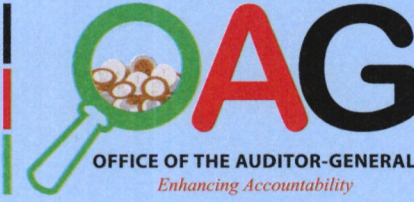


REPUBLIC OF KENYA



REPORT

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THE AUDITOR-GENERAL

ON

**WEST POKOT COUNTY ASSEMBLY CAR
LOAN AND MORTGAGE SCHEME
(MEMBERS) FUND**

FOR THE YEAR ENDED

30 JUNE, 2025

PAPERS LAID	
DATE	27/11/25
BY	SM L
COMMITTEE	—
CLERK AT THE TABLE	Ms. Nabalayo



**WEST POKOT COUNTY ASSEMBLY CAR LOAN AND MORTGAGE
FUND**

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

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

West Pokot County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

2505 2024 Y.C

West Pokot County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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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
FY	Financial Year
Ag.	Acting Capacity
HON	Honorable Member
MCA	Member of the County Assembly
LMC	Loan Management Committee
ECL	Expected Credit Loss
CPA	Certified Public Accountant
SRC	Salaries and Remuneration Commission
CBK	Central Bank of Kenya
USSD	Unstructured Supplementary Services Data

b) Glossary of Terms

Comparative FY	Means the financial year preceding the current financial year
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2. Key Entity Information and Management

a) Background information

West Pokot County Assembly Car Loan and Mortgage Fund is established by and derives its authority and accountability from The West Pokot County Assembly Car Loan and Mortgage (Amendment) Act, 2017 of 5th December 2017. The Fund is wholly owned by the County Assembly of West Pokot and is domiciled in Kenya.

The fund's objective is to:

- (i) provide a loan scheme for the purchase, development, renovation, or repair of residential property,
- (ii) provide loan scheme for the purchase of vehicles by members of the scheme

The Fund's principal activity is providing convenient loan facilities for the well-being of the Members of the County Assembly.

b) Principal Activities

The principal mission of the Fund is to offer to its members excellent financial solutions as they discharge their mandates in the County Assembly.

c) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	Hon. Martin Komongiro	Chair Person
2	Hon. Peter Lokor Yerer	Member
3	Hon. Victor Siywat	Member
4	Hon. Jane Chemengich	Member
5	Hon. David Alukulem	Member
6	Hon. Wilson Chekeruk	Member
7	Mrs. Lucia Chenanga	Fund Administrator
8	Mr. Denis Plapan Rotich	Member
9	Ms. Jacinta Tulel	Member
10	Mr. Edgar Kitilit	Member

d) Key Management Team

Ref	Name	Position
1	Leonard Ngiro Limareng	Ag. Clerk
2	Fund Manager/ Administrator	Lucia Chenanga
3	Head of Financial Services	Denis Plapan Rotich
4	Head of Accounting Services	CPA Amos Kisang
5	Head of Human Resource	Edgar Kitilit
6	Head of Legal Services	Jacinta Tulel

Key Entity and Management

e) Fiduciary Oversight Arrangements

In order to instil financial prudence over the management of the fund various institutions and committees have been established. They include:

Audit Committee

This is a requirement of each public entity as per the Public Finance Management Act regulations 2015. The Audit Committee is required to have timely and regular sittings and come up with an annual report that must highlight its effectiveness, its calendar of activities, the audit charter and significant issues considered by the committee. Some of its roles include:

- Review the fund annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles
- Review other sections of the annual report and regulatory filings before release and consider the accuracy and completeness of information
- Review with management and the external auditors all matters required to be communicated to the committee under generally accepted auditing standards.

County Public Accounts Committee

Established under the West Pokot County Assembly standing orders 199(1) and its responsibilities are:

- Examine the accounts showing the appropriations of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly
- Examine the reports, accounts and workings of the county public investments

County Budget and appropriation committee

Established under the West Pokot County Assembly Standing Order 200 and its responsibilities are:

- Investigate, inquire into and report on all matters related to coordination, control and monitoring of the of the county budget,
- Discuss and review the estimates and make recommendations to the County Assembly;
- Examine the County Budget Policy Statement presented to the County Assembly;
- Examine Bills related to the national budget, including Appropriations Bills; and
- Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

The Senate Public Accounts Committee

The Public Accounts Committee is established pursuant to the provisions of S.O. No. 205. It consists of a chairperson and not more than sixteen other Members.

