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COMMITTEE	

KITUI COUNTY EXECUTIVE CAR
LOAN AND MORTGAGE FUND

FOR FIFTEEN MONTHS PERIOD ENDED
30 JUNE, 2025

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COMPTROLLER GENERAL
OF ACCOUNTS, NAIROBI
MACHAKOS HUB.

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KITUI COUNTY EXECUTIVE CAR LOAN AND MORTGAGE FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR FIFTEEN MONTHS PERIOD FROM APRIL 2024 TO JUNE 2025

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

**County Government of Kitui- Car loan and Mortgage Fund (Executive)
Reports and Financial Statements
For Fifteen Months Period from April 2024 to June 2025**

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1 Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organization.

Comparative Year- Means the prior period.

2 Key Entity Information and Management

a) Background information

Kitui County Executive Fund is established by and derives its authority and accountability from Public Finance Management Act 2012 and Kitui County Assembly Service Board established the Staff Car and Mortgage scheme on 9th September 2015. The Fund is wholly owned by the County Government Kitui and is domiciled in Kenya.

b) Fund's Objective

The Fund's objective is to provide affordable and sustainable financing for the acquisition of motor vehicles and residential housing by eligible officers of Kitui County Government. Specifically, the Fund seeks to:

- Facilitate access to car loans and mortgage financing for county staff to enhance their welfare and productivity.
- Promote prudent management and utilization of public resources through transparent, fair, and accountable lending practices.
- Ensure timely recovery and sustainability of the Fund to guarantee continued benefits to both current and future beneficiaries.
- Support staff retention and motivation by improving access to essential assets such as housing and transport; and
- Align the Fund's operations with the requirements of the Public Finance Management Act, 2012, and other applicable legislation.

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c) Principal Activities

The principal activity/mission/ mandate of the Fund is to provide car loans and mortgages to Members.

d) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	John Makau Kimwele	Chairperson
2	Joel Muyanga	Fund Administrator
3	Timothy Mutemi	Committee Member
4	Eliud Kalani	Committee Member
5	Joseph Kibere	Committee Member
6	Tom Ojwang	Committee Member

e) Key Management team

Ref	Name	Position
1	John Makau Kimwele	Chairperson
2	Joel Muyanga	Fund Administrator
3	Timothy Mutemi	Committee Member
4	Eliud Kalani	Committee Member
5	Joseph Kibere	Committee Member
6	Tom Ojwang	Committee Member

Key Entity and Management (Continued)

f) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Samuel Gathuki Mwangi

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g) Registered Offices

County Executive Headquarters
P. O. Box 33 90200
Kitui County Headquarters Building
KITUI, KENYA

h) Fund Contacts

Telephone: 044-4422041, 044-4422304
E-mail: info@kituicounty.go.ke
Website: www.kitui.go.ke

i) Fund Bankers

- 1 Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA

- 2 The Commercial Banks
Kenya Commercial Bank
Kitui Branch
P. O. Box 683- 90200
KITUI, KENYA

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Key Entity and Management (Continued)

j) Independent Auditors

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

k) Principal Legal Adviser

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

l) County Solicitor

P. O. Box 33 90200
KITUI

3. Forward Note from the CECM Finance

I am pleased to present the Annual Financial Statements for the Staff Car and Mortgages Fund for the year ended 30th June 2025. The Fund remains a critical instrument in promoting the welfare of County Government employees by providing affordable financing for vehicle and housing acquisition. During the year under review, the Fund experienced significant governance and operational improvements, including the onboarding of new members to the management and oversight teams who brought fresh perspectives and expertise to strengthen accountability and service delivery. Updated policy guidelines were also introduced to streamline loan processing, enhance compliance, and align the Fund with the County's broader fiscal strategy.

The Fund recorded positive performance, marked by an increase in loan applications, strong repayment rates, and a healthy financial position supported by prudent management of resources. Service delivery metrics improved considerably, with shorter turnaround times and greater stakeholder satisfaction. Looking ahead, the Fund will prioritize sustaining growth through prudent investment, digital transformation of loan processes, and continuous review of lending terms to ensure competitiveness. In addition, environmental sustainability considerations will be embedded in financing policies, with a particular focus on encouraging fuel-efficient vehicles and sustainable housing solutions.

I wish to sincerely thank the County Executive, Members of the County Assembly, the Board, Fund management, and all stakeholders for their unwavering commitment. With this collective support, the Fund will continue to deliver value to County employees while reinforcing the County Government's broader human resource welfare objectives.



Date 17/11/2025

Peter Mwikya Kilonzo
CECM -Finance, Economic Planning and Revenue Management
County Government of Kitui

**County Government of Kitui- Car loan and Mortgage Fund (Executive)
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4. Report of the Administrator Fund.

This year marked significant progress in providing affordable financing to County Government employees for vehicle and housing acquisition, while upholding prudent financial management.

