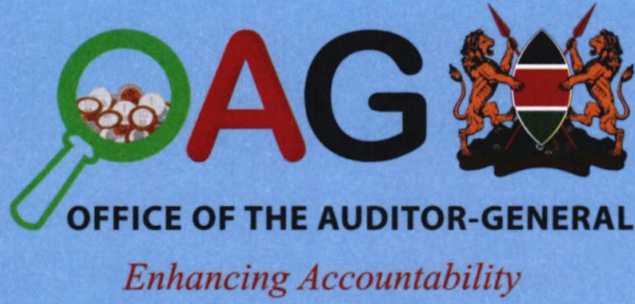


REPUBLIC OF KENYA



**REPORT**

**OF**



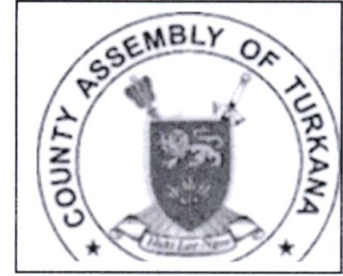
**THE AUDITOR-GENERAL**

**ON**

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

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

PAPERS LAID	
DATE	6/3/2025
TABLED BY	Dep Maj Alhir
COMMITTEE	
CLERK AT THE TABLE	Maalim



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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2024**

---

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

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**TURKANA COUNTY ASSEMBLY-CAR LOAN AND MORTGAGE SCHEME (STAFF)**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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## **1. Acronyms, Abbreviations, and Definition of Key Terms**

### **A: Acronyms and Abbreviations**

CBK	Central Bank of Kenya
CECM	County Executive Committee Member
CEO	Chief Executive Officer
CO	Chief Officer
DG	Director General
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank

### **B: Definition of Key Terms**

**Fiduciary Management** Members of Management that are directly entrusted with the responsibility of financial resources of the organisation.

**Comparative Year** Means the prior period.

**Financial instruments** A real or virtual document representing a legal agreement involving any kind of monetary value

**Board of Trustees** Appointed or elected group of individuals that has overall responsibility for the management of an organization

**Provisions** The action of providing or supplying something for use

**Social Benefits** The positive effects that a particular product or service can have on society as a whole

**TURKANA COUNTY ASSEMBLY-CAR LOAN AND MORTGAGE SCHEME (STAFF)  
Annual Report and Financial Statements for the year ended June 30, 2024**

**2. Key Entity Information and Management**

**(a) Background information**

The Turkana county Assembly car loan and mortgage scheme fund (staff) is established by and derives its authority and accountability from Turkana County Assembly Car Loan and mortgage scheme Fund (staff) regulations, 2016 Act on 11th March 2016. The fund is wholly owned by the county assembly of Turkana and is domiciled in the Republic of Kenya.

The fund's objective is to ensure staffs are provided with affordable, accessible and sustainable car loan and mortgage.

The Fund's principal activity is to provide car loans and mortgage for staff.

**(b) Principal Activities**

The principal activity/mission/ mandate of the Fund is to: be the fund of choice for staffs of the County Assembly of Turkana, provide affordable, accessible and sustainable car loans and Mortgage to staffs of the County Assembly of Turkana and uphold the values of accountability, transparency, excellence, accessibility, integrity, responsiveness, equity and team work”

**(c) Key Management**

The county assembly day-to-day management is under the following key organs:

No.		Details
1.	Chairperson – Car Loan and Mortgag	Mr.Linus Lokawa Miinyan
2.	PHRO-Turkana County Assembly	Mr.George Ereng Robaro
3.	Deputy Clerk-Turkana County Assembly	Mr.John Komol Ekunoit

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	The clerk,TCA-Chairman of the fund	Mr.Lokawa Linus Miinyan
2.	Fund Accountant/Fund Administrator	Mr.Lokwang James Apenyu
3.	Director Finance and Accounting	Caiphas Ngasike Ekatorot
4.	Deputy Director Finance and Accounting	Mr.Timothy Ekidor Ekal

**Key Entity Information and Management (continued)**

**(e) Fiduciary Oversight Arrangements**

**1. Audit and Risk committee**

SN	Position	Name
1	Principal Auditor	Mr. Francis Lochuch Ekai
2	Chairperson	CPA Erick Omondi
3	Member	CPA Mercy Ndinda
4	Member	CPA Lokipi Ekai

**(f) Entity Headquarters**

Turkana County Assembly  
P.O. Box 25-30500  
Lodwar, KENYA

**(g) Entity Contacts**

E-mail: [turkancountyassembly@.go.ke](mailto:turkancountyassembly@.go.ke)

Website: [www.turkanaassembly.go.ke](http://www.turkanaassembly.go.ke)

**(h) Entity Bankers**

Cooperative Bank of Kenya  
Lodwar Branch  
P.O BOX 25-30500  
Lodwar, Kenya

**(i) Independent Auditor**


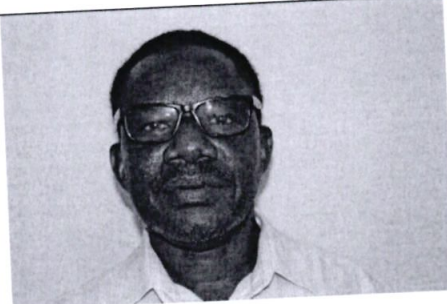

Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GOP 00100  
Nairobi, Kenya

**(j) County Attorney**


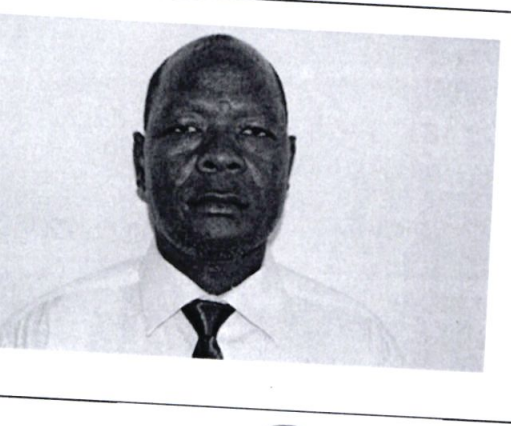

The County Attorney  
Turkana County Government  
P.O Box 11-30500  
Lodwar

**TURKANA COUNTY ASSEMBLY-CAR LOAN AND MORTGAGE SCHEME (STAFF)**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**3. The Board of Directors/Fund Committees**

Directors	Details
	<p><b>Mr Lokawa Linus Miinyan- Chairperson and officer administering the fund.</b>                      He is the first Clerk County Assembly of Turkana. He holds a Bachelor of Commerce Degree (Economics) from Masinde Muliro University. He is also the Secretary of the CASB of Turkana County Assembly. He is also the chairperson and officer admin.</p>
	<p><b>Mr. George Robaro Ereng – Secretary</b>                      He was by virtue of the fund regulations appointed as the principal Human Resource. Currently he is the Head of the Human Resource of the County Assembly of Turkana. He holds a bachelor of commerce degree from Kenyatta University.</p>
	<p><b>Mr. Timothy Ekidor Ekal - Member</b>                      He was by virtue of the fund regulations appointed as the principal finance officer. Currently he is the Head of the Accounts of the County Assembly of Turkana. He holds a bachelor of commerce degree from Kenyatta university</p>

**4. Key Management Team**

Management	Details
	<p><b>Mr.Lokawa Linus Miinyan – Clerk,TCA</b>                      He is the first Clerk County Assembly of Turkana.                      He holds a Bachelor of Commerce Degree (Economics) from Masinde Muliro University. He is also the Secretary of CASB of Turkana County Assembly</p>
	<p><b>Lokwang James Apenyu– Fund Accountant.</b>                      He was appointed as the Fund Accountant on May 2019.                      He is an Accountant in County Assembly of Turkana. He holds a Bachelor of Business Management (Accounting) from Mt. Kenya University and MBA-Entrepreneurship ongoing at Kibabii University.</p>
 <p data-bbox="124 1339 271 1377"><i>Manager 3</i></p>	<p><b>Mr.Timothy Ekidor Ekal</b> was by virtue of the fund regulations appointed as the principal finance officer. Currently he is the Head of the Accounts of the County Assembly of Turkana. He holds a bachelor of commerce degree from Kenyatta university</p>

## **5. Chairman's Statement**

On behalf of the Car Loan and Management committee I present the County Assembly of Turkana car loan and mortgage scheme fund (staff) financial statements for the year ended 30<sup>th</sup> June 2024. The financial statements present the financial performance of the fund over the past phases of disbursement for financial year 2023/2024.

