

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

**KAJIADO COUNTY EXECUTIVE
STAFF CAR LOAN AND MORTGAGE
SCHEME FUND**

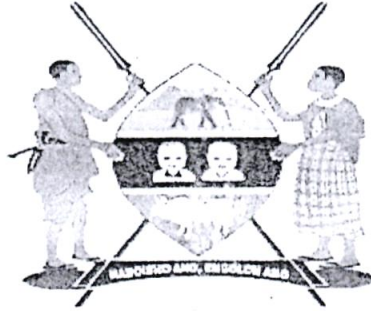
**FOR THE YEAR ENDED
30 JUNE, 2024**



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**KAJIADO COUNTY EXECUTIVE STAFF CAR LOAN AND MORTGAGE
SCHEME FUND.**

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

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

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**Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Table of Content

1. Acronyms and Glossary of Terms	iii
2. Key Entity Information and Management	iv
3. Fund Administration Committee	vi
4. Management Team	vii
6. Report of The Fund Administrator	ix
7. Statement of Performance Against the County Fund's Predetermined Objectives	x
8. Corporate Governance Statement	xi
9. Management Discussion and Analysis	xii
10. Environmental and Sustainability Reporting	xiii
11. Report of The Trustees	xiv
12. Statement of Management's Responsibilities	xv
13. Report of The Independent Auditor on the Financial Statements for Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund	xvi
14. Statement of Financial Performance for the Year Ended 30 th June 2024	1
15. Statement of Financial Position as at 30 June 2024	2
16. Statement of Changes in Net Assets for the year ended 30 th June 2024	3
17. Statement of Cash Flows for The Year Ended 30 June 2024	4
18. Statement Of Comparison Of Budget And Actual Amounts For The Period	5
19. Notes to the Financial Statements	6
20. Annexes	30

1. Acronyms and Glossary of Terms

a) Acronyms

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

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility
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2. Key Entity Information and Management

a) Background information

Kajiado county executive County Executive Committee staff car loan and mortgage scheme fund are established pursuant to Article 176(1) of the Constitution of Kenya. According to section 12 of the county government act establishes County Executive Committee. Among the function bestowed upon the county executive committee is preparation of annual financial estimate of expenditure, exercising budgetary control and performing other functions prescribed by national legislation. Section 116(1) of the Public Finance Management Act 2012 empowers the county Executive committee member for finance to Establish County public funds with the approval of the county executive committee and county assembly. Sub Section 7 requires the administrator of county [public fund to prepare accounts for each financial year and submit them for to the Auditor General. The Fund is wholly owned by the County Government of Kajiado and is domiciled in Kenya. Arising from the above provisions and as advised by Salaries and Remuneration Commission (SRC) the fund's principal activity is to enable car loans and mortgage to be advanced to staff of the County Executive in the manner under these Regulations and prescribed by the salaries and remuneration commission Circular as may be issued and applicable from time to time and by the Kajiado County Executive Car Loans and Mortgage Scheme Fund Policy

b) Principal Activities

The Fund principal activity is to enable car loans and mortgage to be advanced to staff of the County Executive in the manner under these Regulations and prescribed by the salaries and remuneration commission Circular as may be issued and applicable from time to time and by the Kajiado County Executive Car Loans and Mortgage Scheme Fund Legislation.

c) Fund Administration Committee

Ref	Name	Position
1	Hon. Lekina Tutui	Chief Officer – County Treasury
2	Hon. Naomi Parinkoi	Chief Officer -- Public Service
3	Nicholas Manto Otuma	Fund Administrator
4		

d) Key Management Steam

Ref	Name	Position
1	Fund Manager/ Administrator	Nicholas Manto Otuma
2	Fund Accountant	John Lesiir Kores

