

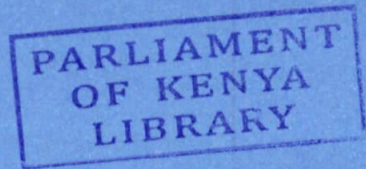
REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF



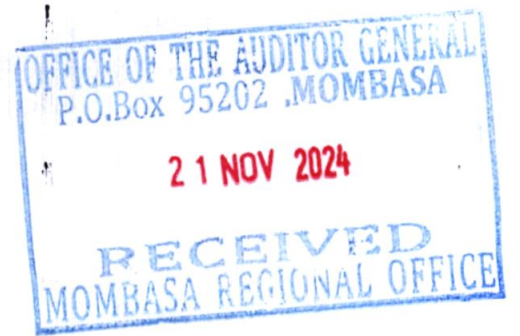
THE AUDITOR-GENERAL

ON

**TAITA TAVETA COUNTY ASSEMBLY
MEMBERS CAR LOAN AND
MORTGAGE FUND**

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

PAPERS LAID	
DATE	25/2/2025
TABLED BY	Majority leader
COMMITTEE	
CLERK AT THE TABLE	Meralim



**TAITA TAVETA COUNTY ASSEMBLY MEMBERS CAR LOAN AND MORTGAGE
FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2024**

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

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Table of Content

1. Acronyms and Glossary of Terms	i
2. Key Entity Information and Management	ii
3. Fund Administration Committee	v
4. Management Team	vi
6. Report of The Fund Administrator	ix
7. Statement of Performance against the County Fund's Predetermined Objectives	x
8. Corporate Governance Statement	xi
9. Management Discussion and Analysis	xiv
10. Environmental and Sustainability Reporting	xv
11. Report of The Fund administration committee	xvi
12. Statement of Management's Responsibilities	xvii
13. Report of The Independent Auditor on the Financial Statements for Taita Taveta County Assembly Members Car Loan and Mortgage Fund	xviii
14. Statement of Financial Performance for the Year Ended 30 th June 2024	1
15. Statement of Financial Position As at 30 June 2024	2
16. Statement of Changes in Net Assets for the year ended 30 th June 2024	4
17. Statement of Cash Flows for The Year Ended 30 June 2024	6
18. Statement Of Comparison Of Budget And Actual Amounts For The Period 30 June 2024	8
19. Notes to the Financial Statements	9
20. Annexes	43

1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
PPE	Property and Plant Equipment
CPA (K)	Certified Public Accountant Kenya

b) Glossary of Terms

Fiduciary Management The key management personnel who had financial responsibility

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024

2. Key Entity Information and Management

a) Background information

Taita Taveta County Assembly Members Car Loan and Mortgage Fund is established by and derives its authority and accountability from in exercise of the powers conferred by section 116 of the Public Finance Management Act, 2012, the County Executive Committee member for Finance and Economic Planning hereby establishes a loan fund to be referred to as the Taita Taveta County Assembly Members Car Loan and Mortgage Scheme Fund.

The fund's objective is to provide a loan scheme for the purchase of vehicles, purchase of house or land for development, renovation or repair of residential property by members of the Fund

The Fund's principal activity is to provide loan scheme for purchase vehicle house or land for development renovation or repair residential property by member of the fund.

b) Principal Activities

The principal mandate of the Fund is to provide a loan scheme for the purchase of vehicles, purchase of house or land for development, renovation or repair of residential property by members of the Scheme.

c) Fund Administration Committee

Ref	Name	Position
1	Hon Anselm Mwadime Chao	Chairperson
2	Hon Anthony Warighe Hon Newton Kifuso Hon Mghanga Solomon Jones Hon Dorcus Mulughu	Committee Members
3	CPA Gadiel Maganga	Administrator

d) Key Management Team

Ref	Name	Position
1	CPA Gadiel M Maganga	Fund Manager/ Administrator
2	CPA Margaret Mwanguo	Fund Accountant
3	Mr Fredrick Mwabili	Principal Legal Officer

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Mr. Renson Mambaria
2	MCA car Mortgage and Car Loan Advisory Committee	Hon Anselm Mwadime Chao Hon Anthony Warighe Hon Newton Kifuso Hon Solomon Jones Hon Dorcus Mulughu CPA Gadiel Maganga
3		

f) Registered Offices

P.O. Box 1066 - 80304
 County Assembly Head Quarters
 Wundanyi, KENYA

g) Fund Contacts

Telephone: (254) 718703359 / 732604811
 E-mail: informationdesk@taitatavetaassembly.go.ke
 Website: www.taitatavetaassembly.go.ke

h) Fund Bankers

Co-operative Bank of Kenya
 P.O. Box 770 -80300
 VOI, Kenya

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Key Entity and Management (Continued)