### **Board and Management Changes**

The committee reviewed and interrogated the adequacy and effectiveness of the fund's organogram in carrying out its mandate and made recommendations. The board carried out the assignment and made several recommendations key among them the automation of the fund's operations. The organisation arrangement is expected to enhance efficiency in service delivery.

### **Review of performance**

#### **Income**

The fund earned revenues amounting to Kshs.6,691,336 from interests' income. This income was high because funds disbursement was awarded to many members of staff who had met the requirements of borrowing funds. This time the interests earned was twelve months compared to the previous year. For the subsequent financial year, the income will increase due to even disbursements of funds to those interested applicants from the entire members of staff of the County Assembly of Turkana.

Fund implementation process during the period was carried out as per the plan with the coordinated efforts by all stakeholders. The performance was also attributed to a favourable initial capital of Kshs. 96,000,000 at the commencement of the fund and kshs. 216,857,000 during the Fy 2021/2022.

#### **Expenditures**

The total expenditures during the period amounted to Kshs.246,560 as general and finance expenses.

#### **Future outlook**

The outlook of the Fund for 2024/2025 looks brighter. The fund focuses in building a robust and sustainable fund with a motivated workforce and structures that enhance efficiency and effectiveness in the service delivery. The fund looks forward to continued support from the county government and development partners to the realization of its mandate.

#### **Appreciation**

I take this opportunity to express my sincere gratitude and appreciation to the county government, development partners, stakeholders, management, staff and fellow trustees for their continued support which made us achieve these results.

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

**TURKANA COUNTY ASSEMBLY-CAR LOAN AND MORTGAGE SCHEME (STAFF)  
Annual Report and Financial Statements for the year ended June 30, 2024**

**6. Report of the Chief Executive Officer/Fund Administrator**

It is my pleasure to present the Turkana County Assembly car loan and Mortgage scheme fund (staff) financial statements for the year ended 30<sup>th</sup> June 2024. The financial statements present the financial performance of the fund over the disbursement for the year 2023/2024.

The fund was established on March 2016. It started with an initial amount of Kshs 96,000,000 appropriated by the Turkana County Assembly in the Turkana County Appropriation (Amendment) Act, 2018. Since then, a total of 100 loan beneficiaries have made borrowings amounting to more than Kshs 250,000,000 million

**Financial Performance**

**a) Revenue**

In the year ended 30<sup>th</sup> June 2023, the fund had projected income interests of kshs. 6,691,336 as revenues of the fund.

In the table below, we present an analysis of revenue performance during the year.

Revenue classification	Revenue budget (Kshs)	Actual (Kshs)	Realisation (%)
<b>Revenue</b>	<b>Kshs</b>	<b>Kshs</b>	
Interest income	-	6,691,336	100%
<b>Total income</b>	-	6,691,336	<b>100%</b>

**b) Loans**

During the financial year 2023/2024, the fund disbursed loans and top ups loans amounts to Kshs. 250,235,739.36 to staff bringing the total loan beneficiaries to date to 100 staffs.

**Cash flows**

In the FY 2023/2024, we had less liquidity disruptions. This was because of enhanced proper planning and loan collections methods. The cash and cash equivalent as at 30<sup>th</sup> June 2024 was kshs. 4,655,918.


**c) Conclusion**

FY 2023/2024 was a good year in general. Good progress was made and the momentum has been created to enable County Assembly of Turkana car loan and Mortgage scheme fund (staff) continues on a trajectory into prosperity. We have identified gaps to be improved on in the subsequent years.

**TURKANA COUNTY ASSEMBLY-CAR LOAN AND MORTGAGE SCHEME (STAFF)**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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

Name..... Iskara Lium .....Signature.....  .....Date..... 04/10/2024 .....

Chairperson of the Board/Fund

**TURKANA COUNTY ASSEMBLY-CAR LOAN AND MORTGAGE SCHEME (STAFF)  
Annual Report and Financial Statements for the year ended June 30, 2024**

**7. Statement of Performance against Predetermined Objectives for FY 2023/2024**

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

The key development objectives of the Fund as per the strategic plan 2018-2025 are to provide car loans and mortgage for staff.

**Progress on attainment of Strategic development objectives**

Below we provide the progress on attaining the stated objectives:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Provision of Mortgage facilities to all members of staff	To ensure all staff have access to Mortgage facilities	95 % of staff taking Mortgage facilities	Number mortgages successfully applied	During FY 2023/2024 Members of staff accessed the facility and were able build their own houses
Oversight monitoring and	Enhanced recoveries of the Staff	Monthly recoveries	Increased ability of Staff to pay loans	98 % recoveries of the loan: 2 members had difficulty in payment
General Administration, Planning and Support Services	To cover all members of staff in terms of car loan and mortgage	Increase in total amount recovered	100 members of staff were provided with car loans and mortgage	Kshs. 250,235,739 was disbursed

## **8. Corporate Governance Statement**

### **THE BOARD**

The Turkana county assembly car loan and mortgage scheme fund (staff) is a revolving fund established pursuant to the Turkana County Assembly Car Loan and mortgage scheme Fund (staff) regulations, 2016. Its mandate is to provide car loans and mortgage to members of staff. The fund is committed to ensuring compliance with regulatory and supervisory corporate governance requirements. Essential to the establishment of a corporate governance framework in the fund is a formal governance structure with the board of trustees at its apex. The operations of the fund are governed by a Turkana County Assembly Car Loan and mortgage scheme Fund (staff) Regulations, 2016. The structure is designed to ensure an informed decision making process based on accurate reporting to the board.

### **THE BOARD OF TRUSTEES**

Scheme Fund Regulations, 2016 provides that the board of trustees shall be made up of nine trustees, including the chairperson, and shall consist of a chairperson and eight other members. The board of trustees is responsible for the long-term strategic direction of the fund and recruitment of the Fund Accountant. The board of trustees exercises leadership, enterprise, integrity and judgment in directing the Fund.

The trustees are provided with full, appropriate and timely information that enables them to maintain full and effective control over the strategic, financial, operational and compliance issues. The day-to-day running of the operations of the fund is delegated to the fund administrator but the board of trustees is responsible for establishing and maintaining the fund's system of internal controls for the realization of its mandate of providing financial support for improved access to water and sanitation in areas without adequate services.

All members of the board of trustees have been taken through a comprehensive induction programme, and are adequately trained on their roles as board members. The trustees are professional, committed and guided by the mission, vision and core values of the Fund in execution of their duties. At the end of each financial year, the board, its committees, individual trustees and the Fund Administrator are evaluated by an independent body against targets agreed to at the beginning of the year.

### **BOARD MEETINGS**

The board of trustees shall be convening meetings at such times as may be necessary for the discharge of the committee's functions. The board of trustees also plays an oversight role over all other financial and operational issues. The trustees held twenty nine board meetings during the FY 2023/2024.

## **9. Management Discussion and Analysis**

The fund has commenced and is expected to grow over the period and the management has put measures in place to safeguard against risks.

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

The management has ensured that we comply with statutory requirements relating to the functions of the fund and also making sure that statutory deductions are remitted on time to avoid incurring penalties and interests for non-compliance.

## **FINANCIAL PERFORMANCE**

### **Revenue**

The fund earned its revenue amounting to KShs.6, 691,335.99 from its income interest. The income interest was high due to the fact that the fund was disbursed towards the start of the financial year 2023/2024.

The fund remained liquid throughout the period, experiencing high liquidity towards the end of the financial year due to delayed application and funds regulations polishing. The fund is projecting increased support from the development partners as well as the county government.

### **Cash flow**

The cash and cash equivalents is expected to grow gradually in the course of the funds' operation periods.

