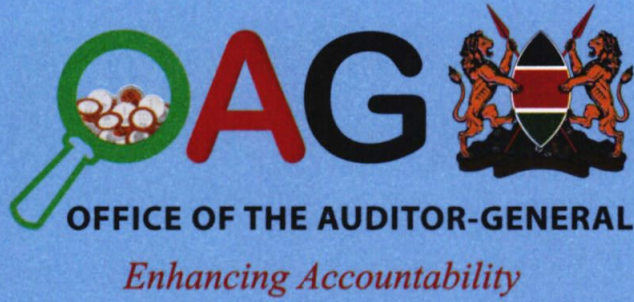
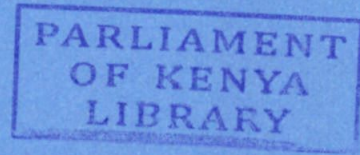


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

ON

**UASIN GISHU COUNTY STAFF
MORTGAGE AND CAR LOANS SCHEME
FUND**

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

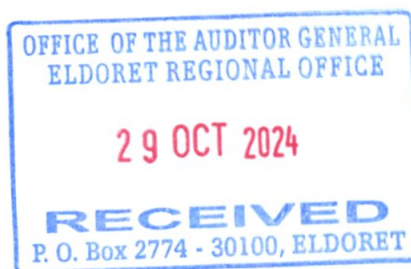
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**UASIN GISHU COUNTY STAFF MORTGAGE AND CAR LOANS
SCHEME FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2024**

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



UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

Table of Content

1. Acronyms and Glossary of Terms	II
2. Key Entity Information and Management	III
3. Board of Trustees/ Fund Administration Committee	V
4. Management Team	VI
5. Board/Fund Chairperson's Report	VII
6. Report of The Fund Administrator	VIII
7. Fund administrator/ Secretary to the Board Statement of Performance Against the County Fund's Predetermined Objectives	IX
8. Corporate Governance Statement	X
9. Management Discussion and Analysis	XI
10. Environmental and Sustainability Reporting	XII
11. Report of The Trustees	XIII
12. Statement of Management's Responsibilities	XIV
13. Report of The Independent Auditor on the Financial Statements for Uasin Gishu County Staff Mortgage and Car Loans Scheme fund.	XV
14. Statement of Financial Performance for the Year Ended 30 th June 2024	1
15. Statement of Financial Position As at 30 June 2024	2
16. Statement of Changes in Net Assets for the year ended 30 th June 2024	4
17. Statement of Cash Flows for The Year Ended 30 June 2024	5
18. Statement Of Comparison Of Budget And Actual Amounts For The Period Ended 30 th June 2024	6
19. Notes to the Financial Statements	7
20. Annexes	37



1. Acronyms and Glossary of Terms

a) Acronyms

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

b) Glossary of Terms

Fiduciary Management

The key management personnel who had financial responsibility

Ref	Name	Position
1	Fund Manager/ Administrator	Silas Ronoh
2	Fund Accountant	Julia Ngososei

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

2. Key Entity Information and Management

a) Background information

Uasin Gishu County Staff Mortgage And Car Loans Scheme Fund is established by and derives its authority and accountability from Uasin Gishu county staff car loans and mortgage fund regulations 2015Act. The Fund is wholly owned by the County Government of Uasin Gishu and is domiciled in Kenya.

The objective and purpose of the fund is to provide employees mortgage loans scheme for purchase, development, renovation or repair of residential property and /or car loan scheme for purchase of cars by members of staff of the county (state officers and public officers).

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to provide financing to the members of staff to purchase cars for personal use and acquire/construct/Renovate residential houses.

c) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	Ambrose Tarus	Chief Officer Public Service Management
2	Eliud Chemaget	Chief Officer Finance
3	Silas Ronoh	Director finance

d) Key Management Steam

Ref	Name	Position
1	Silas Ronoh	Fund Manager/ Administrator
2	Julia Ngosesei	Fund Accountant

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Mary Kiarie
2	Staff car Mortgage and car Loan Advisory Committee	Micah Rogony
3	County Assembly	PAC

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

f) Registered Offices

P.O. Box 40-30100
County Hall Building
Uganda Road
Eldoret, Kenya

g) Fund Contacts

Telephone: (254) -053-2016215,
053-2016125
053-2016000
E-Mail: Info@Uasingishu.Go.Ke
Website: Www.Uasingishu.Go.Ke

h) Fund Bankers

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

2. Equity Bank
P.O. Box
Eldoret Market Branch
Eldoret, Kenya

i) Independent Auditors

Auditor General
Office Of The Auditor General
Anniversary Towers, University Way
P.O. Box 30084
Gop 00100
Nairobi, Kenya

j) Principal Legal Adviser


The County Attorney
County Hall
Uganda Road
P.O. Box 40 - 30100
Eldoret, Kenya

k) County Attorney

The County Attorney
County Hall
Uganda Road
P.O. Box 40 - 30100
Eldoret, Kenya



UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

3. Board of Trustees/ Fund Administration Committee

Name	Details of qualifications and experience
<p>1. AMBROSE K. TARUS</p> 	<p>Ambrose Kiprotich Tarus is the chief officer for public service management. He holds a BA in counselling psychology and has been a teacher and administrator. He is the founding director at Daraja counselling Centre</p>
<p>2. ELIUD K. CHEMAGET</p> 	<p>Chief officer for finance. He has been a member of the fund since February 2023. Has a Bachelor of Science with IT Majors in Mathematics & Computer Science, with over 11 years working experience in the banking sector and the county Government of Uasin Gishu as chief officer finance currently.</p>
<p>3.</p>  <p>SILAS K. RONO</p> <p>Fund administrator/ Secretary to the Board</p>	<p>Is a Fund administrator since inception of the fund and also the director for finance, County Government of Uasin Gishu. MBA, BBM, (accounting), CPA(K), CPS(K). Previously worked as an accountant, Deputy Municipal Treasurer and Municipal Treasurer in the local government for ten years and county government of Uasin Gishu as a Principal Accountant for six years and thereafter as director finance.</p>

