

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF



THE AUDITOR-GENERAL

ON

**NYANDARUA COUNTY ASSEMBLY
CAR LOAN AND MORTGAGE
(STAFF) SCHEME FUND**

**FOR THE YEAR ENDED
30 JUNE, 2024**

PAPERS LAID	
DATE	
TABLED BY	
COMMITTEE	
CLERK AT THE TABLE	



REPUBLIC OF KENYA



REPUBLIC OF KENYA
NYANDARUA COUNTY ASSEMBLY
OFFICE OF THE CLERK

NYANDARUA COUNTY ASSEMBLY

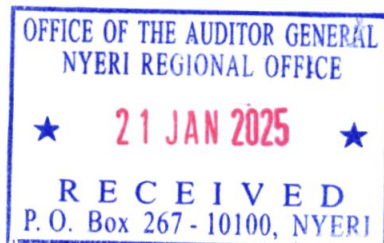
STAFF CAR LOAN AND MORTGAGE SCHEME FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2024

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



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Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

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Acronyms and Abbreviations

BOM	Board of Management
CASB	County Assembly Service Board
CPA	Certified Public Accountant
CSR	Corporate Social Responsibility
FY	Financial Year
GDP	Gross Domestic Product
HR	Human Resources
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
Kshs	Kenya Shillings
LSK	Law Society of Kenya
NGO	Non-Governmental Organization
OSHA	Occupational Safety and Health Act
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
SRC	Salaries and Remuneration Commission
SWOT	Strengths, Weaknesses, Opportunities, and Threats
VAT	Value Added Tax
WACC	Weighted Average Cost of Capital
CEO	Chief Executive Officer
ICT	Information and Communication Technology
M&E	Monitoring and Evaluation
PR	Public Relations

Glossary of Terms

Accrual Basis of Accounting	A method of accounting where revenues and expenses are recorded when they are incurred, regardless of when cash transactions occur.
Audit	An independent examination of financial information to ensure accuracy and compliance with established standards.
Board of Trustees	Committee tasked with overseeing the management of the Nyandarua County Assembly Staff Car Loan and Mortgage Fund.
Budget Allocation	The specific amount of money set aside for different programs or expenses within a financial period.
Conflict of Interest	A situation where a person in a position of responsibility has competing professional or personal interests that can make it difficult to act impartially.
Depreciation	The reduction in the value of an asset over time, particularly due to wear and tear.
Fiduciary Responsibility	The legal obligation of one party to act in the best interest of another, such as trustees managing the financial health of the Fund.
Financial Performance	An assessment of how well a company, organization, or fund is managing its financial resources, including income, expenses, and profits or losses.
Fund Administrator	The official responsible for managing the operations of the Nyandarua County Assembly Staff Car Loan and Mortgage Fund, including overseeing its financial performance.
Governance Audit	An evaluation of the governance structure, policies, and practices of an organization to ensure transparency, accountability, and ethical behavior.
International Public Sector Accounting Standards	A set of accounting standards for use by public sector entities worldwide in preparing financial statements, promoting transparency and consistency.
Loan Portfolio	The total amount of outstanding loans managed by the Fund, including the principal amount owed and interest.
Revolving Fund	A fund where the money borrowed or lent is repaid and made available for future loans, ensuring sustainability of the lending program.

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

Stakeholder Engagement

The process by which an organization involves those who have a stake in its activities, such as employees, investors, and the community, in decision-making.

Sustainability

The ability of the fund to maintain its financial operations and support its beneficiaries over the long term, without compromising future resources.

Key Entity Information and Management

Background information

Nyandarua County Assembly Staff Car Loan and Mortgage Scheme is a revolving fund established pursuant to the Salaries and Remuneration Commission (SRC) circular number SRC/TS/WH/3/14 of 14th February 2014. Section 167 of the Public Finance Management (PFM) Act 2012 mandates the administrator of public funds with the preparation of annual financial statements.

For proper management of the fund and as advised by the SRC in the circular under the reference, Nyandarua County Assembly Staff Car loan and Mortgage Fund adopted the PFM regulations of 2014 to guide in the operationalization of the fund.

Nyandarua County Assembly Staff Car loan and Mortgage Fund was incorporated/ established under the PFM Act on 30th April 2016, and it's regulated by Nyandarua County Assembly Car loan and Mortgage regulations and Salaries and Remuneration Commission circulars.

The fund has been internally administered in the County Assembly under the leadership of the Clerk who doubles as the fund administrator.

The SRC in its circular reference SRC/ADM/CIR/1/13 Vol.III (128) dated 17th December 2014 provided guidelines for access of car loan and mortgage benefits by state and public officers. Arising therefrom, the County Assembly Service Board approved and adopted the Staff Loans Policy Paper on 17th March 2015. The fund is wholly owned by the County Assembly of Nyandarua and is domiciled in Kenya.

Principal Activities

The principal activities of Nyandarua County Assembly Staff Car loan and Mortgage Fund is to grant car loans and Mortgages to the civil servants employed by the County Assembly of Nyandarua at a rate prescribed by the Salaries and Remuneration commission.

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

Vision

“The fund of choice for staff.”

Mission

“To provide affordable, accessible and sustainable mortgage and car loans to staff.”

Core Values

The fund upholds the values of accountability, transparency, excellence, accessibility, integrity, responsiveness, equity and teamwork.

Board of Trustees/Fund Administration Committee

The Nyandarua County Assembly Staff Car Loan and Mortgage is run by a committee established pursuant to section 6 of the Nyandarua County (Assembly Staff Car Loan and Mortgage Scheme Fund) Regulations, 2020.

Table 1: Nyandarua County Assembly Staff Car Loan and Mortgage Management Committee

Ref	Name	Position
1	Hon Stephen Wachira Waiganjo	Chairperson
2	Ms Emma Mwihaki Kibiro	Vice Chairperson
3	Mr Charles Wahinya Wambui	Member
4	Mr John Kabue Kahinga	Member
5	Mr Moses Kinyua Mbuthia	Member
6	Mr Gideon Mukiri Muchiri	Fund Administrator

Technical Committee

The committee is served by a technical committee consisting of the members shown below.