## **OPERATIONAL PERFORMANCE**

The fund's core operating activity has been offering car loans and mortgage to staff of the county assembly. The county assembly has supported the fund and an increased collection from members of staffs has also added to the fund's better performance.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Employees**

Human capital is a critical ingredient towards ensuring realisation of our key strategic objectives and mandate. As our stakeholders increase their expectations, it is imperative to ensure adequate and motivated human resource capacity is available to provide services.

During the year, the fund reviewed its organization structure that resulted to increase of staff from two (2) to one (3). This was done after rationalizations of staffs through Human resource staff audit.

**TURKANA COUNTY ASSEMBLY-CAR LOAN AND MORTGAGE SCHEME (STAFF)**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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**Conclusion**

We appreciate the unrelenting support from the board of trustees, management, staff, the county government, development partners and all the key stakeholders. We look forward to the continued partnerships and cooperation in areas of mutual interest in the FY 2024/2025.

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

Turkana County Assembly Car Loan and Mortgage scheme fund (staff) provides access of loans to staff at affordable rates. It ensures environmentally friendly designs and construction. Below is a brief highlight of our achievements in each pillar

### **1. Employee welfare**

The County Assembly Service Board has been using the County human resource manual and the schemes of services developed as per public service commission guidelines. The County Assembly has exposed some of the staff to refresher and on job trainings to improve skills and competence. CASB has a scheme of rewarding best performance through issuance of letters of appreciation and award of trophies to best performing departments.

The County Assembly is in the process of developing occupational and safety policy, however the county assembly is in compliance with MOH national framework on health safety.

### **2. Market place practices-**

The staffs are enjoying a low interest rate of 3% as compared to higher interest rates of about 14% prevailing in the financial marketing institutions.

**TURKANA COUNTY ASSEMBLY-CAR LOAN AND MORTGAGE SCHEME (STAFF)  
Annual Report and Financial Statements for the year ended June 30, 2024**

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**11. Report of the Directors/Fund Committee**

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

**Principal activities**

The principal activity of the Fund is to provide financing to the members of staff of the county assembly to purchase cars and houses for personal use.

**Results**

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

**Trustees**

The members of the Board of Trustees who served during the year are shown on page. The changes in the Board during the financial year are as shown below:

**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

  
.....

**Fund Administration Committee**

Date: 4/10/24  
.....

**12. Statement of Directors/Fund Committee Responsibilities**

Section 81 or 164 of the Public Finance Management Act, 2012 require the Directors/Fund Committee to prepare financial statements in respect of that county assembly, which give a true and fair view of the state of affairs of the county assembly at the end of the financial year and the operating results of the county assembly for that year. The Fund Committee are also required to ensure that the County assembly keeps proper accounting records which disclose with reasonable accuracy the financial position of the county assembly. The Directors Committee is also responsible for safeguarding the assets of the County assembly.

The Directors/Fund Committee are responsible for the preparation and presentation of the county assembly financial statements, which give a true and fair view of the state of affairs of the county assembly for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Entity; (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 county assembly; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors/Fund Committee accept responsibility for the county assembly financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Turkana County Assembly staff car Loan and Mortgage regulations of 2016. The Directors/Fund Committee are of the opinion that the county assembly financial statements give a true and fair view of the state of the county assembly transactions during the financial year ended June 30, 2024, and of the county assembly financial position as at that date. The Directors/Fund Committee further confirms the completeness of the accounting records maintained for the county assembly, which have been relied upon in the preparation of the county assembly financial statements as well as the adequacy of the systems of internal financial control.

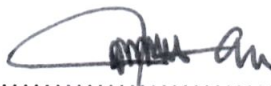
**TURKANA COUNTY ASSEMBLY-CAR LOAN AND MORTGAGE SCHEME (STAFF)  
Annual Report and Financial Statements for the year ended June 30, 2024**


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In preparing the financial statements, the Directors/Fund Committee have assessed the entity's ability to continue as a going concern. Nothing has come to the attention of the Directors/Fund Committee to indicate that the county assembly will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

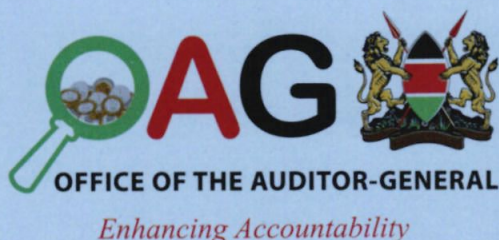
The county assembly financial statements were approved by the Board on 04/10/ 2024 and signed on its behalf by:

  
.....  
Name Lukau Linus  
Chairperson of the Board/Fund Committee

  
.....  
Name Lokwang James Spengu  
Accounting Officer/Fund Administrator

# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON TURKANA COUNTY ASSEMBLY CAR LOAN AND MORTGAGE SCHEME FUND (STAFF) FOR THE YEAR ENDED 30 JUNE, 2024**

---

### **PREAMBLE**

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

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

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

## REPORT ON THE FINANCIAL STATEMENTS

### **Opinion**

I have audited the accompanying financial statements of Turkana County Assembly Car Loan and Mortgage Scheme Fund (Staff) set out on pages 1 to 61, which comprise the statement of financial position as at 30 June, 2024, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015.

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

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

### **Key Audit Matters**

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

### **Other Information**

The Management is responsible for the other information set out on page iii to xvii which comprise of key entity information and management, statement of performance against predetermined objectives, corporate governance statement, management discussion and analysis, Environmental and sustainability reporting and statement of directors/fund committee responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Turkana County Assembly Car and Mortgage Fund (Staff) 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 USE OF PUBLIC RESOURCES

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Long Outstanding Borrowings due from Turkana County Assembly**

The statement of financial position and as disclosed in Note 29 to the financial statements reflects current receivables from non-exchange transactions of Kshs.98,181,169 with a comparative amount of Kshs.95,181,169 indicating an additional borrowing of Kshs.3,000,000. However, the amount of Kshs.95,181,169 has been long outstanding for a period more than one year. This is contrary to the requirement of Section 142(3) of the Public Finance Management Act, 2012 that restricts such borrowing to a period not exceeding one year.

In the circumstances, Management was in breach of law.

#### **2. Unremitted Loan Deductions**

The statement of financial position as disclosed in Note 27 to the financial statements reflects a bank balance of Kshs.4,655,918 in respect of Turkana County Assembly Car Loan and Mortgage Scheme Fund (Staff) held in a commercial bank. The amount included a reconciling item in respect of receipt in the cash book not yet recorded in the bank statement of Kshs.4,655,918. Review of the underlying documentation indicated that the balance represented loan deductions for the months of May and June, 2024 that had not been remitted by the County Assembly as at 30 June, 2024. This contravenes Section 19(1) of the Employment Act 2007 which requires an employer to pay the amount deducted from an employee's remuneration within the time period specified in the law.

In the circumstances, Management was in breach of the law and the Fund may not meet its financial obligations as and when they fall due.

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, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control 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 control, risk management and governance.

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

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

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

Those charged with governance are responsible for overseeing the Fund' financial reporting process, reviewing the effectiveness of how the Management monitors

compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also 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**

**20 December, 2024**

**TURKANA COUNTY ASSEMBLY-CAR LOAN AND MORTGAGE FUND (STAFF)**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**14. Statement of Financial Performance for the year ended 30 June 2024**

	Notes	2023-2024	2022-2023
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from other governments entities	6	-	-
Public contributions and donations	7	-	-
Transfers in-kind	8	-	-
		-	-
<b>Revenue from exchange transactions</b>			
Interest income	9	6,691,336	6,635,515
Rendering of services	10	-	-
Rental revenue from facilities and equipment	11	-	-
Fees and other charges	12	-	-
Other income	13	-	-
<b>Total revenue</b>		<b>6,691,336</b>	<b>6,635,515</b>
<b>Expenses</b>		-	-
Use of goods and services	14	245,000	-
Employee costs	15	-	-
Board Expenses	16	-	-
Depreciation and amortization expense	17	-	-
Repairs and maintenance	18	-	-
Contracted services	19	-	-
Grants and subsidies	20	-	-
Finance costs	21	1,560	17,750
<b>Total expenses</b>		<b>246,560</b>	<b>17,750</b>
<b>Surplus/deficit from operating activities</b>		-	-
<b>Other gains/(losses)</b>			
Gain/Loss on sale of assets	22	-	-
Gain/Loss on foreign exchange transactions	23	-	-
Gain /Loss on fair value of investments	24	-	-
Impairment loss	25	(-)	(-)
<b>Surplus/ (deficit) before tax</b>		<b>6,444,776</b>	<b>6,617,765</b>
Taxation	26	(-)	(-)
<b>Surplus/(deficit) for the Year</b>		<b>6,444,776</b>	<b>6,617,765</b>
<b>Net Surplus for the year</b>		<b>6,444,776</b>	<b>6,617,765</b>

