

REPUBLIC OF KENYA



*Enhancing Accountability*

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CLERK AT THE TABLE	Angela

**REPORT**



**OF**

**THE AUDITOR-GENERAL**

**ON**

**MACHAKOS COUNTY ASSEMBLY HOUSING  
AND CAR LOAN SCHEME FUND - STAFF**

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



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
MACHAKOS HUB.

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**MACHAKOS COUNTY ASSEMBLY HOUSING AND CAR LOAN  
SCHEME FUND - STAFF**

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

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

**Machakos County Assembly Housing and Car Loan Scheme Fund  
Annual Report and Financial Statements  
For the Year ended June 30, 2023**

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

### **a) Acronyms**

<b>BOM</b>	Board of Management
<b>CAM</b>	County Assembly of Machakos
<b>COB</b>	Controller of Budget
<b>CRA</b>	Commission on Revenue Allocation
<b>CT</b>	County Treasury
<b>FY</b>	Financial Year
<b>ICPAK</b>	Institute of Certified Public Accountants of Kenya
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>PFM</b>	Public Finance Management
<b>PSASB</b>	Public Sector Accounting Standards Board
<b>Kshs</b>	Kenya Shillings
<b>LMC</b>	Loan Management Committee
<b>MCA</b>	Member of County Assembly
<b>N/A</b>	Not Applicable
<b>SRC</b>	Salaries and Remuneration Commission

### **b) Glossary of Terms**

<b>Fiduciary Management</b>	The key management personnel who had financial responsibility
<b>Fund Regulations</b>	The laws establishing and guiding the operations of the Fund; approved by the County Assembly

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**2. Key Entity Information and Management**

**a) Background information**

Machakos County Assembly Housing and Car Loan Scheme Fund is established by and derives its authority and accountability from Machakos County Assembly Service (Car Loan and Mortgage Scheme Fund) Regulations, 2018 whose effective date was 6<sup>th</sup> December, 2018. The Fund is wholly owned by the County Government of Machakos and is domiciled in Kenya. The fund's objective is to disburse Car and Mortgage funds to public officers and ensure accountability and proper use of Public funds.

The Fund's principal activity is to manage all funds disbursed from the County Treasury to the fund.

The County Assembly as constituted per the Constitution of Kenya is headed by the Speaker who is responsible for the general policy and strategic direction of the Assembly. The Machakos County Assembly constitutes of 60 Members of County Assembly (MCAs excluding the Speaker), both elected and nominated. The MCAs roles as outlined in the Constitution are as follows:

- a) Legislation
- b) Oversight
- c) Representation.

**b) Principal Activities**

The principal mandate of the Fund is to advance loans to public officers in accordance with the PFM Act, 2012.

**c) Loan Management Committee**

Ref	Name	Position
1.	Hon. Nicholas K. Nzioka	Chairman of the Board/ Majority Leader
2.	Hon. Judas M. Ndawa	Vice Chairman /Minority Leader
3.	Hon. Everlyne Nzeki	Member
4.	Hon. Raphael Nzau Lucky	Member
5.	Hon. Dominic M. Ndambuki	Member - Chairman of Budget and Appropriations Committee
6.	Hon. Johana Munyao	Member
7.	Hon. Catherine Mutio Muia	Member
8.	Hon. Loyd Mutua	Member
9.	Mr. Joseph Laban Mutisya	Clerk to the County Assembly /Fund Administrator

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**d) Key Management**

Ref.	Name	Position
1.	Mr. Joseph Mutisya	Fund Administrator
2.	Mr. Peter Muema Mbatha	Deputy Clerk-Administration
3.	Mr. Denis Musyoka Mutui	Deputy Clerk- Legislative Services
4.	Mr. Hillary Mbavu Muthui	Director-Legal and Library
5.	Mr. Francis Mutua Mwatha	Principal Internal Auditor
6.	Ms. Mary Luiza Kamau	Deputy Hansard Editor/Staff Representative
7.	Ms. Norah Mutio Muteti	Clerk Assistant/Staff Representative
8.	Mr. Benson Mulinge Mutua	Principal Finance Officer
9.	Mr. Dominic Mutuku Musyoka	Director - Procedure and Committee Services
10.	Ms. Nancy Wambui Wangai	Director - Supply Chain Management
11.	Mr. Justus Mutuku Musuma	Director – Human Resource and Administration
12.	Mr. Sylvester Nzangi	Fund Manager

**e) Fiduciary Oversight Arrangements**

S/N	Position	Name
1.	Principal Internal Auditor	Mr. Francis M. Mwatha

**f) Registered Offices**

County Assembly Headquarters,  
Along Mwatu wa Ngoma Street  
P. O. Box 1168 - 90100,  
Machakos.

**g) Fund Contacts**

Telephone: (254) 95-017-034 or 25476645659

E-mail: [assemblymks@gmail.com](mailto:assemblymks@gmail.com)

Website: [www.machakosassembly.com](http://www.machakosassembly.com)

**h) Fund Bankers**

Co-operative Bank of Kenya  
Machakos Branch

**i) Independent Auditors**

Auditor General  
Office of the Auditor General

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Anniversary Towers, University Way  
P. O. Box 30084  
GPO 00100  
Nairobi, Kenya




**j) Principal Legal Adviser**

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




**k) County Attorney**

The County Attorney  
County Government of Machakos  
P. O. Box 1996 – 90100,  
MACHAKOS.



**3. The Loan Management Committee**

Name	Details of qualifications and experience
<p>1. Hon. Nicholas Kitavi Nzioka</p> 	<p><b>Chairperson and Leader of Majority Party</b> <b>D.O.B:</b> 04/06/1977</p> <p><b>Academic Qualifications:</b></p> <ul style="list-style-type: none"> <li>• Bachelor of Environmental Studies (Planning and Management)</li> <li>• Diploma in Human Resource Management – Part 1</li> <li>• KCSE B+</li> <li>• KCPE</li> </ul> <p><b>Work Experience:</b> <b>August 2022 to date:</b> Machakos County Assembly as a Member of County Assembly</p>
<p>2. Hon. Judas Mbili Ndawa</p> 	<p><b>Leader of Minority Party</b></p> <p><b>D.O.B:</b> 22/02/1973</p> <p><b>Academic Qualifications:</b> Bachelor of Commerce- Business Administration Option Diploma in Human Resource Management Diploma in Business Management</p> <p><b>Work Experience:</b> <b>2017 to date:</b> Member of County Assembly – County Assembly of Machakos</p>
<p>3. Hon. Everlyne Nzeki</p> 	<p><b>Member –Minority Representative</b> <b>D.O.B:</b> 01/03/1979</p> <p><b>Academic Qualifications:</b></p> <ul style="list-style-type: none"> <li>• Bachelor of Business Administration (Procurement &amp; Supply Chain Management)</li> <li>• Diploma in Business Technical, Education and Training (TVET)</li> <li>• Certificate in Primary Teachers certificate</li> <li>• Certificate in Computer Applications</li> <li>• KCSE C+</li> </ul> <p><b>Work Experience:</b> <b>August 2022 to date:</b> Machakos County Assembly as a Member of County Assembly</p>


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<p>4. Hon. Raphael Nzau Lucky</p> 	<p>D.O.B: 01/01/1971 <b>Member - Majority Whip</b> <b>Academic Qualifications:</b></p> <ul style="list-style-type: none"> <li>• Diploma in Welding and Fabrication Technology</li> <li>• Certificate in computer studies</li> <li>• KCSE C+</li> <li>• KCPE</li> </ul> <p><b>Work Experience:</b> <b>August 2022 to date:</b> Machakos County Assembly as a Member of County Assembly</p>
<p>5. Hon. Dominic Mulwa Ndambuki</p> 	<p><b>Member - Chairperson of Budget Committee</b></p> <p>D.O.B: 15<sup>th</sup> April, 1984</p> <p><b>Academic Qualifications:</b></p> <ul style="list-style-type: none"> <li>• Master of Business Administration, Kenyatta University</li> <li>• Bachelor of Business Administration(Marketing), Kenya Methodist University</li> <li>• KCSE</li> </ul> <p><b>Work Experience:</b></p> <ul style="list-style-type: none"> <li>• <b>August, 2017 to date:</b> Member of County Assembly, Machakos County Assembly</li> <li>• 2009-2017: Customer Relations Supervisor, Toyota Kenya.</li> </ul>
<p>6. Hon. Johana Munyao</p> 	<p><b>Member - Representative of the CASB</b> <b>D.O.B:</b> 4<sup>th</sup> April, 1970 <b>Academic Qualifications:</b></p> <ul style="list-style-type: none"> <li>• 2020 to Date : St Pauls University - Strategic Management</li> <li>-2016: KCA University – Masters in Business Administration</li> <li>-1990: Kenyatta University –Bachelor of Education</li> <li>-2002: Kenya Institute of Management –Diploma in Marketing Management</li> <li>-2003:Almak Training College – Computer Application packages</li> <li>-1986:Kyanguli Secondary School –KCSE</li> <li>-1978:Mutituni Primary School-KCPE</li> </ul> <p><b>Work Experience:</b></p>