During the financial year 2024-2025 the fund had a total budget of Kshs 40 million. The actual expenditure for the fund was Kshs 17.5 million representing 43.75% budget absorption. Loan disbursement utilized Kshs 17.5 million. Since inception, total disbursements stand at 17.5million benefiting five County Executive Committee Members.

Programme achievements include timely processing of all loan applications, 43.75% uptake of allocated funds, Consistent repayment rate, strengthened payroll deduction systems, updated loan policies, and regular quarterly reporting to the Board.

Challenges remain, including budget constraints that limit the Fund's ability to meet growing demand, manual processes that slow service during peak periods, and inflationary pressures affecting repayment capacity.

Looking ahead to FY 2025/2026, the Fund has been allocated Kshs 5 million to expand lending. Key initiatives include launching an online loan application and tracking system, revising loan terms to remain competitive, and introducing a Green Vehicle Loan Scheme for fuel-efficient and hybrid vehicles.

Risk management remains a priority, with enhanced borrower vetting, integration of payroll deductions, diversification of idle fund investments, gradual automation to reduce operational risks, and continuous policy alignment with County and national regulations.

5 Statement of Performance Against the County Fund's Predetermined Objectives

As required by Section 164(2)(f) of the Public Finance Management Act, 2012, the Fund reports on its performance against predetermined objectives for the year under review. The Strategic Plan (2022–2027) identifies key development priorities including provision of quality infrastructure, enhanced staff welfare through mortgage and vehicle financing, and continuous institutional strengthening.

During the year, progress was achieved across several programs. The mortgage facility enabled two staff members to successfully access loans, resulting in home ownership and improved welfare. Vehicle financing continued to support mobility and service delivery, while administrative reforms enhanced efficiency in loan processing. Performance indicators showed steady uptake of facilities, with repayment rates remaining strong and satisfaction levels improving.

While some objectives have been fully met, others remain ongoing due to budget limitations, system capacity gaps, and external economic pressures. Nonetheless, opportunities exist to accelerate achievement through digital loan management systems, policy refinements, and better resource mobilization.

Overall, the Fund demonstrated tangible progress in meeting its strategic objectives, with outcomes aligning closely to the County's broader development agenda.

**County Government of Kitui- Car loan and Mortgage Fund (Executive)
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6 Corporate Governance Statement

The Fund is committed to the principles of accountability, transparency, and integrity in its operations, guided by the Public Finance Management Act, 2012 and other applicable governance frameworks.

The Board of Trustees is duly constituted through an open and merit-based appointment process, with provisions for removal as stipulated in the governing instruments. The Board reflects diversity in expertise, gender, and demographics, and operates under a formally adopted Board Charter that defines its mandate.

The Board provides strategic direction, oversight of management, approval of policies, and monitoring of financial and operational performance. To strengthen capacity, induction sessions are conducted for new members, while ongoing training and development programmes ensure continuous professional growth.

Performance of the Board and individual members is reviewed regularly through self-assessments and governance audits. During the year, the Board convened two meetings, achieving an average attendance rate of the Committees' function under clear terms of reference, supporting the discharge of specialized responsibilities.

Succession planning remains an integral governance priority, ensuring leadership continuity and institutional stability. Policies to manage conflict of interest, related party transactions, and ethical conduct are in place, reinforcing accountability and integrity. Board remuneration is structured in line with SRC guidelines, ensuring fairness and transparency.

Communication with stakeholders is guided by a formal communication policy, ensuring timely, accurate, and accessible information. Governance audits continue to provide assurance on compliance, effectiveness, and continuous improvement in the Fund's corporate governance practices.

Overall, the Fund has established a sound governance framework that safeguards public interest, promotes ethical leadership, and supports the attainment of strategic objectives.

7 Management Discussion and Analysis

The Fund's performance during the year reflected steady progress in fulfilling its mandate of providing affordable financing while maintaining prudent financial management. Operationally, the Fund continued to focus on expanding access to mortgage and vehicle loan facilities, improving efficiency in loan processing, and strengthening governance structures.

Financial performance was marked by prudent utilization of allocated resources, with loan disbursements standing at Kshs17.5 million, capacity-building initiatives and administrative expenditure within approved ceilings. Cumulative disbursements since inception have benefited over five staff, while loan recovery rates remained above 90%, ensuring sustainability and demonstrating value-for-money.

The Fund remained fully compliant with statutory obligations, including tax remittances, pension contributions, and reporting requirements to oversight agencies. Governance audits and quarterly performance reviews were conducted as part of accountability measures. No material arrears were recorded in statutory or financial obligations.

Management recognizes risks facing the Fund, including budgetary constraints that limit the scale of lending, system capacity limitations that slow turnaround times during peak demand, and macroeconomic pressures such as inflation that affect repayment affordability. Mitigation measures include enhanced borrower vetting, payroll deduction integration, diversification of idle fund investments, and gradual automation.