- The Public Accounts Committee is responsible for the examination of the accounts showing the appropriations of the sum voted by the House to meet

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

the public expenditure and of such other accounts laid before the House as the Committee may think fit.

- The Public Accounts Committee constituted immediately following the general election shall serve for a period of three calendar years and that constituted thereafter shall serve for the remainder of the parliamentary term.

The oversight roles were carried out by the following persons who were in office for the FY 2024/2025.

SN	Position	Name
1	Head of Internal Audit Services	Solomon Chemeltorit
2	Audit Committee	Dr, Grace Amurlee
3	Chair County Public Accounts Committee	Hon. Patrick Patey Lokomol

f) Registered Offices

P.O. Box 06
County Assembly Building/House/Plaza
Kapenguria, KENYA

g) Fund Contacts

Telephone: (254) 0722799853
E-mail: info@westpokotassembly.org
Website: www.westpokotassembly.go.ke

h) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

Access Bank Kenya Plc

Kapenguria Branch
P.O. Box 295-30600
Along Kapenguria – Lodwar Highway,
Kapenguria.

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

k) County Assembly Legal Advisor





Director Legal Services
P.O Box 6-30600
County Assembly Building,
Kapenguria.

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


3. Board of Trustees/ Fund Administration Committee

Name	Details
1. Hon. Martin Komongiro	Chair Person
2. Hon. Peter Lokor Yerer	Member
3. Hon. Victor Siywat	Member
4. Hon. Jane Chemengich	Member
5. Hon. David Alukulem	Member
6. Hon. Wilson Chekeruk	Member
7. Mrs. Lucia Chenanga	Fund Administrator
8. Mr. Denis Plapan Rotich	Member
9. Ms. Jacinta Tulel	Member
10. Mr. Edgar Kitilit	Member

4. Management Team

Name	Details of qualifications and experience
<p>1. Lucia Chenanga</p> 	<p>Born on 23rd July 1977 Holder of a Masters of Business Administration (Mt Kenya University), Bachelors of Business Administration (Kenya Methodist University) Has over 20 years' experience in public and private sector. Currently the Head of Budget and Fiscal Analysis.</p>
<p>2. Denis P. Rotich</p> 	<p>Born on 30th December 1981 Holder of a Bachelors of Commerce Degree (Accounting) from Daystar University and CPA Section 3. Has 17 years' experience in Finance in both private and public sector. Currently the Head of Finance in the County Assembly.</p>
<p>3. Edgar P. Kitilit</p> 	<p>Born on 17th December 1982 Holder of Masters of Business Administration-Human Resource (Daystar University), has over 14 years' experience in public and private sector. Currently the Head of Human Resource Management.</p>
<p>4. CPA Amos Kisang</p> 	<p>Holder of a Bachelor's degree in Business Management from Egerton University and a qualified Accountant. Has over 10 years' experience in accounting.</p>
<p>5. Jacinta Tulel</p>	<p>Born on 22nd May 1985 Holder of a post-Graduate Diploma in Law from Kenya School of Law. Degree in Law from Moi University</p>

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

	<p>Has over 12 Years experience in Legal matters. Currently the Head of Legal Services in the County Assembly.</p>
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5. Fund Chairperson’s Report

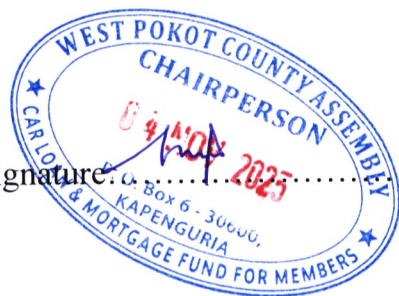
The Fund was created through the West Pokot Mortgage (Members) Scheme Fund Regulations, 2014 and the West Pokot County Car Loan (Members) Scheme Fund Regulations, 2014 which was later amended to The West Pokot County Assembly Car loan and Mortgage (Amendment) Act, 2017 with its main mandate to offer members car loans and mortgages.

