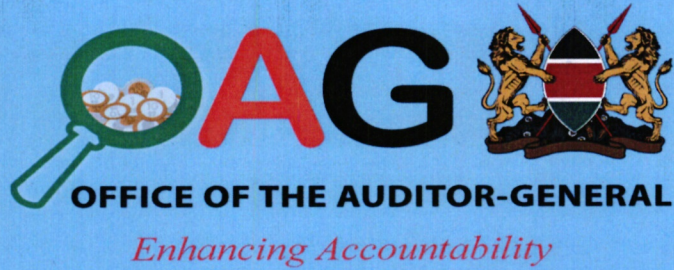


REPUBLIC OF KENYA



PAPERS LAID	
DATE	30/5/2023
TABLED BY	CML
COMMITTEE	—
CLERK AT THE TABLE	Innocent Mbayi

REPORT

OF



THE AUDITOR-GENERAL

ON

**COUNTY ASSEMBLY OF NAKURU
(MEMBERS) CAR LOAN, GRANTS
AND MORTGAGE SCHEME FUND**

**FOR THE YEAR ENDED
30 JUNE, 2022**





**COUNTY ASSEMBLY OF NAKURU
CAR LOAN, GRANT & MORTGAGE SCHEME FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022**

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

**County Assembly of Nakuru
Car Loan, Grant and Mortgage Fund
Reports and Financial Statements
For the year ended 30th June 2022**

2022

TABLE OF CONTENTS

TABLE OF CONTENTS	ii
1. KEY COUNTY ASSEMBLY OF NAKURU INFORMATION AND MANAGEMENT	iii
2. MANAGEMENT TEAM	v
3. STATEMENT OF PERFORMANCE AGAINST NAKURU COUNTY ASSEMBLY'S FUND PREDETERMINED OBJECTIVES	vi
4. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES	vii
5. REPORT OF THE INDEPENDENT AUDITOR	viii
6. FINANCIAL STATEMENTS	1
6.1.STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30THJUNE 2022.....	1
6.2. STATEMENT OF FINANCIAL POSITIONAS AT 30TH JUNE 2022	2
6.3. STATEMENT OF CHANGES IN NET ASSETSAS AT 30TH JUNE 2022	4
6.4. STATEMENT OF CASHFLOWSFOR THE YEAR ENDED 30TH JUNE 2022 .	5
6.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30THJUNE 2022	6
6.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	7
6.7. NOTES TO THE FINANCIAL STATEMENTS	17
9. Progress on Follow on Prior Year Auditor's Recommendations	21

**County Assembly of Nakuru
Car Loan, Grant and Mortgage Fund
Reports and Financial Statements
For the year ended 30th June 2022**

1. KEY COUNTY ASSEMBLY OF NAKURU INFORMATION AND MANAGEMENT

a) Background information

The Nakuru County Assembly Car Loan and Mortgage Fund was established under County Government of Nakuru Car Loan and Mortgage Scheme Fund Regulations of 2016. The regulations were amended on 19th February, 2021. The Fund is wholly owned by the County Assembly of Nakuru and is domiciled in Kenya.

The principal purpose and object of the Act is to establish a loan scheme to provide loans to Members of the Scheme to purchase motor vehicles or residential houses in addition to develop, renovate or repair their residential property.

The Fund's principal activity is advancing Car Loans and Mortgage to members of County Assembly and staffs.

Staff of the Assembly.

b) Key Management

Ref	Name	Position
1	Joseph M. Malinda	County Assembly Clerk
2	Jane N. Waweru	Director Finance, Budget and Procurement
3	Jane W. Karanja	Director Human Resource and Development
4	Joseph K. Chege	Director Hansard and ICT

c) Fiduciary Oversight Arrangements

Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):

Ref	Position	Name
1	Public Account and Investment Committee	Members
2	Deputy Director Internal Audit	Samuel Maina Munyeki
3		

**County Assembly of Nakuru
Car Loan, Grant and Mortgage Fund
Reports and Financial Statements
For the year ended 30th June 2022**

d) Registered Offices

P.O. Box 907
Ugatuza Plaza
Nakuru – Eldoret Highway
Nakuru, KENYA

e) Fund Contacts

Telephone :(254)051-2216472
E-mail: clerkassembly@nakurucounty.go.ke
Website: www.nakurucounty.org.ke

f) Fund Bankers

1. Family Bank Ltd
Family Bank Towers,
Muindi Mbingu Street
P.O. Box 7414-00200
City Square
Nairobi, Kenya
Account No. 018000055807
Account No. 018000067410
Account No. 018000073215
Account No. 018000073217

g) Independent Auditors





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

h) Principal Legal Adviser

The County Attorney
P.O. Box 2870 - 20100
County Government of Nakuru Headquarters
Nakuru, Kenya

