

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**TURKANA COUNTY ASSEMBLY STAFF CAR  
LOAN AND MORTGAGE FUND**

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

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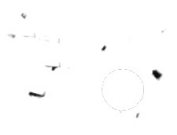
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**TURKANA COUNTY ASSEMBLY CAR LOAN AND MORTGAGE  
(MEMBERS) SCHEME FUND**

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

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



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# Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund Annual Report and Financial Statements for the year ended June 30, 2023

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## **Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund Annual Report and Financial Statements for the year ended June 30, 2023**

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### **1. Acronyms and Glossary of Terms**

#### a) Acronyms

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

#### b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility
Financial instruments	A real or virtual document representing a legal agreement involving any kind of monetary value
Board of Trustees	Appointed or elected group of individuals that has overall responsibility for the management of an organization
Provisions	The action of providing or supplying something for use
Social Benefits	The positive effects that a particular product or service can have on society as a whole

## **Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund Annual Report and Financial Statements for the year ended June 30, 2023**

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### **2. Key Entity Information and Management**

#### **a) Background information**

Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund is established by and derives its authority and accountability from The Public Finance Management Act No 18 of 2012 under the Turkana County Assembly Car Loan and Mortgage (Members) scheme Fund Regulations of 2014. The fund is wholly owned by the Turkana County Assembly and is domiciled in the Republic of Kenya.

For proper management of the fund Turkana county Assembly adopted the PFM regulations 2014 and 2023 to guide in the operationalization of the fund. Proper Management of funds was also assisted by the SRC circular dated 14<sup>th</sup> February 2014 under reference SRC/TS/WH/3/14. In that regard the County Service Board appointed a banking institution to manage the fund.

The fund's objective and purpose is to provide a loan scheme for the Purchase of Motor Vehicles, purchase, development, renovation or repair of residential property by members of the scheme.

The Fund's principal activity is to provide car loans and Mortgage for members of the scheme.

#### **b) Principal Activities**

The principal activity/mission/ mandate of the Fund is to be the fund of choice for members of the county assembly, provide affordable, accessible and sustainable car loans and Mortgage to Members of county assembly and uphold the values of accountability, transparency, excellence, accessibility, integrity, responsiveness, equity and team work.

#### **c) Board of Trustees/Fund Administration Committee**

<b>Ref.</b>	<b>Name</b>	<b>Position</b>
1	Chairperson	Hon. Mathew Alany Lonyait-MCA
2	Member	Hon. Willy Napuyo
3	Member	Hon. Patrick Napion
4	Member	Hon. Stephen Edukon
5	Member	Hon. Samuel Lomodo
6	Clerk	Mr.Linus Miinyan Lokawa
7	Legal Counsel	Ms. Millicent Nangor
8	Member	Mr.John Nakuleu Lotukoi
9	Fund Administrator	Mr.Ngala Ekal Gilchrist

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

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**d) Key Management Team**

Ref	Name	Position
1	Chairperson	Hon.Mathew Alany Lonyait
2	Clerk	Mr. Linus Lokawa Miinyan
4	Director Finance and Accounting	Mr.Caiphaz Ngasike
4	Member	Mr. John Nakuleu Lotukoi
5	Fund Manager/ Administrator	Mr. Ngala Ekal Gilchrist
6	Fund Accountant	Mr. George Erukudi Lotesiro

**Key Entity and Management (Continued)**

**e) Fiduciary Oversight Arrangements**

SN	Position	Name
1	Principal Auditor	Mr. Francis Ekai Lochuch

**f) Registered Offices**

P.O. Box 25-30500  
Lodwar, KENYA

**g) Fund Contacts**

E-mail: [turkancountyassembly@.go.ke](mailto:turkancountyassembly@.go.ke)  
Website: [www.turkanaassembly.go.ke](http://www.turkanaassembly.go.ke)

**h) Fund Bankers**

Cooperative Bank of Kenya  
Lodwar Branch  
P.O BOX 25-30500  
Lodwar, Kenya

**i) Independent Auditors**




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

**j) County Attorney**




The County Attorney  
Turkana County Government  
P.O Box 11-30500  
Lodwar

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
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**3. Board of Trustees/ Fund Administration**

Name	Details of qualifications and experience
<p>1. </p>	<p><b>Hon. Mathew Alany Lonyait- Chairperson Car Loan and Mortgage Committee</b></p> <p>Mr. Mathew Alany by virtue he was appointed the chairperson of the Car Loan and Mortgage. Hon. Mathew Alany is the MCA of Kangatotha ward and is also the vice chairperson of CASB of Turkana County Assembly.</p>
<p>2. </p>	<p><b>Hon. Patrick Napion- Chairperson Budget and Appropriation committee</b></p> <p>Mr. Patrick Napion is the chairperson of Budget and Appropriation committee of the Turkana County Assembly. He is the Member of County Assembly of Kaeris Ward. He is the Loan committee member.</p>
<p>3. </p>	<p><b>Hon. Samuel Lomodo- Leader of Minority Car Loan and Mortgage Committee</b></p> <p>Mr. Samuel Lomodo is the Leader of Minority of Turkana County Assembly. He is the Member of County Assembly of Lokichar Ward. He is the Loan committee member.</p>

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

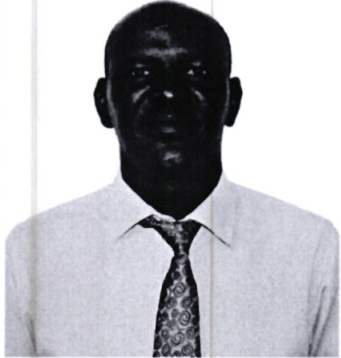



<p>4.</p> 	<p><b>Hon. Stephen Edukon- Member Car Loan and Mortgage Committee</b></p> <p>Mr. Stephen Edukon is the Leader of Majority of Turkana County Assembly. He is the Member of County Assembly Turkwel Ward. He is the Loan Committee Member.</p>
<p>5.</p> 	<p><b>Hon. Stephen Edukon- Member Car Loan and Mortgage Committee</b></p> <p>Mr. Willy Napuyo is the chairperson of welfare committee of the Turkana County Assembly. He is the Member of County Assembly of Katilia Ward. He is the Loan committee member.</p>
<p>6.</p> 	<p><b>Mr.Lokawa Linus Miinyan – Clerk,TCA</b></p> <p>Mr.Linus Lokawa Miinyan is the first Clerk and accounting officer of Turkana County Assembly. He holds a Bachelor of Commerce Degree (Economics) from Masinde Muliro University. He is also the Secretary to CASB of Turkana County Assembly.</p>

