

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*



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**REPORT**

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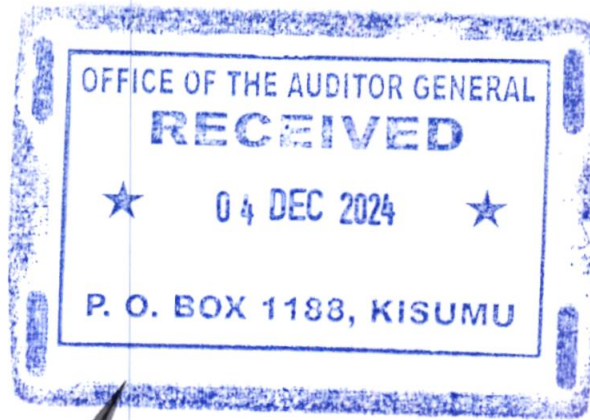
**OF**

**THE AUDITOR-GENERAL**

**ON**

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

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



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**KISUMU COUNTY ASSEMBLY (CAR LOAN SCHEME FUND)**

**(COUNTY ASSEMBLY OF KISUMU)**

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

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

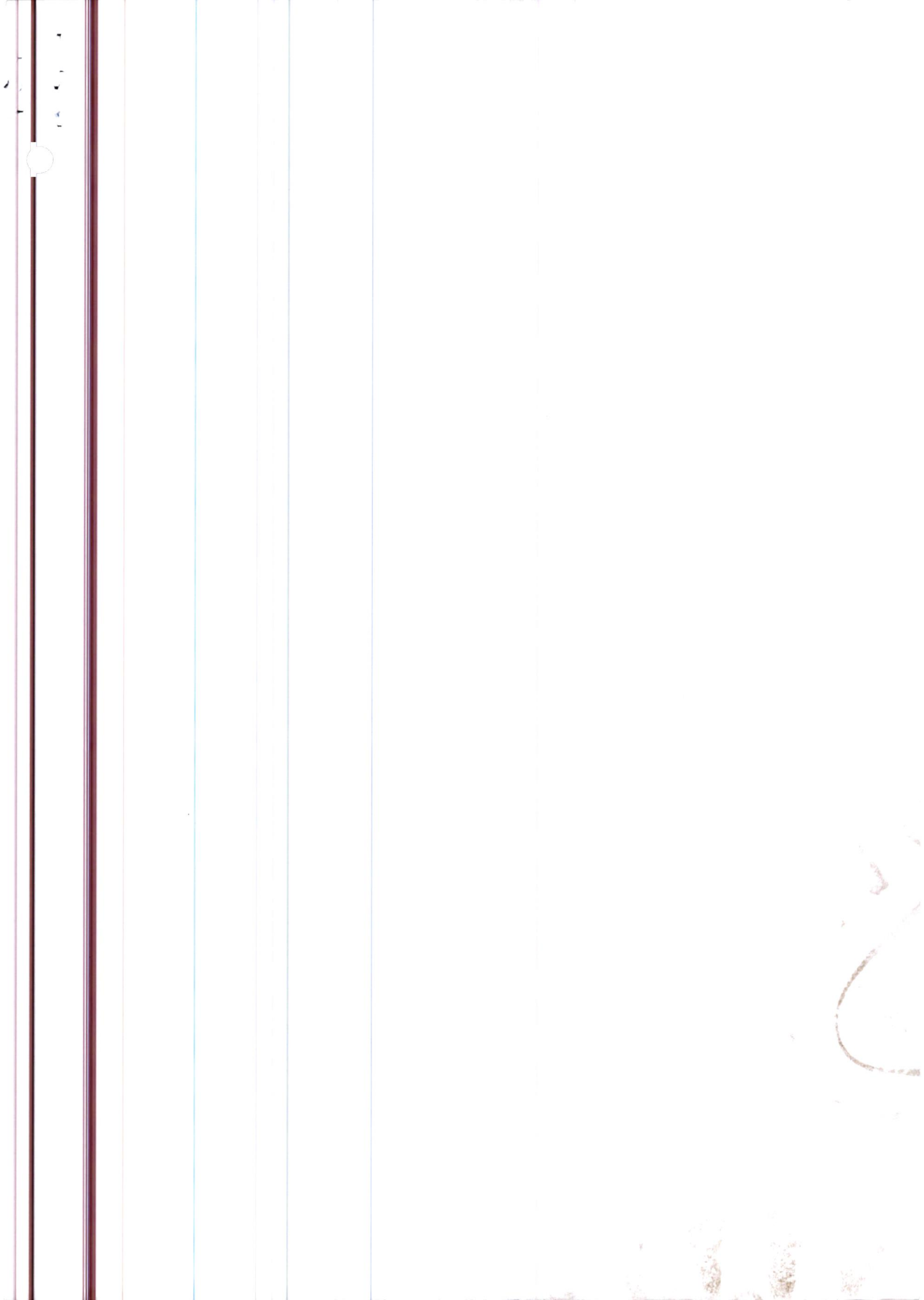


Table of Contents

<b>1. Acronyms and Definition of Key Terms</b> .....	ii
10 key entity information and management .....	iii
2. Trustee/ Fund Administration Committee .....	vi
3. Management Team .....	viii
4. Fund Chairperson’s Report .....	x
5. Report of the Fund Administrator .....	xi
6. Statement of performance against county entity’s predetermined objectives .....	xiii
7. Corporate Governance Statement .....	xiii
8. Management Discussion and Analysis .....	xvi
9. Environmental and Sustainability Reporting .....	xviii
10. report of the Fund Administrative committee .....	xx
11. Statement of Management’s Responsibilities .....	xxi
12. Report of the Independent Auditor on the Financial Statements of Kisumu County Assembly (Car Loan Scheme Fund) .....	xxiii
13. Statement of financial performance for the financial year ended 30 June, 2024 .....	1
14. Statement of financial position as at June 30, 2024 .....	2
15. Statement of changes in net assets as at June 30, 2024 .....	3
16. Statement of cash flows for the year ended 30 June, 2024 .....	4
17. Statement of comparison of budget and actual amounts for the period ended 30 June, 2024 .....	6
18. Notes to the Financial Statements .....	6
Notes to the financial statements continued. ....	18
19. Annexes: Progress on follow up of prior year Auditor’s recommendations .....	25

## 1. Acronyms and Definition of Key Terms

### A. Acronyms

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
MCA	Member of County Assembly
IHRM	Institute of Human Resource Management
KIM	Kenya Institute of Management
CASA	County Assembly Sports Association

### B. Definition of Key Terms

**Fiduciary Management** - Members of Management directly entrusted with the entity's financial resources.

**Comparative Year**- Means the prior period.

## 1.0 key entity information and management

### a) Background information

The Kisumu County Assembly car loan scheme Fund is a revolving fund established pursuant to the Salaries and Remuneration Commission (SRC) circular number SRC/TS/WH/3/14 of 14<sup>th</sup> February 2014. Section 167 of the Public Finance Management (PFM) Act 2012 mandates the administrator of public funds with the preparation of annual financial statements.

For proper management of the Fund and as advised by the SRC in the circular under the reference, Kisumu County adopted the PFM regulations 2015 to guide in the operationalization of the Fund. The SRC in its circular reference SRC/ADM/CIR/1/13 Vol.III (128) dated 17<sup>th</sup> March 2014 provided guidelines for access of car loan and mortgage benefits by state and public officers. The Fund is wholly owned by the County Assembly of Kisumu and is domiciled in Kenya.