The Fund in its inception was financed with Kshs 137,700,000 as its seed capital that would offer loans to its members at a 3% interest rate and revolve over the years. In the 2024/25 financial year, the fund did not experience any changes in its management committee. The management committee has a membership of 6 members of the County Assembly, 4 members of staff and a secretariat.

The fund performance over the year is characterized by reduced interest income and increased administration costs as well as finance costs. This resulted to the decrease in the surplus for the year to Kshs 589,413 compared to a surplus of Kshs 2,271,641 in the previous year. In the financial year the fund did not undertake any procurement of goods and services. In order to ensure efficiency and stability in the Funds, management is the process of amalgamating the two County Assembly Funds into one to be overseen by one Loans Management Committee. This is geared at improving performance, eliminating duplication of roles and reduce administration costs.

The Management Committee’s main objective is to ensure that there is continuity in the fund and that there is no default on loans disbursed to members. It is also the committee’s responsibility to ensure that there is financial prudence, high internal controls systems and proper governance of the fund.

Name K. A. T. Konaloro Signature [Signature]
Date 11/1/2025



Chairperson of the Fund

West Pokot County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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

6. Report of The Fund Administrator

The salaries and Remuneration commission (SRC) in fulfilment of its constitutional mandate and in exercise of the powers conferred to it under Article 230 of the constitution of Kenya and section 13 of Salaries and remuneration Commission Act, 2011 set and advised on the car and mortgage benefits for members and other state officers. Consequently, the County Assembly through the West Pokot Mortgage (Members) Scheme Fund Regulations, 2014 and the West Pokot County Car Loan (Members) Scheme Fund Regulations, 2014 established the Fund.

The County Assembly Car loan and Mortgage Fund became operational in February 2014 and received a funding of Kshs 137,700,000.00. Although the fund posted a Surplus of Kshs 2,271,641 in the 2023/2024 financial year, it was not able to sustain this position as a result of the reducing interest income. In the year ended 30th June 2025, the fund had Kshs 15,889,568 in accumulated surplus up from Kshs 15,300,155 from the previous year, representing a surplus of Kshs 589,413.

A total of Kshs 37,946,252 was disbursed as short-term loans from Non exchange transactions from July 2024 and as at 30th June 2025, Kshs 38,466,314 was received as principal repayments. Within this period the fund earned Kshs 3,194,412 as interest from loans down from Kshs 4,229,005 received in the previous year.

All the securities for the loans of the County Assembly members are under safe custody of the Fund Administrator according to the provision of the West Pokot County Assembly Car and Mortgage Act 2017.

We expect to have a better budget and expenditure plans in the coming financial year in order to modernize fund operations and offer better services to its members.

Name Lucia Chewang Signature [Signature] Date 4/11/2025
Administrator of the Fund



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

Introduction

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

The key development objectives of the Fund as per Act establishing this Fund are to:

- a) *provide a loan scheme for the purchase, development, renovation, or repair of residential property,*
- b) *provide loan scheme for the purchase of vehicles by members of the scheme*

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Provision of Mortgage and Car Loan facilities to all members of the County Assembly	To ensure all MCA’s have access to Mortgage and Car Loan facilities	35 Number mortgages and Car Loans successfully applied and processed	100% of MCA’s taking Mortgage and Car loan facilities	During the FY , all Members had accessed the facility and were able to build, purchase homes and purchase motor vehicles

8. Corporate Governance Statement

The West Pokot County Assembly Car loan and Mortgage (Amendment) Act, 2017 established the Fund and stipulated its main mandate to offer members car loans and mortgages. It also established a Loans management Committee (LMC) to oversee the daily running of the Fund. The Committee is expected to conduct meetings convened by the Chairperson with the Fund Administrator as the secretary. As set out in the Act, the chairperson and Members of the LMC are entitled to Kshs 5,000 and Kshs 4,000 as sitting allowances respectively for each sitting. In the FY, the LMC undertook more than 20 sittings in order to effectively administer the Fund.

The Loans management committee is comprised of 6 Members of the County Assembly and 4 Members of staff. After each election cycle, the 6 members exit with new members taking office, however in order to maintain the memory and proper succession of the fund, the 4 members continue serving and oversee the induction and taking office of the new members.

The Loans management committee has carried out its mandate in full adherence to the law and has not experienced any conflict of interest during its tenure. In addition, it has ensured that it has adhered to principals of good governance.