i) Independent Auditors






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

j) Principal Legal Adviser

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

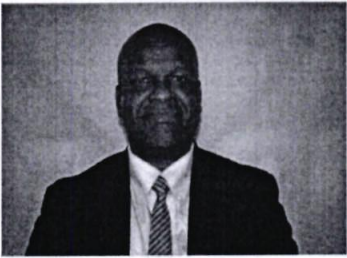



**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

3. Fund Administration Committee


Name	Details of qualifications and experience
	<p>Hon. Anselm Mwadime-Chairperson He is the Acting Speaker. He has been an elected MCA since 2017 He has served as chairperson from 2022.</p>
	<p>Hon. Anthony Mngámbwa-Member He is the leader of Majority. He has been an elected MCA since 2017 He has served as a member from 2022.</p>
	<p>Hon. Solomon Muganga -Member He is the Majority Whip. He has been an elected MCA since 2013 He has served as a member from 2022</p>
	<p>Hon. Dorcus Mlughu-Member She is the Minority Whip. He has been an elected MCA since 2022 He has served as a member from 2022.</p>
	<p>CPA Gadiel Mnyambo Maghanga- Fund administrator D.O.B 18-7-1978 Clerk Taita Taveta County Assembly Fund Administrator in January 2019. Master's in Business Administration. He is a Certified Public Accountant He is the County Assembly Service Board Secretary He has over 18 years' experience in finance industry.</p>

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024

4. Management Team

Name	Details of qualifications and experience
	<p>CPA Gadiel Mnyambo Maghanga D.O.B 18-7-1978 Clerk Taita Taveta County Assembly Fund Administrator in January 2019. Master's in Business Administration. He is a Certified Public Accountant He is the County Assembly Service Board Secretary He has over 18 years' experience in finance industry.</p>
	<p>CPA Joseph Waduu D.O.B 30-6-1982 Director of Finance. Master's in Business Administration-Finance Bachelors in Business Administration – Finance Certified Public Accountant He has over 5 years' experience as an accountant and 6 years' experience as an Internal Auditor.</p>
	<p>CPA Margaret Mwanguo DOB: 26/09/1981 Madam Margaret Mwanguo has been the Fund accountant since July 2023. She is a CPA (K), CPS (K), BCOM (Finance), Diploma (Secretarial Studies), NYS, Mara- Military Basic Training. She has over 10 years' experience in Finance</p>
	<p>Mr Renson Peter Mambaria D.O.B 5-5-1977 Head of Internal Audit. Master's in Business Administration. Senior Management Course and Strategic Leadership Development Programme Course. 15 years' experience in public finance management.</p>

**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

	<p>Mr Fredrick Mwabili D.O.B 13-7-1982 Principal Legal Officer Bachelor of Law and Diploma in law from Kenya school of Law. 5 years' experience as an advocate</p>
---	---

5. Fund Chairperson's Report

The Taita Taveta County Assembly Mortgage and Car loan Scheme fund is a revolving fund established pursuant to the Salaries and Remuneration Circular no SRC/ADM/CIR/1/13/ Vol III (128) of 17th December 2014. Section 167 of the Public Finance Management Act 2012 mandates the Administrator of Public Funds with preparation of Annual Financial Statements. There is hereby established a Fund to be known as the Taita Taveta County Assembly Members car loan and mortgage Fund established under Article 207(4) (b) of the constitution of Kenya 2010 and section 116 of the Public Financial Management Act 2012

The Fund shall be managed and maintained in a separate account opened and operated in accordance with the Public Finance Management Act, 2012. The initial capital of the Fund shall consist of the monies standing to the credit of the account of the Fund on the date of the coming into operation of this Act or any other financial arrangement to provide for funding of the same.

The Fund started its operations in 2015 following the gazettelement of the Taita Taveta County Assembly Mortgage Scheme regulation 2015. It received an initial amount of Ksh.3M. The Salaries and Remuneration Commission in its circular ref SRC/ADM/CIR/1/13 Vol.III (128) dated 17 December 2014 provided guidelines for access of Car Loan and Mortgage benefits by all state and public officers. Arising therefrom the County Assembly Committee Members approved and adopted the Members Loans Policy Paper on 14th September 2015. In the FY 2015/2016 the Fund Committee Members approved and adopted the guidelines on internal administration of the Mortgage Scheme Fund.

Conclusion

FY 2023/2024 is a good year in general. Good progress has been created to enable Taita Taveta County Assembly Car loan and Mortgage Scheme Fund continues into prosperity. I take this opportunity to thank the Hon Speaker and Members of County Assembly for their support. I would also want to thank my colleagues, all heads in charge of other departments who we have worked hand in hand to ensure that Taita Taveta County Assembly achieves its mission.

I thank all members in the entire County Assembly for their continued commitment and dedication through hard work in delivering services to the people of Taita Taveta County.

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Anselm Mwadime Chao



Signature.....

Chairperson of the Fund

Date 18/11/2024

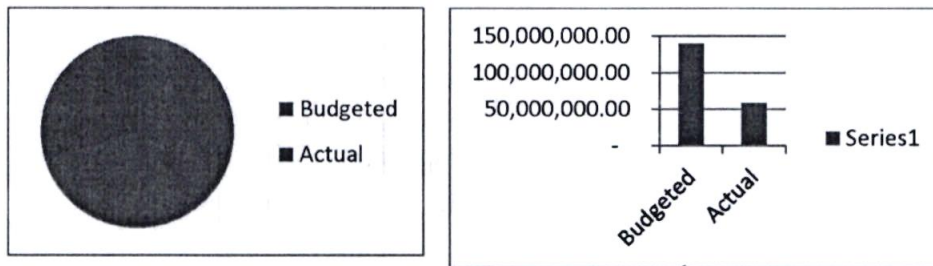
6. Report of The Fund Administrator

It is my pleasure to present the Taita Taveta County Assembly Members Car Loan and Mortgage Fund Financial Statements for the period ended 30th June 2024. The financial statements present the financial performance of the fund over the past year. The fund was established on 14th September 2015 and started with an initial amount of KShs 3M.