**TURKANA COUNTY ASSEMBLY-CAR LOAN AND MORTGAGE SCHEME (STAFF)**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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The notes set out on pages 9 to 60 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 7 were signed on behalf of the Board of Directors/Fund committee by:

  
.....  
Name: Lokwa James  
Chairman Board/Fund

Date 4/10/2024

  
.....  
Name: Lokwang James  
Accounting Officer

Date 4/10/2024

  
.....  
Name: Ngasike Aipha  
Head of Finance

ICPAK M/No: 25106  
Date 04/10/2024

**TURKANA COUNTY ASSEMBLY-CAR LOAN AND MORTGAGE FUND (STAFF)**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**15 Statement of Financial Position as at 30 June 2024**

	Notes	2023-2024	2022-2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	27	4,655,918	3,065,258
Receivables from Exchange Transactions	28	-	-
Current Receivables From Non exchange (Due from Turkana County Assembly)	29	98,181,169	95,181,169
Inventories	30	-	-
Investments in financial assets	31	-	-
<b>Total Current Assets</b>		<b>102,837,088</b>	<b>98,246,428</b>
<b>Non-Current Assets</b>			
Receivables from Exchange Transactions	28	230,150,038	228,295,921
Investments in financial assets	31	-	-
Property, Plant and Equipment	32	-	-
Intangible Assets	33	-	-
Investment Property	34	-	-
<b>Total Non- Current Assets</b>		<b>230,150,038</b>	<b>228,295,921</b>
<b>Total Assets (A)</b>		<b>332,987,126</b>	<b>326,542,349</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	35	-	-
Refundable Deposits from Customers	36	-	-
Current Provision	37	-	-
Finance Lease Obligation	38	-	-
Deferred Income	39	-	-
Employee Benefit Obligations	40	-	-
Current Portion of Borrowings	41	-	-
Taxation	42	-	-
<b>Total Current Liabilities</b>			
<b>Non-Current Liabilities</b>			
Non-Current Provisions	37	-	-
Non-Current Employee Benefit Obligation	40	-	-

**WAKANDA COUNTY ASSEMBLY-CAR LOAN AND MORTGAGE SCHEME (STAFF)  
Annual Report and Financial Statements for the year ended June 30, 2024**

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Borrowings	41	-	-
Service Concession Liability	43	-	-
Deferred Tax Liabilities	44	-	-
<b>Total Non- Current Liabilities</b>		-	-
<b>Total Liabilities (B)</b>		-	-
<b>Net Assets (A-B)</b>		-	-
		<b>332,987,126</b>	<b>326,542,349</b>
<b>Represented By:</b>			
Reserves			
Accumulated Surplus		-	-
Revolving Fund		20,130,126	13,685,349
Capital Fund		312,857,000	312,857,000
<b>Net Assets</b>		-	-
		<b>332,987,126</b>	<b>326,542,349</b>

The financial statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:

.....  
Name: Lilawu Lenu  
Chairman Board/Fund

.....  
Name: Lokwang James  
Accounting Officer

.....  
Name: Ngesiko Caiphas  
Head of Finance

Date

Date 4/18/2024

ICPAK M/No: 20706  
Date 04/12/2024

**TURKANA COUNTY ASSEMBLY-CAR LOAN AND MORTGAGE FUND (STAFF)**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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

Description	Revaluation reserve	Fair value adjustment reserve	Accumulated surplus	Revolving Fund	Capital/Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>As at July 1, 2022</b>			<b>103,067,584</b>	<b>216,857,000</b>		<b>319,846,067</b>
Revaluation gain		-	-	-	-	-
Fair value adjustment on investments	-	-	6,617,765	-	-	6,617,765
Surplus/ deficit for the year	-	-	-	-	-	-
Funds received During the year	-	-	(-)	-	-	-
Transfers from accumulated surplus to revolving fund	-	-	-	-	-	-
Capital/development grants received during the year	-	-	<b>109,685,350</b>	<b>216,857,000</b>		<b>326,542,349</b>
<b>As at June 30, 2023</b>						
<b>As at June 30, 2023(Restated)</b>			<b>13,685,349</b>	<b>312,857,000</b>	-	<b>326,542,349</b>
Revaluation gain	-	-	-	-	-	-
Fair value adjustment on investments	-	-	6,444,776	-	-	6,444,776
Surplus/ (deficit) for the year	-	-	-	-	-	-
Funds received During the year	-	-	(-)	-	-	-
Transfers from accumulated surplus to revolving fund	-	-	-	-	-	-
Capital/development grants received during the year	-	-	<b>20,130,126</b>	<b>312,857,000</b>	-	<b>332,987,126</b>
<b>As at June 30, 2024</b>						

**TURKANA COUNTY ASSEMBLY-CAR LOAN AND MORTGAGE FUND (STAFF)  
Annual Report and Financial Statements for the year ended June 30, 2024**

**17. Statement of Cash Flows for the year ended 30 June 2024**

	Notes	2023-2024	2022-2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other governments entities		-	-
Public contributions and donations		-	-
Interest received		6,691,336	6,635,515
Rendering of services		-	-
Rental revenue from facilities and equipment		-	-
Fees and other charges		-	-
Other income( <i>specify</i> )		-	-
<b>Total receipts</b>		<b>6,691,336</b>	<b>6,635,515</b>
<b>Payments</b>			
Use of goods and services		(-)	(-)
Employee costs		(-)	(-)
Board Expenses		(-)	(-)
Repairs and maintenance		(-)	(-)
Contracted services		(-)	(-)
Grants and subsidies		(-)	(-)
Finance costs		(-)	(-)
<b>Total payments</b>		<b>(1,560)</b>	<b>(17,750)</b>
<b>Net cash flows from/(used in) operating activities</b>	45	<b>1,560</b>	<b>17,750</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE		(-)	(-)
Purchase of Intangible assets		(-)	(-)
Proceeds from sale of PPE		-	-
Proceeds from loan principal repayments		22,387,917.49	22,021,704
Loan disbursements paid out		(23,980,000.00)	(21,332,885.37)
Purchase of investments		(-)	-
Proceeds from sale of investments		-	-
<b>Net cash flows from/(used in) investing activities</b>		<b>(1,592,082)</b>	<b>688,819</b>
<b>Cash flows from financing activities</b>			
Revolving fund receipts		(262,034)	(19,756,605)
Proceeds from borrowings		(3,000,000)	16,681,700

**TURKANA COUNTY ASSEMBLY-CAR LOAN AND MORTGAGE SCHEME (STAFF)**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Repayment of borrowings		(-)	(5,502,900)
<b>Net cash flows from financing Activities</b>		<b>(3,262,034)</b>	<b>(8,577,805)</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>1,590,660</b>	<b>(1,271,221)</b>
Cash and cash equivalents at the beginning (1 <sup>st</sup> July)	27	3,065,258	4,336,480
Cash and cash equivalents at the end (30 <sup>th</sup> June)	27	4,655,918	3,065,258