Table 2: Nyandarua County Assembly Staff Car Loan and Mortgage Technical Committee

Ref	Name	Position
1	Mr. Gideon Mukiri Muchiri	County Assembly Clerk
2	Mr. Dominic Chege Wacera	Senior Accountant
3	Ms. Leah Njoki Wanjiku	Senior Human Resource Officer
4	Mr. George Kamunya Wang'ombe	Senior Clerk Assistant

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

Key Management team

Table 3: Key Management Team

Ref	Position	Name
1	Fund Manager/ Administrator	Gideon Mukiri Muchiri
2	Fund Accountant	Dominic Chege Wacera

Registered Offices

P.O. Box 720-20303
Assembly Chambers Building
Ol'Kalou- Nairobi Highway
Ol'Kalou, Kenya

Fund Contacts

Telephone: (254) 743-079333
E-mail: clerk@assembly.nyandarua.go.ke
Website: www.nyandaruaassembly.go.ke

Fund Bankers

Equity Bank Limited
Ol'Kalou Branch
P.O. Box 215-20303
Ol'Kalou-Kenya

Independent Auditors

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


Principal Legal Adviser

The County Attorney
County Government of Nyandarua
P.O. Box 721-20303
Ol'Kalou, Kenya

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

Fund Administration Committee

The board of trustees during the financial year consisted of:

	<p>Hon Stephen Wachira Waiganjo - Chairperson - Board of Trustees</p> <p>Hon. Stephen Wachira Waiganjo has served as the Speaker of the Nyandarua County Assembly since 23rd September 2022.</p> <p>In this capacity, he presides over Assembly proceedings and chairs the County Assembly Service Board, where he plays a critical role in the administration of the County Assembly.</p> <p>Before taking on the Speaker role, Hon. Waiganjo was the Managing Partner at Wachira Waiganjo & Company Advocates, where he demonstrated exceptional legal acumen.</p> <p>His expertise is further underscored by his previous position as a Senior Legal Researcher at Kithure Kindiki and Company Advocates, where he deepened his legal knowledge and research skills.</p> <p>Hon. Waiganjo holds a Bachelor of Laws (LL.B) degree from the University of Nairobi and a Diploma in Law from the Kenya School of Law.</p> <p>He also possesses a Certificate in Computer Science and Information Technology, reflecting his commitment to integrating technology into legal practice.</p>
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Emma Mwhaki Kibiro- Vice Chairperson

Ms. Emma Mwhaki Kibiro has been serving as a member of the Nyandarua County Assembly Service Board (CASB) since her inauguration on 23rd November 2022. The CASB is tasked with overseeing and directing the administration of various services within the Assembly, playing a crucial role in its effective governance.

Ms. Kibiro is a distinguished scientific researcher with extensive experience in her field. Her expertise spans data management and presentation, proposal development, and scientific research consultancy, showcasing her diverse skill set.

Prior to joining the CASB, Ms. Kibiro worked as a Research Officer at the Nyandarua County Assembly. She has also held the position of expert reviewer at Vick Agricare and served as a Research Scientist at the National Museums of Kenya.

She holds a Master of Science degree in Mycology from the University of Eldoret and a Bachelor of Science degree in Microbiology from Moi University. Currently, Ms. Kibiro is pursuing a Bachelor of Laws (LL.B) degree at Mount Kenya University and a Doctor of Philosophy (Ph.D.) in Plant Pathology from the University of Eldoret.

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024



Charles Wahinya Wambui-Member

Mr. Charles Wahinya Wambui currently serves as the Director of Finance and Accounting at the Nyandarua County Assembly. With an impressive 25-year career in Public Finance, he brings a wealth of experience and in-depth expertise to his role, contributing significantly to the financial management and oversight of the Assembly. Mr. Wahinya holds a Bachelor of Commerce degree, specializing in accounting. He is also a Certified Public Accountant (CPA), duly accredited by the Institute of Certified Public Accountants of Kenya (ICPAK).




Mr. Moses Kinyua Mbuthia-Member

Mr. Moses Kinyua Mbuthia currently serves as a Senior Legal Counsel at the Nyandarua County Assembly, where he applies his extensive legal expertise to support the institution's operations and decision-making processes.

A distinguished advocate, Mr. Kinyua is duly recognized by the High Court of Kenya and is an esteemed member of the Law Society of Kenya (LSK).

Mr. Kinyua holds a Bachelor of Laws Degree (LLB) from Moi University. Additionally, he holds a post-graduate diploma from the Kenya School of Law (KSL).



Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

 A portrait photograph of Mr. John Kabue Kahinga, a man with short dark hair, wearing a dark suit jacket, a white shirt, and a dark tie. He is looking directly at the camera against a plain, light-colored background.	<p><u>Mr. John Kabue Kahinga-Member</u> Mr. Kahinga serves as a Senior Legal Counsel at Nyandarua County Assembly.</p> <p>He is an advocate of the High Court of Kenya and a member of the Law Society of Kenya (LSK).</p> <p>He holds a Bachelor of Laws Degree (LLB) from the University of Nairobi and a diploma from the Kenya School of Law (KSL).</p> <p>Mr. Kahinga is also a Certified Public Accountant (CPA).</p>
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Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

Management Team

The management during the financial year consisted of:

	<p><u>Gideon Mukiri Muchiri - Fund Administrator.</u></p> <p>Mr. Gideon Mukiri Muchiri serves as the Clerk to the Nyandarua County Assembly, a role in which he oversees the overall administrative functions of the Assembly. Prior to this, Mr. Mukiri held the position of Director of ICT and Corporate Communications.</p> <p>As a computer programmer, system analyst, and software engineer, Mr. Mukiri brings a unique blend of technical and administrative skills to his position. He holds a Bachelor of Science degree in Information Systems from Laikipia University and a Master's degree in Business Administration (MBA) with a specialization in strategic management.</p> <p>Mr. Mukiri is a member of the Computer Society of Kenya (CSK) and an associate member of the Kenya Institute of Management (KIM).</p>
	<p><u>Dominic Chege Wacera- Fund Accountant</u></p> <p>Mr. Chege assumed the role of Fund Accountant on 5th October 2016. Since 2014, he has served as a Senior Accountant at Nyandarua County Assembly.</p> <p>He holds a Bachelor of Arts degree in Economics from the University of Nairobi and a Master of Science in Finance (MSC Finance) from the same institution.</p> <p>In addition, Mr. Chege is a Certified Public Accountant (CPA) with the distinguished (K) accreditation. He is also a member of the Institute of Certified Public Accountants of Kenya (ICPAK).</p>

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

Board/Fund Chairperson's Report

It is my privilege to formally present, on behalf of the esteemed Board of Trustees, the financial statements of the Nyandarua County Assembly Staff Car Loan and Mortgage Fund for the year ending 30th June 2024. These statements provide a comprehensive overview of the financial performance of the fund over the preceding year.

The establishment of the Nyandarua County Assembly Staff Car Loan & Mortgage Fund was established by the County Assembly in compliance with the Regulations of 2015 and in accordance with the provisions stipulated in the Public Finance Management Act of 2012.

Furthermore, it is worth noting that the fund's operations have been conducted in strict adherence to all relevant regulatory frameworks and compliance standards, demonstrating our unwavering commitment to transparency and accountability.

As we review these financial statements, it is with a shared sense of purpose and responsibility towards the financial well-being of our staff members. The data presented herein serves as a testament to our commitment to fiscal prudence and responsible stewardship of the fund's resources.

I express my deepest appreciation to all those who have played a role in upholding the integrity and effectiveness of the Nyandarua County Assembly Staff Car Loan and Mortgage Fund.

Sustainability

The primary focus of the Nyandarua County Assembly Staff Mortgage and Car Loan fund is to underscore the imperative of guaranteeing not only the sustainability of its investments but also fortifying its resource mobilization and financing capacities. This endeavor is fueled by a steadfast commitment to securing the fund's continued operational vitality.