Financial Performance

a) Budget Performance against actual

In the period ended 30th June 2024, the fund had projected a budget of Kshs 140,000,000. Due to cash flow challenges, the fund has not realised its budget yet and received an actual amount of kshs. 58,600,000. It has been represented below pie chart.



b) Cash flows

In the FY 2023/2024, the cash and cash equivalents decreased from KShs 22,120,226 as at 30th June 2023 to Kshs 7,822,575 as at 30th June 2024.

Risk Management Strategies.

To ensure all loans are paid in full and reduce the risk of defaulting loans are repaid via cheque off system that is, recovery via payroll. We have taken insurance to safe guard the outstanding loans.

c) Conclusion

I take this opportunity to thank the Fund Committee Members for their support. I would also want to thank all members who we have worked hand in hand to ensure that Taita Taveta County Assembly Members Car Loan and Mortgage Fund achieve its mission.

CPA Gadiel Mnyambo Maghanga
Fund Administrator

**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

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

Guidance

The Assembly of Taita Taveta strategic plan is to ensure efficient delivery of the services to the public through legislation and public participation. The entity’s annual budget set is not yet fully utilised due to delay of funds received from the National Treasury.

Introduction

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

The key development objectives of the Taita Taveta County Assembly Members Car Loan and Mortgage Fund plan are to:

- a) Provide funds for purchase of motor vehicle.
- b) Provide housing or land for residential to members

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Taita Taveta County Assembly members Car loan and Mortgage Fund	To support members to acquire motor Vehicle , Residential house or Land at an affordable facility	Increased number of members owning vehicles and homes in the County	% of applicants	During FY ,2023/2024 Members accessed the facility and were able build their own houses

8. Corporate Governance Statement

Corporate governance generally refers to the processes by which organisations are directed, controlled and held accountable. It encompasses authority, stewardship, leadership, direction and control exercised in companies and corporations. Governance is concerned with structures and processes for decision making, accountability, control and behaviour at the top of organisations. The bottom line is about power, how it's used and controlled.

The company ought to take its various interests into account alongside those of shareholders in all its activities. They can be regarded as investing in it each in their own way, whether through their capital, their work lives, their purchasing loyalty, or their local support and infrastructure.

- a) A number of Fund Administration Committee meetings held and the attendance to those meetings by members, In the financial period ended 30th June 2024 the Fund Administration committee had two (2) sittings/ meetings of which they approve loans prior to the payment of the same.

Name	Position
Hon Anselm Mwadime Chao	Chairperson
Hon Anthony Warighe	Committee Member
Hon Newton Kifuso	Committee Member
Hon Muganga Solomon Jones	Committee Member
Hon Dorcus Mulughu	Committee Member
CPA Gadiel Maganga	Administrator

b) Succession Plan

- (1) There is an established committee known as the County Assembly Members Mortgage Loans Management Committee, which consists of-
 - (a) the vice-chairperson of the Board who shall be the chairperson;
 - (b) The Minority Leader of the County Assembly
 - (c) The chairman of the Finance Committee of the County Assembly

***Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024***

- (d) The Majority Whip of the County Assembly; and
- (e) The Minority Whip of the County Assembly;
- (f) The Clerk of the County Assembly.
- (g) The Chief Officer Finance and Planning or an officer designated by him to represent him and who must be of good standing.

For example if Minority leaders of the county assembly leaves office (Who is a member of the committee), immediately when a new Minority leader is selected, immediately he becomes a member of the committee.

c) Existence of a Board/Trustee charter: - Existence of a Board/Trustee charter:

- There is no Board/ Trustee Charter in place, however, the funds administration committee has a document known as Taita Taveta County Assembly Mortgage Car loan and Mortgage Fund Scheme Regulations 2020 which guide the committee in the administration of Funds.

d) Roles and Functions of the Fund administration committee

- i. supervises and controls the administration of the Fund;
- ii. utilizes the interest accruing thereto to defray operating expenses, and may impose any reasonable restriction or other requirements concerning such use;
- iii. cause to be kept books of accounts and other books and records in relation to the Fund and for all loans financed from the Fund;
- iv. prepares, signs and transmits to the Auditor-General in respect of each financial year and within three (3) months after the end thereof, a statement of accounts relating to the Fund, prepared and signed by him specifying the income of the Fund and showing the expenditure incurred from the Fund, in such details as the Board may from time to time direct in accordance with the Public Finance Management Act;
- v. furnishes such additional information as may be required for the purpose of examination and audit by the Auditor-General; and
- vi. Designates and appoint such members as may be necessary to assist him in the administration of the Fund and may require such members to carry out such inspections as may be necessary to verify any information submitted under these Regulations.

e) Induction and Training

The training and induction of fund committee members performance, was conducted in the financial year 2017/2018. We plan for further training and engagement in the financial year 2024/2025 so as to learn more from other County Assemblies and new members who are coming on board as trustees and members.

e) Fund administration committee Members performance

The fund administration members are required to hold meetings and ensure that during budget preparation, their views are put on board to ensure that the members are issued with mortgage loans in time. Any decision should be passed by all members and they all should be in agreement and signed.

f) Conflict of interest

The Board/Trustees should not have any conflict of interest in the fund. There should be disciplinary measures for any member who has conflict of interest to the fund.

g) Fund Administration Committee Remuneration

The Fund Administration committee remuneration is paid when the members hold a meeting thus they are paid sitting allowance. Thus the committee is entitled to the following remuneration: - The chairperson, Vice Chair and member are paid a sitting allowance of Kshs 6,500, Kshs 5,200 and Kshs 3,900 per sitting respectively.

