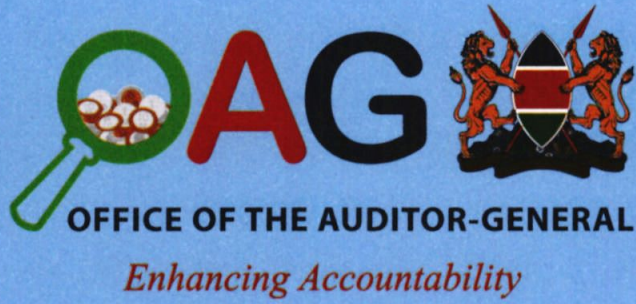


REPUBLIC OF KENYA



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**TURKANA COUNTY EXECUTIVE STATE  
AND PUBLIC OFFICERS CAR LOAN &  
MORTGAGE FUND**

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

PAPERS LAID	
DATE	6/3/2025
TABLED BY	Dep. Mag. Whip
COMMITTEE	
CLERK AT THE TABLE	Maalim



---

**TURKANA COUNTY EXECUTIVE STATE AND PUBLIC OFFICERS  
CAR LOAN AND MORTGAGE 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)

***Turkana County Executive State and Public Officers Car Loan and Mortgage 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. Fund Management Committee	v
4. Management Team	vii
5. Fund Chairperson's Report	viii
6. Report of The Fund Administrator	ix
7. Statement of Performance Against the County Fund's Predetermined Objectives	x
8. Corporate Governance Statement	xi
9. Management Discussion and Analysis	xiii
10. Report of The Fund Management Committee	xiv
11. Statement of Management's Responsibilities	xv
12. Report of The Independent Auditor on the Financial Statements for Turkana County Executive State and Public Officers Car Loan and Mortgage Fund.	xvi
13. Statement of Financial Performance for the Year Ended 30 <sup>th</sup> June 2024	1
14. Statement of Financial Position As at 30 June 2024	2
15. Statement of Changes in Net Assets for the year ended 30 <sup>th</sup> June 2024	4
16. Statement of Cash Flows for The Year Ended 30 June 2024	5
17. Statement Of Comparison Of Budget And Actual Amounts For The Period 2024	6
18. Notes to the Financial Statements	7
19. Annexes	39

***Turkana County Executive State and Public Officers Car Loan and Mortgage Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2024**

---

**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
----------------------	---

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

### **a) Background information**

Turkana County Executive State and Public Officers Car Loan and Mortgage Fund is established by and derives its authority and accountability from the Turkana County Executive State and Public Officers Car Loan and Mortgage Scheme Fund Regulations, 2016. The Fund is wholly owned by the County Government of Turkana and is domiciled in Kenya.

The Fund's principal activity is to provide a loan scheme for the purchase of motor vehicles and purchase, development, renovation or repair of residential property by Turkana County executive State and Public Officers as prescribed by the salaries and Remuneration Commission in their letter dated 17th December, 2014 referenced as SRC/ADM/CIR/1/13/Vol.III (128).

### **b) Principal Activities**

The principal activity/mission/ mandate of the Fund is to provide a loan scheme for the purchase of motor vehicles and purchase, development, renovation or repair of residential property by Turkana County executive State and Public Officers as prescribed by the salaries and Remuneration Commission in their letter dated 17th December, 2014 referenced as SRC/ADM/CIR/1/13/Vol.III (128).

### **c) Key Management Team**

<b>Ref</b>	<b>Name</b>	<b>Position</b>
1	Peter Eripete	Fund Chairperson
2	Cicilia Majuma Etaan	Fund Vice - Chairperson
3	Cyrus James Illikwel	Fund Administrator
4	Simon Logilae	Fund Accountant

**Key Entity and Management (Continued)**

**d) Registered Offices**

P.O. Box 11-30500  
County Treasury Building  
Nawoitorong Road  
Nairobi, KENYA

**e) Fund Contacts**

Telephone: (254) 0790531896  
E-mail: slogilae@yahoo.com  
Website: www.tcg.go.ke

**f) Fund Bankers**

Kenya Commercial Bank  
P.O BOX 58-30500  
LODWAR

**g) Independent Auditors**



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

**h) County Attorney**

P.O BOX 11-30500  
LODWAR.

**Turkana County Executive State and Public Officers Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**


**3. Fund Management Committee**

Name	Details of qualifications and experience
<p>1. Peter Eripete</p> 	<p>Mr. Peter Eripete is the Chairperson Of the fund, he was Born on 10<sup>th</sup> November 1958. He is Currently serving as the County Secretary of Turkana County Government. He has a Bachelor’s degree in Arts and a working experience of 37 years in public service.</p>
<p>2. Cicilia Majuma Etaan</p> 	<p>Mrs. Cicilia Majuma Etaan is the Vice Chairperson of the Fund and she is also the Chief officer of Public Service. She has over 8 years of work experience in both the public and private sectors. He holds a Bachelors’ Degree in Education from Kenyatta university</p>
<p>3. Cyrus James Illikwel</p> 	<p>Mr. Cyrus James Illikwel is the Secretary of the Fund. He has over 14 years’ experience serving in various capacities in the public sector including senior managerial positions. Holds a Master degree in Business Administration Accounting option, Bachelor of commerce accounting option coupled with CPA part II certification.</p>