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

<p>7.</p> 	<p><b>CPA Caiphas Ngasike Ekatorot</b> CPA Caiphas Ngasike Ekatorot is the current Head of Directorate of Finance and Accounting Services at the Turkana County Assembly. He holds a bachelor of commerce Finance option from Mt Kenya University. He is a member of Institute of Internal Auditors (IIA-K) and also a member of Institute of Certified Public Accountants (ICPAK). He is a Certified Public Accountant(CPA)</p>
<p>6.</p> 	<p><b>Mr. Ngala Ekal Gilchrist</b> He is the current Fund Administrator of car Loan and Mortgage scheme. Currently he is the Assistant Director Budget at Turkana County Assembly. He holds a Bachelor of Commerce in Business Management from Daystar University.</p>

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

**4. Management Team**

Name	Details of qualifications and experience
<p>1. </p>	<p><b>Hon. Mathew Alany Lonyait- Chairperson Car Loan and Mortgage Committee</b> Mr. Mathew Alany was appointed the chairperson of the Car Loan and Mortgage. Hon. Mathew Alany is the MCA of Kangatotha ward and is also the vice chairperson of CASB of Turkana County Assembly.</p>
<p>2. </p>	<p><b>Mr. Lokawa Linus Miinya – Clerk, TCA</b> Mr. Linus Lokawa Miinyan is the first Clerk Turkana County Assembly. He holds a Bachelor of Commerce Degree (Economics) from Masinde Muliro University. He is also the Secretary of the CASB of Turkana County Assembly. details</p>
<p>3. </p>	<p><b>CPA Caiphas Ngasike Ekatorot</b> CPA Caiphas Ngasike Ekatorot is the current Head of Directorate of Finance and Accounting Services at the Turkana County Assembly. He holds a bachelor of commerce Finance option from Mt Kenya University. He is a member of Institute of Internal Auditors (IIA-K) and also a member of Institute of Certified Public Accountants (ICPAK). He is a Certified Public Accountant (CPA)</p>
<p>4. </p>	<p><b>Mr. Ngala Ekal Gilchrist</b> He is the current Fund Administrator of car Loan and Mortgage scheme. He is the Principal Accountant at Turkana County Assembly. He holds a Bachelor of Commerce in Business Management from Daystar University.</p>

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

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**5. Board/Fund Chairperson's Report**

On behalf of the Car Loan and Management committee I present the County Assembly of Turkana car loan and mortgage fund financial statements for the year ended 30<sup>th</sup> June 2023. The financial statements present the financial performance of the fund over the first phase of disbursement for financial year 2022/2023.

**Board and Management Changes**

The New committee reviewed and interrogated the adequacy and effectiveness of the fund's organogram in carrying out its mandate and made recommendations. The board 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.

**Review of performance**

**Income**

The fund earned revenues amounting to Ksh.288, 071.00 from interests' income. This income was averagely achieved compared to the previous year. This income was low because most beneficiaries had already repaid back their loans with accumulative interests. The income also decreased due to implementation of the grant as directed by the government of Kenya.

Fund implementation process during the period was 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 Ksh. 485,109 at the beginning the year.

**Expenditures**

The total expenditures during the period amounted to Ksh. 2,443,080 as employee costs and Finance costs

**Future outlook**

The outlook of the Fund for 2023/2024 looks brighter. The fund focuses in building a robust and sustainable fund with a motivated workforce and structures that enhance efficiency and effectiveness in the service delivery.

**Appreciation**

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

I look forward to your continued support in the year 2023/2024.

Name.....Mathew Abay.....Signature.....[Signature].....Date.....17/1/2024

**Chairperson of the Board/Fund**

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

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**6. Report of The Fund Administrator**

It is my pleasure to present the car loan and Mortgage financial statements for the year ended 30<sup>th</sup> June 2023. The financial statements present the financial performance of the fund over the past year.

The fund was established on February 2014 and started with an initial amount of over KShs 150 Million appropriated by the County Assembly in the Turkana County Appropriation (Amendment) Act, 2014. Since then, a total of over 70 loan beneficiaries have made borrowings amounting to more than KShs 260 Million.

**Financial Performance**

**a) Revenue**

In the year ended 30<sup>th</sup> June 2023, the fund had projected interest income of ksh. 288,071 as revenues of the fund.

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

<b>Revenue classification</b>	<b>Revenue budget (KShs)</b>	<b>Actual (KShs)</b>	<b>Realisation (%)</b>
<b>Revenue</b>	<b>KShs</b>	<b>KShs</b>	
Interest income	288,071	288,071	100%
<b>Total income</b>	<b>288,071</b>	<b>288,071</b>	<b>100%</b>

**b) Loans**

During the financial year 2022/2023, the fund disbursed loans to members bringing the total loan beneficiaries to date to 70 members. There was an increase in disbursements and the highest recorded in a single financial year since the inception of the fund.

**c) Cash flows**

In the FY 2022/2023, we have had many liquidity disruptions. This was as a result of numerous borrowings from the fund. The cash and cash equivalents increased from KShs, 485,109 as at 30<sup>th</sup> June 2022 to KShs 3,522,848 as at 30<sup>th</sup> June 2023.

**d) Conclusion**

FY 2022/2023 was a good year in general. Good progress was made and the momentum has been created to enable County Assembly of Turkana car loan and Mortgage fund continue on a trajectory into prosperity. We have identified gaps and areas to improve on in the subsequent years.

Signed: 

**Mr. Ngala Ekal Gilchrist**  
**Fund Administrator**

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

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

**Introduction**

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government 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 Fund as per the strategic plan for 2018-2025 are to provide car loans and mortgage for honourable members of county assembly.

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Provision of Mortgage facilities to all Honorable Members of County Assembly	To ensure all Honorable Members of County Assembly have access to Mortgage facilities	Number mortgages successfully applied	% of Honorable Members of County Assembly taking Mortgage facilities	During FY 2023 Honorable Members of County Assembly accessed the facility and were able build their own houses
Oversight and monitoring	Enhanced recoveries of the Honorable Members of County Assembly	Increased ability of Honorable Members of County Assembly to pay loans	Monthly recoveries	97% recoveries of the loan: 3 members had difficulty in payment
General Administration, Planning and Support Services	To cover all members of Honorable Members of County Assembly in terms of car loan and mortgage	93 Honorable Members of County Assembly were provided with car loans and mortgage	Increase in total amount recovered	Kshs. ,  A total of 121,700,000 was disbursed during the year
Provision of Mortgage facilities to all Honourable Members of County Assembly	To ensure all Honourable Members of County Assembly have access to Mortgage facilities	Number mortgages successfully applied	% of staff taking Mortgage facilities	During FY 2023 Honourable Members of County Assembly accessed the facility and were able build their

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

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				own houses
Provision of Mortgage facilities to all Honorable Members of County Assembly	To ensure all Honorable Members of County Assembly have access to Mortgage facilities	Number mortgages successfully applied	% of Honorable Members of County Assembly taking Mortgage facilities	During FY 2023 Honorable Members of County Assembly accessed the facility and were able build their own houses

## **Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund Annual Report and Financial Statements for the year ended June 30, 2023**

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### **8. Corporate Governance Statement**

The board of trustees shall be convening meetings at such times as may be necessary for the discharge of the committee's functions. The board of trustees also plays an oversight role over all other financial and operational issues. The trustees held sixteen board meetings during the FY 2022/2023.