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Lampard Lemayian
2	Staff car Mortgage and car Loan Advisory Committee	Chief Officer, LekinaTutui Chief Officer, Public Service
3		

f) Registered Offices

P.O. Box 11-01100
Kajiado County Headquarters
Kajiado, Kenya

g) Fund Contacts

Telephone: (254) 0202043075
E-mail: treasury.cgk@gmail.com
Website: kajiado.go.ke

h) Fund Bankers

Family Bank of Kenya
P.O. Box 456-01100
Kajiado, Kenya

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






**Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

3. Fund Administration Committee

Names	Year of Birth	Details of qualifications and experience	Passport
Lekina Tutui	01/01/1982	<p>He is a member of staff, Kajiado County Executive as a county executive officer – Finance.</p> <p>He holds Bachelor of Commerce, Finance Options With Over 10yrs Experience in Public Management</p>	
Naomi Parinkoi	08/09/1974	<p>He is a member of staff, Kajiado County Executive as a member to the fund.</p> <p>He Holds Bachelor of Education With Over 30yrs Experience in Teaching</p>	
Nicholas Manto Otuma	26/12/1991	<p>He is a member of staff, Kajiado County Executive as an accountant, Fund Administrator.</p> <p>He Holds Bachelor of Commerce, Finance Option CPA Section III, With 8yrs experience.</p>	

**Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

4. Management Team

Names	Year of Birth	Details of qualifications and experience	Passport
Francis Ole Sakuda	01/01/1974	<p>He is a member of staff, Kajiado County Executive as a county Secretary and Chairperson to the fund.</p> <p>He holds Bachelor of Arts With Over 20yrs Experience in Public Management</p>	
Lekina Tutui	01/01/1982	<p>He is a member of staff, Kajiado County Executive as a county executive officer – Finance. He holds Bachelor of Commerce, Finance Options</p> <p>With Over 10yrs Experience in Public Management</p>	
Naomi Parinkoi	08/09/1974	<p>He is a member of staff, Kajiado County Executive as a member to the fund.</p> <p>He Holds Bachelor of Education With Over 30yrs Experience in Teaching</p>	
Purity Sein	07/01/1984	<p>He is a member of staff, Kajiado County Public Service Board, a member to the board.</p> <p>He Holds Bachelor of Arts with Over 10yrs Experience in Public Management</p>	
Nicholas Manto Otuma	26/12/1991	<p>He is a member of staff, Kajiado County Executive as an accountant, Fund Administrator.</p> <p>He Holds Bachelor of Commerce, Finance Option CPA Section III, With 8yrs experience.</p>	

X
5. Board/Fund Chairperson's Report

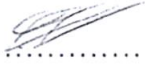
The car & Mortgage Loan Scheme fund was established pursuant to the salary and remuneration Commission Circular on SRC/TS/WB/3/14 of February 2014, Section 167 of the public Finance Act 2012 mandates the Administrator of Public Fund with preparation of Annual financial statement.

For proper Management of the fund and as advised by the salaries and Remuneration commission in the circular under reference, the Kajiado County Assembly passed and adopted Kajiado County Executive Car & Mortgage Fund Regulation 2016 to guide operationalization of the fund.

The fund was established at the beginning of the 2016/2017 financial year making it first disbursement on October 2016.

During this financial year FY 2023/2024 the fund received Ksh.15.5M being funds received from the county treasury thus since inception we have revolving fund Balance of Kshs.251.2M.

The fund is the first of its kind under the devolved system of government. Being managed by qualified and professional, the committee endeavours to run the fund effectively. Together we remain committed to execute the responsibilities bestowed upon us by law in management of public fund.

Name.....Francis Olesandi..... Signature.......... Date.....20/1/2024.....

Chairperson of the Board/Fund

**Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

6. Report of The Fund Administrator

Section 116 (7) of the Public Finance Management Act 2012 requires that at the end of each financial year, the administrator of the county public fund shall prepare financial statements in report in respect of that fund.