### b) Principal Activities

The principal activity/mission/ mandate of the Fund is to provide car loans and mortgage facility to members and staff of the Assembly

### Core Values

The Fund upholds the values of accountability, transparency, excellence, accessibility, integrity, responsiveness, equity and team work.

### c) Fund Administration Committee

SN	Position	Name
1	Chairperson	Hon. Pamela Oyoo
2	Committee Member	Hon. Seth Ochieng
3	Fund Administrator	Mr. Owen Ojuok
4	Committee Member	CPA Felix Okinyi
5	Committee Member	Mr. Boaz Ouko
6	Committee Member	Mr. Dennis Odhiambo

### d) Key Management

**COUNTY ASSEMBLY OF KISUMU - Car Loan Scheme Fund**  
**Annual Reports and Financial Statement for the Period ended June 30, 2024**

SN	Position	Name
1	Fund Administrator	Mr. Owen Ojuok- Clerk of the Assembly
2	Fund Accountant	CPA Felix Okinyi- Principal Finance Officer

**e) Fiduciary Oversight Arrangements**

**Audit Committee**

The Audit Committee was established through the gazette notice No. 2690; Public Finance Management Act (No. 18 of 2012), Public Finance Management Regulations 2015 and gazette Notice No 2690 on the Audit Committee guidelines for County Governments. The Audit Committee is established to provide assistance to the accounting officer with its responsibilities outlined in its charter with the general feature of ensuring good corporate governance.

No	Name	Position
1.	Lucy Mugadukha	Chairperson
2.	George Otieno	Member
3.	Dorothy Amondi	Member
4.	Felix Okinyi Owuor	Member
5.	Naboth Odera	Directorate of Internal Audit

**f) Registered Offices**

P.O. Box 86 – 40100,  
Kisumu County Assembly Buildings  
Kisumu,  
KENYA

**g) Fund Contacts**

E-mail: [kisumuassembly@gmail.com](mailto:kisumuassembly@gmail.com)

Tell no. 0721395600

Website: [www.kisumuassembly.go.ke](http://www.kisumuassembly.go.ke)

**h) Fund Bankers**

**COUNTY ASSEMBLY OF KISUMU - Car Loan Scheme Fund**  
**Annual Reports and Financial Statement for the Period ended June 30, 2024**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
2. Family Bank of Kenya Ltd  
Kisumu Branch  
P.O BOX 7452-40100  
Kisumu




**C) Independent Auditors**

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




**D) Principal Legal Adviser**

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




2. Trustees/ Fund Administration Committee

Name	Details of qualifications and experience
 <p>Hon. Pamela Awuor Oyoo D.O.B – 1<sup>st</sup> July 1965 <b>MCA – Migosi Ward</b> <b>Vice Chair to the County Assembly Service Board</b></p>	<p><b>Committee Chairperson</b></p> <p>Hon. Pamela Oyoo is a seasoned politician and entrepreneur. She is currently the MCA for Migosi Ward, Kisumu County, a position she has held for the past seven years.</p> <p>Hon Pamela sits in the County Assembly of Kisumu Service Board as the Vice-chairperson. Her academic qualification is a <b>Bachelors Degree of Arts (Project Planning and Management)</b></p>
 <p>Hon. Seth Ochieng Kanga D.O.B – 12<sup>th</sup> August 1978 <b>MCA – Market/ Milimani Ward</b> <b>Majority Whip</b></p>	<p><b>Committee Member</b></p> <p>Hon. Seth Ochieng is a veteran politician and a career entrepreneur. He is a member of Kisumu County Assembly representing Market/ Milimani ward and also the Majority Chief Whip of the Kisumu County Assembly.</p> <p>He has qualifications in Administration from the Kenya School of Government and a Diploma in Business Administration from Kenya Institute of Management (KIM)</p>
 <p>Mr. Owen Ojuok</p>	<p><b>Committee Member- Fund Administrator</b></p> <p>Mr. Owen Ojuok is the Clerk of Kisumu County Assembly thus the Fund Administrator for Kisumu County Assembly Car Loan and Mortgage Fund Scheme. He is a qualified lawyer and an Advocate of the High Court of Kenya. He holds a bachelor’s degree in Law</p>

**COUNTY ASSEMBLY OF KISUMU - Car Loan Scheme Fund**  
**Annual Reports and Financial Statement for the Period ended June 30, 2024**

<p>D.O.B – 20<sup>th</sup> August 1966</p> <p><b>The Clerk – Kisumu County Assembly</b></p>	<p>from the University of Nairobi and is currently pursuing his Master’s Degree in Law at the same university.</p>
 <p>Mr. Boaz Ouko</p> <p>D.O.B – 30<sup>th</sup> December 1968</p> <p><b>Staff Representative to the Fund</b></p>	<p><b>Committee Member</b></p> <p>Mr. Boaz Ouko is the chair of the Kisumu County Assembly Staff Welfare association. Mr. Ouko is a career civil servant who has served in numerous capacities within the civil service before being deployed to the assembly.</p> <p>Mr. Ouko is currently serving as senior administration officer at the Kisumu County Assembly.</p> <p>He holds a Diploma in Management from Kenya Institute of Management</p>
 <p>CPA Felix Owuor</p> <p>D.O.B – 17<sup>th</sup> May 1978</p> <p><b>Principal Finance Officer – County Assembly of Kisumu</b></p> <p><b>Fund Accountant</b></p>	<p><b>Committee Member – Fund Accountant</b></p> <p>CPA Felix Owuor is the Principal Finance Officer at the County Assembly of Kisumu. He doubles up as the Fund Accountant.</p> <p>CPA Owuor holds a bachelor’s degree in Commerce (Baking and Finance) from Moi University, He is a Certified Public Accountant (CPA) K and a member of the Institute of Certified Public Accountant of Kenya (ICPAK) in good standing.</p>
 <p>Dennis Odhiambo</p> <p>D.O.B – 11<sup>th</sup> June 1990</p> <p><b>Payroll Officer – County Assembly of Kisumu</b></p>	<p><b>Committee Member</b></p> <p>Mr. Dennis Odhiambo is a payroll officer at the County Assembly of Kisumu. He supports the Committee as a technical staff with respect to payroll deductions.</p> <p>He holds a diploma in Human Resource Management from Kenya Institute of Management and he is a member of IHRM – Kenya.</p>

**3. Management Team**

 <p>Mr. Owen Ojuok D.O.B – 20<sup>th</sup> August 1966 The Clerk – <b>Kisumu County Assembly</b></p>	<p><b>Committee Member- Fund Administrator</b></p> <p>Mr. Owen Ojuok is the current Clerk of Kisumu County Assembly. Mr. Ojuok is also the Fund Administrator for Kisumu County Assembly Car Loan and Mortgage Fund Scheme Mr. Ojuok is a qualified lawyer. He also currently pursuing his Master’s Degree in Law at the University of Nairobi</p>
 <p>Mr. Boaz Ouko D.O.B – 30<sup>th</sup> December 1968 <b>Staff Representative to the Fund</b></p>	<p><b>Committee Member</b></p> <p>Mr. Boaz Ouko is the chair of the Kisumu County Assembly Staff Welfare association. Mr. Ouko is a career civil servant who has served in numerous capacities within the civil service before being deployed to the assembly. Mr. Ouko is currently serving as senior administration officer at the Kisumu County Assembly. He has a Diploma in Management from Kenya Institute of Management</p>
 <p>CPA Felix Owuor D.O.B – 17<sup>th</sup> May 1978 <b>Fund Accountant – County Assembly of Kisumu</b></p>	<p><b>Committee Member – Fund Accountant</b></p> <p>CPA Felix Owuor is the Principal Finance Officer at the County Assembly of Kisumu. CPA Owuor also serves as an accountant for the fund. CPA is a qualified chartered accountant. He has a degree in Commerce (Banking and Finance) from Moi University</p>



Mr. Dennis Odhiambo  
D.O.B – 11<sup>th</sup> June 1990  
**Payroll Officer – County  
Assembly of Kisumu**

**Committee Member**

Mr. Dennis Odhiambo is a payroll officer at the County Assembly of Kisumu. He holds a diploma in Human Resource Management from Kenya Institute of Management and a member of HRM – Kenya.

