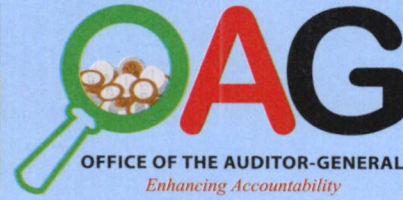


REPUBLIC OF KENYA



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OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT

OF

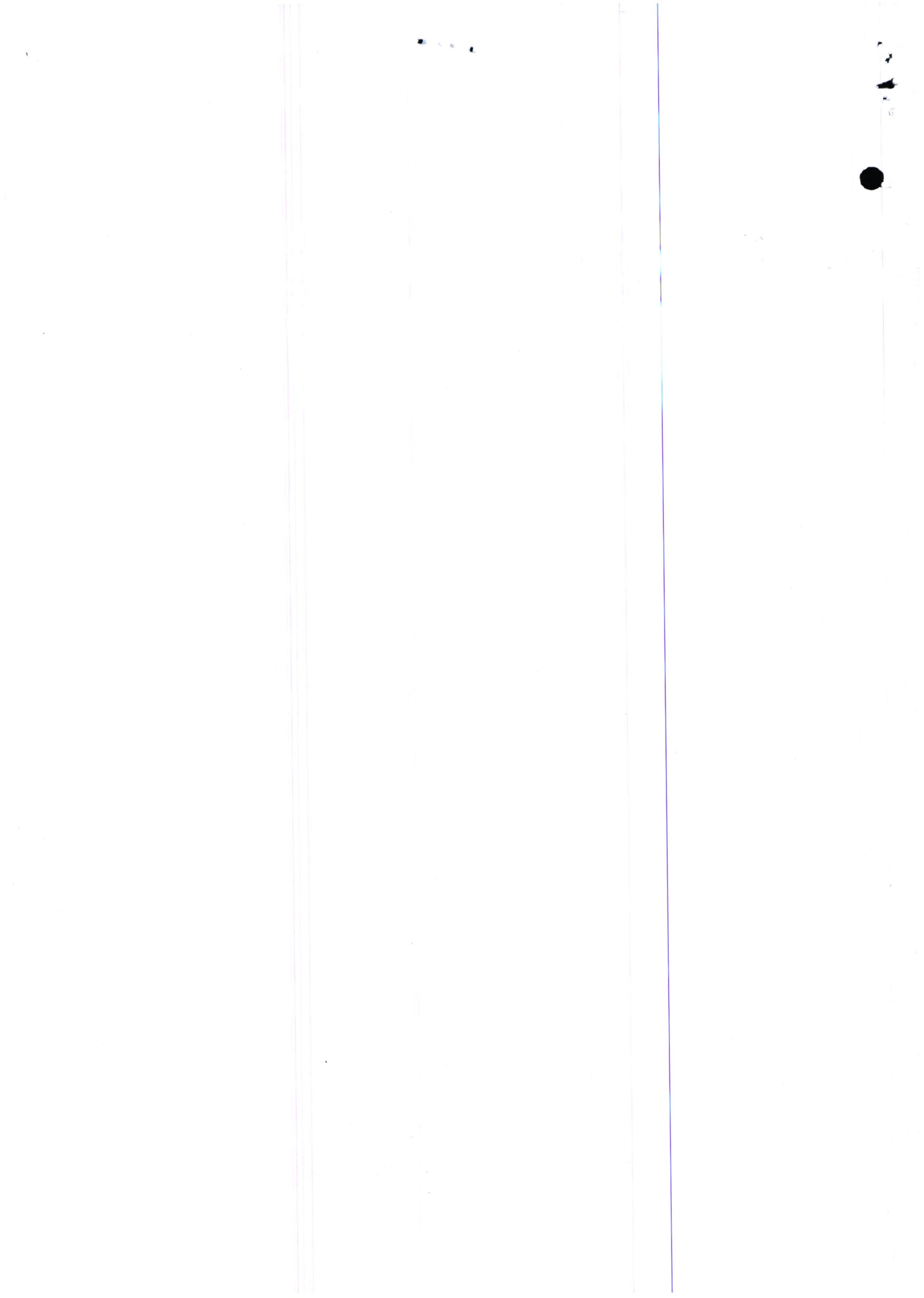
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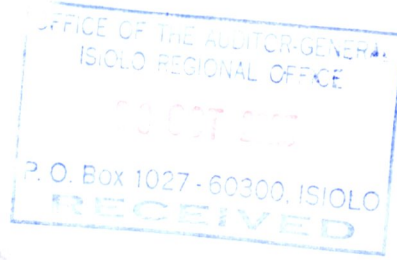
ON

**COUNTY ASSEMBLY OF MARSABIT
CAR LOAN AND MORTGAGE
SCHEME FUND**

**FOR THE YEAR ENDED
30 JUNE, 2025**

	PAPERS LAID
DATE	26/11/25
TABLED BY	J.M.L
COMMITTEE	-
CLERK AT THE TABLE	Belinda





**COUNTY ASSEMBLY OF MARSABIT CAR LOAN AND MORTGAGE
SCHEME FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2025**

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

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**County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

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1. Abbreviation and Definition of Key Terms

A. Abbreviation

ABBREVIATION	MEANING
BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
KES	Kenya Shillings
MCA	Marsabit County Assembly
SRC	Salaries and Remuneration Commission
CASB	County Assembly Service Board
CHRP	Certified Human Resources Professional
CPA-K	Certified Public Accountant of Kenya
M&CL	Mortgage and Car Loan

B. Definition of Key Terms

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

Comparative Year - Means the prior period.

2. Key Entity Information and Management

a) Background information

The Car Loan & Mortgage Scheme Fund for the County Assembly of Marsabit was established by and derives its authority and accountability from Section 116 of the Public Finance Management Act (2012), the Marsabit County Assembly Car Loan Scheme Fund Regulations, 2014 & the Marsabit County Assembly Mortgage Scheme Fund Regulations, 2014 with subsequent edition in 2023. The Fund is wholly owned by the County Assembly of Marsabit and is domiciled in Kenya.