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

4. Management Team

Name SILAS K. RONO	Details of qualifications and experience
	<p>Is a Fund administrator since inception of the fund and also the director for finance, County Government of Uasin Gishu. MBA, BBM, (accounting), CPA(K), CPS(K). Previously worked as an accountant, Deputy Municipal Treasurer and Municipal Treasurer in the local government for ten years and county government of Uasin Gishu as a Principal Accountant for six years and thereafter as director finance</p>
<p>Name JULIA NGOSOSEI</p> 	<p>Details of qualifications and experience</p> <p>Qualifications- Bachelor of business management (accounting option), CPA(K). Worked in local authority for 14 years as Accounts Assistant and later promoted as an Accountant. Currently working in Finance department as an Accountant in county Government of Uasin Gishu.</p>

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

5. Board/Fund Chairperson's Report

Since inception the fund in the year 2016, four Chairpersons have steered the fund to the current heights with the current office holder having taken up the position since the inception of the current term of government i.e 2022. The Chairperson is always the Chief Officer for Public Service Management as stipulated in the funds regulations of 2015, while the other chief officers are members of the Fund while the Fund administrator is the secretary to the committee. The fund regulations 2015, sates that a quorum shall always be a minimum of three members, chair, secretary and one other chief officer from any of the departments. Currently only three members sit in the management team i.e. the Chairperson, Chief Officer for finance and the Fund administrator.

The fund has since received a total funding from the County Government to tune of Kshs. 447,648,290. The fund disbursed Kshs. 120,925,317 to Fourteen (27) members of staff whose loans were approved during the year.

Sixty (91) members of staff have Since benefited from the fund since inception, bringing the total disbursement to Ksh. 640,593,599 to date.

The fund is still not having adequate funds to meet the growing number of demands from the staff.

The fund is anticipates to grow at the rate of 20% annually and give loans to at least 25% eligible members of staff by the year 2027 with an asset base of at least Kshs. 1,000,000,000 (**say one billion**).

I would like to thank the County Government under the able leadership of H.E the Governor for the continued support offered to the fund during the period. In addition, the Fund Administrator for the time and sacrifice in spearheading, management of the fund and preparation of annual and quarterly financial statement for the fund. I also wish to re-affirm my commitments to enhanced financial discipline and fiscal responsibilities for the betterment of our County.

Name..... AMEROSE TARUS Signature..... [Signature] Date..... 28/10/2024

Chairperson of the Board/Fund

6. Report of The Fund Administrator

Uasin Gishu County Executive Mortgage and Car Loan Scheme Fund was established in 2015/2016 financial year Through uasingishu county car loan and mortgage fund regulations 2015. The funds objective is to facilitate the County Executive staff and management purchase, develop, renovate or repair residential property and also purchase private/personal motor vehicles. In financial year 2022/2023 Kshs 97,000,000.00 was budgeted to cater for the county executive staff car loan and mortgage facility. From inception of the fund a total of Kshs. 447,648,290 has been disbursed to to the fund through the appropriation in the budget, which in turn enabled the fund to disburse Kshs. 640,593,599 to a number of county staff. The total repayments received from inception to date in terms of principal and interest amounted to Kshs. 160,196,016 and Kshs 48,107,365 respectively. The principal amount received during the year under review was Kshs. 23,135,708, while interest received amounted to Kshs 6,664,501. The principal amount due during the year was Kshs. 34,380,990 and interest Kshs. 11,257,594 leaving a balance due of Kshs. 6,844,252 in principal and advance interest of Kshs. 1,982,542 respectively.

The fund is not endowed with adequate resources, therefore its financing depends heavily on the county executive budget for capital inflows and operational expenses. The fund requires a substantial injection of capital inflows in order to sustain itself fully and to be able to finance loans to a majority of interested staff members. Currently the demand for the loan still outlive supply of funds.

The management of the fund have put in place measure to safeguard and mitigate on the risks associated with the fund some of which they were experienced at the inception of the fund.

Ensuring that before the loans are disbursed, the property is secured by fully charging the security to the loan in case of a mortgage.

Carryout a Joint registration of the log book in the names of the applicant /county Government through NTSA online portal for purposes of a car loan.

Carrying out due diligence on documentation in order to ascertain full proof of ownership and authentication.

Taking necessary administrative and legal actions against staff who default on repayments of their loans. The former members of staff who have since left the services of the county government and have defaulted in repayments, legal action have also been taken against them.

The fund needs to establish a fully fledged board of trustees for a better operation and management of the fund.

Finally, let me take the earliest opportunity to thank all members of the technical team for their time and sacrifice in preparing the annual financial statement. I also wish to re-affirm our commitments to enhanced financial discipline and fiscal responsibilities for the betterment of our county.