**County Assembly of Nakuru
Car Loan, Grant and Mortgage Fund
Reports and Financial Statements
For the year ended 30th June 2022**

2. MANAGEMENT TEAM

	Name	Details of qualifications and experience
1	 Joseph M. Malinda	Masters of Business Administration (MBA), Bachelors of Law (LLB). 27 years' Experience. Clerk to the County Assembly. Date of Birth: 27 th December 1969
2	 Jane N. Waweru	Bachelor of Commerce, CPA (K). 22 years' experience. Director-Finance. Date of Birth: 28 th March 1972
3	 Jane W. Karanja	Bachelor of Business Administration (BBM), Diploma in Business Management. 22 years' experience. Director Human Resource and Development. Date of Birth: 27 th July 1969
4	 Joseph K. Chege	Bachelor of Arts (BA), Diploma in Mass Communication, 27 years' Experience. Director Hansard and ICT Date of Birth: 22 nd September 1968

**3. STATEMENT OF PERFORMANCE AGAINST NAKURU COUNTY ASSEMBLY'S
FUND PREDETERMINED OBJECTIVES**

The Fund has to a large extent achieved its intended purpose and objectives. To this extend all the Members of County Assembly have accessed the facility on priority basis since their period in the Assembly is limited to the term they are in Office.

The Fund has also covered a bigger percentage of Members of Staff with preference to those with few years remaining in service. The Fund is yet to cover all the Staff Members and the County Assembly Service Board is endeavouring to allocate additional seed capital to the Fund to cover all the Members of Staff in future.

In the FY 2021/2022, the fund's objective was to make available KES 110 million through a budgetary allocation from the Assembly's operational budget line. During the year, an amount of KES 16.7 million was advanced to Members of Staff.

**County Assembly of Nakuru
Car Loan, Grant and Mortgage Fund
Reports and Financial Statements
For the year ended 30th June 2022**

4. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Fund Regulations, 2021 shall prepare financial statements for the of Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of Fund is responsible for the preparation and presentation of the of Fund 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 30th June 2022. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the of 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 of Fund
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Administrator of Fund accepts responsibility for the of Fund 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 Fund Regulations, 2021. The Fund Administrator is of the opinion that the of Fund financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2022, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the of Fund financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

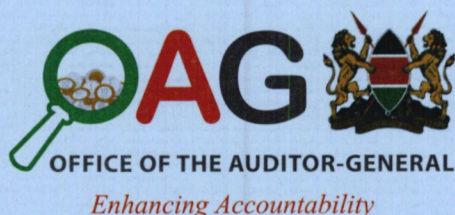
The Fund's financial statements were approved by the Clerk of the County Assembly on 23/01/2023 2022 and signed on its behalf by:



Clerk of the County Assembly

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF NAKURU (MEMBERS) CAR LOAN, GRANTS AND MORTGAGE SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Nakuru (Members) Car Loan, Grants and Mortgage Scheme Fund set out on pages 1 to 22,

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Assembly of Nakuru (Members) Car Loan, Grants and Mortgage Scheme Fund as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Public Finance Management (Nakuru County Assembly Car Loan, Grants and Mortgage Scheme Fund) Regulations, 2021.

Basis for Qualified Opinion

1. Inaccuracy in the Financial Statements

The statement of financial performance for the year ended 30 June, 2022 reflects fund administration expenses of Kshs.2,937,920 whereas the statement of cash flows reflects Nil amount resulting in unexplained and unreconciled variance of Kshs.2,937,920.

In the circumstances, the accuracy and completeness of the respective financial statements for the year ended 30 June, 2022 could not be confirmed.

2. Unconfirmed Interest Income

The statement of financial performance reflects interest income amount of Kshs.8,813,761. However, detailed schedule showing opening balance, the loan movements during the year and the rate of interest applied in computing the interest income was not provided for the audit.

In the circumstances, the accuracy and completeness of the interest income amount of Kshs.8,813,761 for the year ended 30 June, 2022 could not be confirmed.

3. Unsupported Fund Administration Expenses

The statement of financial performance reflects fund administration expenses of Kshs.2,937,920. However, detailed expenditure schedules in support of the amount were not provided for audit.

