719
Other debtors (County Executive of Nandi)	69,876,335	69,876,335
<b>Total non-current receivables</b>	<b>306,937,882</b>	<b>338,708,054</b>
<b>Total receivables from exchange transactions</b>	<b>389,822,954</b>	<b>425,739,791</b>

**12 Receivables from exchange transactions**

**Disclosure on interest receivable**

Description	FY 2024/25	FY 2023/2024
	KShs	KShs
<b>Interest Receivable</b>		
Interest receivable from current portion of long-term loans of previous years	0	0
Accrued interest receivable from of long-term loans of previous years	0	0
Interest receivable from current portion of long-term loans issued in the current year	0	0
<b>Current loan repayments due</b>		
Current portion of long-term loans from previous years	0	0
Accrued principal from long-terms loans from previous periods	0	0
Current portion of long-term loans issued in the current year	0	0

**13 Prepayments**

Description	FY 2024/25	FY 2023/2024
	KShs	KShs
Prepaid rent	0	0
Prepaid insurance	0	0
Prepaid electricity costs	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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**14 Inventories**

Description	FY 2024/25	FY 2023/2024
	KShs	KShs
Consumable stores	0	0
Spare parts and meters	0	0
Catering	0	0
<b>Total inventories at the lower of; cost and net realizable value</b>	<b>0</b>	<b>0</b>

## NANDI COUNTY ASSEMBLY SCHEME FUND

Annual Report and Financial Statements for the year ended June 30, 2025

### Notes to the Financial Statements (Continued)

#### 15 Property, plant and equipment

		Land and Buildings	Motor vehicles	Furniture and fittings	Total
Cost		KShs	KShs	KShs	KShs
<b>At 1<sup>st</sup> July 2016</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Transfers/adjustments	0	0	0	0	0
<b>At 30<sup>th</sup> June 2017</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At 1<sup>st</sup> July 2017</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Transfer/adjustments	0	0	0	0	0
<b>At 30<sup>th</sup> June 2018</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Depreciation and impairment</b>					
At 1 <sup>st</sup> July 2016	0	0	0	0	0
Depreciation	0	0	0	0	0
Impairment	0	0	0	0	0
<b>At 30<sup>th</sup> June 2017</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At 1<sup>st</sup> July 2017</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## NANDI COUNTY ASSEMBLY SCHEME FUND

Annual Report and Financial Statements for the year ended June 30, 2025

		Land and Buildings	Motor vehicles	Furniture and fittings	Total
		KShs	KShs	KShs	KShs
<b>Cost</b>					
Depreciation	0	0	0	0	0
Disposals	0	0	0	0	0
Impairment	0	0	0	0	0
Transfer/adjustment	0	0	0	0	0
<b>At 30<sup>th</sup> June 2018</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net book values</b>					
<b>At 30<sup>th</sup> June 2017</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At 30<sup>th</sup> June 2018</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes to the Financial Statements (Continued)**

**16 Intangible assets**

Description	FY 2024/25	FY
	KShs	2023/2024
		KShs
<b>Cost</b>		
At beginning of the year	0	0
Additions	0	0
<b>At end of the year</b>	<b>0</b>	<b>0</b>
<b>Amortization and impairment</b>		
At beginning of the year	0	0
Amortization	0	0
<b>At end of the year</b>	<b>0</b>	<b>0</b>
Impairment loss	0	0
<b>At end of the year</b>	<b>0</b>	<b>0</b>
<b>NBV</b>	<b>0</b>	<b>0</b>

**17 Trade and other payables from exchange transactions**

Description	FY 2024/25	FY
	KShs	2023/2024
		KShs
Trade payables	0	0
Refundable deposits	0	0
Accrued tax expenses	0	0
Other payables	0	0
<b>Total trade and other payables</b>	<b>0</b>	<b>0</b>

**18 Provisions**

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance At The Beginning Of The Year (01.07.2022)	0	0	0	0
Additional Provisions	0	0	0	0
Provision Utilised	0	0	0	0
Change Due To Discount And Time Value For Money	0	0	0	0
Transfers From Non -Current Provisions	0	0	0	0
<b>Balance At The End Of The Year (30.06.2022)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2024**  
**Notes to the Financial Statements (Continued)**