The objective of the fund is twofold: to provide a loan scheme for the purchase of vehicles by members of the scheme, and to provide a loan scheme for the purchase, development, renovation or repair of residential property by members of the scheme. In so doing, the fund intends to facilitate Members of County Assembly to acquire a personal means of transport that enables them to move from their area of residence to the office and also have a decent shelter.

All members of the County Assembly are eligible for the scheme loans either for building or purchasing a residential house or for acquisition of personal vehicle.

The cost of purchasing a single-family home has risen in relation to incomes particularly in larger metropolitan areas and in faster growing regions of the country. The conveniences to traverse a vast County as well as Wards have also necessitated the ownership of a personal motor vehicle by the Members of the County Assembly (MCAs). Therefore, the County Assembly of Marsabit have recognized these critical needs and hence established a fund that provided their Members with financial assistance to help purchase and finance their primary residences and motor vehicles through SRC guided scheme loans.

The fund has been deposited at the Cooperative bank, Marsabit branch. The total fund stands at Kenya Shillings One hundred and Seventy Million (170M) where 100M was slated for Mortgage scheme and 70M for Car loan scheme. The Fund has been established in a manner that is revolving in nature so that by the end of every County Assembly term, the members borrowing are fully recaptured.

b) Principal Activities

The principal activity of the Fund is to lend to members the scheme loans i.e. Mortgage and Car loan. This function includes receiving of applications, appraisal of applications, committee approval decision, disbursement of loans, recoveries of advanced monies, monitoring and evaluation of fund

**County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

performance, enforcement of compliance, undertaking loan clearance when due, and prepare periodic reports as required.

c) Vision

To be an excellent fund that spurs growth and prosperity ultimately enhancing welfare of its membership.

d) Mission

To provide our members with superior ownership experience through innovative, affordable, and competitive loan products that fulfills the dream of home and car ownership.

e) Core Objectives

The objectives of the Scheme is to provide loans to Members of County Assembly and Senior staff for purchase of an existing residential property; purchase of land and construction, renovation and improvement of an existing residential property, takeover of loans on existing mortgages or equity release and purchase of motor vehicle.

f) Fund Administration Committee

Ref	Name	Position
1	Hon. Leakono Bata	Chairperson
2	Hon. Amos Wako	Member
3	Hon. Buke Diba	Member
4	Hon. Siba Haila	Member
5	Hon. Daniel Burcha	Member
6	Hon. Daud Tamasot	Member
7	Hon. Jacob Elisha	Member
8	Hon. Lucy Kargiya	Member
9	Hon. Kiya Jillo	Member

**County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

g) Key Management team

Ref	Name	Position
1	Chare Mato	Clerk/Secretary (CASB)
2	Jarso Roba	Fund Administrator
3	Adan Katelo	Deputy Director – Supply Chain Management
4	Fredrick Injela	Fund Accountant
5	Bokayo Guyo	Assistant Director - Legal Services
6	Hawa Omar	Head – Internal Audit
7	Arbe Galgallo	Committee Clerk

Key Entity and Management (Continued)

h) Fiduciary Oversight Arrangements

SN	Position	Name
1	Internal Audit Department	CPA Hawa Omar Abdi
2	Marsabit Staff Car Loan and Mortgage Committee member	Elijah Chiwe
3	Marsabit Staff Car Loan and Mortgage Committee member	CPA Chare Mato
4	Marsabit Staff Car Loan and Mortgage Committee member	Salim Kato
5	Marsabit Staff Car Loan and Mortgage Committee member	CPA Paul Chamo
6	Marsabit Staff Car Loan and Mortgage Committee member	Francis Hargura
7	Marsabit Staff Car Loan and Mortgage Committee member	Qabale Hussein

i) Registered Offices

P.O. Box 29-60500
Marsabit County Assembly Headquarters Building

**County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

Marsabit, KENYA.

j) Fund Contacts

E-mail: info@marsabitassembly.go.ke

Website: www.marsabitassembly.go.ke

Facebook: Marsabit County Assembly

X:@mbtassembly

Youtube: Marsabit County Assembly

k) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000 – 00200, City Square
Nairobi, Kenya.
2. Co-operative Bank of Kenya
Marsabit Branch
P.O. Box 392 - 60500
Marsabit

l) Independent Auditors

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

m) Principal Legal Adviser




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

n) County Attorney





County Government of Marsabit
P.O. Box 384 – 60500, Marsabit Town
Marsabit, Kenya.

County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

3. Fund Administration Committee

Name	Details of qualifications and experience
<p>1. Hon Leakono Bata</p> 	<p>Chairman of Mortgage and Car Loan Committee from the onset of Third County Assembly. He serves in the committee being a Leader of Majority. He is an elected member of the County Assembly representing Log logo Ward. He was born on 19th January, 1977.</p> <p>He served in the Second County Assembly. He is a degree Holder of Bachelor of Education (Science) and a career teacher before joining politics.</p>
<p>2. Hon. Amos Guyo</p> 	<p>Hon. Amos is a member of Mortgage and Car Loan Committee having replaced Hon. Halkano midstream during the Third County Assembly. He serves in the committee under the provision for a Leader of Minority.</p> <p>He is an elected member of the County Assembly representing Sagante/Jaldesa Ward. Official record indicates that he was born on 25th February, 1992. He holds a BSc – Public Health with IT (honours). He served as an intern with Ministry of Health under Universal Healthcare Program from 09th of March 2020 up until he was elected on 09th August, 2022.</p>
<p>3. Hon. Buke Diba</p> 	<p>Member of Mortgage and Car Loan Committee from the onset of Second County Assembly. He serves in the committee being a representative from North Horr Sub-county.</p> <p>He was born on 01st July, 1967. He is an elected member of the County Assembly representing Maikona Ward. He holds a Diploma in Medical Laboratory and BSC – Biomedical Science. He was a career public servant in the health ministry spanning over twenty two years until he was elected in to the County Assembly as an MCA.</p>