9. Management Discussion and Analysis

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a Taita Taveta County Assembly Members Car Loan and Mortgage Fund established by The Taita Taveta County Assembly Gazette Supplementary No. 16, 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 Fund is responsible for the preparation and presentation of the Taita Taveta County Assembly Members Car Loan and Mortgage 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 period ended on 30th June 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 Fund accepts responsibility for the Taita Taveta County Assembly Members Car Loan and Mortgage 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 Taita Taveta County Assembly Gazette Supplementary No. 16. The Administrator of the Fund is of the opinion that the Taita Taveta County Assembly Members Car Loan and Mortgage Fund financial statements give a true and fair view of the state of Fund's transactions during the financial period 30th June 2024 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 Taita Taveta County Assembly Members Car Loan and Mortgage Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

The major challenges facing the fund are the inadequacy of funds resulting to partial payments of the loans to the beneficiaries.

10. Environmental and Sustainability Reporting

Taita Taveta County Assembly Members Car Loan and Mortgage Fund exist to ensure that the MCA's benefit from mortgage and car loan. It's what guides us to deliver our strategy, which is founded on Taita Taveta County Assembly pillars: putting the MCA's first, delivering relevant services and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

i. Sustainability strategy and profile -

The top management especially the accounting officer has ensured that mortgage is available to both the members of the county assembly. This has further enabled the top management to deliver its activities on time by ensuring that in the foreseeable future there will be separate accounts for mortgage and car loan for M.C.A's.

ii. Environmental performance

The management has ensured ample environment for the members of county assembly. Waste products are disposed of properly. There is a separate registry in the facility to store file records which contain information of the organization.

iii. Employee welfare

The top management has ensured gender equity and ethnic values during employment process. This further has enabled the organization derive its values to the society. There is a members welfare organization in which grievances and opinions can be raised and reach the management in time for action. There are also continuous M.C.A's training thus improving the management skills and also work life balance. In terms of occupational safety and health act of 2007 (OSHA), the organization has ensured safety of M.C.A's by continuous training and equipping the working environment with safe health standards.

iv. Market place practices-

a) Responsible competition practice.

The organization is a corruption free environment thus enabling members of the public to public participation during budgeting process and also ensuring that during assembly sessions they are invited to come and hear what the members are passing through bills.

b) Responsible Supply chain and supplier relations- the organization ensures that the stake holders, suppliers are involved during the tendering process. This is by floating tenders to the general public through media, and organization website. This has ensured fair competition and suppliers are invited during tender openings to ensure openness

c) Responsible marketing and advertisement-Marketing is done through the media and publishing through the Kenyan gazette. This is to ensure transparency among the public.

d) Product stewardship- Consumer rights is safeguarded through prompt payments upon delivery of goods by the suppliers to the organization

v. Community Engagements-

Currently the Taita Taveta County Assembly members Car loan and Mortgage Fund has no engagements to the community.

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024

11. Report of The Fund administration committee

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

Principal activities

The principal activities of the Fund are to provide a loan scheme for the purchase, development, renovation or repair of residential property by members of the Scheme.

Results

The results of the Fund for the year period 30th June 2024 are set out on the document.

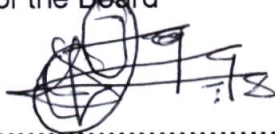
Trustees

There are no trustees in the fund

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....
Chairperson of the Fund Administration Committee

Date: 18/11/2024

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 by County Government Act no. 17 of 2012 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 County Governments Act no. 17 of 2012. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2024, 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.

Approval of the financial statements

The Fund's financial statements were approved by the Board on 18th November, 2024 and signed on its behalf by:



Administrator of the County Public Fund

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 by County Government Act no. 17 of 2012 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 County Governments Act no. 17 of 2012. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2024, 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.

Approval of the financial statements

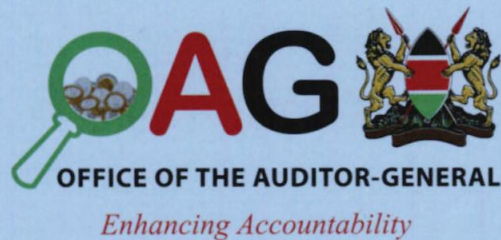
The Fund's financial statements were approved by the Board on 18th November, 2024 and signed on its behalf by:



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 TAITA TAVETA COUNTY ASSEMBLY MEMBERS CAR LOAN AND MORTGAGE FUND FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on 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 Taita Taveta County Assembly Members Car Loan and Mortgage Fund set out on pages 1 to 42, which comprise the statement of financial position as at 30 June, 2024, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. 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 Taita Taveta County Assembly Members Car Loan and Mortgage Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the County Government Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unexplained Variance on Transfers

The statement of financial performance and Note 2 to the financial statements reflects transfers from the County Government amounting to Kshs.25,438,000. However, the Taita Taveta County Assembly financial statements reflect transfer to the MCAs Car Loan and Mortgage Fund of Kshs.26,600,000. The resultant variance of Kshs.1,162,000 was not explained or reconciled.