#### **4 Fund Chairperson's Report**

It is my pleasure to present, on behalf of the Management Committee, the Kisumu County Assembly Car Loan and Mortgage Fund financial statements for the Quarter Ended 30, June, 2024. The financial statements present the financial performance of the Fund over the past year.

#### **Sustainability**

The Fund and its stakeholders are increasingly emphasizing on the need to ensure sustainability for both its investments and its resource mobilization and financing capabilities with an objective of ensuring that the Fund's going concern is secured.

The Fund has conducted a basic assessment of available options for feasible financing tools that would assure the Fund of its long term sustainability. The Fund has reviewed its current resource mobilization strategies and proposed feasible sustainability financing options.

#### **Review of performance**

#### **Income**

The Fund earned revenues amounting to **Kshs. 6,105,417.85** from interest income.

#### **Expenditures**

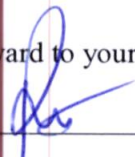
The total expenditures during the FY 2023/2024 amounted to **Kshs. 290,218.85** in respect to fund administrative and finance costs.

#### **Appreciation**

I take this opportunity to express my sincere gratitude and appreciation to the County Assembly Service Board, the Fund administrator and his support team and fellow management committee members for their continued support which made us achieve these results.

I look forward to your continued support in the coming FY 2024/2025.

Signed: \_\_\_\_\_



**Hon. Pamela Awuor Oyoo**

**Management Committee Chairman**

Date: 30, June, 2024

**5. Report of the Fund Administrator**

It is my pleasure to present Kisumu County Assembly Car Loan Scheme Fund Annual Report and financial statements for the year ended 30 June, 2024. The financial statements present the financial performance of the Fund over the past year.

The Fund was established during the first assembly and is now serving the second assembly members. At the beginning of the Fund's operations in 2017, the Fund had the initial seed money of Kshs. 250,000,000. The Fund has since then received additional input of Kshs. 15,000,000 which was received in during the FY 2019/2020. The Fund has since disbursed a total amount of Kshs.287,7147,349 as loan to members with a total of 77 beneficiaries.

**Financial Performance**

**a) Revenue**

In the year ended 30 June 2024, the Fund had projected revenues of **Kshs. 14,000,000**. Out of this projected amount, the Fund was able to realise **Kshs. 6,105,199** in actual revenues, representing over **44%** in performance.

In the table below, we present an analysis of revenue performance during the year.

<b>Revenue classification</b>	<b>Revenue Budget (Kshs.)</b>	<b>Actual (Kshs.)</b>	<b>Realization (%)</b>
<b>Revenue</b>			
Transfers from the Exchequer	7,500,000	-	0%
Interest income	6,500,000	6,105,417.85	94%
<b>Total income</b>	<b>14,000,000</b>	<b>6,105,417.85</b>	<b>44%</b>

**Loans**

In this operations period, the fund managed to disburse a number of loans to qualifying staff members as well as members of the Assembly. The Fund was able to disburse loans to 16 new applicants, bringing the number of total beneficiaries so far to 77

**b) Cash flows**

The Fund is yet to receive the expected funds of budgeted-for Exchequer injection of Kshs 7,500,000 by close of the FY 2023/2024. This has been occasioned by the general delays in remittances of Fund by the National Government to devolved entities. We are hopeful that the fund shall be released soon to enable the Fund to carry out with its plans.

**Conclusion**

The FY 2023/2024 has so far generally been a good year for the Fund. However, the Fund has been not able to operate at optimal levels as envisaged because of the delay in the disbursement of the additional requested capital injection amounting to **Kshs. 7,500,000.**

Nonetheless, the Fund takes pride in the fact that it has achieved commendable progress in enabling the dreams of the members of staff who were privileged to receive affordable credit for the financing of their car ownership and home ownership projects. The Fund hopes to leverage on these small gains to create further momentum towards greater future achievements in facilitating the dreams of applicants

I take this opportunity to thank the County Assembly Service Board and the Management Committee for their support. I also want to thank all staff who we have worked hand in hand to ensure that the Kisumu County Assembly Car Loan and Mortgage Fund achieve its core mission and mandates.



Name: Owen O. Ojuok

**Fund Administrator**

Date: 30, June, 2024

**6. Statement of performance against county entity’s predetermined objectives**

**Introduction**

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a county government entity shall prepare financial statements in respect of the entity in formats to be prescribed by the Accounting Standards Board. The accounting officer shall include a statement of the county government entity’s performance against predetermined objectives

The key development objective of the Kisumu County Car Loan Fund Scheme for the FY 2023/2024 according to its approved budget was to provide loan services to applicant particularly among staff and to ensure availability of funds to support the first objective. The funds operations were impeded by delays in Exchequer releases leading to non-receipt of the budgeted Kshs. 7,500,000.

Therefore, the fund has not been able to adequately approve a number of members’ loans applications. This has significantly affected the funds projections in terms of loan approval and expected earnings from the interest from the loan approved.

The fund is looking forward to speedy and timely disbursement of funds by the Exchequer in order to enable it to carry out its mandate effectively.

<b>Strategic Pillar/Theme/Issues</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Provision of Mortgage facility to Staff and members	To ensure staff members have access to mortgage facilities	Number of Mortgage issued	30% of staff and members accessing mortgage facility	19% of scheme members received the Mortgage facility
Provision of Car Loan facility to Staff .	To ensure staff and members have access to car loan facilities	Number of Car loan issued	30% of staff accessing car loan facility	11% of scheme members received the car loan facility

**7. Corporate Governance Statement**

The Kisumu County Assembly Car Scheme Fund is a revolving fund established pursuant to the Salaries and Remuneration Commission (SRC) circular number SRC/TS/WH/3/14 of 14<sup>th</sup> February 2014 and Section 167 of the Public Finance Management (PFM) Act 2012. Its mandate is to provide car loans to members and staff. The Fund is committed to ensuring compliance with regulatory and supervisory corporate governance requirements. Essential to the establishment of a

corporate governance framework in the Fund is a formal governance structure with the CASB and the Fund Management Committee at its apex.

The operations of the Fund are governed by The Kisumu County Assembly Car Loan Scheme Regulations made on 26th April, 2014. The structure is designed to ensure an informed decision making process based on accurate reporting to the Fund Management Committee.

The Kisumu County Assembly Car Loan Scheme Fund Rules and Regulations provide that the Management Committee shall be made up of members, including the chairman, and shall consist of a chairperson and other members nominated by fellow members. The Fund Management Committee is responsible for the long-term strategic direction of the Fund and guidance of the Fund Administrator and his support team. The Fund Management Committee exercises leadership, enterprise, integrity and judgment in directing the Fund.