**County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

<p>4. Hon. Siba Haila</p> 	<p>Member of Mortgage and Car Loan Committee from the onset of Third County Assembly. He serves in the committee being a representative from Moyale Sub-county.</p> <p>He is an elected member of the County Assembly. Official record indicates that he was born on 31st July, 1996.</p> <p>He holds Bachelor of Arts in Community Development.</p> <p>He worked in the business sector before joining the County Assembly.</p>
<p>5. Hon. Daniel Burcha</p> 	<p>Member of Mortgage and Car Loan Committee from the onset of Third County Assembly. He serves in the committee being a representative from Laisamis Sub-county.</p> <p>He holds a Diploma in Security Management.</p> <p>He is an elected member of County Assembly and previously served in the Second County Assembly and has experience in the police service for over twenty two years. Official record indicates that he was born on 01st July, 1974.</p>
<p>6. Hon. Daud Tamasot</p> 	<p>Member of Mortgage and Car Loan Committee from the onset of Second County Assembly. Official records indicate that he was born on 01st July, 1967. He is the Chairman of Budget & Appropriations Committee.</p> <p>He holds a Diploma in Animal Health. He served as a humanitarian personnel for over thirteen years up until he was elected an MCA during the First County Assembly and re-elected for subsequent terms.</p>
<p>7. Hon. Jacob Elisha</p> 	<p>Member of Mortgage and Car Loan Committee from the onset of Third County Assembly. Official records indicate that he was born on 22nd October, 1977. He serves in the committee being a <u>representative from Saku Sub-county; Marsabit Central Ward.</u></p> <p>He holds a Diploma in Business Administration.</p> <p>He served in the business sector before joining the County Assembly.</p>

**County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

8. Hon. Lucy Kargiya



Member of Mortgage and Car Loan Committee from the onset of Third County Assembly. Official records indicate that she was born on 01st January, 1978.

She studied for Bachelor of Commerce with Management option at Catholic University of Eastern Africa.

9. Hon. Kiya Jillo





Member of Mortgage and Car Loan Committee during Third County Assembly having replaced Hon. Ebise Waqo in the membership. Official records indicate that he was born on 05th July, 1992.

He has served as an elected MCA during the second term of County Assembly representing Moyale Township Ward with effect from 08th August 2017. Subsequently, he was nominated as MCA in Third County Assembly representing youth affairs.



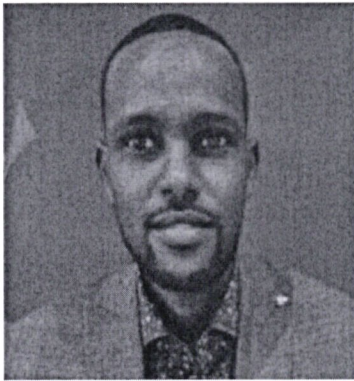
He holds a Bachelor of Arts (Public Policy and Administration).

County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

4. Management Team

Name	Details of qualifications and experience
<p>1. CPA Chare Mato Chare</p> 	<p>Clerk of the County Assembly and a Secretary to the County Assembly Service Board (CASB). Being the Chief Executive Officer, all matters of responsibility and accountability of the fund rests with his office. He was born on 2nd February 1978.</p> <p>Works in liaison with the Mortgage and Car loan Committee to ensure effective management of scheme loans.</p> <p>Holds a Master Degree in Finance and also a certified Accountant (CPA-K). Has served in this capacity since the July 2022 and nineteen years in the Accounting career.</p> <p>He has previously worked with Teachers Service Commission as an Accountant.</p>
<p>2. CHRP Jarso Roba Yattani</p> 	<p>Director of Human Resources & Administration at the County Assembly. Holds a Master Degree in Business Administration and also a certified Human Resource practitioner. Has been in the career for the last eighteen years with ten years being at the County Assembly. He was born on 15th August 1980.</p> <p>He performs fund administration by overseeing the general administration of Mortgage and Car loan funds in terms of application, appraisal, disbursement and monitoring of recoveries.</p> <p>He has previously worked in Directorate of personnel management in the Public Service.</p>

**County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

<p>3. CPA Fredrick Maleya Injela</p> 	<p>Assistant Director - Accounting Services at the County Assembly also doubling up as the Fund Accountant for the Mortgage and Car loan scheme fund. He holds a Bachelor's Degree in Accounting and CPA (K). He has served in this career in the public service for the last thirty one years, ten of which is at the County Assembly. He was born on 18th November 1969.</p> <p>He has previously worked with the National Treasury as an Accountant</p>
<p>4. Bokayo Guyo Halakhe</p> 	<p>Assistant Director - Legal Services in charge of the Legal, Legislative and Procedural Services within the County Assembly. A member of Mortgage and Car loan scheme management team. Served in this capacity for the last eight years. Holds a Bachelor's degree in Law and graduate of Kenya School of Law. Also an advocate of high court of Kenya. She was born on 25th August 1990.</p> <p>Has a role of offering technical and legal support to the M&CL committee so as to enforce compliance and mitigate risks.</p>
<p>5. Adan Katelo Adano</p> 	<p>Head of procurement function at the County Assembly. Holds a Master Degree in Supplies Chain Management. Have served in this capacity since the year 2014. A member of team managing M&CL scheme by way of offering technical support. He was born on 12th June 1989.</p> <p>He has previously worked with the Independent Electoral and Boundaries Commission in the procurement department.</p>

**County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

6. Arbe Galgallo Dokata



A Committee Clerk attached to M&CL committee of the County Assembly. Holds a Bachelor's Degree in Development Studies. Has served in this capacity since the year 2015. Offers secretarial and clerical support to the M&CL committee in terms of agenda preparation, issue meeting notices, minute preparation, perform amortization, prepare loan disbursement and recovery schedules and general records management. She was born on 1st July 1987.

**County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

5. Fund Chairperson's Report

On behalf of the Mortgage and Car Loan Committee, I appreciate the support by the County Assembly towards establishment and sustenance of the mortgage and car loan schemes. The establishment and eventual operationalization of the schemes in 2014 (whose regulation was reviewed in 2023) significantly heralded and resonated well with the government's endeavour to provide affordable housing. The mortgage scheme particularly enables government's realization of the housing agenda.


The fund had an opening balance of KES 110,564,914.48 including Mortgage Principal of KES 107,629,819.25 and Car Loan Principal of KES 2,935,095.24 to be recovered within the remaining period of Third County Assembly.

