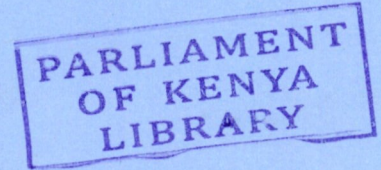
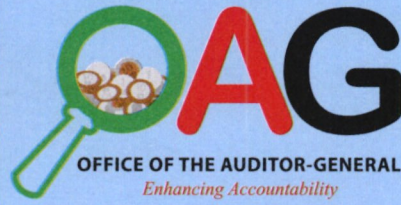


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

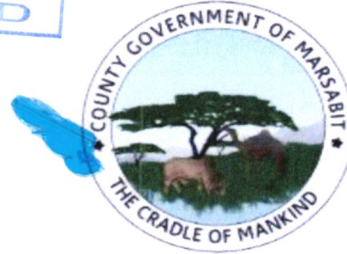
ON

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

FOR THE YEAR ENDED

30 JUNE, 2025

PAPERS LAID	
DATE	19/11/2025
TABLED BY	Sen. Mutinda on behalf of Majority Leader
COMMITTEE	-
CLERK AT THE TABLE	Belinda



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

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

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

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

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

1. Acronyms and Definition of Key Terms

A. Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
CPA	Certified Public Accountants of Kenya

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

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

2. Key Entity Information and Management

a) Background information

Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund is established by and derives its authority and accountability from section 116 of the Public Finance Management Act No 18 of 2012 (The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund, 2019) on 13th January 2019. The Fund is wholly owned by the County Assembly of Marsabit and is domiciled in Kenya.

The objective of the fund is: to provide a loan scheme for the purchase of vehicles by members of the scheme, and to provide a loan scheme for the purchase, development, renovation or repair of residential property by members of the scheme.

The Funds are administered by the Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund Committee. The Committee is charged with the responsibility of processing loans from applicants in accordance with laid down approved regulations, setting up a revolving Fund for the disbursement of loans, and supervising the day-to-day operations of the Funds.

b) Principal Activities

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

c) Fund Administration Committee

Ref	Name	Position
1	Mrs.Rahma Dalacha	Chairperson
2	Mr.Chare Mato	Vice Chairperson
3	Mr. Salim Kato	Fund Administrator
4	Mr. Francis Hargura	Member
5	Mrs.Qabale Hussein	Member
6	Mr. John Parkeri	Member

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

d) Key Management team

Ref	Name	Position
2	Mr.Chare Mato	Vice Chairperson/Clerk
3	Mr. Salim Kato	Fund Administrator
4	Mr. Paul Chamo Aila	Fund Accountant

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	CPA Hawa Omar Abdi
2	Committee Member-Members Car Loan and Mortgage Advisory Committee	Hon. Leakono Bata
3	Committee Member-Members Car Loan and Mortgage Advisory Committee	Hon. Halkano Konso
4	Committee Member-Members Car Loan and Mortgage Advisory Committee	Hon. Buke Diba
5	Committee Member-Members Car Loan and Mortgage Advisory Committee	Hon. Siba Haila
6	Committee Member-Members Car Loan and Mortgage Advisory Committee	Hon. Daniel Burcha
7	Committee Member-Members Car Loan and Mortgage Advisory Committee	Hon. Daud Tamasot
8	Committee Member-Members Car Loan and Mortgage Advisory Committee	Hon. Jacob Elisha
9	Committee Member-Members Car Loan and Mortgage Advisory Committee	Hon. Lucy Kargiya
10	Committee Member-Members Car Loan and Mortgage Advisory Committee	Hon. Ebise Waqo
11	Committee Member-Members Car Loan and Mortgage Advisory Committee	Jarso Roba

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

12	Committee Member-Members Car Loan and Mortgage Advisory Committee	Fredrick Injela
13	Committee Member-Members Car Loan and Mortgage Advisory Committee	Arbe Gallallo

f) Registered Offices

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

g) Fund Contacts

E-mail: info@countyassemblyofmarsabit.co.ke

Website: www.assembly.marsabit.go.ke

Facebook: [Marsabit County Assembly](#)

X: [@mbtassembly](#)