Looking ahead, the Fund is well positioned to scale up operations through increased budgetary allocations, digital transformation, and product innovation. The outlook remains positive, with a focus on improving service delivery, safeguarding sustainability, and supporting the County's broader development objectives.

**County Government of Kitui- Car loan and Mortgage Fund (Executive)
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8 Environmental and Sustainability Reporting

The Fund remains committed to advancing sustainability in alignment with global, national, and County development priorities. Recognizing the impact of climate change, macroeconomic trends, and resource constraints, the Fund has adopted a sustainability framework guided by the Sustainable Development Goals (SDGs), national environmental policies, and its own service delivery charter. Our strategy emphasizes responsible resource use, inclusive procurement, environmental stewardship, and the welfare of staff and communities.

i) Sustainability Strategy and Profile

During the year, the Fund continued to integrate sustainability into its operations by prioritizing inclusivity, responsible procurement, and capacity-building. A proportion of contracts was allocated to local suppliers, with deliberate consideration of youth, women, and persons with disabilities (PWDs) in line with County and national government procurement guidelines. This has supported economic empowerment for special groups while enhancing transparency in contracts management.

Key achievements included maintaining high compliance with procurement diversity targets and embedding sustainability objectives in programme implementation. Challenges were noted in limited resources for scaling up green initiatives and delays in full automation of processes.

ii) Environmental Performance

The Fund's environmental policy guided implementation of eco-friendly practices, including efficient waste management (reduce, reuse, recycle), reduced reliance on paper through system automation, and initiatives to minimize single-use plastics. Waste segregation bins were introduced in offices, and fleet maintenance schedules were enforced to reduce carbon emissions.

iii) Employee Welfare

Sustainability also extends to human capital development. Recruitment policies emphasized diversity, gender balance, and inclusion of youth and PWDs. Continuous stakeholder engagement informed periodic review of HR policies to reflect evolving needs. Training and skills development programmes were rolled out to improve staff capacity, supported by structured appraisal and reward systems.

The Fund remained compliant with the Occupational Safety and Health Act, 2007, with a focus on workplace safety and well-being. No major work-related injuries were recorded, and preventive measures such as safety briefings, wellness programmes, and health insurance coverage were implemented.

Overall, the Fund has taken measurable steps toward integrating sustainability into its financial, operational, and environmental agenda. While resource and systemic challenges remain, steady progress affirms its commitment to responsible governance, environmental stewardship, and staff welfare in support of the County's sustainable development goals.

iv) Market place practices-

The Fund is committed to upholding ethical, transparent, and sustainable marketplace practices that safeguard public trust and ensure value-for-money.

Responsible Competition Practices

In line with its service charter, the Fund promotes fair competition, transparency, and integrity in all its operations. Open tendering processes are consistently applied to procurement, supported by a zero-tolerance stance on corruption and unethical practices. Public sensitization initiatives, including regular media briefings and service information updates, ensure citizens are informed of the Fund's offerings and rights.

Responsible Supply Chain and Supplier Relations

The Fund maintains fair and transparent relationships with suppliers, ensuring that contracts are honored, payments are made in line with agreed terms, and procurement remains competitive. Preference is given to suppliers from local communities and special groups in line with government procurement regulations. Continuous engagement with service providers fosters trust, innovation, and mutual accountability.

Responsible Engagement with Citizens

The Fund prioritizes ethical communication and citizen engagement by avoiding exaggerated promises, providing accurate and timely service information, and respecting diversity. Outreach activities, including consultative forums and website updates, ensure accessibility and responsiveness. These platforms have been used to provide clarity on loan terms, repayment policies, and new products, empowering staff and the wider community with the information needed to make informed decisions.

Product Stewardship and Awareness Creation

Consumer rights are safeguarded through mechanisms that ensure access to accurate information, dispute resolution, and privacy protection. Loan agreements clearly outline terms, interest rates, and repayment conditions, while grievance redress systems are in place for staff to raise concerns. Automation has strengthened data protection, with borrower information secured in compliance with data privacy requirements. These measures enhance trust, safeguard rights, and reinforce confidence in the Fund's services.

Corporate Social Responsibility / Community Engagements

The Fund recognizes that its mandate extends beyond financial support to employees, and therefore actively contributes to the social and economic development of the wider community. CSR initiatives are aligned to the Fund's core mandate and the County's development priorities, with a focus on sustainability, inclusivity, and empowerment.

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During the reporting period, the Fund engaged in several initiatives aimed at strengthening community well-being and promoting shared growth. Tree planting campaigns were carried out in partnership with local institutions, supporting environmental conservation and climate resilience. The Fund also promoted financial literacy sessions for staff and community members, equipping them with knowledge on responsible borrowing, savings, and investment.