The fund did not have any changes during the year in terms of the key management team save for two committee members who were replaced following the party leadership configuration. The Fund earned an interest income of KES 2,818,324.08 against a recovered principal of KES 36,460,762.84 during the year under review.

As at 30th June, 2025, only KES 170,000,000.00 was injected into the fund for both schemes – which are now merged - against the expected KES 184,000,000.00 (five million for each Member of County Assembly and nineteen million for the Speaker) hence a deficit of KES 19 million. No disbursements were done during the year with regards to loan application.

I take this opportunity to urge the County Assembly to progressively provide for the fund deficit so that it is adequate during a new term. I also thank the fund administrator for the guidance and support which has made this scheme sustainable for successive terms. Further, I thank the scheme loan committee for their commitment in appropriating the funds.

Signed:  Date: 13th August 2025

 Hon. Leakono Bata
Chairperson, Car Loan and Mortgage Scheme Fund
County Assembly of Marsabit

6. Report of The Fund Administrator

It is my pleasure to present the financial statements for the year ended 30th June, 2025, in compliance with Section 116(7) and 167 of the Public Finance Management Act (2012). The objective of the County Assembly Mortgage and Car Loan Fund is to provide mortgage and car loans at competitive interest rates to eligible beneficiaries, promote financial well-being and asset ownership among county assembly members and staff, and ensure prudent management and sustainability of the Fund through effective governance and risk management.

The County Assembly has engaged the Cooperative Bank Limited to hold fund deposits from which the Committee appropriates request for loans. During the year under review, no loan has been disbursed. Moreover, a total of KES 36,460,762.84 and KES 2,818,324.08 were recovered as principal and interests respectively during the financial year 2024-25. The fund operates as a revolving fund, therefore does not prepare budget annually.


Up until 30th June, 2025, only KES 170,000,000.00 was injected into the fund for joint schemes against the expected KES 189,000,000.00 (five million for each Member of County Assembly and nineteen million for the Speaker). This indicates a fund deficit of KES 19,000,000.00. Earlier disbursements are being recovered and revolved without default so far.

In the administration of the fund, the Fund Administrator maintained adequate financial management controls to ensure compliance, transparency and accountability. The measures were aimed at making sure that the funds are utilized prudently and included maintenance of proper accounting records. Further, the financial statement have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) and represents a true and fair view of the state of affairs of the fund for the period under review. As the fund administrator, I confirm the completeness of the

County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

accounting records maintained for the fund, which have been relied upon, in the preparation of the financial statements.

Finally, I wish to report that there was no fraud or default in repayment of the loans and hence a testament that the fund is a going concern.

Signed:  Date: 13th August 2025

J. Roba
Fund Administrator, Car Loan and Mortgage Scheme Fund
County Assembly of Marsabit

7. Statement of Performance against the County Fund's Predetermined Objectives

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government entity 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 objective of the fund is:

- (i) To provide a loan scheme for the purchase of vehicles by members of the scheme; and
- (ii) To provide a loan scheme for the purchase, development, renovation or repair of residential property by members of the scheme. In so doing, the fund intends to facilitate Members of County Assembly to acquire a personal means of transport that enables them to move from their area of residence to the office and also have a decent shelter.

Program	Objective	Outcome	Indicator	Performance
Provision of Car Loan and Mortgage facilities to all members of County Assembly(MCA)	To ensure all members of County Assembly and Board members have access to car loan and Mortgage facilities	31 Interested Members of County Assembly, Speaker, and Two Board members applied for Marsabit Car Loan & Mortgage Scheme successfully.	97% of intended beneficiaries have taken car loan and Mortgage facilities.	During financial year 2024/2025, there was no new loan issued and no default on repayment

8. Corporate Governance Statement

Matters of M&CL scheme are squarely under the ambit of designated committee. In this regard, the M&CL committee have held 4 sittings during the year under review to discuss loan management agendas. The scheme regulations approved by the County Assembly has provided elaborate ways of establishing a committee with defined membership consisting of the Leader of majority (Chairperson), Leader of Minority, Chairperson of Budget committee, Majority Whip, Minority whip, other four MCAs for special interests and the Clerk of the County Assembly. The outlined position holders are by default members of the committee and were constituted as such.

The fundamental role of the committee is to manage loans with respect to approvals and monitor recovery. This mandate range from receiving applications, appraisal of applications and ultimate consideration of applications based on its merits.

Traditionally, the committee is bound to undergo at least one training in a year with a focus on improving scheme loan management and performance. The training content usually features matters of prudent public finance management which ranges from procedural approvals to effective securities and recoveries. Committee capacity building being a critical need will hopefully be done every financial year to keep abreast with emerging trends.

As guided by the SRC, the committee members are granted sitting allowances for every sitting they hold. The sitting is regulated by a quorum and usually payment is dictated by attendance of the members. At a point where a conflict of interest is suspected, for instance, where a committee member's application is being discussed, the committee by practice asks the member to excuse himself/herself from the meeting as the matter is discharged without any reference to the applicant.

The committee activities in terms of fund expenditure by way of loan disbursements, training facilitation or sitting allowances are all subject to government taxes and audit. The records of loans and bank statements are subjected to audit every end of financial year. This undertaking is primarily embraced not only because it is a statutory requirement but also in the spirit of financial accountability of the committee and to ensure sustainability of the fund.

Procurement of a logical system that schedules loan, amortize, reschedule when need arise and generate periodical reports according to user needs is highly desired. The software is expected to store information of a borrower in terms of loan application, loan register and loan discharge upon final instalments. The system is also crucial as it alerts on due annual insurances and also give accurate information for decision support. Embracing technology will definitely underpin transparency and accountability hence good corporate governance.

9. Management Discussion and Analysis

The fund has been operated without any default during the year under review. Further, the fund earned an interest income of **KES 2,818,324.08**. The beneficiaries of the fund as at 30th June, 2025 totaled thirty four (34) in which one member benefitted from both mortgage and car loan schemes.

In order to keep abreast with changing trends and also ensure the fund is compliant with dictates of law and regulations, the committee members deserve at least one training every year. For the year under review, the committee attended one training. This followed financial constraints and competing needs within County Assembly businesses. Nevertheless, an annual training that feature emerging trends in financial management and government policies is highly anticipated.