Signed: _____

Silas K. Ronoh



UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

7. Fund administrator/ Secretary to the Board Statement of Performance Against the County Fund’s Predetermined Objectives

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government entity(s) 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 Uasin Gishu County Government Entity’s plan is anticipated to grow of its portfolio to be able to finance the loans to at least 25% eligible members of staff by the year 2027 with an asset base of at least Kshs. one billion (1,000,000,000).

- a) To Provide housing loans to staff and management.
- b) To Provide personal car loans to staff and management

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Staff Car Loan and Mortgage	provide financing to the members of staff to purchase cars for personal use and acquire/construct residential houses	Increased number of staff accessing loan in the County thus increased productivity	Increased staff motivation and hence improved effectiveness and efficiency at work	In FY 22/23, we increased the number of staff who accessed the facility by eleven (27) members with total loan of Kshs. 120,925,317

8. Corporate Governance Statement

- The board held four meetings during year where all the requisite committee members were in attendance
- The appointment and/or removal of the committee/board member(s) may be done by the County Executive Committee Member For Finance And Economic Planning in line with the funds regulations.
- Currently the fund doesn't have a service charter however it intends to develop and implement one in the near future.
- The committee Chairman is responsible for providing leadership to the fund while the fund administrator is responsible for overseeing and managing the operations of the fund.
- The fund administrator is also the secretary to the committee
- The fund administrator is under a fiduciary duty to act honestly and in the best interests of the fund. The committee is expected to ensure that they avoid putting themselves in positions where their self-interests' conflict with their duty to act in the best interests of the fund and make any declaration of any conflicts that may have arisen in the course of their duty. A member must refrain from discussion or voting on matters of potential conflict of interests. Individual members are also required to declare their interest before participating in committee meetings and are excluded from deliberations in the case of any potential conflicts of interest.
- The board currently works on voluntary basis because the fund is still at the formative stage and cannot provide any form of remuneration to the members.
- The fund is audited internally and externally by the internal audit and the office of the auditor general.
- The county assembly also over-sites the functions of the fund through suctions and submission of reports to the relevant county assembly committees.

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

9. Management Discussion and Analysis

From the inception of the fund in the year 2015, a number gaps have been identified in the regulations governing it. In this respect therefore, we are in the process of amending the staff car loan and mortgage regulations Act 2015 so as to incorporate the appointment and roles of the fund administrator to the fund. The administrator of staff car loan and mortgage fund shall have the power to provide mechanisms for disposal of property vested in him upon default subject to any restriction which may be imposed on his behalf by the will appointing him.

All the current loans issued have been subjected to the terms and conditions as laid out in the mortgage regulations (18) Of 2015 and unlike the earlier loans issued, the repayment period for car loan and mortgages is limited to the the period as stipulated by the salaries and remuneration for employees who are serving on contract terms while those on permanent employment, their loan shall be repaid within their term of service.

The fund still experiences loan repayment challenges especially for the initial loan beneficiaries who acquired loan in the financial year 2016-2017. The legal department has been pursuing the matter through the legal process with a limited success. All the beneficiaries working on contract with their term ending 2023, cleared their loans successfully since salaries and remuneration guidelines were well stipulated to the effect that the loans for contract staff should be cleared within the contract period. In the year 2022, salaries and remuneration commission issued new guidelines reverting back to the earlier repayment period whereby contract staff were allowed to take loans whose repayment period exceeded their contract term in office. To our observation, this may end up creating more loan defaulters in future which in the long run may jeopardize the operations of the fund.

The fund is also working in conjunction with the county treasury for more budgetary allocation so as to enable us acquire a software that will ensure timely and accurate preparation of financial and management reports.

10. Environmental and Sustainability Reporting

Many corporations today have come to the realization that there are enormous benefits to be derived from being socially responsible in the societies they operate. Today, the argument is no longer about being a good corporate citizen on the part of businesses but the ability of businesses to communicate their social contributions to stakeholders.

The fund exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on the fund regulations: putting the staff first, delivering relevant services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

1.Sustainability strategy and profile -

Modern business is facing big demands from all sorts of groups today – particularly if you work in a sustainability function. From business colleagues, there are always demands to justify budgets, improve performance and do more for less. In relations with the fund, we are focusing more on staff befitting in the long run. I'm hopeful that these can help the fund on its journey to make it sustainable and more enjoyable, impact-full and beneficial for your organization. Ultimately, we think this is all about more success in the long-term. That means financial sustainability, but also understanding a purpose beyond. Corporate organizations are legal entities that all things being equal ordinarily would continue in operation as going concern. This translates to operating indefinitely.

2.Environmental performance

At the moment the fund does not provide environmental sustainability programmes

3.Employee welfare

Employee welfare means anything done for the comfort and (intellectual or social) improvement of the employees, over and above the wages paid. In simple words, it means “the efforts to make life worth living for workmen.” It includes various services, facilities and amenities provided to employees for their betterment. Loan facilities come in handy with the need for that extra cash. employers offer loans to their employees at interest rates lower than market rate. This is an employment benefit to the employee(s) which is subject to a tax known as Fringe Benefit Tax (FBT). In order to mitigate financial hardships for acquiring land / house, vehicle, etc. loan facility is available to employees

4.Market place practices-

At the moment the fund does not provide.

5.Community Engagements-

At the moment the fund does not provide though in future the fund endeavors to do so

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

11. Report of The Trustees

From inception the fund has had four Chairpersons with the current office holder having taken up the position since the inception of the current term of government. The Chairperson is always the Chief Officer for Public Service Management as stipulated in the funds regulations of 2015, while the other chief officers are members of the Fund while the Fund administrator is the secretary to the committee. Currently only three members sit in the management team i.e. the Chairperson, Chief Officer for finance and the Fund administrator.