In support of special groups, procurement opportunities were allocated to youth, women, and persons with disabilities (PWDs), ensuring inclusivity and compliance with national guidelines. These engagements not only empowered local enterprises but also enhanced transparency and accountability in service delivery.

The Fund further participated in public participation forums on budget processes and community consultations on development projects, reinforcing citizen involvement in decision-making. Through these platforms, stakeholders provided valuable input on project priorities and sustainability strategies.

Although resource limitations constrained large-scale social investments such as infrastructure development, the Fund sought partnerships and leveraged community collaboration to maximize impact. The initiatives undertaken during the year underscore the Fund's commitment to responsible corporate citizenship, environmental stewardship, and meaningful engagement with the people it serves.

9 Report of The Trustees

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund continue to focus on providing affordable financing solutions to County Government employees, particularly for vehicle and housing acquisition. In carrying out this mandate, the Fund upholds prudent financial management, promotes staff welfare, and contributes to improved service delivery across the County.

Trustees

The members of the Board of Trustees who served during the year are shown on page iv (The key entity information and management page). There were no changes of the committee during the financial year.

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



..... Date

17/11/2025

John Makau Kimwele
Chair of the Board/Fund Administration Committee
Kitui County

**County Government of Kitui- Car loan and Mortgage Fund (Executive)
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10 Statement of Management’s Responsibilities

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

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. 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. 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, 2025, and of the Fund’s financial position as at that date. The Administrator further confirms 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 Car and Mortgage Fund has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund’s financial statements were approved on 17/11/2025 2025 and signed on its behalf by:

.....
Joel Mwinzi Muyanga
Administrator of the Fund
Kitui County

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON KITUI COUNTY EXECUTIVE CAR LOAN AND MORTGAGE FUND FOR FIFTEEN MONTHS PERIOD ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kitui County Executive Car Loan and Mortgage Fund set out on pages 1 to 40, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kitui County Executive Car Loan and Mortgage Fund as at 30 June, 2025 and of its financial performance and its cash flows for fifteen months period then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the County Governments Act, 2012, the Public Finance Management (Kitui County Executive Mortgage(Members) Scheme Fund) Regulations, 2015 and the Public Finance Management (Kitui County Executive Car Loan (Members) Scheme Fund) Regulations, 2015 and the Public Finance Management Act, 2012,

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual amount on comparable basis of Kshs.41,200,000 and Kshs.30,032,500 respectively, resulting to under-funding of Kshs.11,167,500 or approximately 27% of the budget.

The underfunding affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

The Management is responsible for the Other Information set out on pages iii to xvi which comprise of Key Entity Information and Management, Forward Note from the CECM Finance, Report of the Administrator Fund, Statement of Performance Against the County

Fund's Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Trustees and Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter 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

Irregular Presentation of Annual Report and Financial Statements

The annual report and financial statements presented for audit are for the operations of County Government of Kitui (Executive) Car Loan Fund and County Government of Kitui (Executive) Mortgage Fund which are two separate legal entities. However, there was no legal authority provided for audit review to justify combining the annual financial statements and other operations reports of the two entities. This is contrary to Regulation 3 of the Public Finance Management (Kitui County Executive Mortgage (Members) Scheme Fund) Regulations, 2015 which states that "There is established a scheme to be known as Kitui County Executive Mortgage (Members) Scheme Fund".

In addition, Regulation 3 of the Public Finance Management (Kitui County Executive Car Loan(members) Scheme Fund) Regulations, 2015 states that "There is established a scheme to be known as the Kitui County Executive Car Loan (members) Scheme Fund".

In the circumstances, Management was breach of the law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern

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

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

Conclusion

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

Basis for Conclusion

Lack of Credit and Debt Collection Policies

Review of records revealed that, during the year under review, the Fund operated without an approved Credit Policy/ Debt Collection Policy. This exposed the Fund to unstructured loan administration, inconsistent lending practices and weak recovery mechanisms, thereby undermining effective management and regulatory compliance.

In the circumstances, the effectiveness of internal controls on management of the car loan and mortgage Fund could not be confirmed.

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

Responsibilities of the Management and Board of Trustees

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements

comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

01 December, 2025

County Government of Kitui- Car loan and Mortgage Fund (Executive)
 Reports and Financial Statements
 For Fifteen Months Period from April 2024 to June 2025

12 Statement of Financial Performance for the Year Ended 30th June 2025

Description	Note	FY 2024-2025
		Kshs
Revenue From Non-Exchange Transactions		
Public Contributions and Donations	6	-
Transfers From the County Government	7	-
Fines, Penalties and Other Levies	8	-
		-
Revenue From Exchange Transactions		
Interest Income	9	301,250
Other Income	10	-
Total Revenue		301,250
Expenses		
Employee Costs	11	-
Use of goods and services	12	4,360
Depreciation and Amortization Expense	13	-
Finance Costs	14	-
Total Expenses		4,360
Other Gains/Losses		
Gain/Loss on Disposal of Assets	15	-
Gain /Loss on fair value of investments	16	-
Surplus/Deficit) for the Period		296,890