The administrator in charge of Kajiado County Executive Staff Car Loan & Mortgage Fund is responsible for the preparation and presentation of fund's financial statement, which gives a true and fair view of the state of affairs of the fund for and as at the end of the financial year ended June 30, 2024. This responsibility includes;

- i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period.
- ii) Maintaining proper accounting recording records, which disclose with reasonable accuracy at any time the financial position of the entity.
- iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that key is free from material misstatement, whether due to error or fraud.

i) Safeguarding the Assets of the fund.
- iv) Selecting and applying appropriate accounting policies; and
- v) Making accounting estimates that are reasonable in the circumstances

The Fund Administrators of Kajiado County Executive Staff Car loan & Mortgage Scheme fund accepts responsibility for the fund's financial statement which have been prepared using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Administrator is of the opinion that the fund's financial statement gives a true and fair view of the state of fund's transaction during the financial year ended June 30, 2024, and of fund's financial position as at the date. The Administrator of the Kajiado County Executive Car Loan & Mortgage Fund Further confirms the completeness of the accounting records Maintained for the funds which have been relied upon in the preparation of the fund's financial statements as well as the adequacy of the system of internal controls.

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

Approval of the financial Statement.

The Fund's financial statements were approved and signed by Accounting Officer on 20 August, 2024.

Signed: _____

Nicholas Manto Otuma

(Fund Administrator)

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

The car & Mortgage Loan Scheme fund was established pursuant to the salary and remuneration Commission Circular on SRC/TS/WB/3/14 of February 2014, Section 167 of the public Finance Act 2012 mandates the Administrator of Public Fund with preparation of Annual financial statement.

For proper Management of the fund and as advised by the salaries and Remuneration commission in the circular under reference, the Kajiado County Assembly passed and adopted *Kajiado County Executive Car & Mortgage Fund Regulation 2016* to guide operationalization of the fund. The fund was established at the beginning of the 2016/2017 financial year making it first disbursement on October 2016.

During this financial year FY 2023/2024 the fund received Ksh.15.5M being funds received from the county treasury thus since inception we have revolving fund Balance of Kshs.251.2M. So far more than Seventy officers have benefitted from the scheme.

The fund is the first of its kind under the devolved system of government. Being managed by qualified and professional, the committee endeavours to run the fund effectively. Together we remain committed to execute the responsibilities bestowed upon us by law in management of public fund.

The key development objectives of the Kajiado County Government Entity's 2018-2022 plan are to:

- a) To have funding to enable more employees to benefit from the scheme.

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Provision of Mortgage facilities to all members of staff	To ensure all staff have access to Mortgage facilities	Number mortgages successfully applied	% of staff taking Mortgage facilities	During FY 2023/24 Members of staff accessed the facility and were able build their own houses
Program 2	Objective	50	15	There was low disbursement due to delay of exchequer and budget allocations

8. Corporate Governance Statement

In the FY 2023/2024, the management committee held five meetings during the financial year and the Allowances are paid based on the SRC Circular 2014.

During the financial year 2023/2024, the Kajiado County Executive Car Loan and Mortgage Fund Management Committee approved and disbursed fifteen Mortgages totalling to Kshs. 45,695,000 to the county executive staff members, all the members are servicing their loans.

The Management Committee, as at the close of the financial year, had some pending applications from the county executive members which will be proceed in the next financial year, though not all will be proceed for lack of insufficient funds compared to the total amount of applications

9. Management Discussion and Analysis

During the financial year 2023/2024, the Kajiado County Executive Car Loan and Mortgage Fund Management Committee approved and disbursed fifteen Mortgages totalling to Kshs. 45,695,000 to the county executive staff members, all the members are servicing their loans.

The Management Committee, as at the close of the financial year, had some pending applications from the county executive members which will be proceed in the next financial year, though not all will be proceed for lack of insufficient funds compared to the total amount of applications.

10. Environmental and Sustainability Reporting

We didn't have any CSR this fiscal year.

Kajiado County Car Loan & Mortgage Fund exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on Kajiado County Car Loan & Mortgage Fund pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile -

The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

2. Environmental performance

Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.

3. Employee welfare

Give account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

4. Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

b) Responsible Supply chain and supplier relations- explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices

d) Product stewardship- outline efforts to safeguard consumer rights and interests

5. Community Engagements-

Give evidence of community engagement including charitable giving (cash & material), Community Social Investment and any other forms of community

11. Report of The Trustees

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

Principal activities

The principal activities of the Fund Are Car Loan and Mortgage facilitation to Kajiado County Executive Staff.