In this vein, the fund has undertaken a comprehensive evaluation of the spectrum of available financing instruments, aiming to identify those that promise robust, long-term sustainability. Continually, the County Assembly Service Board has ensured annual budgetary allocation to the fund, ensuring that funds are available to the staff. Furthermore, it ensures that the staff advanced the funds can comfortably repay the instalments, ensuring there is a revolving fund.

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

These measures are poised to not only augment the fund's capacity for resource mobilization but also enhance its financial standing, thereby safeguarding its continued viability as a key financial entity within our esteemed organization.

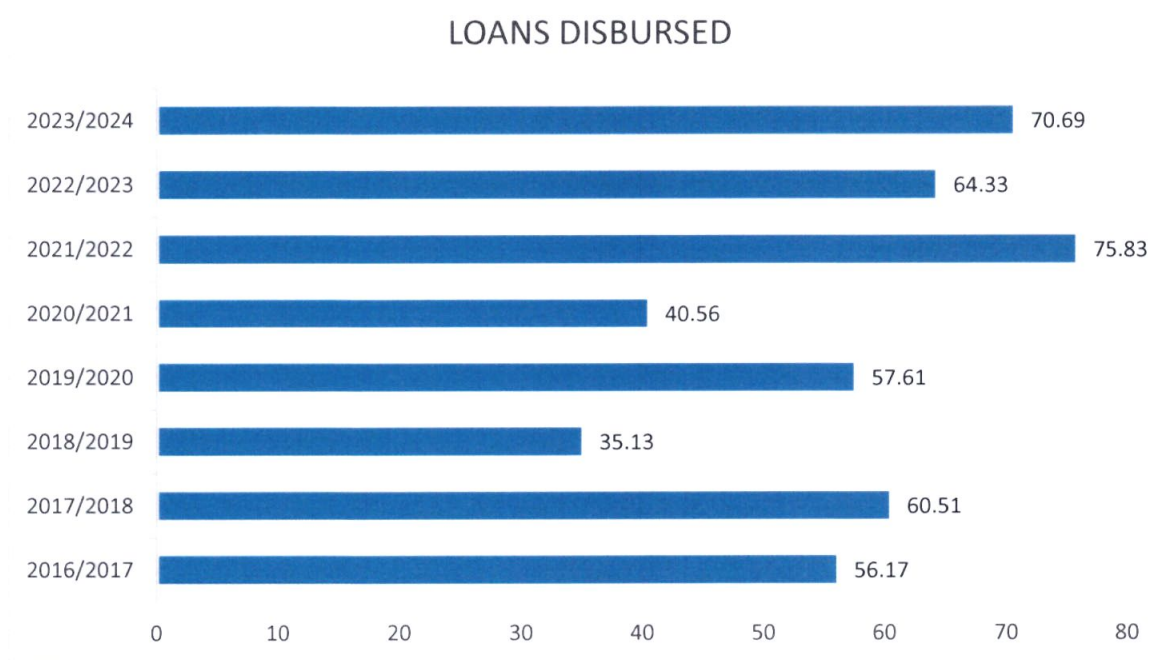
Review of performance

The Nyandarua County Assembly Staff Car Loan and Mortgage Fund commenced its operations with an initial capital injection from the County Assembly in the fiscal year 2015/16, amounting to Kes. 20 million. This sum was designated to serve as the seed capital for the fund, operating on a revolving basis. Subsequently, the fund's capital base has witnessed steady increase, with successive injections from the Assembly's budget, calculated based on projected credit needs, available funds, and beneficiary repayments.

Specifically, in the fiscal year 2016/2017, the fund experienced a notable expansion, accruing an additional Kes. 33,413,763. This growth trend continued, with the fund receiving an infusion of Kes. 47,301,000 in the fiscal year 2017/2018, followed by a further Kes. 20,000,000 in the fiscal year 2018/2019, Kes. 35,195,995 in the fiscal year 2019/2020, and Kes. 39,000,000 in the fiscal year 2020/2021.

Notably, the fund's momentum was sustained in the fiscal year 2021/2022, with a further increase of Kes. 40,000,000. During the Financial Year, 2022/2023 the fund benefitted from an injection amounting to Kes. 30,000,000. Further, during the year under review, a budgetary allocation of Kes 30,500,000 was added to the fund. This strategic capital allocation approach has yielded a cumulative revolving fund value of Kes. 295,410,758 as of the reporting date, 30th June 2024. The apparent fiscal prudence and astute capital management have been instrumental in enhancing the fund's financial stature and ensuring its continued effectiveness in serving the interests of its beneficiaries.

In the period under review, Nyandarua County Assembly Staff Car Loan and Mortgage Fund reported a 9.89% increase in Loan portfolio from Kes. 64.33 Million in the FY 2022/2023 to Kes. 70.69 Million in the FY 2023/2024.



Future outlook

The anticipated trajectory for the Fund in the financial year 2024/2025 is marked by a promising outlook. There is a concerted effort towards establishing a resilient and sustainable financial entity, underpinned by a motivated and proficient workforce, as well as fortified operational structures designed to elevate service delivery efficiency and effectiveness.

Key focal points encompass the augmentation of internal capacities, the implementation of streamlined processes, and the cultivation of a culture of excellence. These initiatives collectively form the bedrock of the Fund's strategic approach, ensuring it remains adaptable and responsive to evolving financial dynamics.

A budgetary allocation of Kes 46,167,574 has been set aside in the FY 2024/25 budget to ensure continuity of the fund.

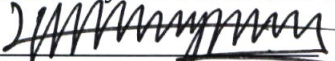
To this end, the Fund anticipates support from both the County Government and the National Treasury. This collaborative endeavor is paramount in realizing the Fund's core mandate and propelling it towards greater heights of impact within the Nyandarua County Assembly's financial ecosystem. Through sustained cooperation, the Fund is poised to make significant strides in fulfilling its mission and serving the interests of its stakeholders effectively.

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

Appreciation

I take this opportunity to extend my gratitude to all stakeholders, including the National Treasury, County Assembly, management, staff and fellow trustees, for their unwavering commitment and diligent oversight in managing the Nyandarua County Assembly Staff Car Loan and Mortgage Fund. Their collective efforts have been instrumental in ensuring the fund's prudent financial management and its continued contribution to the well-being of our esteemed staff.

I look forward to your continued support in the year 2024/2025.

Signed: 

Hon Stephen Wachira Waiganjo

The Chairperson - Nyandarua County Assembly Staff Car Loan and Mortgage Fund

Report of The Fund Administrator

It is my pleasure to present a report on the performance and management of the Nyandarua County Assembly Staff Car Loan and Mortgage Fund for the financial year ending 30th June 2024.

1. Budget Performance

The Fund had an approved budget of **101,006,998** for the financial year under review. The actual expenditure for the year amounted to **90,195,072** representing a budget performance of **89%**. This variance was primarily due to the stringent loan approval process, which resulted in a lower disbursement than anticipated. Cumulatively, since its establishment, the Fund has maintained an expenditure efficiency rate of **87%**, ensuring financial sustainability while meeting the needs of its beneficiaries.