**Turkana County Executive State and Public Officers Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

<p>4. Mark Ekeru Achilla</p> 	<p>Mr. Mark Achilla is a member of the Fund. He is the chief officer of Roads and Transport. He holds a Master of science degree in Mechanical engineering, bachelor of industrial technology and a Diploma in mechanical engineering (plant option). He has over 13 years of extensive working experience in the field of Engineering coupled with managerial responsibilities.</p>
<p>5. Joseph Egiron</p> 	<p>Mr Joseph Egiron is a Member Of the Fund. He was Born on 2<sup>nd</sup> January, 1981. He is Currently serving as the Director of Urban areas management and has a Bachelor's Degree in Lands survey. He as a working experience of 14 years in public service.</p>
<p>6. James Eyen</p> 	<p>Mr. James Eyen is a member of the fund, he was born on 1<sup>st</sup> July, 1982. He has a bachelor's degree in Human Resource Management. He has working experience of 18 years in public service.</p>
<p>7. Erastus EtheKon</p> 	<p>Mr Erastus EtheKon is an Ex-Officio Member of the Fund. He was Born on 10<sup>th</sup> February, 1976. He is Currently serving as the County Attorney. He has a degree of Master of Science (Project Management) and a Master of Laws in Transnational oil, gas and energy Law. He also has master's degree in peace, conflict and development studies. He has also a Bachelor's Degree in Law. He is an Advocate of the high court and a Member of Law society of Kenya No. P105/5061/03. He has a working experience of 19 years both in private and public service.</p>

**4. Management Team**

Name	Details of qualifications and experience
<p>1. Peter Eripete</p> 	<p>Mr. Peter Eripete is the Chairperson Of the fund, he was Born on 10<sup>th</sup> November 1958. He is Currently serving as the County Secretary of Turkana County Government. He has a Bachelor’s degree in Arts and a working experience of 37 years in public service.</p>
<p>2. Cicilia Majuma Etaan</p> 	<p>Mrs. Cicilia Majuma Etaan is the Vice Chairperson of the Fund and she is also the Chief officer of Public Service. She has over 8 years of work experience in both the public and private sectors. He holds a Bachelors’ Degree in Education from Kenyatta university</p>
<p>3. Cyrus James Illikwel</p> 	<p>Mr. Cyrus James Illikwel is the Secretary of the Fund. He has over 14 years’ experience serving in various capacities in the public sector including senior managerial positions. Holds a Master degree in Business Administration Accounting option, Bachelor of commerce accounting option coupled with CPA part II certification.</p>

**5. Fund Chairperson's Report**

As Turkana County Executive State and Public officers Car Loan and Mortgage Fund marks its 5<sup>th</sup> year of active operations, I am proud of the progress made this far. The Fund has recorded tremendous strides in realizing the objective of providing loans for the purchase of motor vehicles and purchase, development, renovation or repair of residential property by Turkana County executive members of staff.

As a committee, our role is to adhere to the policies and regulations in place and facilitate the Turkana executive members of staff. The various interactions we had with staff loan applications documents; they informed the need to review the regulations for improved management of the fund.

I am proud of the achievements made in the FY 2023/2024. I would also like to recognize the role played by the committee members in offering valuable guidance into the management of the fund.

Finally, Staff sensitization has been enhanced and they have been encouraged to embrace this opportunity. Plans have been put in place to avail more resources to this fund going forward and widen accessibility of this facility to all executive staff members. As the chairperson of this fund, I am extremely optimistic that the overall objective of the fund will eventually be achieved.

Name Peter Eripete Signature [Signature] Date 19/11/2024

Chairperson of the Fund

## **6. Report of The Fund Administrator**

It is a great honour to present the Financial Report for the Turkana County Executive State and Public officers Car Loan and Mortgage Fund. The report highlights the milestone achieved by the Turkana County Executive State and Public officers Car Loan and Mortgage Fund during the Financial Year 2022/2023.

The principal mandate of the Turkana County Executive Car Loan and Mortgage Fund is to provide a loan scheme for the purchase of motor vehicles and purchase, development, renovation or repair of residential property by Turkana County executive State and Public Officers as prescribed by the salaries and Remuneration Commission in their letter dated 17th December, 2014 referenced as SRC/ADM/CIR/1/13/Vol.III (128).

The report for this Fund covers 12 months' period beginning from July 2023 to June 2024. There was no budgetary allocation for the fund during the year. No Disbursements were done during the year. The County Treasury owes the fund Kshs.45,445,263 and it's expected to be refunded in the FY 2024/2025. During the year the Fund generated an income interest of Kshs.3,944,049 from loans issued. The Fund received a further income of Kshs.14,000 from loan application fees.

**Turkana County Executive State and Public Officers Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

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

**Introduction**

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

The key strategic objective of the Turkana County Executive State and Public officers Car Loan and Mortgage Fund is to provide a loans for purchase of motor vehicles and purchase, development, renovation or repair of residential property to Turkana County executive State and Public Officers as prescribed by the salaries and Remuneration Commission in their letter dated 17th December, 2014 referenced as SRC/ADM/CIR/1/13/Vol.III (128).