The Committee is provided with full, appropriate and timely information that enables it to maintain full and effective control over the strategic, financial, operational and compliance issues. The day-to-day running of the operations of the Fund is delegated to the Fund Administrator but the Fund Management Committee is responsible for establishing and maintaining the Fund's system of internal controls for the realization of its mandate of providing car loan and mortgage facility to members.

The Fund Management Committee meets regularly or as required in order to monitor the implementation of the Fund's strategic plan and achievement of the targets as agreed upon with the Fund administrator and the support team. Therefore, Corporate governance plays a crucial role in the effective management and sustainability of a County Assembly Car Loan Scheme Fund. Strong governance structures ensure transparency, accountability, and alignment with environmental and social objectives, thus fostering trust and ensuring long-term sustainability of the fund. We have enumerated the significant roles played by corporate governance in the management of Kisumu County Car Loan Scheme Fund in the year under review and how Fund management was aligned.

1. Transparency and Accountability; The Fund Administrator ensured accurate and transparent reporting on the fund's financial health, operational activities, and social and environmental impact. Regular reports to stakeholders, including county assembly members and statutory agencies, help maintain accountability and foster trust. The committee was responsible for overseeing financial management, ensuring that loans are properly allocated and monitored, and that there is minimal risk of mismanagement or fraud.

2. Strategic Decision-Making and Goal Setting; The Fund in a bid to align with County and National Goals was guided by Corporate governance by linking its mission with county priorities, such as affordable housing and sustainable development, and national objectives around green building and climate action. In addition, the committee helped to set sustainability

targets, such as promoting green housing projects, reducing the fund's carbon footprint, and aligning financing products with environmental objectives during loan applications by ensuring that the houses intended to be constructed, purchased, and or renovated environmentally friendly in structural designs, form and furnishings.

3. Risk Management and Compliance; In mitigating financial and environmental risk effective governance helped to identify and mitigate financial, operational, and environmental risks. This includes ensuring that staff who received loans do not engage in projects that would negatively impact the environment and that they are financially sustainable with respect to costing and recoveries to be made. Further that loan awardees fully complied with Regulatory Compliance by ensuring that loan beneficiaries complied with relevant housing, financial, and environmental regulations. So as to minimize risks of penalties and legal issues, maintaining the fund's reputation and financial health.

4. Ethical Lending Practices; Through responsible lending policies, the Fund Administrator established ethical lending policies, ensuring that loans are issued based on fair assessments and that they support projects aligned with the fund's mission, such as affordable, eco-friendly housing. Strong governance ensured decisions are made objectively and without conflicts of interest, which is essential for maintaining the integrity of the fund and public trust.

5. Promoting Environmental and Social Responsibility; By integration of ESG (Environmental, Social, and Governance) Principle frameworks and increasingly including ESG considerations, guiding the fund to support projects that benefit both the environment and society. This included promoting energy-efficient housing or projects that prioritize water conservation, Community and Stakeholder Engagement: The committee often facilitate meaningful MCA and staff engagement, gathering input on housing needs and sustainability expectations. This helped ensure that funded projects align with the community's values and needs.

6. Performance Monitoring and Evaluation; The Fund Committee was responsible for setting key performance indicators (KPIs) related to financial performance, sustainability, and social impact. Regular monitoring of these KPIs ensures that the fund is on track to meet its goals. Further, performance data was deployed to identify areas for improvement, adapting strategies, and fostering a culture of continuous improvement in both financial management and sustainability initiatives.

7. Ensuring Long-Term Sustainability; Through Financial and Environmental Viability, Corporate governance helped the fund make decisions that supported long-term financial sustainability while ensuring that environmental objectives are met. This included prudent investment in eco-friendly projects that deliver value over time, structures planning for continuity, leadership development, and adaptability to changing environmental and economic conditions. Thus ensuring that the fund remains sustainable and relevant into the future.

In conclusion, Corporate governance in Kisumu County Assembly Car Fund Scheme ensured that it operated responsibly, transparently, and sustainably. It aligned the fund's activities with county, national, and environmental priorities while

ensuring financial integrity and public trust. By fostering a robust governance framework, the fund is hoping to achieve its goals of supporting affordable and sustainable housing while promoting environmental stewardship and community well-being.

## **8. Management Discussion and Analysis**

The Kisumu County Assembly car loan scheme is a revolving fund established pursuant to the Salaries and Remuneration Commission (SRC) circular number SRC/TS/WH/3/14 of 14<sup>th</sup> February 2014. Section 167 of the Public Finance Management (PFM) Act 2012 mandates the administrator of public funds with the preparation of annual financial statements.

For proper management of the Fund and as advised by the SRC in the circular under the reference, Kisumu County adopted the PFM regulations 2015 to guide in the operationalization of the Fund. The SRC in its circular reference SRC/ADM/CIR/1/13 Vol.III (128) dated 17<sup>th</sup> March 2014 provided guidelines for access of car loan and mortgage benefits by state and public officers. The Fund is wholly owned by the County Assembly of Kisumu and is domiciled in Kenya.

The management committee allocated funds to members considering;

- a) Duty filled application forms,
- b) Amount applied for by the member,
- c) A summarized assessment of the members' repayment capability,
- d) A security provided and forced sale value of such security. (The committee resolved that only valid certificates of title, either leasehold or freehold shall be accepted), and
- e) Duty executed transfer forms in favour of the County Assembly Service Board.

All the loans have been secured with title deeds, log books or leasehold properties certificates. All the car loans and mortgages have been insured. The insurance covers the following risks among others: loss of seat pursuant to Article 194 of the Constitution of Kenya, death and permanent disability. As a provisional measure, the committee retains 3 percent of the loan amount for the purposes of procuring the insurance cover.

### **Challenges Faced by the Management Committee**

The committee has faced some challenges in the management of the car loan and mortgage:

- a) Inadequate understanding by members on the need to provide security for the loans.
- b) Inadequate awareness by the members on the procedure for applications of the loans.

**COUNTY ASSEMBLY OF KISUMU - Car Loan Scheme Fund**  
**Annual Reports and Financial Statement for the Period ended June 30, 2024**

- c) Inadequate skills of secretariat with regards to managing the accounts and books of the committee. The secretariat has had to learn most of the things on the job as there was no reference point for most of the questions/ challenges the secretariat is faced with.
- d) Inadequate understanding by members on the mortgage process and the need to take time to establish uniform laid down procedures from the start to the end of the entire car loan/ mortgage process.
- e) Lack of adequate funds. The fund requires at least Kshs. 450,000,000 in order to adequately cater for all the members and staff who require the credit services of the scheme.

The Fund continues to register growth over the years and the management has put measures in place to safeguard against risks. 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 members with established credible and reliable credit history.

The management has ensured that we comply with statutory requirements relating to the functions of the Fund and also making sure that statutory deductions are remitted on time to avoid incurring penalties and interests for non-compliance.

### **Business performance**

#### **Revenue**

The Fund earned revenues amounting to **Kshs. 6,105,417.85** from interest income. This amount is expected to increase with the disbursement of mortgage loans to more members in the next financial year 2024/2025 once the loan debt of Kshs. 15,000,000 is repaid to the Fund account as was budgeted.