(The notes are set out on pages 8 to 39 form an integral part of these Financial Statements)

..... 17/11/2025
 John Makau Kimwele
 Chairperson

..... 17/11/2025
 Joel Mwinzi Muyanga
 Fund Accountant
 ICPAK Member 17969

County Government of Kitui- Car loan and Mortgage Fund (Executive)
 Reports and Financial Statements
 For Fifteen Months Period from April 2024 to June 2025

13 Statement of Financial Position As at 30 June 2025

Description	Note	FY 2024-2025
		Kshs
Assets		
Current Assets		
Cash and Cash Equivalents	17	12,889,253
Current Portion of Long- Term Receivables from Exchange Transactions	18	9,928,510
Prepayments	19	-
Inventories	20	-
Investments in financial assets	21	-
Total current assets		22,817,763
Non-Current Assets		
Property, Plant and Equipment	22	-
Intangible Assets	23	-
Long Term Receivables from Exchange Transactions	18	7,479,127
Investment Property	24	-
Total non- current assets		7,479,127
Total Assets (A)		30,296,890
Liabilities		
Current Liabilities		
Trade and Other Payables from Exchange Transactions	25	-
Current Provisions	26	-
Current Portion of Borrowings	27	-
Employee Benefit Obligations	28	-
Social benefit liabilities	29	-
Total current liabilities		-
Non-Current Liabilities		
Non-Current Provisions	26	-
Long Term Portion of Borrowings	27	-
Non-Current Employee Benefit Obligation	28	-
Social benefit liabilities	29	-

County Government of Kitui- Car loan and Mortgage Fund (Executive)
Reports and Financial Statements
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Description	Note	FY 2024-2025
		Kshs
Total Liabilities (B)		-
Net Assets (A-B)		30,296,890
Represented By:		-
Revolving Fund		30,000,000
Reserves		-
Accumulated Surplus		296,890
Net Assets		30,296,890

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 17/11 2025 and signed by:

.....

John Makau Kimwele
Chairperson

.....

Joel Mwinzi Muyanga
Fund Accountant
ICPAK Member 17969

County Government of Kitui- Car loan and Mortgage Fund (Executive)
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14 Statement of Changes in Net Assets for the year ended 30th June 2025

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2023	-	-	-	-
Surplus/(Deficit) For the Period	-	-	-	-
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2024	-	-	-	-
Balance As At 1 July 2024				
Surplus/(Deficit) For the Period	-	-	296,890	296,890
Funds Received During the Year	30,000,000	-		30,000,000
Transfers	-	-		-
Revaluation Gain	-	-		-
Balance As At 30 June 2025	30,000,000	-	296,890	30,296,890

County Government of Kitui- Car loan and Mortgage Fund (Executive)
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15 Statement of Cash Flows for The Year Ended 30 June 2025

Description	Note	FY 2024-2025
		Kshs
Cash flows from operating activities		
Receipts		
Public contributions and donations		-
Transfers from the county government		-
Interest received		32,500
Receipts from other operating activities		-
Total receipts		32,500
Payments		
Fund administration expenses		-
General expenses		(4,360)
Finance cost		-
Other payments		-
Net cash flows from operating activities	30	28,140
Cash flows from investing activities		
Purchase of property, plant, equipment and Intangible assets		-
Proceeds from sale of property, plant & equipment		-
Proceeds from loan principal repayments		361,113
Loan disbursements paid out		(17,500,000)
Net cash flows used in investing activities		(17,138,887)
Cash flows from financing activities		
Proceeds from revolving fund receipts		30,000,000
Additional borrowings		-
Repayment of borrowings		-
Net cash flows used in financing activities		30,000,000
Net increase/(decrease) in cash & cash Equivalents		12,889,253
Cash and cash equivalents at 1 July	17	-
Cash and cash equivalents at 30 June	17	12,889,253

County Government of Kitui- Car loan and Mortgage Fund (Executive)
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16 Statement of Comparison of Budget and Actual Amounts for the Period 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	D	e=(c-d)	f=d/c*100
Budget carryovers from the previous year	-	-	-	-	-	-
Receipts						
Public Contributions and Donations	-	-	-	-	-	-
Transfers From County Govt.	40,000,000	-	40,000,000	30,000,000	10,000,000	75
Interest Income	1,200,000		1,200,000	32,500	1,167,500	3
Other Income	-	-	-	-	-	-
Total Income	41,200,000	-	41,200,000	30,032,500	11,167,500	73
Expenses						
Fund Administration Expenses	-	-	-	-	-	-
General Expenses	-	-	-	4,360	(4,360)	
Finance Cost	-	-	-	-	-	-
Total Expenditure	-	-	-	4,360	(4,360)	-
Surplus For the Period	41,200,000	-	41,200,000	30,028,140	11,171,860	73

Budget notes

- There were no budget adjustments for the fund during the year
- The interest income is charged at 3% on loan advanced.
- There was low car loan and mortgage uptake by the staff thus low absorption of the budget.

