REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

WEST POKOT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND

FOR THE YEAR ENDED 30 JUNE, 2022

HARAMBEE

WEST POKOT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND

REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30TH JUNE, 2022

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

Table of Contents

1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

a) Background information

Mortgage and Car loan Fund is established by and derives its authority and accountability from West Pokot County Assembly staff car loan and mortgage fund Act of 20th, December,2017. The Fund is wholly owned by the County Government of West Pokot and is domiciled in Kenya.

The fund's objective is to:

To provide a loan scheme for Mortgage and purchase of vehicles for staff.

1. To provide housing loan facilities to staff for the purpose of either purchasing or constructing residential houses.
2. To develop housing units for sale and rental for staff
3. To raise funds for implementation of the above stated objectives.

The Fund's principal activity is to provide loan facilities to the staff of West Pokot County Assembly for the purposes of purchasing cars and construction/purchasing of residential houses.

b) Principal Activities

The Fund **Vision** Is:

To see a well satisfied workforce due to the provision of car loan and mortgage.

The Fund **Mission** Is:

To provide timely services to the staff members and oversee the purchase of cars and mortgage for staff.

Core objectives:

. To provide a loan scheme for purchase of vehicles for staff.

. To provide housing loan facilities to staff for the purpose of either purchasing or onstructing residential houses.

. To develop housing units for sale and rental for staff.

) Fund Administration Committee

Ref	Name	Position
1	Daniel Dapamuke	Chairperson
2	Anthony Lochap	Fund administrator
3	Leonard Ptekwenyo	Member
4	Christine Chebor	Member

5	Daniel Matui	Member
6	John Takaramoi	Member
7	Francis Niwai	Member
8	Sampson Lokemer	Committee Secretariat
9	Lydia Baarini	Committee Secretariat

d) Key Management

Ref	Position	Nam
1	Fund Manager/ Administrator	Anthony Ptoo Lochap
2	Chairperson- Fund Management Committee	Daniel Kakosom Dapamuke
3	Fund Accountant	John Madaa Takaramoi
4	Committee Secretariat	Sampson Lokemer Korellach

e) Fiduciary Oversight Arrangement

Ref	Position	Name
1	Internal Audit	Solomon Chemeltorit
2	Audit committee member	Chebor Christine
3	Director financial Services	Denis Plapan

f) Registered Offices

P.O. Box 6- 30600

County Assembly Building

Kapenguria, KENYA

g) Fund Contacts

Telephone: (254) 717686047
E-mail: Anthony.Lochap@westpokotassembly.go.ke
Website: www.westpokotassembly.go.ke

h) Fund Bankers

Bankers

1 Cooperative bank

Kapenguria Branch
P.O. Box 341-30600
KAPENGURIA, KENYA...

i) Independent Auditors

Auditor General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

j) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

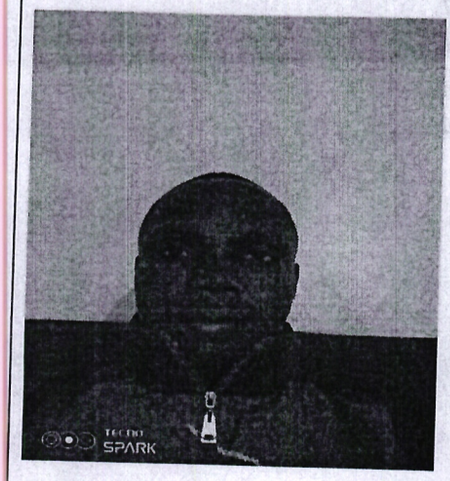
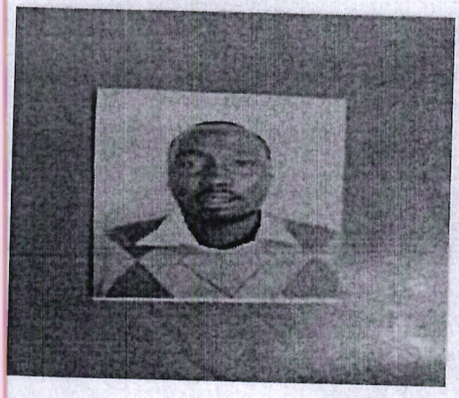
P.O. Box 40112

City Square 00200

Nairobi, Kenya

2. THE FUND ADMINISTRATION COMMITTEE

Name	Details of qualifications and experience
1. ANTHONY PTOO LOCHAP 	❖ .M. ED (CHILD STUDY & EARLY EDUCATION) ❖ .B ED (ARTS) ❖ .PRINCIPAL CLERK ASSISTANT FOR 10 YEARS. ❖ EDUCATION OFFICER FOR 7 YEARS. ❖ TEACHER HIGH SCHOOL FOR 6 YEARS.
2. DANIEL DAPAMUKE 	❖ MBA (STRATEGIC MANAGEMENT –ONGOING) ❖ B.ED (ARTS) ❖ AG. CLERK-2YEARS ❖ DIRECTOR -ADMINISTRATION SERVICES-2YEARS ❖ DEPUTY CLERK ADMIN.3YEARS. ❖ PRINCIPAL CLERK ASSISTANT-3YEARS ❖ CO-OPERATIVE OFFICER - 7 YEARS.
3. JOHN TAKARAMOI 	❖ BACHELOR DEGREE -B.COM (ACCOUNTS) ❖ DIPLOMA ACCOUNTS. ❖ CPA 111 ❖ DIPLOMA IN FINANCIAL MANAGEMENT ❖ PRINCIPAL ACCOUNTS CONTROLLER.(5YRS)
4. CHRISTINE CHEBOR 	❖ BACHELOR DEGREE- INFORMATION. ❖ ICT OFFICER ❖ TEACHER.
5. MATUI DANIEL	❖ KENYA SCHOOL OF LAW –DIPLOMA ❖ LL.B. MOI UNIVERSITY