## 9. Environmental and Sustainability Reporting

This section of the annual report specifically focused on the county Assembly of Kisumu Car Loan Scheme Fund for the year ended 30<sup>th</sup> June 2024. Therefore, the report emphasized on sustainable practices related to activities of the fund, loans financed, as well as efforts made by the County Assembly Car Loan Scheme Fund to ensure sustainability thereof.

During the period under review, Kisumu County Assembly Car Loan Scheme Fund carried out a number of activities aimed at safeguarding the environment and on the sustainability of the funds operations as enumerated below:

Promoted Environmental and Social Responsibility; By integration of ESG (Environmental, Social, and Governance) Principle frameworks through increasingly including ESG considerations, guiding the fund to support projects that benefit both the environment and society. This included promoting energy-efficient housing or projects that prioritize water conservation, energy conservation and environmentally friendly construction materials. Staff who successfully secured car loans were encouraged to secure low fuel consumption motor vehicles with a view to reduce air pollution.

Environmental Conservation initiatives; The Fund Administrator mobilised both MCA's and staff to participate in tree planting at Riat Hills, Kibos river, Obunga and Manyatta slums. These activities were deployed in order to increase forest cover, improve health of residence of Kibos area through clean water consumption and environment respectively. The intended impact was the reduction of the negative effects of global warming and prolonging the livelihoods of the residents of Kisumu County.

The Fund Committee undertook Community and Stakeholder Engagements: The committee facilitated meaningful stakeholder engagements, gathering input on housing needs and sustainability expectations. This helps ensure that funded projects align with the community's values and needs.

Ethical Lending Practices; Through Responsible Lending Policies, the Fund Administrator established ethical lending policies, ensuring that loans are issued based on fair assessments and that they support projects aligned with the fund's mission, such as affordable, eco-friendly housing. Strong governance ensured decisions are made objectively and without conflicts of interest, which is essential for maintaining the integrity of the fund and public trust and to minimize any disputes that may lead to litigation thus threatening the going concern of the Fund where the court may award high financial damages.

Risk Management and Compliance; In Mitigating Financial and Environmental Risks: Effective governance helped to identify and mitigate environmental risks. This included ensuring that staff who received loans do not engage in projects that would negatively impact the environment and that they are environmentally sustainable with respect type and sources of material used in the construction works. Further that loan awardees fully complied with Regulatory Compliance by ensuring that loan beneficiaries complied with relevant housing, financial, and environmental regulations. So as to

**COUNTY ASSEMBLY OF KISUMU - Car Loan Scheme Fund**  
**Annual Reports and Financial Statement for the Period ended June 30, 2024**

minimizes risks of penalties and legal issues, maintaining the fund's reputation and financial health and ensuring that houses constructed are of sound structural standards to avoid loss of lives due to collapse.

Promotion of Education; the County Assembly of Kisumu as a program that is aimed at exposing students to practical experience learning by allowing students and pupils from various schools on study tours visit and be part of the County Assembly plenary sessions. This initiative is geared towards supporting learners to fusion their theoretical learning with practical experience for better understanding of the legislative procedures and process.

Sports and health clubs; the Assembly actively took part in the County Assembly Sports Association competition (CASA) to enhance health and work balance for staff and MCA's, further, Members of the County Assembly organise sports clinics within their respective wards to promote sports and talent amongst the youths in the County.

Water and Energy Conversation initiatives; the County Assembly in a bid to reduce fuel energy consumption has adopted the use of energy saving bulbs within the offices and acquisition of electrical equipment whose energy consumption are lower and installation of solar panels as alternative source of clean energy.

Capacity Building and Staff training; The county Assembly of Kisumu had an extensive program on training, competency skills development, payment of subscriptions to staff who belong to professional organization as well as ensuring that they are in good standing with respect to annual CPD requirements. This program is aimed at ensuring that staff are well equipped to perform their duties optimally.

Reduction in the use of paper within the County Assembly; through automation of its many process, purchase of tablets for MCA's where plenary documents, and other committee papers are shared in soft, further the assembly has an effective broad casting unit and active website where any information that is expected to published and publicized is posted. Lastly, the management initiated use of official office mails and WhatsApp group where official communication is shared with members thus leading to reduction of printed copies of memos and other correspondences.

Staff Welfare; The Kisumu County Car Loan Scheme Fund enabled sixteen members to secure affordable loans for the construction of their homes and or purchase of motor vehicles which has helped to motivate, boost morale and enhance the living conditions of the beneficiaries which in turn is expected to prolong their lives hence sustainable work force.

In conclusion, the Kisumu County Car Loan and Mortgage Scheme, management takes cognisance of the important role played by the environment in which it exists thus the need to not only preserve it but to do so in a more sustainable manner for the wellbeing of the County residents and the Country at large. Therefore, the management will continue to enhance the above stated initiatives going forward.

**10. report of the Fund Administrative committee**

The Fund Management Committee submits their report together with the unaudited financial statements for the period ended 30<sup>th</sup> June, 2024 which show the state of the Fund affairs.

**Principal activities**

The principal activity of the Fund is to provide car loan and mortgage financing to the members of the Assembly

**Results**

The results of the Fund for the quarter ended 30<sup>th</sup> June, 2023 are set out on pages **16 to 20**.

**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 Fund Management Committee**



Hon. Pamela Awuor Oyoo

**Chairperson - Fund Management Committee**

Date: 30, June, 2024

### **11. Statement of Management's Responsibilities**

Section 166 of the Public Finance Management Act, 2012 requires that, at the end of each quarter, the Administrator of a County Public Fund established by the Public Finance Management (Kisumu County Assembly Car and Mortgage Loan Scheme Fund) Regulations, 2014 on 31<sup>st</sup> December 2014 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 period ended 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 the Public Finance Management (Kisumu County Assembly Car and mortgage Loan (Members Scheme Fund) Regulations, 2014 on 31<sup>st</sup> December 2014. 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 period ended, 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.

**COUNTY ASSEMBLY OF KISUMU - Car Loan Scheme Fund**  
**Annual Reports and Financial Statement for the Period ended June 30, 2024**

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

**Approval of the financial statements**

The Fund's financial statements were approved by the Board on 30, June, 2024 and signed on its behalf by:

  
\_\_\_\_\_

**Name:** Owen O. Ojuok  
**Fund Administrator**

# REPUBLIC OF KENYA



*Enhancing Accountability*

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

## REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF KISUMU CAR LOAN AND MORTGAGE SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2024

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### 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.

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 Kisumu County Assembly Car Loan and Mortgage Scheme Fund set out on pages 1 to 27, which comprise of the

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*Report of the Auditor-General on County Assembly of Kisumu Car Loan and Mortgage Scheme Fund for the year ended 30 June, 2024*

statement of financial position as at 30 June, 2024, and the statement of financial performance and statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts and notes to the financial statements for the year then ended 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 Kisumu County Assembly Car Loan and Mortgage Scheme 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 Kisumu County Assembly Car Loan and Mortgage Scheme Fund Regulations, 2020 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Long Outstanding Debt**

The statement of financial position and as disclosed in Note 6 to the financial statements reflects a balance of Kshs.30,760,521 in respect of debt the County Assembly of Kisumu owes the Fund due to unremitted car loan and mortgage deductions that have been outstanding since 2016/2017 financial year. Although, the Management have provided a payment plan for the debt, the full settlement of the liability still remains outstanding.

In the circumstances, the recovery of the debts still remains unclear and outstanding for the last eight (8) years.