Below we provide the progress on attaining the stated objectives:

<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Turkana County Executive State and Public officers Car Loan & Mortgage Fund	To provide a loan scheme for the purchase of Motor vehicles and purchase, development, renovation or repair of residential property by Turkana County Executive State and Public officers.	Increased Number of State and Public officers accessing Loan facility.	Number of State and Public officers accessing loan facility.	In FY 2023/24, the Fund did not disburse any loans. However the fund received Kshs.3,944,049 as interest for loans issued. The fund also received Kshs.14,000 as loan application fees.

## **8. Corporate Governance Statement**

Turkana County Executive State and Public officers Car Loan and Mortgage Fund recognizes corporate governance to be central towards meeting its objectives.

The principal mandate/objective of the Fund is to provide a loan scheme for the purchase of motor vehicles and purchase, development, renovation or repair of residential property by Turkana County executive State and Public Officers as prescribed by the salaries and Remuneration Commission in their letter dated 17<sup>th</sup> December, 2014 referenced as SRC/ADM/CIR/1/13/Vol.III (128).

### **Committee Meetings**

The meetings of the Committee shall be convened by the chairperson or in the absence of the chairperson, by a member designated by the chairperson and shall be convened at such times as may be necessary for the discharge of the committee's functions. The quorum for a meeting of the committee shall be chairperson and any other four members. The Turkana County Executive State and Public officers Car Loan and Mortgage Fund Administration Committee conducted one (1) meeting during the FY 2022-2023.

### **Loans Management Committee**

Section 6(1) of the Public Finance Management (Turkana County Executive State and Public Officers Mortgage Scheme Fund) Regulations, 2016 stipulates that there is established committee to be known as the Members Mortgage Loans Management Committee, which shall consist of

- (a) chairperson—The County Secretary
- (b) Vice-Chairperson—Chief Officer Public Service, Decentralized Administration and Disaster Management;
- (c) Secretary—Chief Officer Finance;
- (d) Member—Chief Officer - Roads, Transport and Infrastructure;
- (e) Member- Director- Urban Areas Management: Chairperson – County Secretary.
- (f) Member—Director - Supply Chain Management;
- (g) Member—Director of HRM;
- (h) Member—Deputy Director HRM and payroll Management;
- (i) Two members of staff, male and female nominated by the County Public Service Board; and
- (j) The County Executive Legal Officer as Ex Officio Member.

The role of the committee is to process loan applications in accordance with the existing terms and conditions of borrowing and supervise the day to day running of the Fund.

***Turkana County Executive State and Public Officers Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2024***

---

**Existence of a service charter**

Turkana County Executive State and Public officers Car Loan and Mortgage Fund has not yet developed a service charter. The Fund Administration Committee has intention of developing one the in the FY 2023-2024.

**Process of appointment and removal of Administration Committee members**

Turkana County Executive State and Public officers Car Loan and Mortgage Fund has an established committee known as the Loans Management Committee. The committee comprise of; County Secretary, Chief officer, public service, administration & Disaster management, Chief Officer, Finance.

Members Include, Chief Officer Roads, transport and infrastructure, Director- urban areas management, Director- Supply chain management, Director- Human resource management and Deputy director- HRM and Payroll management.

Ex-officio Member- County Attorney.

**Functions of the Loans Committee**

The functions of the committee are defined by section 7(2), which include the following: -

- a) The Committee shall consider and may approve the loan applications presented by the officer administering the Fund.
- b) The Committee shall open an account under the names Turkana County Car Loan and Mortgage Scheme in a recognized commercial bank: and
- c) The chairperson of the committee, the secretary to the committee and one member appointed by CEC Finance among the committee shall be the mandatory signatory to the account.

***Turkana County Executive State and Public Officers Car Loan and Mortgage Fund***  
**Annual Report and Financial Statements for the year ended June 30, 2024**

---

**9. Management Discussion and Analysis**

It is a great honour to present the Financial Report for the Turkana County Executive State and Public officers Car Loan and Mortgage Fund. The report highlights the milestone achieved by the Turkana County Executive State and Public officers Car Loan and Mortgage Fund during the Financial Year 2022/2023.

The principal mandate of the Turkana County Executive Car Loan and Mortgage Fund is to provide a loan scheme for the purchase of motor vehicles and purchase, development, renovation or repair of residential property by Turkana County executive State and Public Officers as prescribed by the salaries and Remuneration Commission in their letter dated 17th December, 2014 referenced as SRC/ADM/CIR/1/13/Vol.III (128).

The report for this Fund covers 12 months' period beginning from July 2023 to June 2024. There was no budgetary allocation for the fund during the year. No Disbursements were done during the year. The County Treasury owes the fund Kshs.45,445,263 and it's expected to be refunded in the FY 2024/2025. During the year the Fund generated an income interest of Kshs.3,944,049 from loans issued. The Fund received a further income of Kshs.14,000 from loan application fees.

**Turkana County Executive State and Public Officers Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

---

**10. Report of The Fund Management Committee**

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

**Principal activities**

The principal activities of the Fund are to provide a loan scheme for the purchase of Motor vehicles and purchase, development, renovation or repair of residential property by Turkana County Executive State and Public officers.

**Results**

The results of the Fund for the year ended June 30, 2024 are set out on page.