YouTube: [Marsabit County Assembly](#)

h) Fund Bankers

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

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

Key Entity and Management (Continued)

i) Independent Auditors

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

j) Principal Legal Adviser

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

k) County Attorney



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

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


3. Fund Administration Committee

Name	Details of qualifications and experience
<p>1. Rahma Dalacha</p> 	<p>Chairperson of the Marsabit Staff Car Loan and Mortgage Committee. She is a governance and administration specialist with over Fifteen(15) year experience across public service, financial services, education and citizen facing operations. She currently serves as a member of Marsabit County Assembly Service Board (CASB).</p> <p>She has previously worked as Chair of the Nyali National Government Constituency Development Fund (NG-CDF) committee where she stewarded a participatory update of the constituency Strategic Plan and championed a servant-leadership ethos grounded in public trust.</p> <p>She has also worked with NGOs coordination Board from 2017 -2022, where she streamlined office protocols, coordinated documentation and expenditure support. She was born on 12th May 1975.</p> <p>Earlier roles at Equity Bank (Rongai and Ukunda) built her strengths in client service, compliance, and records control and service recovery.</p>
<p>2. Chare Mato</p> 	<p>Vice Chairperson of the Marsabit Staff Car Loan and Mortgage Committee. He also serves as Clerk of the County Assembly and a Secretary to the County Assembly Service Board (CASB). Being the Chief Executive Officer, all matters of responsibility and accountability of the fund rests with his office. He was born on 2nd February 1978.</p> <p>Works in liaison with the Staff Mortgage and Car loan Committee to ensure effective management of scheme loans.</p> <p>Holds a Master Degree in Finance and a Certified Public Accountant (CPA-K). Has served in this capacity since the year 2022 but nineteen years in the Accounting career. He has previously worked as the Chief Finance Officer</p>

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

	<p>for the County Assembly of Marsabit since the onset of Devolution.</p> <p>He has previously worked with the Teachers Service Commission as an Accountant.</p>
<p>3. Salim Kato</p> 	<p>Fund administrator of the staff car loan and mortgage. He is a career civil servant with over 30 years' experience having worked with Ministry of Education as Assistant Director of Education, He doubles up as the Deputy Clerk of the County Assembly. He was born on 1st July 1971.</p> <p>He holds a Master's degree in Strategic Management. He coordinates and oversees the administrative tasks related to financial management, ensuring compliance with regulations and providing crucial support for the fund administration committee.</p>
<p>4. Francis Hargura</p> 	<p>Member of the Staff Car Loan and Mortgage Committee and has 9 years of experience in public sector. He holds a degree in Bachelor of Commerce (Finance Option) and also CPA part II. He also doubles up as the Senior Accountant for the County Assembly of Marsabit.</p> <p>He has previously worked with the Kenya Meat Commission as Assistant Accountant. He was born on 1st July 1989.</p>

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



<p>5. Mrs.Qabale Hussein</p> 	<p>Member of Staff Mortgage and Car Loan Committee from the onset of Third County Assembly.</p> <p>She is a Committee Clerk for Lands and Liaison committee of the County Assembly of Marsabit. She holds a degree in Bachelor of Commerce (Accounting Option) and a Diploma in Business Management and Kenya Accounting Technician Certificate level 1.</p> <p>She was born on 22nd February 1986</p>
<p>6. Mr. John Parkeri</p> 	<p>He is a Human Resource practitioner. He also doubles up as the Chief Human Resources Officer for the County Assembly of Marsabit.</p> <p>He has previously worked with the County Government of Marsabit as a Human Resource Officer. He was born on 4th June 1994.</p>

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

4. Management Team

Name	Details of qualifications and experience
<p>1. Rahma Dalacha</p> 	<p>Chairperson of the Marsabit Staff Car Loan and Mortgage Committee. She is a governance and administration specialist with over Fifteen(15) year experience across public service, financial services, education and citizen facing operations. She currently serves as a member of Marsabit County Assembly Service Board (CASB).</p> <p>She has previously worked as Chair of the Nyali National Government Constituency Development Fund (NG-CDF) committee where she stewarded a participatory update of the constituency Strategic Plan and championed a servant-leadership ethos grounded in public trust.</p> <p>She has also worked with NGOs coordination Board from 2017 -2022, where she streamlined office protocols, coordinated documentation and expenditure support. She was born on 12th May 1975.</p> <p>Earlier roles at Equity Bank(Rongai and Ukunda) built her strengths in client service, compliance, records control and service recovery</p>
<p>2. Mr. Chare Mato</p> 	<p>Vice Chairperson of the Marsabit Staff Car Loan and Mortgage Committee. He also serves as Clerk of the County Assembly and a Secretary to the County Assembly Service Board. Being the Chief Executive Officer, all matters of responsibility and accountability of the fund rests with his office. He was born on 2nd February 1978.</p> <p>Works in liaison with the Staff Mortgage and Car loan Committee to ensure effective management of scheme loans.</p> <p>Holds a Master Degree in Finance and a certified Accountant (CPA-K). Has served in this capacity since the year 2022 but nineteen years in the</p>