**TURKANA COUNTY ASSEMBLY-CAR LOAN AND MORTGAGE FUND (STAFF)**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	<b>a</b>	<b>b</b>	<b>c= (a+b)</b>	<b>D</b>	<b>e=(c-d)</b>	<b>f=d/c*100</b>
<b>Revenue</b>						
Transfers from Other Governments entities	-	-/(-)	-	-	(-)	-
Public Contributions and Donations	-	-/(-)	-	-	(-)	-
Interest income	6,691,336	(-)	6,691,336	-	6,691,336	100%
Rendering of Services	-	-/(-)	-	-	(-)	-
Rental Revenue from Facilities and Equipment	-	-/(-)	-	-	-	-
Fees and other charges	-	-/(-)	-	-	(-)	-
Other Income	-	-/(-)	-	-	(-)	-
<b>Total Income</b>	<b>6,691,336</b>	<b>(-)</b>	<b>6,691,336</b>	<b>-</b>	<b>6,691,336</b>	<b>100%</b>
<b>Expenses</b>						
Use of Goods and Services	-	-/(-)	-	-	(-)	-
Employee costs	-	-/(-)	245,000	-	(245,000)	100 %
Board Expenses	-	-/(-)	-	-	(-)	-
Repairs and Maintenance	-	-/(-)	-	-	-	-
Contracted Services	-	-/(-)	-	-	(-)	-
Grants and Subsidies	-	-/(-)	-	-	(-)	-
Finance costs	1,560	-/(-)	1,560	-	(1,560)	100 %
<b>Total Expenditure</b>	<b>246,560</b>	<b>-/(-)</b>	<b>246,560</b>	<b>-</b>	<b>246,560</b>	<b>100 %</b>
<b>Surplus for the period</b>	<b>6,444,776</b>	<b>-/ (-)</b>	<b>6,444,776</b>	<b>-</b>	<b>6,444,776</b>	<b>100 %</b>
<b>Capital Expenditure</b>	<b>-</b>	<b>-/(-)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **19. Notes to the Financial Statements**

### **1. General Information**

Turkana County Assembly is established by and derives its authority and accountability from Turkana County Assembly car Loan (staff) scheme Fund regulations, 2016 Act on 11th March 2016. The Entity is wholly owned by the Turkana County Assembly and is domiciled in Kenya. The entity's principal activity is legislation, oversight, and representation.

### **2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts, and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the county assembly accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the county assembly. The financial statements have been prepared in accordance with the PFM Act 2012, the State Corporations Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**TURKANA COUNTY ASSEMBLY-CAR LOAN AND MORTGAGE FUND (STAFF)  
Annual Report and Financial Statements for the year ended June 30, 2024**

**3. Adoption of New and Revised Standards**

- i. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

Standard	Effective date and impact:
IPSAS 43: Leases	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45: Property Plant and Equipment	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46: Measurement	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across</li> </ul>

**TURKANA COUNTY ASSEMBLY-CAR LOAN AND MORTGAGE FUND (STAFF)  
Annual Report and Financial Statements for the year ended June 30, 2024**

	<p>IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

*ii. Early adoption of standards*

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

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Fees and other charges**

The county assembly recognizes revenues from fees and other charges when the event occurs, and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Entity and the fair value of the asset can be measured reliably.

**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. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

**ii) Revenue from exchange transactions**

**Rendering of services**

The Entity recognizes revenue from the rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**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.

**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 the Current FY 2023/2024 was approved by the National/County Assembly on 23/6/2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals to conclude the final budget. The Entity recorded additional appropriations of 1,192,468,006 on the FY 2024 budget following the governing body's approval. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx of these financial statements.

**c) Taxes**

**Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the county assembly operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates, and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits, and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside

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surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable *Entity* and the same taxation authority.

***Sales tax***

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included  
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**d) 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. Transfers are made to or from investment property only when there is a change in use.

**e) 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.

**f) Leases**

Finance leases are leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the county assembly. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The county assembly also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the county assembly will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the *Entity*. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**g) 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. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

**h) Research and development costs**

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the county assembly county assembly can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

**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. 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.

**a) Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

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

**Amortized cost**

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

**Fair value through net assets/ equity**

Financial assets that are held for the 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.

**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.

**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 a surplus or deficit model.

**Impairment**

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

**b) Financial liabilities**

**Classification**

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

**i) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or 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:

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

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

**j) Provisions**

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

**k) Contingent liabilities**

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

**l) 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.

**m) Nature and purpose of reserves**

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

**n) 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.

**o) 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 a proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**p) 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.

**q) 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 the construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**r) Related parties**

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

**s) Service concession arrangements**

The Entity analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the county assembly recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement, or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**t) 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 an insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and various commercial banks at the end of the financial year.

**u) Comparative figures**

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

**v) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 20xx.

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions.**

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

**Useful lives and residual value**

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

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

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 37. 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.

*(include provisions applicable to your organisation e.g. provisions for bad debts, provisions of obsolete stocks, and how management estimates these provisions).*

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**6. Transfers from Other Government entities**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Unconditional Grants</b>		
Operational Grant	-	-
Unconditional development grants	-	-
Other Grants( <i>specify</i> )	-	-
<b>Total Unconditional Grants</b>	-	-
<b>Conditional Grants amortised/ transferred to revenue</b>		
Development Grant	-	-
Operational Grant	-	-
Other Organizational Grants (specify)	-	-
<b>Total Government Grants and Subsidies</b>	-	-

**b) Transfers from Ministry/County Departments**

Name of The Entity Sending the Grant	Amount recognized to Statement of Financial performance. *	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers 2023/2024	2022/2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Ministry/County Department	-	-	-	-	-
Ministry	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

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**7. Public Contributions and Donations**

Description	2023-2024	2022-2023
	Kshs	Kshs
Research Donations	-	-
Donations transferred to revenue on conditions being met.	-	-
Other Public Donations (Specify)	-	-
<b>Total Transfers and Sponsorships</b>	-	-
<b>Reconciliation of Public Contributions and Donations</b>		
Balance Unspent at Beginning of The Year	-	-
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions To Be Met - Remain Liabilities	-	-

**8. Transfers in-kind.**

Description	2023-2024	2022-2023
	Kshs	Kshs
Payments by Ministry/County Department on behalf of the entity	-	-
Others	-	-
<b>Total Transfers in-kind</b>	-	-

**9. Interest income**

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest Income from Mortgage Loans	6,691,336	6,635,515
Others	-	-
<b>Total Interest income</b>	<b>6,691,336</b>	<b>6,635,515</b>

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**10. Rendering of Services**

Description	2023-2024	2022-2023
	Kshs	Kshs
Training Fees	-	-
Others (specify)	-	-
<b>Total Revenue from The Rendering of Services</b>	-	-

*(Provide a brief explanation for this revenue. The entity should tailor this note to reflect the services rendered.)*

**11. Rental Revenue from Facilities and Equipment**

Description	2023-2024	2022-2023
	Kshs	Kshs
Operating Lease Revenues	-	-
Contingent Rentals*	-	-
<b>Total Rentals</b>	-	-

*(Provide a brief explanation for this revenue)*

*\*Contingent rentals include the hire of grounds, and institutional facilities like halls, kitchens etc.*

**12. Fees and other charges**

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees	-	-
Charges from defaults	-	-
Others (specify)	-	-
<b>Total Fees and other charges</b>	-	-

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**13. Other Income**

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest on cash investments and fixed deposits	-	-
Interest on Bank balances	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Insurance recoveries	-	-
Income from sale of tender	-	-
Services concession income	-	-
Skills development levy	-	-
Bad debts recovered	-	-
Miscellaneous incomes ( <i>specify</i> )	-	-
<b>Total Other income</b>	-	-

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**14. Use of Goods and Services**

Description	2023/2024	2022/2023
	Kshs	Kshs
Electricity	-	-
Water	-	-
Subscriptions	-	-
Advertising	-	-
Admin Fees	-	-
Audit Fees	-	-
Conferences and Delegations	-	-
Consulting Fees	-	-
Consumables	-	-
Fuel and Oil	-	-
Insurance	-	-
Legal Expenses	-	-
Licenses and Permits	-	-
Postage	-	-
Printing and Stationery	-	-
Hire Charges	-	-
Rent expenses	-	-
Security Costs	-	-
Skills Development Levies	-	-
Inventory Scrapping	-	-
Telecommunication	-	-
Training	-	-
Travel, Subsistence & Other Allowances*	245,000	-
Bank charges	-	-
Other program support expenses( <i>specify</i> )	-	-
<b>Total</b>	<b>245,000</b>	<b>-</b>

*\*Travel, accommodation, subsistence, and other allowances- Where this cost has been budgeted under employee costs, please report it under note 15. (Provide brief explanation expenditure variations compared to the previous year)*

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**15. Employee Costs**

Description	2023/2024	2022/2023
	Kshs	Kshs
Salaries and wages	-	-
Employer contribution to health insurance schemes	-	-
Employer contribution to pension schemes	-	-
Travel, accommodation, subsistence, & other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Performance and other bonuses	-	-
Social contributions	-	-
Gratuity	-	-
Extraneous	-	-
Other employee related costs *	-	-
<b>Employee costs</b>	-	-

\* Other employee-related costs- please provide a brief explanation for these costs.