**Fund Management Committee**

The members of the Fund management committee who served during the year are shown on page V - VI.

**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. OR Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Turkana County Executive State and Public Officers Car Loan and Mortgage Fund for the year ended June 30, 2024 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Fund Management Committee



.....  
**Fund Management Committee**

**Date:** 19/11/2024

**11. 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 the Public Finance Management (Turkana County Executive State and Public Officers Mortgage Scheme Fund) Regulations, 2016 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the Turkana County Executive State and Public Officers Mortgage Scheme 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 the Public Finance Management (Turkana County Executive State and Public Officers Mortgage Scheme Fund) Regulations, 2016. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2023, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Turkana County Executive State and Public Officers Mortgage Scheme 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.

**Approval of the financial statements**

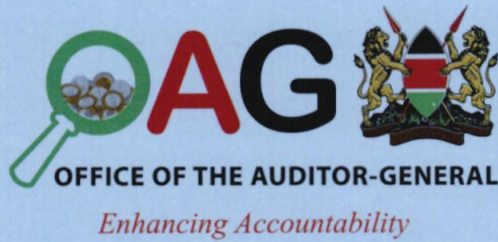
The Fund's financial statements were approved by the Management Committee on 19/11 2024 and signed on its behalf by:

  
.....

**Administrator of the County Public 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 TURKANA COUNTY EXECUTIVE STATE AND PUBLIC OFFICERS CAR LOAN & MORTGAGE FUND FOR THE YEAR ENDED 30 JUNE, 2024**

---

### **PREAMBLE**

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

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

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

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

#### **Opinion**

I have audited the accompanying financial statements of Turkana County Executive State and Public Officers Car Loan & Mortgage Fund set out on pages 1 to 39, which comprise

---

*Report of the Auditor-General on Turkana County Executive State and Public Officers Car Loan & Mortgage Fund for the year ended 30 June, 2024*

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Turkana County Executive State and Public Officers Car Loan & Mortgage Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Turkana County Executive State and Public Officers Car Loan and Mortgage Scheme Fund Regulations, 2016 and the Public Finance Management Act, 2012.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Turkana County Executive State and Public Officers Car Loan & Mortgage 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 opinion.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects total expenditure budget of Kshs.4,118,000 and actual amount of Kshs.3,958,048 respectively. Further, actual expenditure of Kshs.1,416 was incurred against actual receipts of Kshs.3,958,048 resulting in an underutilization of Kshs.3,966,632 or 99% of the budget. Failure to utilize the funds as budgeted for, denies the users of the Fund's services and the benefits that would accrue from effective budget implementation.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

## **Other Matter**

### **Unresolved Prior Year Matters**

The audit report for the year ended 30 June, 2023 highlighted issues under the report on lawfulness and effectiveness in use of public resources. Although Management has indicated in the report on progress made in follow up of auditor's recommendations that the matters were resolved immediately while others were unresolved, the actual status of the matters will be confirmed after they are discussed by the legislature.

### **Other Information**

The Management is responsible for the other information set out on page iii to xv which comprise of Key Entity Information and Management, Fund Management Committee, Key Management Team, Fund Chairperson's Statement, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Statement of Corporate Governance, Management Discussion and Analysis, Report of the Fund Management Committee and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Delay in Refund of Borrowed Funds**

The statement of financial position reflects current portion of short-term receivables from non-exchange transactions of Kshs.45,445,263 as disclosed in Note 14 to the financial statements. The balance is an amount borrowed from the Fund by the County Executive

and has remained outstanding for more than two (2) years without repayment contrary to Section 142(2) of the Public Finance Management Act, 2012 which stipulates that a county government entity that has any such borrowing shall ensure that the money borrowed is repaid within a year from the date on which it was borrowed.

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

## **2. Non-Performing Loans**

The statement of financial position reflects long term receivables from exchange transactions of Kshs.119,648,945 for both current and non-current assets as disclosed in Note 13 to the financial statements. Included in the balance is Kshs.10,280,042 owed by seven (7) public officers, who defaulted more than one year ago. This was contrary to Regulation 17 of the Public Finance Management (Turkana County Executive State and Public Officers Mortgage Scheme Fund) Regulations, 2016 which provides that the Board may call in a loan and in default sell the charged property by public auction or private treaty where the borrower is in breach of the terms under the loan agreement or the covenant contained in the charge of the mortgage instrument.

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

## **3. Long Outstanding Trade and Other Payable from Exchange Transactions**

As previously reported, the statement of financial position reflects trade and other payables from exchange transactions of Kshs.139,344 as disclosed in Note 21 to the financial statements which has remained unpaid for thirty-one (31) months. The balance arose out of a loan overpayment by a member in November, 2021. No reason has been provided for the failure to refund the overpayment.

In the circumstances, the Fund is irregularly holding a member's funds.

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 and based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **Lack of a Risk Management Policy**

During the year under review, the Fund did not have a Risk Management Policy and Disaster Recovery Plan. No documented formal risk assessment was provided for audit review. In addition, the Fund operated without strategic and operational plans.

In the circumstances, the security and reliability of the Fund's data including the management information system could not be confirmed.