#### **The Board of Trustees**

Scheme Fund Regulations, 2014 provides that the board of trustees shall be made up of nine trustees, including the chairman, and shall consist of a chairperson and eight other members. The board of trustees is responsible for the long-term strategic direction of the fund and recruitment of the Fund Administrator. The board of trustees exercises leadership, enterprise, integrity and judgment in directing the Fund.

The trustees are provided with full, appropriate and timely information that enables them to maintain full and effective control over the strategic, financial, operational and compliance issues. The day-to-day running of the operations of the fund is delegated to the fund administrator but the board of trustees is responsible for establishing and maintaining the fund's system of internal controls for the realization of its mandate of providing financial support for improved access to water and sanitation in areas without adequate services.

All members of the board of trustees have been taken through a comprehensive induction programme, and are adequately trained on their roles as board members. The trustees are professional, committed and guided by the mission, vision and core values of the Fund in execution of their duties. At the end of each financial year, the board, its committees, individual trustees and the Fund Administrator are evaluated by an independent body against targets agreed to at the beginning of the year.

#### **Internal Control**

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

#### **Standing Instructions**

The fund has a Code of Ethics and Service Charter that is applicable to all employees. These have a number of standing instructions to employees of the fund designed to enhance internal control.

### **Organization Structure**

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

### **Strategic Plan**

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

### **Management Team**

The management team is headed by the clerk who implements the board decisions and policies through action plans. The team meets regularly to review these action plans to ensure that the board's objectives are achieved effectively and efficiently.

## **Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund Annual Report and Financial Statements for the year ended June 30, 2023**

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

#### **Introduction**

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

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

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

#### **BUSINESS PERFORMANCE**

##### **Revenue**

The fund earned its revenue amounting to KShs 288,071 from its income interest. The income interest was average enough because the fund was not disbursed fairly enough as the previous year.

The fund remained liquid throughout the year experiencing high liquidity towards the end of the financial year due to increased collections from members, and the county government. The fund is projecting increased support from the development partners as well as the county government.

##### **Cash flow**

In the FY 2022/2023, we have had increase in liquidity. This was as a result of frequent Loans disbursements given to beneficiary's. The cash and cash equivalents increased from KShs 485,109 as at 30<sup>th</sup> June 2022 to KShs 3,522,840 as at 30<sup>th</sup> June 2023.

#### **OPERATIONAL PERFORMANCE**

The fund's core operating activity has been the offering car loans to members of the county assembly. The county assembly has supported the fund and increased collections from members have also added to the fund's better performance.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Employees**

Human capital is a critical ingredient towards ensuring realisation of our key strategic objectives and mandate. As our stakeholders increase their expectations, it is imperative to ensure adequate and motivated human resource capacity is available to provide services.

During the year, the fund reviewed its organization structure that resulted to growth of staff from one (2) to two (4) for increased efficiency and effectiveness to achieve the strategic objectives.

### **Conclusion**

We appreciate the unrelenting support from the board of trustees, management, staff, the county government, development partners and all the key stakeholders. We look forward to the continued partnerships and cooperation in areas of mutual interest in the FY 2022/2023.

## **Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund Annual Report and Financial Statements for the year ended June 30, 2023**

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

The Turkana County Assembly Car Loan and Mortgage Scheme Fund is a revolving fund established pursuant to the Turkana County Assembly Car Loan and scheme Fund regulations, 2014. Its mandate is to provide car loans to members of staff. The fund is committed to ensuring compliance with regulatory and supervisory corporate governance requirements. Essential to the establishment of a corporate governance framework in the fund is a formal governance structure with the board of trustees at its apex. The operations of the fund are governed by a Turkana County Assembly Car Loan and Mortgage Scheme Fund Regulations, 2014. The structure is designed to ensure an informed decision making process based on accurate reporting to the board.

Turkana County Assembly exists to transform lives through proper legislation, oversight and community representation. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, below is a brief highlight of our achievements in each pillar

#### **1. Employee welfare**

The County Assembly Service Board has been using the County human resource manual and the schemes of services developed as per public service commission guidelines. The County Assembly has exposed some of the staff to refresher and on job trainings to improve skills and competence. CASB has a scheme of rewarding best performance through issuance of letters of appreciation and award of trophies to best performing departments.

The County Assembly is in the process of developing occupational and safety policy, however the county assembly is in compliance with MOH national framework on health safety.

#### **2. Market place practices-**

The suppliers are competitively sourced and invitations are made in national newspapers with wider circulation.

The County Assembly has embraced e-procurement platform, where all the suppliers are registered and given fair opportunity to compete.

Once the suppliers have been delivered the payment process commences through IFMIS, which ensures that suppliers are paid on time and government taxes are withheld and remitted.

In order to avoid related party transaction, The County Assembly advises its Members, staff and their close associates to disclose and register any incidents of conflict of interest.

### **3. Community Engagements-**

Due to the growing threat of the fast spread of the corona virus in the country, Turkana County Assembly did supplementary budget to raise funds to purchase essential supplies like Soaps, Hand Washing Tanks, Sanitizers and Masks for public hospitals and social groups like churches, Community based organizations, women groups, and government departments among others.

Turkana County Assembly Supported women and girls in acquisition of Sanitary towels through partnership with sister to sister Initiative.

Public participations of legal and policy frameworks are consistently held to collect views of the public where they are systematically received and considered in the development of legislations. This is done through social media platforms and live local radio coverage.

The Institution also ensures that the county is a drug free zone and fewer drops out of schools by youth through speakers' Educational Outreach programme and radio talk shows organized by Women Caucus.

The schools and other institutions regularly visit the Assembly (Reverse outreach).

Speakers outreach programme to learning institutions initiated to reach out to learners in various institutions.

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

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**11. Report of The Trustees**

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the Fund affairs.

**Principal activities**

The principal activity of the Fund is to provide financing to the members of the county assembly to purchase cars and houses for personal use.

**Results**

The results of the Fund for the year ended June 30, 2023 are set out on pages 1 to 7.

**Trustees**

The members of the Board of Trustees who served during the year are shown on page vii and ix. There were no changes in the Board during the FY 2022/2023.

**Auditors**

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

By Order of the Board



.....

**Chair of the Board/Fund Administration Committee**

**Date:** 17/1/2024

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

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Turkana County Assembly staff car Loan and Mortgage regulations of 2016 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.