 L	❖ PRINCIPAL LEGAL COUNSEL-4YEARS ❖ SENIOR LEGAL COUNSEL-6YEARS
6.FRANCIS NIWAI LONYAKAL 	❖ MBA HUMAN RESOURCE -2014 ❖ BACHELOR'S DEGREE-TOURISM MANAGEMENT-2009 ❖ .DIPLOMA -HUMAN RESOURCE DEVELOPMENT-2005 ❖ PROFFESSIONAL COURSE-CHRP-K. 2022 ❖ PAYROLL MANAGER-7YEARS ❖ HUMAN RESOURCE OFFICER-2YEARS.
7.LEONARD PTEKWENY 	❖ BACHELOR'S DEGREE-EDUCATION SCIENCE (MATHEMATICS AND CHEMESTRY) ❖ SENIOR CLERK ASSISTANT-4YEARS ❖ FIRST CLERK ASSISTANT-4YEARS ❖ SECOND CLERK ASSISTANT-2YEARS
8.SAMPSON LOKEMER	❖ BAHELORS DEGREE-BBM (FINANCE & BANKING)

	❖ DIPLOMA IN BUSINESS MANAGEMENT (DBM) ❖ INFORMATION TECHNOLOGY ❖ Senior Fiscal Analyst-4YEARS ❖ Internal Auditor-1YEAR ❖ Fiscal Analyst-5Years
9.LYDIA BARINI 	❖ DIPLOMA IN SECRETARIAL ❖ .Office Administrator-1YEAR ❖ HANSARD REPORTER-4YEARS ❖ OFFICE ADMINISTRATOR-5YERAS

3. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'S PREDETERMINED OBJECTIVES

Introduction

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

The key development objectives of the West Pokot County Government for FY 2022-2023 Annual Development plan are to:

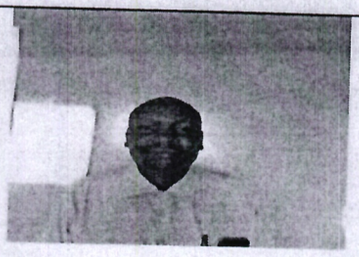
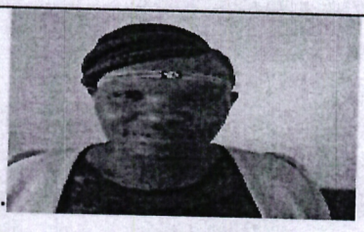
a) Provide quality physical infrastructure in the County.
b) Provide bursary to the needy students.
c) Provide housing to staff and state officers.
d) Provide Policies and legislations that will guide the County Government development priorities over the medium term.

Progress on attainment of Strategic development objectives from West Pokot County Assembly

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
West pokot county assembly car loan and mortgage fund	-To provide housing loan facilities to staff for porpose of either purchasing or construction of residential houses. -To develop housing units for sale and rentals for staff. -To raise funds for implementation of the above objectives.	-Improve the quality of living for county assembly staff.	52% of staff have benefitted from the facility since its inception in 2017.We aim to cater for 48% in the next two years.	**-In 2021 11 staff benefitted from the 20 million granted to the fund by the national treasury.** **-In the financial year 2022/2023 we budgeted for 50 million shillings which will benefit additional 10 staff.**

4. MANAGEMENT TEAM

Name	Details of qualifications and experience
1.  ANTHONY PTOO LOCHAP	❖ .M.ED(CHILD STUDY & EARLY EDUCATION) ❖ B.ED(ARTS) ❖ PRINCIPAL CLERK ASSISTANT FOR 5 YEARS. ❖ EDUCATION OFFICER FOR 7 YEARS. ❖ TEACHER HIGH SCHOOL FOR 6 YEARS.
2.  DANIEL KAKOSOM DAPAMUKE.	❖ MBA(STRATEGIC MANAGEMENT –ONGOING) ❖ B.ED(ARTS) ❖ AG.CLERK 1 YEAR. ❖ DEPUTY CLERK ADMIN.2YEARS. ❖ PRINCIPAL CLERK ASSISTANT-3YEARS ❖ CO-OPERATIVE OFFICER .- 7 YEARS.
3.  JOHN MADAA TAKARAMOI	❖ BACHELOR DEGREE -B.COM (ACCOUNTS) ❖ DIPLOMA IN BOOKKEEPING & ACCOUNTS. ❖ CPA 111 ❖ DIPLOMA IN FINANCIAL MANAGEMENT ❖ PRINCIPAL ACCOUNTS CONTROLLER.(3YRS)
4.  CHRISTINE CHEBOR.	❖ BACHELOR DEGREE-INFORMATION. ❖ ICT OFFICER ❖ . TEACHER

5.  DANIEL MATUI LIMANYANG	❖ KENYA SCHOOL OF LAW –DIPLOMA ❖ 2.LL.B. MOI UNIVERSITY ❖ Principal Legal Council 3Years ❖ SENIOR LEGAL COUNSEL 6 YEARS.
6.FRANCIS NIWAI LONYAKAL 	❖ .MBA HUMAN RESOURCE -2014 ❖ . BACHELOR'S DEGREE-TOURISM MANAGEMENT-2009 ❖ .DIPLOMA -HUMAN RESOURCE DEVELOPMENT-2005 ❖ .PROFFESSIONAL COURSE-CHRP-K. 2022 ❖ .PAYROLL MANAGER-7YEARS ❖ HUMAN RESOURCE OFFICER-2YEARS.
 7.LEONARD PTEKWENYO	❖ BACHELOR'S DEGREE-EDUCATION SCIENCE (MATHEMATICS AND CHEMESTRY) ❖ .SENIOR CLERK ASSISTANT-4YEARS ❖ .FIRST CLERK ASSISTANT-4YEARS ❖ .SECOND CLERK ASSISTANT-2YEARS
	❖ .BAHELORS DEGREE-BBM (FINANCE & BANKING) ❖ DIPLOMA IN BUSINESS MANAGEMENT (DBM) ❖ INFORMATION TECHNOLOGY ❖ .Senior Fiscal Analyst-3YEARS ❖ .Internal Auditor-1YEAR ❖ .Fiscal Analyst-5Years