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

	<p>Accounting career. He has previously worked with the Teachers Service Commission as an Accountant</p>
<p>3. Mr.Salim Kato</p> 	<p>Fund administrator of the staff car loan and mortgage. He is a career civil servant with over 30 years' experience having worked with Ministry of Education as Assistant Director of Education, He doubles up as the Deputy Clerk of the County Assembly. He was born on 1st July 1971.</p> <p>He holds a Master's degree in Strategic Management. He coordinates and oversees the administrative tasks related to financial management, ensuring compliance with regulations and providing crucial support for the fund administration committee.</p>
<p>4. Paul Chamo</p> 	<p>Fund Accountant of the staff car loan and mortgage. He is a professional Accountant with over nine years of experience such as Management Accountant with Nampak Limited Kenya, Financial Accountant with Ennsvalley Bakery Limited and Accountant with Polyblend Limited of Kenya.</p> <p>He also doubles up as the Chief Accountant of the County Assembly. He is a holder of Bachelor of Commerce degree BCOM (Accounting Option) and is a Certified Public Accountant of Kenya and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). He was born on 5th June 1988.</p>

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

5. Mrs.Qabale Hussein



Member of Staff Mortgage and Car Loan Committee from the onset of Third County Assembly.

She is a Committee Clerk for Lands and Liaison committee of the County Assembly of Marsabit.

She holds a degree in Bachelor of Commerce (Accounting Option) and a Diploma in Business Management and Kenya Accounting Technician Certificate level 1.

She was born on 22nd February 1986.

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

5. Fund Chairperson's Report

Matters of Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund are appropriated by the designated committee alone. In this regard, the loan management committee have held sittings 11 during the year under review to discuss and approve mortgage loans and assess various loan recoveries among other agendas. The scheme regulations approved by the County Assembly has provided elaborate ways of establishing a committee with defined membership consisting of the Chairperson-One of the two resident members of the Board, Vice-Chairperson (Clerk of the Assembly), Human Resources Manager, Two members of staff and Fund Administrator.

The fundamental role of the committee is to manage loans with respect to approvals. This mandate range from receiving applications, appraisal of applications and ultimate consideration of applications based on its merits. The uptake of the mortgage and car loan has been on the increase.

During the year under review the fund received additional Kshs 17,407,675 to the fund totaling to Kshs 141,570,671 for the revolving fund as at 30th June 2025. There was no changes to the key management team during the year.

The fund earned an interest income of Kshs 3,334,706 and incurred expenses of Kshs 9,358 for the year ended 30th June 2025.

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

I take this opportunity to thank the County Assembly for the continued support to adequately

Sustain the funds. Further, I thank the scheme loan committee for their commitment in

Appropriating the funds.



Rahma Dalacha

Chairperson of the Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund

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

6. Report of the Fund Administrator

It is my modest duty to forward the yearly report for the Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund Report. The mortgage scheme particularly enables government's realization of the housing agenda. The establishment and operationalization of the scheme has resonated well with the government's endeavor to provide affordable housing.

This is the third year of the fund being operational. The scheme operates as a revolving fund thus doesn't have a budget. The fund received a total of Kshs 141,570,671 since inception. The Scheme has successfully admitted thirty (37) staff members to the Marsabit county assembly staff car loan and mortgage schemes, Three (3) for car and Thirty Four (34) for mortgage facilities.

The most evident challenge has been the low uptake of the facility by staff. The most cited reasons by staff include age, one third rule threshold and most of the land in Marsabit does not have title deeds.

I am delighted to inform you that the Committee has managed the scheme loans in a way that earns public trust and ensured effective recovery of the advanced loans in a timely manner.

In administering the fund, the Fund Administrator maintained adequate financial management

Controls to ensure compliance, transparency and accountability. The measures were aimed at

Making sure that the funds are utilized prudently and included maintenance of proper accounting records. Further, the financial statement have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) and represents a true and fair view of the state of affairs of the fund for the period under review. As the fund administrator, I confirm the completeness of the accounting records maintained for the fund, which have been relied upon, in the preparation of the financial statements.

I urge the current committee to continue growing the staff mortgage fund so that it is sufficient and available for all staff whenever requests are made.

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

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

Introduction

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

The objective of the fund is:

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

The County Assembly of Marsabit Staff Car Loan & Mortgage Scheme Fund was established by and derives its authority and accountability from Section 116 of the Public Finance Management Act (2012), The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund, 2019. The Fund is wholly owned by the County Assembly of Marsabit and is domiciled in Kenya.

The initial capital for the Staff Car Loan and Mortgage Scheme Fund is Kenya Shillings Forty Million (40M).The fund received an additional funding of Kshs 84,162,996 during the year 2023/2024 , also received Kshs 17,407,675.00 during the year ended 30th June 2025.

The Fund has been established in a manner that it is revolving in nature so that every staff member can benefit from the Fund. The fund has been deposited at the Kenya Commercial Bank, Marsabit Branch.