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (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 Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

  
FCPA Nancy Oathungu, CBS  
AUDITOR-GENERAL

**Nairobi**


**19 December, 2024**


**Turkana County Executive State and Public Officers Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

**13. Statement of Financial Performance for the Year Ended 30<sup>th</sup> June 2024**

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Revenue From Non-Exchange Transactions</b>			
Public Contributions and Donations	1		
Transfers From the County Government	2		
Fines, Penalties and Other Levies	3		
<b>Revenue From Exchange Transactions</b>			
Interest Income	4	3,944,049	3,308,258
Other Income	5	14,000	26,000
		<b>3,958,049</b>	<b>3,334,258</b>
<b>Total Revenue</b>		<b>3,958,049</b>	<b>3,334,258</b>
<b>Expenses</b>			
Employee Costs	6		
Use of goods and services	7	1,416	2,130
Depreciation and Amortization Expense	8		
Finance Costs	9		
<b>Total Expenses</b>		<b>1,416</b>	<b>2,130</b>
<b>Other Gains/Losses</b>			
Gain/Loss on Disposal of Assets	10		
Gain /Loss on fair value of investments	11		
<b>Surplus/(Deficit) for the Period</b>		<b>3,956,633</b>	<b>3,332,128</b>

*(The notes set out on pages 18 to 38 form an integral part of these Financial Statements)*

.....  
  
 Name: **ILKIDUL JAMES**  
 Administrator of the Fund

.....  
  
 Name: **Amos KIBET**  
 Fund Accountant  
 ICPAK Member Number: **17957**

**Turkana County Executive State and Public Officers Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

**14. Statement of Financial Position As at 30 June 2024**

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	12	46,621,114	21,654,825
Current Portion of Long- Term Receivables From Exchange Transactions	13	25,242,503	18,047,341
Current Portion of Short- Term Receivables From Non-Exchange Transactions	14	45,445,263	45,445,263
Prepayments	15		
Inventories	16		
Investments in financial assets	17		
<b>Total current assets</b>		<b>117,308,880</b>	<b>85,147,429</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	18		
Intangible Assets	19		
Long Term Receivables from Exchange Transactions	13	94,406,442	122,611,261
Investment Property	20		
<b>Total non- current assets</b>		<b>94,406,442</b>	<b>122,611,261</b>
<b>Total Assets (A)</b>		<b>211,715,322</b>	<b>207,758,690</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables from Exchange Transactions	21	139,344	139,344
Current Provisions	22		
Current Portion of Borrowings	23		
Employee Benefit Obligations	24		
Social benefit liabilities	25		
<b>Total current liabilities</b>		<b>139,344</b>	<b>139,344</b>
<b>Non-Current Liabilities</b>			
Non-Current Provisions	22		
Long Term Portion of Borrowings	23		
Non-Current Employee Benefit Obligation	24		
Social benefit liabilities	25		
<b>Total Liabilities (B)</b>		<b>139,344</b>	<b>139,344</b>
<b>Net Assets (A-B)</b>		<b>211,575,978</b>	<b>207,619,346</b>
<b>Represented By:</b>			
Revolving Fund		200,822,217	200,822,217
Reserves			
Accumulated Surplus		10,753,761	6,797,129
<b>Net Assets</b>		<b>211,575,978</b>	<b>207,619,346</b>

**Turkana County Executive State and Public Officers Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

---

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 19/11/2024 and signed by:



.....  
Name: ILLIKUEL JAMES  
Administrator of the Fund



.....  
Name: Amos KIBET  
Fund Accountant  
ICPAK Member Number: 17957

**Turkana County Executive State and Public Officers Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

**15. Statement of Changes in Net Assets for the year ended 30<sup>th</sup> June 2024**

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
<b>Balance As At 1 July 2022</b>	<b>150,822,217</b>		<b>3,465,001</b>	<b>154,287,218</b>
Surplus/(Deficit) For the Period			3,332,128	3,332,128
Funds Received During the Year	50,000,000			50,000,000
Transfers				
Revaluation Gain				
<b>Balance As At 30 June 2023</b>	<b>200,822,217</b>		<b>6,797,129</b>	<b>207,619,346</b>
<b>Balance As At 1 July 2023</b>	<b>200,822,217</b>		<b>6,797,129</b>	<b>207,619,346</b>
Surplus/(Deficit) For the Period			3,956,632	3,956,632
Funds Received During the Year				
Transfers				
Revaluation Gain				
<b>Balance As At 30 June 2024</b>	<b>200,822,217</b>		<b>10,753,761</b>	<b>211,575,978</b>

**Turkana County Executive State and Public Officers Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

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

Description	Note	2023 - 2024	2022 -2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Public contributions and donations			
Transfers from the county government			
Interest received		3,944,048	3,308,258
Receipts from other operating activities		14,000	26,000
<b>Total receipts</b>		<b>3,958,048</b>	<b>3,334,258</b>
<b>Payments</b>			
Fund administration expenses			
General expenses		1,416	2,130
Finance cost			
Other payments			
		<b>1,416</b>	<b>2,130</b>
<b>Net cash flows from operating activities</b>	24	<b>3,956,632</b>	<b>3,332,128</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and Intangible assets			
Proceeds from sale of property, plant & equipment			
Proceeds from loan principal repayments		21,009,657	16,751,048
Loan disbursements paid out			(51,300,000)
<b>Net cash flows used in investing activities</b>		<b>21,009,657</b>	<b>(34,548,952)</b>
<b>Cash flows from financing activities</b>			
Proceeds from revolving fund receipts			50,000,000
Additional borrowings			
Repayment of borrowings			
<b>Net cash flows used in financing activities</b>			<b>50,000,000</b>
<b>Net increase/(decrease) in cash &amp; cash Equivalents</b>		<b>24,966,289</b>	<b>18,783,176</b>
Cash and cash equivalents at 1 July		21,654,825	2,871,649
<b>Cash and cash equivalents at 30 June</b>		<b>46,621,114</b>	<b>21,654,825</b>