8.SAMPSON LOKEMER	
 9.LYDIA BARINI	❖ .DIPLOMA IN SECRETARIAL- ❖ .Office Administrator-1YEAR ❖ .HANSARD REPORTER-4YEARS ❖ .OFFICE ADMINISTRATOR-5YERAS

FUND ADMINISTRATION COMMITTEE CHAIRPERSON'S REPORT

The West Pokot County Assembly Staff Car loan and Mortgage fund was established in 2017 under the Act of County Assembly of West Pokot. To date more than 100 million shillings have been disbursed to 52 County Assembly Staff, each benefitting with a loan ranging from 5 million (the highest) and 3 million (lowest). Most of the beneficiaries met the threshold of requirements provided for in the Act and all the Title deeds have been charged and are under the safe custody of the fund administrator.

By the time of writing this foreword ten **(10)** members of staff have applied for the facility and are waiting for the approved budgeted funds to be disbursed by the treasury.

The only challenge we have encountered so far is the slow release of funds from the National Treasury and re-allocation of budgeted funds to other areas by the County during supplementary budgets.

In the financial year 2021-2022, we have budgeted 20 million, which we hope that the number of our staff beneficiaries will increase, hence we will have covered **57%** by the end of the financial year.

Signed: _____

Daniel Kakosom Dapamuke.

WPCA STAFF CAR LOAN AND MORTGAGE FUND
CHAIRMAN
20 FEB 2023
P.O. Box 6 - 30600, KAPENGURIA

REPORT OF THE FUND ADMINISTRATOR

The West Pokot Staff Car loan and Mortgage Fund was established by an *Act* of West Pokot County Assembly on the 20th. December 2017. The Act was informed by a circular from the salaries and remuneration commission ref No. SRC/ADM/CIR/1/13 VOL.III (128) dated 14th December,2014 which in its vision saw that public officers need/expect to benefit from government funded loans to purchase cars and access mortgage facilities at lower rates which will immensely contribute towards attraction and retention of requisite skills in the public service in line with the constitutional principles under Article 230(5) of the constitution.

The management committee is in the process of amending the West Pokot County Assembly Staff Car loan and Mortgage Act 2017,to suit the emerging needs and to address challenges arising from its implementation.
The fund was further informed of its operationalization by the appointment of the fund Administrator by the C.E.CM. for finance and Economic Planning, vide a letter ref: WPC/ASSEM/VOL.1/(24) as required by the P.F.M.A act 2012. Section 116.

The fund is managed/Administered by a committee comprised as stipulated in the Act as follows.

1. Deputy Clerk- Administration Services – Chairperson
2. Administrator of the Fund – Secretary
3. Officer In Charge of Accounts. - Member
4. Officer In Charge of Information Services - Member
5. Officer from Legal Services. – Member.
6. Officer In charge of Payroll - Member
7. Chairperson of staff Welfare Committee. - Member.

The committee also has two Management Committee secretariats.
For the purposes of smooth disbursement of the funds, the West Pokot Staff Car loan and Mortgage Management committee competitively, through the procurement process sourced services from the co-operative bank of Kenya-Kapenguria branch to be the financial agent. Further the committee also through the expression of interest and the procurement process identified the service provider's i.e valuer, insurer and legal experts. To be precise the providers' entity were as follows.

1. Valuer - PAVIDA VALUARS.
2. Legal Providers. –PHILLIP MAGAL & CO.
3. ICEA lion's- Insurer.

Signed: _____

Anthony Ptoo Lochap.

WPCA STAFF CAR LOAN AND MORTGAGE FUND
20 DEC 2023
FUND ADMINISTRATOR
P.O. Box 6 - 30600, KAPENGURIA

CORPORATE GOVERNANCE STATEMENT

During the FY 2020-2021/22 financial years, the West Pokot Car loan and Mortgage for staff management committee sat for a total of 15 meetings to deliberate and disburse to its members 20 million shillings .10 members of staff benefitted from the fund as of 30th July 2021 due to delays from the treasury in releasing the funds from the Exchequer.

At the moment the committee is guided by Public Finance Management Act,2012 and the West Pokot Staff Car loan and Mortgage Act, 2017.

During the said period no member exited from the committee and if any member at any given time exits the committee the procedures for replacement are well stated in the act. The committee underwent a training induction in Kisumu where they were taken through prudent financial management, the operations of office of the Auditor General (OAG), Office of the controller of Budget (OCOB) and the roles of treasury and their expectations on the operations of the fund.

The committee holds its meeting in a transparent manner and the receive their allowances as stated by the circular from the salaries and Remuneration commission (SRC)

❖ MANAGEMENT DISCUSSION AND ANALYSIS

During the 2018/2019 financial year, the management committee was able to disburse a total of 20 000 000 Million to their members raising the portfolio of the fund to 70,000,000 million cumulatively.

In the FY 2017/2018, the management disbursed a total of ksh.42,618,000 to 12 beneficiaries. In the second disbursement a total of 20 million shillings were disbursed to 10 members of staff bringing the total number of beneficiaries to 22.

In FY 2019/2020 an addition of 17 million was disbursed by 30th June 2019.