The Administrator of the County Public Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Turkana County Assembly staff car Loan and Mortgage regulations of 2016.. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 2023, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

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

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

**Approval of the financial statements**

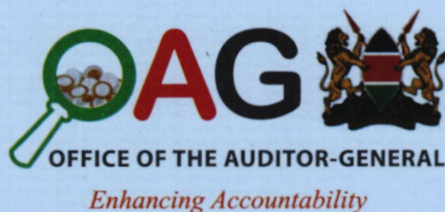
The Fund’s financial statements were approved by the Board on \_\_\_\_\_ 2024 and signed on its behalf by:

.....  


**Administrator of the County Public Fund**

# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON TURKANA COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND FOR THE YEAR ENDED 30 JUNE, 2023**

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### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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.

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of Turkana County Assembly Staff Car Loan and Mortgage Scheme Fund set out on pages 1 to 41, which comprise of the

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*Report of the Auditor-General on Turkana County Assembly staff Car Loan and Mortgage Scheme Fund for the year ended 30 June, 2023*

statement of financial position as at 30 June, 2023 and the statement of financial performance, statement of changes in net assets, statement of cash flows and 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 Turkana County Assembly Staff Car Loan and Mortgage Scheme Fund as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Turkana County Assembly Staff Car Loan and Mortgage Scheme Fund Regulations, 2016 and the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1. Misstatement of Receivables**

The statement of financial position reflects long term receivables from exchange transactions balance of Kshs.228,295,921 as disclosed in Note 13B to the financial statements. However, the balance includes an un-determined amount of current portion of long-term receivables from exchange transactions contrary to paragraph 76(c) of the International Public Sector Accounting Standards No. 1 that requires amounts expected to be received in the next twelve (12) months after the reporting date to be classified as current assets.

In the circumstances, the accuracy and completeness of the receivables from exchange transactions balance of Kshs.228,295,921 could not be confirmed.

### **2. Unsupported Revolving Fund and Accumulated Surplus**

The statement of financial position reflects revolving fund and accumulated surplus balance of Kshs.312,857,000 and Kshs.13,685,349, respectively which vary with the balances reflected in the statement of changes in net assets balance of Kshs.216,857,000 and Kshs.109,685,350, respectively resulting to an unreconciled and unsupported variance of Kshs.96,000,000.

In the circumstances, the accuracy and completeness of the revolving fund and accumulated surplus balance of Kshs.312,857,000 and Kshs.13,685,349, respectively could not be confirmed.

### **3. Inaccuracies in the Statement of Cash Flows**

The statement of cash flows reflects cashflows from financing activities balance of Kshs.8,577,805 which includes a cash outflow described as proceeds from revolving fund receipts amount of Kshs.19,756,605 that was not supported or explained by a note to the financial statements. Further, the statement has not taken into account the changes in current receivables from non-exchange transactions balance of Kshs.95,181,169 and Kshs.74,871,575 for 2022/2023 and 2021/2022 respectively.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

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

#### **Key Audit Matters**

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

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

#### **Conclusion**

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

#### **Basis for Conclusion**

##### **1. Irregular Internal Borrowing or Lending**

The statement of financial position reflects current receivables from non-exchange transactions balance of Kshs.95,181,169 which includes outstanding loans lent out to the County Assembly of Turkana. This balance includes an amount of Kshs.88,992,369 that has been outstanding for more than one year since borrowing. As reported previously, there was no evidence of County Assembly approval of short-term borrowings contrary to Section 142(1)(3) of the Public Finance Management Act, 2012 which requires County

Government entities to seek the authority of the County Assembly to borrow cash on a short-term basis for cash management purposes only. County Government entity that has any such borrowing shall ensure that the money borrowed is repaid within a year from the date on which it was borrowed.

In the circumstances, the Management was in breach of the law and the Fund is not likely to meet its objective of disbursing loans to members of staff.

## **2. Lack of an Approved Budget**

The statement of comparative budget and actual amount reflects final receipt budget and actual on comparable basis amount of Kshs.6,635,515 being 100% budget utilization. However, an approved budget for the Fund for the year under review was not prepared contrary to Section 129(3) of the Public Finance Management Act, 2012.

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

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAI) 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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 and based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) 2315 and 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 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 overall governance.

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

13 February, 2024

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

**14. Statement of Financial Performance for the Year Ended 30<sup>th</sup> June 2023**

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Revenue From Non-Exchange Transactions</b>			
Public Contributions and Donations	1	-	-
Transfers From the County Government	2	-	-
Fines, Penalties and Other Levies	3	-	-
		-	-
<b>Revenue From Exchange Transactions</b>			
Interest Income	4	288,071	1,037,410
Other Income	5	-	-
		-	-
<b>Total Revenue</b>		<b>288,071</b>	<b>1,037,410</b>
<b>Expenses</b>			
Employee Costs	6	2,443,080	2,883,100
Use of goods and services	7	-	-
Depreciation and Amortization Expense	8	-	-
Finance Costs	9	1,800	9,000
<b>Total Expenses</b>		<b>2,444,880</b>	<b>2,892,100</b>
<b>Other Gains/Losses</b>			
Gain/Loss on Disposal of Assets	10	-	-
Gain /Loss on fair value of investments	11	-	-
<b>Surplus/(Deficit) for the Period</b>		<b>(2,156,809)</b>	<b>(1,854,690)</b>

(The notes set out on pages 20 to 41 form an integral part of these Financial Statements)

.....  
 Name: **NEAZA EKAL GILCHRIST**  
 Administrator of the Fund

.....  
 Name: **GEORGE WOTIARO**  
 Fund Accountant

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

**15. Statement of Financial Position As at 30 June 2023**

Description	Note	2022-2023	Restated 2021-2022	2021-2022
		Kshs	Kshs	Kshs
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	12	3,522,840	485,109	485,109
Current Portion of Long- Term Receivables From Exchange Transactions	13A	-	-	279,682,541
Receivables From Non-Exchange Transactions	13B	235,878,196	350,590,577	-
Prepayments	14	-	-	-
Inventories	15	-	-	-
Investments in financial assets	16	-	-	-
<b>Total current assets</b>		<b>239,401,036</b>	<b>351,075,686</b>	<b>280,167,650</b>
<b>Non-Current Assets</b>				
Property, Plant and Equipment	17	-	-	-
Intangible Assets	18	-	-	-
Long Term Receivables from Exchange Transactions	13A	134,548,423	25,332,701	25,332,701
Investment Property	19	-	-	-
<b>Total non- current assets</b>		<b>134,548,423</b>	<b>25,332,701</b>	<b>25,332,701</b>
<b>Total Assets</b>		<b>373,949,459</b>	<b>376,408,387</b>	<b>305,500,351</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Trade and Other Payables from Exchange Transactions	20	-	-	-
Current Portion of Borrowings	21	-	-	-
Employee Benefit Obligations	22	-	-	-
Social benefit liabilities	23	-	-	-
<b>Total current liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-Current Liabilities</b>				
Long Term Portion of Borrowings	21	-	-	-
Non-Current Employee Benefit Obligation	22	-	-	-
Social benefit liabilities	23	-	-	-