*Turkana County Executive State and Public Officers Car Loan and Mortgage Fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**17. Statement Of Comparison Of Budget And Actual Amounts For The Period 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
<b>Revenue</b>						
Public Contributions and Donations						
Transfers From County Govt.						
Interest Income	4,100,000		4,100,000	3,944,048	155,952	96%
Other Income	18,000		18,000	14,000	4,000	78%
<b>Total Income</b>	<b>4,118,000</b>	-	<b>4,118,000</b>	<b>3,958,048</b>	<b>151,952</b>	<b>75%</b>
<b>Expenses</b>						
Fund Administration Expenses	5,000		5,000	1,416	3,584	28%
General Expenses			-		-	
Finance Cost			-		-	
<b>Total Expenditure</b>	<b>5,000</b>	-	<b>5,000</b>	<b>1,416</b>	<b>3,584</b>	<b>28%</b>
<b>Surplus For the Period</b>	<b>4,113,000</b>		<b>4,113,000</b>	<b>3,956,632</b>	<b>148,368</b>	<b>96%</b>
<b>Capital expenditure</b>						

**18. Notes to the Financial Statements**

**Significant Accounting Policies**

**1. General Information**

Turkana County Executive State and Public Officers Car Loan and Mortgage Fund is established by and derives its authority and accountability from the Turkana County Executive State and Public Officers Car Loan and Mortgage Scheme Fund Regulations, 2016. The Fund is wholly owned by the County Government of Turkana and is domiciled in Kenya. The Fund’s principal activity is to provide a loan scheme for the purchase of motor vehicles and purchase, development, renovation or repair of residential property by Turkana County executive State and Public Officers as prescribed by the salaries and Remuneration Commission in their letter dated 17th December, 2014 referenced as SRC/ADM/CIR/1/13/Vol.III (128).

**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	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p>

**Turkana County Executive State and Public Officers Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

	The new <del>standard</del> requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> 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.
IPSAS 45- Property Plant and Equipment	<b><i>Applicable 1<sup>st</sup> January 2025 .</i></b> 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.
IPSAS 46 Measurement	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The objective of this standard was to improve measurement guidance across IPSAS by: <ul style="list-style-type: none"><li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li><li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li><li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li></ul> The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47- Revenue	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> 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.
IPSAS 48- Transfer Expenses	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> 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.

**Turkana County Executive State and Public Officers Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

---

IPSAS 49- Retirement Benefit Plans	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> 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.
--	---

**(i) Early adoption of standards**

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

**1. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Transfers from other government entities**

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

**ii. Revenue from exchange transactions**

**Interest income**

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

**Dividends**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2023-2024 was approved by the County Assembly on 20<sup>th</sup> June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund did not record any additional appropriations on the FY 2023-2024 budget following the governing body's approval.

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

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented 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. Subsequent to initial recognition, investment property is measured at fair value with gains and losses recognised through surplus or deficit. 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 Fund's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

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

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

**Amortized cost**

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

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

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

**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. There were no specific reserves during the year.

**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.

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.

**Turkana County Executive State and Public Officers Car Loan and Mortgage 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	-	-
<b>Total</b>	-	-

**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	-	-
<b>Total</b>	-	-

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
<b>Total</b>	-	-

**4. Interest income**

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest Income from Mortgage Loans	3,944,049	3,308,258
Interest Income From Car Loans	-	-
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	-	-
<b>Total Interest Income</b>	<b>3,944,049</b>	<b>3,308,258</b>

**Turkana County Executive State and Public Officers Car Loan and Mortgage 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	14,000	26,000
<b>Total Other Income</b>	<b>14,000</b>	<b>26,000</b>

**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> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**7. Use of Goods and Services**

Description	2023-2024	Insert Previous FY
	Kshs.	Kshs.
General Office Expenses	-	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	-
Committee Allowances	-	-
Bank Charges	1,416	2,130
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-

**Turkana County Executive State and Public Officers Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

Description	2023-2024	Insert Previous FY
	Kshs.	Kshs.
Printing And Stationery	-	-
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Bank Charges	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other ( <i>Specify</i> )	-	-
Social benefit expenses*	-	-
<b>Total</b>	<b>1,416</b>	<b>2,130</b>

*Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42*

**8. Depreciation and Amortization Expense**

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**9. Finance costs**

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Turkana County Executive State and Public Officers Car Loan and Mortgage 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	-	-
<b>Total</b>	-	-