In the financial year ending June 2020, a total of ksh 65,073,129 were disbursed to the members bringing the total number of beneficiaries to 37. The amount was disbursed in three tranches.

1. Ksh,17,000,000 That Lapsed In The Financial Year2018/ 2019.
2. Ksh.15,250,000 For Financial Year 2019/2020.
3. Ksh.25, 000,000 Borrowed from the Member's Fund on 20th March,2020
4. Ksh.20,000,000 For the Financial Year 2020/2021

The remainder of the disbursement were paid through repayment account. This raised the loans portfolio to 122,250,000 cumulatively for the fund.

The beneficiaries got their dues according to the number of years remaining in their service and also according to the scale of their salaries. This therefore meant that members benefitted from an average of 5,000,000 million **(highest)** to 3,000, 000 million **(lowest).**

❖ FUND ADMINISTRATION COMMITTEE

The Fund Management Committee submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of the Fund affairs.

10.1 Principal activities

The principal activities of the Fund are:

1. To provide housing loan facilities to staff for the purpose of either purchasing or constructing residential houses.
2. To develop housing units for sale and rental for staff
3. To purchases Cars to the members of staff
4. To raise funds for the implementation of the above stated objectives.

10.2 Performance

The performance of the Fund for the year as of June 30, 2022, are set out on page 18 to 24

10.3 Members

The members of the *Administration Committee* who served during the year are shown on page 2, 3,5,6,9 & 10. There were no changes in the management committee during the financial year.

10.4 Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *entity* for the year/period ended June 30, 2021 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf].

By Order of the Fund Administration Committee

Sign: _____

Name: DANIEL DAPAMUKE

Chair of the Fund *Administration Committee*

Date: 20/2/2023

WPCA STAFF CAR LOAN AND MORTGAGE FUND
CHAIRMAN
20 FEB 2023
P.O. ... KITALE

❖ STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by *West Pokot County Assembly Staff Car Loan and Mortgage Act,2017* shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as of June 30, 2022. This responsibility includes: (i)maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the fund; (iii)Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv)Safeguarding the assets of the fund; (v)Selecting and applying appropriate accounting policies; and (vi)Making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *West Pokot County Assembly Staff Car Loan and Mortgage Act,2017.* The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2022, and of the Fund's financial position as at that date.

The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

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

Approval of the financial statements

The Fund's financial statements were approved by the Management Committee on 22-12- 2022 and signed on its behalf by:

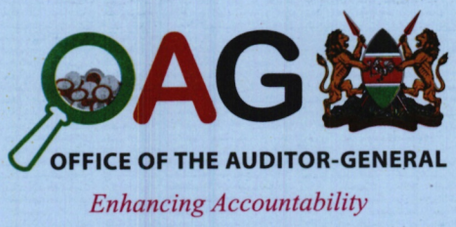
WPCA STAFF CAR LOAN AND MORTGAGE FUND
22 DEC 2022
FUND ADMINISTRATOR
P. O. Box 30600, KAPENGURIA

Name: ANTHONY PTOO

Administrator of the County Public Fund

REPUBLIC OF KENYA

Telepho: +254-(20) 3214000
E-mail: i o@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 WEST POKOT COUNTY ASSEMBLY STAFF CAR LOAN AND MORTGAGE FUND FOR THE YEAR ENDED 30 JUNE, 2022

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 Government achieves value for money and that such funds are applied for the intended purpose.

C. Report on Effectiveness of Internal Controls, Risk Management and Governance, which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of West Pokot County Assembly Staff Car Loan and Mortgage Fund set out on pages 21 to 61, which comprise the

statement of financial position as at 30 June, 2022, and the statement of financial performance , statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations, which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the West Pokot County Assembly Staff Car Loan and Mortgage Fund as at 30 June, 2022, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the West Pokot County Assembly Staff Car Loan and Mortgage Act, 2017 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Unaccounted for Payments and Cash Withdrawals

The statement of financial position reflects cash and cash equivalents balance of Kshs.2,703,352 and as disclosed in Note 10 to the financial statements. Review of the bank statements for the County Assembly Staff Car Loan and Mortgage Fund disbursement account revealed payments from bank totalling to Kshs.1,207,300 to officers of the Fund, which could not be traced to any expenditure item in the financial statements. In addition, no payment vouchers to support the payments were provided and cash withdrawals had no contra entries recorded in the Fund cashbooks for subsequent payments.

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.2,703,352 could not be confirmed.

2. Unsupported Long-term Receivables from Exchange Transactions

The statement of financial position reflects long-term receivables from exchange transactions balance of Kshs.130,451,354, as disclosed in Note 11 to the financial statements, which was supported by a schedule totalling Kshs.147,472,499, resulting to unexplained and unreconciled variance of Kshs.17,021,145.

In addition, no disclosure was made to the receivables which had since become due (current portion of long-term receivables) and the receivables not yet due as required by reporting standards.

In the circumstances, the accuracy and completeness of the long-term receivables from exchange transactions of Kshs.130,451,354 as at 30 June, 2022 could not be confirmed.

3. Unsupported Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs.10,600,000 as at 30 June, 2022 as disclosed in Note 17 to financial statements which were not analysed or supported by a schedule.

In the circumstances, the completeness and accuracy of the trade and other payables balance of Kshs.10,600,000 could not be confirmed.

4. Inaccurate Accumulated Surplus

The statement of financial position reflects accumulated surplus balance of Kshs.304,705. However, the balance excludes the accumulated surplus of Kshs.2,950,689 as at 30 June, 2021.

In the circumstances, the accuracy and completeness of the accumulated surplus of Kshs.304,705 as at 30 June, 2022 could not be confirmed.

5. Inaccurate Statement of Cashflows

The statement of cash flows reflects Nil transfers from the County Government. However, the statement of changes in net assets reflects capital receipts of Kshs.20,000,000 which was received in the cashbook of the Fund on 21 July, 2021.