The fund has since received a total funding from the County Government to tune of Kshs. 447,648,290. The fund disbursed Kshs. 120,925,317 to eleven (27) members of staff whose loans were approved during the year.

Sixty (91) members of staff have Since benefited from the fund since inception, bringing the total disbursement to Ksh. 640,593,599 to date.

The fund still experience liquidity challenge due inadequate capital to finance the high demand from the staff.

The fund is anticipates to grow and give loan to at least 25% eligible members of staff by the year 2027 with an asset base of at least Kshs. 1,000,000,000 (say one billion).

10.1 Principal activities

The principal activities of the Fund are to Provide a mortgage loan scheme for purchase, development, renovation or repair of residential property and /or car loan scheme for purchase of car by at by all members of staff of the county (state officers and public officers).

10.2 Performance

The performance of the Fund for the year ended June 30, 2023, are set out on page 1

10.3 Trustees

Ref	Name	Position
1	Chairperson of the Board (Chief Officer Public Service Management)	Ambrose Tarus
2	Chief Officer Finance	Eliud Chemaget
3	Fund Manager/ Administrator	Silas Ronoh

10.4 Auditors

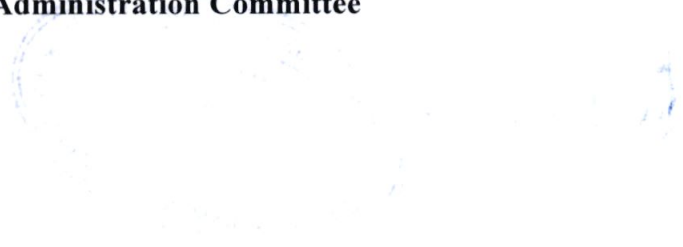
The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



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

Date:



12. Statement of Management’s Responsibilities

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

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

The Administrator of the County Public Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and County Public Fund established by Uasin Gishu County Staff Mortgage and Car Loans Scheme Fund. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 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 County Public Fund has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. OR

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

Approval of the financial statements

The Fund’s financial statements were approved by the Board on 18th September 2024 and signed on its behalf by

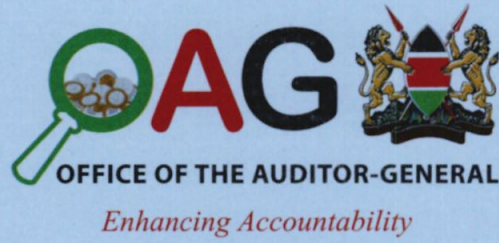
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Administrator of the County Staff Mortgage and Car Loans Scheme fund

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for specific issues, the financial statements present a true and fair view in accordance with the applicable financial reporting framework. The Qualified Opinion indicates that the financial statements are to a large extent in agreement with the books of accounts and the underlying records, except for a few cases where material misstatements or omissions were noted in the books of accounts and the financial statements. The issues though material, are not widespread or persistent.

The Qualified Opinion on the Report on the Financial Statements should be read together with the Report on the Lawfulness and Effectiveness in the Use of Public Resources, and the Report on the 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 of the Auditor-General on Uasin Gishu County Staff Mortgage and Car Loans Scheme Fund For the year ended 30 June, 2024

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Uasin Gishu County Staff Mortgage and Car Loans Scheme Fund set out on pages 1 to 38, which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget versus 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 Uasin Gishu County Staff Mortgage and Car Loans Scheme Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Public Finance Management (Uasin Gishu County Staff Mortgage and Car Loans Scheme Fund) Regulations, 2015.

Basis for Qualified Opinion

1. Loans Management

1.1 Non-Performing Loans

The statement of financial position reflects receivables from exchange transactions balance of Kshs.436,548,381 as disclosed in Note 13 to the financial statements. However, examination of loan repayments and loan amortization schedules provided for review revealed that loans amounting to Kshs.65,173,574 were non-performing as summarized in the table below;

Name	Principal Loan Balances as at 30 June, 2023 (Kshs)	Principal Loan Balance as at 30 June, 2024 (Kshs)
Peter Kiptanui Lelei	5,249,995	5,249,995
Barnabas Sang	5,029,315	5,029,315
Mary Njogu Wakio (Wanjiku)	5,249,995	5,249,995
Margaret Chepkwony Sawe	5,029,315	5,029,315
Ambrose Cyril Cheruiyot	10,589	10,589
Joseph Tanui	2,716,515	2,716,515
Daniel Kiprotich Chemno	16,750,665	16,750,665
Julius Kipleting Rutto	31,455	31,455
Esther Cherubet Mutai	143,223	143,223
Ruth Rop	5,490,446	5,490,446

Name	Principal Loan Balances as at 30 June, 2023 (Kshs)	Principal Loan Balance as at 30 June, 2024 (Kshs)
Edward Kiprono Sawe	3,300,000	3,300,000
Ruth Samoei	3,380,000	3,380,000
Mary Kerich	7,000,000	7,000,000
Shadrack Sambai	5,792,061	5,792,061
Total	65,173,574	65,173,574

In the circumstances, the recoverability of the receivables from exchange transactions balance of Kshs.436,548,381 could not be confirmed.