A breakdown of budget performance by program:

- **Car Loan Program:** Budget allocation of **5,500,000**, with an actual disbursement of **5,500,000**, achieving a **100%** performance.
- **Mortgage Program:** Budget allocation of **Ksh 95.51 million**, with actual disbursement of **Ksh 65 million**, achieving **69%** performance.

2. Physical Progress and Achievements

Since its establishment, the Fund has made remarkable progress in supporting staff at the County Assembly. Over the years, the Fund has disbursed Ksh 474,255,500 cumulatively, benefiting 84 (Eighty-Four) employees. The outcomes of the programs are evident in the improved living standards of the staff, as a significant number have been able to purchase vehicles and build residential homes. Key achievements include:

- **9.5%** of beneficiaries have completed mortgage repayments.
- **11.9 %** of staff now own vehicles financed through the car loan program.
- **100%** repayment rate on smaller loan tranches, indicating the program's effectiveness and sustainability.

3. Program Implementation and Outcomes

The Fund successfully implemented the following key programs during the year:

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

- **Car Loan Program:** This program disbursed loans to 3 staff members, enabling them to purchase vehicles. The initiative has improved transportation access for staff, enhancing their mobility and productivity.
- **Mortgage Program:** The program provided housing loans to 17 staff members, contributing to improved housing conditions and a higher quality of life.
- Both programs have been implemented effectively, with minimal defaults due to the payroll deduction mechanism, ensuring seamless loan recovery.

4. Value-for-Money Achievements

The Fund has been able to deliver significant value to its beneficiaries while maintaining cost efficiency. By utilizing direct payroll deductions, the Fund has minimized administrative costs and reduced the risk of loan defaults.

5. Implementation Challenges and Strategic Outlook

While the Fund has recorded commendable progress, several challenges have hindered the full realization of its strategic objectives:

- **Budgetary Constraints:** Reduced allocations and delays in exchequer releases in the last financial year limited the Fund's ability to meet increasing loan demand.
- **Economic Uncertainty:** The rising cost of living, increased statutory deductions including affordable housing and Social Health Insurance Fund (SHIF) and inflation have impacted the ability of some beneficiaries to fully repay the fund's instalments.
- **Policy Shifts:** Changes in financial regulations have necessitated revisions to some of the Fund's processes, resulting in delays in program execution.

6. Future Outlook

For the upcoming financial year, the Fund has a projected budget allocation of **Ksh 46 million**, which will be directed toward expanding the current programs. New initiatives include:

- **Digital Loan Application Platform:** To improve accessibility and efficiency, the Fund will launch an online platform for loan applications, reducing processing times by **30%**.

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

- **Green Energy Loan Program:** A new program will be introduced to support staff in purchasing energy-efficient products such as solar panels and electric vehicles, aligning with the County's sustainability goals.

7. Risk Management Strategies

The Fund has implemented several risk management strategies to ensure its sustainability:

- **Creditworthiness Assessments:** Enhanced vetting processes ensure that only eligible staff with a good credit history are granted loans.
- **Diversification of Programs:** By offering a variety of loan products (car loans and mortgages), the Fund mitigates the risk of over-reliance on a single program.
- **Strict Loan Recovery Mechanisms:** Payroll deductions ensure high repayment rates and minimize default risks.

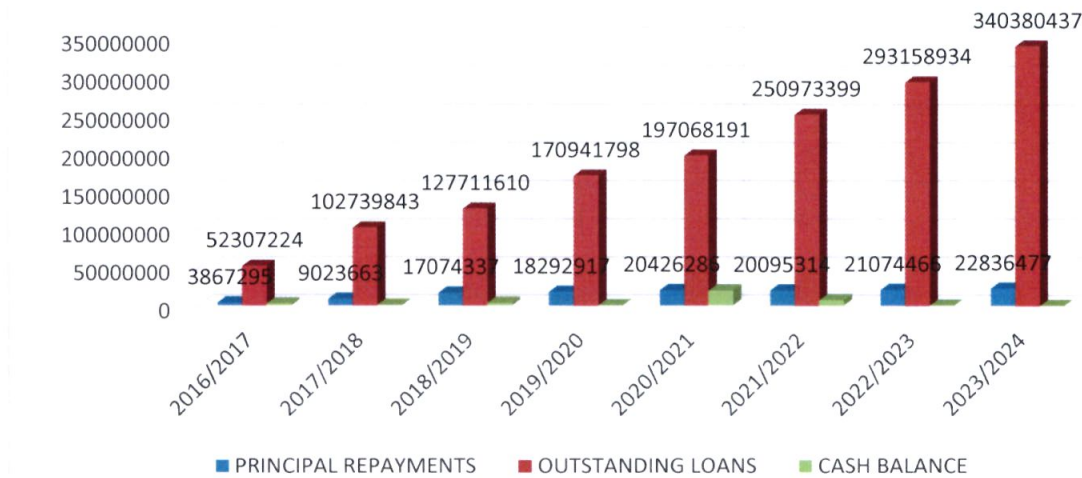
8. Financial Performance

In the period under review, Kes. 30,500,000 was received as an appropriation from the annual budget of Nyandarua County Assembly. The revolving fund stood at Kes. 295,410,758 in the FY 2023/2024. In the period under review, the Management disbursed new loans valued at Kes. 70.692 million as compared to Kes. 64.33 Million in the previous year and consequently increasing the number of beneficiaries to Eighty Four.

Principal loan repayment from beneficiaries amounted to Kes. 22.836 million, while at the period end, the Fund had outstanding loans valued at Kes. 340.38 million and Kes. 355,565 cash balance.

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

CAR LOAN AND MORTGAGE FUND ANALYSIS



The period was a good in general with no political wrangles. Good progress was made and the momentum has been created to enable the fund continue on a trajectory into prosperity. We have identified gaps and areas to improve on in the subsequent years. Finally, we are confident that the Fund will sustain the impressive performance to the future which is prerequisite in meeting its goals and objectives of providing affordable loan products to the staff

I take this opportunity to thank the board of trustees for their support. I would also want to thank all staff who we have worked hand in hand to ensure that Nyandarua County Assembly Staff Car Loan and Mortgage fund achieves its mission.

In conclusion, the Nyandarua County Assembly Staff Car Loan and Mortgage Fund remains committed to providing financial support to staff while maintaining a robust and sustainable operation. We look forward to another year of growth and success, with continued improvements in service delivery and the introduction of innovative programs that will further benefit our staff and the broader community.

Signed: 

Gideon Mukiri Muchiri
Clerk Nyandarua County Assembly
Fund Administrator.