Further, the statement of cash flows reflects loans disbursements of Kshs.20,550,000 and repayments of borrowings of Kshs.5,400,000 whose details were not provided for audit.

In the circumstances, the completeness and accuracy of the statements of cashflows could not be confirmed.

6. Incorrect Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects actual balances as final budget amounts while indicating the variation between budgeted amounts and actual amounts as the actual on comparable basis balances. The statement as presented is therefore incorrect.

In the circumstances, the accuracy and completeness of the statement of comparison of budget and actual amounts could not be confirmed.

7. Variance between the Funds Received from the County Assembly

The statement of changes in net assets reflects funds received of Kshs.20,000,000 while the financial statements of the County Assembly reflect Kshs.42,000,000 as transfers to the Fund during the year under review, resulting to an unexplained variance of Kshs.22,000,000.

In the circumstances, the accuracy and completeness of the funds received from the County Assembly of Kshs.20,000,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the West Pokot County Assembly Staff Car Loan and Mortgage Fund Management in accordance with ISSAI 130 on 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 adverse opinion.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2021. Management has not provided reasons for the delay in resolving the prior year audit issues. Further, the unresolved prior year issues are not disclosed under the progress on follow up of auditor's recommendations section of the financial statements as required by the Public Sector Accounting Standards Board.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Irregular Internal Borrowing

The West Pokot County Assembly Staff Car Loan and Mortgage Fund borrowed Kshs.25,000,000 from the West Pokot County Assembly Car loan and Mortgage Fund through a service agreement signed on 09 March, 2020 with a commitment to pay quarterly an amount of Kshs.2,678,572 until full repayment was achieved by 30 July, 2022. Further, as at 30 June, 2022, a balance of Kshs.10,600,000 remained

outstanding and as at the time of audit in November, 2022, the full amount of the loan had not been repaid and a reconciliation on the accurate amount still outstanding was not provided.

Further, the loan disbursement to the Fund was not approved by the County Assembly contrary to Section 5 (1)(c) of the West Pokot County Assembly Staff Car Loan and Mortgage Act, 2017 which states that all sums of money borrowed by the Fund with the approval of the County Assembly for the purpose of exercising any of its functions or discharging any of its obligations, will be a source of funds.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements, plan, and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, 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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, based on the audit procedures performed, I confirm 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 control, 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 Fund's ability continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit

the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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

CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 March, 2023

❖ FINANCIAL STATEMENTS

13.1 STATEMENT OF FINANCIALPERFORMANCE FOR THE PERIOD ENDED 30TH JUNE,2022

	Note	2021/2022	2020/2021
		KShs	KShs
Revenue from non-exchange transactions		-	
Public contributions and donations	1	-	-
Transfers from the County Government	2	-	-
Fines, penalties and other levies	3	-	-
		-	-
Revenue from exchange transactions		-	
Interest income	4	3,977,035	3,657,579
Other income	5	-	-
Total revenue		**3,977,035**	**3,657,579**
Expenses			
Fund administration expenses	6	3,667,220	701,550
General expenses	7	5,110	5,340
Finance costs	8	-	-
Total expenses		**3,672,330**	**706,890**
Other gains/losses			
Gain/loss on disposal of assets	9		
Surplus/(deficit) for the period		**304,705**	**2,950,689**

The notes set out on pages **49** to **62** form an integral part of these Financial Statements.

13.2 STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 30TH .JUNE ,2022

	Note	2021/2022	2020/2021
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	10	2,703,352	928,804
Current portion of long- term receivables from exchange transactions	11	-	-
Receivables from Non- exchange transactions	12	-	-
Prepayments	13	-	-
Inventories	14	-	-
Non-current assets			
Long term receivables from exchange transactions	11	130,451,354	120,271,885
Property, plant and equipment	15	-	-
Intangible assets	16	-	-
Total assets		**133,154,705**	**121,200,689**
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	17	10,600,000	16,000,000
Provisions	18	-	-
Current portion of borrowings	19	-	-
Employee benefit obligations	20	-	-
Non-current liabilities			
Long term portion of borrowings	19	-	-
Non-current employee benefit obligation	20	-	-
Total liabilities		**10,600,000**	**16,000,000**
Net assets			
Revolving Fund		122,250,000	102,250,000
Reserves		-	-
Accumulated surplus		**304,705**	**2,950,689**
Total net assets and liabilities		**133,154,705**	**121,200,689**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 22/12/2022 and signed by:

Administrator of the Fund

Name: ANTHONY PTOO

WPCA STAFF CAR LOAN AND MORTGAGE FUND
22 DEC 2022
ADMINISTRATOR
P.O. BOX KAPENGURIA

Fund Accountant

Name:

ICPAK Member Number:29212

WPCA STAFF CAR LOAN AND MORTGAGE FUND
22 DEC 2022
FUND ACCOUNTANT
P. O. BOX 6 / 30600, KAPENGURIA

13.3 STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD ENDED 31ST .JUNE,2022

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2020	102,250,000	-	-	-
Surplus/(deficit) for the period	-	-	2,950,689	2,950,689
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30TH June. 2021	**102,250,000**	-	**2,950,689**	**2,950,689**
Balance as at 1 July 2021	102,250,000	-	-	-
Surplus/(deficit) for the period	-	-	304,705	304,705
Funds received during the year	20,000,000	-	-	-
Revaluation gain	-	-	-	-
Balance as at June. 2022	**122,250,000**	-	**304,705**	**304,705**