In the circumstances, the accuracy and completeness of fund administration expenses of Kshs.2,937,920 for the year ended 30 June, 2022 could not be confirmed.

4. Unconfirmed Current Portion of Long-Term Receivables from Exchange Transactions Balance

The statement of financial position reflects current portion of long-term receivables from exchange transactions balance of Kshs.25,602,833. However, a detailed schedule showing opening balance and the loans movements during the year were not provided for audit. Further, the supporting schedule reflects a balance of Kshs.25,025,931, resulting in unexplained and unreconciled variance of Kshs.576,902.

In the circumstances, the accuracy and fair presentation of the current portion of long-term receivables from exchange transactions balance of Kshs.25,602,833 as at 30 June, 2022 could not be confirmed.

5. Unconfirmed Long-Term Receivables from Exchange Transactions Balance

The statement of financial position reflects long term receivables from exchange transactions balance of Kshs.234,362,201. However, a detailed schedule showing opening balance and the loans movements during the year were not provided for audit.

In the circumstances, the accuracy and fair presentation of the long-term receivables from exchange transactions balance of Kshs.234,362,201 as at 30 June, 2022 could not be confirmed.

6. Unconfirmed Revaluation Loss on Car Grant Balance

The statement of changes in net assets reflects revaluation loss on car grant balance of Kshs.19,032,910. However, the schedule showing members affected and amounts in respect of each was not provided for audit.

In the circumstances, the accuracy and completeness of revaluation loss on car grant balance of Kshs.19,032,910 as at 30 June, 2022 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2022. Management has not provided reasons for the delay in resolving the prior year audit issues. This is contrary to the provisions of the Public Sector Accounting Standards Board reporting templates and The National Treasury's Circular Ref: AG.4/16/3 Vol.II (66) dated 6 July, 2022.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for matters described in the Basis for Conclusion on Lawfulness and Effectiveness in 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. Lack of Approved Budget

The statement of comparison of budget and actual amounts reflects a final total income and expenditure budget amount of Kshs.110,000,000. However, the approved budget and the relevant minutes were not provided for audit contrary to Regulation 43(2) of the Public Finance Management (County Governments) Regulations, 2015 which states that County Government entities shall execute their approved budgets based on the annual appropriation legislation, and the approved annual cash flow plan with the exception of unforeseen and unavoidable spending dealt with through the County Emergency Fund, or supplementary estimates.

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

2. Loans Disbursed Without Mandatory Documentation

The statement of the financial position reflects long-term receivables from exchange transactions balance of Kshs.234,362,201, out of which mortgage loans of Kshs.16,700,000 disbursed in the year under review were not supported with approved house designs, official search, bills of quantities, sale agreements and application forms. This was contrary to Regulation 23(1) of the Public Finance Management (Nakuru County Assembly Car Loan, Grants and Mortgage Scheme Fund) Regulations, 2021 which specifies the documents to accompany an application for loan under these regulations.

In the circumstances, mortgage loans of Kshs.16,700,000 were not properly authorized and secured, and the Management was in breach of the law.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance

about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a

basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

21 March, 2023

County Assembly of Nakuru
 Car Loan, Grant and Mortgage Fund
 Reports and Financial Statements
 For the year ended 30th June 2022

6. FINANCIAL STATEMENTS

6.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
 30TH JUNE 2022

	Note	FY 2021/2022 KES	FY2020/2021 KES
Revenue from non-exchange transactions			
Public contributions and donations		-	-
Transfers from the County Government	1		-
Fines, penalties and other levies		-	-
Revenue from exchange transactions			
Interest income	2	8,813,761	10,941,822
Other income			
Total revenue		8,813,761	10,941,822
Expenses			
Fund administration expenses	3	2,937,920	3,647,274
General expenses	4		
Finance costs	5	409,161	441,800
Total expenses		3,347,081	4,089,074
Other gains/losses			
Gain/loss on disposal of assets		-	-
Surplus/(deficit) for the period		5,466,680	6,852,748

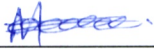
County Assembly of Nakuru
 Car Loan, Grant and Mortgage Fund
 Reports and Financial Statements
 For the year ended 30th June 2022