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

Description	Note	2022-2023	Restated 2021-2022	2021-2022
		Kshs	Kshs	Kshs
<b>Total Liabilities</b>		-	-	-
<b>Net Assets</b>		<b>373,949,459</b>	<b>376,408,387</b>	<b>305,500,351</b>
Revolving Fund		369,120,445	369,120,445	77,568,930
Reserves		(2,156,809)	(1,854,690) <i>o/b</i>	(1,854,690) <i>o/b</i>
Accumulated Surplus		6,985,823	9,142,632	229,786,111 <i>o/b</i>
<b>Total Net Assets and Liabilities</b>		<b>373,949,459</b>	<b>376,408,387</b>	<b>305,500,351</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 \_\_\_\_\_ 2024 and signed by:



.....  
Name: **NGALA EKAH GUECHRI**  
Administrator of the Fund



.....  
Name: **GEORGE E. WOTJARO**  
Fund Accountant

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

**16. Statement Of Changes in Net Assets for the year ended 30<sup>th</sup> June 2023**

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
<b>Balance As At 1 July 2021</b>	<b>77,568,930</b>	-	<b>229,786,111</b>	<b>307,355,041</b>
Surplus/(Deficit) For the Period		-	(1,854,690)	-1,854,690
Funds Received During the Year		-	-	-
Transfers	-	-	(-)	
Revaluation Gain	-	-	-	-
<b>Balance As At 30 June 2022</b>	<b>77,568,930</b> <i>012</i>	-	<b>227,931,421</b> <i>01B</i>	<b>305,500,351</b> <i>cc</i>
<b>Balance As At July 2021 Restated</b>	<b>369,120,445</b> <i>X</i>	-	<b>227,931,421</b> <i>01B</i>	<b>305,500,351</b> <i>cc</i>
Surplus/(Deficit) For the Period	-	-	(1,854,690)	(1,854,690)
Funds Received During the Year	0	-	0	-
Transfers	-	-	-	-
Revaluation Gain				
<b>Balance As At 1 June 2022 Restated</b>	<b>369,120,445</b> <i>012</i>	-	<b>7,287,942</b> <i>01B</i>	<b>376,408,387</b> <i>cc</i>
<b>Balance As At 1 July 2022</b>	<b>369,120,445</b>	-	<b>6,985,823</b> <i>01B</i>	<b>376,106,268</b> <i>cc</i>
Surplus/(Deficit) For the Period	-	-	(2,156,809) ✓	(2,156,809) <i>cc</i>
Funds Received During the Year	0	-	0	-
Transfers	-	-	-	-
Revaluation Gain				
<b>Balance As At 30 June 2023</b>	<b>369,120,445</b>		<b>4,829,014</b>	<b>373,949,459</b> <i>cc</i>

(Provide details on the nature and purpose of reserves)

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
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**17. Statement of Cash Flows for The Year Ended 30 June 2023**

Description	Note	2022-2023	Restated	2021-2022
		Kshs	2021-2022	Kshs
<b>Cash flows from operating activities</b>				
<b>Receipts</b>				
Public contributions and donations		-		-
Transfers from the county government		-		-
Interest received		288,071 ✓	1,037,410 o/B	1,037,410 o/B
Receipts from other operating activities		-	-	-
<b>Total receipts</b>		<b>288,071</b>	<b>1,037,410</b>	<b>1,037,410</b>
<b>Payments</b>				
Fund administration expenses		2,443,080 ✓	2,883,100 o/B	2,883,100 o/B
General expenses		-	-	-
Finance cost		1,800 ✓	9,000 o/B	9,000 o/B
Other payments		-		-
		2,444,880 ^	2,892,100	2,892,100 o/B
<b>Net cash flows from operating activities</b>	24	<b>(2,156,809.00)</b>	<b>(1,854,690)</b>	<b>(1,854,690)</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant, equipment and Intangible assets		(-)		(-)
Proceeds from sale of property, plant & equipment		-		-
Proceeds from loan principal repayments		6,982,158.91 ✓	(42,291,829) o/B	(42,291,829) o/B
Loan disbursements paid out		(121,700,000)	-	-
<b>Net cash flows used in investing activities</b>		<b>(114,717,841)</b>	<b>(42,292,829)</b>	<b>(42,292,829)</b>
<b>Cash flows from financing activities</b>				

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

Proceeds from revolving fund receipts		-		-
Additional borrowings		5,200,000 ✓	40,339,984 O/B	40,339,984 O/B
Repayment of borrowings		114,712,381 X		-
<b>Net cash flows used in financing activities</b>		<b>119,912,381</b>	<b>40,339,984</b> ✓	<b>40,339,984</b> ^
<b>Net increase/(decrease) in cash &amp; cash Equivalents</b>		3,037,731	(3,806,535)	(3,806,535) ^
Cash and cash equivalents at 1 July		485,109	4,291,644 <del>4,291,644</del>	4,291,644 <del>4,291,644</del>
<b>Cash and cash equivalents at 30 June</b>		<b>3,522,840</b>	<b>485,109</b>	<b>485,109</b> ✓

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

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

**18. Statement Of Comparison Of Budget And Actual Amounts For The Period**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	A	B	C=(a+b)	D	e=(c-d)	f=d/c*100
<b>Revenue</b>						
Public Contributions and Donations	-	(-)	-	-	(-)	-
Transfers From County Govt.						
Interest Income	288,071	-	288,071	288,071	(0)	100%
Other Income	-	-	-	-	-	100%
<b>Total Income</b>	<b>288,071</b>	<b>(-)</b>	<b>288,071</b>	<b>288,071</b>	<b>(0)</b>	<b>100%</b>
<b>Expenses</b>						
Use of Goods and Services	2,444,880	(-)	2,444,880	2,444,880	(0)	100%
General Expenses	-	(-)	-	-	(-)	100%
Finance Cost	-	(-)	-	-	(-)	100%
<b>Total Expenditure</b>	<b>2,444,880</b>	<b>(-)</b>	<b>2,444,880</b>	<b>2,444,880</b>	<b>(-)</b>	<b>100%</b>
<b>Surplus For the Period</b>	<b>(2,156,809)</b>	<b>-</b>	<b>(2,156,809.00)</b>	<b>(2,156,809)</b>	<b>-</b>	<b>100%</b>
<b>Capital expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Budget notes**

1. Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14)
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

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**19. Notes to the Financial Statements**

**1. General Information**

Turkana county Assembly is established by and derives its authority and accountability from Turkana County Assembly (Members) scheme Fund regulations, 2014. Its establishment is also assisted by the SRC circular dated 14<sup>th</sup> February 2014 under reference SRC/TS/WH/3/14. The fund is wholly owned by the county assembly of Turkana and is domiciled in the Republic of Kenya.