13.4 STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30th JUNE,2022

	Note	2021/2022 KShs	2020/2021 KShs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the County Government		-	-
Interest received		3,977,035	3,657,579
Receipts from other operating activities		-	-
Total Receipts		**3,977,035**	**3,657,579**
Payments			
Fund administration expenses		3,667,220	701,550
General expenses		5,110	5,340
Finance cost		-	-
Total Payments		**3,672,330**	**706,890**
Net cash flows from operating activities		**304,705**	**2,950,689**
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-	-
Proceeds from sale of property, plant and equipment		-	-
Proceeds from loan principal repayments		7,934,989	**6,833,177**
Loan disbursements paid out		**(20,550,000)**	**(2,500,000)**
Net cash flows used in investing activities		**(12,615,010)**	**(4,333,177)**
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		(5,400,000)	(9,000,000)
Net cash flows used in financing activities		**(5,400,000)**	**(9,000,000)**
Net increase/(decrease) in cash and cash equivalents		**19,484,853**	**9,136,610**
Cash and cash equivalents at 1 JULY 2021	10	**928,804**	**2,174,682**
Cash and cash equivalents Ended 30th JUNE, 2022	10	**2,703,352**	**928,804**

(IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation. The above illustration assumes direct method)

13.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30TH .JUNE 2022

	Original budget	Adjustments	Final budget	Actual on comparable basis	% utilisation
	2022	2022	2022	2022	2022
Revenue	KShs	KShs	KShs	KShs	
Public contributions and donations	-	-	-	-	
Transfers from County Govt.					
Interest income	4,000,000	-	3,977,035	22,964	99.4%
Other income	-	-	-	-	
Total income	**4,000,000**	-	**3,977,035**	**22,964**	**99.4%**
Expenses					
Fund administration expenses	3,700,000	-	3,667,220	32,780	99.11%
General expenses	8,000	-	5,110	2,890	63.88%
Finance cost		-			
Total expenditure	**3,708,000**	-	**3,672,330**	**35,670**	**99.03%**
Surplus for the period	**292,000**	-	**304,705**	**12,705**	

Budget notes

1. *Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14*
2. *Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)*
3. *Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.*

13.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of compliance and basis of preparation

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

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Adoption of new and revised standards

a) Relevant new standards and amendments to published standards effective for the year ended 30 June 2021

Standards/ Amendments : Applicable: 1st January 2021:	Impact
a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks	There was no impact of the amendment to IPSAS 13 with respect to the current financial report
b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved	There was no impact of the amendment to IPSAS 13 and IPSAS 17 with respect to the current financial report as the entity did not apply any of the transitional provisions in the FY 2021/2022
c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.	There was no impact of the amendment to IPSAS 21 and IPSAS 26 with respect to the current financial report as the entity does not have Non-Cash Generating Assets and neither did it have impaired cash generating assets.
d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs).	***Document the impact if the fund is reporting for the first time on accrual/ Otherwise indicate that there was***

Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard	***no impact***

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) New and amended standards and interpretations in issue that was effective in 1st. January,2022

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	**Applicable: 1st January 2022:** The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. *(State the impact of the standard to the entity if relevant)*

IPSAS 42: Social Benefits	**Applicable: 1st January 2022** The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess: (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. *(State the impact of the standard to the entity if relevant)*
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	**Applicable: 1st January 2022:** a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2022.

3. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

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

4. Budget information

The original budget for FY 2021/2022 was approved by the County Assembly on 15 June,2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Kshs20,000.000 on 15 July,2021 for the FY 2021/2022 budget following the governing body's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial

performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

5. 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.

2. 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

3. Inventories

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

4. 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.

5. Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

6. 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.

7. 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. 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.

9. Borrowing costs

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

10. Related parties

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Cash and cash equivalents

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

12. Comparative figures

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

13. Events after the reporting period

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

14. Ultimate and Holding Entity

The entity is a County Public Fund established by West Pokot County Assembly Staff Car Loan and Mortgage Act,2017 Act under West Pokot County Assembly. Its ultimate parent is the County Government of West Pokot.

15. Currency

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

16. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions

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

b) Useful lives and residual values

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

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Provisions

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

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

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

17. Financial risk management

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

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

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in

the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

	Total amount KShs	Fully performing KShs	Past due KShs	Impaired KShs
AS AT 30th JUNE,2022				
Receivables from exchange transactions	130,451,354	130,451,354	-	-
Receivables from non-exchange transactions		-	-	-
Bank balances	2,703,352	2,703,352	-	-
Total	**133,154,705**	**133,154,705**	-	-
At 30 June 2021				
Receivables from exchange transactions	120,271,885	120,271,885	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	928,804	928,804	-	-
Total	**121,200,689**	**121,200,689**	-	-

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

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

adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due from xxx.

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Liquidity risk management

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	KShs	KShs	KShs	KShs
AS AT 2ND QTR.DECEMBER,2022				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2022				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Market risk

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

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

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

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

d) Foreign currency risk

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

		Other currencies	Total
	KShs	KShs	KShs
At 30 ,June, 2022			
Financial assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ receivables	-		
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

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

Foreign currency sensitivity analysis

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

	Change in currency rate	Effect on surplus/ deficit	Effect on Equity
	KShs	KShs	KShs
2021			
Euro	10%	-	-
USD	10%	-	-
2020		-	-
Euro	10%	-	-

USD	10%	-	-

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Interest rate risk

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

f) Capital risk management

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

	2021/2022	2020/2021
	KShs	KShs
Revaluation reserve	-	-
Revolving fund	122,250,000	102,250,000
Accumulated surplus	**304,705**	**2,950,689**
Total funds	**122,554,705**	**105,200,68**
Total borrowings	-	-
Less: cash and bank balances	(2,703,352)	(928,804)
Net debt/(excess cash and cash equivalents)	**119,241,942**	**104,271,885**
Gearing	**2%**	**2%**