6.2. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2022

	Note	FY 2021/2022 KES	FY2020/2021 KES
Assets			
Current assets			
Cash and cash equivalents	6	207,054,484	9,768,270
Current portion of long term receivables from exchange transactions	7	25,602,833	105,601,721
Prepayments		-	-
Inventories		-	-
Non-current assets			
Property, plant and equipment		-	-
Intangible assets		-	-
Long term receivables from exchange transactions	7	234,362,201	236,182,846
Total assets		467,019,518	351,552,838
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions		-	-
Provisions		-	-
Current portion of borrowings		-	-
Employee benefit obligations		-	-
Non-current liabilities			
Non-current employee benefit obligation		-	-
Long term portion of borrowings		-	-
Total liabilities		-	-
Net assets		467,019,518	351,552,838
Revolving Fund		422,153,529	312,153,529
Reserves		-	-
Accumulated surplus		44,865,989	39,399,308
Total net assets and liabilities		467,019,518	351,552,837

**County Assembly of Nakuru
Car Loan, Grant and Mortgage Fund
Reports and Financial Statements
For the year ended 30th June 2022**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. Fund's financial statements were approved on 23/01/2023 ~~2022~~ and signed by:



**Fund Administrator
Joseph M. Malinda.**



**Director of Finance
CPA. Jane N. Waweru
ICPAK Member No: 7941**

County Assembly of Nakuru
 Car Loan, Grant and Mortgage Fund
 Reports and Financial Statements
 For the year ended 30th June 2022

6.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30TH JUNE 2022

	Note	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
			KES	KES	KES
Balance as at 1 July 2020		472,153,529	-	32,546,560	504,700,089
Surplus/(deficit) for the period			-	6,852,748	6,852,748
Funds received during the year			-	-	-
Revaluation gain		(160,000,000)	-	-	(160,000,000)
Balance as at 30 June 2021		312,153,529	-	39,399,308	351,552,837
Balance as at 1 July 2021	8	331,186,439	-	39,399,308	370,585,747
Surplus/(deficit) for the period			-	5,466,680	5,466,680
Funds received during the year		110,000,000	-		110,000,000
Revaluation gain/Loss (Car Grant)		(19,032,910)	-	-	(19,032,910)
Balance as at 30 June 2022		422,153,529	-	44,865,989	467,019,518

**County Assembly of Nakuru
Car Loan, Grant and Mortgage Fund
Reports and Financial Statements
For the year ended 30th June 2022**

6.4. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30TH JUNE 2022

	Note	FY 2021/2022 KES	FY 2020/2021 KES
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the County Government	1	110,000,000	-
Interest received		11,924,330	10,008,641
Receipts from other operating activities		-	-
Total Receipts		121,924,330	10,008,641
Payments			
Fund administration expenses			-
General expenses	4		-
Finance cost	5	(1,149,622)	(441,800)
Total Payments		(1,149,622)	(441,800)
Adjusted for:			
Decrease/(Increase) in accounts receivable: (Car Loan converted to Car grant)		(19,032,910)	(139,984,871)
Decrease/(Increase) in accounts receivable		(1,093,074)	
Increase/(Decrease) in Accounts Payable: (deposits and retention)	22	-	-
Total		100,648,726	(130,418,030)
Net cash flows from operating activities	21		
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-	-
Proceeds from sale of property, plant and equipment		-	-
Proceeds from loan principal repayments		113,337,488	84,393,281
Loan disbursements paid out		(16,700,000)	(35,500,000)
Net cash flows used in investing activities		96,637,488	48,893,281
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings			-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		197,286,214	(81,524,749)
Cash and cash equivalents at 1 JULY	6	9,768,270	91,293,019
Cash and cash equivalents at 30th June	6	207,054,484	9,768,270

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

	Original budget 2018	Adjustments 2018	Final budget 2018	Actual on comparable basis 2018	Performance difference 2018	utilisation 2018
	KES	KES	KES	KES	KES	
Revenue						
Public contributions and donations	-	-	-	-	-	
Transfers from County Govt.	100,000,000.00	10,000,000.00	110,000,000.00	110,000,000	-	
Interest income	-	-	-	8,813,761	(8,813,761)	
Other income	-	-	-	-	-	
Total income	100,000,000.00	10,000,000.00	110,000,000.00	118,813,761	(8,813,761)	108%
Expenses						
Fund administration expenses	-	-	-	2,937,920	(2,937,920)	
General expenses	-	-	-	-	-	
Finance cost	-	-	-	409,161	(409,161)	
Total expenditure	-	-	-	3,347,081	(3,347,081)	
Surplus for the period	100,000,000.00	10,000,000.00	110,000,000.00	115,466,680	(12,160,842)	105%

**County Assembly of Nakuru
Car Loan, Grant and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2022**

6.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of compliance and basis of preparation

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.