In the circumstances, the accuracy and completeness of the transfers of Kshs.25,438,000 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Taita Taveta County Assembly Members Car Loan and Mortgage Fund Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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. I have determined that there are no key audit matters to communicate in my report.

Report of the Auditor-General on Taita Taveta County Assembly Members Car Loan and Mortgage Fund for the year ended 30 June, 2024

REPORT OF THE AUDITOR-GENERAL ON TAITA TAVETA COUNTY ASSEMBLY MEMBERS CAR LOAN AND MORTGAGE FUND FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on 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 Taita Taveta County Assembly Members Car Loan and Mortgage Fund set out on pages 1 to 42, which comprise the statement of financial position as at 30 June, 2024, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. 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 Taita Taveta County Assembly Members Car Loan and Mortgage Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the County Government Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unexplained Variance on Transfers

The statement of financial performance and Note 2 to the financial statements reflects transfers from the County Government amounting to Kshs.25,438,000. However, the Taita Taveta County Assembly financial statements reflect transfer to the MCAs Car Loan and Mortgage Fund of Kshs.26,600,000. The resultant variance of Kshs.1,162,000 was not explained or reconciled.

In the circumstances, the accuracy and completeness of the transfers of Kshs.25,438,000 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Taita Taveta County Assembly Members Car Loan and Mortgage Fund Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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. I have determined that there are no key audit matters to communicate in my report.

Report of the Auditor-General on Taita Taveta County Assembly Members Car Loan and Mortgage Fund for the year ended 30 June, 2024

Other Matter

Unresolved Prior Year Audit issues

In the audit report of the previous year, an issue was raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. Management has however not given any explanation for the failure to resolve the issue.

Other Information

Management is responsible for the other information set out on page ii to xviii which comprise of Key Entity Information and Management, Fund Administration Committee, Management Team, Fund Chairman'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 Taita Taveta County Assembly Members Car Loan and Mortgage Fund 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 and I am required to report that fact. Based on the audit procedures performed, I confirm that other information is not materially inconsistent with the financial statements.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Failure to Provide Jointly Issued Logbooks

The statement of cashflow reflects loan disbursements paid out to members amounting to Kshs 81,456,500. Review of sampled records revealed an amount of Kshs.4,658,500 on loan advanced to three (3) Members of the County Assembly for the purchase of motor vehicles. However, the logbooks were not provided for audit verification to confirm compliance with Regulation 22(2) of the Taita Taveta County Assembly Members Car and Mortgage Fund Regulations, 2022 which states that the logbook of a vehicle subject to a loan from the Fund to be issued jointly between the financier and the borrower and to be kept in the custody of financier until the loan is repaid in full.

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

The audit was conducted in accordance with ISSAIs 3000 and 4000. The Standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and 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 overall 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 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 INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires 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 IFPP 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, SBS
AUDITOR-GENERAL

Nairobi

17 December, 2024

**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

14. Statement of Financial Performance for the Year Ended 30th June 2024

Description	Note	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Motor Vehicle reimbursement Income	2	25,438,000	-
Fines, Penalties and Other Levies	3	2,145,773	2,140,647
		27,583,773	2,140,647
Revenue From Exchange Transactions			
Interest Income	4	4,676,370	916,924
Other Income	5	-	-
		4,676,370	916,924
Total Revenue		32,260,143	3,057,571
Expenses			
Employee Costs	6	-	-
Use of goods and services	7	26,996,167	526,980
Depreciation and Amortization Expense	8	-	-
Finance Costs	9	-	-
Total Expenses		26,996,167	526,980
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	-	-
Gain /Loss on fair value of investments	11	-	-
Surplus/(Deficit) for the Period		5,263,976	2,530,591

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 18th November, 2024 and signed by:



**CPA Gadiel Maghanga
Administrator of the Fund**



**CPA Joseph Mwashighadi
Fund Accountant
ICPAK Member Number:7006**

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024

15. Statement of Financial Position As at 30 June 2024

Description	Note	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	7,822,575	22,120,226
Current Portion of Long- Term Receivables From Exchange Transactions	13	65,450,909	45,593,452
Receivable from Non -Exchange transactions	13A		146,748,692
Prepayments	14	-	
Inventories	15	-	
Investments in financial assets	16	-	
Total current assets		73,273,484	214,462,370
Non-Current Assets			
Property, Plant and Equipment	17	-	
Intangible Assets	18	-	
Long Term Receivables from Exchange Transactions	13	88,511,630	68,315,241
Investment Property	19		
Total non- current assets		88,511,630	68,315,241
Total Assets		161,785,114	282,777,610
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	44,974	575,530
Current Portion of Borrowings	21	-	-
Employee Benefit Obligations	22	-	
Social benefit liabilities	23	-	
Total current liabilities		44,974	575,530
Non-Current Liabilities			
Long Term Portion of Borrowings	21		

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Non-Current Employee Benefit Obligation	22		
Social benefit liabilities	23		
		-	-
Total Liabilities		44,974	575,530
Net Assets		161,740,140	282,325,501
Revolving Fund		153,945,574	271,400,000
Revaluation Reserves		-	-
Accumulated Surplus		7,794,567	10,925,501
Total Net Assets and Liabilities		161,740,140	282,325,501