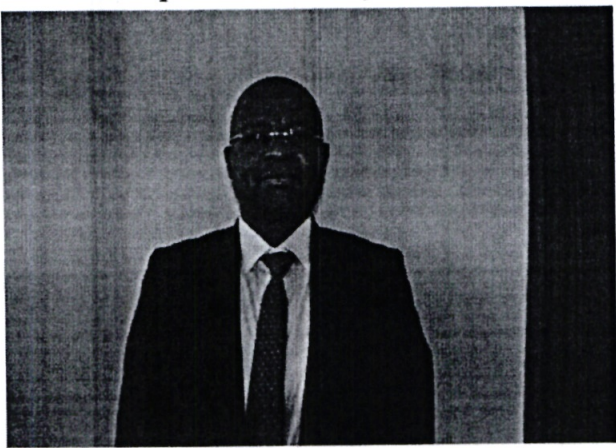
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	<p>-May 1995-Dec 1998: Teacher, Itetani High School          -Jan 1999-2003: Teacher Ngomeni Secondary School          -April 2004-2006: District Trainer in Mathematics          -2007-2008: Regional Sales manager in K.L.B          -2009-2013: Regional Sales Manager (Central region)          -2013-2016:County Director- Ministry of Water – Machakos County          -2017 to DATE Member of County Assembly Machakos.</p>
<p>7. Hon. Catherine Mutio Muia</p> 	<p><b>Member</b>  <b>D.O.B:</b> 30<sup>th</sup> April 1963</p> <p><b>Academic Qualifications:</b>          •1983: New Era College – Secretarial          -2002: IAT Test Centre –Computer packages          -1979: Senior Chief Koinanage High School- KCPE          -1972: Dr Kraft primary School: CPE</p> <p><b>Work Experience:</b>          -1984-1988 : Secretary – Ndeto Mututo Advocates          -1988-2008: Personal Secretary Musyoka &amp; Wambua Advocates          -2008-2017: ODM doing Administrative Duties  <b>2022 to DATE</b> • Member of County Assembly</p>
<p>8. Hon. Loyd Mutua</p> 	<p><b>Member</b>  <b>D.O.B:</b> 25<sup>th</sup> May,1989</p> <p><b>Academic Qualifications:</b>          -2011: Meru University of Science and Technology Bachelor of Commerce          -2005:Thinyaine High School – KCSE          -1996:Mwephohkanga Primary School- KCPE</p> <p><b>Work Experience:</b>          -August, 2013 to Jan, 2014: Finance/Credit Officer intern Nyambene Arimi Sacco          -Sep, 2014 –Dec, 2015 : Fleet Supervisor – Mwiira Enterprises          -Jan, 2017-January, 2018: Secretariat Maendeleo Chap Chap          -Jan, 2018-January, 2019 Head of political research and development          -January, 2019-August, 2022 Sub county Communication officer – Machakos County</p>



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	<p>Government -August, 2022 to DATE Member of County Assembly Machakos</p>
<p>9. Mr. Joseph Laban Mutisya</p> 	<p><b>Clerk to the County Assembly of Machakos/Fund Administrator</b></p> <p>D.O.B: 01/07/1974</p> <p><b>Academic Qualifications:</b></p> <ul style="list-style-type: none"> <li>• Masters in Business Administration</li> <li>• Bachelor of Science (HRM).</li> <li>• Higher Dip. in Human Resource Mgt</li> <li>• Dip. in Human Resource Mgt,</li> <li>• Dip. in Business Mgt &amp; Admin,</li> <li>• Cert. in Personnel Mgt &amp; Industrial Relations,</li> <li>• Member- IHRM</li> <li>• KCSE B-</li> </ul> <p><b>Work Experience:</b></p> <p><b>9<sup>th</sup> February, 2022 to Date– Clerk to the County Assembly</b></p> <ul style="list-style-type: none"> <li>•May, 2013-July, 2018: Director, Human Resource Management, County Assembly of Machakos</li> <li>•May, 2013: Chief Administrative Officer, HRM, City Council of Nairobi</li> <li>•2011-2012: Ag. Principal Administrative Officer,</li> <li>•2010: Administrative Officer, City Council of Nairobi</li> <li>•2003-2010: Internal Auditor, Contracts and Procurement, City Council of Nairobi</li> <li>•2000-2003: Debt Collector, City Council of Nairobi</li> <li>•1999: Clerical Officer, City Council of Nairobi</li> <li>1997-1998: Teacher, Mulli High School.</li> </ul>

**4. Management Team**

Name	Details of qualifications and experience
<p>1. Mr. Joseph Laban Mutisya</p> 	<p><b>Clerk to the County Assembly of Machakos</b></p> <p>09/02/2022 to date D.O.B: 01/07/1974</p> <p><i>Academic Qualification:</i></p> <ul style="list-style-type: none"> <li>• Masters in Business Administration</li> <li>• Bachelor of Science (HRM).</li> <li>• Higher Dip. in Human Resource Mgt</li> <li>• Dip. in Human Resource Mgt,</li> <li>• Dip. in Business Mgt &amp; Admin,</li> <li>• Cert. in Personnel Mgt &amp; Industrial Relations,</li> <li>• Member- IHRM</li> <li>• KCSE B-</li> </ul> <p><i>Work Experience:</i></p> <ul style="list-style-type: none"> <li>• May 2013-July 2018: Director, Human Resource Management, County Assembly of Machakos</li> <li>• 2013-May, 2013: Chief Administrative Officer, HRM, City Council of Nairobi</li> <li>• 2011-2012: Ag. Principal Administrative Officer,</li> <li>• 2010: Administrative Officer, City Council of Nairobi</li> <li>• 2003-2010: Internal Auditor, Contracts and Procurement, City Council of Nairobi</li> <li>• 2000-2003: Debt Collector, City Council of Nairobi</li> <li>• 1999: Clerical Officer, City Council of Nairobi</li> </ul> <p>1997-1998: Teacher, Mulli High School</p>

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<p>2. Mr. Peter Muema Mbatha</p> 	<p><b>Deputy Clerk –Administration</b></p> <p><i>D.O.B:</i> 06/05/1969</p> <p><b>Academic qualifications</b></p> <ul style="list-style-type: none"> <li>• Masters-Business Administration (Finance)</li> <li>• Bachelor of Science (Statistics),</li> <li>• CPA (K)</li> <li>• Member ICPAK</li> <li>• A-Level</li> </ul> <p><b>Work experience:</b></p> <ul style="list-style-type: none"> <li>• March, 2013 to date: Machakos County Assembly as the Director, Finance and Deputy Clerk</li> <li>• March, 2008-March, 2013: Municipal Council of Mavoko as a Senior Accountant</li> <li>• March, 2007-March, 2008: County Council of Nakuru as Ag. Deputy County Treasure</li> <li>• January, 1996-June, 2005: County Council of Masaku as Accountant III</li> </ul>
<p>3. Mr. Dennis Musyoka Mutui</p> 	<p><b>Deputy Clerk - Legislative Services</b></p> <p><i>D.O.B:</i> 31/10/1978</p> <p><b>Academic qualifications</b></p> <ul style="list-style-type: none"> <li>• Bachelors of Commerce</li> <li>• KCSE C+ (plus)</li> </ul> <p><b><u>Work experience</u></b></p> <ul style="list-style-type: none"> <li>• June 2021 to date: Machakos County Assembly as Deputy Clerk (Legislative Services)</li> <li>• 2013 to October 2018: Kwale County Assembly as the Clerk</li> </ul> <p>2019 to July 2022: Technical advisor to Kenya special envoy to South Sudan</p>
<p>4. Mr. Benson Mulinge Mutua</p>	<p><b>Principal Finance Officer</b></p> <p><i>D.O.B:</i> 12/12/1980</p>

	<p><i>Academic Qualification:</i></p> <ul style="list-style-type: none"> <li>• Bachelor of Business Administration;</li> <li>• C.P.S (K); C.P.A(K);</li> <li>• Computerized Accounting</li> <li>• Member ICPAK/ ICPSK</li> <li>• KCSE B+</li> </ul> <p><i>Work Experience:</i></p> <ul style="list-style-type: none"> <li>• 2014-to date: Senior Accountant, Machakos County Assembly</li> <li>• 2007-2013: Internal Auditor, County Council of Machakos</li> </ul>
<p>5. Ms. Nancy Wambui Wangai</p>	<p><b>Director - Supply Chain Management</b></p> <p><i>D.O.B:</i> 20/02/1980</p> <p><i>Academic qualifications:</i></p> <ul style="list-style-type: none"> <li>• Master of business administration</li> <li>• Bachelor of Arts (Economics &amp; Business Studies)</li> <li>• Dip. in Purchasing &amp; Supply, Associate</li> <li>• Member of the Chartered Institute of Purchasing &amp; Supply,</li> <li>• Snr. Management Course, Bidding Docs &amp; Evaluation of Tenders, Strategic Sourcing &amp; Supply, Market Analysis,</li> <li>• KCSE B</li> <li>• Cert. in IT</li> <li>• Member KISM</li> </ul> <p><i>Work experience:</i></p> <p>1<sup>st</sup> December 2013 to date: Machakos County Assembly as the Director, Supply Chain Management</p>

6. Mr. Hilary Mbavu Muthui



**Director - Legal , Research and Library**



**D.O.B:** 27/08/1976

***Academic Qualification:***




- Masters in International Relations
- Bachelor of Law
- Diploma in Law
- K.C.S.E
- Performance management training course
- International training Programme in legislative drafting
- Parliamentary practices and procedures programme
- Legal audits course
- Civil procedure rules course
- Member LSK


***Work Experience:***

- 2010-2013: Deputy Legal Aid Coordinator, National Legal Awareness Programme
- August, 2006-May, 2010: Programme Officer, Constitutional, Legislative, policy and Practice Advocacy, Federation of Women Lawyers-FIDA Kenya
- July, 2004: Litigation Counsel, Musyoka & Wambua Advocates
- March 2003: Head of Legislation Intelligence Programme: The Chambers of justice
- April, 2002: **Programme Officer**, Community Legal Education and Advisory Trust (CLEAT)

<p>7. Mr. Dominic Mutuku Musyoka</p> 	<p><b>Director- Procedure and Committee Services</b></p> <p><i>D.O.B:</i> 28/04/1978</p> <p><b>Academic qualifications:</b></p> <ul style="list-style-type: none"> <li>• Bachelor of Education</li> <li>• Certificate in ICT</li> <li>• Certified Public Secretary (CPS-K)</li> <li>• K.C.S.E- B</li> <li>• Member- ICPSK</li> </ul> <p><b>Work experience:</b></p> <ul style="list-style-type: none"> <li>• February, 2014 to date: Machakos County Assembly</li> <li>• October, 2007-5<sup>th</sup> January, 2014: Teachers Service Commission</li> <li>• 6<sup>th</sup> January, 2004-31<sup>st</sup> September, 2007: Pioneer Academy as a teacher</li> </ul>
<p>8. Mr. Justus Mutuku Musuma</p> 	<p><b>Director - Human Resource and Administration</b></p> <p><i>D.O.B:</i> 10/02/1974</p> <p><b>Academic qualifications</b></p> <ul style="list-style-type: none"> <li>✓ Masters in Business Administration</li> <li>✓ Bachelor of Education (Arts) (HRM).</li> <li>✓ Member- IHRM</li> <li>✓ Certificate in computer applications</li> <li>✓ KCSE B-</li> </ul> <p><b>Work experience</b></p> <ul style="list-style-type: none"> <li>• June 2021 to date: Machakos County Assembly as the Director, Human Resource and Administration</li> <li>• August 2015 to May 2021: Aga Khan Academic Services as the head of humanities</li> <li>• 2010 to 2015: Braeburn Group of Schools as a teacher of Economics and Geography</li> </ul>
<p>9. Mr. Francis Mutua Mwatha</p>	<p><b>Director - Internal Audit</b></p> <p><i>D.O.B:</i> 07/07/1988</p> <p><b>Academic qualifications</b></p> <ul style="list-style-type: none"> <li>✓ Bachelor of Commerce (Finance).</li> </ul>