2. Adoption of new and revised standards

a) Relevant new standards and amendments to published standards effective for the year ended 30 June 2019

Standard	Effective date and impact:
IPSAS 39: Employee Benefits	Applicable: 1st January 2019 The objective to issue IPSAS 39 was to create convergence to changes in IAS 19 Employee benefits. The IPSASB needed to create convergence of IPSAS 25 to the amendments done to IAS 19. The main objective is to ensure accurate information relating to pension liabilities arising from the defined benefit scheme by doing away with the corridor approach.

b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2019

Standard	Effective date and impact:
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019: The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3(applicable to acquisitions only) Business combinations and combinations arising from non-exchange transactions which are covered purely under Public Sector combinations as amalgamations.

c) Early adoption of standards

The County Assembly of Nakuru did not early – adopt any new or amended standards in year 2021-2022.

**County Assembly of Nakuru
Car Loan, Grant and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2022**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

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

4. Budget information

The County Assembly approved the original budget for FY 2020/2022 on June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the County Assembly of Nakuru upon receiving the respective approvals in order to conclude the final budget.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 7.5 of these financial statements.

**County Assembly of Nakuru
Car Loan, Grant and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2022**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the County Assembly of Nakuru 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.

6. 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.

7. Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The County Assembly of Nakuru determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

**County Assembly of Nakuru
Car Loan, Grant and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2022**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the County Assembly of Fund has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

Fund assesses at each reporting date whether there is objective evidence that a financial asset or Fund financial assets is impaired. A financial asset or Fund financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the County Assembly of Nakuru of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

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

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. Fund determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

**County Assembly of Nakuru
Car Loan, Grant and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2022**

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

8. 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 Fund.

9. Provisions

Provisions are recognized when Fund 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 Fund 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.

Contingent liabilities

Fund 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.

**County Assembly of Nakuru
Car Loan, Grant and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2022**

Contingent assets

Fund 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 Fund 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.

10. Changes in accounting policies and estimates

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

11. Employee benefits– Retirement benefit plans

Fund provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which the County Assembly of Nakuru pays fixed contributions into a separate County Assembly of Nakuru (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.

12. 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.

13. 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.

**County Assembly of Nakuru
Car Loan, Grant and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2022**

14. Related parties

Fund regards a related party as a person or a County Assembly of Nakuru with the ability to exert control individually or jointly, or to exercise significant influence over Fund, or vice versa. Members of key management are regarded as related parties and comprise the Directors, The Clerk and Senior Managers.

15. 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.

16. Comparative figures

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

17. Events after the reporting period

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

18. Ultimate and Holding of County Assembly of Nakuru

Fund was established under Fund Regulations of 2016. The regulations were amended on 19th February, 2021. The Fund is wholly owned by the County Assembly of Nakuru and is domiciled in Kenya. Its ultimate parent is the County Government of Nakuru.

**County Assembly of Nakuru
Car Loan, Grant and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2022**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

19. Currency

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

20. Significant judgments and sources of estimation uncertainty

The preparation of Fund '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.

Estimates and assumptions – The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The County Assembly of Nakuru 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 Fund. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

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 Fund.
- 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

**County Assembly of Nakuru
Car Loan, Grant and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2022**

- Availability of funding to replace the asset Changes in the market in relation to the asset

21. 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.

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 County Assembly of Nakuru's short, medium and long-term funding and liquidity management requirements. Fund managers liquidity risk through continuous monitoring of forecasts and actual cash flows.

c) Market risk

The Management has put in place an internal audit function to assist it in assessing the risk faced by the County Assembly of Nakuru 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 Fund '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.

**County Assembly of Nakuru
Car Loan, Grant and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2022**

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

i. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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. Fund capital structure comprises of the following funds:

	2021-2022		2020-2021
	KES		KES
Revaluation reserve	-		-
Revolving fund	422,153,529		312,153,529
Accumulated surplus	44,869,727		39,399,308
Total funds	467,023,256		351,552,837
Total borrowings	-		-
Less: cash and bank balances	(207,054,484)		(9,768,270)
Net debt/(excess cash and cash equivalents)	259,968,772		338,011,526
Gearing	44%		3%