1.2 Under-Performing Loans

The statement of the financial position reflects receivables from exchange transactions balance of Kshs.436,548,381 as disclosed in Note 13 to the financial statements. Examination of loan repayment and loan amortization schedules provided for audit revealed that loan principal balances of Kshs.2,067,980 under-performed during the year under review as summarized in the table below;

No.	Name (Loanee)	Expected Principal Payments (Kshs)	Actual Principal Payments (Kshs)	Under Payments (Kshs)
1	Jackson Kiplagat Mandago	3,986,525	2,388,060	1,598,465
2.	Robert Ngisirei	126,032	34,037	91,995
3	Hellen Bitok	371,775	350,762	21,013
4	Elizabeth Masseh	1,412,784	1,400,478	12,306
5	Sharon Maloko	290,932	154,560	136,372
6	Samuel Kemboi	255,538	208,841	46,697
7	Josephat Rotrich	620,094	519,734	100,360
8	Florence Lagat	486,392	425,620	60,772
Total		7,550,070	5,482,092	2,067,980

In the circumstances, funds may not be available for disbursement to new applicants and there may be loss of funds due to non-recoverability of loans.

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

Emphasis of Matter

Budgetary Control and performance

The statement of comparison of budget versus actual amounts reflects final receipts budget and actual on comparable basis of Kshs.145,001,708 and Kshs.136,174,915 resulting to an underfunding of Kshs.8,826,793 or 6% of the budget. Similarly, the Fund spent an amount of Kshs.120,953,937 against actual receipts of Kshs.136,174,915 resulting to an under-utilization of Kshs.15,220,978 or 11% of the actual receipts.

The underfunding may have affected the planned activities and impacted negatively on service delivery to the staff who are meant to benefit from the fund.

My report is not modified in respect of this matter.

Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit section of the report, including in relation to these matters. Accordingly, the audit included the performance of procedures designed to respond to the assessment of the risks of material misstatement of the financial statements. The results of the audit procedures, including the procedures performed to address the matters above, provide the basis for my audit opinion on the accompanying financial statements.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, one issue was raised under the Report on Financial Statements and another issue under Lawfulness and Effectiveness in Use of Public Resources. However, the issues remained unresolved.

Other Information

Management is responsible for the other information set out on page II to XV which comprise of Key Information and Management, Board of Trustee/Fund Administration Committee, Management Team, Board/Fund Chairperson's Report, Report of the Fund Administrator, Fund Administrator/Secretary to the Board Statement of Performance Against the County Fund's Predetermined Objectives, Corporate Governance Statements, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Trustees, Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

In connection with my audit on the Uasin Gishu County Staff Mortgage and Car Loans Scheme 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 and the matters described in my Basis for Qualified Opinion, 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 USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Fringe Benefits Tax on Low Interest Loans

The statement of financial position reflects receivables from exchange transactions balance of Kshs.436,548,381 as disclosed in Note 13 to the financial statements. However, the Fund Management did not provide evidence of remittance of applicable fringe benefit tax to the tax authority on the loans advanced on lower interest rates than the prevailing market interest rates constituting employment benefit. This is contrary to Income Tax Act Cap. 470 12B(1) which requires that fringe benefit tax shall be payable by every employer in respect of a loan provided at an interest rate lower than the market interest rate to a director, employees or a relative of a director.

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

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

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

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and Board of Trustees

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

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

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

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

The Board of Trustees is 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 INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 Gatundu, CBS
AUDITOR-GENERAL

Nairobi

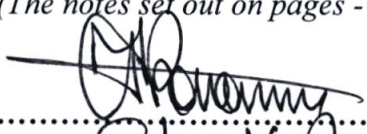

27 December, 2024


UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

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

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	-	-
Transfers From the County Government	2	-	-
Fines, Penalties and Other Levies	3	-	-
		-	-
Revenue From Exchange Transactions			
Interest Income	4	11,257,594	8,317,266
Other Income	5	-	-
		-	-
Total Revenue		11,257,594	8,317,266
Expenses			
Employee Costs	6	-	-
Use of goods and services	7	28,620	17,400
Depreciation and Amortization Expense	8	-	-
Finance Costs	9	-	-
Total Expenses		28,620	17,400
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	-	-
Gain /Loss on fair value of investments	11	-	-
Surplus/(Deficit) for the Period		11,228,974	8,299,866

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


 Name: Silva K. Bouch
 Administrator of the Fund



 Name: JULIA HIGOSHE
 Fund Accountant
 ICPAK Member Number: 12260

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

15. Statement of Financial Position As at 30 June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	15,220,978	2,363,123
Current Portion of Long- Term Receivables From Exchange Transactions	13	48,353,172	39,526,379
Prepayments	14	-	-
Inventories	15	-	-
Investments in financial assets	16	-	-
Total current assets		63,574,150	41,889,502
Non-Current Assets			
Property, Plant and Equipment	17	-	-
Intangible Assets	18	-	-
Long Term Receivables from Exchange Transactions	13	436,548,381	350,004,055
Investment Property	19	-	-
Total non- current assets		436,548,381	350,004,055
Total Assets (A)		500,122,531	391,893,557
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	-	-
Current Provisions	21	-	-
Current Portion of Borrowings	22	-	-
Employee Benefit Obligations	23	-	-
Social benefit liabilities	24	-	-
Total current liabilities		-	-
Non-Current Liabilities			
Non-Current Provisions	21	-	-
Long Term Portion of Borrowings	22	-	-
Non-Current Employee Benefit Obligation	23	-	-
Social benefit liabilities	24	-	-

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

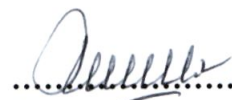
Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Total Liabilities (B)		-	-
Net Assets (A-B)		500,122,531	391,893,557
Represented By:			
Revolving Fund		447,648,290	350,648,290
Reserves		-	-
Accumulated Surplus		52,474,241	41,245,267
Net Assets		500,122,531	391,893,557