**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)	-	-
<b>Total Gain</b>	-	-

**12. Cash and cash equivalents**

Description	2023-2024	2022-2023
	Kshs	Kshs
Car Loan and Mortgage Account	46,621,114	21,654,825
County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	-	-
Others ( <i>Specify</i> )	-	-
<b>Total Cash And Cash Equivalents</b>	<b>46,621,114</b>	<b>21,654,825</b>

**Turkana County Executive State and Public Officers Car Loan and Mortgage 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
<b>a) Fixed Deposits Account</b>			
Kenya Commercial Bank		46,621,114	21,654,825
Equity Bank, Etc.		-	-
<b>Sub- Total</b>		<b>46,621,114</b>	<b>21,654,825</b>
<b>b) On - Call Deposits</b>			
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
<b>Sub- Total</b>		<b>-</b>	<b>-</b>
<b>c) Current Account</b>			
Kenya Commercial Bank		-	-
Bank B		-	-
<b>Sub- Total</b>		<b>-</b>	<b>-</b>
<b>d) Others(Specify)</b>			
Cash In Transit		-	-
Cash In Hand		-	-
<b>Sub- Total</b>		<b>-</b>	<b>-</b>
<b>Grand Total</b>		<b>46,621,114</b>	<b>21,624,825</b>

**13. Receivables from exchange transactions**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Current Receivables</b>		
Interest Receivable	-	-
Current Loan Repayments Due	25,242,503	18,047,341
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
<b>Total Current Receivables</b>	<b>25,242,503</b>	<b>18,047,341</b>
<b>Non-Current Receivables</b>		
Long Term Loan Repayments Due	94,406,441	122,611,261
<b>Total Non- Current Receivables</b>	<b>94,406,441</b>	<b>122,611,261</b>
<b>Total Receivables From Exchange Transactions</b>	<b>119,648,945</b>	<b>140,658,602</b>

**Turkana County Executive State and Public Officers Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

	2023 - 2024	% of total	2022 - 2023	% of total
<b>Ageing analysis (receivable from exchange transactions)</b>				
Less than 1 year	109,368,903	91%	<b>140,658,602</b>	100%
Between 1-2 years	10,280,042	9%		%
Between 2-3 years		%		%
Over 3 years		%		%
<b>Total</b>	<b>119,648,945</b>	<b>100%</b>	<b>140,658,602</b>	<b>100%</b>

**14. Receivables from Non-Exchange transactions**

Description	2023-2024		2022-2023	
	Kshs.		Kshs.	
Transfers From Government Entities/SC				
Transfer From Fund	45,445,263		45,445,263	
<b>Total Receivables</b>	<b>45,445,263</b>		<b>45,445,263</b>	
<b>Ageing analysis (receivable from non-exchange transactions)</b>	<b>2023-2024</b>	<b>% of total</b>	<b>2022-2023</b>	<b>% of total</b>
Less than 1 year		%		%
Between 1-2 years		%		%
Between 2-3 years		%		%
Over 3 years	<b>45,445,263</b>	100%	<b>45,445,263</b>	100%
<b>Total</b>	<b>45,445,263</b>	<b>100%</b>	<b>45,445,263</b>	<b>100%</b>

**Additional disclosure on interest receivable**

Description	2023-2024		2022-2023	
	Kshs		Kshs	
<b>Interest Receivable</b>				
Interest receivable from current portion of long-term loans of previous years		-		-
Accrued interest receivable from of long-term loans of previous years		-		-
Interest receivable from current portion of long-term loans issued in the current year		-		-
<b>Current loan repayments due</b>		-		-
Current portion of long-term loans from previous years		-		-
Accrued principal from long-terms loans from previous periods		-		-

**Turkana County Executive State and Public Officers Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

Current portion of long-term loans issued in the current year	-	-
---	---	---

**15. Prepayments**

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

**16. Inventories**

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

**Turkana County Executive State and Public Officers Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes to the Financial Statements Continued**

**17. Investments in financial assets**

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

**Movement of Equity Investments**

Impairment allowance/ provision	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	-	-
<b>At the end of the year</b>	-	-

**e) Shareholding in other entities**

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	2023-2024 Kshs	2022 - 2023 Kshs

**Turkana County Executive State and Public Officers Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

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

**18. Property, plant and equipment**

	<b>Land and Buildings</b>	<b>Motor vehicles</b>	<b>Furniture and fittings</b>	<b>Computers and office equipment</b>	<b>Total</b>
<b>Cost</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>At 1<sup>st</sup> July 2022</b>					
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
<b>At 30<sup>th</sup> June 2023</b>	-	-	-	-	-
<b>At 1<sup>st</sup> July 2023</b>					
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
<b>At 30<sup>th</sup> June 2024</b>	-	-	-	-	-
<b>Depreciation And Impairment</b>					
At 1 <sup>st</sup> July 2022	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
<b>At 30<sup>th</sup> June 2023</b>	-	-	-	-	-
<b>At 1<sup>st</sup> July 2023</b>					
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
<b>At 30<sup>th</sup> June 2024</b>	-	-	-	-	-
<b>Net Book Values</b>	-	-	-	-	-
<b>At 30<sup>th</sup> June 2023</b>	-	-	-	-	-
<b>At 30<sup>th</sup> June 2024</b>	-	-	-	-	-