During the year under review a total of Twelve (12) employees have benefited from the scheme, the fund also has earned interest income of KES 3,334,706 .This has enabled Two (1) member of the scheme to purchase motor vehicles and Twenty Eight (11) for purchase , development, renovation or repair of residential property.

Program	Objective	Outcome	Indicator	Performance
Provision of Car Loan and Mortgage facilities to all members of staff	To ensure all staff have access to car loan and Mortgage facilities	12 staff members applied for car loan and mortgages successfully during the year	A total of 37 staff members taking car loan and Mortgage facilities	During financial year 2024/2025 12 Members of staff accessed the facility and were able to build their own houses and purchase new car

8. Corporate Governance Statement

(i) Roles and functions

The Marsabit county assembly staff car loan and mortgage Fund Administration Committee is at the center of good governance practice, for protection of long-term interests of all the stakeholders of the Fund. The Fund Administration Committee provides leadership, oversight to management, integrity and good judgment in directing Fund operations in the best interest of the stakeholders for continued viability and sustainability. The Fund Administration Committee is vested with powers and authority by relevant laws of Kenya, to discharge its mandate, and to effectively fulfil its corporate governance responsibility towards stakeholders. The Fund Administration Committee ensures adoption of corporate governance best practices in support of the Marsabit county assembly staff car loan and mortgage Fund vision and to provide world-class services that delight customers, create value for money and meet stakeholders' expectations.

(ii) Appointment

The Fund Administration Committee served at the Marsabit county assembly staff car loan and mortgage during the year under review was appointed in accordance with the Public Finance Management (The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund, 2019).

(iii) Induction and capacity building for Fund Administration Committee members

Members of the Fund Administration Committee regularly attend trainings on corporate governance and other relevant fields, to equip them with the knowledge that is required to effectively discharge their responsibilities.

(iv) Succession planning of the Marsabit county assembly staff car loan and mortgage Fund Administration Committee

The staff car loan and mortgage Fund Administration Committee has reliable mechanisms for developing skills of the staff car loan and mortgage Fund Administration Committee members, to ensure seamless continuity of the staff car loan and mortgage Fund business in the event some members leave the Fund. All members are prepared to assume different roles, to make them effective in various positions. As part of succession planning, Fund Administration Committee

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

members are assigned more than one committee, to expose them to various operations of the staff car loan and mortgage Fund.

(v) Meetings of the Staff Car Loan and Mortgage Fund Administration Committee

Dates for staff car loan and mortgage Fund Administration Committee meetings in the ensuing year are decided in advance and scheduled in an annual work plan. The Fund Administration Committee holds its regular meetings on quarterly basis to transact planned business of the staff car loan and mortgage Fund. However, special meetings of the Fund Administration Committee may be called when there is significant business to transact.

(vi) Conflict of interest

At a point where a conflict of interest is suspected, for instance, where a committee member's application is being discussed, the committee by practice asks the member to excuse himself/herself from the meeting as the matter is discharged without any reference to the applicant.

(vii) Remuneration of Staff Car Loan and Mortgage Fund Administration Committee

Fund Administration Committee members are entitled to sitting allowance for every meeting attended.

(viii) Ethical standards

Marsabit Staff Car Loan and Mortgage Fund Administration Committee is committed to ensuring that members of the Fund Management and all employees, conduct themselves with integrity and professionalism in accordance with the approved Staff Code of Conduct, and holds them individually accountable for their conduct.

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

9. Management Discussion and Analysis

Out of the process of loaning the members and in accordance with the interest rates provided in the regulations the fund generated Interest income of Kshs. 3,334,706 and also incurred fund administration expenses of Kshs. 9,358 during the year thereby generating an overall surplus of Kshs. 3,325,348.

The members were sensitized on their key roles and mandate on their inaugural meeting of the committee. They ensured that on application of the loan there is compliance with statutory requirements such as a third rule is complied with.

During the year under review twelve (12) staff members benefited from the fund. It is observed that the funding challenges has caused many applicants to get the available amount rather than the requested amount which was within eligible limit. The longer the car loan fund takes to be fully replenished, the more financial pressure for the applicants who will be recovered at a duration that will be shortened by the contract end date.

During the year under review the cash flows position of the fund improved from Kshs 24,683,542 as at 30th June 2024 to Kshs 28,668,653 as at 30th June 2025. Also the revolving fund balance increased from Kshs 124,162,996 to Kshs 141,570,671 due to exchequer issue amounting to Kshs 17,407,675.00.

During the year under review the fund disbursed a total of Kshs 26,700,000 As compared to the last financial year to a total of Kshs 72,150,000 which translates to an decrease of Kshs 45,450,000.