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

Statement of Performance Against the County Fund’s Predetermined Objectives

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 the period 2022 - 2027 are to:

- a) *To institutionalize employee welfare and wellness support programme*

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Institutional Capacity	To institutionalize employee welfare and wellness support	Available staff car loan and mortgage scheme	Budgetary allocation	In FY 23/24 the allocation for staff car loan and mortgage was Kes. 30.5M which was absorbed

Corporate Governance Statement

Environmental and Sustainability Reporting

Corporate social responsibility is an integral part of the Nyandarua County Assembly Staff Car Loan and Mortgage Fund. The fund respects the interests of its stakeholders – our customers, suppliers and the wider community and we actively seek opportunities both to improve the environment and to contribute to the well-being of the communities around us. Whereas the fund was not engaged in any corporate social responsibility activities during the period under review, we are looking forward to getting involved more in these and other areas, and the management team has been tasked with coming up with more CSR ideas. The Nyandarua County Assembly Staff Car Loan and Mortgage Fund operates with a robust governance framework to ensure efficiency, transparency, and accountability. Below are the key components of the corporate governance practices during the financial year:

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

Board/Trustee Meetings and Attendance

During the year under review, the Board of Trustees held 10 formal meetings. The attendance record of each member was as follows:

- a. Hon. Stephen Wachira Waiganjo (Chairperson) – Attended 8/10 meetings
- b. Ms. Emma Mwihaki Kibiro (Vice Chairperson) – Attended 7/10 meetings
- c. Mr. Charles Wahinya Wambui (Member) – Attended 9/10 meetings
- d. Mr. John Kabue Kahinga (Member) – Attended 9/10 meetings
- e. Mr. Moses Kinyua Mbuthia (Member) – Attended 8/10 meetings
- f. Mr. Gideon Mukiri Muchiri (Fund Administrator) – Attended 10/10 meetings

Succession Plan

The Fund is governed by the provisions of the Nyandarua County Assembly Staff Car Loan and Mortgage Act of 2019. In this regard, it has instituted a clear succession plan to ensure leadership continuity. The plan focuses on identifying internal talent and providing necessary training to prepare future leaders. It also includes a procedure for immediate replacements in case of any sudden departures from key positions.

Board/Trustee Charter

The Board of Trustees operations are guided by the Nyandarua County Assembly Staff Car Loan and Mortgage Regulations, which outline its role in overseeing the administration of the fund, ensuring adherence to the Public Finance Management Act, 2012, and the Salaries and Remuneration Commission guidelines.

Appointment and Removal of Trustees

Trustees are appointed by the Nyandarua County Assembly Service Board in line with the regulations governing public funds and the Nyandarua County Assembly Staff Car Loan and Mortgage Regulations. Removal of trustees follows a structured process that involves assessment of performance and compliance with ethical standards. Grounds for removal include conflicts of interest, ethical violations, or failure to fulfil fiduciary responsibilities.

Roles and Functions of the Board/Trustee

The primary function of the Board of Trustees is to provide strategic oversight and ensure prudent management of the fund. This includes:

- a) Approving fund disbursements and ensuring proper accounting.
- b) Monitoring loan repayment processes.
- c) Overseeing investment strategies to ensure long-term sustainability of the fund.

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

Induction and Training

New trustees undergo an induction process to familiarize themselves with the fund's operations, policies, and legal framework. Continuous professional development sessions are held to ensure that all members are updated on financial governance best practices.

Board and Member Performance

The Board's performance is evaluated annually based on participation in board meetings, adherence to governance guidelines, and contributions to the fund's strategic goals. Members who fail to meet performance expectations are required to undergo remedial training.

Conflict of Interest

The fund maintains a strict conflict-of-interest policy. Trustees are required to declare any potential conflicts before deliberating on matters where they have a personal or financial interest.

Remuneration

Board members allowances are aligned with the Salaries and Remuneration Commission (SRC) guidelines.

Ethics and Conduct

A governance audit is conducted annually to ensure that the Board complies with ethical standards. Trustees are required to adhere to a code of conduct, which promotes transparency, accountability, and integrity.

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

Management Discussion and Analysis

Financial Performance Overview

During the financial year, the Nyandarua County Assembly Staff Car Loan and Mortgage Fund reported significant progress in disbursing loans, with a total of Ksh 70.69 million issued. This reflects a 9.89% increase from the previous year's Ksh 64.33 million, the fund's revolving capital reached Ksh 295.41 million, highlighting the fund's stability. The principal loan repayments from beneficiaries amounted to Ksh 22.84 million, and the fund's outstanding loan portfolio stood at Ksh 340.38 million by the end of the financial year.

Key Projects and Investment.

Key projects undertaken during the year include:

1. Improvement of Loan Disbursement Systems: Streamlined the application process by integrating digital platforms, allowing staff to apply for loans online.
2. Stakeholder Engagement: Continued collaboration with financial institutions, ensuring favorable terms for both car loans and mortgages.

Risk Management

Future funding for the Fund could face reductions due to County Assembly budgetary constraints, affecting the ability to allocate sufficient resources for car loans and mortgages.

Mitigation Measures:

- The Fund is exploring investment in low-risk financial instruments to generate additional income beyond County Assembly appropriations.
- The Fund management is engaged in continuous dialogue with the County Assembly to highlight the importance of maintaining consistent funding levels for employee welfare initiatives, even in times of financial austerity.
- Delayed disbursements from the exchequer could disrupt the timely provision of loans and mortgages to eligible employees, potentially causing financial stress among beneficiaries and operational challenges for the Fund.
- The Fund is building a reserve of liquid assets to maintain its ability to disburse loans even in the event of delayed exchequer funding. This ensures that the fund can continue operating without immediate reliance on incoming disbursements.

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

- Implementing a staggered loan approval and disbursement schedule, prioritizing the most urgent cases first, to manage cash flow better in times of delayed exchequer disbursements.
- Regular communication with the County Treasury and relevant stakeholders to advocate for timely disbursements, ensuring that the fund's financial obligations are met as scheduled.
- Transparent communication with beneficiaries about potential delays and expected timelines for loan processing, minimizing uncertainty and maintaining trust during times of delayed funding.

Compliance and Regulatory Requirements

The fund maintained full compliance with statutory requirements, including annual audits by the Office of the Auditor General. There were no material arrears in statutory or financial obligations.

Environmental and Sustainability Reporting

Sustainability Strategy and Profile

The Nyandarua County Assembly Staff Car Loan and Mortgage Fund recognizes the importance of sustainability in its operations. The fund aims to continue growing its loan portfolio while ensuring that its financial activities contribute to the sustainable development of the County's workforce.

The Fund's management is keen on aligning its operations with international best practices, particularly on social responsibility and environmental sustainability. Key efforts include:

- The fund is transitioning to digital record-keeping and communication to reduce paper waste.
- Focus on long-term sustainability through investment in low-risk financial instruments.

Environmental Performance

The fund has committed to reducing its carbon footprint by minimizing paper use and adopting eco-friendly practices in the workplace. There is an ongoing initiative to ensure that all vehicles purchased through the car loan program comply with modern fuel efficiency standards.

Employee Welfare

Car loans and mortgages are fairly distributed to all eligible employees, in accordance with the **Staff Car Loan and Mortgage regulations**.