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	<ul style="list-style-type: none"> <li>✓ Member- ICPAK</li> <li>✓ KCSE C+</li> </ul> <p><b><u>Work experience</u></b></p> <ul style="list-style-type: none"> <li>• June 2021 to date: Machakos County Assembly as the Director, Internal Audit</li> <li>• September 2013 to May 2021: Kenya Medical Training College as Senior Internal Auditor (Nyanza Region)</li> <li>• August 2010 to August 2013: Katwanyaa High School as School Bursar</li> </ul>
<p>10. Sylvester Mutisya Nzangi</p> 	<p><b>Fund Manager</b> <i>D.O.B:</i> 12.02.1983</p> <p><b><i>Academic Qualification</i></b></p> <ul style="list-style-type: none"> <li>• Bachelor of Arts in Economics</li> <li>• Certificate in Quick books</li> <li>• CPA (K)</li> <li>• Certificate on Leadership in County Budgeting</li> <li>• Certificate best practices in the Implementation of Programme based budget</li> <li>• K.C.S.E B+</li> </ul> <p><b><i>Work Experience:</i></b></p> <ul style="list-style-type: none"> <li>• Jan. 2014 to date; County Assembly of Machakos - Fiscal Analyst</li> <li>• Oct. 2006 to 2013; Kwetu SACCO</li> <li>• July – Aug, 2006 Industrial Attachment at Machakos District Development Office</li> <li>• June – Aug, 2002; Casual Employee, Nairobi Hospital</li> </ul>
<p>11. Ms. Mary Luiza Kamau</p> 	<p><b>Deputy Hansard Editor/Staff Representative</b> <i>D.O.B:</i> 01/01/1986</p> <p><b><i>Academic Qualification:</i></b></p> <ul style="list-style-type: none"> <li>• Bachelor of Arts(Communication and Media Technology with IT) Electronic Media Option</li> <li>• Media, public communication and protocol training (CPST)</li> <li>• IAT Certificate in basic computer and internet skills</li> </ul>

	<ul style="list-style-type: none"> <li>• Certificate in camera, sound, lighting and editing</li> <li>• Project, proposal and report writing skills</li> <li>• KCSE B+</li> <li>• Member of MCK</li> </ul> <p><b>Work Experience:</b></p> <ul style="list-style-type: none"> <li>• 2013 to date: Deputy Hansard Editor and Incharge Assembly Broadcasting Unit</li> <li>• Jun 2011-April, 2013: Information Officer (Ministry of Information and Communications)</li> <li>• Mar-May, 2011: Research Assistant(Diplomat East Africa Magazine and KEMRI)</li> <li>• Oct 2009-April, 2010 Communications Consultant</li> </ul>
<p>12. Ms. Norah Mutio Muteti</p> 	<p><b>Clerk Assistant/Staff Representative</b></p> <p><b>D.O.B:</b> 17/04/1988</p> <p><b>Academic Qualification:</b></p> <ul style="list-style-type: none"> <li>• Bachelor of Science in Food Science and Technology</li> <li>• K.C.S.E - A-</li> </ul> <p><b>Work Experience:</b></p> <ul style="list-style-type: none"> <li>• 2013 to date: Second Clerk Assistant, Machakos County Assembly</li> <li>• 2013: Trainer, Great Nanny Africa Ltd</li> </ul>

### **5. Fund Chairperson's Report**

The Machakos County Assembly Housing and Car Loan scheme Fund regulations, 2014 were established pursuant to the Salaries and Remuneration Commission's (SRC) Circular No. SRC/TS/WB/3/14 of 14<sup>th</sup> February 2014. For proper management of the Fund and as advised by the Salaries and Remuneration Commission in the Circular under reference, the Machakos County Assembly adopted *Machakos County Assembly Housing Scheme Fund Regulations, 2014* to guide operationalization of the Fund. These regulations were repealed and replaced with Machakos County Assembly Service (Car Loan and Mortgage Scheme Fund) Regulations, 2018 on 6<sup>th</sup> December, 2018. The fund began operations back in FY 2016/2017.

During the reporting period there was a change in the fund management team after the third Assembly was sworn in and the performance of the fund was good.

The future outlook of the fund is promising depending on the financing of the fund by the County Treasury so as to be able to advance all members requests on time and adequately.

I would like to thank all the management team and the technical staff who worked overboard to enable the success of the fund and ensure prudence in the use and administration of public funds.

Name: **Hon. Nicholas Kitavi Nzioka**  
**Fund Chairperson**

Signature: \_\_\_\_\_



Date: 08/12/2023

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**6. Report of the Fund Administrator**

Pursuant to PFM Act, 2012 section 116 (1) the County Executive Member for Finance and Revenue Collection established the Machakos County Assembly Housing and Car Loan Scheme Fund to cater for members and officers of the County Assembly through the regulations that were approved by the County Assembly in 2014 and amended in 2018. These regulations set the modalities for the establishment and management of a revolving fund for the two facilities (Car and Housing scheme loans). This was after the Salaries and Remuneration Commission had approved car and mortgage loans for state officers and other Public Officers via circular SRC/ADM/CIR/1/13vol.III(128) dated 17<sup>th</sup> December 2014. The circular gave the commencement date as 1<sup>st</sup> January 2015 and set the maximum entitlement to each job group as shown below;

BENEFICIARY JOB SCALE	CAR LOAN (KSHS.)	MORTGAGE (KSHS.)	TOTAL (KSHS.)
CEO	5 Million	25 Million	30 Million
12 or Job Group S	4 Million	20 Million	24 Million
9, 10 & 11 or P,Q&R	3 Million	15 Million	18 Million
5, 6, 7 & 8 or K,L,M&N	1.5 Million	10 Million	11.5 Million
4 or G,H,J	800,000	6 Million	6.8 Million
3 or A,B,C,D,E ,F	600,000	4 Million	4.6 Million

Section 167 of the Public Finance Management Act, 2012 mandates the Administrator of a Public Fund with preparation of Annual Financial Statements in the format prescribed by the Public Sector Accounting Standards Board (accrual method) and submit the entity's financial statements within three months after the end of each Financial Year (FY) to the Auditor General with copies delivered to the County Treasury (CT), Controller of Budget (CoB) and Commission on Revenue Allocation (CRA). The financial statements of the County Assembly Fund for the FY 2022/2023 have been prepared to comply with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya. The fund faces the risk of default by its members. To mitigate this, the Assembly has ensured that the loans are based on the ability of the member to repay through the payslip via check-off system. No loans are given out of the check-off system which the Assembly has control of. The other risk faced by the fund is award of unqualified mortgage/car loan as a result of document falsification. To mitigate this, management has put controls by engaging other professional service providers who do double

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checks on the documents presented. For instance, when the mortgage documents are being perfected the advocate has to do a new official search for the property before and after charging.

In its operations, the fund experienced some delays while processing facility applications mainly due to delayed release of funds from the treasury and the long-time spend while charging of title deeds and registering logbooks to be co-owned by the County Assembly and the loan applicant in order to secure the property against any disposal.

**Signed:** \_\_\_\_\_



**Name: Denis Mutui**

**Ag. Clerk to the County Assembly**

**Date: 8<sup>th</sup> December, 2023**

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

**Introduction**

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each FY, the Administrator when preparing financial statements for a County public fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes information on the financial and non-financial performance of the fund.

The key objectives of the Machakos County Assembly Housing and Car Loan Scheme Fund plan is to provide Car Loans and Housing loans to other Public officers other than state officers. The loans are structured in a way that the amounts disbursed are fully repaid by the end of the Members’ service.

The progress in attaining the strategic objective is as follows:

Program	Objective	Outcome	Indicator	Performance
Housing Fund	To provide housing loans for purchase, development or renovation of residential houses	Number of scheme Members who have benefitted from the scheme Fund	% of scheme members who have benefitted from the scheme fund	17 no. of loans were processed during the reporting period.
Car Loan Fund	To provide Car loans to Members of the Scheme	Number of scheme members who have benefitted from the scheme	% of members who have purchased vehicle through the scheme	No car loan was processed as during the period.

## **8. Corporate Governance Statement**

During the reporting period, the Loans Management Committee (LMC) held 20 meetings. The succession plan is envisaged in law as to when one can become a member of the Loan Management Committee. As per the Fund Regulations the composition of the Committee is;

- a) The leader of the majority party of the County Assembly who shall chair the committee
- b) The leader of the minority party of the County Assembly
- c) The majority party Whip of the County Assembly
- d) The minority party Whip of the County Assembly
- e) The chairperson of Budget and Appropriations Committee
- f) The member of the County Assembly Service Board appointed pursuant to section 12 (3) (d) of the County Governments Act
- g) Two members of the County Assembly being one man and one woman appointed by the County Assembly
- h) The Clerk of the County Assembly who shall be the secretary to the committee.

The fund is administered by the Clerk to the County Assembly who is an ex-officio member of the committee.

This means that the management committee is appointed immediately persons assume the above offices. Removal from office is also automatic because one ceases to be a member on vacating the above offices.

The role of the Committee is to:

- a) Oversee administration of the fund
- b) Process applications for loans in accordance with the existing terms and conditions of borrowing
- c) Liaise with a housing company (if any) to set up a revolving fund for disbursement of loans
- d) Supervise the day-to-day running of the fund.