The fund wish in the near future to disburse loans to a bigger number of Marsabit county assembly staff in order to improve lives and live hoods of its workforce.

Key Challenges

The following are the main challenges faced by the Marsabit County Assembly Staff car loan and mortgage scheme fund faced during the year under review:

- ✓ Intense competition from Small and Micro finance Enterprises which limit loan repayment ability and therefore the members fail to take full advantage of the Car Loan and mortgage Facility.
- ✓ Changes in financial, social and technological environments which affect financial mobilization from the government and other sources.

10. Environmental and Sustainability Reporting

i) *Sustainability strategy and profile*

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

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

ii) *Environmental performance*

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

The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund has put in place measures to prevent and mitigate against accidents, explosions, fire, floods, earthquakes, bomb threats and prepared procedures to be followed in such events.

There is a Fire assembly point in case of Fire and the employees have been briefed on its importance

iii) *Employee welfare*

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

The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund also provides Medical Cover to the Members and Staff. The medical covers entail inpatient, outpatient, dental, Optical Maternity as well as last expense.

The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund has also

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

taken into consideration occupational Safety and Health by providing Occupational Benefits; Group Life Insurance, Group Personal Accident and Work Injury Benefit Act (WIBA).

The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund also enjoy various workshops and training programmes intended to improve the employee performance and productivity and increase their morale.

iv) *Market place practices-*

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

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

v) *Community Engagements*

The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund continually engages the general public through public participations in delivering its mandate and responsibilities. All bills, plans and policies go through public participation before being enacted. This is done through various radio stations outlets.

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

11. Report of the Fund Administration Committee

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

Principal activities

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

Results

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


Fund Administration Committee

The members of the fund administration committee who served during the year are shown on page vi-ix.

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya 2010.

By Order of the Board


**COUNTY ASSEMBLY OF MARSABIT
STAFF CAR LOAN & MORTGAGE
FUND ADMINISTRATOR**
22/07/2025

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

Date: 22nd July 2025

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

12. Statement of Management’s Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by (The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund, 2019) shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

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

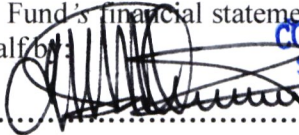
The Administrator of the County Public Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund, 2019). The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 2025, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements, as well as the adequacy of the systems of internal financial control.

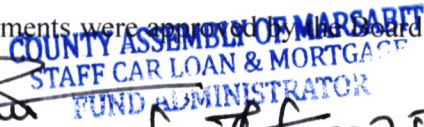
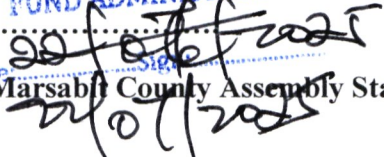
In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. OR

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 22nd July 2025 and signed on its behalf by:


.....
Fund Administrator of the Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund


Date: 22/07/2025
Sign: 

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund set out on pages 1 to 33, which comprise of the

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

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management (Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund) Regulations, 2019 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Accounts Receivables

The statement of financial position and Note 17 to the financial statements reflect accounts receivables balance of Kshs.2,850,545. The amount relates to loan repayments deducted from staff salaries by the Marsabit County Assembly but not remitted to the Fund's bank account. Further, there was no evidence provided on follow-up or recovery actions initiated by the Fund Administrator to pursue the unremitted deductions. This was contrary to Regulation 14(1) of the Public Finance Management (Marsabit County Assembly Staff Car Loan and Mortgage Scheme) Regulations, 2019 which requires that any loan disbursed under these Regulations shall be repaid as a direct deduction from the borrower's monthly salary.

In the circumstances, the accuracy and completeness of the accounts receivables balance of Kshs.2,850,545 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

The following issues raised on Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund in the previous audit report remain unresolved;

1. Failure to Register Charges on the Title Deeds.
2. Failure to Obtain Written Authority for Recovery of Loans from Pension Dues or Gratuity.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Receivables from Exchange Transactions

1.1 Failure to Obtain Written Authority for Recovery of Loans from Pension Dues or Gratuity

As previously reported, the statement of financial position reflects Kshs.15,849,497 under current portion of long-term receivables from exchange transactions and Kshs.99,257,362 as long-term receivables from exchange transactions, totalling Kshs.115,106,859, representing all outstanding loan facilities. However, at the time of audit in September 2025, none of the loan beneficiaries had provided written authorization permitting the recovery of outstanding balances from their pension or gratuity dues in case they cease to be staff members of the County Assembly. This is contrary to Regulation 25(3) of Public Finance Management (Marsabit County Assembly Staff Car Loan and Mortgage Scheme) Regulations, 2019, which requires a Member of the Scheme to give prior authority in writing for pension dues or gratuity to be utilized to clear any outstanding debt in case the Member of the Scheme, before fully repaying the loan ceases to be a staff of the County Assembly.