County Government of Kitui- Car loan and Mortgage Fund (Executive)
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Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	30,028,140
1	Loan disbursements paid out	(17,500,000)
2	Proceeds from loan principal repayments	361,113
	Closing Cash and Cash Equivalent as per the statement of Cash flows	12,889,253

**County Government of Kitui- Car loan and Mortgage Fund (Executive)
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For Fifteen Months Period from April 2024 to June 2025**

17 Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Kitui County Car Loan and Mortgage Fund entity is established by and derives its authority and accountability from Public Finance Act. The entity is wholly owned by the Kitui County Government and is domiciled in Kenya. The entity’s principal activity is to provide Car and Mortgage Fund.

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 2025

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

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1st January 2025 The standard sets out the principles for recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for	Applicable 1st January 2025 The Standard requires,

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

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<p>IPSAS 48: Transfer Expenses</p>	<p>Applicable 1st January 2026 The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p>Applicable 1st January 2026 The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p>Applicable 1st January 2027 The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

(i) Early adoption of standards

The County did not early adopt any new or amended standards in the financial year

**County Government of Kitui- Car loan and Mortgage Fund (Executive)
Reports and Financial Statements
For Fifteen Months Period from April 2024 to June 2025**

4. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the County'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 2024-2025 was approved by the County Assembly on 27th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund did not receive any additional appropriations during the year.

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.

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Summary of Significant Accounting Policies (Continued)

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

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

c) Property, plant and equipment

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

a) Intangible Assets

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

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

b) Investment property

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

**County Government of Kitui- Car loan and Mortgage Fund (Executive)
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Summary of Significant Accounting Policies (Continued)

c) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The County does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the County'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 County classifies its financial assets as subsequently measured at amortized cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

**County Government of Kitui- Car loan and Mortgage Fund (Executive)
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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 County 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) .

County Government of Kitui- Car loan and Mortgage Fund (Executive)
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Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) Inventories

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

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

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

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

e) Provisions

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

f) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes a liability. The liability for the social benefit scheme

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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.

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Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

Contingent assets

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

h) Nature and purpose of reserves

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

i) Changes in accounting policies and estimates

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

j) Employee benefits – Retirement benefit plans

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

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

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Summary of Significant Accounting Policies (Continued)

k) Foreign currency transactions

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

l) Borrowing costs

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

m) Related parties

The County 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 County, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Chief Officer and senior managers.

n) Cash and cash equivalents

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

o) Comparative figures

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

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Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

The preparation of the fund 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.

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 County based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available.

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

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Notes To the Financial Statements Continued

6. Public contributions and donations

Description	FY 2024-2025
	Kshs
Donation From Development Partners	-
Contributions From the Public	-
Total	-

7. Transfers from County Government

Description	FY 2024-2025
	Kshs
Transfers From County Govt. –Operations	-
Payments By County on Behalf of The Entity	-
Unconditional Development grants	-
Total	-

8. Fines, penalties and other levies

Description	FY 2024-2025
	Kshs
Late Payment Penalties	-
Fines	-
Total	-

9. Interest income

Description	FY 2024-2025
	Kshs
Interest Income from Mortgage Loans	301,250
Interest Income From Car Loans	
Interest Income From Investments in financial assets	
Interest Income On Bank Deposits	
Total Interest Income	301,250

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10. Other income

Description	FY 2024-2025
	Kshs
Insurance Recoveries	-
Income from Sale of Tender Documents	-
Bad debts recovered	-
Miscellaneous Income	-
Total Other Income	-

11. Employee Costs

Description	FY 2024/2025
	Kshs
Salaries And Wages	-
Staff Gratuity	-
Staff Training Expenses	-
Social Security Contribution	-
Other (<i>Specify</i>)	-
Total	-

12. Use of Goods and Services

Description	FY 2024/2025
	Kshs.
General Office Expenses	-
Loan Processing Costs	-
Professional Services Costs	-
Administration Fees	-
Committee Allowances	-
Bank Charges	4,360
Electricity And Water Expenses	-
Fuel And Oil Costs	-
Insurance Costs	-
Postage And Courier	-
Printing And Stationery	-
Rental Costs	-

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Description	FY 2024/2025
	Kshs.
Security Costs	-
Telephone And Communication Expenses	-
Audit Fees	-
Provision For Doubtful Debts	-
Other	-
Social benefit expenses	-
Total	4,360