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 18th November, 2024 and signed by:



CPA Gadiel Maghanga
Administrator of the Fund



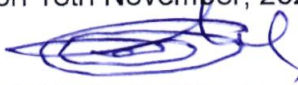
CPA Joseph Mwashighadi
Fund Accountant
ICPAK Member Number:7006

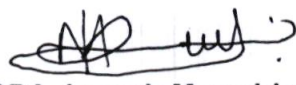
**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

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

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2022	126,000,000	-	8,394,910	134,394,910
Surplus/(Deficit) For the Period	-	-	2,530,591	2,530,591
Funds Received During the Year	145,400,000	-	-	145,400,000
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2023	271,400,000	-	10,925,501	282,325,501
Balance As At 1 July 2023	271,400,000	-	10,925,501	282,325,501
Opening balance adjustment based of funds received * ADJUSTED	120,783,574	-	2,530,591	123,314,165
Surplus/(Deficit) For the Period	-	-	5,730,219	5,730,219
Funds Received During the Year	33,162,000	-	-	33,162,000
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2024	153,945,574	-	8,260,810	162,206,383

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 18th November, 2024 and signed by:


CPA Gadiel Maghanga
Administrator of the Fund


CPA Joseph Mwashighadi
Fund Accountant
ICPAK Member Number:7006

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024

17. Statement of Cash Flows for The Year Ended 30 June 2024

Description	Note	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	
Transfers from the county government	2	58,600,000	
Interest received	4	4,203,927	916,924
Receipts from other operating activities		-	
Total receipts		62,803,927	916,924
Payments			
Professional services costs	7	51,640	
General expenses(bank charges)	7	41,660	526,980
Finance cost			
Insurance costs	7	1,464,867	
		1,558,167	526,980
Net cash flows from operating activities		61,245,760	389,944
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		34,576,620	12,246,869
Loan disbursements paid out		(81,456,500)	137,289,633
Motorvehicle reimbursement		(25,438,000)	
Net cash flows used in investing activities		(72,317,880)	(125,042,764)
Cash flows from financing activities			
proceeds from Non exchange transactions			146,748,692
Refund of Money erroneously credited to MCA Account	22	(225,530)	
Lending to staff fund a/c	22	(3,000,000)	
Net cash flows used in financing activities		(3,225,530)	146,748,692
Net increase/(decrease) in cash & cash			

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Equivalents		(14,297,650)	22,095,872
Cash and cash equivalents at 1 July 2023		22,120,226	24,354
Cash and cash equivalents at 30 June		7,822,575	22,120,226

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 18th November, 2024 and signed by:



CPA Gadiel Maghanga
Administrator of the Fund



CPA Joseph Mwashighadi
Fund Accountant
ICPAK Member Number:7006

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024

18. Statement Of Comparison Of Budget And Actual Amounts For The Period 30 June 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Public Contributions and Donations	-	-	-	-	-	
Transfers From County Govt.	60,000,000		60,000,000	58,600,000	1,400,000	98
Interest Income	4,500,000		4,500,000	4,195,442	304,558	93
Loan repayments -Principal	35,000,000		35,000,000	34,576,620	423,380	99
Balance FY 2022-2023	22,000,000	-	22,000,000	22,120,226	(120,226)	101
Total Income	121,500,000	-	121,500,000	119,492,288	2,007,712	98
Expenses						
Fund Administration Expenses	-	-	-	-	-	
use of goods and services	28,000,000	-	28,000,000	26,996,167	1,003,833	96
Loans disbursements	93,500,000	-	93,500,000	81,456,500	12,043,500	87
Total Expenditure	121,500,000	-	121,500,000	108,452,667	13,047,333	89
Surplus For the Period	-	-	-	11,039,621	(11,039,621)	
Capital expenditure	-	-	-	-	-	

Budget notes

1. The budget reallocation is due to insufficient funds from the Exchequer.

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

This entity is established by and derives its authority and accountability from County Government Act. Taita Taveta County Assembly in exercise of the powers conferred by section 116 of the Public Finance Management Act, 2012, the County Executive Committee member for Finance and Economic Planning hereby establishes a loan fund to be referred to as the Taita Taveta County Assembly Members Car Loan and Mortgage Scheme Fund.

These Regulations may be cited as the Taita Taveta County Assembly member car and mortgage loan Fund Regulations, 2020 and shall come into operation on the date of publication in the *Gazette*.

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 2023*

Standard	Effective date and impact
IPSAS 41: Financial Instruments	Applicable: 1st January 2023 The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.

**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Standard	Effective date and impact
	<p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>There was no effect to the fund</p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. <p>There was no effect to the fund</p>
<p>Amendments to Other IPSAS</p>	<p>Applicable: 1st January 2023</p>

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Standard	Effective date and impact
resulting from IPSAS 41, Financial Instruments	a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued. There was no effect to the fund
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1 st January 2023. There was no effect to the fund

(ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>There was no effect to the fund</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>There was no effect to the fund</p>

(iii) Early adoption of standards

The fund did not early adopt any new or amended standards in the financial year 2023-2024.