❖ NOTES TO THE FINANCIAL STATEMENTS

1. Public contributions and donations

Description	2021/2022	2020/2021
	KShs	KShs
Donation from development partners	-	-
Contributions from the public	-	-
Total	-	-

(Provide brief explanation for this revenue)

2. Transfers from County Government

Description	2021/2022	2020/2021
	KShs	KShs
Transfers from County Govt. – operations	-	-
Payments by County on behalf of the entity	-	-
Total	-	-

3. Fines, penalties and other levies

Description	2021/2022	2020/2021
	KShs	KShs
Late payment penalties	-	-
Fines	-	-
Levies	-	-
Licences	-	-
Total	-	-

(Provide brief explanation for this revenue)

4. Interest income

Description	2021/2022	2020/2021
	KShs	KShs
Interest income from Mortgage loans	3,977,035	3,657,579
Interest income from car loans	-	-
Interest income from investments	-	-
Interest income on bank deposits	-	-
Total interest income	**3,977,035**	**3,657,579**

(Provide brief explanation for this revenue)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Other income

Description	2021/2022 KShs	2020/2021 KShs
Insurance recoveries	-	-
Income from sale of tender documents	-	-
Miscellaneous income (specify)	-	-
Total other income	-	-

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified).

6. Fund administration expenses

Description	2021/2022 KShs	2020/2021 KShs
Staff costs (Note 6a)	3,672,330	701,550
Loan processing costs	-	-
Professional services costs	-	-
Total	**3,672,330**	**701,550**

6A. Staff costs

Description	2021/2022 KShs	2020/2021 KShs
Salaries and wages	-	-
Staff gratuity	-	-
Staff training expenses	3,312,330	376,750
Social security contribution	-	-
Other staff costs(sittings)	360,000	324,800
Total	**3,672,330**	**701,550**

N/B The total amount under staff costs has been included in note 6 as part of Fund Administration Expenses chiefly because most funds do not have separate employee but rather the cost would relate to allowances drawn in line fund administration.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. General expenses

Description	2021/2022	2020/2021
	KShs	KShs
Consumables	-	-
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	-	-
Postage	-	-
Printing and stationery	-	-
Rental costs	-	-
Security costs	-	-
Telecommunication	-	-
Bank Charges	5,110	5,340
Hospitality	-	-
Depreciation and amortization costs	-	-
Other expenses	-	-
Total	**5,110**	**5,340**

8. Finance costs

Description	2021/2022	2020/2021
	KShs	KShs
Interest on Bank overdrafts	-	-
Interest on loans from banks	-	-
Total	-	-

9. Gain/(loss) on disposal of assets

Description	2021/2022	2020/2021
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Cash and cash equivalents

Description	2021/2022 KShs	2020/2021 KShs
West pokot Car loan & mortgage account	-	-
West pokot County Assembly mortgage account:	-	-
West Pokot County Assembly Staff Car loan & Mortgage: Disbursement- A/C No.01141694710400	620,689	23,718
West Pokot County Assembly Staff Car loan & mortgage: Repayment - A/C no 01141694710401	2,082,663	905,085
Total cash and cash equivalents	**2,703,352**	**928,804**

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

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

Financial institution	Account number	2021/2022 KShs	2020/2021 KShs
a) **Fixed deposits account**			
Kenya Commercial bank		-	-
Equity Bank, etc		-	-
Sub- total		-	-
b) **On - call deposits**		-	
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
Sub- total		-	-
c) **Current account**		-	
CO-OPERATIVE BANK :Disbursement A/C No.01141694710400		620,689	23,719
CO-OPERATIVE BANK :Repayment A/C no 01141694710401		2,082,663	905,085
Sub- total		**2,703,352**	**928,804**
d) **Others(specify)**		-	-
Cash in transit		-	-
Cash in hand		-	-
Mobile Money		-	-
Sub- total		-	-
Grand total		**2,703,352**	**928,804**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Receivables from exchange transactions

Description	2021/2022	2020/2021
	KShs	KShs
Current Receivables		
Interest receivable	-	-
Current loan repayments due	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total Current receivables		
Non-Current receivables		
Long term loan repayments due	130,451,354	120,271,885
Total Non- current receivables	130,451,354	120,271,885
Total receivables from exchange transactions	**130,451,354**	**120,271,885**

Additional disclosure on interest receivable

Description	2021/2022	2020/2021
	KShs	KShs
Interest receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due	-	-
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Receivables from Non-Exchange transaction

Description	2021/2022 KShs	2020/2021 KShs
Transfer from County Executive	-	-
Transfer from staff mortgage Fund	-	-
Total receivables from non-exchange transactions	-	-

13. Prepayments

Description	2021/2022 KShs	2020/2021 KShs
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Other prepayments	-	-
Total	-	-

14. Inventories

Description	2021/2022 KShs	2020/2021 KShs
Consumable stores	-	-
Spare parts and meters	-	-
Catering	-	-
Other inventories(specify)	-	-
Total inventories at the lower of cost and net realizable value	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	KShs	KShs	KShs	KShs	KShs
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-
Depreciation and impairment					
At 1st July 2019	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Intangible assets-software

Description	2021/2022 KShs	2020/2021 KShs
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

17. Trade and other payables from exchange transactions

Description	2021/2022 KShs	2020/2021 KShs
Trade payables	10,600,000	16,000,000
Refundable deposits	-	-
Accrued expenses	-	-
Other payables	-	-
Total trade and other payables	**10,600,000**	**16,000,000**

18. Provisions

Description	Leave provision KShs	Bonus provision KShs	Other provision KShs	Total KShs
Balance at the beginning of the year	-	-	-	-
Additional Provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Transfers from non -current provisions	-	-	-	-
Balance at the end of the year	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Borrowings