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2024 and signed by:



Name: Silas K. Rowoh
 Administrator of the Fund





Name: JULIA M. G. OROSE
 Fund Accountant

ICPAK Member Number: 12260

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

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

	Revolving Fund	Revaluation	Accumulated surplus	Total
		Reserve		
		Kshs	Kshs	Kshs
Balance As At 1 July 2020	216,348,290	-	18,828,459	235,176,749
Surplus/(Deficit) For the Period	-	-	6,763,445	6,763,445
Funds Received During the Year	40,000,000	-	-	40,000,000
Transfers	-	-	-	0
Revaluation Gain	-	-	-	0
Prior Year Adjustment	-	-	(339,241)	(339,241)
Balance As At 30 June 2021	256,348,290	0	25,252,663	281,600,953
Balance As At 1 July 2021	256,348,290	0	25,252,663	281,600,953
Surplus/(Deficit) For the Period	0	-	7,353,497	7,353,497
Funds Received During the Year	14,300,000	-	-	14,300,000
Transfers	-	-	-	0
Revaluation Gain	-	-	-	0
Prior Year Adjustment	0	0	339,241	339,241
Balance As At 30 June 2022	270,648,290	0	32,945,401	303,593,691
Balance As At 1 July 2022	270,648,290	0	32,945,401	303,593,691
Surplus/(Deficit) For the Period	0	-	8,299,866	8,299,866
Funds Received During the Year	80,000,000	-	-	80,000,000
Transfers	-	-	-	0
Revaluation Gain	-	-	-	0
Balance As At 30 June 2023	350,648,290	0	41,245,267	391,893,557
Balance As At 1 July 2023	350,648,290	0	41,245,267	391,893,557
Surplus/(Deficit) For the Period	-	-	11,228,974	11,228,974
Funds Received During the Year	97,000,000	-	-	97,000,000
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2024	447,648,290	-	52,474,241	500,122,531

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

17. Statement of Cash Flows for The Year Ended 30 June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government		-	-
Interest received		9,275,052	6,664,501
Receipts from other operating activities		-	-
Total receipts		9,275,052	6,664,501
Payments			
Fund administration expenses		-	-
General expenses		28,620	17,400
Finance cost		-	-
Other payments		-	-
Net cash flows from operating activities	24	9,246,432	6,647,101
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		(-)	(-)
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		27,536,740	23,135,708
Transfers from the county government		97,000,000	80,000,000
Loan disbursements paid out		(120,925,317)	(125,800,000)
Net cash flows used in investing activities		3,611,423	(22,664,292)
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		(-)	(-)
Net cash flows used in financing activities		(-)	(-)
Net increase/(decrease) in cash & cash Equivalents		12,857,855	(16,017,191)
Cash and cash equivalents at 1 July		2,363,123	18,380,314
Cash and cash equivalents at 30 June		15,220,978	2,363,123

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

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

18. Statement Of Comparison Of Budget And Actual Amounts For The Period Ended 30th June 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Public Contributions and Donations	-	-	-	-	-	0%
Transfers From County Govt.	55,000,000	42,000,000	97,000,000	97,000,000	-	100%
Balance B/F	2,363,123	-	2,363,123	2,363,123	-	100%
Interest Income	11,257,594	-	11,257,594	9,275,052	1,982,542	82%
Other Income	34,380,990	-	34,380,990	27,536,740	6,844,251	80%
Total Income	103,001,708	42,000,000	145,001,708	136,174,915	8,826,793	94%
Expenses						
Fund Administration Expenses	-	-	-	-	-	
Loan disbursements	102,971,708	42,000,000	144,971,708	120,925,317	24,046,391	83%
General Expenses	30,000	-	30,000	28,620	1,380	95%
Finance Cost	-	-	-	-	-	0%
Total Expenditure	103,001,708	42,000,000	145,001,708	120,953,937	24,047,771	83%
Surplus For the Period	(0)	-	(0)	15,220,978	(15,220,978)	
Capital expenditure	-	-	-	-	-	

Budget notes

1. (IPSAS 24.14) There was late disbursement of allocation after the final supplementary budget
2. (IPSAS 24.29) There were two supplementary budgets giving rise to increased allocation

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

- entity is established by and derives its authority and accountability from - Act. The entity is wholly owned by the - County Government and is domiciled in Kenya. The entity's principal activity is -.

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.

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

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 recognize, 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 operations to be presented separately in the statement of financial performance.

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></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><i>Applicable 1st January 2025</i></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><i>Applicable 1st January 2026</i></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><i>Applicable 1st January 2026</i></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><i>Applicable 1st January 2026</i></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>

(i) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity’s financial statements.)*

3. 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 20xx was approved by the County Assembly on -x. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of -xx on the FY 20xx budget following the governing body's approval.

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

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

Summary of Significant Accounting Policies (Continued)

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

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

a) Intangible Assets

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

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

b) Investment property

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

Summary of Significant Accounting Policies (Continued)

c) Financial instruments

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) 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.

e) 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.

f) 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.