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The members of the board were inducted to the committee on being elected. They have participated in the committee activities and have shown ethical conduct in their transaction with the fund.

Before the loans are taken to the Loan Management Committee they pass through the staff advisory committee which deals with staff matters.

The audit is conducted by the office of the Auditor General in line with the law. The Committee members earn a remuneration of Kshs. 6,500.00 per sitting.

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**9. Management Discussion and Analysis**

The Machakos County Assembly Housing and Car Loan Scheme Fund is established pursuant to Section 116 (1) of the PFM Act, 2012 to cater for Hon. Members and Officers of the County Assembly. The Fund is operationalized through regulations that were approved by the County Assembly in 2014 and amended in 2018. The Loan Management Committee was constituted after the third Assembly was sworn in. On the other hand, the Staff Advisory Committee had been in place.

During the period under review, 17 loans were processed for mortgages and zero for car loans. These loans were subjected to the set SRC's maximum entitlements to each job group as shown below;

<b>BENEFICIARY JOB SCALE</b>	<b>CAR LOAN (KSHS.)</b>	<b>MORTGAGE (KSHS.)</b>	<b>TOTAL (KSHS.)</b>
CEO	5 Million	25 Million	30 Million
12 or Job Group S	4 Million	20 Million	24 Million
9, 10 & 11 or P,Q & R	3 Million	15 Million	18 Million
5, 6, 7 & 8 or K,L,M & N	1.5 Million	10 Million	11.5 Million
4 or G,H,J	800,000	6 Million	6.8 Million
3 or A,B,C,D,E ,F	600,000	4 Million	4.6 Million

In disbursing the loans, the Fund experienced some delays while processing applications mainly due to delayed release of funds from the County Treasury and long-time spend while charging the title deeds. At the end of the period, some applications were still pending due to lack of funds.

The loans are structured in a way that the amounts disbursed are fully restricted to one's ability to pay as per their payslip. Hence, the future outlook of the fund is promising as chances for default are very minimal. Also, the title deeds and logbooks are perfected to ensure the interest of the Assembly is registered in all these documents.

The financial statements of the County Assembly Fund for the FY 2022/2023 have been prepared to comply with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya and as per Section 167 of the PFM Act, 2012.

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As at the end of the FY 2022/2023, there were 80 accumulated loan disbursements to members from the scheme; a total of Kshs. 362,083,641; recoveries of Kshs.75, 970,828.65 and outstanding loan balance of Kshs. 286,112,812.35. The seed capital stands at Kshs. 254,000,000.00 which constitutes of receipts from the exchequer.

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

During the Period under review, the Fund as a separate entity did not engage in any CSR activity. The CSR activity was carried out by the Assembly in provision of water to the public.

### **Sustainability strategy and profile**

The Assembly engages its major stakeholders before undertaking any major project or decision. This was done during the year under review through public participation forums.

Also, the Assembly prioritises programs as agreed upon by it and other key stakeholders. This has led to a harmonious collaboration hence the setting up of sustainable targets and goals.

### **Environmental performance**

Under, environmental performance, the Assembly has tried to reduce the environmental impact on its activities i.e. by ensuring proper disposal of waste. Further, it has promoted the efficient use of resources such as water.

### **Employee welfare**

On employee welfare, the Assembly has continued to train its staff in a bid to increase their efficiencies, capacity, and motivation/morale and job satisfaction. The Assembly has a performance and reward system that gives recognition/rewards to employees whose work advances the broad role of the assembly.

On compliance with organizational safety and compliance with Occupational Safety and Health Act, 2007, the Assembly has put in place measures to ensure safe and healthful working conditions for its employees. This has been made possible by setting and enforcing standards and providing training where necessary.

### **Market place practices**

The Assembly engages its suppliers only through a competitive process, and this has been achieved by ensuring all tenders are invited through public platforms to promote competitiveness i.e. open advertisements; by so doing every interested bidder is given a fair chance to participate in the process.

In addition, the Assembly tries to maintain a good business relationship with its suppliers/service providers/contractors by ensuring timely payment of their bills.

### **Community Engagements**

The Assembly during the period under review consulted with the public by informing them and requesting their inputs on several matters that the assembly was engaged in. The inputs from them in most cases were accepted and reflected in the final decisions that were made.

## **11. Report of the Loan Management Committee**

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

### **Principal activities**

The principal activity of the Fund is to disburse loans to officers of the County Assembly.

### **Results**

The results of the Fund for the Period ended June 30, 2023 are set out on page 1.

### **Loans Management Committee**

The members of the Loans Management Committee (LMC) who served during the period under review are shown on page iii. They came into office after swearing in of the Third Assembly.

### **Auditors**

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

By Order of the Board



.....  
**Chairman of the Loans Management Committee**

**Date: 8<sup>th</sup> December, 2023**

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

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

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

The Administrator of the County Public Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Machakos County Assembly Service (Car Loan and Mortgage Scheme Fund) Regulations, 2018. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 2023, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Fund’s financial statements were approved by the Board on 08/12/2023 and signed on its behalf by:



.....

**Administrator of the County Public Fund**

# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

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

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### **PREAMBLE**

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

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

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of Machakos County Assembly Housing and Car Loan Scheme Fund - Staff set out on pages 1 to 42, which comprise of the statement of financial position as at 30 June, 2023 and the statement of financial

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*Report of the Auditor-General on Machakos County Assembly Housing and Car Loan Scheme Fund - Staff for the year ended 30 June, 2023*

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Machakos County Assembly Housing and Car Loan Scheme Fund - Staff as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and County Assembly Service (Car Loan and Mortgage Scheme Fund) Regulations, 2018

### **Basis for Qualified Opinion**

#### **1. Misstatement of Current and Long-Term Portions of Receivables from Exchange Transactions**

The statement of financial position and as disclosed in Note 13 to the financial statements reflects a balance of Kshs.286,112,812 in respect to current and long-term portions of receivables from exchange transactions respectively. However, review of the loan documents revealed that the receivables from exchange transactions, being car and mortgage loans were to be repaid over several years which included both balances due in one year and those due in more than a year. The Management did not provide detailed schedules to enable determination of current and long-term portions of the receivables.

In the circumstances, completeness and the fair presentation of the current portion of receivables from exchange transactions balance of Kshs.286,112,812 as at 30 June, 2023 could not be confirmed

#### **2. Irregular Award of Loan**

The statement of financial position and Note 13 to the financial statements reflect current portion of long-term receivables from exchange transactions of Kshs.286,112,812. Included in this balance is Kshs.14,886,145 being the balance of a twenty (20) years mortgage loan of Kshs.20,000,000 advanced to the deceased Clerk of the County Assembly. The loan was issued on April, 2017 when the officer was 53 years old and remained with seven (7) years' in service. This was contrary to Section 8 (2) (e) of the Machakos County Assembly Housing and Car Loan Regulations, 2018 which states that the remaining period for a loan shall be the remaining period of service of an officer of the Assembly where the borrower is an officer of the Assembly but not exceeding twenty (20) years.

Further, review of the loan records revealed that the loan security was a land title deed not registered under the borrower's name. The correspondences between the family of the borrower and the Fund Management also revealed that the family did not have the capacity to pay the monthly instalments for the loan balance as the accounts of the

borrower had been frozen. In addition, the County Assembly Management disclosed that the loan was not insured, no compensation was expected, and that management did not provide for bad and doubtful debts

In the circumstances, the Fund risks loss of the outstanding loan balance of Kshs.14,886,145 whose recoverability is doubtful.

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

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board reporting template.

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

### **Conclusion**

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in 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. Failure to Insure Loans**

During the financial year under review, the Fund received an amount of Kshs.513,182 as insurance recoveries for the loans advanced. Scrutiny of the loan documents revealed that the amount was for the loans already under the portfolio at the beginning of the financial year 2022/2023. However, loans disbursed during the financial year amounting

to Kshs.29,356,469 did not have an insurance cover, which exposes the Fund to the risk of loss in case of an unforeseen circumstance. Further, a valid contract between the Fund and the Insurance firm was not provided for audit review.

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

## **2. Failure to Levy Fringe Benefit Tax**

The statement of financial performance and as disclosed in Note 7 to the financial statements reflects Kshs.4,910,060 in respect to use of goods and services expenditure which Includes fringe benefit tax of Kshs.2,128,412 as disclosed in Note 7 to the financial statements. Review of the analysis and other supporting documents revealed that the payments made for fringe benefit tax for the months of January 2023 to June 2023 was neither remitted nor disclosed as payables in the financial statements.

In the circumstances, the Fund management was in breach of the law.

## **3. Failure to Charge Security for Loan Advances**

The statement of financial position and as disclosed in Note 13 to the financial statements reflects a balance of Kshs.286,112,812 in respect to current and long-term portions of receivables from exchange transactions. Included in the balance is Kshs.29,356,469, being loans disbursed during the year. The disbursement during the year includes Kshs.3,500,000 advanced without registering the charge against security documents.

In the circumstances, the Fund management was in breach of the Law.

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

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

### **Conclusion**

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

### **Basis for Conclusion**

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively, in all

material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

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

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

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

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

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

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

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

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

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely

period by employees in the normal course of performing their assigned functions.