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 original budget for FY 2023-2024 was approved by the County Assembly on 26th June, 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund did not record additional appropriations on the FY 2023-2024 budget following the governing body's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on 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.

Summary of Significant Accounting Policies (Continued)

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 18 (page 7) of these financial statements.

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 Company's financial statements. (amend as appropriate).* 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 cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Summary of Significant Accounting Policies (Continued)

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

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note 19*.

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) 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.

Summary of Significant Accounting Policies (Continued)

e) 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.

f) Nature and purpose of reserves

The Entity does not create and maintains reserves in terms of specific requirements.

g) Changes in accounting policies and estimates

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

h) 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.

Summary of Significant Accounting Policies (Continued)

i) 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.

j) 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.

k) 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.

l) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

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. Additional disclosure of these estimates of provisions is included in Note 21.

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. 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.

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

6. Notes To The Financial Statements Continued

1. Public contributions and donations

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

2. Transfers from County Government

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Transfers From National Treasury -Car & Mortgage	33,162,000	145,400,000.00
Transfers From National Treasury -MV Reimbursement	25,438,000	
Payments By County On Behalf Of The Entity	-	1,860,000.00
refund of Kajiado county money erroneously deposited	-	(511,308.00)
Total	58,600,000	146,748,692.00

3. Fines, penalties and other levies

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Late Payment Penalties	2,145,773	2,140,647
Total	2,145,773	2,140,647

**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

4. Interest income

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Interest Income from Mortgage Loans	3,033,844	253,025
Interest Income from Car Loans	1,162,623	657,331
Interest received from defaulter repayment	7,459	
Total Interest Income	4,203,927	916,924
Accrued interest		
Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Interest Income from Mortgage defaulter -Accrued	467,268	6,568
Interest Income from Car loan defaulter-Accrued	5,175	
Total Interest Income	472,443	916,924
GRAND TOTAL	4,676,370	1,833,848

Notes to the Financial Statements Continued

5. Other income

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

6. Employee Costs

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Salaries And Wages	-	-
Members Gratuity	-	-
Members Training Expenses	-	-
Social Security Contribution	-	-
Other (Specify)	-	-
Total	-	-

7. Use of Goods and Services

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Description	FY 2023-2024	FY 2022-2023
	Kshs.	Kshs.
Motor Vehicle Reimbursement	25,438,000	-
General Office Expenses		
Loan Processing Costs	-	-
Professional Services Costs	51,640	-
Administration Fees	-	-
Committee Allowances		468,000
Bank Charges	41,660	58,980
Insurance Costs	1,464,867	-
Postage And Courier	-	-
Total	26,996,167	526,980

8. Depreciation and Amortization Expense

Description	FY 2023-2024	FY 2022-2023
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

9. Finance costs

Description	FY 2023-2024	FY 2022-2023
	Kshs.	Kshs.
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

10. Gain/(loss) on disposal of assets

Description	FY 2023-2024	FY 2022-2023
	Kshs.	Kshs.
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

11. Gain/ (loss) on Fair Value Investments

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

12. Cash and cash equivalents

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Car Loan Account	-	-
Total Cash And Cash Equivalents	7,822,575	22,120,226

Notes to the Financial Statements Continued

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

Financial Institution	Account number	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Equity Bank, Etc.		-	-
Sub- Total		-	-
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
Sub- Total		-	-
c) Current Account			
Kenya Commercial Bank		-	-
Co-operative Bank	O1141222320000	7,822,575	22,120,226
Sub- Total		-	-

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024

d) Others(Specify)		-	-
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		7,822,575	22,120,226

13. Receivables from exchange transactions

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Current Receivables		
Interest Receivable- Acrued Interest/ Penalty		2,135,228
Current Loan Repayments Due-Mortgage	31,652,234	15,984,222
Current loan repayments due-Carloan	12,485,114	10,202,238
Current Defaulter repayment due-Mortgage	18,313,561	16,921,764
Staff erroneously paid through MCA Fund	3,000,000	350,000
Total Current Receivables	65,450,909	45,593,452
Non-Current Receivables		
Long Term Loan Repayments Due (mortgage & car loan)		
Long term loan repayments due-Mortgage	67,290,680	39,509,592
Long term loan repayments due-Carloan	21,220,951	28,805,649
Total Non- Current Receivables	88,511,630	68,315,241
Total Receivables From Exchange Transactions	153,962,539	113,908,693

Notes to the Financial Statements Continued

Additional disclosure on interest receivable

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due		
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024

13A: Receivables From Non-Exchange Transactions

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Transfer from County Treasury	-	145,400,000
Transfer from County Government-Treasury	-	1,860,000
Refund of Kajiado County Money Erroneously Deposited	-	(511,308)
Total	-	146,748,692

14. Prepayments

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	-	-

Notes to the Financial Statements Continued

15. Inventories

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (<i>Specify</i>)	-	-
Total Inventories at The Lower of Cost and Net Realizable Value	-	-

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024

16. Investments in financial assets

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

Notes to the Financial Statements Continued

e) Shareholding in other entities

**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		FY 2023-2024	FY 2022-2023
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

17. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2022	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	(-)	(-)	-	-	(-)
Transfers/Adjustments	-	-	-	(-)	(-)
At 30th June 2023	-	-	-	-	-
At 1st July 2023					
Additions	-	-	-	-	-
Disposals	(-)	-	-	-	(-)
Transfer/Adjustments	(-)	-	-	(-)	(-)
At 30th June 2024	-	-	-	-	-
Depreciation And Impairment					
At 1st July 2022	(-)	(-)	(-)	(-)	(-)
Depreciation	(-)	(-)	(-)	(-)	(-)
Impairment	(-)	-	-	-	(-)
At 30th June 2023	-	-	-	-	-
At 1st July 2023					
Depreciation	(-)	(-)	(-)	-	(-)
Disposals	-	-	-	-	-
Impairment	(-)	(-)	-	-	(-)
Transfer/Adjustment	-	(-)	(-)	-	-
At 30th June 2024	-	-	-	-	-
Net Book Values					

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 30 th June 2023	-	-	-	-	-
At 30 th June 2024	-	-	-	-	-

Notes To The Financial Statements (Continued)

18. Intangible assets

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Cost		
At Beginning of The Year	-	-
Additions	-	-
At End of The Year	-	-
Amortization And Impairment		
At Beginning of The Year	-	-
Amortization	-	-
At End of The Year	-	-
Impairment Loss	-	-
At End of The Year	-	-
NBV	-	-

19. Investment Property

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
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	-	-

**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Notes To The Financial Statements (Continued)

20. Trade and other payables from exchange transactions

Description	FY 2023-2024		FY 2022-2023	
	Kshs		Kshs	
Trade Payables	-		-	
Refundable Deposits	44,974		575,530	
Accrued Expenses	-		-	
Other Payables	-		-	
Total Trade and Other Payables	44,974		575,530	
Ageing analysis (Trade and other payables)	FY 2023-2024	% of the Total	FY 2022-2023	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	708,851	100%
2-3 years	-	%	3,000,000	100%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

(NB: Amount under deposits and retentions should tie to cash held in deposit account)

21. Provisions

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

Notes To The Financial Statements (Continued)

22. Borrowings

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Balance At Beginning of The Period	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments of External Borrowings During the Period	(-)	(-)
Repayments of Domestic Borrowings During the Period	(-)	(-)
Balance At End of The Period	-	-

The table below shows the classification of borrowings into external and domestic borrowings:

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
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	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

23. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	FY 2023-2024	FY 2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

24. Social Benefit Liabilities

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
Current social benefits	-	-
Non-current social benefits	-	-
Total (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.

Notes to the Financial Statements (Continued)

25. Cash generated from operations.

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	-	-
Adjusted For:		
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	
Interest Income	-	
Finance Cost	-	
Working Capital Adjustments		
Increase In Inventory	-	
Increase In Receivables	-	
Increase In Payables	-	
Net Cash Flow From Operating Activities	-	

Notes To The Financial Statements (Continued)

26. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

Other Disclosures Continued

e) Due to related parties

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

27. Contingent assets and contingent liabilities

Contingent Liabilities	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Court Case Xxx Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

28. Proceeds from loan principal repayments		
	2023-2024	2022-2023
	KShs	KShs
Total loan repaid	38,780,546.54	
less: Interest received	4,203,926.69	
Total	34,576,619.85	

Notes To The Financial Statements (Continued)

30 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:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
At 30 June 2021				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

Notes To The Financial Statements (Continued)

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

The entity has significant concentration of credit risk on amounts due from none.

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

b) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2023				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

Notes To The Financial Statements (Continued)

c) Market risk

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

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

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

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

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
	Kshs	Kshs	Kshs
At 30 June (Current FY)			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Notes To The Financial Statements (Continued)

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.

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
(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.

**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Notes To The Financial Statements (Continued)

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	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	(-)	(-)
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-%	-%

31 Events after the reporting period

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

32 Ultimate and Holding Entity

The entity is a County Public Fund established by and derives its authority and accountability from County Government Act no. 17 of 2012 on 24th July, 2012. The Fund is wholly owned by the Taita Taveta County Assembly and is domiciled in Kenya. Its ultimate parent is the County Government of Taita Taveta.

33 Currency

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

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)
Note 29.	Failure to jointly register 5 MCA’s Log-books with TTCA	The management through the legal department has taken initiative and jointly registered the Logbooks with TTCA	Not Resolved	
18 (Page 7)	Underfunding and under-expenditure affected the planned activities and may have Impacted negatively on service delivery to the public.	Late disbursement of funds from the National Treasury has hindered service delivery	Not Resolved	
4.8	Lack of Risk Management Policy	Plans to develop a funds risk policy are underway	Not resolved	

Fund Administrator



Date 18th November, 2024

**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Annex II: Inter-Fund Confirmation Letter



Taita Taveta County Assembly Members Mortgage and Car Loan Fund

P.O. Box 1142 - 80304

County Assembly Headquarters

WUNDANYI

TAITA TAVETA COUNTY, KENYA

The *Taita Taveta County Assembly Members Car Loan and Mortgage Fund* wishes to confirm the amounts disbursed to you as at 30th June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Taita Taveta County Assembly Members Car & Mortgage fund as at 30 th June 2024							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 th June 2024			Total (D)=(A+B+C)	Amount Received by [beneficiary Fund] (KShs) as at 30 th June 2024 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)			
Total							

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024

--

Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Annex III: Reporting of Climate Relevant Expenditures

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

**Taita Taveta County Assembly Members Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Annex IV: Reporting on Disaster Management Expenditure

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