Results

The results of the Fund for the year ended June 30th, 2024 are set out on page 1

Trustees

The members of the Board of Trustees which is the fund administration committee who served during the year are shown on page iv

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 and Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *entity* for the year/period ended June 30, 2024 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board


.....

Chair of the Fund Administration Committee

Date:

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 Kajiado County Executive Car loan & Mortgage fund established by Kajiado County Assembly shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

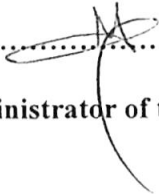
The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Kajiado County Executive Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2024, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Fund's financial statements were approved by the Board on 22/November 2024 and signed on its behalf by:

.....


Administrator of the County Public Fund

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON KAJIADO COUNTY EXECUTIVE STAFF CAR LOAN AND MORTGAGE SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund set out on pages 1 to 30, which comprise of the

Report of the Auditor-General on Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund for the year ended 30 June, 2024

statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kajiado County Public Finance Management (Executive Staff Car Loan and Mortgage Scheme Fund) Regulations, 2016 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Errors and Omissions in Presentation of Financial Statements

The statement of cash flows reflects net cash flows from operating activities of Kshs.19,745,431 which does not tally with the recalculated amount of zero as disclosed in Note 6 to the financial statements. In addition, details of the progress on follow up of prior year auditor's recommendations was not reflected in the progress report as required by the reporting template prescribed by the Public Sector Accounting Standards Board (PSASB).

In the circumstances, the accuracy of the statement of cash flows could not be confirmed and the financial statements do not conform to the requirements of the reporting template as prescribed by the Public Sector Accounting Standards Board (PSASB).

2. Inaccuracies in the Financial Statements

The statement of changes in net assets reflects accumulated deficit of Kshs.23,719,118. However, a recalculation of the accumulated surplus amount reflects a deficit of Kshs.18,903,976 resulting in unexplained variance of Kshs.4,815,142. In addition, the opening balance adjustment of Kshs.2,581,948 as reflected in the statement of changes in net assets was not supported.

In the circumstances, the accuracy of the statement of changes in net assets could not be confirmed.

3. Non-Disclosure of Interest Income

The statement of financial performance and as disclosed in Note 2 to the financial statements reflect interest income of Kshs.221,233. However, the interest reflected was

earned in the months of April, May and June 2023 which falls under the financial year 2022/2023 while the interest earned in the financial year 2023/2024 was not disclosed. In addition, the disclosed interest of Kshs.221,233 relates to interest income earned on bank deposits while the 3% interest earned from mortgage loans was not disclosed.

In the circumstances, the accuracy of interest income of Kshs.221,233 could not be confirmed.

4. Variances in Long-Term Receivables from Exchange Transactions

The statement of financial position reflects current portion of long-term receivables from exchange transactions and long-term receivables from exchange transactions balances of Kshs.45,695,000 and Kshs.184,520,896 respectively as disclosed in Notes 5(i) and (ii) to the financial statements. However, the schedules provided for audit review indicated balances of Kshs.17,542,260 and Kshs.186,014,945 resulting in unexplained variance of Kshs.28,152,740 and Kshs.1,494,049 respectively.

In the circumstances, the accuracy of the current portion of long-term receivables and long-term receivables from exchange transactions balances of Kshs.45,695,000 and Kshs.184,520,896 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Kajiado County Executive 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 matters 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 Information

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

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

My opinion on the financial 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, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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


Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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

27 December, 2024

**Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

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

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers From the County Government-Operation	1	765,000	600,000
Fines, Penalties and Other Levies		-	-
		765,000	600,000
Revenue From Exchange Transactions			
Interest Income	2	221,233	126,604
Other Income		-	-
		221,233	126,604
Total Revenue		986,233	726,604
Expenses			
Employee Costs		-	-
Use of goods and services	3	(5,975,803)	(11,951,760)
Depreciation and Amortization Expense		-	-
Finance Costs		-	-
Total Expenses		(5,975,803)	11,951,760
Other Gains/Losses			
Gain/Loss on Disposal of Assets		-	-
Gain /Loss on fair value of investments		-	-
Surplus/(Deficit)for the Period		(4,989,569)	(11,225,156)