In the year 2024/25, the fund did not issue any new loan to employees. All the disbursed loans were sanctioned to be recovered at a duration that will not go beyond the contract end date of the applicant.

There was no loan default experienced within the year but there is an apparent threat from evolving statutory charges promulgated from time-to-time such as Housing Levy, NITA, SHIF and NSSF that will definitely lead to breach of One-Third rule.

10. Environmental and Sustainability Reporting

i) Sustainability strategy and profile

Marsabit Car Loan and Mortgage Scheme Fund has made various sustainable efforts that focus on service delivery to the members of staff. The strategic area of focus for service delivery includes but not limited to:

- a. Providing a loan scheme for the purchase of vehicles by members of the scheme; and
- b. Providing a loan scheme for the purchase, development, renovation or repair of residential property by members of the scheme. In so doing, the fund intends to facilitate Members of County Assembly to acquire a personal means of transport that enables them to move from their area of residence to the office and have a decent shelter.

ii) Environmental performance

Marsabit Car Loan and Mortgage Scheme Fund works towards the Health and Safety measures that aims at prevention and protection of employees against accidents and occupational hazards arising at the workplace as well as reduce the environmental impact of the institution activities and products.

Marsabit Car Loan and Mortgage Scheme Fund has put in place measures to prevent and mitigate against accidents, explosions, fire, floods, earthquakes, bomb threats and prepared procedures to be followed in such events. There is a Fire assembly point in case of Fire and the employees have been briefed on its importance.

iii) Employee welfare

Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund has committed to ensuring that employee welfare is taken into consideration to ensure maximum efficiency and effectiveness. Amongst the welfare opportunities present to Marsabit Car Loan and Mortgage Scheme Fund includes: Prompt payment of Salaries, Annual incremental awarded on Salaries, advance of salary, subsistence & foreign allowance, acting allowance and leave allowance.

The Marsabit County Assembly also provides Medical Cover to the Members and Staff. The medical covers entail inpatient, outpatient, dental, optical, maternity

County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

as well as last expense benefits.

Marsabit Car Loan and Mortgage Scheme Fund has also taken into consideration occupational Safety and Health by providing Occupational Benefits; Group Life Insurance, Group Personal Accident and Work Injury Benefit Act (WIBA).

Marsabit Car Loan and Mortgage Scheme Fund management further enjoy various workshops and training programmes intended to improve the employee performance and productivity and increase their morale.

iv) *Market place practices*

Marsabit Car Loan and Mortgage Scheme Fund as a corporate citizen has always been guided by various rules and regulations, Acts and other government directions to run its day to day activities.

All procurement related issues are published through set supplier protocols to give fair competitions to suppliers following guidelines from PPOA and PFM ACT (2012).

v) *Community Engagements*

Marsabit Car Loan and Mortgage Scheme Fund continually engages the general public through public participation in delivering its mandate and responsibilities. All bills, plans and policies go through public participation before being enacted. This is done through various approaches including relevant internal public forum.

**County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

11. Report of The Fund Administration committee

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

Principal activities

The principal activity of the Fund is to lend to members the scheme loans i.e. Mortgage and Car loan. This function includes receiving of applications, appraisal of applications, committee decision, disbursement of loans, recoveries of advanced monies, monitoring and evaluation of fund performance, enforce compliance, undertake loan clearance when due, and prepare reports as required.

Results

The results of the Fund for the year ended June 30th, 2025 are set out on pages 1-7.

Fund Administration Committee

The members of the Fund Administration Committee who served during the year are listed below:

SN	Name	Position
1	Hon. Leakono Bata	Chairperson
2	Hon. Amos Wako	Member
3	Hon. Buke Diba	Member
4	Hon. Siba Haila	Member
5	Hon. Daniel Burcha	Member
6	Hon. Jacob Elisha	Member
7	Hon. Lucy Kargiya	Member
8	Hon. Daud Tamagot	Member
9	Hon. Kiya Jillo	Member

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya (2010) and the Public Audit Act (2015), for the year ended June 30th, 2025.

By Order of the Board

Sign:


County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Name: CPA Fredrick Injela

Fund Accountant, Car Loan and Mortgage Scheme Fund

County Assembly of Marsabit

Date: 13th August, 2025

12. 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 pursuant to The Marsabit County Assembly Car Loan Scheme Fund Regulations, 2014 & The Marsabit County Assembly Mortgage Scheme Fund Regulations, 2014 with subsequent edition in 2023 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30th, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the County Assembly of Marsabit Car Loan and Mortgage Scheme Fund Regulations, 2023. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date. The Administrator further 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.

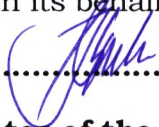
In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

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.

County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Approval of the financial statements

The Fund's financial statements were approved by the Board on2025
and signed on its behalf by:

.....


Administrator of the County Public Fund

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF MARSABIT CAR LOAN AND MORTGAGE SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2025

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 the Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; 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.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, 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

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Marsabit Car Loan and Mortgage Scheme Fund set out on pages 1 to 39, which comprise of the

Report of the Auditor-General on County Assembly of Marsabit Car Loan and Mortgage Scheme Fund for the year ended 30 June, 2025

statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Assembly of Marsabit Car Loan and Mortgage Scheme Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management (County Assembly of Marsabit Car Loan and Mortgage Scheme Fund) Regulations, 2023 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Long Outstanding Receivables

The statement of financial position and Note 20 to the financial statements reflect accounts receivables balance of Kshs.15,832,641. Included in the balance is an amount of Kshs.9,390,193 in respect of salary deductions made by the County Assembly of Marsabit but not remitted to the Fund. The amount has remained outstanding for over six (6) years, and no evidence was provided to demonstrate recovery efforts or the likelihood of collection, casting doubt on its recoverability. Further, Management did not have a policy on bad and doubtful debts and no provision was made for the long-outstanding receivable

In the circumstances, the accuracy and completeness of the long outstanding receivables amounting to Kshs.9,390,193 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effects of the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Audit Matters

The audit report for the previous year highlighted several issues in respect of the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Management's report on the progress made in resolving the issues, indicates that issues relating to the Financial Statements had not been resolved as at 30 June, 2025.