In the financial year, the LMC did not carry out any induction or training.

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

9. Report of The Trustees

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

Principal activities

The principal activities of the Fund are:

- *provide a loan scheme for the purchase, development, renovation, or repair of residential property,*
- *provide loan scheme for the purchase of vehicles by members of the scheme*

Results

The results of the Fund for the year ended June 30, 2025 are set out on page 1-8

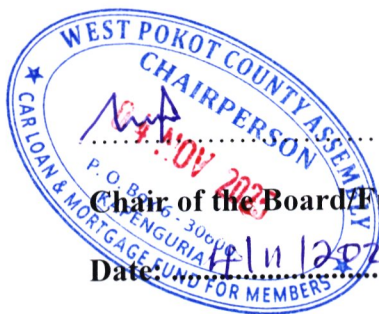
Trustees

The members of the Board of Trustees who served during the year are shown on page viii.

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



.....
Chair of the Board/Fund Administration Committee

Date: 11/11/2025
.....

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

10. Statement of Management's Responsibilities

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

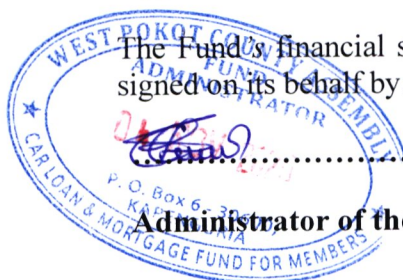
The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i)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

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

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

Approval of the financial statements

The Fund's financial statements were approved by the Board on 4/11/ 2025 and signed on its behalf by:



.....
Administrator of the West Pokot Car Loan and Mortgage Fund

REPUBLIC OF KENYA



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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 WEST POKOT COUNTY ASSEMBLY CAR LOAN AND MORTGAGE SCHEME (MEMBERS) FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the 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 Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of West Pokot County Assembly Car Loan and Mortgage Scheme (Members) Fund set out on pages 1 to 45, which

Report of the Auditor-General on West Pokot County Assembly Car Loan and Mortgage Scheme (Members) Fund for the year ended 30 June, 2025

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of West Pokot County Assembly Car Loan and Mortgage Scheme (Members) Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the West Pokot County Assembly Car Loan and Mortgage (Amendment) Act, 2017 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the West Pokot County Assembly Car Loan and Mortgage Scheme (Members) 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 opinion.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matter

The following issue raised on fund administration expenses in the previous audit report remain unresolved.

Unlawful Fund Administration Expenses

The statement of financial performance reflects fund administrative expenses amount of Kshs.1,957,364 against total revenue budget amount of Kshs.4,500,000 or 43% of the total revenue budget. This was contrary to Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015 which requires that fund administration costs of a county public Fund to be at a maximum of three percent (3%) of the approved budgets of the Fund.

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

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Unlawful Fund Administration Expenses

The statement of comparison of budget and actual amounts reflects total expenditure of Kshs.2,604,999 as administrative cost against total revenue budget amount of Kshs.3,300,000 equivalent to 79% of the total revenue budget. This was contrary to Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015 which requires that Fund administration costs of a county public Fund to be at a maximum of three percent (3%) of the approved budgets of the Fund.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern

them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

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

Basis for Conclusion

1. Lack of Insurance Cover for Loans Disbursed

The statement of financial position reflects current portion of long - term receivables from exchange transactions of Kshs.24,241,128 and current portion of long - term receivables from non-exchange transactions of Kshs.43,390,452 all totalling Kshs.67,631,580 as disclosed in Note 13 to the financial statements. However, examination of the supporting documents revealed that the loans were issued without insurance cover to protect against risks or losses as a result of death, total disability, or default by the borrower. This was contrary to Section 11(4) of the West Pokot County Assembly Car Loan and Mortgage (Amendment) Act, 2017 which requires every loan granted under the Act to be insured for the benefit of the member of the scheme and the premiums thereof debited to the member of the Fund.

In the circumstances, the lack of loan insurance cover exposes the Fund to potential financial loss, as recovery of outstanding balances in the event of occurrence of the insurable risk will be difficult.