**2. Statement of compliance and basis of preparation**

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

**3. Adoption of new and revised standards**

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

Standard	Effective date and impact
<b>IPSAS 41: Financial Instruments</b>	<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> <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</li></ul>

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

Standard	Effective date and impact
	<p>model that is applicable to all financial instruments subject to impairment testing; and</p> <ul style="list-style-type: none"> <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: 1<sup>st</sup> 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> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> </ul> <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>

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Standard	Effective date and impact
Other improvements to IPSAS	<p><b><i>Applicable 1<sup>st</sup> January 2023</i></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>

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

Standard	Effective date and impact:
IPSAS 43	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></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 cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires,</p> <p>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</p>

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Standard	Effective date and impact:
	results of discontinued operations to be presented separately in the statement of financial performance.

**(iii) Early adoption of standards**

The Entity did not early – adopt any new or amended standards in the financial year 2023.

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
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**3. Significant Accounting Policies**

**a) Revenue recognition**

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

**Transfers from other government entities**

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

**ii. Revenue from exchange transactions**

**Interest income**

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

**Dividends**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2022/2023 was approved by the County Assembly on 26/6/2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of 19/01/2023 on the FY 2022/2023 budget following the governing body's approval.

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

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

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

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

**c) Property, plant and equipment**

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

**d) Intangible Assets**

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

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

**e) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
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**Summary of Significant Accounting Policies (Continued)**

**f) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

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

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

**Amortized cost**

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

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

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

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
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**Significant Accounting Policies (Continued)**

**Financial liabilities**

**Classification**

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

**g) Inventories**

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

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

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

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

**h) Provisions**

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

**i) Social Benefits**

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

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

**j) Contingent liabilities**

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

**Contingent assets**

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

**k) Nature and purpose of reserves**

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

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

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

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

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

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

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
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***Summary of Significant Accounting Policies (Continued)***

**n) Foreign currency transactions**

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

**o) Borrowing costs**

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

**p) Related parties**

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

**q) Cash and cash equivalents**

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

**r) Comparative figures**

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

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

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

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

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.

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**6. Notes To The Financial Statements**

**1. Public contributions and donations**

Description	2022-2023	2021-2022
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*(Provide brief explanation for this revenue)*

**2. Transfers from County Government**

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers From County Govt. –Operations	-	-
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*(Provide brief explanation for this revenue)*

**4. Interest income**

Description	2022-2023	2021-2022
	Kshs	Kshs
Interest Income from Mortgage Loans	288,071	1,037,410
Interest Income From Car Loans	-	-
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	-	-
<b>Total Interest Income</b>	<b>288,071</b>	<b>1,037,410</b>

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*(Provide brief explanation for this revenue)*

**Notes to the Financial Statements Continued**

**5. Other income**

Description	2022-2023	2021-2022
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
<b>Total Other Income</b>	-	-

**6. Employee Costs**

Description	2022-2023	2021-2022
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	2,443,080	2,883,100
Social Security Contribution	-	-
Other <i>(Specify)</i>	-	-
<b>Total</b>	<b>2,443,080</b>	<b>2,883,100</b>

**7. Use of Goods and Services**

Description	2022-2023	2021-2022
	Kshs.	Kshs.
General Office Expenses	-	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	-
Committee Allowances	-	-
Bank Charges	-	-
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-

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Description	2022-2023	2021-2022
	Kshs.	Kshs.
Postage And Courier	-	-
Printing And Stationery	-	-
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Bank Charges	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other ( <i>Specify</i> )	-	-
Social benefit expenses*	-	-
<b>Total</b>	-	-

**8. Depreciation and Amortization Expense**

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
<b>Total</b>	-	-

**9. Finance costs**

Description	2022-2023	2021-2022
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Bank Charges	1,800	9,000
<b>Total</b>	<b>1,800</b>	<b>9,000</b>

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
<b>Total</b>	-	-

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
<b>Total Gain</b>	-	-

**12. Cash and cash equivalents**

Description	2022-2023	Restated 2021-2022	2021-2022
	Kshs		Kshs
Turkana County Car Loan Account	-		-
Turkana County Mortgage Account	3,522,840	485,109	485,109
Fixed Deposits Account	-	-	-
On – Call Deposits	-	-	-
Current Account	-	-	-
Others	-	-	-
<b>Total Cash And Cash Equivalents</b>	<b>3,522,840</b>	<b>485,109</b>	<b>485,109</b>

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**Notes to the Financial Statements Continued**

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

Financial Institution	Account number	2022-2023	Restated	2021-2022
		Kshs	Kshs	Kshs
<b>a) Fixed Deposits Account</b>				
Kenya Commercial Bank		-		-
Equity Bank, Etc.		-		-
<b>Sub- Total</b>		-		-
<b>b) On - Call Deposits</b>				
Kenya Commercial Bank		-		-
Equity Bank - Etc.		-		-
<b>Sub- Total</b>		-		-
<b>c) Current Account</b>				
Co-operative Bank of Kenya Lodwar br.	01141591530500	3,522,840	485,109	485,109
Bank B		-	-	-
<b>Sub- Total</b>		-	-	-
<b>d) Others(Specify)</b>				
Cash In Transit				
Cash In Hand		-	-	-
<b>Sub- Total</b>		-	-	-
<b>Grand Total</b>		<b>3,522,840</b>	<b>485,109</b>	<b>485,109</b>

**13. A Receivables from exchange transactions**

Description	2022-2023	Restated	2021-2022
	Kshs	Kshs	Kshs
<b>Current Receivables</b>			
Interest Receivable	-	-	-
Current Loan Repayments Due	0	0	0
Other Exchange Debtors	-	-	-
Less: Impairment Allowance	(-)		(-)
<b>Total Current Receivables</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>Non-Current Receivables</b>			
Long Term Loan Repayments Due	134,548,423	25,332,701	25,332,701
<b>Total Non- Current Receivables</b>	<b>134,548,423</b>	<b>25,332,701</b>	<b>25,332,701</b>
<b>Total Receivables From Exchange Transactions</b>	<b>134,548,233</b>	<b>25,332,701</b>	<b>25,332,701</b>

**Notes to the Financial Statements Continued**

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
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**13. B Receivables from Non-exchange transactions**