.....
Name: Nicholas Nanto Amuge
Administrator of the Fund

for
Name: L.K. Pullei
Fund Accountant

ICPAK Member Number: 12884

Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024

15. Statement of Financial Position as at 30 June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	4	5,547,486	12,460,646
Current Portion of Long- Term Receivables From Exchange Transactions	5(i)	45,695,000	17,542,260
Total current assets		51,242,486	30,002,906
Non-Current Assets			
Long Term Receivables from Exchange Transactions	5(ii)	184,520,896	188,596,894
Total non- current assets		184,520,896	188,596,894
Total Assets		235,763,382	218,599,800
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions		-	-
Current Portion of Borrowings		-	-
Total current liabilities		-	-
Non-Current Liabilities			
Long Term Portion of Borrowings		-	-
Total Liabilities		-	-
Net Assets		235,763,382	218,599,800
Revolving Fund		259,482,500	234,747,500
Reserves		-	-
Accumulated Surplus		(23,719,118)	(21,311,597)
Total Net Assets and Liabilities		235,763,382	213,435,903

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 22/11/2024 and signed by:

.....
Name: Wickley Mwangi Ojuma
Administrator of the Fund

.....
Name: L.K. Pulew
Fund Accountant
ICPAK Member Number: 12884

**Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

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

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2021	193,950,000	-	(1,626,158)	192,323,842
Surplus/(Deficit)For the Period		-	(8,460,282)	(8,460,282)
Funds Received During the Year	11,397,500	-	-	11,397,500
Transfers	-		-	
Revaluation Gain	-	-	-	-
BalanceAsAt30 June 2022	205,347,500		(10,086,440)	195,261,060
Balance As At 1 July 2022	205,347,500		(10,086,440)	195,261,060
Surplus/(Deficit)For the Period		-	(11,225,156)	(11,225,156)
Funds Received During the Year	29,400,000	-	-	29,400,000
Transfers	-		-	
Revaluation Gain	-	-	-	-
BalanceAsAt30 June 2023	234,747,500		(21,311,597)	213,435,903
Balance As At 1 July 2023	234,747,500		(21,311,597)	213,435,903
Opening Balance Adjustment			2,581,948	2,581,948
Surplus/(Deficit)For the Period		-	(4,989,569)	(4,989,469)
Funds Received During the Year	24,735,000	-	-	24,735,000
Transfers	-		-	
Revaluation Gain	-	-	-	-
BalanceAsAt30 June 2024	259,482,500		(23,719,118)	235,763,382

**Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

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

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government		25,500,000	600,000
Interest received		221,233	126,604
Receipts from other operating activities		-	-
Total receipts		25,721,233	726,604
Payments			
Fund administration expenses		(2,675,000)	(8,500,600)
General expenses		(3,290,000)	(3,250,000)
Finance cost		(10,802.)	(14,360)
Other payments		(0.0)	(186,800)
Net cash flows from operating activities	6	19,745,431	(11,225,156)
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		18,490,343	13,683,314
Loan disbursements paid out		(45,695,000)	(12,800,000)
Net cash flows used in investing activities		(27,204,657)	883,314
Cash flows from financing activities			
Proceeds from revolving fund receipts		546,066	29,400,000
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		546,066	29,400,000
Net increase/(decrease) in cash & cash Equivalents		(6,913,160)	28,516,687
Cash and cash equivalents at 1 July		12,460,646	3,313,295
Cash and cash equivalents at 30 June		5,547,486	12,460,646

Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	A	B	C=(a+b)	D	e=(c-d)	f=d/c*100
Revenue						
Public Contributions and Donations	-	(-)	-	-	(-)	
Transfers From County Govt-Operation	765,000	-	765,000	765,000	-	100%
Interest Income	221,233	-	221,233	221,233	(-)	100%
Other Income	-	-	-	-	-	
Total Income	986,233	(-)	986,233	986,233	(-)	100%
Expenses						
Fund Administration Expenses	(2,500,000)	-	(2,500,000)	(2,500,000)	(-)	100%
General Expenses	(3,465,000)	(-)	(3,465,000)	(3,465,000)	(-)	100%
Finance Cost	(10,803)	(-)	(10,803)	(10,803)	(-)	100%
Total Expenditure	(5,975,803)	(-)	(5,975,803)	(5,975,803)	(-)	100%
Surplus/(Deficit) For the Period	(4,989,569)	-	(4,989,569)	(4,989,569)	-	100%
Capital expenditure	24,735,000	-	24,735,000	24,735,000	-	

19. Notes to the Financial Statements

1. General Information

Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund is established by and derives its authority and accountability from Kajiado County Assembly Act. The entity is wholly owned by the Kajiado County Government and is domiciled in Kenya. The entity's principal activity is to issue Car and Mortgage Loan.

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 2024*

Standard	Effective date and impact
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2024</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;

**Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Standard	Effective date and impact
	<ul style="list-style-type: none"> • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>(Relevant to the Entity)</i></p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2024</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. <p><i>(Not relevant to the Entity)</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2024</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.

Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Standard	Effective date and impact
	<p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><i>(Relevant to the Entity)</i></p>
Other improvements to IPSAS	<p><i>Applicable 1st January 2024</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2024.</p> <p><i>Relevant to the Entity</i></p>

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>Not Relevant to the Entity</i></p>
IPSAS 44: Non-	<i>Applicable 1st January 2025</i>

**Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Standard	Effective date and impact:
Current Assets Held for Sale and Discontinued Operations	<p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>Not Relevant to the Entity</i></p>

(iii) Early adoption of standards

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

1. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2023-2024 was approved by the County Assembly on 5th June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of 5th June 2023 on the FY 2023-2024 budget following the governing body's approval.

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

Summary of Significant Accounting Policies (Continued)

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

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

c) Property, plant and equipment

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

d) Intangible Assets

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

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

e) Investment property

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

Summary of Significant Accounting Policies (Continued)

f) Financial instruments

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

g) Inventories

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

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

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

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

h) 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.

i) Social Benefits

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

Summary of Significant Accounting Policies (Continued)

j) Contingent liabilities

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

Contingent assets

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

k) Nature and purpose of reserves

The Entity doesn't maintains reserves in terms of specific requirements neither general reserve since it has no future undertaking.

l) 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.

m) 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)

n) 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.

o) 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.

p) 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.

q) 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.

r) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

State all judgements, estimates and assumptions made e.g.

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

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.

**Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

6. Notes To The Financial Statements

1. Transfers from County Government

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfers From County Govt. –Operations	765,000.00	600,000.00
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	765,000.00	600,000.00

Transfer from County Government-Operation is 3% of total allocation to be utilized for administrative expense

2. Interest income

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest Income from Mortgage Loans	-	-
Interest Income From Car Loans	-	-
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	221,233.31	126,603.58
Total Interest Income	221,233.31	126,603.58

3. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs.	Kshs.
General Office Expenses	-	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	-
Committee Allowances	5,965,000.00	11,937,400.00
Bank Charges	10,802.50	14,360.00
Other (<i>Specify</i>)	-	-
Total	5,975,802.50	11,951,760.00

Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024

4. Cash and cash equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Car Loan Account	-	-
County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	5,547,485.88	12,460,646.32
Others (<i>Specify</i>)	-	-
Total Cash And Cash Equivalents	5,547,485.88	12,460,646.32

Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Notes to the Financial Statements Continued

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

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
a) Fixed Deposits Account			
Family Bank		-	
Equity Bank, Etc.		-	-
Sub- Total		-	-
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
Sub- Total		-	-
c) Current Account			
Family Bank	065000008520	5,547,485.88	12,460,646.32
Kenya Commercial Bank		-	-
Sub- Total		-	-
d) Others(Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		5,547,485.88	12,460,646.32