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the

financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

14 February, 2024

**Machakos County Assembly Housing and Car Loan Scheme Fund  
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**14. Statement of Financial Performance for the Year Ended 30th June, 2023**

	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Revenue From Non-Exchange Transactions</b>			
Public Contributions and Donations	1	0.00	0.00
Transfers From the County Government	2	0.00	0.00
Fines, Penalties and Other Levies	3	0.00	0.00
		<b>0.00</b>	<b>0.00</b>
<b>Revenue From Exchange Transactions</b>			
Interest Income	4	8,409,923.92	7,120,698.40
Other Income	5	513,182.04	226,138.43
			<b>00</b>
<b>Total Revenue</b>		<b>8,923,105.96</b>	<b>7,346,836.83</b>
<b>Expenses</b>			
Employee Costs	6	0.00	0.00
Use of Goods and Services	7	4,910,060.00	838,400.00
Depreciation and Amortization Expense	8	0.00	0.00
Finance Costs	9	0.00	0.00
<b>Total Expenses</b>		<b>4,910,060.00</b>	<b>838,400.00</b>
<b>Other Gains/Losses</b>			
Gain/Loss on Disposal of Assets	10	0.00	0.00
Gain /Loss on Fair Value of Investments	11	0.00	0.00
<b>Surplus/(Deficit) For The Period</b>		<b>4,013,045.96</b>	<b>6,508,436.83</b>

*(The notes set out on pages 20 to 34 form an integral part of these Financial Statements)*

.....  
Name: Denis Mutui  
Ag. Clerk to the County Assembly

.....  
Name: Benson Mutua  
Principal Finance Officer  
ICPAK Member Number: 5498

**Machakos County Assembly Housing and Car Loan Scheme Fund  
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**15. Statement of Financial Position as At 30 June, 2023**

	Note	2022-2023 KSh	2021-2022 KSh
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	12	26,274.43	485,942.83
Current Portion of Long- Term Receivables From Exchange Transactions	13	286,112,812.35	278,892,350.00
Prepayments	14	0.00	0.00
Inventories	15	0.00	0.00
Investments in Financial Assets	16	0.00	0.00
<b>Total Current Assets</b>		<b>286,139,086.78</b>	<b>279,378,292.83</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	17	0.00	0.00
Intangible Assets	18	0.00	0.00
Long Term Receivables from Exchange Transactions	13	0.00	0.00
Investment Property	19		
<b>Total Non- Current Assets</b>		<b>0.00</b>	<b>0.00</b>
<b>Total Assets</b>		<b>286,139,086.78</b>	<b>279,378,292.83</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables from Exchange Transactions	20	2,747,748.00	0.00
Current Portion of Borrowings	21	0.00	0.00
Employee Benefit Obligations	22	0.00	0.00
Social Benefit Liabilities	23	0.00	0.00
<b>Total Current Liabilities</b>		<b>2,747,748.00</b>	<b>0.00</b>
<b>Non-Current Liabilities</b>			
Non-Current Employee Benefit Obligations	21	0.00	0.00
Long Term Portion of Borrowings	22	0.00	0.00
Long Term Portion of Social Benefit Liabilities	23	0.00	0.00
<b>Total Non-Current Liabilities</b>		<b>0.00</b>	<b>0.00</b>
<b>Total Liabilities</b>		<b>2,747,748.00</b>	<b>0.00</b>
<b>Net Assets</b>		<b>283,391,338.78</b>	<b>279,378,292.83</b>
Revolving Fund		254,000,000.00	254,000,000.00

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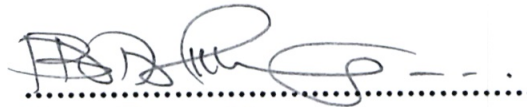
Reserves		25,378,292.83	18,869,856.00
Accumulated Surplus		-	
Surplus for the year		4,013,045.96	6,508,436.83
<b>Total Net Assets and Liabilities</b>		<b>283,391,338.79</b>	<b>279,378,292.83</b>

The revolving fund constitutes of the seed capital for Car Loan and Housing Scheme Fund of Kshs. 254,000,000.00. Reserves refer to the retained earnings/surpluses for the fund from FY2016/2017 to 2021/2022.

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity’s financial statements were approved on **8<sup>th</sup> December, 2023** and signed by:



.....  
Name: Denis Mutui  
Ag. Clerk to the County Assembly



.....  
Name: Benson Mutua  
Principal Finance Officer  
ICPAK Member Number: 5498

**Machakos County Assembly Housing and Car Loan Scheme Fund  
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**16. Statement of Changes in Net Assets for the Year Ended 30<sup>th</sup> June, 2023**

	Revolving Fund	Residual or Reserve	Accumulated Surplus	Total
	Kshs	Kshs	Kshs	Kshs
<b>Balance As At 1 July 2021</b>	<b>214,000,000.00</b>	-	<b>18,869,856.00</b>	<b>232,869,856.00</b>
Surplus/(Deficit) For the Period	-	-	6,508,436.83	<b>6,508,436.83</b>
Funds Received During the Year	40,000,000.00	-	-	<b>40,000,000.00</b>
Transfer to Car Grant	-	-	-	-
Revaluation Gain	-	-	-	-
<b>Balance As At 30 June 2022</b>	<b>254,000,000.00</b>	-	<b>25,378,292.83</b>	<b>279,378,292.83</b>
<b>Balance As At 1 July 2022</b>	<b>254,000,000.00</b>	-	<b>25,378,292.83</b>	<b>279,378,292.83</b>
Surplus/(Deficit) For the Period	-	-	4,013,045.96	4,013,045.96
Funds Received During the Period	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
<b>Balance As At 30 June, 2023</b>	<b>254,000,000.00</b>	-	<b>29,391,338.79</b>	<b>283,391,338.79</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity's financial statements were approved on **8<sup>th</sup> December, 2023** and signed by:



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**Machakos County Assembly Housing and Car Loan Scheme Fund  
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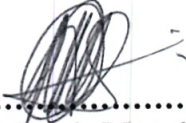
**17. Statement of Cash Flows for the Year Ended 30 June, 2023**

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Public contributions and donations		0	0
Transfers from the county government		-	0
Interest received		8,409,923.92	7,120,698.40
Receipts from other operating activities		513,182.04	226,138.43
<b>Total Receipts</b>		<b>8,923,105.96</b>	<b>7,346,836.83</b>
<b>Payments</b>			
Fund administration expenses		0	-
General expenses		0	-
Finance cost		0	0
Other payments		(4,910,060.00)	(838,400.00)
<b>Total Payments</b>		<b>(4,910,060.00)</b>	<b>(838,400.00)</b>
Adjusted for;			
Increase in Accounts Payable (Fringe Benefit Tax Due)		2,747,748.00	0
<b>Net cash flows from operating activities</b>		<b>6,760,793.96</b>	<b>6,508,436.83</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and Intangible assets		0	0
Proceeds from sale of property, plant & equipment		0	0
Proceeds from loan principal repayments		22,136,006.64	16,072,441.00
Loan disbursements paid out		(29,356,469.00)	(74,401,312.17)
<b>Net cash flows used in investing activities</b>		<b>(7,220,462.36)</b>	<b>(58,328,871.17)</b>
<b>Cash flows from financing activities</b>			
Proceeds from revolving fund receipts		-	40,000,000.00
Additional borrowings		0	0
Repayment of borrowings		0	(10,000,000.00)
<b>Net cash flows used in financing activities</b>		<b>0</b>	<b>30,000,000.00</b>
<b>Net increase/(decrease) in cash &amp; cash</b>		<b>(459,668.40)</b>	<b>(21,820,434.17)</b>

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<b>Equivalents</b>			
Cash and cash equivalents at 1 July		485,942.83	22,306,377.00
<b>Cash and cash equivalents at 30 June</b>		<b>26,274.43</b>	<b>485,942.83</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity's financial statements were approved on **8<sup>th</sup> December, 2023** and signed by:



.....  
**Name: Denis Mutui**  
**Ag. Clerk to the County Assembly**



.....  
**Name: Benson Mutua**  
**Principal Finance Officer**  
**ICPAK Member Number: 5498**

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

	Original Budget	Revised Budget	Final Budget	Actual on comparable basis	Performance difference	% Utilisation
	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Revenue</b>						
Public Contributions And Donations	-	-	-	-	-	
Transfers From County Govt.	-	-	-	-	-	
Interest Income	-	-	-	8,409,923.92	8,409,923.92	100%
Other Income	-	-	-	513,182.04	513,182.04	100%
<b>Total Income</b>	-	-	-	<b>8,923,105.96</b>	<b>8,923,105.96</b>	<b>100%</b>
<b>Expenses</b>						
Loans Disbursed	-	-	-	-	-	
Fund Administration Expenses	-	-	-	-	-	
General Expenses	-	-	-	4,920,060.00	4,920,060.00	100%
Finance Cost	-	-	-	-	-	
<b>Total Expenditure</b>	-	-	-	<b>4,920,060.00</b>	<b>4,920,060.00</b>	<b>100%</b>
<b>Surplus For The Period</b>	-	-	-	<b>4,013,045.96</b>	<b>4,013,045.96</b>	<b>100%</b>
<b>Capital Expenditure</b>	-	-	-	-	-	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity's financial statements were approved on 8<sup>th</sup> December, 2023 and signed by:

.....  
Name: **Denis Mutui**  
Ag. Clerk to the County Assembly

.....  
Name: **Benson Mutua**  
Principal Finance Officer  
ICPAK Member Number: 5498

**Machakos County Assembly Housing and Car Loan Scheme Fund  
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**19. Notes to the Financial Statements**

**1. General Information**

Machakos County Assembly Mortgage and Car Loan Scheme is established by and derives its authority and accountability from Machakos County Assembly Service (Mortgage and Car Loan Scheme Fund) Regulations 2018. The entity is wholly owned by the Machakos County Government and is domiciled in Kenya. The entity's principal activity is to disburse car and mortgage funds to Public officers and ensure accountability and proper use of public funds.

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

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

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

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

Standard	Effective date and impact
<p><b>IPSAS 41: Financial Instruments</b></p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to</li> </ul>

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Standard	Effective date and impact
	<p>impairment testing; and</p> <ul style="list-style-type: none"> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <i>N/A</i></li> </ul>
<p><b>IPSAS 42: Social Benefits</b></p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the Entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. <i>N/A</i></li> </ul>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> </ul> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued. <i>N/A</i></p>
<p>Other improvements</p>	<p><b>Applicable 1<sup>st</sup> January 2023</b></p>

**Machakos County Assembly Housing and Car Loan Scheme Fund  
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Standard	Effective date and impact
to IPSAS	<ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008).</li> <li>• <i>IPSAS 39: Employee Benefits</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</li> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement</b> Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</li> </ul>

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

Standard	Effective date and impact
IPSAS 43	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>N/A</i></p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the</p>

**Machakos County Assembly Housing and Car Loan Scheme Fund  
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Statement	Effective date and impact
	statement of financial performance. <i>N/A</i>

**(iii) Early adoption of standards**

The Entity did not early – adopt any new or amended standards in the financial year 2022-2023

**Machakos County Assembly Housing and Car Loan Scheme Fund  
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**1. Significant Accounting Policies**

**a) Revenue recognition**

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

**Transfers from other government entities**

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

**ii. Revenue from exchange transactions**

**Interest income**

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

**Dividends**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2022-2023 was approved by the County Assembly on 31<sup>st</sup> May, 2022. The First and Second Supplementary Budgets were approved by the County Assembly on 6<sup>th</sup> January, 2023 and 23<sup>rd</sup> May, 2023 respectively. Revisions or additional appropriations were made to the approved budget during the period under review.