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

1.2 Failure to Register Charges on the Title Deeds

The statement of financial position and Note 11 to the financial statements reflect current portion of long-term receivables from exchange transactions and long-term receivables from exchange transactions balances of Kshs.15,849,497 and Kshs.99,257,362 respectively, totalling Kshs.115,106,859. Included in this amount is Kshs.112,232,806 on mortgage loans disbursed to members. However, Management did not register charges on the title deeds used as collateral for the mortgage loans. This is contrary to Regulation 27(1) of the Public Finance Management (Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund) Regulations, 2019 which requires the Board to register a charge on the property financed and have its name entered in all documents of title for such property.

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

2. Lack of Approved Budget

The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund did not prepare or present an approved budget for the year ended 30 June, 2025. Further, there was no comparison of the budget versus actual expenditures and receipts amounts. This is contrary to IPSAS 24.26 which requires that an entity shall present a comparison of budget and actual amounts for the budget that is made publicly available.

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

3. Irregular Legal Framework Governing the Fund

Review of the legal instruments governing the operations of the Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund revealed that the Fund is administered under the Public Finance Management (Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund) Regulations, 2019. However, no evidence was provided to confirm that these regulations were enacted through a valid County-Specific Principal Act of the Marsabit County Assembly from which the regulations would derive legitimate legal authority. Instead, the cited regulations appear to have been adopted as subsidiary legislation to the national Public Finance Management (PFM) Act, 2012, without evidence of lawful delegation to the county level.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Failure to Carry out Internal Audit Function

During the year under review, there was no internal audit function carried out on the Fund. This was contrary to Regulation 153(1)(a)(b)(c) of the Public Finance Management (County Governments) Regulations, 2015 which requires internal auditors to review and evaluate budgetary performance, financial management, transparency and accountability mechanisms and processes in county government entities, including county assemblies. The regulation further mandates the internal auditors to give reasonable assurance through the Audit Committee on the effectiveness of risk management, control and governance processes and review the performance management systems of the entity.

In the circumstances, the effectiveness of internal controls, risk management and governance could not be confirmed.

2. Lack of Risk Management Policy

Management did not provide evidence of the existence of a Risk Management Policy to guide the identification, assessment, and mitigation of risks during the year under review. This was contrary to Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires accounting officers to develop risk management strategies, including fraud prevention mechanisms and internal controls that builds robust business operations.

In the circumstances, the effectiveness of risk management and internal controls systems could not be confirmed.

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

Responsibilities of the Management and Fund Administration Committee

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

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

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

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

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


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

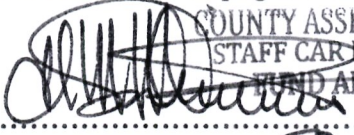
31 October, 2025


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

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	6	-	-
		-	-
Revenue From Exchange Transactions			
Interest Income	8	3,334,706	1,691,394
Total Revenue		3,334,706	1,691,394
Expenses			
Use of goods and services	9	9,358	8,500
Total Expenses		9,358	8,500
Surplus/(Deficit) for the Period		3,325,348	1,682,894

(The notes set out on pages 9 to 40 form an integral part of these Financial Statements)


 COUNTY ASSEMBLY OF MARSABIT
 STAFF CAR LOAN & MORTGAGE
 FUND ADMINISTRATOR
 Name: Salim Nyamathi Kato
 Administrator of the Fund


 Name: Paul Chamo Aila
 Fund Accountant
 ICPAK Member Number: 23908


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


15. Statement of Financial Position As at 30 June 2025

Description	Note	2024/2025*	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	10	28,668,653	24,683,542
Current Portion of Long- Term Receivables from Exchange Transactions	11	15,849,497	13,055,898
Accounts Receivables	17	2,850,545	1,446,609
Total current assets		47,368,695	39,186,049
Non-Current Assets			
Long Term Receivables from Exchange Transactions	11	99,257,362	86,706,985
Total non- current assets		99,257,362	86,706,985
Total Assets (A)		146,626,057	125,893,034
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	16	-	-
Total current liabilities		-	-
Non-Current Liabilities			
Non-Current Provisions		-	-
Total Liabilities (B)		-	-
Net Assets (A-B)		146,626,057	125,893,034
Represented By:			
Revolving Fund		141,570,671	124,162,996
Reserves		-	-
Accumulated Surplus		5,055,386	1,730,038
Net Assets		146,626,057	125,893,034

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 22nd July 2025 and signed by:

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


COUNTY ASSEMBLY OF MARSABIT
STAFF CAR LOAN & MORTGAGE
FUND ADMINISTRATOR
Name: Salim Nyaur-Kato
Administrator of the Fund