5. Receivables from exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Receivables (i)		
Interest Receivable	-	-
Current Loan Repayments Due	45,695,000.00	17,542,260.00
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	45,695,000.00	17,542,260.00
Non-Current Receivables (ii)		
Long Term Loan Repayments Due	184,520,796.58	183,432,997.12
Total Non- Current Receivables	184,520,796.58	183,432,997.12
Total Receivables From Exchange Transactions	230,215,796.58	200,975,597.12

Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

6. Cash generated from operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	(4,989,569.19)	(11,225,156.42)
Adjusted For:	-	-
Depreciation	-	-
Amortisation	-	-
Use of goods and services	5,200,000.00	11,337,400.00
Gains/ Losses On Disposal Of Assets	(-)	(-)
Interest Income	(221,233.31)	(126,603.58)
Finance Cost/Bank Charges	10,802.50	14,360.00
Working Capital Adjustments		
Increase In Inventory	(-)	(-)
Increase In Receivables	(-)	(-)
Increase In Net Assets(Capital Employed)	19,745,430.81	(11,225,156.42)
Net Cash Flow From Operating Activities	19,745,430.81	(11,225,156.42)

(The total of this statement should tie to the cash flow section on net cash flows from operating activities)

**Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Notes To The Financial Statements (Continued)

7. 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	2022-2023	2021-2022
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	2022-2023	2021-2022
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	2022-2023	2021-2022
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024

Other Disclosures Continued

e) Due to related parties

Description	2022-2023	2021-2022
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

8. Contingent assets and contingent liabilities

Contingent Liabilities	2022-2023	2021-2022
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

(Give details)

Notes To The Financial Statements (Continued)

9. Financial risk management

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

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

a) Credit risk

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

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

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

Notes To The Financial Statements (Continued)

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

The entity has significant concentration of credit risk on amounts due from loan disbursed

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

b) Liquidity risk management

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

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

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

**Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Notes To The Financial Statements (Continued)

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

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

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

Notes To The Financial Statements (Continued)

Foreign currency sensitivity analysis

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

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

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

**Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Notes To The Financial Statements (Continued)

d) Capital risk management.

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	226,347,500.00	205,700,000.00
Accumulated surplus	(21,311,596.56)	(722,671.53)
Total funds	-	204,977,328.47
Total borrowings	-	-
Less: cash and bank balances	(12,460,646.32)	(3,317,295.26)
Net debt/(excess cash and cash equivalents)	-	-
Gearing	%	%

10. Events after the reporting period

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

11. Ultimate and Holding Entity

The entity is a County Public Fund established by Kajiado county Car Loan & Mortgage Act under the Ministry of Public Service, County government of Kajiado. Its ultimate parent is the County Government of Kajiado.

12. Currency

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

**Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

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)
Audit Financial Year 2022/2023	Qualified Opinion	The fund Administrator is yet to receive the final report		Immediately

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Fund responsible for implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

Fund Manager/Accounting Officer (enter title of head of Fund)

Date.....22/11/2024.....

**Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Annex II: Inter-Fund Confirmation Letter




Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
Kajiado 11-01100

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

Confirmation of amounts received by Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund as at 30 th June 2024							
Reference Number	Date Disbursed	Amounts Disbursed by county revenue fund account (Kshs) as at 30 th June 2024				Amount Received by [beneficiary Fund] (KShs) as at 30 th June 2024 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
RTGS RT23188SX9Q1-FT23188BN517 1000171251	07-JUL-2023	10,000,000.00	-	-	10,000,000.00	10,000,000.00	-
RTGS RT232994TRR1-FT23299H9T10 1000171251	26-OCT2023	3,000,000.00			3,000,000.00	3,000,000.00	-
RTGS RT232994TRR1-FT232990WJ4Y 1000171251	26-OCT2023	12,500,000.00			12,500,000.00	12,400,000.00	-
Total		<u>25,500,000</u>			<u>25,500,000.00</u>	25,500,000	-

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Fund:

Name *L.K. Puloo* Sign  Date. *22/11/2024*

Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
 Annual Report and Financial Statements for the year ended June 30, 2024

Annex III: Reporting of Climate Relevant Expenditures

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

**Kajiado County Executive Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

Annex IV: Reporting on Disaster Management Expenditure

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