**19 Borrowings**

Description	FY 2024/25	FY 2023/2024
	KShs	KShs
<b>Balance At Beginning of The Period</b>	0	0
External Borrowings During the Year	0	0
Domestic Borrowings During the Year	0	0
Repayments Of External Borrowings During the Period	0	0
Repayments Of Domestic Borrowings During the Period	0	0
<b>Balance At End of The Period</b>	0	0

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

	FY 2024/25	FY 2023/2024
	KShs	KShs
<b>External Borrowings</b>		
Dollar Denominated Loan From 'X Organisation'	0	0
Sterling Pound Denominated Loan From 'Y Organisation'	0	0
Euro Denominated Loan from Z Organisation'	0	0
<b>Domestic Borrowings</b>		
Kenya Shilling Loan From KCB	0	0
Kenya Shilling Loan from Barclays Bank	0	0
Kenya Shilling Loan from Consolidated Bank	0	0
Borrowings From Other Government Institutions	0	0
<b>Total Balance at End Of The Year</b>	0	0

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

Description	FY 2024/25	FY 2023/2024
	KShs	KShs
Short Term Borrowings(Current Portion)	0	0
Long Term Borrowings	0	0
<b>Total</b>	0	0

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes to the Financial Statements (Continued)**

**20 Employee benefit obligations**

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	2021-2022	2020-2022
	KShs	KShs	KShs	KShs	KShs
Current Benefit Obligation	0	0	0	0	0
Non-Current Benefit Obligation	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**21 Cash generated from operations**

	FY 2024/25	FY 2023/2024
	KShs	KShs
<b>Surplus/ (Deficit) For the Year Before Tax</b>	0	0
<b>Adjusted For:</b>	0	0
Depreciation	0	0
Amortisation	0	0
Gains/ Losses On Disposal Of Assets	0	0
Interest Income	0	0
Finance Cost	0	0
<b>Working Capital Adjustments</b>	0	0
Increase In Inventory	0	0
Increase In Receivables	0	0
Increase In Payables	0	0
<b>Net Cash Flow From Operating Activities</b>	<b>0</b>	<b>0</b>

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**Other Disclosures**

**22 Related party balances**

**a) Nature of related party relationships**

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

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

**b) Related party transactions**

	FY 2024/25	FY 2023/2024
	KShs	KShs
Transfers From Related Parties'	0	0
Transfers To Related Parties	0	0

**c) Key management remuneration**

	FY 2024/25	FY 2023/2024
	KShs	KShs
Board Of Trustees	0	0
Key Management Compensation	0	0
<b>Total</b>	0	0

**d) Due from related parties**

	FY 2024/25	FY 2023/2024
	KShs	KShs
Due From Parent Ministry	0	0
Due From County Government	0	0
<b>Total</b>	0	0

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**Other Disclosures Continued**

**e) Due to related parties**

	FY 2024/25	FY 2023/2024
	KShs	KShs
Due To Parent Ministry	00	00
Due To County Government	00	00
Due To Key Management Personnel	00	00
<b>Total</b>	<b>00</b>	<b>00</b>

**23 Contingent assets and contingent liabilities**

<b>Contingent Liabilities</b>	FY 2024/25	FY 2023/2024
	KShs	KShs
Court Cases against The Fund	0	0
Bank Guarantees	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**Other Disclosures Continued**

**1. Financial risk management**

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

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

**a) Credit risk**

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

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

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	<b>Total amount KShs</b>	<b>Fully performing KShs</b>	<b>Past due KShs</b>	<b>Impaired KShs</b>
<b>At 30 June 2022</b>				
Receivables From Exchange Transactions	0	0	0	0
Receivables From Non-Exchange Transactions	0	0	0	0
Bank Balances	0	0	0	0
<b>Total</b>	0	0	0	0
<b>At 30 June 2021</b>				
Receivables From Exchange Transactions	0	0	0	0
Receivables From Non-Exchange Transactions	0	0	0	0
Bank Balances	0	0	0	0
<b>Total</b>	0	0	0	0

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

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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 entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has significant concentration of credit risk on amounts.