**County Assembly of Nakuru
Car Loan, Grant and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2022**

6.7. NOTES TO THE FINANCIAL STATEMENTS

1. Transfer from County Government

Description	FY 2021-2022	FY 2020-2021
	KES	KES
Transfers to Car Loan and Mortgage	110,000,000	-
Payments by County on behalf of the County Assembly of Nakuru	-	-
Total	110,000,000	-

2. Interest income

Description	FY 2021-2022	FY 2020-2021
	KES	KES
Interest income from loans (mortgage or car loans)	8,813,761	10,941,822
Total interest income	8,813,761	10,941,822

3. Fund administration expenses

Description	FY 2021-2022	FY 2020-2021
Loan processing costs	-	-
Professional services costs	2,937,920	3,647,274
Total	2,937,920	3,647,274

4. General Expenses

Description	FY 2021/2022	FY 2020/2021
	KShs	KShs
Committee Allowances	-	-
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	-	-
Postage	-	-
Printing and stationery	-	-
Rental costs	-	-
Security costs	-	-
Telecommunication	-	-
Hospitality	-	-
Depreciation and amortization costs	-	-
Bank Charges and ledger fees	-	-
Total	-	-

**County Assembly of Nakuru
Car Loan, Grant and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2022**

5. Finance Costs

Description	FY 2021-2022	FY 2020-2021
	KES	KES
Bank Charges and ledger fees for the year	409,161	441,800
Add: Accrued Bank Charges and ledger fees	740,461	
Total	1,149,622	441,800

6. Cash and cash equivalents

Description	FY 2021-2022	FY 2020-2021
	KES	KES
Main Fund Account	190,414,691	1
Interest Account	11,910,833	1
Loan Principal Account	-	52,261
Remittance Account	4,728,959	9,716,008
Total cash and cash equivalents	207,054,484	9,768,270

County Assembly of Nakuru
 Car Loan, Grant and Mortgage Fund
 Reports and Financial Statements
 For the year ended June 30, 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Financial institution	Account number	FY 2021-2022	FY 2020-2021
		KES	KES
c) Current account			
Family Bank Main Account	18000055807	190,414,691	1
Interest Account	18000067410	11,910,833	1
Loan Principal Account	18000073215	-	52,261
Loan Remittance Account	18000073217	4,728,959	9,716,008
Sub- total		207,054,484	9,768,270
Grand total		207,054,484	9,768,270

7. Receivables from exchange transactions

Description	FY 2021-2022	FY 2020-2021
	KES	KES
Current Receivables		
Interest receivable	423,097	3,707,458
Current loan repayments due	25,179,736	101,894,263
Total Current receivables	25,602,833	105,601,721
Non-Current receivables		
Long term loan repayments due	234,362,201	236,182,846
Total Non-current receivables	234,362,201	236,182,846
Total receivables from exchange transactions	259,965,034	341,784,568

County Assembly of Nakuru
 Car Loan, Grant and Mortgage Fund
 Reports and Financial Statements
 For the year ended June 30, 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Prior Year Adjustment

	Balance b/f FY 2020/2021 as per Audited Financial Statements	Adjustments during the year relating to prior periods	Adjusted Balance b/f FY 2020/2021
Description of the error	KES		
Fund Balance as at 30th June 2021	312,153,529	19,032,910	331,186,439
	312,153,529	19,032,910	331,186,439

**County Assembly of Nakuru
Car Loan, Grant and Mortgage Fund
Reports and Financial Statements
For the year ended June 30, 2022**

9. Progress on Follow on Prior Year Auditor's Recommendations

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

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	Inaccuracies in Financial Statements	The correct treatment on the various issues raised were done.	Resolved	
2	Unsupported interest income	Schedules prepared in the prescribed format.	Resolved	
3	Unsupported fund administration expenses	The Fund Administrator will be issuing acknowledgement receipt on all administration costs	Resolved	
4	Unsupported current portion of longterm receivables from exchange transactions	The Assembly gave a projection of the expected correction within the next twelve months from the long term receivables	Not Resolved	June 2023
5	Unsupported long term receivables from exchange transactions	Schedules provided as the difference of the total loan portfolio less the current portion of long term receivables.	Not Resolved	June 2023
6	Unauthorized expenditure	A budget for FY 2022/2023 has been	Resolved	

**County Assembly of Nakuru
 Car Loan, Grant and Mortgage Fund
 Reports and Financial Statements
 For the year ended June 30, 2022**

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)
		prepared and approved		



.....
Joseph Mutua Malinda
 Clerk of the County Assembly
 Date 23/01/2023