13. Depreciation and Amortization Expenses

Description	FY 2024/2025
	Kshs.
Property Plant and Equipment	-
Intangible Assets	-
Total	-

14. Finance costs

Description	FY 2024/2025
	Kshs
Interest On Bank Overdrafts	-
Interest On Loans From Banks	-
Total	-

County Government of Kitui- Car loan and Mortgage Fund (Executive)
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15. Gain/(loss) on disposal of assets

Description	FY 2024/2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total	-

16. Gain/ (loss) on Fair Value Investments

Description	FY 2024/2025
	Kshs
Investments at Fair Value- Equity investments	-
Fair value – Investment property	-
Fair value- other financial assets	-
Total Gain	-

17. Cash and cash equivalents

Description	FY 2024/2025
	Kshs
Kitui Car loan and Mortgage Loan Account	12,889,253
Fixed Deposits Account	-
On – Call Deposits	-
Current Account	-
Others	-
Total Cash and Cash Equivalents	12,889,253

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

Financial Institution	Account number	FY 2024/2025
		Kshs
a) Fixed Deposits Account		
Kenya Commercial Bank		-
Equity Bank		-
Sub- Total		-
		-
b) On - Call Deposits		-
Kenya Commercial Bank		-
Equity Bank		-
Sub- Total		-
		-
c) Current Account		-
Kenya Commercial Bank		-
Sub- Total		-
d) Others		-
Cash In Transit		-
Cash In Hand		-
Sub- Total		-
Grand Total		-

18. Receivables from exchange transactions

Description	FY 2024/2025
	Kshs
Current Receivables	
Interest Receivable	268,750
Current Loan Repayments Due	9,659,760
Other Exchange Debtors	-
Less: Impairment Allowance	-
Total Current Receivables	9,928,511
Non-Current Receivables	
Long Term Loan Repayments Due	7,479,127
Total Non- Current Receivables	7,479,127
Total Receivables from Exchange Transactions	17,407,638

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Additional disclosure on interest receivable

Description	FY 2024/2025
	Kshs
Interest Receivable	
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	-
Current loan repayments due	-
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	-

19. Prepayments

Description	FY 2024/2025
	Kshs
Prepaid Rent	-
Prepaid Insurance	-
Prepaid Electricity Costs	-
Other Prepayments	-
Total	-

20. Inventories

Description	FY 2024/2025
	Kshs
Consumable Stores	-
Spare Parts and Meters	-
Catering	-
Other Inventories	-
Total Inventories	-

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Detailed disclosures on inventories

	FY 2024/2025
Opening balance	-
Additional Inventory in the year	-
Inventory expensed in the year	-
Write-downs in the year	-
Others	-
Closing balance	-

21. Investments in financial assets

Description	FY 2024/2025
	Kshs
a. Investment in Treasury bills and bonds	
Financial institution	
CBK	-
CBK	-
Sub- total	-
b. Investment with Financial Institutions/ Banks	
Bank	-
Bank	-
Sub- total	-
c. Equity investments	
Equity/ shares	-
Sub- total	-
Grand total	

Movement of Equity Investments

Impairment allowance/ provision	FY 2024/2025
	Kshs
At the beginning of the year	-
Purchase of investments in the year	-
Sale of investments during the year	-
Gain/(loss) in fair value of investments through surplus or deficit	-
At the end of the year	-

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22. Property, plant, and equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Rate	%	%	%	%	%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2023	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-
At 30th June 2024	-	-	-	-	-	-
At 1st July 2024	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-
At 30th June 2025	-	-	-	-	-	-
Depreciation And Impairment	-	-	-	-	-	-
At 1 st July 2023	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
At 30th June 2024	-	-	-	-	-	-
At 1st July 2024	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-
At 30th June 2025	-	-	-	-	-	-

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	Land	Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Rate		%	%	%	%	
Net Book Values	-	-	-	-	-	-
At 30 th June 2024	-	-	-	-	-	-
At 30 th June 2025	-	-	-	-	-	-

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23. Intangible assets

Description	FY 2024/2025
	Kshs
Cost	
At Beginning of The Year	-
Additions	-
At End of The Year	-
Amortization And Impairment	
At Beginning of The Year	-
Amortization	-
At End of The Year	-
Impairment Loss	-
At End of The Year	-
NBV	-

24. Investment Property

Description	FY 2024/2025
	Kshs
At beginning of the year	-
Additions	-
Disposal during the year	-
Depreciation	-
Impairment	-
Gain/loss) in fair value	-
At end of the year	-

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25. Trade and other payables from exchange transactions

Description	FY 2024/2025	
	Kshs	
Trade Payables		-
Refundable Deposits		-
Accrued Expenses		-
Other Payables		-
Total Trade and Other Payables		-
Ageing analysis (Trade and other payables)	2024-2025	% of the Total
Under one year	-	%
1-2 years	-	%
2-3 years	-	%
Over 3 years	-	%
Total (tie to above total)	-	