#### **2. Long Term Receivables**

The statement of financial position and as disclosed in Note 7(a) of the financial statements reflects a balance of Kshs.203,540,494 in respect of long-term receivables comprising of car loans and mortgage balances of Kshs.69,822,009 and Kshs.133,718,485 respectively. However, no supporting schedules were provided for audit review. Further, the outstanding loan includes one (1) non-performing loan amounting to Kshs.8,389,339 whose recovery has not been made and no explanation was provided for failure to recover the balance before the end of the term of the former Speaker.

In the circumstances, the accuracy and recovery of long-term receivables balance of Kshs.203,540,494 could not be confirmed.

#### **3. Committee Allowances**

Note 3 to the financial statement reflect an amount of Kshs.290,000 in respect of committee allowance. However, Management did not provide documents including calendar of events and attendance register for audit review to support the committee allowances. Further, review of Management Committee minutes and attendance lists

provided for audit revealed that there were other additional six (6) sittings which show deliberations done, the amounts of loans disbursed and the beneficiaries of the loans so disbursed. However, the sitting allowances have not been captured as accruals in the statements of financial position nor were they expensed in the statement of financial performance.

In the circumstances, the occurrence, accuracy and completeness of the committee allowances amounting to Kshs.290,000 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Fund's 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. There were no key audit matters to report in the year under review.

### **Other Matter**

### **Unresolved Prior Year Audit Matters**

In the audit report of the previous year, several issues were raised and remained unresolved as at 30 June, 2024. Management has not provided reasons for the delay in resolving the prior year audit issues. Further, the unresolved prior year issues are not disclosed under the progress on follow-up of auditor's recommendations section of the financial statements as required by the Public Sector Accounting Standards Board reporting template.

## **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, I confirm that nothing 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**

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

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 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 Management and those Charged with Governance**

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

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how 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 for 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 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, CBS  
**AUDITOR-GENERAL**

**Nairobi**

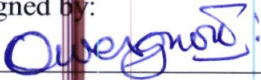
**24 December, 2024**

**COUNTY ASSEMBLY OF KISUMU - Car Loan Scheme Fund**  
**Annual Reports and Financial Statement for the Period ended June 30, 2024**

**13. Statement of financial performance for the financial year ended 30 June, 2024**

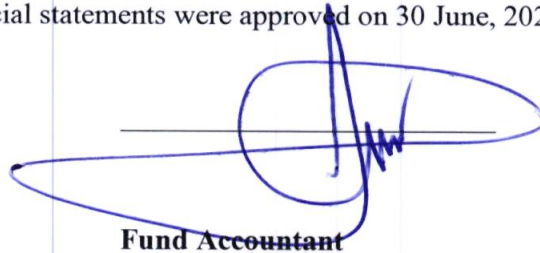
	Note	FY 2023/2024	FY 2022/2023
		Kshs.	Kshs.
<b>Revenue from exchange transactions</b>			
Interest income	1	6,105,417.85	4,933,886
Other income	2	-	
<b>Total revenue</b>		<b>6,105,417.85</b>	<b>4,933,886</b>
<b>Expenses</b>			
Use of Goods and Services	3	290,000	851,000
Finance Cost	4	218.85	3,913
<b>Total expenses</b>		<b>290,218.85</b>	<b>854,913</b>
<b>Surplus/(deficit) for the period</b>		<b>5,815,199</b>	<b>4,078,973</b>

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 30 June, 2024 and signed by:



**Administrator of the Fund**

Name: Owen Ojuok



**Fund Accountant**

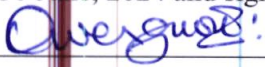
Name: Felix Owuor ICPAK M/NO,22874

COUNTY ASSEMBLY OF KISUMU - Car Loan Scheme Fund  
 Annual Reports and Financial Statement for the Period ended June 30, 2024

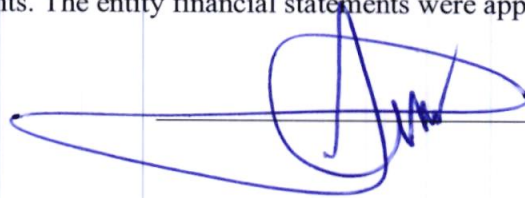
14. Statement of financial position as at June 30, 2024

	Note	FY 2023/2024 Kshs	FY 2022/2023 Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	8,642,871	50,625,924
Short term receivables	7(b)	55,230,071	80,964,811
		<b>63,872,942</b>	<b>131,590,735</b>
<b>Non-current assets</b>			
Debts	6	30,760,521	30,760,521
Long term receivables	7 (a)	203,540,494	130,007,503
		<b>234,301,015</b>	<b>160,768,024</b>
<b>Total assets</b>		<b>298,173,957</b>	<b>292,358,759</b>
<b>Net assets</b>		<b>298,173,957</b>	<b>292,358,759</b>
Revolving Fund	8	270,000,000	165,000,000
Transfer from Exchequer	11	0.00	105,000,000
Accumulated surplus	8	28,173,738.15	22,358,758
<b>Total equity</b>		<b>298,173,957</b>	<b>292,358,758</b>

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 30 June, 2024 and signed by:



**Administrator of the Fund**  
 Name: Owen Ojuok

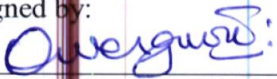


**Fund Accountant**  
 Name: Felix Owuor  
 ICPAK No. 22874

15. Statement of changes in net assets as at June 30, 2024

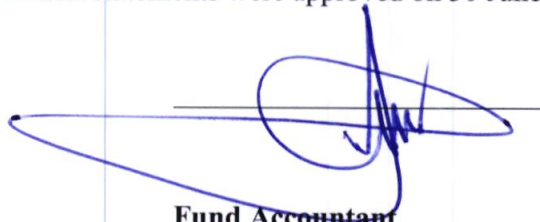
	Revolving Fund	Revaluation	TOTAL
		Reserve	
	Kshs	Kshs	Kshs
Balance as at 1 July 2022	270,000,000	18,279,785	288,279,785
Surplus/(deficit) for the period		4,078,973	4,078,973
Exchequer Release			
Balance as at 30 June 2023	270,000,000	22,358,758	292,358,758
		-	-
Balance as at 1 July 2023	270,000,000	22,358,758	292,358,758
Exchequer Release	0		0
Surplus/(deficit) for the period	-	5,815,199	5,815,199
Balance as at 30 June 2024	270,000,000	28,173,957	298,173,957

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 30 June, 2024 and signed by:



**Administrator of the Fund**

Name: Owen Ojuok



**Fund Accountant**

Name: Felix Owuor

ICPAK No. 22874

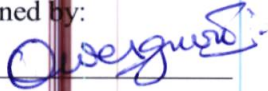
16. Statement of cash flows for the year ended 30 June, 2024

		FY 2023/2024	FY 2022/2023
		Kshs.	Kshs.
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>NOTES</b>		
<b>Receipts</b>			
Exchequer Releases	12	-	119,112,110
Interest Received	1	6,105,417.85	4,933,886
Receipts from other Operating activities	2	-	-
		<b>6,105,417.85</b>	<b>124,045,996</b>
<b>Payments</b>			
Use of Goods and Services	3	290,218.85	(851,000)
Finance Cost			(3,913)
<b>Net cash flows from operating activities</b>		<b>5,815,199</b>	<b>123,191,083</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Loan Disbursements Paid Out	9	(96,000,000)	(176,190,000)
Car Grants Paid Out			-
Assembly short term borrowings			
Proceeds from Repayments	10	48,201,749	29,758,509
<b>Net cash flows from investing activities</b>		<b>(47,798,251)</b>	<b>(146,431,491)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(41,983,052)</b>	<b>(23,240,408)</b>