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

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

**Machakos County Assembly Housing and Car Loan Scheme Fund  
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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 16, page 7 of these financial statements.

**c) Property, plant and equipment**

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

**d) Intangible Assets**

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

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

**e) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. 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 derecognition.

**Machakos County Assembly Housing and Car Loan Scheme Fund  
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**Summary of Significant Accounting Policies (Continued)**

**f) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the 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 cash flows 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.

**Machakos County Assembly Housing and Car Loan Scheme Fund  
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**Summary of Significant Accounting Policies (Continued)**

**Amortized cost**

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

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

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

**Machakos County Assembly Housing and Car Loan Scheme Fund  
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**Significant Accounting Policies (Continued)**

**Financial liabilities**

**Classification**

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

**g) Inventories**

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

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

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

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

**h) Provisions**

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

**i) Social Benefits**

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

**Machakos County Assembly Housing and Car Loan Scheme Fund  
Annual Report and Financial Statements  
For the Year ended June 30, 2023**

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

**j) Contingent liabilities**

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

**Contingent assets**

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

**k) Nature and purpose of reserves**

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

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

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

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

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

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

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

**n) Foreign currency transactions**

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

**o) Borrowing costs**

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

**p) Related parties**

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

**q) Cash and cash equivalents**

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

**r) Comparative figures**

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

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

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

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

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

**a) Estimates and assumptions –**

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

**b) Useful lives and residual values**

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

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

**c) Provisions**

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

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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**6. Notes to the Financial Statements**

**1. Public contributions and donations**

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

**2. Transfers from County Government**

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

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

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

**4. Interest income**

Description	2022-2023	2021-2022
	Kshs	Kshs
Interest Income from Mortgage Loans	8,371,618.35	7,092,858.08
Interest Income From Car Loans	38,305.56	27,840.32
Interest Income From Investments in financial assets	0.00	-
Interest Income On Bank Deposits	-	-
<b>Total Interest Income</b>	<b>8,409,923.92</b>	<b>7,120,698.40</b>

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

**5. Other income**

Description	2022-2023	2021-2022
	Kshs	Kshs
Insurance Recoveries	513,182.00	226,138.00
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
<b>Total Other Income</b>	<b>513,182.00</b>	<b>226,138.00</b>

**6. Employee Costs**

Description	2022-2023	2021-2022
	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	2022-2023	2021-2022
	Kshs	Kshs
General Office Expenses	-	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	-
Committee Allowances	-	-
Bank Charges	-	-
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	815,590.00
Postage And Courier	-	-
Printing And Stationery	-	-

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Description	2022-23	2021-22
	Kshs.	Kshs.
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Bank Charges	33,900.00	22,810.00
Audit Fees	-	-
Fringe Benefit Tax Due	2,747,748.00	-
Fringe Benefit Tax Paid	2,128,412.00	-
Social benefit expenses*	-	-
<b>Total</b>	<b>4,910,060.00</b>	<b>838,400.00</b>

**8. Depreciation and Amortization Expense**

Description	2022-23	2021-22
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**9. Finance costs**

Description	2022-23	2021-22
	Kshs.	Kshs.
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

Description	2022-23	2021-22
	Kshs.	Kshs.
Property, Plant and Equipment	-	-
Intangible Assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

Description	2022-23	2021-22
	Kshs.	Kshs.
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
<b>Total Gain</b>	<b>-</b>	<b>-</b>

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

**12. Cash and cash equivalents**

Description	2022-23	2021-22
	Kshs	Kshs
Xxx Car Loan Account	-	-
Coop Bank County Mortgage Account	26,274.43	485,942.83
Fixed Deposits Account	-	-
Others ( <i>Specify</i> )	-	-
<b>Total Cash And Cash Equivalents</b>	<b>26,274.43</b>	<b>485,942.83</b>

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

Financial Institution	Account Number	2022-2023	2021-2022
		Kshs	Kshs
<b>a) Fixed Deposits Account</b>			
Kenya Commercial Bank		-	-
Equity Bank, Etc.		-	-
<b>Sub- Total</b>		-	-
<b>b) On - Call Deposits</b>			
SBM Bank-Housing			
Equity Bank - Etc.		-	-
<b>Sub- Total</b>			
<b>c) Current Account</b>			
Cooperative Bank of Kenya Ltd		26,274.43	485,942.83
<b>Sub- Total</b>		<b>26,274.43</b>	<b>485,942.83</b>
<b>d) Others(Specify)</b>		-	-
Cash In Transit		-	-
Cash In Hand		-	-
<b>Sub- Total</b>		-	-
<b>Grand Total</b>		<b>26,274.43</b>	<b>485,942.83</b>

**13. Receivables from exchange transactions**

Description	2022-2023	2021-2022
	Kshs	Kshs
<b>Current Receivables</b>		
Transfer from County Assembly Operations	-	-

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Account		
Transfer from Operation Accounts	-	-
Other Exchange Debtors	286,112,812.35	278,892,350.00
Less: Impairment Allowance	(-)	-
<b>Total Current Receivables</b>	-	-
<b>Non-Current Receivables</b>		
Long Term Loan Repayments Due	-	-
<b>Total Non- Current Receivables</b>	-	-
<b>Total Receivables From Exchange Transactions</b>	<b>286,112,812.35</b>	<b>278,892,350.00</b>

**Additional disclosure on interest receivable**

Description	2022-2023	2021-2022
	KShs	KShs
<b>Interest Receivable</b>	-	-
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
<b>Current Loan Repayments Due</b>	-	-
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

**14. Prepayments**

Description	2022-2023	2021-2022
	KShs	KShs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (Specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

**15. Inventories**

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

**16. Investments in financial assets**

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

**d) Movement of Equity Investments**

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

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

**e) Shareholding in other entities**

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

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		2022	2021
	%	%	%	Kshs	2023	2022
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

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

**17. Property, plant and equipment**

	Land and Buildings	Motor Vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
<b>At 1<sup>st</sup> July 2019</b>	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
<b>At 30<sup>th</sup> June 2020</b>	-	-	-	-	-
<b>At 1<sup>st</sup> July 2020</b>					
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
<b>At 30<sup>th</sup> June 2021</b>	-	-	-	-	-
<b>Depreciation And Impairment</b>					
At 1 <sup>st</sup> July 2021	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
<b>At 30<sup>th</sup> June 2022</b>	-	-	-	-	-
<b>At 1<sup>st</sup> July 2022</b>					
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
<b>At 30<sup>th</sup> June, 2023</b>	-	-	-	-	-
<b>Net Book Values</b>					
At 30 <sup>th</sup> June, 2022	-	-	-	-	-
At 30 <sup>th</sup> June, 2023	-	-	-	-	-

**Machakos County Assembly Housing and Car Loan Scheme Fund  
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**Notes to the Financial Statements (Continued)**

**18. Intangible assets**

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

**19. Investment Property**

Description	2022-2023	2021-2022
	KSh	KSh
<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>	-	-

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

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

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Trade Payables	2,747,748.00		-	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
<b>Total Trade and Other Payables</b>	<b>2,747,748.00</b>		<b>-</b>	
<b>Ageing analysis (Trade and other payables)</b>	<b>2022-2023</b>	<b>% of the Total</b>	<b>2021-2022</b>	<b>% of the Total</b>
Under one year	2,747,748.00	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (tie to above total)</b>	<b>2,747,748.00</b>		<b>-</b>	

**21. Provisions**

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

**22. Borrowings**

Description	2022-2023		2021-2022	
	Kshs		Kshs	
<b>Balance At Beginning of The Period</b>	<b>-</b>		<b>-</b>	
External Borrowings During the Half	-		-	

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Domestic Borrowings During the Half	-	-
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:

	2022-2023	2021-2022
	KSh	KSh
<b>External Borrowings</b>		
Dollar Denominated Loan From 'X Organisation'	-	-
Sterling Pound Denominated Loan From 'Y Organisation'	-	-
Euro Denominated Loan from Z Organisation'	-	-
<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 Period</b>	-	-

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

Description	2022-2023	2021-2022
	KSh	KSh
Short Term Borrowings(Current Portion)	-	-
Long Term Borrowings	-	-
<b>Total</b>	-	-

**23. Employee benefit obligations**

Description	Defined benefit plan	Post-employment medical benefits	Other Provision	2022-2023	2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current	-	-	-	-	-

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Benefit Obligation					
<b>Total</b>	-	-	-	-	-

**24. Social Benefit Liabilities**

Description	2022-2023	2021-2022
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
<b>Total</b>	-	-
Current social benefits	-	-
Non- current social benefits	-	-
<b>Total (tie to totals above)</b>	-	-

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

**25. Cash generated from operations and Financing**

	2022/2023	2021/2022
	KSSh	KSSh
<b>Surplus/ (Deficit) For the Period Before Tax</b>	<b>6,760,793.96</b>	<b>6,508,436.83</b>
<b>Adjusted For:</b>		
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	-	0.00
Finance Cost	-	-
<b>Working Capital Adjustments</b>		
Increase In Inventory	(-)	(-)
Increase In Receivables	(7,220,462.35)	(58,328,871.17)
Increase In Payables	-	-
<b>Net Cash Flow From Operating and Financing Activities</b>	<b>(459,668.39)</b>	<b>(51,820,434.17)</b>

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

**26. Related party balances**

**a) Nature of related party relationships**

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

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

**b) Related party transactions**

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

**c) Key management remuneration**

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

**d) Due from related parties**

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

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**e) Due to related parties**