Marketplace Practices

Responsible Competition: The fund practices responsible financial governance, avoiding any unethical engagements in the financial markets.

Supply Chain Relations: The fund honours contracts with suppliers who include land and car owners/sellers and ensures timely payments, promoting good business practices.

Product Stewardship: The fund takes measures to ensure that its loan products are transparent and beneficial to staff without hidden charges.

Corporate Social Responsibility and Community Engagement

While the fund does not engage directly in CSR, it contributes to the community by providing staff with opportunities to own homes and vehicles, improving their quality of life.

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

Report of The Trustees

The Trustees submit their report together with the audited financial statements for the year ended 30th June 2024 which show the state of the Fund affairs.

Principal activities

The principal activity of the Fund is to provide financing to the members of staff to purchase cars for personal use and build or renovate residential houses.

Results

The results of the Fund for the year ended 30th June 2024 are set out on pages 11 to 28.

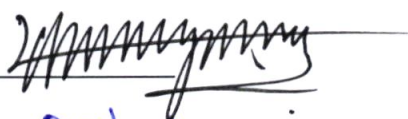
Trustees

The members of the Board of Trustees who served during the year are shown on page 4. There were changes in the Board during the period under review.

Auditors

The Office of 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

Signed: 

Date: 27/10/2024

Stephen Wachira Waiganjo

Chairperson of the Fund Administration Committee

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

Statement of Management's Responsibilities

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

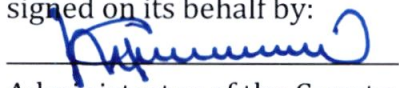
The Clerk of the County assembly who is the administrator of the Nyandarua Staff Car Loan and Mortgage Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2024. 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 Nyandarua County Assembly Staff Car Loan and Mortgage Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Administrator 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 period ended June 30, 2024, 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 Nyandarua County Assembly Staff Car Loan and Mortgage Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

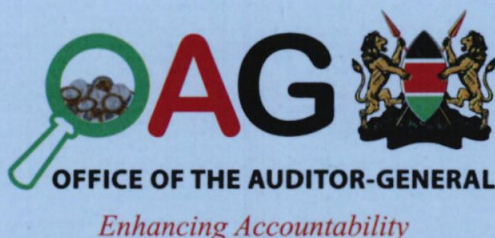
The Fund's financial statements were approved by the Board on 27/10/2024 2024 and signed on its behalf by:



Administrator of the County Assembly Staff Car Loan and Mortgage Fund

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 NYANDARUA COUNTY ASSEMBLY CAR LOAN AND MORTGAGE (STAFF) SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Nyandarua County Assembly Car Loan and Mortgage (Staff) Scheme Fund set out on pages 1 to 24, which

Report of the Auditor-General on Nyandarua County Assembly Car Loan and Mortgage (Staff) Scheme Fund for the year ended 30 June, 2024

comprise of the statement of financial position as at 30 June, 2024, statement financial performance, 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 Nyandarua County Assembly Car Loan and Mortgage (Staff) Scheme Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the County Governments Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Un-reconciled Receipts and Payments

Review of bank statement provided in support of the cash and cash equivalent balance revealed an amount of Kshs.75,000,000 received and transferred to Nyandarua County Assembly Car Loan and Mortgage (Members) Scheme Fund. However, no contra entry was recorded in the cashbook to show the movement. This is contrary to Paragraph 27 of International Public Sector Accounting Standard (IPSAS) 1 on presentation of financial statements.

Further, review of the receiving bank's statement indicated that a total of Kshs.73,000,000 was received instead of Kshs.75,000,000 resulting to un-reconciled and unexplained variance of Kshs.2,000,000 as detailed below:

S/No.	Transferred Amount (Kshs.)	Receipted Amount (Kshs.)	Variance (Kshs.)
1	20,692,000	20,000,000	692,000
2	34,308,000	34,000,000	308,000
3	20,000,000	19,000,000	1,000,000
Total	75,000,000	73,000,000	2,000,000

In the circumstances, accuracy and completeness of Kshs.75,000,000 transferred to Nyandarua County Assembly Car Loan and Mortgage (Members) Scheme Fund could not be confirmed.

2. Unsupported Overpaid Loans

The statement of financial position and as disclosed in Note 6 to the financial statements reflects overpaid loans balance of Kshs.155,004. However, a schedule to support the amount was not provided for audit verification.

The accuracy and completeness of overpaid loans balance of Kshs.155,004 could not be confirmed.

3. Unsupported Trade and Other Payables

The statement of financial position and as disclosed under Note 8 to financial statements reflects trade payables - accrued insurance balance of Kshs.9,734,295. However, the amount was not supported by schedules showing opening balance, additions during the year, amount paid during the year and closing balance as the 30 June, 2024. Further, Management explained that the amount relates to un-remitted insurance deduction recovered from individual loanees at the time of advancing the loan and it remains as part of the funds available for lending. However, no evidence was provided to show that an approval was granted by the Loan Management Committee to utilize the amount. In addition, no concurrence was sought from the insurance provider to inject back the funds into loanees' loan portfolio.

In the circumstances, Management was in breach of the law. Additionally, there is likelihood that Fund might be sued for failure to honor their obligation that could result into additional interests and penalties.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Nyandarua 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 judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

Conclusion

The Management is responsible for the Other Information set out on page ii to xvi which comprise of Key Entity Information and Management, report of the Fund Administrator, Management Discussion and Analysis, overview of the Fund Operations and Statement of Management responsibilities.

The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

In connection with my audit on Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is

materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information and I am required to report that fact. Based on the audit procedures performed, I confirm that other information is not materially inconsistent with the financial statements

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of an Approved Fraud Management Policy

During the year under review, the Fund had no Fraud Management Policy contrary to Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires an Accounting Officer to ensure that the County Government entity develops risk Management strategies, which include fraud prevention

mechanism; and a system of risk Management and internal control that builds robust business operations.

In absence of Fraud Management Policy, the effectiveness of fraud risk management by the Assembly could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 January, 2025

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

Statement of Financial Performance for the Year Ended 30th June 2024

Table 5: Statement of Financial Performance

	Note	2024	2023
		Kes.	Kes.
Revenue from exchange transactions			
Interest income	1	9,590,629	8,177,156
Other income		-	-
Total revenue		9,590,629	8,177,156
Expenses			
Fund administration expenses	2	3,027,910	2,530,000
Staff Costs		-	-
General expenses – Bursary awards		-	-
Finance costs/bank Charges	3	104,550	106,010
Total expenses		3,132,460	2,636,010
Other gains/losses			
Gain/loss on disposal of assets		-	-
Surplus/(deficit) for the period		6,458,169	5,541,146

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^{27/09/2024}.....2024 and signed by:

.....
Gideon Mukiri Muchiri
Administrator of the Fund

.....
Dominic Chege Wacera
Fund Accountant
ICPAK Member Number: 15593

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

Statement of Financial Position As at 30th June 2024


Table 6: Statement of Financial Position as at 30th June 2024

	Note	2024 Kes.	2023 Kes.
Assets			
Current assets			
Cash and cash equivalents	4	355,565	3,026,998
Accrued income	5	898,234	873,996
Overpaid loans	6	155,004	197,793
Current Portion of Long term loan receivables	7	23,502,074	
Non-current assets			
Property, plant and equipment		-	-
Intangible assets		-	-
Long term receivables from exchange transactions	7	316,878,363	290,983,883
Total assets		341,789,240	295,082,670
Liabilities			
Current liabilities			
Trade Payables-Accrued Insurance	8	9,734,295	10,428,508
Provisions		-	-
Current portion of borrowings-Loan Owings	9	12,403,218	460,137
Total Liabilities		22,137,513	10,888,645
Net assets			
Revolving Fund	13	295,410,758	264,910,758
Reserves		-	-
Accumulated surplus	14	24,240,969	19,283,267
Total net assets and liabilities		341,789,239	295,082,670

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 27/10/2024 and signed by:



Gideon Mukiri Muchiri
Administrator of the Fund



Dominic Chege Wacera
Fund Accountant
ICPAK Member Number: 15593

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

Statement of Changes in Net Assets for the year ended 30th June 2024


Table 7: Statement of Changes in Net Assets for the year ended 30th June 2024

Description	Revolving Fund	Accumulated surplus	Total
	Kes.	Kes.	Kes.
Balance as at 1 July 2016	20,000,000		20,000,000
Surplus/(deficit) for the period	0	881,457	881,457
Funds received during the year	33,413,763	0	33,413,763
Balance as at 30 June 2017	53,413,763	881,457	54,295,220
Balance as at 1 July 2017	53,413,763	881,457	54,295,220
Surplus/(deficit) for the period	0	1,603,911	1,603,911
Funds received during the year	47,301,000	0	47,301,000
Balance as at 30 June 2018	100,714,763	2,485,368	103,200,131
Balance as at 1 July 2018	100,714,763	2,485,368	103,200,131
Surplus/(deficit) for the period	0	2,360,214	2,360,214
Funds received during the year	20,000,000	0	20,000,000
Balance as at 30 June 2019	120,714,763	4,845,582	125,560,345
Balance as at 1 July 2019	120,714,763	4,845,582	125,560,345
Surplus/(deficit) for the period	0	2,711,764	2,711,764
Funds received during the year	35,195,995	0	35,195,995
Balance as at 30 June 2020	155,910,758	7,557,346	163,468,104
Balance as at 1 July 2020	155,910,758	7,742,522	163,653,280
Surplus/(deficit) for the period	0	3,253,878	3,253,878
Funds received during the year	39,000,000	0	39,000,000
Balance as at 30 June 2021	194,910,758	10,996,400	205,907,158
Balance as at 1 July 2021	194,910,758	10,996,400	205,907,158
Surplus/(deficit) for the period	0	1,245,253	1,245,253
Funds received during the year	40,000,000	0	40,000,000
Balance as at 30 June 2022	234,910,758	12,241,653	247,152,411


Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

Description	Revolving Fund	Accumulated surplus	Total
Balance as at 1st July 2022	234,910,758	12,241,653	247,152,411
Surplus/Deficit for the period		5,541,146	5,541,146
Funds Received During the Year	30,000,000		30,000,000
Balance as at 30 June 2023	264,910,758	17,782,799	282,693,557
Balance as at 1st July 2023	264,910,758	17,782,799	282,693,557
Surplus/Deficit for the period		6,458,169	6,458,169
Funds Received During the Year	30,500,000		30,500,000
Balance as at 30 June 2024	295,410,758	24,240,968	319,651,726

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 27/10/2024 and signed by:



Gideon Mukiri Muchiri
Administrator of the Fund



Dominic Chege Wacera
Fund Accountant
ICPAK Member Number: 15593

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024


Statement of Cash Flows for The Year Ended 30th June 2024

Table 8: Statement of Cash Flows for the Year Ended 30th June 2024

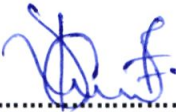
	Note	2024	2023
		Kes.	Kes.
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the County Government		-	-
Interest received	1	9,590,629	8,177,156
Receipts from other operating activities		-	-
Total Receipts		9,590,629	8,177,156
Payments			
Fund administration expenses	2	-3,027,910	-2,530,000
General expenses		-	-
Finance cost	3	- 104,551	- 106,010
Total Payments		3,132,461	2,636,010
Net cash flows from operating activities		6,458,169	5,541,146
Cash flows from investing activities			
Current Accrued Principal Repayments	17	(475,248)	(431,064)
Accrued repayments recovered	15	-	152,150
Proceeds from loan principal repayments	10	22,836,477	21,562,392
Loan disbursements paid out	11	(57,455,498)	(60,955,425)
Net cash flows used in investing activities		-35,094,269	-39,671,947
Cash flows from financing activities			
Proceeds from revolving fund receipts	16	30,500,000	30,000,000
Additional borrowings			
Repayment of borrowings	12	(4,535,332)	(425,784)
Net cash flows used in financing activities		25,964,668	29,574,216
Net increase/(decrease) in cash and cash equivalents		-2,671,432	-4,556,585
Cash and cash equivalents at 1 JULY	4	3,026,998	7,583,583
Cash and cash equivalents at 30 JUNE		355,566	3,026,998

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

.....^{27/09/24}.....2024 and signed by:



Gideon Mukiri Muchiri
 Administrator of the Fund



Dominic Chege Wacera
 Fund Accountant
 ICPAK Member Number: 15593

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

Statement Of Comparison of Budget and Actual Amounts for the year 2023/2024

Table 9: Statement of Comparison of budget and Actual Amounts for the Period 2024

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilisation
	2023/2024	2023/2024	2023/2024	2023/2024	2023/2024	2023/2024
Revenue	Kes.	Kes.	Kes.	Kes.	Kes.	
Cash at Bank	3,026,998	-	3,026,998	3,026,998	0	100
Exchequer Receipts.	35,500,000	-	35,500,000	30,500,000	5,000,000	86
Projected Interest Income	10,750,000	-	10,750,000	9,590,629	1,159,371	89
Projected Repayments	25,630,000	-	25,630,000	22,836,477	2,793,523	89
Projected Accumulated Surplus	26,100,000	-	26,100,000	24,240,968	1,859,032	93
Total Income	101,006,998	-	101,006,998	90,195,072	10,811,926	89
Expenses						
Fund Administration Expenses	3,030,210	-	3,030,210	3,027,910	2,300	100
Loan Disbursements	90,000,000	-	90,000,000	70,692,789	19,307,211	79
Finance Costs	150,000	-	150,000	104,550	45,450	70
Total Expenditure	93,180,210	-	93,180,210	73,825,249	19,354,961	79
Surplus for the Period	7,826,788	-	7,826,788	16,369,823	-8,543,035	(10)

Budget notes

1. The surplus as reflected above differs from the surplus reflected in the statement of financial position as the above budget is reported on cash basis and consists of items not considered as incomes under IPSAS accrual basis. These include exchequer receipts and the loans disbursed.
2. 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 27/10/2024 and signed by:



Gideon Mukiri Muchiri
Administrator of the Fund



Dominic Chege Wacera
Fund Accountant
ICPAK Member Number: 15593

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Nyandarua County Assembly Staff Car loan and Mortgage Fund was incorporated/ established under the PFM Act on 30th April 2016 and it's regulated by Nyandarua County Assembly Car loan and Mortgage regulations and Salaries and Remuneration Commission circulars.