26. Provisions

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

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27. Borrowings

Description	FY 2024/2025
	Kshs
Balance At Beginning of The Period	-
External Borrowings During the Year	-
Domestic Borrowings During the Year	-
Repayments of External Borrowings During the Period	-
Repayments of Domestic Borrowings During the Period	-
Balance At End of The Period	-

Description	FY 2024/2025
	Kshs
External Borrowings	
Dollar Denominated Loan	-
Sterling Pound Denominated Loan	-
Euro Denominated Loan	-
Domestic Borrowings	-
Kenya Shilling Loan From KCB	-
Kenya Shilling Loan from Barclays Bank	-
Kenya Shilling Loan from Consolidated Bank	-
Borrowings From Other Government Institutions	-
Total Balance at End of The Year	-

Description	FY 2024/2025
	Kshs
Short Term Borrowings (Current Portion)	-
Long Term Borrowings	-
Total	-

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28. Employee benefit obligations

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

29. Social Benefit Liabilities

Description	FY 2024/2025
	Kshs
Health social benefit scheme	-
Unemployment social benefit scheme	-
Orphaned and vulnerable benefit scheme	-
Elderly social benefit scheme	-
Bursary social benefits	-
Total	-
	-
Current social benefits	-
Non- current social benefits	-
Total	-

30. Cash generated from operations.

Description	FY 2024/2025
	Kshs
Surplus/ (Deficit) For the Year Before Tax	296,890
Adjusted For:	
Depreciation	-
Amortization	-
Gains/ Losses on Disposal of Assets	-
Interest Income	
Finance Cost	-
Working Capital Adjustments	-
Increase In Inventory	-
Increase In Receivables	(268,750)
Increase In Payables	-
Net Cash Flow from Operating Activities	28,140

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31. 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	FY 2024/2025
	Kshs
Transfers From Related Parties'	-
Transfers To Related Parties	-

c) Key management remuneration

Description	FY 2024/2025
	Kshs
Board Of Trustees	-
Key Management Compensation	-
Total	-

d) Due from related parties

Description	FY 2024/2025
	Kshs
Due From Parent Ministry	-
Due From County Government	-
Total	-

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Other Disclosures Continued

e) Due to related parties

Description	FY 2024/2025
	Kshs
Due to Parent Ministry	-
Due to County Government	-
Due to Key Management Personnel	-
Total	-

32. Contingent assets and contingent liabilities

Contingent Liabilities	FY 2024/2025
	Kshs
Court Case Against the Fund	-
Bank Guarantees	-
Total	-

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33. 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 minimize 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 quality of each customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2025				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
At 30 June 2025	-	-	-	-
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

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 recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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

b) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Trade Payables	-	-	-	-
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2024				
Trade Payables	-	-	-	-
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

c) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control

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market risk exposures within acceptable parameters, while optimizing 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 County'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 30 days after the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

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

Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2025			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
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 currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
June 2025			
Euro			
USD			
June 2024			
Euro			
USD			

ii. Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected because 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 endeavored to bank with institutions that offer favorable interest rates.

Sensitivity analysis

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

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d) Capital risk management.

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

Description	2024-2025
	Kshs
Revaluation reserve	-
Revolving fund	30,000,000
Accumulated surplus	296,890
Total funds	30,296,890
Total borrowings	-
Less: cash and bank balances	-12,889,253
Net debt (excess cash and cash equivalents)	17,407,638
Gearing	57%

34. Events after the reporting period

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

35. Ultimate and Holding Entity

The Kitui County Car loan and mortgage is a County Public Fund established by public finance management regulation 2015. The fund is under the Ministry of Finance, Economic Planning and revenue management. Its ultimate parent is the County Government of Kitui.

36. Currency

The financial statements are presented in Kenya Shillings (Kshs)

County Government of Kitui- Car Loan and Mortgage Fund (Executive)
 Reports and Financial Statements
 For Fifteen Months Period from April 2024 to June 2025

18. Annexes

Annex I: Inter-Fund Confirmation Letter

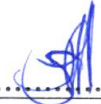
Kitui Mortgage Fund

The Kitui-Mortgage Fund wishes to confirm the amounts disbursed to you as at 30th June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30 th June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by [CC/SAGA/Fund] (Kshs) as at 30 th June 2025				Amount Received by [beneficiary Fund] (Kshs) As At 30 th June 2025 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
	22/04/2024	20,000,000			20,000,000	20,000,000	
	07/05/2025	10,000,000			10,000,000	10,000,000	
Total						30,000,000	

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

Head of Accountants department of beneficiary Fund:

Name Joel Mwangi Sign  Date 17/11/2025

(The Annual report and financial statements for the fund have been prepared for period of fifteen months from April 2024 to June 2025)