Failure to charge title deeds issue raised on the County Assembly of Marsabit Car Loan and Mortgage Scheme Fund in the previous audit report remain unresolved.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Register Charge on Financed Properties

The statement of financial position and Note 18 to the financial statements reflect total receivables from exchange transaction balance of Kshs.72,914,645, representing the amount due from members for the mortgage loans advanced. However, as previously reported Management has not registered charges on thirty-three (33) properties. This was contrary to Regulation 29(1) of the Public Finance Management (County Assembly of Marsabit Car Loan and Mortgage Scheme Fund) Regulations, 2023 which states that the Board shall have a charge registered on the property financed through a loan granted under these regulations and shall be entitled to have its name entered in all documents of title for such property.

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

2. Failure to Maintain Fire Policies

The statement of financial position and Note 18 to the financial statements reflect receivables from exchange transaction balance of Kshs.72,914,645 being amounts due from members for the mortgage loans advanced. However, the properties were not insured against fire. This is contrary to Regulation 30(1) of the Public Finance Management (County Assembly of Marsabit Car Loan and Mortgage Scheme Fund) Regulations, 2023 which states that a borrower shall take out and maintain a mortgage protection policy and a fire policy at his or her own cost, with an insurance firm approved by the board.

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

3. Non-Compliance with the International Public Sector Accounting Standards Board Requirements

Review of the annual report and financial statements for the year ended 30 June, 2025 revealed that the Fund did not prepare a statement of comparison of budget versus actual amounts. This was contrary to Public Sector Accounting Standards Board (IPSASB) Requirements as required under IPSAS 24.26 which requires that an entity shall present a comparison of budget and actual amounts for the budget that is made publicly available.

In the circumstances, Management was not compliant with the provisions of IPSASB.

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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Activity

During the year under review, there was no evidence of internal audit activity undertaken by the Fund, and no internal audit reports were provided for review. This is contrary to Regulation 153(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires internal auditors to conduct regular reviews and evaluations of budgetary performance, financial management, and accountability mechanisms.

In the circumstances, the effectiveness of internal audit, risk management, and governance processes at the Fund could not be confirmed.

2. Lack of Risk Management Policy

Management did not provide evidence of the existence of a Risk Management Policy to guide on risk management assessment and formulation of risk mitigation strategies in the year under review. This was contrary to the Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires accounting officer to develop risk management strategies which include fraud prevention mechanisms and internal control that builds robust business operation.

In the circumstances, the effectiveness of the internal controls on the Fund's financial and operational system could not be confirmed.

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

Responsibilities of the Management and Fund Administration Committee

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 November, 2025

County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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

Description	Note	2024/2025	2023/2024
		KES	KES
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	6	-	-
Transfers From the County Government	7	-	-
Fines, Penalties and Other Levies	8	-	-
Revenue From Exchange Transactions			
Interest Income	9	2,818,324	3,802,048
Other Income	10	-	-
Total Revenue		2,818,324	3,802,048
Expenses			
Employee Costs	11	-	-
Use of goods and services	12	726,783	1,635,285
Depreciation and Amortization Expense	13	-	-
Finance Costs	14	-	-
Total Expenses		726,783	1,635,285
Other Gains/Losses			
Gain/Loss on Disposal of Assets	15	-	-
Gain /Loss on fair value of investments	16	-	-
Surplus/(Deficit) for the Period		2,091,541	2,166,763

(The notes set out on pages 8 to 40 form an integral part of these Financial Statements)

.....
Name: **Jarso Roba**
Administrator of the Fund

.....
Name: **CPA Fredrick Injela**
Fund Accountant
ICPAK Member Number:26400

County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

15. Statement of Financial Position As at 30 June 2025

Description	Note	2024/2025	2023/2024
		KES	KES
Assets			
Current Assets			
Cash and Cash Equivalents	17	119,941,934	84,898,237
Current Portion of Long- Term Receivables from Exchange Transactions	18	36,460,763	38,651,254
Prepayments	19	-	-
Accounts Receivables	20	15,832,641	12,613,183
Investments in financial assets	21	-	-
Total current assets		172,235,338	136,162,674
Non-Current Assets			
Property, Plant and Equipment	22	-	-
Intangible Assets	23	-	-
Long Term Receivables from Exchange Transactions	18	36,453,882	70,435,005
Investment Property	24	-	-
Total non- current assets		36,453,882	70,435,005
Total Assets (A)		208,689,220	206,597,679
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	25	-	-
Current Provisions	26	-	-
Current Portion of Borrowings	27	-	-
Employee Benefit Obligations	28	-	-
Social benefit liabilities	29	-	-
Total current liabilities		-	-
Non-Current Liabilities			
Non-Current Provisions	26	-	-
Long Term Portion of Borrowings	27	-	-
Non-Current Employee Benefit Obligation	28	-	-


County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Description	Note	2024/2025	2023/2024
		KES	KES
Social benefit liabilities	29	-	-
Total Liabilities (B)		-	-
Net Assets (A-B)		208,689,220	206,597,679
Represented By:			
Revolving Fund		198,500,877	198,500,877
Reserves		-	-
Accumulated Surplus		10,188,343	8,096,802
Net Assets		208,689,220	206,597,679

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 13/8 2025 and signed by:

.....

Name: Jarso Roba
Administrator of the Fund

.....