**COUNTY ASSEMBLY OF KISUMU - Car Loan Scheme Fund**  
**Financial Reports and Financial Statement for the Period ended June 30, 2024**

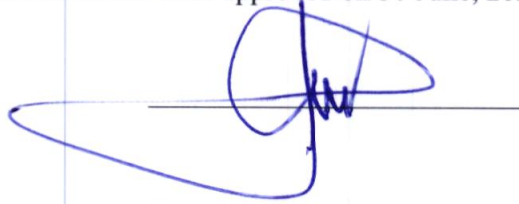
Cash and cash equivalents at beginning of period		50,625,924	73,866,331
Cash and cash equivalents at end of period	5	8,642,871	50,625,924

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 30 June, 2024 and signed by:



**Administrator of the Fund**

Name: Owen Ojuok



**Fund Accountant**

Name: Felix Owuor

ICPAK No. 22874

**17. Statement of comparison of budget and actual amounts for the period ended 30 June, 2024**

ITEM	NOTES	Original	Final	Actual on	Performance	%
		Budget	Budget	Comparable	difference	Utilization
		2023/2024	2023/2024	2023/2024	2023/2024	2023/2024
Revenue		Kshs.	Kshs.	Kshs.	Kshs.	
Interest income		6,500,000	6,500,000	6,105,417.85	394,582.15	94%
Transfer from Exchequer	11	7,500,000	7,500,000	0	7,500,000	0%
<b>Total income</b>		<b>14,000,000</b>	<b>14,000,000</b>	<b>6,105,417.85</b>	<b>7,894,801</b>	<b>44%</b>
<b>Expenses</b>						
Use of Goods and Services	3	350,000	350,000	290,218.85	59,781.15	83%
<b>Total expenditure</b>		<b>350,000</b>	<b>350,000</b>	<b>290,218.85</b>	<b>59,781.15</b>	<b>83%</b>
				-		
<b>Surplus for the period</b>		<b>13,650,000</b>	<b>13,650,000</b>	<b>5,815,199</b>	<b>7,834,801</b>	<b>43%</b>

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 30 June, 2024 and signed by:



Administrator of the Fund

Name: Owen Ojuok



Fund Accountant

Name: Felix Owuor ICPAK No. 22874

**18. Notes to the Financial Statements**  
**1. General Information**

Kisumu County Assembly Car loan scheme fund is established by and derives its authority and accountability from Kisumu County Assembly Car loan scheme fund regulation and PFM Act 2012.

The Fund is wholly owned by the County Assembly of Kisumu and is domiciled in Kenya. The Fund's principal activity;

- a. Provision of loan for purchase of vehicles, development, renovation or repair of residential houses to members of the scheme
- b. Raise funds for implementation of the activity above (a).

## 2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Fund*. The financial statements have been prepared in accordance with the PFM Act, Kisumu County Car Loan Scheme Fund regulation, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**3. Adoption Of New and Revised Standards**

*i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.*

There are no new standards effective in the FY 2023-2024.

*ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

Standard	Effective date and impact:
IPSAS 43: Leases	<p><b>Applicable 1<sup>st</sup> January 2025</b></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 cash flows 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><b><i>The standard will not have any significant impact in the fund because the fund doesn't have any lease arrangement in its operation</i></b></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b>Applicable 1<sup>st</sup> January 2025</b></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><b><i>The standard will not have any significant impact in the fund because the fund doesn't have any asset classified as held for sale in its current operation</i></b></p>
IPSAS 45: Property Plant and Equipment	<p><b>Applicable 1<sup>st</sup> January 2025</b></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</p>

	<p>were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><b><i>The standard will not have any significant impact in the fund because the fund doesn't have property, plant and equipment.</i></b></p>
IPSAS 46: Measurement	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><b><i>The standard will have impact on recognition and measurement of loan receivable accounts.</i></b></p>
IPSAS 47: Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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> <p><b><i>The standard will not have any significant impact in the fund because the fund doesn't deal with exchange transactions</i></b></p>
IPSAS 48: Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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</p>

	<p>standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>The standard will not applicable to the fund as currently constituted</i></p>
<p>IFRSAS 49 Retirement Benefit Plans</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b></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 and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>The standard will not applicable to the fund as currently constituted</i></p>

**iii. Early adoption of standards**

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

#### 4. 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 Fund and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

##### 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 for 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 2023-2024 was approved on 23<sup>rd</sup> June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The Fund's budget is prepared on a different basis from the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts as per the statement of financial performance has been presented under section 18 of these financial statements.

**c. Property, plant, and equipment (PPE)**

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 Fund 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.

**d. 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.

**e. Investment property**

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

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

**I. Financial assets**

**Classification of financial assets**

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

payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

### **Subsequent measurement**

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

### **Amortized cost**

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

### **Fair value through net assets/ equity**

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

### **Fair value through surplus or deficit**

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

### **Trade and other receivables**

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

**Impairment**

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

**II. Financial liabilities**

**Classification**

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

**g. Contingent liabilities**

The Fund does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. The fund has a current an on-going litigation to recover funds borrowed by the former Speaker of the County Assembly, Hon Onyango Oloo.

**h. Contingent assets**

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

**i. Nature and purpose of reserves**

The Fund creates and maintains reserves in terms of specific requirements. The fund maintains an accumulated reserve fund measured at fair value.

**j. Changes in accounting policies and estimates**

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

**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. Related parties**

The Fund regards a related party as a person or entity with the ability to exert control individually or jointly, or to exercise significant influence over the Fund, or vice versa. Members of the committee, the county assembly and the county government of Kisumu are regarded as related parties and comprise the MCAs, the Fund Administrator, and Fund Accountant.

**m. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call, and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Funds principle banker, Family Bank of Kenya at the end of the financial year.

**n. Comparative figures**

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

**o. Events after the reporting period**

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

**p. Ultimate and Holding Fund**

The Fund is established under Section 24 (4) PFM Act under the Devolution. Its ultimate parent is the Government of Kenya.

**q. Currency**

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

**5. Significant judgments and sources of estimation uncertainty**

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

**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. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

**b) Useful lives and residual values**

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

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

**Notes to the financial statements continued.**

**1. Interest income**

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Mortgage Interest	4,641,442.85	3,297,917
Car Loan Interest	1,463,975	1,635,969
	<b>6,105,417.85</b>	<b>4,933,886</b>

**2. Other income**

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Insurance recoveries	0	0
Income from Sale of Tender documents	0	0
Bad debts recovered	0	0
Miscellaneous income ( <i>Specify</i> )*	0	0
<b>Total Other income</b>	<b>0</b>	<b>0</b>

**COUNTY ASSEMBLY OF KISUMU - Car Loan Scheme Fund**  
**Annual Reports and Financial Statement for the Period ended June 30, 2024**

**3. Use of Goods and Services**

<b>Description</b>	<b>FY 2023/2024</b>	<b>FY 2022/2023</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Committee Allowance	290,000	851,000
<b>Total</b>	<b>290,000</b>	<b>851,000</b>

**4. Finance Cost**

<b>Description</b>	<b>FY 2023/2024</b>	<b>FY 2022/2023</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Bank Charges	218.85	3,913
<b>Total</b>	<b>218.85</b>	<b>3,913</b>