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

**27. Contingent assets and contingent liabilities**

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

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

**28. Financial risk management**

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

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

**a) Credit risk**

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impai red Kshs
<b>At 30th June 2023</b>				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	286,112,812.35	286,112,812.35	-	-
Bank Balances	26,274.43	26,274.43	-	-
<b>Total</b>	<b>286,139,086.78</b>	<b>286,139,086.78</b>	-	-
<b>At 30 June 2022</b>				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non Exchange Transactions	278,892,350.00	278,892,350.00	-	-
Bank Balances	485,942.83	485,942.83	-	-
<b>Total</b>	<b>279,378,292.83</b>	<b>279,378,292.83</b>	-	-

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

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

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

**b) Liquidity risk management**

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

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

	Less than 1 month	Between 1-3 months	Over 3 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30th June 2023</b>				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2022</b>				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-

**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

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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:

	Kshs	Other currencies Kshs	Total Kshs
<b>At 30th June 2023</b>			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
<b>Liabilities</b>			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

**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.

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

**ii. Interest rate risk**

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

***Management of interest rate risk***

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

***Sensitivity analysis***

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

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

**d) Capital Risk Management**

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

	2022-2023	2021-2022
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	254,000,000.00	254,000,000.00
Accumulated surplus	25,378,292.83	18,869,856.00
<b>Total funds</b>	<b>279,378,292.83</b>	<b>272,869,856.00</b>
Total borrowings	-	-
Less: cash and bank balances	26,274.43	485,942.83
Net debt/(excess cash and cash equivalents)	-	-
<b>Gearing</b>	<b>-</b>	<b>-</b>

**29. Events after the reporting period**

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

**30. Ultimate and Holding Entity**

The entity is a County Public Fund established by Machakos County Assembly Service (Mortgage and Car Loan Scheme Fund) Regulations, 2018 under the County Assembly of Machakos. Its ultimate parent is the County Government of Machakos.

**31. Currency**

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

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**20. ANNEX I: PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S  
RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. of the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<b>FINANCIAL STATEMENTS</b>				
1.1	Difference in loan ledger balance and total receivables	The difference was as a result of the recoveries for June 2022 which were paid after the close of the FY.	Not Resolved	December, 2023
1.2	Proceeds from loan repayment and cash transfers	The supporting schedules include both interest and principal loan repayments	Not Resolved	December, 2023
1.3	Variance in cash transfers	Cash transfers have been included as increase in seed capital hence not part of performance	Not Resolved	December, 2023
2	Irregular Transfer of funds	This was an inter-account borrowing that was repaid following an audit query from the previous year	Not Resolved	December, 2023

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Reference No. in the external audit Report	Issue/Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<b>LAWFULNESS AND EFFECTIVENESS</b>				
1.	Non-adherence to Fund Regulations by having only staff Loans	Regulation 5(2) stipulates that the Clerk shall maintain separate votes and account for officers and MCAs hence we have separate set of accounts for each.	Not Resolved	December, 2023
2.	Irregular Approvals of loans because they were for purchase of land	Regulation 2 defines property to include land purchased the fund hence approval of loans by the committee for purchase of land.	Not Resolved	December, 2023
3.	Loans Disbursed without proper charge	Loans given to member are charged and titles kept in safe custody. Samples of the charged collaterals are attached to the response to the queries	Not Resolved	December, 2023
4.	Non remittance of Fringe Benefit Tax	The Assembly has continually paid Fringe Benefit Tax .Sample vouchers are attached to the response to OOAG queries.	Not Resolved	December, 2023
5.	Unsupported payment of stamp duty.	Transfer of land is done at the lands office and	Not Resolved	December, 2023

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Reference No. for the external audit Report	Issue / Observations from Auditor	Management comments	Status <i>(Resolved / Not Resolved)</i>	Timeframe <i>(Put a date when you expect the issue to be resolved)</i>
		members retain the copies. Regulation 30(1) (b) addresses requirements of leasehold land where rates are payable. Proof of stamp duty when charging is in members' files and a sample is attached to the response.		

The Ag. Administrator of the Fund

Signature:  .....

Date: 8<sup>th</sup> December, 2023

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**21. ANNEX II: INTER-FUND CONFIRMATION LETTER**

**REPUBLIC OF KENYA  
COUNTY GOVERNMENT OF MACHAKOS  
COUNTY ASSEMBLY OF MACHAKOS**



County Hall

Along Mwatu wa Ngoma Rd  
P.O BOX 1168-90100  
MACHAKOS



Email: [assemblymks@gmail.com](mailto:assemblymks@gmail.com)

**OFFICE OF THE CLERK**

The Machakos County Assembly Housing and Car Loan Scheme Fund wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June, 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Machakos County Assembly Housing and Car Loan Scheme Fund as at 30 <sup>th</sup> June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by Machakos County Assembly Housing and Car Loan Scheme Fund as at 30 <sup>th</sup> June 2023			Total (D)=(A+B+C)	Amount Received by Machakos County Assembly Housing and Car Loan Scheme Fund (KShs) as at 30 <sup>th</sup> June 2023 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Dev (B)	Inter-Ministerial (C)			
Bal B/d		332,727,291			332,727,291	254,000,000	78,727,291
FY22/23		29,356,469			29,356,469	0.00	29,356,469
<b>Total</b>		<b>362,083,641</b>			<b>362,083,641</b>	<b>254,000,000</b>	<b>108,083,760</b>

Note: The difference in amounts disbursed and received is due to ploughing back of loan repayments. I confirm that the amounts shown above are correct as of the date indicated.

**The Ag. Administrator of the Fund:**  
**Name:** DENIS MUTUI **Sign:** ..... **Date:** 8<sup>th</sup> December, 2023

**Machakos County Assembly Housing and Car Loan Scheme Fund  
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**22. ANNEX III: TRIAL BALANCE AS AT 30<sup>TH</sup> JUNE, 2023**

<b>DETAILS</b>	<b>DR KSH.</b>	<b>CR KSH.</b>
Other Income		
Interest Earned		8,409,923.92
Insurance Recoveries		513,182.04
Fringe Benefit Tax	4,876,160.00	
Fringe Benefit Tax Due		2,747,748.00
Bank Charges	33,900.00	
Admin Costs	-	
Bank Balance	26,274.43	
Transfer to Car Grant		
Outstanding Loans	286,112,812.35	
Revolving Fund Bal b/f		254,000,000.00
Accumulated Reserves b/f		25,378,292.83
<b>TOTAL</b>	<b>291,049,146.78</b>	<b>291,049,146.78</b>

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**23. ANNEX IV: LOAN BALANCES AS AT 30<sup>TH</sup> JUNE, 2023**

<b>STAFF LOANS STATUS REPORT AS AT JUNE, 2023</b>			
<b>NO.</b>	<b>NAME OF BORROWER</b>	<b>INTEREST PAID AS AT JUNE, 2023</b>	<b>PRINCIPAL OUTSTANDING AS AT JUNE, 2023</b>
		<b>KSH.</b>	<b>KSH.</b>
1	Ann Wanja Festus	41,279.81	1,337,729.13
2	Benjamin Mbatha Muinde	42,940.68	1,349,416.68
3	Brian Nzioka Muthusi	38,305.56	1,121,692.92
4	Carolyn Kalekye Mutuku	126,008.50	4,088,126.52
5	Christopher Nzimbi Kiilu	94,052.13	3,028,013.54
6	Cynthia Mwikali Watuka	88,574.04	4,460,432.17
7	Dalmas Masila	227,737.61	7,353,036.22
8	David Musyoki Mutua	58,357.95	1,900,968.16
9	Dennis Mwanza Ndunda	60,513.52	1,966,752.16
10	Dominic Mutuku Musyoka	278,136.30	8,952,629.93
11	Dorcas Njoki Mbithi	159,899.28	5,203,539.84
12	Doreen Muniyiva Muia	70,320.87	2,295,376.29
13	Emmah Nthenya Kasuva	186,127.49	6,062,629.79
14	Evelyn Mumbua Kyalo	193,864.31	6,319,503.50
15	Evelyn Muniyiva Kimote	92,448.75	2,717,199.94
16	Faith Mutindi Peter	119,977.04	3,901,556.52
17	Faith Mwendu Kilonzo	88,479.59	2,888,823.59
18	Felister Mutindi Makau	45,581.84	3,370,882.84
19	Florence Mutindi Musyoka	65,296.62	3,416,024.14
20	Francis Mutua Mwatha	40,772.39	3,773,972.39
21	Harrison Mutinda Mulonzi	151,465.30	4,862,367.44
22	Hilary Muthui	221,697.74	7,118,951.64
23	Hildar Ndunge Jacob	130,807.23	4,934,421.06
24	Irene Mathei Musili	17,560.34	1,408,883.34
25	J. L. Mutisya	215,730.98	6,899,411.03
26	Jacinta Mwikali David	24,184.27	1,717,695.27
27	Joel Kiptum	112,784.32	3,477,520.62