Name: CPA Paul Chamo Aila
Fund Accountant
ICPAK Member Number: 23908

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

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

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2023	40,000,000	-	47,144	40,047,144
Surplus/(Deficit) For the Period	-	-	1,682,894	1,682,894
Funds Received During the Year	84,162,996	-		84,162,996
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2024	124,162,996	-	1,730,038	125,893,034
Balance As At 1 July 2024	124,162,996	-	1,730,038	125,893,034
Surplus/(Deficit) For the Period		-	3,325,348	3,325,348
Funds Received During the Year	17,407,675	-	-	17,407,675
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2025	141,570,671	-	5,055,386	146,626,057

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

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government		17,407,675	-
Interest received		-	-
Receipts from other operating activities		-	-
Total receipts		-	-
Payments		-	
Fund administration expenses		-	-
General expenses		(9,358)	(8,500)
Finance cost		-	-
Other payments		(9,358)	(8,500)
Net cash flows from operating activities	21	17,398,317	(8,500)
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		-	-
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		(27,251,892)	(72,150,000)
Net cash flows used in investing activities		(27,251,892)	(72,150,000)

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

Cash flows from financing activities			
Proceeds from revolving fund receipts		13,838,686	90,582,323
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		13,838,686	90,582,323
Net increase/(decrease) in cash & cash Equivalents		3,985,111	18,423,823
Cash and cash equivalents at 1 July 2024	10	24,683,542	6,259,719
Cash and cash equivalents at 30 June 2025	10	28,668,653	24,683,542

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

18. Statement of Comparison of Budget and Actual Amounts for the Period ended 30th June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	B	C=(a+b)	d	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*	-	-	-	-	-	-
Receipts	-	-	-	-	-	-
Public Contributions and Donations	-	-	-	-	-	-
Transfers From County Govt.	-	-	-	-	-	-
Interest Income	-	-	-	3,334,706	(3,334,706)	-
Other Income	-	-	-	-	-	-
Total Income	-	-	-	3,334,706	(3,334,706)	-
Expenses	-	-	-	-	-	-
Fund Administration Expenses	-	-	-	9,358	(9,358)	-
General Expenses	-	-	-	-	-	-
Finance Cost	-	-	-	-	-	-
Total Expenditure	-	-	-	9,358	(9,358)	-
Capital expenditure	-	-	-	9,358	(9,358)	-
Surplus For the Period	-	-	-	3,325,348	(3,325,348)	-

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

Budget notes

Budget Reconciliation

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

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund is established by and derives its authority and accountability from section 116 of the Public Finance Management Act No 18 of 2012 (The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund, 2019) on 13th January 2019. The Fund is wholly owned by the County Assembly of Marsabit and is domiciled in Kenya.

The objective of the fund is: to provide a loan scheme for the purchase of vehicles by members of the scheme, and to provide a loan scheme for the purchase, development, renovation or repair of residential property by members of the scheme.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> 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. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.
IPSAS 44:	<i>Applicable 1st January 2025</i>

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

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

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

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

(i) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

b) Budget information

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

c) Property, plant and equipment

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

a) Intangible Assets

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

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

b) Investment property

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

c) Financial instruments

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
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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.

Financial liabilities

Classification

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

d) Inventories

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

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

- Raw materials: purchase cost using the weighted average cost method

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

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

e) Provisions

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

f) Social Benefits

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

g) Contingent liabilities

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

h) Contingent assets

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

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
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i) Nature and purpose of reserves

The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund does not maintain reserves in terms of specific requirements.

j) Changes in accounting policies and estimates

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

k) Employee benefits – Retirement benefit plans

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

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

Summary of Significant Accounting Policies (Continued)

l) 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.

m) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

n) Related parties

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

o) Cash and cash equivalents

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

p) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund did not make any judgements, estimates and assumptions during the period ended 30th June 2025.

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

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

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
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Notes to the Financial Statements Continued

6. Public contributions and donations

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

7. Transfers from County Government

Description	2024/2025	2023/2024
	Kshs	Kshs
Transfers From County Assembly –Operations	17,407,675	84,162,996
Payments By County On Behalf Of The Entity	-	-
Total	17,407,675	84,162,996

8. Interest income

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest Income from Mortgage Loans	3,267,918	1,634,171
Interest Income From Car Loans	66,788	57,223
Total Interest Income	3,334,706	1,691,394

This relates to interest income earned during the year under review from car loans and mortgage loans issued to the members of the staff.