Description	2021/2022	2020/2021
	KShs	KShs
Balance at beginning of the period	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the period	-	-
Repayments of domestic borrowings during the period	-	-
Balance at end of the period	-	-

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

Description	2021/2022	2020/2020
	KShs	KShs
Short term borrowings(current portion)	-	-
Long term borrowings	-	-
Total	-	-

(NB: the total of this statement should tie to note 18 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Total
	KShs	KShs	KShs	KShs
Current benefit obligation	-	-	-	-
Non-current benefit obligation	-	-	-	-
Total employee benefits obligation	-	-	-	-

21. Cash generated from operations

	2021/2022	2020/2021
	KShs	KShs
Surplus/ (deficit) for the year before tax	-	-
Adjusted for:		
Depreciation	-	-
Amortisation	-	-
Gains/ losses on disposal of assets	-	-
Interest income	-	-
Finance cost	-	-
Working Capital adjustments		
Increase in inventory	-	-
Increase in receivables	-	-
Increase in payables	-	-
Net cash flow from operating activities	-	-

(The total of this statement should tie to the cash flow section on net cash flows from operating activities)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. Related party balances

a) Nature of related party relationships

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

b) Related party transactions

	2021/2022 KShs	2020/2021 KShs
Transfers from related parties'	-	-
Transfers to related parties	-	-

c) Key management remuneration

	2021/2022 KShs	2020/2021 KShs
Board of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) **Due from related parties**

	2021/2022 KShs	2020/2021 KShs
Due from parent Ministry	-	-
Due from County Government	-	-
Due from County Assembly	-	-
Total	-	-

e) **Due to related parties**

	2021/2022 KShs	2020/2021 KShs
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
Due to County Assembly	-	-
Total	-	-

23. Contingent assets and contingent liabilities

Contingent liabilities	2021/2022 KShs	2020/2021 KShs
Court case xxx against the Fund	-	-
Bank guarantees	-	-
Total	-	-

(Give details)

❖ PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS

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

[illegible]rence No. on the [illegible] Audit Report	Issue / Observations from Auditor		Status: (Resolved / Not Resolved)
2[illegible]021-2-01-00[illegible] WPCASCL[illegible]F	1. Cas[illegible] a) No[illegible] [illegible]servat[illegible]	[illegible]tatem[illegible]t of The figure[illegible] erroneously [illegible] and [illegible]y in cash flow statement. Therefore, it ha[illegible]ow been revised accordingly and adjusted in the statement of Financial Position thus resulting to increase in cash and cash equivalent as ksh. **9,136,610** in the **cash flow statement.** Therefore cash and cash equivalent for the period ended 30th June 2021 could now be confirmed. The figure that was reflected in the statement of cash flow of ksh (1,229,691) that leads to variance of **ksh.486, 443** to be omitted.	***Resolved***
..	**b) Misstatement in Bank Confirmation**	The balance indicated in the certificate of bank	***Resolved***

	Certificate Audit verification of certificate balances as at 30th June 2021 indicates a balance of 905,085 however the certificate is dated 25th August 2020. In the circumstances it is not possible to ascertain whether the certificate of balance is for the financial year under review	balance of **ksh 905,085.35** is correct, however we have notified respective Bank in regard to the date Error and corrected accordingly. The certificate balance can now be ascertained for the financial year under review.	
"	**2. Non-Disclosure in Statement of Changes in Net Assets** : The balance of Revolving Fund is not reflected in the Statement of Changes in Net Assets for the year ended 30th June 2021 therefore the balance of Revolving Fund could not be confirmed.	The balance of revolving fund was erroneously omitted. It has been rectified accordingly and can now be confirmed	***Resolved***
"	**3. Mis-Statement Of Trade And Other Payables From Exchange Transaction** **Observation:** The Fund borrowed **Ksh.25,000,000** from West Pokot County Assembly Members Car Loan and Mortgage Fund on 9th March 2020.The total repayment as at 30th June is **Ksh.9,000,000** leaving a balance of outstanding loan of **Ksh.16,000,000**	The outstanding Loan balance of **ksh 16,000,000** was erroneously omitted from current portion of borrowing on note 19, in the statement of financial position. So far total repayment is **ksh 9,000,000** as at 30th June 2021, and it has been adjusted and revised in the statement of cash flow accordingly. The outstanding loan balance also revised in the statement of Financial Position accordingly.	***Resolved***

	which varies with amount reflected in the Statement of Financial Position of **Ksh.9, 000,000** leading to unexplained variance of **Ksh.7, 000,000**		

Guidance Notes:

a) Use the same reference numbers as contained in the external audit report;

b) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;

c) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;

d) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to County Treasury.

❖ APPENDIX I: INTER-ENTITY TRANSFERS

	ENTITY NAME:			
	Break down of Transfers from the County Executive of xxx County Government			
	FY 2021/2022			
a.	Recurrent Grants	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
		21-Jul -22	20,000,000	2021/2022
			0	
			0	
		Total	**20,000,000**	
b.	Development Grants	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
			-	
			-	
			-	
		Total	-	
c.	Direct Payments	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
			-	
		Total	-	

The above amounts have been communicated to and reconciled with the parent Ministry/West Pokot County Assembly

Fund Administrator ANTHONY

County Assembly – staff mortgage Fund

Sign ----------

WPCA STAFF CAR LOAN AND MORTGAGE FUND
20 DEC 2023
FUND ADMINISTRATOR
P. O. Box 6 - 30600, KAPENGURIA

Head of County Treasury/Accounting at

West Pokot County/County Assembly

Sign----------

WPCA STAFF CAR LOAN AND MORTGAGE FUND
20 FEB 2023
FUND ACCOUNTANT
P. O. Box 6 - 30600, KAPENGURIA