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28	Judith Murugi	183,343.24	6,106,976.57
29	Judith Syombua Nzuki	73,231.66	2,390,368.88
30	Judy M Mulinge	224,502.16	7,254,828.00
31	Justus Mutuku Musuma	56,072.97	1,772,528.97
32	Kavita Mutuku	102,469.65	2,981,244.44
33	Lenny Matu Kisese	73,269.18	2,391,640.14
34	Lewis Muoki Mwanzia	141,181.00	5,233,746.07
38	Loise M Kithuka	127,688.01	4,096,181.23
39	Luke Nthenge Maingi	57,209.41	1,801,397.22
40	Lynette Kanini Kiburu	67,884.82	2,109,404.52
41	Margaret Wania	108,818.22	3,541,631.09
42	Mary Luiza Kamau	337,292.06	10,899,229.22
43	Mary Nzembi Philip	22,043.32	1,880,114.32
44	Mathew Muange	115,001.14	3,317,745.49
45	Mbiuki F.G,	461,013.65	14,886,145.35
46	Mercy Kavindu Maithya	68,011.39	2,213,519.43
47	Mercy Mbula Ndambuki	10,039.37	1,474,624.37
48	Meshack Kitua Muteta	50,138.30	1,636,990.30
49	Monica Musyoka	224,972.13	7,274,693.39
50	Nancy Wambui Wangai	320,475.95	10,406,573.29
51	Norah Kathoki Mwendwa	210,043.61	6,848,028.29
52	Norah Mutio Muteti	250,133.70	8,123,956.77
53	Patrick Sila Muindi	90,084.70	3,212,273.82
54	Paul keli Wambua Kilungu	135,608.47	4,256,008.31
55	Penninah Mutindi Mutuku	126,855.73	4,132,401.86
56	Peter Muema Mbatha	165,904.67	5,098,227.95
57	Rosemary Mueni Muasya	117,763.10	3,822,930.09
58	Ruth N Mutunga	77,121.76	2,448,904.91
59	Ruth Mwikali Mwaniki	192,598.30	6,048,268.96
60	Sammy Muteti Sambulu	70,330.48	3,035,386.43
61	Samuel Mutua Kinoi	82,717.67	3,349,785.67
62	Sarah Mwikali Mwanja	293,881.33	9,505,209.68

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63	Shedrack Wambua Mulumba	82,574.88	3,005,056.30
64	Stellamaris Mueni wambua	108,946.41	3,487,885.06
65	Stephen Mutunga Kasui	41,429.19	1,298,211.23
66	Susan Kanini Caroline	244,898.91	7,914,697.88
67	Susan Mukulu Kiluva	89,602.80	2,908,768.03
68	Teddy Kieti Mue	107,754.26	3,841,546.26
69	Theresia Ngina Muinde	56,922.78	2,637,424.79
70	Veronicah Ngina Muiso	47,189.05	1,540,701.05
	<b>Total Demand</b>	<b>8,409,923.92</b>	<b>286,112,812.35</b>

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**24. ANNEX V: INSURANCE**

<b>NAME</b>	<b>IPPD NOS.</b>	<b>Amount (Kshs.)</b>
Joel Kiptum	1990087822	14,872
Peter Muema Mbatha	1996000079	21,980
Stellamaris Mueni Wambua	1997008057	13,583
Ruth Mwikali Mwaniki	1999009025	24,728
Nancy Wambui Wangai	2007000510	36,259
Dominic Mutuku Musyoka	2007007493	34,385
Mary Luiza Kamau	2011014494	30,520
Ruth Nduku Mutunga	19920004557	9,738
Kavita Mutuku	19940011683	14,595
Evelyne Muniyiva Kimote	19950000352	13,000
Theresia Ngina Muinde	19960000113	7,515
J.L. Mutisya	19990015453	26,941
Susan Kanini Caroline	19990016558	30,082
Christopher Nzimbi Kiilu	20000004464	11,623
Cynthia Mwikali Watuka	20140026722	8,903
Loise M Kithuka	20140026740	5,754
Norah Mutio Muteti	20140026759	25,214
Norah Kathoki Mwendwa	20140026802	25,437
Harrison Mutinda Mulonzi	20140026857	18,804
Mathew Muange	20140026875	16,550
Evelyne Mumbua Kyalo	20140125006	23,483
Lynette Kanini Kiburu	20140125239	

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		8,852
Susan Mukulu Kiluva	20150096745	10,928
Dorcas Njoki Mbithi	20150096781	19,423
Dennis Mwanza Ndunda	20150096834	7,366
Mercy Kavindu Maithya	20150096861	8,260
Hilder Ndunge Jacob	20150096905	8,616
Carolyn Kalekye Mutuku	20180052948	8,260
Hilary Muthui	20140026848	27,511
<b>TOTAL</b>		<b>513,182</b>

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**25. ANNEX VI: FRINGE BENEFIT TAX**

<b>Date</b>	<b>Particulars</b>	<b>Kshs.</b>
20-Jan-23	Income tax FBT Paid	1,079,137.00
9-May-23	FBT Paid	1,049,275.00
<b>Sub-Total</b>		<b>2,128,412.00</b>
<b>Fringe Benefit Tax Due</b>		<b>2,747,748.00</b>
<b>TOTAL</b>		<b>4,876,160.00</b>



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8-Dec-22	Bank Charges -excise Duty	50.00	
8-Dec-22	Bank Charges -For Transfer	250.00	
8-Dec-22	Bank Charges -excise Duty	50.00	
16-Dec-22	Monthly Suscriptios for Co-op BankIB	1,200.00	<b>2,100.00</b>
	<b>Jan-23</b>		
5-Jan-23	Monthly Suscriptios for Co-op BankIB	1,200.00	
20-Jan-23	Bank Charges -For Transfer	250.00	
20-Jan-23	Bank Charges -excise Duty	50.00	
20-Jan-23	Bank Charges -For Transfer	250.00	
20-Jan-23	Bank Charges -excise Duty	50.00	
20-Jan-23	Bank Charges -For Transfer	250.00	
20-Jan-23	Bank Charges -excise Duty	50.00	
20-Jan-23	Bank Charges -For Transfer	250.00	
20-Jan-23	Bank Charges -excise Duty	50.00	
20-Jan-23	Bank Charges -For Transfer	250.00	
20-Jan-23	Bank Charges -excise Duty	50.00	
20-Jan-23	Comm-swift	500.00	
20-Jan-23	Bank Charges -excise Duty	100.00	
23-Jan-23	Bank Charges -For Transfer	250.00	
23-Jan-23	Bank Charges -excise Duty	50.00	<b>3,600.00</b>
	<b>Feb-23</b>		
9-Feb-23	Monthly Suscriptios for Co-op BankIB	1,200.00	
16-Feb-23	Bank Charges -For Transfer	250.00	
16-Feb-23	Bank Charges -excise Duty	50.00	
16-Feb-23	Bank Charges -For Transfer	250.00	
16-Feb-23	Bank Charges -excise Duty	50.00	
16-Feb-23	Bank Charges -For Transfer	250.00	
16-Feb-23	Bank Charges -excise Duty	50.00	<b>2,100.00</b>
	<b>Mar-23</b>		
9-Mar-23	Monthly Suscriptios for Co-op BankIB	1,200.00	
14-Mar-23	Bank Charges -For Transfer	250.00	
14-Mar-23	Bank Charges -excise Duty	50.00	
14-Mar-23	Bank Charges -For Transfer	250.00	
14-Mar-23	Bank Charges -excise Duty	50.00	
14-Mar-23	Bank Charges -For Transfer	250.00	
14-Mar-23	Bank Charges -excise Duty	50.00	
14-Mar-23	Bank Charges -For Transfer	250.00	
14-Mar-23	Bank Charges -excise Duty	50.00	
30-Mar-23	safe custody commission	1,500.00	
30-Mar-23	ex duty safe custody comm	300.00	<b>4,200.00</b>
	<b>Apr-23</b>		
5-Apr-23	Monthly Suscriptios for Co-op BankIB	1,200.00	<b>1,200.00</b>
	<b>May-23</b>		

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6-May-23	Bank Charges -For Transfer	250	
6-May-23	Bank Charges -excise Duty	50	
6-May-23	Bank Charges -For Transfer	250	
6-May-23	Bank Charges -excise Duty	50	
6-May-23	Bank Charges -For Transfer	250	
6-May-23	Bank Charges -excise Duty	50	
6-May-23	Bank Charges -For Transfer	250	
6-May-23	Bank Charges -excise Duty	50	
8-May-23	April 2023 Online Banking	1200	
9-May-23	Bank Charges -For Transfer	500	
9-May-23	Bank Charges -excise Duty	100	
26-May-23	Bank Charges -For Transfer	300	
26-May-23	Bank Charges -excise Duty	60	
26-May-23	Bank Charges -For Transfer	250	
26-May-23	Bank Charges -excise Duty	50	
26-May-23	Bank Charges -For Transfer	300	
26-May-23	Bank Charges -excise Duty	60	
27-May-23	Bank Charges -For Transfer	250	
27-May-23	Bank Charges -excise Duty	50	<b>4,320.00</b>
	<b>Jun-23</b>		
6-Jun-23	May 2023 Online Banking	1200	
9-Jun-23	Bank Charges -For Transfer	250	
9-Jun-23	Bank Charges -excise Duty	50	
21-Jun-23	Statement Charges	120	
27-Jun-23	Bank Charges -For Transfer	250	
27-Jun-23	Bank Charges -excise Duty	50	
27-Jun-23	Bank Charges -For Transfer	250	
27-Jun-23	Bank Charges -excise Duty	50	
27-Jun-23	Bank Charges -For Transfer	300	
27-Jun-23	Bank Charges -excise Duty	60	
27-Jun-23	Bank Charges -For Transfer	250	
27-Jun-23	Bank Charges -excise Duty	50	
27-Jun-23	Bank Charges -For Transfer	250	
27-Jun-23	Bank Charges -excise Duty	50	
30-Jun-23	Bank Charges -For Transfer	250	
30-Jun-23	Bank Charges -excise Duty	50	
30-Jun-23	Bank Charges -For Transfer	250	
30-Jun-23	Bank Charges -excise Duty	50	
30-Jun-23	Bank Charges -For Transfer	300	
30-Jun-23	Bank Charges -excise Duty	60	
30-Jun-23	Bank Charges -For Transfer	300	
30-Jun-23	Bank Charges -excise Duty	60	
30-Jun-23	Bank Charges -For Transfer	250	

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30-Jun-23	Bank Charges -excise Duty	50	4,800.00
	<b>Total</b>		<b>33,900.00</b>

**Machakos County Assembly Housing and Car Loan Scheme Fund  
Annual Report and Financial Statements  
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**27. ANNEX VIII: RESERVES FOR THE PERIOD**

<b>PERIOD/FY</b>	<b>SURPLUS KSH.</b>	<b>ACCUMULATED RESERVES KSH.</b>
2016/17	803,349.12	803,349.12
2017/18	3,085,840.63	3,889,189.75
2018/19	3,856,136.33	7,745,326.08
2019/20	4,995,770.89	12,741,096.97
2020/21	6,128,759.03	18,869,856.00
2021/22	6,508,436.83	25,378,292.83