2. Lack of Collateral Security for the Loans Disbursed

The statement of financial position reflects current portion of long - term receivables from exchange transactions of Kshs.24,241,128 and current portion of long - term receivables from non-exchange transactions of Kshs.43,390,452 all totalling Kshs.67,631,580 as disclosed in Note 13 to the financial statements. Examination of the long-term loan disbursement schedule revealed that a total of thirty-six (36) members were issued with loans to purchase homes and cars. However, there was no evidence to confirm that the loans issued were secured, and the assets used as collateral to the loans because logbooks or title deeds were not jointly co-owned by the beneficiaries and the County Assembly.

The lack of security or collateral exposes the Fund to a high credit risk, as in the event of member default, it would be difficult or impossible to recover the outstanding loan amounts, thus resulting to financial losses.

3. Lack of Approved Budget

The statement of comparison of budget and actual amounts reflects expenditure budget of Kshs.3,300,000 against actual payments of Kshs.2,604,999. However, the budget estimates approved by the County Assembly Service Board were not provided for verification. This was contrary to Regulation 99(2) of the Public Finance Management (County Governments) Regulations, 2015 which states that the approved estimates of expenditure shall form the basis of the accounts for the financial year.

In the circumstances, the effectiveness of budgetary controls and implementation could not be confirmed.

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

Responsibilities of the Management and the Board of Management

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 November, 2025

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

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

Description	Note	2024/2025 FY	2023/2024 FY
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	-	-
Transfers From the County Government	2	-	-
Fines, Penalties and Other Levies	3	-	-
Revenue From Exchange Transactions			
Interest Income	4	3,194,412	4,229,005
Other Income	5	-	-
Total Revenue		3,194,412	4,229,005
Expenses			
Employee Costs	6	-	-
Use of goods and services	7	2,604,999	1,957,364
Depreciation and Amortization Expense	8	-	-
Finance Costs	9	-	-
Total Expenses		2,604,999	1,957,364
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	-	-
Gain /Loss on fair value of investments	11	-	-
Surplus/(Deficit) for the Period		589,413	2,271,641

(The notes set out on pages 19 to 33 form an integral part of these Financial Statements)

Name: Lucia Cheung
Administrator of the Fund

Name: [Signature]
Fund Accountant
ICPAK Member Number: 2922

West Pokot County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025


13. Statement of Financial Position As at 30 June 2025

Description	Note	2024/2025 FY	2023/2024 FY
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	1,629,166	745,847
Current Portion of Long- Term Receivables from Exchange Transactions	13	24,241,128	20,371,183
Current Portion of Long- Term Receivables from Non-Exchange Transactions	13	43,390,452	5,444,200
Prepayments	14	-	-
Inventories	15	-	-
Investments in financial assets	16	-	-
Total current assets		69,260,746	26,561,230
Non-Current Assets			
Property, Plant and Equipment	17	-	-
Intangible Assets	18	-	-
Long Term Receivables from Exchange Transactions	13	84,328,822	126,438,924
Investment Property	19	-	-
Total non- current assets		84,328,822	126,438,924
Total Assets (A)		153,589,568	153,000,154
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	-	-
Current Provisions	21	-	-
Current Portion of Borrowings	22	-	-
Employee Benefit Obligations	23	-	-
Social benefit liabilities	24	-	-
Total current liabilities		-	-
Non-Current Liabilities			
Non-Current Provisions	21	-	-

**West Pokot County Assembly Car Loan and Mortgage Fund
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Description	Note	2024/2025 FY	2023/2024 FY
		Kshs	Kshs
Long Term Portion of Borrowings	22	-	-
Non-Current Employee Benefit Obligation	23	-	-
Social benefit liabilities	24	-	-
Total Liabilities (B)		-	-
Net Assets (A-B)		153,589,568	153,000,154
Represented By:			
Revolving Fund		137,700,000	137,700,000
Reserves		-	-
Accumulated Surplus		15,889,568	15,300,154
Net Assets		153,589,568	153,000,154

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 4/11/2025 and signed by:


 Name: Lucia Obenaga
 Administrator of the Fund


 Name: [Signature]
 Fund Accountant
 ICPAK Member Number: 29212

West Pokot County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Accumulated surplus (Restated)	Total	Total (Restated)
		Kshs	Kshs	Kshs	Kshs	Kshs
Balance As At 1 July 2022	137,700,000	-	12,782,462	12,782,462	150,482,462	150,482,462
Surplus/(Deficit) For the Period	-	-	62,063	246,052	62,063	246,052
Funds Received During the Year	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Revaluation Gain	-	-	-	-	-	-
Balance As At 30 June 2023	137,700,000	-	12,844,525	13,028,514	150,544,525	150,728,514
Balance As At 1 July 2023	137,700,000	-	12,844,525	13,028,514	150,544,525	150,728,514
Surplus/(Deficit) For the Period	-	-	2,271,641	2,271,641	2,271,641	2,271,641
Funds Received During the Year	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Revaluation Gain	-	-	-	-	-	-
Balance As At 30 June 24	137,700,000	-	15,116,166	15,300,155	152,816,166	153,000,155
Balance As At 1 July 24	137,700,000	-	15,300,155	-	153,000,155	-
Surplus/(Deficit) For the Period	-	-	589,413	-	589,413	-
Funds Received During the Year	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Revaluation Gain	-	-	-	-	-	-
Balance As At 30 June 25	137,700,000	-	15,889,568	-	153,589,568	-

West Pokot County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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

Description	Note	2024/2025	2023/2024
		FY	FY
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations	1		-
Transfers from the county government	2		-
Interest received	4	2,968,255	4,229,005
Receipts from other operating activities	5	-	-
Total receipts		2,968,255	4,229,005
Payments			
Fund administration expenses		2,588,000	1,944,000
General expenses		16,999	13,364
Finance cost		-	-
Other payments		-	70,017
Net cash flows from operating activities	24	363,256	2,201,624
Cash flows from investing activities			
Purchase of property, plant, equipment and			
Intangible assets			
Proceeds from sale of property, plant & equipment			
Proceeds from Staff Loan repayment			
Proceeds from loan principal repayments		38,466,314	19,009,373
Loan disbursements paid out		-	-24,044,200
		37,946,252	
Net cash flows used in investing activities		520,062	-5,034,827
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings			
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash		883,318	-2,833,203

West Pokot County Assembly Car Loan and Mortgage Fund
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Equivalents			
Cash and cash equivalents at 1 July		745,847	3,579,050
Cash and cash equivalents at 30 June		1,629,165	745,847

(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)

West Pokot County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

16. Statement Of Comparison Of Budget And Actual Amounts For The Period 2025

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.						
Interest Income	3,300,000	-	3,300,000	2,968,255	331,745	90%
Other Income	-	-	-	-	-	
Total Income	3,300,000	(-)	3,300,000	2,968,255	331,745	90%
Expenses						
Fund Administration Expenses	3,285,000	-	3,285,000	2,588,000	697,000	79%
General Expenses	15,000	(-)	15,000	16,999	(1,999)	113%
Finance Cost	-	(-)	-	-	(-)	
Total Expenditure	3,300,000	(-)	3,300,000	2,604,999	695,001	79%
Surplus For the Period	0	-	-	363,256	-	
Capital expenditure	-	-	-	-	-	

Note: The variance between the interest income on the Statement of Financial Performance and the Statement of Comparison of Budget and Actual Amounts for 2025 is as a result of June 2025 payroll deductions received by the Fund in July 2025 hence an Interest Receivable of Kshs 226,157.

17. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

West Pokot County Assembly Car loan and Mortgage Fund is established by and derives its authority and accountability from West Pokot County Assembly Car loan and Mortgage (Amendment) Act, 2017. The entity is wholly owned by the West Pokot County Assembly and is domiciled in Kenya. The entity’s principal activity is to provide car loans and mortgages to Members of the County Assembly.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

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

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

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p>

West Pokot County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

for Sale and Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees</p>

West Pokot County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

	and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
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(i) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year.

West Pokot County Assembly Car Loan and Mortgage Fund
Annual Report and Financial Statements for the year ended June 30, 2025

1. 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.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2024/2025 was approved by the County Assembly on 27th June 2024. 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 of these financial statements.

c) Property, plant and equipment

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

a) Intangible Assets

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

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

b) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 5-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Summary of Significant Accounting Policies (Continued)

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 Funds financial statements.* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

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

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.

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) Inventories

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

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

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

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

e) Provisions

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

f) Social Benefits

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

Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

Contingent assets

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

h) Nature and purpose of reserves

The Fund does not create and maintain reserves.

i) 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.

j) 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)

k) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

l) 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.

m) 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.

n) 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.

o) 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.