**5. Cash and Cash Equivalents**

<b>Description</b>	<b>FY 2023/2024</b>	<b>FY 2022/2023</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Car loan and mortgage account	8,642,871	50,625,924
<b>Total</b>	<b>8,642,871</b>	<b>50,625,924</b>

COUNTY ASSEMBLY OF KISUMU - Car Loan Scheme Fund  
Annual Reports and Financial Statement for the Period ended June 30, 2024

5(a) Detailed analysis of the cash and cash equivalents

		FY 2023/2024	FY 2022/2023
Financial Institution	Account number	Kshs.	Kshs.
<b>Mortgage and Car Loan Fund</b>			
Kisumu County Assembly Staff Car loan and Mortgage Account – Family Bank, Kisumu Branch	028000031652	8,642,871	50,625,924
<b>Grand Total</b>		<b>8,642,871</b>	<b>50,625,924</b>

6. Debt

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
County Assembly of Kisumu	30,760,521	30,760,521
<b>Total</b>	<b>30,760,521</b>	<b>30,760,521</b>

The listed debt of Kshs. 30,760,521 is in respect of the debt that the County Assembly of Kisumu owes the fund due to unremitted Car Loans and Mortgages deductions from the FY 2016/2017 as outlined below.

**COUNTY ASSEMBLY OF KISUMU  
CAR LOAN AND MORTGAGE  
AMOUNT OWED TO THE FUND AS AT 30 JUNE, 2023**

Details	Period	Amount
Payroll Deductions	January - December 2016	85,952,242
Payroll Deductions	January - August 2017	44,858,526
<b>Total Deductions</b>		<b>130,810,767</b>
<b>Less:</b>		
Remittances		-78,759,241
<b>Amount Owed to the Fund as at 31/08/2017</b>		<b>52,051,526</b>

**COUNTY ASSEMBLY OF KISUMU - Car Loan Scheme Fund**  
**Annual Reports and Financial Statement for the Period ended June 30, 2024**

Amount Paid on 30/05/2018	7,178,895
<b>BALANCE DUE</b>	<u><b>44,872,631</b></u>
<b>Less</b>	
Repayment (09/03/2023)	14,112,110
<b>TOTAL AMOUNT DUE</b>	<u><b>30,760,521</b></u>

**7.(a) Long-term Receivables**

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Car Loan Balances	69,822,008.60	27,682,427
Mortgages balances	133,718,485.40	102,325,076
<b>Total</b>	<b>203,540,494</b>	<b>130,007,503</b>

**7.(b) Current portion of Long Term Receivables**

Description	FY 2023/2024	FY 2022/2023
Car Loans balances	22,092,028.40	32,385,924.40
Mortgage Loans balances	33,138,042.60	48,578,886.60
<b>Total</b>	<b>55,230,071</b>	<b>80,964,811</b>

*We have separated prior year opening long term receivables from current to align to the year under review.*

COUNTY ASSEMBLY OF KISUMU - Car Loan Scheme Fund  
Annual Reports and Financial Statement for the Period ended June 30, 2024

8. Revolving Fund and Accumulated Surplus

	Revolving Fund	Revaluation	TOTAL
		Reserve	
	Kshs	Kshs	Kshs
<b>Balance as at 1 July 2022</b>	<b>165,000,000</b>	18,279,785	<b>288,279,785</b>
Surplus (deficit) for the period		4,078,973	<b>4,078,973</b>
Exchequer Release	105,000,000		<b>105,000,000</b>
<b>Balance as at 30 June 2023</b>	<b>270,000,000</b>	<b>22,358,758</b>	<b>292,358,758</b>
		-	-
<b>Balance as at 1 July 2023</b>	<b>270,000,000</b>	22,358,758	<b>292,358,758</b>
Exchequer Release	0		<b>0</b>
Surplus (deficit) for the period	-	5,815,199	<b>5,815,199</b>
<b>Balance as at 30 June 2024</b>	<b>270,000,000</b>	<b>28,173,957</b>	<b>298,173,957</b>

9. Loan Disbursements

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Car Loans	25,100,000	16,190,000
Mortgages	63,900,000	160,000,000
<b>Total</b>	<b>96,000,000</b>	<b>176,190,000</b>

COUNTY ASSEMBLY OF KISUMU - Car Loan Scheme Fund  
Annual Reports and Financial Statement for the Period ended June 30, 2024

**10. Proceeds from Repayment**

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Loans Repayments	54,307,166.85	34,692,396
Interest Earned	(6,105,417.85)	(4,933,886)
<b>Net Repayment</b>	<b>48,201,749</b>	<b>29,758,510</b>

**11. Transfer from Exchequer**

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Transfer from Exchequer	0	105,000,000
<b>Total</b>	<b>0</b>	<b>105,000,000</b>

**12. Exchequer Releases**

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs.
Transfer from Exchequer	0	119,112,110
<b>Total</b>	<b>0</b>	<b>119,112,110</b>

### 13. Contingent Liability

The former speaker to the Assembly Hon. George Onyango Oloo, a beneficiary of the scheme currently owes the fund the sum of **Kshs. 8,389,339.00** The amount owed is in arrears and recovery process has been initiated.

It should be noted that settlement of the amount owed is contingent to factors beyond the funds control and therefore presents a contingent liability that the scheme may be forced to assume in the interminable future.

<b>Contingent liabilities</b>	<b>FY2021/2022</b>
	<b>Kshs.</b>
Legal Case No. 32 of 2019	8,389,339

**19. Annexes: Progress on follow up of prior year Auditor’s recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
1	<b>Unsupported Fund Administrative Expenses</b>	The documentations for the expenses have since been provided for further review by the auditors	Resolved	30 <sup>th</sup> June 2024
2	<b>Long outstanding debt</b>	The amount in questions is in respect of unremitted loan deductions. The management has made a repayment plan which is currently being implemented is still under litigation	On going	2 – 3 years

COUNTY ASSEMBLY OF KISUMU - Car Loan Scheme Fund  
 Annual Reports and Financial Statement for the Period ended June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
3	Long term receivables	i. The management is in the process of finalising the joint co-ownership of the vehicles with the loanees	Resolved	30 <sup>th</sup> June 2024
		ii & iv. The management has since amended the prior year financial statements to correct the inconsistencies highlighted	Resolved	
		iii. The issue with the loan given to the former speaker Hon. Onyango Oloo, the matter	Not resolved	30 <sup>th</sup> June 2024
4	Inaccuracy in the statement of budget and actual amounts	The management has since amended and reconciled the inaccuracies highlighted	Resolved	30 <sup>th</sup> June 2024

**COUNTY ASSEMBLY OF KISUMU - Car Loan Scheme Fund**  
**Annual Reports and Financial Statement for the Period ended June 30, 2024**

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status:</b> <i>(Resolved / Not Resolved)</i>	<b>Timeframe:</b> <i>(Put a date when you expect the issue to be resolved)</i>
		by the auditors through prior year adjustments		
5	<b>Doubtful Recoveries of Loan Owed by Former County Assembly Speaker</b>	The matter is under litigation	Not resolved	30 <sup>th</sup> June 2025
6	<b>Over Expenditure in Administration Expenses</b>	The Management has aligned the expenditure on administration to the available budget	Resolved	30 <sup>th</sup> June 2024
7	<b>Unbalanced Budget</b>	The Budget has been amended to correct the error in the amended financial statements.	Resolved	30 <sup>th</sup> June 2024