**16. Board Expenses**

Description	2023/2024	2022/2023
	Kshs	Kshs
Chairman/Directors' Honoraria	-	-
Sitting Allowances	-	-
Medical Insurance	-	-
Induction and Training	-	-
Travel and Accommodation	-	-
Other Allowances	-	-
<b>Total</b>	-	-

(Provide brief explanation expenditure variations compared to the previous year)

**17. Depreciation and Amortization Expense**

Description	2023/2024	2022/2023
	Kshs	Kshs
Property, plant, and equipment	-	-
Intangible assets	-	-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	-	-

(Provide brief explanation expenditure variations compared to the previous year)

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**18. Repairs and Maintenance**

Description	2023/2024	2022/2023
	Kshs	Kshs
Property and equipment	-	-
Investment Property	-	-
Equipment and Machinery	-	-
Vehicles	-	-
Furniture and Fittings	-	-
Computers	-	-
Others (specify)	-	-
<b>Total Repairs and Maintenance</b>	<b>-</b>	<b>-</b>

*(Provide a brief explanation of expenditure variations compared to the previous year)*

**19. Contracted Services**

Description	2023/2024	2022/2023
	Kshs	Kshs
Actuarial Valuations	-	-
Investment Valuations	-	-
Property Valuations	-	-
Others (specify)	-	-
<b>Total Contracted Services</b>	<b>-</b>	<b>-</b>

*(Provide brief explanation of expenditure variations compared to the previous year)*

**20. Grants and Subsidies**

Description	2023/2024	2022/2023
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Community Trust	-	-
Sporting Bodies	-	-
Others (specify)	-	-
<b>Total Grants and Subsidies</b>	<b>-</b>	<b>-</b>

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**21. Finance Costs**

Description	2023/2024	2022/2023
	Kshs	Kshs
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Unwinding of discount on lease liabilities	-	-
Interest on bank overdrafts	-	-
Interest on loans from commercial banks	1,560	17,750
<b>Total finance costs</b>	<b>1,560</b>	<b>17,750</b>

*\*Borrowing costs that relate to interest expense on acquisition of non-current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)*

**22. Gain/Loss on Sale of Assets**

Description	2023/2024	2022/2023
	Kshs	Kshs
	-	-
Property, plant and equipment	-	-
Intangible assets	-	-
Other assets not capitalised	-	-
<b>Total gain on sale of assets</b>	<b>-</b>	<b>-</b>

*(Provide brief explanation on gains on sale of fixed assets)*

**23. Gain/Loss on foreign exchange transactions**

Description	2023/2024	2022/2023
	Kshs	Kshs
Gain on foreign exchange transactions	-	-
Loss on foreign exchange transactions	(-)	(-)
<b>Total Gain/Loss</b>	<b>-</b>	<b>-</b>

*(Provide a brief explanation of gain/loss on foreign exchange transactions)*

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

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

*(Provide a brief explanation of fair value valuation on investment assets)*

**25. Impairment Loss**

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

*(Provide brief explanation on assets impairment loss)*

**26. Taxation**

Description	2023/2024	2022/2023
	Kshs	Kshs
Current income tax charge	-	-
Tax charged on rental income	-	-
Tax charged on interest income	-	-
<b>Deferred tax: [note 44]</b>	-	-
Original and reversal of temporary differences	-	-
<b>Income tax expense reported in the statement of financial performance</b>	-	-

*(Provide brief explanation on taxation, if any, as a public entity on revenues not exempted)*

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**27. Cash and Cash Equivalents**

Description	2023/2024	2022/2023
	Kshs	Kshs
Bank balances	-	-
On - Call Deposits	-	-
On – Call Deposits	-	-
Current Account	4,655,918	3,065,258
Others	-	-
<b>Total Cash and Cash Equivalents</b>	<b>4,655,918</b>	<b>3,065,258</b>

*(The amount should agree with the closing and opening balances as included in the statement of cash flows. List all bank accounts. Provide brief explanation on cash variations compared to the previous year)*

**Detailed Analysis of the Cash and Cash Equivalents**

Financial Institution	Account number	2023/2024	2022/2023
		Kshs	Kshs
<b>a) Bank balances(Current balances)</b>			
Turkana County Assembly Car Loan & Mortgage scheme-Cooperative Bank-Lodwar Branch	1141591530501	4,655,918	3,065,258
Bank B			-
<b>Sub- Total</b>		<b>4,655,918</b>	<b>3,065,258</b>
<b>b) On - Call Deposits</b>			
Bank		-	-
Bank		-	-
<b>Sub- Total</b>		-	-
<b>c) Fixed Deposits Account</b>			
Bank		-	-
Bank		-	-
<b>Sub- Total</b>		-	-
<b>d) Others (Specify)</b>			
Cash In Transit		-	-
Cash In Hand		-	-
Mobile Money Accounts		-	-
<b>Sub- Total</b>		<b>4,655,918</b>	<b>3,065,258</b>
<b>Grand Total</b>		<b>4,655,918</b>	<b>3,065,258</b>

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**28. Receivables from Exchange Transactions**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Current Receivables</b>		
Loan interest receivable	-	-
Current Loan Repayments Due	98,181,169	95,181,169
Fees and other charges due	-	-
Others	(-)	(-)
Less: Impairment Allowance	(-)	(-)
<b>Total Current Receivables</b>	<b>98,181,169</b>	<b>95,181,169</b>
<b>Non-Current Receivables</b>		
Long Term Loan Repayments Due	230,150,038	228,295,921
<b>Total Non- Current Receivables</b>	<b>230,150,038</b>	<b>228,295,921</b>
<b>Total Receivables from Exchange Transactions</b>	<b>332,987,126</b>	<b>323,477,090</b>

**(b) Ageing analysis for Receivables from exchange transactions**

Description	2023/2024		2022/2023	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (a+b)</b>	<b>-</b>	<b>%</b>	<b>-</b>	<b>%</b>

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**(c) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions**

Impairment allowance/ provision	2023/2024	2022/2023
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	(-)	(-)
Written off during the year	(-)	(-)
At the end of the year	-	-

*(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)*

**29. Receivables from Non-Exchange Transactions**

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Specify	-		-	
<b>Total receivables</b>	-		-	
Ageing Analysis- Receivables from non-exchange transactions	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	3,000,000	%	3,000,000	%
Between 1-2 years	-	%	-	%
Over 3 years	95,181,169	%	95,181,169	%
<b>Total</b>	<b>98,181,169</b>	<b>%</b>	<b>98,181,169</b>	<b>%</b>

**Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions**

Description	2023/2024	2022/2023
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	(-)	(-)
Written off during the year	(-)	(-)
At the end of the year	-	-

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**30. Inventories**

Description	2023/2024	2022/2023
	Kshs	Kshs
Consumable stores	-	-
Other goods held for resale	-	-
Catering	-	-
Others (specify)	-	-
Less: allowance for impairment	(-)	(-)
<b>Total inventories at the lower of cost and net realizable value</b>	-	-

*(Provide brief explanation on inventories)*

**31. Investments in financial assets**

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

*(Entity should disclose whether the fixed investment financial assets are measured at amortized cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes: the interest rates, maturity dates, valuation methodology, and impairment of these investments.*

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**d) Movement of Equity Investments**

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

**e) Shareholding in other entities**

For investments in equity share listed under note 31 above, list down the equity investments under the following categories:

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

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**32. Property, Plant and Equipment**