State all judgements, estimates and assumptions made e.g

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

- 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 not raised by the LMC in the year.

West Pokot County Assembly Car Loan and Mortgage Fund
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6. Notes To The Financial Statements Continued

1. Public contributions and donations

Description	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

2. Transfers from County Government

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

3. Fines, penalties and other levies

Description	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	2024/2025 FY	2023/2024 FY	RESTATED 2022/2023 FY
	Kshs	FY	Kshs
Interest Income from Mortgage Loans	3,194,412	4,229,005	2,090,871
Interest Income From Car Loans	-	-	-
Interest Income From Investments in financial assets	-	-	-
Interest Income On Bank Deposits	-	-	-
Total Interest Income	3,194,412	4,229,005	2,090,871

West Pokot County Assembly Car Loan and Mortgage Fund
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5. Other income

Description	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

6. Employee Costs

Description	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other (<i>Specify</i>)	-	-
Total	-	-

7. Use of Goods and Services

Description	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
General Office Expenses	-	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	-
Committee Allowances	1,766,800	1,782,000
Bank Charges	16,999	13,364
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	-	-

West Pokot County Assembly Car Loan and Mortgage Fund
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Description	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Bank Charges	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other (Travel Costs)	821,200	162,000
Social benefit expenses*	-	-
Total	2,604,999	1,957,364

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42

8. Depreciation and Amortization Expense

Description	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

9. Finance costs

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

West Pokot County Assembly Car Loan and Mortgage Fund
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10. Gain/(loss) on disposal of assets

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

11. Gain/ (loss) on Fair Value Investments

Description	2024/2025 FY	2023/2024 FY
	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	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
West Pokot County Assembly Car Loan and Mortgage Main Account	265,254	152,929
West Pokot County Assembly Car Loan and Mortgage Repayment Account	1,363,911	592,918
	-	-
Total Cash And Cash Equivalents	1,629,165	745,847

West Pokot County Assembly Car Loan and Mortgage Fund
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Notes to the Financial Statements Continued

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

Financial Institution	Account number	2024/2025 FY	2023/2024 FY
		Kshs	Kshs
a) Current Account			
Access Bank Ltd	261237/500TCA00/1/0	265,254	152,929
Access Bank Ltd	261237/500TCA00/2/0	1,363,911	592,918
Sub- Total		1,629,165	745,847
Grand Total		1,629,165	745,847

13. Receivables from exchange transactions

Description	2024/2025 FY	2023/2024 FY	RESTATED 2022/2023 FY
	Kshs	Kshs	Kshs
Current Receivables			
Interest Receivable	2,132,522	1,906,365	-
Current Loan Repayments Due	22,108,606	18,464,818	-
Other Non-Exchange Debtors	43,390,452	5,444,200	
Less: Impairment Allowance	(-)	(-)	(-)
Total Current Receivables	67,631,580	25,815,383	-
Non-Current Receivables			
Long Term Loan Repayments Due	84,328,822	126,438,924	147,219,481
Total Non- Current Receivables	84,328,822	126,438,924	147,219,481
Total Receivables From Exchange Transactions	151,960,402	152,254,307	147,219,481

Additional disclosure on interest receivable

Description	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	2,132,522	198,906
Accrued interest receivable from of long-term loans of previous years	-	-

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Interest receivable from current portion of long-term loans issued in the current year	-	1,707,459
Current loan repayments due	-	-
Current portion of long-term loans from previous years	1,562,086	1,562,086
Current portion of long-term loans from non – exchange transaction	43,390,452	5,442,000
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	16,902,732

14. Prepayments

Description	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	-	-

15. Inventories

Description	2024/2025 FY	2023/2024 FY
	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	-	-

Notes to the Financial Statements Continued

16. Investments in financial assets

Description	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-

West Pokot County Assembly Car Loan and Mortgage Fund
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Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
Bank x	-	-
Bank y	-	-
Sub- total	-	-
c. Equity investments (specify)		
Equity/ shares in Entity	-	-
Sub- total	-	-
Grand total	-	-