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

**b) Liquidity risk management**

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

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

	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2023</b>				
Trade Payables	0	0	0	0
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Employee Benefit Obligation	0	0	0	0
<b>Total</b>	0	0	0	0
<b>At 30 June 2024</b>	0	0	0	0
Trade Payables	0	0	0	0
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Employee Benefit Obligation	0	0	0	0
<b>Total</b>	0	0	0	0

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

**c) Market risk**

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

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

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

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

**i. Foreign currency risk**

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

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

		Other currencies	Total
	Kshs	Kshs	Kshs
<b>At 30 June 2021</b>	0	0	0
Financial Assets	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors/ Receivables	0	0	0
<b>Liabilities</b>	0	0	0
Trade And Other Payables	0	0	0
Borrowings	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

## NANDI COUNTY ASSEMBLY SCHEME FUND

### Annual Report and Financial Statements for the year ended June 30, 2025

*The Fund manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.*

#### 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.

	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	KShs	KShs	KShs
<b>2024</b>			
Euro	10%	0	0
USD	10%	0	0
<b>2023</b>		0	0
Euro	10%	0	0
USD	10%	0	0

#### ii. Interest rate risk

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

#### *Management of interest rate risk*

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

#### *Sensitivity analysis*

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

#### d) Capital risk management

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

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

	FY 2024/25	FY 2023/2024
	KShs	KShs
Revaluation reserve	0	0
Revolving fund	0	0
Accumulated surplus	0	0
<b>Total funds</b>	0	0
	0	0
Total borrowings	0	0
Less: cash and bank balances	0	0
Net debt/(excess cash and cash equivalents)	0	0
<b>Gearing</b>	0	0

**NANDI COUNTY ASSEMBLY SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2025**

**17. 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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue</b>	<b>Status</b>	<b>Timeframe:</b>
a) Difference between the Financial Statements and the Trial Balance	The financial statement figures had differed with the trial balance submitted for the FY 2020-2021	The Nandi County Assembly Scheme Fund submits to correct the anomaly caused by submission of trial balances of originally submitted estimates in a manner the persuaded to believe they were for the amended financial statements for the FY 2019-2020.	Barnaba GK Kosgei, Clerk, County Assembly of Nandi	Resolved	Year 2024-2025
b) Notes to the Financial Statements	Cash generated from operations were not analysed in Note 23 as was appropriate.	The amended Financial Statements for the FY 2020-2021 have been prepared taking into account this recommendation and therefore Note 23 presents cash flow generated from operations.	Barnaba GK Kosgei,	Resolved	Year ended June 30, 2025
11.1 Cash and Cash Equivalents	The opening balances reported in the amended	The journal entries on cash and cash equivalents	Clerk, County Assembly of Nandi	Resolved	Year ended June 30, 2025

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status	Timeframe:
	financial statements were KShs. 44,259,466 while prior year statements reported end year balances of KShs. 44,258,707. Further, note 11 reported that HFCK Account No. 1924813202 had KShs. 4,078,425 while prior year financial statements reported end balances as KShs. 4,077,665.	reporting the end year balances as at June 30, 2019, were prepared and the same is subject to review by the auditors and the oversight committees of the County Assembly and the Parliament.			
11.2 Statement of Changes in Net Assets	A reconciliation of a difference between KShs. 326,090,439 at the end of year 2018 and the KShs. 350,581,173 that were the opening balances of the year ending June 30, 2019 was recommended.	A reconciliation statement on the figures has been prepared but the same shall be considered at the oversight bodies.	Barnaba GK Kosgei, Clerk, County Assembly of Nandi	Resolved	Year end of 2021-2022