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

Summary of Significant Accounting Policies (Continued)

g) 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.

h) Nature and purpose of reserves

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

i) Changes in accounting policies and estimates

The 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.

j) Employee benefits – Retirement benefit plans

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

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

Summary of Significant Accounting Policies (Continued)

k) Foreign currency transactions

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

l) Borrowing costs

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

m) Related parties

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

n) Cash and cash equivalents

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

o) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

The condition of the asset based on the assessment of experts employed by the Entity

The nature of the asset, its susceptibility and adaptability to changes in technology and processes

The nature of the processes in which the asset is deployed

Availability of funding to replace the asset

Changes in the market in relation to the asset

c) Provisions

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

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.

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

6. Notes To The Financial Statements Continued

1. Public contributions and donations

Description	2023-2024	2022-2023
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

2. Transfers from County Government

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfers From County Govt. –Operations	-	-
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	-	-

3. Fines, penalties and other levies

Description	2023-2024	2022-2023
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest Income from Mortgage Loans	11,003,915	8,149,671
Interest Income From Car Loans	253,679	167,595
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	-	-
Total Interest Income	11,257,594	8,317,266

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

Notes to the Financial Statements Continued

5. Other income

Description	2023-2024	2022-2023
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

6. Employee Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other (<i>Specify</i>)	-	-
Total	-	-

7. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs.	Kshs.
General Office Expenses	-	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	-
Committee Allowances	-	-
Bank Charges	28,620	17,400
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	-	-

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Rental Costs	-	-
Security Costs	-.	-.
Telephone And Communication Expenses	-	-
Bank Charges	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other (<i>Specify</i>)	-	-
Social benefit expenses*		
Total	28,620	17,400

8. Depreciation and Amortization Expense

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

9. Finance costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

10. Gain/(loss) on disposal of assets

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

11. Gain/ (loss) on Fair Value Investments

Description	2023-2024	2022-2023
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

12. Cash and cash equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Staff Car And Mortgage Loan A/C1090265192730	15,079,390	2,203,860
Staff Car And Mortgage Loan Repayment A/C1090268450986	141,588	159,263
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	-	-
Others (<i>Specify</i>)	-	-
Total Cash And Cash Equivalents	15,220,978	2,363,123

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

Notes to the Financial Statements Continued

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

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Equity Bank, Etc.		-	-
Sub- Total		-	-
Equity Bank			
Staff Car And Mortgage Loan	1090265192730	15,079,390	2,203,860
Staff Car And Mortgage Loan Repayment	1090268450986	141,588	159,263
Sub- Total		15,220,978	2,363,123
b) Current Account			
Kenya Commercial Bank		-	-
Bank B		-	-
Sub- Total		-	-
c) Others(Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		15,220,978	2,363,123

13. Receivables from exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Receivables		
Interest Receivable	4,503,971	2,521,429
Current Loan Repayments Due	43,849,201	37,004,950
Other Exchange Debtors	-	-
Less: Impairment Allowance	(-)	-
Total Current Receivables	48,353,172	39,526,379
Non-Current Receivables	436,548,381	350,004,055
Long Term Loan Repayments Due	436,548,381	350,004,055
Total Non- Current Receivables	-	-
Total Receivables From Exchange Transactions	484,901,553	389,530,434

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

Notes to the Financial Statements Continued

Additional disclosure on interest receivable

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	1,806,818	1,551,752
Accrued interest receivable from of long-term loans of previous years	2,521,429	868,664
Interest receivable from current portion of long-term loans issued in the current year	175,724	101,013
Sub-Total	4,503,971	2,521,429
Current loan repayments due		
Current portion of long-term loans from previous years	6,325,323	4,026,677
Accrued principal from long-terms loans from previous periods	37,004,950	32,978,273
Current portion of long-term loans issued in the current year	518,928	(0)
Sub-Total	43,849,201	37,004,950
Total Current receivables	48,353,172	39,526,379

14. Prepayments

Description	2023-2024	2022-2023
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	-	-

15. Inventories

Description	2023-2024	2022-2023
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (<i>Specify</i>)	-	-
Total Inventories at The Lower of Cost and Net Realizable Value	-	-

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

Notes to the Financial Statements Continued

16. Investments in financial assets

Description	2023-2024	2022-2023
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
Bank x	-	-
Bank y	-	-
Sub- total	-	-
c. Equity investments (specify)		
Equity/ shares in Entity -	-	-
Sub- total	-	-
Grand total	-	-

Movement of Equity Investments

Impairment allowance/ provision	2023-2024	2022-2023
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	(-)	(-)
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

e) Shareholding in other entities

For investments in equity share listed above, list down the equity investments under the following categories:

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

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

17. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July (Previous FY)	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	(-)	(-)	-	-	(-)
Transfers/Adjustments	-	(-)	-	(-)	(-)
At 30th June (Previous FY)	-	-	-	-	-
At 1st July (Current FY)					
Additions	-	-	-	-	-
Disposals	(-)	-	-	-	(-)
Transfer/Adjustments	(-)	-	-	(-)	(-)
At 30th June (Current FY)	-	-	-	-	-
Depreciation And Impairment					
At 1st July (Previous FY)	(-)	(-)	(-)	(-)	(-)
Depreciation	(-)	(-)	(-)	(-)	(-)
Impairment	(-)	-	-	-	(-)
At 30th June (Previous FY)	-	-	-	-	-
At 1st July (Current FY)					
Depreciation	(-)	(-)	(-)	-	(-)
Disposals	-	-	-	-	-
Impairment	(-)	(-)	-	-	(-)
Transfer/Adjustment	-	(-)	(-)	-	-
At 30th June (Current FY)	-	-	-	-	-
Net Book Values					
At 30th June (Previous FY)	-	-	-	-	-
At 30th June (Current FY)	-	-	-	-	-