Cost/Revalued amount	Land	Buildings	Motor vehicles	Furniture and fittings	ICT Equipment	Office Equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation rate	-	-	-	-	-	-	-	-	-
As At 1 July (comparative FY)	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	(-)	-	-	-	(-)	(-)	(-)
Transfers/Adjustments	-	-	(-)	-	(-)	(-)	(-)	-	(-)
As at 30 <sup>th</sup> June (comparative FY)	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	-	-	-	-	(-)	(-)	(-)
Transfer/Adjustments	(-)	(-)	xxx	-	(-)	(-)	(-)	-	(-)
<b>As at 30<sup>th</sup> June (Current FY)</b>	-	-	-	-	-	-	-	-	(-)
Depreciation And Impairment									
At 1 July (comparative FY)	-	(-)	(-)	(-)	(-)	(-)	(-)		(-)
Depreciation	-	(-)	(-)	(-)	(-)	(-)	(-)		(-)
Impairment	-	(-)	-	-	-	-	(-)		(-)
Transfers/ Adjustments	-	(-)	-	-	-	-	(-)		(-)
As At 30 <sup>th</sup> (Current FY)	-	-	-	-	-	-	(-)		-
Depreciation	-	(-)	(-)	(-)	(-)	(-)	(-)		(-)
Disposals	-	(-)	-	-	-	-	-		(-)
Impairment	-	(-)	(-)	-	-	-	(-)		(-)
Transfer/Adjustment	-	xxx	(-)	(-)	-	-	(-)		(-)
<b>As at 30<sup>th</sup> June (Current FY)</b>	-	-	-	(-)	-	-	-		-
Net Book Values									
<b>As at 30<sup>th</sup> June (comparative FY)</b>	-	-	-	-	-	-	-	-	-
<b>As at 30<sup>th</sup> June (Current FY)</b>	-	-	-	-	-	-	-	-	-

*(Include a brief description of WIP as a footer.)*

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**Valuation**

Land and buildings/ Equipment were not valued in line with the National Assets and Liabilities Management Policy and Guidelines (issued 30<sup>th</sup> June 2020).

**(b) Property, Plant and Equipment at Cost**

If the freehold land, buildings, and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	-	-	-
Computers And Related Equipment	-	-	-
Office Equipment	-	-	-
Furniture and Fittings	-	-	-
Others ( <i>specify</i> )	-	-	-
<b>Total</b>	-	-	-

Property plant and Equipment includes the following assets that are fully depreciated:

Description	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	-	-
Motor Vehicles including Motorcycles	-	-
Computers and Related Equipment	-	-
Office Equipment	-	-
Furniture and Fittings	-	-
Others (specify)	-	-
<b>Total</b>	-	-

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**33. Intangible Assets**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Cost</b>		
<b>At beginning of the year</b>	-	-
Additions	-	-
<b>At end of the year</b>	-	-
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	-	-
Amortization	-	-
Impairment loss	-	-
<b>At end of the year</b>	-	-
<b>NBV</b>	-	-

**34. Investment Property**

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

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**35. Trade and Other Payables**

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Trade payables	-		-	
Employee payables	-		-	
Third-party payments	-		-	
Other payables	-		-	
<b>Total trade and other payables</b>	-		-	
Ageing analysis: (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (tie to above total)</b>	-		-	

*(Provide brief explanation)*

**36. Refundable Deposits Customers**

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Customer deposits	-		-	
Prepayments	-		-	
Other deposits	-		-	
<b>Total deposits</b>	-		-	
Ageing analysis: (Refundable deposits)	Current FY	% of the Total	Comparative FY	% of the Total
<b>Under one year</b>	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-		-	

*(Provide brief explanation)*

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**37. Provisions**

Description	Leave provision	Bonus provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance brought forward at the beginning of the year	-	-	-	-	-
Additional provisions during the year	-	-	-	-	-
Provision utilised during the year	(-)	(-)	(-)	(-)	(-)
Change due to discount and time value for money	(-)	(-)	(-)	(-)	(-)
<b>Total provisions at the end year</b>	-	-	-	-	-
<b>Analysed as:</b>					
Current Provisions	-	-	-	-	-
Non-Current Provisions	-	-	-	-	-

**38. Finance Lease Obligation**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>At the start of the year</b>	-	-
Discount interest on lease liability	-	-
Paid during the year	(-)	(-)
<b>At end of the year</b>	-	-

**Maturity Analysis**

Period	Amount (Kshs)
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 And Onwards	-
Less: Unearned Interest	(-)
<b>Total</b>	-

**Analysed as:**

Description	Amount (Kshs)
Current	-
Non- Current	-
<b>Total</b>	-

*(Provide brief explanation)*

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The deferred income movement is as follows:

**39. Deferred Income**

Description	2023/2024	2022/2023
	Kshs	Kshs
National/ County Government	-	-
Public Contributions and Donations	-	-
<b>Total Deferred Income</b>	<b>-</b>	<b>-</b>

*(Provide brief explanation)*

	National/ County Government	Public contributions and donations	Total
	Kshs	Kshs	Kshs
Balance Brought Forward	-	-	-
Additions	-	-	-
Transfers To Capital Fund	(-)	(-)	(-)
Transfers To Income Statement	(-)	(-)	(-)
Other Transfers	(-)	(-)	(-)
Balance Carried Forward	-	-	-

**40. Employee Benefit Obligations**

Description	Defined benefit plan	Post- employem t medical benefits	Other Benefits	(Current FY)	(Comparat ive FY)
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	(-)	(-)	(-)	(-)	(-)
Non-Current Benefit Obligation	(-)	(-)	(-)	(-)	(-)
<b>Total Employee Benefits Obligation</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>

**Retirement benefit Asset/ Liability**

The Entity operates a defined benefit scheme for all full-time employees from July 1, 2023. The scheme is administered by county assembly while lap trust and lap fund is the custodian of the scheme. The scheme is based on xxx percentage of the salary of an employee at the time of retirement. An actuarial valuation to fulfill the financial reporting disclosure requirements of IPSAS 39 was carried out as at June by actuarial valuers on this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

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Description	2023/2024	2022/2023
Discount Rates	-	-
Future Salary Increases	-	-
Future Pension Increases	-	-
Mortality (pre- retirement)	-	-
Mortality (post-retirement)	-	-
Withdrawals	-	-
Ill Health	-	-
Retirement	-	-

**Recognition of Retirement Benefit Asset/ Liability**

a) Amounts recognised under other gains/ Losses in the statement of Financial Performance:

Description	2023/2024	2022/2023
	Kshs	Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial gains/ losses arising from changes in financial assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others (specify)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
<b>Remeasurement of the net defined benefit liability (asset)</b>	-	-

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**b) Amounts recognised in the Statement of Financial Position**

Description	2023/2024	2022/2023
	Kshs	Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded status (=a-b)	-	-
Restrictions on asset recognised	-	-
Others ( <i>specify</i> )	-	-
<b>Net asset or liability arising from defined benefit obligation</b>	-	-

The Entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. per employee per month. Other than NSSF the Entity also has a defined contribution scheme operated by National social security fund Pension Fund. Employees contribute % while employers contribute % of basic salary. Employer contributions are recognized as expenses in the statement of financial performance within the period they are incurred.