## NANDI COUNTY ASSEMBLY SCHEME FUND

### Annual Report and Financial Statements for the year ended June 30, 2025

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status	Timeframe:
11.3 The Statement of Comparison of Budget and Actual Amounts for the year June 30 <sup>th</sup> 2020	A reconciliation statement on the matter as required under IPSAS 24.14 was recommended of the tabulated differences between the statement of comparison of budget and actual amounts for the year ending June 30, 2020.	A reconciliation statement has been prepared for the purpose of explanation to the auditors prior to a schedule of hearings by both the Senate Committee on public accounts and investment and the County Assembly of Nandi's Public Accounts and Investment.	Barnaba GK Kosgei, Clerk, County Assembly of Nandi	Resolved	Year 2020-2021
11.4 Interest Incomes	Reconciliation was done about the interest incomes re-computation by the auditors and those in the financial statements of the FY 2018-2019 and journal entries.				
11.5 Fringe Benefit Tax	The records availed to the auditors indicated that no payment of fringe benefit taxes of the loans	The County Assembly of Nandi resolved to have payments of Fringe Benefit Tax totalling KShs. 13,534,877 paid	Barnaba GK Kosgei, Clerk, County Assembly of Nandi	Resolved	Year end of 2021-2022

**NANDI COUNTY ASSEMBLY SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2025**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status	Timeframe:
	advanced to 62 borrowers.	from the Fund as per the auditor's recommendations in lieu of credit from the County Assembly in the next financial year of a similar amount.			
11.6 Receivables from Exchange Transactions	The loans disbursement amounting to KShs. 291.96 million paid directly to loan borrowers and currently being recovered instead of payment to property owners.	The County Assembly has recovered the loans disbursement and consequently it is important to await the new disbursement of MCAs	Barnaba GK Kosgei, Clerk, County Assembly of Nandi	Resolved	Year end of 2021-2022
Receivables from Exchange Transactions	Official searches of the title of the property to be purchased, certified copies of the sale agreements and copies of designs of proposed residential property approve by the relevant county government department	The resolution of this matter awaits senate or county assembly oversight meetings on the public accounts.	Barnaba GK Kosgei, Clerk, County Assembly of Nandi	Unresolved	Year end of 2024-2025

## NANDI COUNTY ASSEMBLY SCHEME FUND

Annual Report and Financial Statements for the year ended June 30, 2025

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status	Timeframe:
	hadn't been availed for audit.				
Receivables from Exchange Transactions	No evidence was availed to enable auditors verify whether the motor vehicles and land purchased by the fund are jointly registered by the loan borrowers and the Board.	The resolution of this matter awaits senate or county assembly oversight meetings on the public accounts.	Barnaba GK Kosgei, Clerk, County Assembly of Nandi	Unresolved	Year end of 2024-2025
Receivables from Exchange Transactions	Loan application forms were not approved by the car/mortgage management committee	The resolution of this matter awaits senate or county assembly oversight meetings on the public accounts.	Barnaba GK Kosgei, Clerk, County Assembly of Nandi	Unresolved	Year end of 2024-2025
11.7 Implementation of Oversight Bodies Recommendations	The auditors reported that there was no evidence that the financial statements were submitted to the County Assembly after audit opinion had been raised by the Auditor General	It is true that there was no evidence at that time but it was because the Auditor General in release of the opinion to a level that it wasn't possible to table the same at County Assembly before the lapse of end year on June 30, 2020. However, during the year	Barnaba GK Kosgei, Clerk, County Assembly of Nandi	Unresolved	Year end of 2024-2025

## NANDI COUNTY ASSEMBLY SCHEME FUND

Annual Report and Financial Statements for the year ended June 30, 2025

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status	Timeframe:
		under review every effort was not spared and audit reports in respect of two financial years were tabled at both the Senate and the County Assembly for consideration by relevant committees.			
11.8 Internal Control Environment and Overall Risk Management in the Fund's Operations	The auditors observed that the Scheme Fund had neither internal control management strategy and risk management arrangement in processing of loans applications leading to non-adherence to laws and regulations.	The County Assembly has prepared both the risk management strategy and internal control management.	Barnaba GK Kosgei, Clerk, County Assembly of Nandi	Unresolved	Year end of 2024-2025