Description	2022-2023	Restated 2021-2022	2021-2022
	Kshs		Kshs
<b>Current Receivables</b>			
Interest Receivable	-	-	-
Current Loan Repayments Due (from Turkana County Assembly)	235,878,195	350,590,577	279,682,541
Other Exchange Debtors	-	-	-
Less: Impairment Allowance	(-)		(-)
<b>Total Current Receivables</b>	<b>235,878,195</b>	<b>350,590,577</b>	<b>279,682,541</b>
<b>Non-Current Receivables</b>			
Long Term Loan Repayments Due	-	-	-
<b>Total Non- Current Receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Receivables From Exchange Transactions</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes to the Financial Statements Continued**

**Additional disclosure on interest receivable**

Description	2022-2023	2021-2022
	Kshs	Kshs
<b>Interest Receivable</b>		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
<b>Current loan repayments due</b>	<b>-</b>	<b>-</b>
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

**14. Prepayments**

Description	2022-2023	2021-2022
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-

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Prepaid Electricity Costs	-	-
Other Prepayments	-	-
<b>Total</b>	-	-

**15. Inventories**

Description	2022-2023	2021-2022
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (Specify)	-	-
<b>Total Inventories at The Lower of Cost and Net Realizable Value</b>	-	-

**Notes to the Financial Statements Continued**

**16. Investments in financial assets**

Description	2022-2023	2021-2022
	Kshs	Kshs
<b>a. Investment in Treasury bills and bonds</b>		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
<b>b. Investment with Financial Institutions/ Banks</b>		
Bank x	-	-
Bank y	-	-
Sub- total	-	-
<b>c. Equity investments (specify)</b>		
Equity/ shares in Entity	-	-
Sub- total	-	-
<b>Grand total</b>	-	-

**Movement of Equity Investments**

Impairment allowance/ provision	2022-2023	2021-2022
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	(-)	(-)
Gain/(loss) in fair value of investments through surplus or	-	-

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
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deficit		
At the end of the year	-	-

**e) Shareholding in other entities**

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

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
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**Notes To The Financial Statements (Continued)**

**17. Property, plant and equipment**

<b>Cost</b>	<b>Land and Buildings Kshs</b>	<b>Motor vehicles Kshs</b>	<b>Furniture and fittings Kshs</b>	<b>Computers and office equipment Kshs</b>	<b>Total Kshs</b>
<b>At 1<sup>st</sup> July 2021</b>	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	(-)	(-)	-	-	(-)
Transfers/Adjustments	-	-	-	-	-
<b>At 30<sup>th</sup> June 2022</b>	-	-	-	-	-
<b>At 1<sup>st</sup> July 2022</b>					
Additions	-	-	-	-	-
Disposals	(-)	-	-	-	(-)
Transfer/Adjustments	(-)	-	-	(-)	(-)
<b>At 30<sup>th</sup> June 2023</b>	-	-	-	-	-
<b>Depreciation And Impairment</b>					
At 1 <sup>st</sup> July 2022	(-)	(-)	(-)	(-)	(-)
Depreciation	(-)	(-)	(-)	(-)	(-)
Impairment	(-)	-	-	-	(-)
<b>At 30<sup>th</sup> June 2023</b>	-	-	-	-	-
<b>At 1<sup>st</sup> July 2022</b>					
Depreciation	(-)	(-)	(-)	-	(-)
Disposals	-	-	-	-	-
Impairment	(-)	(-)	-	-	(-)
Transfer/Adjustment	-	(-)	(-)	-	-
<b>At 30<sup>th</sup> June 2023</b>	-	-	-	-	-
<b>Net Book Values</b>	-	-	-	-	-
<b>At 30<sup>th</sup> June 2022</b>	-	-	-	-	-
<b>At 30<sup>th</sup> June 2023</b>	-	-	-	-	-

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
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**Notes To The Financial Statements (Continued)**

**18. Intangible assets**

Description	2022-2023	2021-2022
	Kshs	Kshs
<b>Cost</b>		
<b>At Beginning of The Year</b>	-	-
Additions	-	-
<b>At End of The Year</b>	-	-
<b>Amortization And Impairment</b>		
<b>At Beginning of The Year</b>	-	-
Amortization	-	-
<b>At End of The Year</b>	-	-
Impairment Loss	-	-
<b>At End of The Year</b>	-	-
<b>NBV</b>	-	-

**19. Investment Property**

Description	2022-2023	2021-2022
	Kshs	Kshs
<b>At beginning of the year</b>	-	-
Additions	-	-
Disposal during the year	(-)	(-)
Depreciation	(-)	(-)
Impairment	(-)	(-)
Gain/(loss) in fair value (if fair value is elected)	-	-
<b>At end of the year</b>	-	-

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
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**Notes To The Financial Statements (Continued)**

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

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Trade Payables	-		-	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
<b>Total Trade and Other Payables</b>	-		-	
<b>Ageing analysis (Trade and other payables)</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (tie to above total)</b>	-		-	

**21. Provisions**

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance At the Beginning Of The Year (1.07.2022)	-	-	-	-
Additional Provisions	-	-	-	-
Provision Utilised	(-)	(-)	(-)	(-)
Change Due To Discount And Time Value For Money	(-)	(-)	(-)	(-)
Transfers From Non -Current Provisions	-	-	-	-
<b>Balance At The End of The Year (30.06.2023)</b>	-	-	-	-

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
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**Notes To The Financial Statements (Continued)**

**22. Borrowings**

Description	2022-2023	2021-2022
	Kshs	Kshs
<b>Balance At Beginning of The Period</b>	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments Of External Borrowings During the Period	(-)	(-)
Repayments Of Domestic Borrowings During the Period	(-)	(-)
<b>Balance At End of The Period</b>	-	-

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

Description	2022-2023	2021-2022
	Kshs	Kshs
<b>External Borrowings</b>		
Dollar Denominated Loan From 'X Organization'	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from Z Organization'	-	-
<b>Domestic Borrowings</b>		
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
<b>Total Balance at End of The Year</b>	-	-

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

Description	2022-2023	Restated 2021-2022	2021-2022
	Kshs	Kshs	Kshs
Current portion of long term receivables from exchange transactions	-	-	279,682,541
Current portion of long term receivables from Non-exchange transactions	235,878,195	350,590,577	-
Long Term Borrowings	134,548,423	25,332,701	25,332,701
<b>Total</b>	<b>370,426,618</b>	<b>375,923,278</b>	<b>305,015,242</b>

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
Annual Report and Financial Statements for the year ended June 30, 2023**

**Notes To The Financial Statements (Continued)**

**23. Employee benefit obligations**

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

**24. Social Benefit Liabilities**

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

*Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g poverty, age, unemployment among others.*

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
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**Notes To The Financial Statements (Continued)**