**41. Borrowings**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>a) External borrowings</b>		
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Repayments of during the year	(-)	(-)
<b>Balance at end of the year</b>	-	-
<b>b) Domestic borrowings</b>		
Balance at beginning of the year	-	-
Domestic borrowings during the year	-	-
Repayments during the year	(-)	(-)
<b>Balance at end of the year</b>	-	-
<b>Balance at end of the period- domestic and External borrowings c = a+b</b>	-	-
<b>Short Term Borrowings (Current Portion)</b>	-	-
<b>Long Term Borrowings</b>	-	-
<b>Total</b>	-	-

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The analyses of both external and domestic borrowings are as follows:

	2023/2024	2022/2023
	Kshs	Kshs
<b>External Borrowings</b>		
Dollar Denominated Loan From 'X Organisation'	-	-
Sterling Pound Denominated Loan From 'Y Organisation'	-	-
Euro Denominated Loan from Z Organisation'	-	-
<b>Domestic Borrowings</b>		
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Total Balance at End Of The Year	-	-

**42. Taxation**

Description	2023/2024	2022/2023
	Kshs	Kshs
At beginning of the year	-	-
Income tax charge for the year (note 26)	-	-
Under/(over) provision in prior year/s (note 26)	-	-
Income tax paid during the year	-	-
At end of the year	-	-

*[Provide short, appropriate explanations as necessary]*

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**43. Service Concession Liability**

Description	2023/2024	2022/2023
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	=	=
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	(-)	(-)
<b>Service concession liability at end of the year</b>	<b>=</b>	<b>=</b>

**44. Deferred Tax Liability**

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year-end is attributable to the following items:

Description	2023/2024	2022/2023
	Kshs	Kshs
Accelerated capital allowances	-	-
Unrealised exchange gains/(losses)	-	-
Revaluation surplus	-	-
Tax losses carried forward	(-)	(-)
Provisions for liabilities and charges	(-)	(-)
<b>Net deferred tax liability/(asset)</b>	<b>-</b>	<b>-</b>
<b>The movement on the deferred tax account is as follows:</b>		
<b>Balance at beginning of the year</b>	<b>-</b>	<b>-</b>
Credit to revaluation reserve	(-)	(-)
Under provision in prior year	-	-
Income statement charge/(credit)	-	-
<b>Balance at end of the year</b>	<b>-</b>	<b>-</b>

*(In ordinary circumstances public sector entities under IPSAS are not expected to pay taxes on surplus funds. However, in specific cases where this is applicable an organisation is supposed to seek guidance on accounting for income taxes from IAS 12)*

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**45. Cash Generated from Operations**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Surplus/Deficit for the year</b>	-	-
<b>Adjusted for:</b>		
Depreciation	-	-
Non-cash grants received	(-)	(-)
Contributed assets	(-)	(-)
Impairment	-	-
Gains and losses on disposal of assets	(-)	(-)
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
<b>Working capital adjustments</b>		
Increase in inventory	(-)	(-)
Increase in receivables	(-)	(-)
Increase in deferred income	-	-
Increase in payables	-	-
Increase in payments received in advance	-	-
<b>Net cash flow from operating activities</b>	-	-

*(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)*

**46. Financial Risk Management**

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management programme focuses on the unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Entity 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 Entity's financial risk management objectives and policies are detailed below:

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**i) Credit risk**

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience, and other factors. Individual risk limits are set based on internal or external assessments 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.

**Financial Risk Management**

The carrying amount of financial assets recorded in the financial statements representing the Entity's maximum exposure to credit risk without taking account the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (Current FY)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-
<b>As at 30 June (Previous FY)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-

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

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**Financial Risk Management**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has a significant concentration of credit risk on amounts due from xxx. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Entity's directors, who have 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 Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (Current FY)</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Others ( <i>specify</i> )	-	-	-	-
<b>Total</b>	-	-	-	-
<b>As at 30<sup>th</sup> June (Previous FY)</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Others ( <i>specify</i> )	-	-	-	-
<b>Total</b>	-	-	-	-

**Financial Risk Management**

**iii) Market risk**

The *Entity* 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 rates, equity prices, and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's xxx Department is responsible for the development of detailed risk management policies (subject to review and approval by the Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

**a) Foreign currency risk**

The *Entity* has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after xxx days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The *Entity* manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting expected sales proceeds and matching the same with expected payments.

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**Financial Risk Management**

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:

**Current FY**

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

**Foreign currency sensitivity analysis**

**Current FY**

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

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**Financial Risk Management**

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

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
<b>Current FY</b>			
Euro	-	-	-
USD	-	-	-
Sterling pound	-	-	-
<b>Previous FY</b>			
Euro	-	-	-
USD	-	-	-
Sterling pound	-	-	-

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**Sensitivity analysis**

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

**Fair value of financial assets and liabilities**

**a) Financial instruments are measured at fair value.**

**Determination of fair value and fair values hierarchy**

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *Entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *Entity* considers relevant and observable market prices in its valuations where possible.

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**Financial Risk Management**

The following table shows an analysis of financial and non-financial instruments recorded at fair value by level of the fair value hierarchy:

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30 June (Current FY)</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	-	-	-	-
<b>Non- Financial Assets</b>				
Investment Property	-	-	-	-
<b>Total</b>	-	-	-	-
<b>As at 30<sup>th</sup> June (Previous FY)</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	-	-	-	-
<b>Non- Financial Assets</b>				
Investment Property	-	-	-	-
<b>Total</b>	-	-	-	-

There were no transfers between levels 1, 2, and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

**iv) Capital Risk Management**

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

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
xxx Reserve	-	-
<b>Total Funds</b>	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash And Cash Equivalents)	-	-
<b>Gearing</b>	-	-

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**47. Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to the Entity include those parties who have the 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.

**Government of Kenya**

The Government of Kenya is the principal shareholder of the Entity, holding 100% of the Entity's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Entity, both domestic and external.

**Other related parties include:**

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of Directors/Fund Committees.
- vi) Others (*specify*)

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Sales to related parties</b>		
Rent income from govt. Agencies	-	-
Others (specify)	-	-
<b>Total</b>	-	-
<b>b) Purchases from related parties</b>		
Purchases of electricity from KPLC	-	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. Agencies	-	-
Others (specify)	-	-
<b>Total</b>	-	-
<b>c) Grants /transfers from the government</b>		
Grants from National government	-	-
Grants from County government	-	-
Donations in kind	-	-
<b>Total</b>	-	-
<b>a) Expenses incurred on behalf of related party</b>		
Salaries and wages for xxx employees	-	-

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Description	2023/2024	2022/2023
	Kshs	Kshs
Goods and services for xxx	-	-
Others (specify)	-	-
<b>Total</b>		
<b>b) Key management compensation</b>		
Directors' emoluments	-	-
Compensation to key management	-	-
<b>Total</b>	-	-

**48. Segment Information**

*(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an Entity to present segmental information of each geographic region or department to enable users understand the Entity's performance and allocation of resources to different segments)*

**49. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Contingent Assets</b>		
Insurance Reimbursements	-	-
Assets Arising from Determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others (Specify)	-	-
<b>Total</b>	-	-

*(Give details)*

**Contingent Liabilities**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Contingent Liabilities</b>	-	-
Court Case xx against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
<b>Total</b>	-	-

*(Give details)*

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**50. Capital Commitments**

Capital Commitments	2023/2024	2022/2023
	Kshs	Kshs
Authorised for	-	-
Authorised and contracted for	-	-
<b>Total</b>	-	-

*(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorized by the board but at the end of the year had not been contracted or those already contracted for and ongoing).*

**51. Events after the Reporting Period**

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

**52. Ultimate And Holding Entity**

The Entity is a Corporation/ or a Semi-Autonomous Government Agency under the Ministry/County of xxx. Its ultimate parent is the Government of Kenya.

**53. Currency**

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

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**20. Appendices**

**Appendix 1: Implementation Status of Auditor-General’s Recommendations**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from the final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Entity responsible for the implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved”.

.....

DG/C.E.O/M.D/Fund Administrator (enter title of head of Entity)

Date:

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**Appendix II: Projects implemented by (The Entity)**

Projects implemented by the Entity Funded by development partners and/ or the Government.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements. (Yes/No)

**Status of Project Completion**

*(Provide a summary of the project implementation status, i.e. total costs incurred, stage which the project is etc)*

S/No	Project Name	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds

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**Appendix IV: Transfers from Other Government Entities**

Name of the Entity Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development /Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Reserve	Deferred Income	Receivables	Others - must be specific	
-	-	Recurrent	-	-	-	-	-	-	-
-	-	Development	-	-	-	-	-	-	-
<b>Total</b>			-	-	-	-	-	-	-

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**Appendix V- Inter-Entity Confirmation Letter**

Name of transferring entity:.....

Name of beneficiary entity:.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 <sup>th</sup> June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

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

**Head of Accounts Department - Disbursing Entity:**  
**Name .....** **Sign .....** **Date .....**

**Head of Accounts Department - Beneficiary Entity:**  
**Name .....** **Sign .....** **Date.....**

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**Appendix VI: Reporting of Climate Relevant Expenditures**

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

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**Appendix VII: Reporting on Disaster Management Expenditure**

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