Movement of Equity Investments

Impairment allowance/ provision	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	(-)	(-)
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

e) Shareholding in other entities

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

West Pokot County Assembly Car Loan and Mortgage Fund
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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 (Previous FY)	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	(-)	(-)	-	-	(-)
Transfers/Adjustments	-	(-)	-	(-)	(-)
At 30th June (Previous FY)	-	-	-	-	-
At 1st July (Current FY)					
Additions	-	-	-	-	-
Disposals	(-)	-	-	-	(-)
Transfer/Adjustments	(-)	-	-	(-)	(-)
At 30th June (Current FY)	-	-	-	-	-
Depreciation And Impairment					
At 1 st July (Previous FY)	(-)	(-)	(-)	(-)	(-)
Depreciation	(-)	(-)	(-)	(-)	(-)
Impairment	(-)	-	-	-	(-)
At 30th June (Previous FY)	-	-	-	-	-
At 1st July (Current FY)					
Depreciation	(-)	(-)	(-)	-	(-)
Disposals	-	-	-	-	-
Impairment	(-)	(-)	-	-	(-)
Transfer/Adjustment	-	(-)	(-)	-	-
At 30th June (Current FY)	-	-	-	-	-
Net Book Values	-	-	-	-	-
At 30th June (Previous FY)	-	-	-	-	-
At 30th June (Current FY)	-	-	-	-	-

West Pokot County Assembly Car Loan and Mortgage Fund
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Notes To The Financial Statements (Continued)

18. Intangible assets

Description	2024/2025 FY	2023/2024 FY
	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	2024/2025 FY	2023/2024 FY
	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	-	-

West Pokot County Assembly Car Loan and Mortgage Fund
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Notes To The Financial Statements (Continued)

20. Trade and other payables from exchange transactions

Description	2024/2025 FY		2023/2024 FY	RESTATED 2022/2023 FY	
	Kshs			Kshs	
Trade Payables	-		-	-	
Refundable Deposits	-		-	-	
Accrued Expenses	-		-	-	
Other Payables	-		-	-	
Total Trade and Other Payables	-		-	-	
Ageing analysis (Trade and other payables)	Current FY	% of the Total		Comparative FY	% of the Total
Under one year	-	%	-	-	%
1-2 years	-	%	-	-	%
2-3 years	-	%	-	-	%
Over 3 years	-	%	-	-	%
Total (tie to above total)	-		-	-	

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	-	-	-	-

**West Pokot County Assembly Car Loan and Mortgage Fund
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Notes To The Financial Statements (Continued)

22. Borrowings

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

(NB: the total of this statement should tie to note 22 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed). Borrowings should be measured at amortised cost as per IPSAS 41)

West Pokot County Assembly Car Loan and Mortgage Fund
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Notes To The Financial Statements (Continued)

23. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Insert Current FY	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

24. Social Benefit Liabilities

Description	2024/2025 FY	2023/2024 FY
	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.

West Pokot County Assembly Car Loan and Mortgage Fund
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Notes To The Financial Statements (Continued)

25. Cash generated from operations.

Description	2024/2025 FY	2023/2024 FY
	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	-	-

West Pokot County Assembly Car Loan and Mortgage Fund
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At 30 June 2024				
Receivables From Exchange Transactions	146,810,107	146,810,107	-	-
Receivables From Non-Exchange Transactions	5,444,200	5,444,200	-	-
Bank Balances	745,847	745,847	-	-
Total	153,000,154	153,000,154	-	-

**West Pokot County Assembly Car Loan and Mortgage Fund
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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 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 (Current FY)				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-

West Pokot County Assembly Car Loan and Mortgage Fund
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Total	-	-	-	-
At 30 June (Comparative FY)				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

**West Pokot County Assembly Car Loan and Mortgage Fund
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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	-	-	-

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Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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

West Pokot County Assembly Car Loan and Mortgage Fund
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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.

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Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs - (2024: Kshs -). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs - (2025 – Kshs -).

West Pokot County Assembly Car Loan and Mortgage Fund
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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	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	137,700,000	137,700,000
Accumulated surplus	15,889,568	15,300,155
Total funds	153,589,568	153,000,155
Total borrowings	151,960,401	152,254,307
Less: cash and bank balances	(1,629,165)	(745,847)
Net debt/(excess cash and cash equivalents)	150,331,236	151,508,460
Gearing	98%	99%

29. Events after the reporting period

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