9. Use of Goods and Services

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Bank Charges	9,358	8,500
Total	9,358	8,500

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10. Cash and cash equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Marsabit County Assembly staff Car Loan and Mortgage Account	28,668,653	24,683,542
Total Cash and Cash Equivalents	28,668,653	24,683,542

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

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank		28,668,653	24,683,542
Sub- Total		28,668,653	24,683,542

11. Receivables from exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Receivables		
Interest Receivable	3,323,590	2,941,154
Current Loan Repayments Due	12,525,907	9,943,527
Total Current Receivables	15,849,497	12,884,681
Non-Current Receivables		
Long Term Loan Repayments Due	99,257,362	86,878,202
Total Non- Current Receivables	99,257,362	86,878,202
Total Receivables From Exchange Transactions	115,106,859	99,762,883

Additional disclosure on interest receivable

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

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
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Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

12. Investments in financial assets

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

Movement of Equity Investments

Impairment allowance/ provision	2024/2025	2023/2024
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
At the end of the year	-	-

e) Shareholding in other entities

For investments in equity share listed above, list down the equity investments under the following categories:

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

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
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13. Property, plant, and equipment

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

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
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14. Intangible assets

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

15. Investment Property

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

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
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16. Trade and other payables from exchange transactions

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

17. Accounts Receivables

Description	2024/2025	2023/2024
	Kshs	Kshs
Accounts Receivables	2,850,545	1,446,609
Total	2,850,545	1,446,609

This amounts relates to deductions for the May 2025 and June 2025.

18. Borrowings

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Balance At Beginning of The Period	-		-	
External Borrowings During the Year	-		-	
Domestic Borrowings During the Year	-		-	
Repayments of External Borrowings During the Period	-		-	
Repayments of Domestic Borrowings During the Period	-		-	
Balance At End of The Period	-		-	

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

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

19. Employee benefit obligations

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

20. Social Benefit Liabilities

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

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

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
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21. Cash generated from operations.

Description	2024/2025	2023/2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	3,325,348	1,682,894
Adjusted For:		
Depreciation	-	-
Amortization	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	(3,334,706)	(1,691,394)
Finance Cost	-	-
Working Capital Adjustments		
Increase In Inventory	-	-
Increase In Receivables	17,407,675	-
Increase In Payables	-	-
Net Cash Flow From Operating Activities	17,398,317	(8,500)

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
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22. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

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

c) Key management remuneration

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

d) Due from related parties

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

**Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund
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Other Disclosures Continued

e) Due to related parties

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

23. Contingent assets and contingent liabilities

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

24. Financial risk management

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

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

a) Credit risk

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

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

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

b) Liquidity risk management

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

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

Description	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-

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Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2024				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2025			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-

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

Foreign currency sensitivity analysis

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

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

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

The fund has a fixed interest rate of 3% at reducing balance.

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d) Capital risk management.

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	141,570,671	124,162,996
Accumulated surplus	5,055,386	1,730,000
Total funds	146,626,057	125,893,034
Total borrowings	-	
Less: cash and bank balances	28,668,653	24,683,542
Net debt/(excess cash and cash equivalents)	117,957,404	101,209,492
Gearing	80%	80%

25. Events after the reporting period

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

26. Ultimate and Holding Entity

Marsabit County Assembly Staff Car Loan and Mortgage Fund is established by and derives its authority and accountability from section 116 of the Public Finance Management Act No 18 of 2012 (The Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund, 2019) on 13th January 2019. The Fund is wholly owned by the County Assembly of Marsabit and is domiciled in Kenya. Its ultimate parent is the County Government of Marsabit.

27. Currency

The financial statements are presented in Kenya Shillings (Kshs)

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20. Annexes


Annex I: Progress on Follow Up Of Prior Year Auditor’s Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Failure to Register Charges on the Title Deeds	The process of registering charges on the title deeds is in the process	In progress	
2.	Failure to Obtain Written Authority for Pension Dues to Clear Outstanding Loans	The Pension Act does not allow pension dues or gratuity to be used to clear any outstanding debts in case they cease to be staff members of the County	Resolved	

Salim Nyaur Kato

Fund Administrator – Marsabit County Assembly Staff Car Loan and Mortgage Scheme Fund


COUNTY ASSEMBLY OF MARSABIT
STAFF CAR LOAN & MORTGAGE
FUND ADMINISTRATOR
 Date: 22nd July 2025
 Date: 21/07/2025



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Annex II: Inter-Fund Confirmation Letter

The Marsabit county assembly staff car loan and mortgage scheme fund did not have inter fund transfers.

Annex III: Reporting of Climate Relevant Expenditure

The Marsabit county assembly staff car loan and mortgage scheme fund did not expenditures relating to Reporting of Climate Relevant Expenditure.

Annex IV: Reporting on Disaster Management Expenditure

The Marsabit county assembly staff car loan and mortgage scheme fund did not expenditures relating to Reporting on Disaster Management Expenditure.

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