Name: CPA Fredrick Injela
Fund Accountant
ICPAK Member Number:26400

County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

16. Statement of Changes in Net Assets for the year ended 30th June 2025

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KES	KES	KES
Balance As At 01st July 2023	149,886,994	-	5,930,039	155,817,033
Surplus/(Deficit) For the Period	-	-	2,166,763	2,166,763
Funds Received During the Year	48,613,883	-	-	48,613,883
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30th June 2024	198,500,877	-	8,096,802	206,597,679
Balance As At 01st July 2024	198,500,877	-	8,096,802	206,597,679
Surplus/(Deficit) For the Period		-	2,091,541	2,091,541
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30th June 2025	198,500,877	-	10,188,343	208,689,220

County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

17. Statement of Cash Flows for The Year Ended 30 June 2025

Description	Note	2024/2025	2023/2024
		KES	KES
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government		-	-
Interest received		2,818,324	3,802,048
Receipts from other operating activities		-	-
Total receipts		2,818,324	3,802,048
Payments			
Fund administration expenses		726,783	1,635,285
General expenses		-	-
Finance cost		-	-
Other payments		-	-
Net cash flows from operating activities	30	2,091,541	2,166,763
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		-	-
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		32,952,156	42,997,391
Loan disbursements paid out		-	(16,757,109)
Net cash flows used in investing activities		32,952,156	26,240,282
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	49,000,000
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	49,000,000
Net increase/(decrease) in cash & cash Equivalents		35,043,697	77,407,045
Cash and cash equivalents at 1 July 2024	17	84,898,237	7,491,192
Cash and cash equivalents at 30 June 2025	17	119,941,934	84,898,237

County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

18. Statement Of Comparison Of Budget And Actual Amounts For The Period Ended 30th June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	KES	KES	KES	KES	KES	
	a	b	C=(a+b)	D	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*	-	-	-	-	-	-
Receipts	-	-	-	-	-	-
Public Contributions and Donations	-	-	-	-	-	-
Transfers From County Govt.	-	-	-	-	-	-
Interest Income	-	-	-	2,818,324	(2,818,324)	-
Other Income	-	-	-	-	-	-
Total Income	-	-	-	2,818,324	(2,818,324)	-
Expenses	-	-	-	-	-	-
Fund Administration Expenses	-	-	-	726,783	(726,783)	-
General Expenses	-	-	-	-	-	-
Finance Cost	-	-	-	-	-	-
Total Expenditure	-	-	-	726,783	(726,783)	-
Capital expenditure	-	-	-	-	-	-
Surplus For the Period	-	-	-	2,091,541	(2,091,541)	

County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Budget Reconciliation

	Description of Particulars	Amount in KES
	Actual Surplus Amounts as per the statement of Budget	A
1	Reason for differences	-
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	-

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Marsabit County Assembly Car Loan and Mortgage Fund is established by and derives its authority and accountability from PFM Act. The entity is wholly owned by the Marsabit County Assembly and is domiciled in Kenya. The entity's principal activity is : to provide a loan scheme for the purchase of vehicles by members of the scheme, and to provide a loan scheme for the purchase, development, renovation or repair of residential property by members of the scheme.

2. Statement of compliance and basis of preparation

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. Adoption of new and revised standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1st January 2025 The standard sets out the principles for 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

County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

	<p>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>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p>Applicable 1st January 2025</p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be 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>
<p>IPSAS 46: Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>

**County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025**

<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i> 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>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity’s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

(i) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year ended 30th June 2025.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

b) Budget information

The County Assembly of Marsabit Car Loan and Mortgage Scheme Fund operates as a revolving fund therefore does not have a budget.

c) Property, plant and equipment

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

Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

a) Intangible Assets

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

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

b) Investment property

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

c) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the County Assembly of Marsabit Car Loan and Mortgage Scheme Fund's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) Inventories

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

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

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

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

e) Provisions

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

f) Social Benefits

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

g) Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility

of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

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

h) Nature and purpose of reserves

The County Assembly of Marsabit Car Loan and Mortgage Scheme Fund did not create and maintains reserves in terms of specific requirements for the year ended 30th June 2025.

The County Assembly of Marsabit Car Loan and Mortgage Scheme Fund did not have Changes in accounting policies and estimates during the year ended 30th June 2025.

i) Employee benefits – Retirement benefit plans

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

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

j) 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.

k) 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.

l) Related parties

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

m) Cash and cash equivalents

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

n) Comparative figures

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

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.

a) Estimates and assumptions –

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of

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

b) Useful lives and residual values

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

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

c) Provisions

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

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

Notes To the Financial Statements Continued

6. Public contributions and donations

Description	2024/2025	2023/2024
	KES	KES
Donation From Development Partners	-	-
Contributions From the Public	-	-
Total	-	-

7. Transfers from County Government

Description	2024/2025	2023/2024
	KES	KES
Transfers From County Govt. –Operations	-	-
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	-	-

8. Fines, penalties and other levies

Description	2024/2025	2023/2024
	KES	KES
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

9. Interest income

Description	2024/2025	2023/2024
	KES	KES
Interest Income from Mortgage Loans	2,781,344	3,750,780
Interest Income From Car Loans	36,980	51,268
Total Interest Income	2,818,324	3,802,048

This income relates to the interest earned from the loans issued out to the members of the county assembly either in form of car loan or mortgage facility.

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10. Other income

Description	2024/2025	2023/2024
	KES	KES
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Total Other Income	-	-

11. Employee Costs

Description	2024/2025	2023/2024
	KES	KES
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Total	-	-

12. Use of Goods and Services

Description	2024/2025	2023/2024
	KES.	KES.
General Office Expenses	269,100	969,700
Bank Charges	480	7,880
Insurance Costs	457,203	657,705
Total	726,783	1,635,285

13. Depreciation and Amortization Expenses

Description	2024/2025	2023/2024
	KES.	KES.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

14. Finance costs

Description	2024/2025	2023/2024
	KES	KES
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

15. Gain/(loss) on disposal of assets

Description	2024/2025	2023/2024
	KES	KES
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

16. Gain/ (loss) on Fair Value Investments

Description	2024/2025	2023/2024
	KES	KES
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

17. Cash and cash equivalents

Description	2024/2025	2023/2024
	KES	KES
Marsabit County Assembly Car Loan and Mortgage Account	119,941,934	84,898,237
Total Cash and Cash Equivalents	119,941,934	84,898,237

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

Financial Institution	Account number	2024/2025	2023/2024
		KES	KES
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			
Cooperative Bank Limited		119,941,934	84,898,237
Sub- Total		119,941,934	84,898,237
d) Others(Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total			
Grand Total		119,941,934	84,898,237

18. Receivables from exchange transactions

Description	2024/2025	2023/2024
	KES	KES
Current Receivables		
Interest Receivable	1,691,031	2,782,063
Current Loan Repayments Due	34,769,732	35,869,191
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	36,460,763	38,651,254
Non-Current Receivables		
Long Term Loan Repayments Due	36,453,882	70,435,005
Total Non- Current Receivables	36,453,882	70,435,005
Total Receivables From Exchange Transactions	72,914,645	109,086,259