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

**19. Intangible assets**

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

**20. Investment Property**

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

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

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

Description	2023-2024		2022-23	
	Kshs		Kshs	
Trade Payables	139,344		139,344	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
<b>Total Trade and Other Payables</b>	<b>139,344</b>		<b>139,344</b>	
<b>Ageing analysis (Trade and other payables)</b>	<b>2023-2024</b>	<b>% of the Total</b>	<b>2022-23</b>	<b>% of the Total</b>
Under one year		%		%
1-2 years		%		%
2-3 years		%		%
Over 3 years	<b>139,344</b>	%		%
<b>Total (tie to above total)</b>	<b>139,344</b>			

**22. Provisions**

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

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

**23. Borrowings**

Description	2023-2024	2022-2023 2022-23
	Kshs	Kshs
<b>Balance At Beginning of The Period</b>	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments of External Borrowings During the Period	-	-
Repayments of Domestic Borrowings During the Period	-	-
<b>Balance At End of The Period</b>	-	-

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

Description	2023-2024	2022-2023 2022-23
	Kshs	Kshs
<b>External Borrowings</b>	-	-
Dollar Denominated Loan	-	-
Sterling Pound Denominated Loan	-	-
Euro Denominated Loan	-	-
<b>Domestic Borrowings</b>	-	-
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
<b>Total Balance at End of The Year</b>	-	-

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

Description	2023-2024	2022 - 2023
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
<b>Total</b>	-	-

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

**24. Employee benefit obligations**

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

**25. Social Benefit Liabilities**

<b>Description</b>	<b>2023 - 2024</b>	<b>2022 - 2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Current social benefits	-	-
Non- current social benefits	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

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

**26. Cash generated from operations.**

<b>Description</b>	<b>2023 - 2024</b>	<b>2022 - 2023</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Surplus/ (Deficit) For the Year Before Tax</b>	-	-
<b>Adjusted For:</b>	-	-
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	-	-
Finance Cost	-	-
<b>Working Capital Adjustments</b>		
Increase In Inventory	-	-
Increase In Receivables	-	-
Increase In Payables	-	-
<b>Net Cash Flow From Operating Activities</b>	-	-

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

**27. 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'		
Transfers To Related Parties		

**c) Key management remuneration**

Description	2023 - 2024	2022 - 2023
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
<b>Total</b>	-	-

**d) Due from related parties**

Description	2023 - 2024	2022 - 2023
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
<b>Total</b>	-	-

**Turkana County Executive State and Public Officers Car Loan and Mortgage 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	-	-
<b>Total</b>	-	-

**28. Contingent assets and contingent liabilities**

Contingent Liabilities	2023-2024	2022-2023
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
<b>Total</b>	-	-

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

**29. Financial risk management**

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

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

**a) Credit risk**

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

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

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

**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
<b>At 30 June (Current FY)</b>	-	-	-	-
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June (Comparative FY)</b>	-	-	-	-
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-

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

**c) Market risk**

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

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

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

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

**i. Foreign currency risk**

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

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

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

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

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

**Foreign currency sensitivity analysis**

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

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

**ii. Interest rate risk**

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

***Management of interest rate risk***

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

***Sensitivity analysis***

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

**Turkana County Executive State and Public Officers Car Loan and Mortgage 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	Current FY 2023-2024	Comparative FY 2022-2023
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	-	-
<b>Total funds</b>	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
<b>Gearing</b>	-	-

**30. Events after the reporting period**

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

**31. Ultimate and Holding Entity**

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

**32. Currency**

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

**Turkana County Executive State and Public Officers Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**


**19. 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.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1.0	Budgetary Control and performance	The fund is amending the law to enable disbursements.	Not Resolved	30.06.2025
2.0	Failure to prepare an operational budget	The operational budget is approved by the fund Board	Resolved	
3.0	Unsecured Loan Disbursements.	The fund is working on amending the Law to take care of specific issues unique to Turkana.	Not Resolved	30.06.2025
4.0	Outstanding Irregular Internal borrowing/ lending.	The Fund has engaged County Treasury to ensure that the amounts are refunded by 30.06.2025.	Not Resolved	30.06.2025
5.0	Long outstanding trade and other payables from exchange transactions.	It is true that the amount has was overpaid by the member. We have started processing the refund and expect to be concluded by 30.06.2025	Not Resolved	30.06.2025

Fund Manager/Accounting Officer Turkana County executive state and public officer’s car loan and mortgage Fund.

  
Date 19/11/2024

**Turkana County Executive State and Public Officers Car Loan and Mortgage Fund  
Annual Report and Financial Statements for the year ended June 30, 2024**


**Annex II: Inter-Fund Confirmation Letter**

The Turkana County Executive State and Public Officers Car Loan and Mortgage Fund wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> 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 <sup>th</sup> June 2024							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 <sup>th</sup> June 2024				Amount Received by [beneficiary Fund] (KShs) as at 30 <sup>th</sup> June 20xx (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

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

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

Name ..... Simon Lokuitz ..... Sign .....  ..... Date ..... 18.11.2024 .....

*Turkana County Executive State and Public Officers Car Loan and Mortgage 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		
-	-	-	-	-	-	-	-	-	-

**Turkana County Executive State and Public Officers Car Loan and Mortgage 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
-	-	-	-	-	-	-