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 2024

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

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1st January 2025</i> 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. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued

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	operations to be presented separately in the statement of financial performance.
IPSAS 45- Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

(i) Early adoption of standards

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

Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the 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 2023/2024 was approved by the County Assembly on 4 July 2023. 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 on 17th of January 2024 by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Kes 500,000 on the FY 2023/2024 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

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

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

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

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

c) Property, plant and equipment

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

d) Intangible Assets

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

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

e) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.* Investment

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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.

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. (amend as appropriate).* 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.

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

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.

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.

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.

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.

Nature and purpose of reserves

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

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.

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.

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.

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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.

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.

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.

Comparative figures

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

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 Notes.

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.

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

Notes to the Financial Statements

1. Interest Income

Description	2024	2023
	Kes.	Kes.
Interest income from mortgage loans	9,590,629	8,177,156
Total interest income	9,590,629	8,177,156

2. Fund Administration Expenses

Description	2024	2023
	Kes.	Kes.
Fund Administration Expenses	3,027,910	2,530,000
Total Administration Expenses	3,027,910	2,530,000

3. Finance costs

Description	2023	2023
	Kes.	Kes.
Commissions for service charge	95,600	93,400
Bank Charges	8,950	12,610
Total	104,550	106,010

4. Cash and cash equivalents

Description	2024	2023
	Kes.	Kes.
Equity Bank AC Number 0620267678184	355,565	3,026,998
Total cash and cash equivalents	355,565	3,026,998

5. Accrued Income

Description	2024	2023
	Kes.	Kes.
Repayments earned not received	898,234	873,996
Total accrued Income	898,234	873,996

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

6. Overpaid Loans

Description	2024	2023
	Kes.	Kes.
Overpaid loan disbursements	155,004	197,793
Total	155,004	197,793

7. Non-Current Receivables from exchange transactions

Description	2024	2023
	Kes.	Kes.
Non Current receivables		
Long term loan repayments due	340,380,437	290,983,883
Total Non current receivables	340,380,437	290,983,883
Total receivables from exchange transactions	340,380,437	290,983,883

8. Trade and other payables from exchange transactions

Description	2024	2023
	Kes.	Kes.
Insurance Owing	9,734,295	10,428,508
Total Trade and other payables	9,734,295	10,428,508

This relates to insurance deducted from the individual loanees which is deducted at the time of issuing the loans but is usually not paid to the insurance company immediately in lump sum but remains as part of the funds available for lending and thus forming part of the liabilities as at the year end.

9. Current Portion of Borrowings

Description	2024	2023
	Kes.	Kes.
Loans Owings	12,403,218	460,137
Total Current Portion of Borrowings	12,403,218	460,137

This relates to loans that have been approved by the committee and issued out but are not fully paid as at the end of the year due to issues like lack of enough funds thus remaining owing from the fund and forming part of the liabilities as at the year end.

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

10. Proceeds from loan principal repayments

Description	2024	2023
	Kes.	Kes.
Principal Loan Repayments	22,836,477	21,562,392
Total Principal Loan Repayments	22,836,477	21,562,392

11. Loan Disbursements

Description	2024	2023
	Kes.	Kes.
Loan Disbursements paid out	57,455,498	60,955,425
Total Loan Disbursements	57,455,498	60,955,425

12. Repayment of Borrowings

Description	2024	2023
	Kes.	Kes.
Insurance Paid out	4,535,332	425,784
Total Repayment of Borrowings	4,535,332	425,784

13. Revolving Fund

Description	2024	2023
	Kes.	Kes.
Balance Brought forward	264,910,758	234,910,758
Exchequer Receipts during the Year	30,500,000	30,000,000
Total Revolving fund	295,410,758	264,910,758

14. Accumulated Surplus

Description	2024	2023
	Kes.	Kes.
Balance Brought forward	17,782,799	13,742,121
Surplus during the year	6,458,169	5,541,146
Accumulated surplus	24,240,968	19,283,267

15. Accrued Repayments recovered

Description	2024	2023
	Kes.	Kes.
Recovered Accrued Repayments	-	152,150
Total Accrued Repayments Recovered	-	152,150

This relates to loan repayments payable by one Mr. Daniel Mucheru Mwaniki whose salary payments had been stopped from September 2021 to October 2022. The total payable amount for the 14 months amounted to Ksh 213,010. This amount was paid in November 2022 where out of this amount, Ksh 60,860 relates to the year 2022/2024 while the balance of Ksh 152,150 was accrued repayments recovered for the year 2021/2022.

16. Exchequer Receipts

Description	2024	2023
	Kes.	Kes.
Exchequer Receipts	30,500,000	30,000,000
Total Exchequer Receipts	30,500,000	30,000,000

17. Current Accrued Repayments

Description	2024	2023
	Kes.	Kes.
Current Accrued Repayments	475,248	431,064
Total Current Accrued Repayments	475,248	431,064

Nyandarua County Assembly staff car loan and mortgage scheme fund reports and financial Statements for the year ended June 30, 2024

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	Impair ed Kshs
At 30 June 2024				
Receivables From Exchange Transactions	340,380,437	339,560,337	820,100	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	355,565	355,565	-	-
Total	340,736,002	339,915,902	820,100	-
At 30 June 2023				
Receivables From Exchange Transactions	290,983,883	289,771,799	1,212,084	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	3,026,998	3,026,998	-	-
Total	294,010,881	292,798,797	1,212,084	-

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.

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

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.

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:

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.

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Foreign currency sensitivity analysis

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

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.

Events after the reporting period

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

Ultimate and Holding Entity

The entity is a County Public Fund established by Public Finance Management Act 2012 (*state the legislation establishing the Fund*) under the Ministry of Devolution. Its ultimate parent is the County Government of Nyandarua.

Currency

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

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

Reference No. on the external audit Report	Issue Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Inaccuracies in statement of changes in net assets	This was investigated and changes in net assets restated	Fund Accountant	Resolved	Done
2	Inconsistencies between statements of financial performance and comparison of budget	Reconciliation statements provided and all columns included	Fund Accountant	Resolved	Done
3	Non remittance of insurance premiums	All insurance premiums have been remitted to APA insurance	Fund Accountant	Resolved	Done
4	Risk and fire management strategy	The committee adopted the risk management strategies of Nyandarua County Assembly	Fund Administrator	Resolved	ongoing

Date.....27/09/24..... Signature 

Mr. Gideon Mukiri Muchiri
Fund Administrator