Additional disclosure on interest receivable

Description	2024/2025	2023/2024
	KES	KES
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due	-	-
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

19. Prepayments

Description	2024/2025	2023/2024
	KES	KES
Prepaid Rent	-	-
Prepaid Insurance	-	-
Total	-	-

20. Accounts Receivables

Description	2024/2025	2023/2024
	KES	KES
Account Receivables	15,832,641	12,613,183
Total Accounts Receivables	15,832,641	12,613,183

This amounts relates to unremitted amounts

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21. Investments in financial assets

Description	2024/2025	2023/2024
	KES	KES
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
Bank x	-	-
Bank y	-	-
Sub- total	-	-
c. Equity investments (specify)		
Equity/ shares in Entity xxx	-	-
Sub- total	-	-
Grand total	-	-

Movement of Equity Investments

Impairment allowance/ provision	2024/2025	2023/2024
	KES	KES
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

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholdin	Indirect shareholdin	Effective shareholdin			
	g	g	g		Current year	Prior year
	%	%	%	KES	KES	KES
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

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22. Property, plant, and equipment

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

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	Land	Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Rate		X%	X%	X%	X%	
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-
At 30th June 2025	-	-	-	-	-	-
Net Book Values	-	-	-	-	-	-
At 30th June 2024	-	-	-	-	-	-
At 30th June 2025	-	-	-	-	-	-

23. Intangible assets

Description	2024/2025	2023/2024
	KES	KES
Cost		
At Beginning of The Year	-	-
Additions	-	-
At End of The Year	-	-
Amortization And Impairment		
At Beginning of The Year	-	-
Amortization	-	-
At End of The Year	-	-
Impairment Loss	-	-
At End of The Year	-	-
NBV	-	-

24. Investment Property

Description	2024/2025	2023/2024
	KES	KES
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
At end of the year	-	-

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25. Trade and other payables from exchange transactions

Description	2024/2025		2023/2024	
	KES		KES	
Trade Payables	-		-	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis (Trade and other payables)	2024/2025	% of the Total	2023/2024	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

26. Provisions

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

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27. Borrowings

Description	2024/2025	2023/2024
	KES	KES
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 into external and domestic borrowings:

Description	2024/2025	2023/2024
	5	4
	KES	KES
External Borrowings		
Dollar Denominated Loan From 'X Organization'	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from 'Z Organization'	-	-
Domestic Borrowings	-	-
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
Total Balance at End of The Year	-	-

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

Description	2024/2025	2023/2024
	KES	KES
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

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28. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	2024/2025	2023/2024
	KES	KES	KES	KES	KES
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

29. Social Benefit Liabilities

Description	2024/2025	2023/2024
	KES	KES
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
Current social benefits	-	-
Non-current social benefits	-	-
Total (tie to totals above)	-	-

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

County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
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30. Cash generated from operations.

Description	2024/2025	2023/2024
	KES	KES
Surplus/ (Deficit) For the Year Before Tax	2,091,541	2,166,763
Adjusted For:		
Depreciation	-	-
Amortization	-	-
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	2,091,541	2,166,763

31. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	2024/2025	2023/2024
	KES	KES
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	2024/2025	2023/2024
	KES	KES
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	2024/2025	2023/2024
	KES	KES
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

Other Disclosures Continued

e) Due to related parties

Description	2024/2025	2023/2024
	KES	KES
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

32. Contingent assets and contingent liabilities

Contingent Liabilities	2024/2025	2023/2024
	KES	KES
Bank Guarantees	-	-
Total	-	-

33. Financial risk management

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

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

a) Credit risk

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

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Description	Total amount KES	Fully performing KES	Past due KES	Impaired KES
At 30 June 2025				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
At 30 June 2024				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

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

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

b) Liquidity risk management

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

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

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

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

Description		Other currencies	Total
	KES	KES	KES
At 30 June 2025			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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

Foreign currency sensitivity analysis

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

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

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund runs on a fixed interest rate of 3% per annum.

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d) Capital risk management.

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

Description	2024/2025	2023/2024
	KES	KES
Revaluation reserve	-	-
Revolving fund	198,500,877	198,500,877
Accumulated surplus	10,188,343	8,096,802
Total funds	208,689,220	206,597,679
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-	-

34. Events after the reporting period

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

35. Ultimate and Holding Entity

The Marsabit County Assembly Car Loan & Mortgage Scheme Fund was established by and derives its authority and accountability from Section 116 of the Public Finance Management Act (2012), The Marsabit County Assembly Car Loan Scheme Fund, 2014 & The Marsabit County Assembly Mortgage Scheme Fund Regulations, 2014 with ultimate edition in 2023. The Fund is wholly owned by the County Assembly of Marsabit and is domiciled in Kenya.

36. Currency

The financial statements are presented in Kenya Shillings (KES)

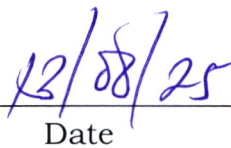
20. Annexes

Annex I: Progress on Follow Up of Prior Year Auditor's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Variance between the Comparative Balances and the Prior Year Audited Balances	The financial statements have been amended accordingly.	Resolved.	
2	Variances between the Statement of Financial performance and Notes to the Financial Statements	The financial statements have been amended accordingly.	Resolved.	
3	Failure to Charge the Title Deeds	The process of registering is ongoing	Not Resolved.	


Jarso Roba


Date

Fund Administrator
Car Loan and Mortgage Scheme Fund
County Assembly of Marsabit

County Assembly of Marsabit Car Loan and Mortgage Scheme Fund
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Annex II: Inter-Fund Confirmation Letter

The Marsabit Car Loan and Mortgage Scheme Fund did not have an inter fund transfers for the year ended 30th June 2025.

Annex III: Reporting of Climate Relevant Expenditures

The Marsabit Car Loan and Mortgage Scheme Fund did not have a Climate Relevant Expenditures for the year ended 30th June 2025.

Annex IV: Reporting on Disaster Management Expenditure

The Marsabit Car Loan and Mortgage Scheme Fund did not have a Disaster Management Expenditure for the year ended 30th June 2025.