**25. Cash generated from operations**

Description	2022-2023	2021-2022
	Kshs	Kshs
<b>Surplus/ (Deficit) For the Year Before Tax</b>	-	-
<b>Adjusted For:</b>		
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	(-)	(-)
Interest Income	(-)	(-)
Finance Cost	-	-
<b>Working Capital Adjustments</b>		
Increase In Inventory	(-)	(-)
Increase In Receivables	(-)	(-)
Increase In Payables	-	-
<b>Net Cash Flow From Operating Activities</b>	-	-

*(The total of this statement should tie to the cash flow section on net cash flows from operating activities)*

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
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**Notes To The Financial Statements (Continued)**

**26. Related party balances**

**a) Nature of related party relationships**

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

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

**b) Related party transactions**

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

**c) Key management remuneration**

Description	2022-2023	2021-2022
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
<b>Total</b>	-	-

**d) Due from related parties**

Description	2022-2023	2021-2022
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
<b>Total</b>	-	-

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
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**Other Disclosures Continued**

**e) Due to related parties**

Description	2022-2023	2021-2022
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
<b>Total</b>	-	-

**27. Contingent assets and contingent liabilities**

Contingent Liabilities	2022-2023	2021-2022
	Kshs	Kshs
Court Case Xxx Against the Fund	-	-
Bank Guarantees	-	-
<b>Total</b>	-	-

*(Give details)*

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
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**Notes To The Financial Statements (Continued)**

**28. Financial risk management**

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has 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:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2022</b>				
Receivables From Exchange Transactions	134,548,423	134,548,423	-	-
Current portion of Long term receivables From Exchange Transactions				
Current portion of Long term receivables From Non-Exchange Transactions	234,055,927	234,055,927	-	-
Bank Balances	3,522,840	3,522,840	-	-
<b>Total</b>	<b>373,949,459</b>	<b>373,949,459</b>	<b>-</b>	<b>-</b>
<b>Restated At 30 June 2021</b>				
Receivables From Exchange Transactions	25,332,701	25,332,701		
Current portion of Longterm receivables From Exchange Transactions				

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
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Current portion of Long term receivables From Non-Exchange Transactions	350,590,577	350,590,577		
Bank Balances	485,109	485,109		
<b>Total</b>	<b>376,408,387</b>	<b>376,408,387</b>		
<b>At 30 June 2021</b>				
Receivables From Exchange Transactions	25,332,701	25,332,701	-	-
Current portion of Long term receivables From Exchange Transactions	279,682,541	279,682,541		
Current portion of Long term receivables From Non-Exchange Transactions			-	-
Bank Balances	485,109	485,109	-	-
<b>Total</b>	<b>305,500,351</b>	<b>305,500,351</b>	-	-

*(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)*

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
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**Notes To The Financial Statements (Continued)**

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

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

**b) Liquidity risk management**

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

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

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

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
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**Notes To The Financial Statements (Continued)**

**c) Market risk**

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

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

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

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

**i. Foreign currency risk**

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

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

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

*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.*

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
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**Notes To The Financial Statements (Continued)**

**Foreign currency sensitivity analysis**

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
<b>2023</b>			
Euro	10%	-	-
USD	10%	-	-
<b>2022</b>			
Euro	10%	-	-
USD	10%	-	-

**ii. Interest rate risk**

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

***Management of interest rate risk***

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

***Sensitivity analysis***

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

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
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**Notes To The Financial Statements (Continued)**

**d) Capital risk management.**

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

Description	Current FY	Restated Comparative FY	Comparative FY
	Kshs	Kshs	Kshs
surplus/Deficit for the period	(2,156,809.00)	(1,854,690)	(1,854,689)
Revolving fund	369,120,445	369,120,445	77,568,930
Accumulated surplus	6,985,823	9,142,632	229,786,111
<b>Total funds</b>	<b>373,949,459</b>	<b>376,408,387</b>	<b>305,500,351</b>
Total borrowings	5,200,000	5,200,000	40,339,984
Less: cash and bank balances	(3,522,840)	(3,522,840)	(485,109)
Net debt/(excess cash and cash equivalents)	3,522,840	3,522,840	(485,109)
<b>Gearing</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>

**29. Events after the reporting period**

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

**30. Ultimate and Holding Entity**

The entity is a County Public Fund established by Turkana County Assembly Car Loan and mortgage scheme Fund (staff) regulations, 2016 Act on 11th March 2016 under Turkana County Assembly. Its ultimate parent is the County Government of Turkana

**31. Currency**

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

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
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**20. Annexes**

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Ref: OAG/NRRO/TCAMCLMF/2021-2022/(2)	Lack of Security on Mortgage Loans Kshs.25,332,701	The management reviewed the challenges the fund might incur and its committed to provide the necessary collateral.	Resolved	June 2023
Ref: OAG/NRRO/TCAMCLMF/2021-2022/(2)	Failure to Insure the Loans Under the Fund	The management revised the implications in the uninsured top-up loans and was fully committed to secure future loans with accordance with the regulations.	Un Resolved	December 2023
Ref: OAG/NRRO/TCAMCLMF/2021-2022/(2)	Irregularly Constituted Loans Management Committee	The management revised the risks of the fund and availed the necessary appointment letters to the concerned officers. Attached are the appointment letters.	Resolved	December 2022
Ref: OAG/NRRO/TCAMCLMF/2021-2022/(2)	Lack of Internal Audit Arrangements for The Fund	The management noted the implications of internal control weakness and resolved to invite the internal audit department for an internal audit exer-cise.	Resolved	June 2022
Ref: OAG/NRRO/TCAMCLMF/2021-2022/(2)	Lack of Fraud Management and Risk Policy	The management noted the importance of risks fraud management and risk policy and resolved to put in place the policy.	Resolved	June 2022
Ref:	Lack of Strategic	The management	Resolved	June 2023

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/NRRO/TCAMCLMF/2021-2022/ (2)	and Operational Plan	engaged the fund administrator to comply with the law by imposing a strategic plan for the fund.		
Ref: OAG/NRRO/TCAMCLMF/2021-2022/ (2)	Unresolved Prior Year Audit Matters and Recommendations of Oversight Bodies	The management realized the risk of not resolving previous audit queries and ensured that no audit queries will go un-resolved/unanswered in the future.		

**Guidance Notes:**

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

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

Date.....17/01/2024

**Turkana County Assembly Car Loan and Mortgage (Members) Scheme Fund  
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**Annex II: Inter-Fund Confirmation Letter**  
*[Insert your Letterhead]*

The Turkana County Assembly Car Loan and Mortgage (Members) scheme fund wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30 <sup>th</sup> June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 <sup>th</sup> June 2023				Amount Received by [beneficiary Fund] (KShs) as at 30 <sup>th</sup> June 20xx (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							

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

**Head of Accountants department of beneficiary Fund:**

Name ..... Sign .....Date .....

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**Annex III: Reporting of Climate Relevant Expenditures**

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

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**Annex IV: Reporting on Disaster Management Expenditure**

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