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

18. Intangible assets

Description	2023-2024	2022-2023
	Kshs	Kshs
Cost		
At Beginning of The Year	-	-
Additions	-	-
At End of The Year	-	-
Amortization And Impairment		
At Beginning of The Year	-	-
Amortization	-	-
At End of The Year	-	-
Impairment Loss	-	-
At End of The Year	-	-
NBV	-	-

19. Investment Property

Description	2023-2024	2022-2023
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	(-)	(-)
Depreciation	(-)	(-)
Impairment	(-)	(-)
Gain/(loss) in fair value (if fair value is elected)	-	-
At end of the year	-	-

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

20. Trade and other payables from exchange transactions

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Trade Payables	-		-	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis (Trade and other payables)	2023-2024	% of the Total	2022-2023	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

21. Provisions

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

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

22. Borrowings

Description	2023-2024	2022-2023
	Kshs	Kshs
Balance At Beginning of The Period	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments of External Borrowings During the Period	(-)	(-)
Repayments of Domestic Borrowings During the Period	(-)	(-)
Balance At End of The Period	-	-

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

Description	2023-2024	2022-2023
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization'	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from Z Organization'	-	-
Domestic Borrowings		
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
Total Balance at End of The Year	-	-

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

UASIN GISHU COUNTY
 Staff Mortgage and Car Loans Scheme fund
 Annual Report and Financial Statements
 for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

23. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	2023-2024	2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

24. Social Benefit Liabilities

Description	2023-2024	2022-2023
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
Current social benefits	-	-
Non-current social benefits	-	-
Total (tie to totals above)	-	-

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

25. Cash generated from operations.

Description	2023-2024	2022-2023
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	11,228,974	8,299,866
Adjusted For:		
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	(-)	(-)
Interest Income	(-)	(-)
Finance Cost	-	-
Working Capital Adjustments		
Increase In Inventory	(-)	(-)
Increase In Receivables	(1,982,542)	(1,652,765)
Increase In Payables	-	-
Net Cash Flow From Operating Activities	9,246,432	6,647,101

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

26. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfers From Related Parties'	97,000,000	80,000,000
Transfers To Related Parties	27,536,740	29,800,209

c) Key management remuneration

Description	2023-2024	2022-2023
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	2023-2024	2022-2023
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

Other Disclosures Continued

e) Due to related parties

Description	2023-2024	2022-2023
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

27. Contingent assets and contingent liabilities

Contingent Liabilities	2023-2024	2022-2023
	Kshs	Kshs
Court Case - Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

28. Financial risk management

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

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

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables From Exchange Transactions	484,901,553	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	15,220,978	-	-	-
Total	500,122,531	-	-	-
At 30 June 2023				
Receivables From Exchange Transactions	389,530,434	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	2,363,123	-	-	-
Total	391,893,557	-	-	-

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

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

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

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

b) Liquidity risk management

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

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

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

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

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

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
(Current FY)			
Euro	10%	-	-
USD	10%	-	-
(Comparative FY)			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs - (2022: Kshs -). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs - (2021 – Kshs -).

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

d) Capital risk management.

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	447,648,290	350,648,290
Accumulated surplus	52,474,241	41,245,267
Total funds	500,122,531	391,893,557
Total borrowings	-	-
Less: cash and bank balances	15,220,978	2,363,123
Net debt/(excess cash and cash equivalents)	-	-
Gearing	0%	0%

29. Events after the reporting period

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

30. Ultimate and Holding Entity

The entity is a County Public Fund established by - The department of finance in line with PFM Act.

31. Currency

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

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

20. Annexes

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

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

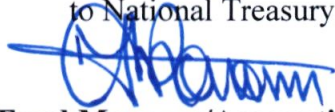
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Under-performing loans	The fund in liaison with the county attorneys office is making a followup and a legal process has been instituted for recovery of the loan	<i>Not Resolved</i>	30 th June 2025
2.	Interest Receivable	The fund in liaison with the county attorneys office is making a followup and a legal process has been instituted for recovery of the loan from defaulters	<i>Not Resolved</i>	30 th June 2025
3.	Budgetary Control and Performance	Funds are utilised on a need basis	<i>Resolved</i>	
4	Compliance with Loan Disbursement guidelines	Compliance achieved and charges undertaken to conclusion	<i>Resolved</i>	

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Fund responsible for implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.



Fund Manager/Accounting Officer

Car loan and mortgage fund



UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

Annex II: Inter-Fund Confirmation Letter



UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund

The Uasin Gishu Staff Mortgage and Car Loans Scheme fund wishes to confirm the amounts disbursed to you as at 30th June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30 th June 20xx							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 th June 20xx				Amount Received by [beneficiary Fund] (KShs) as at 30 th June 20xx (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
	11-10-2023	55,000,000.00	-	-	55,000,000.00	55,000,000.00	-
	28-02-2024	30,000,000.00	-	-	30,000,000.00	30,000,000.00	-
	08-07-2024	12,000,000	-	-	12,000,000	12,000,000	-
Total		97,000,000	-	-	97,000,000	97,000,000	-

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

Head of Accountants department of beneficiary Funds

Name Silas K. Aworo Sign [Signature] Date 25 OCT 2024





UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

Annex III: Reporting of Climate Relevant Expenditures

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

UASIN GISHU COUNTY
Staff Mortgage and Car Loans Scheme fund
Annual Report and Financial Statements
for the year ended June 30, 2024

Annex IV: Reporting on Disaster Management Expenditure

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