

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

PARLIAMENT  
OF KENYA  
LIBRARY

**OF**

**THE AUDITOR-GENERAL**

**ON**

**COUNTY ASSEMBLY OF TANA RIVER CAR  
LOAN AND MORTGAGE FUND**

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

PAPERS LAID	
DATE	6/3/2025
TABLED BY	Dep Mas Whip
COMMITTEE	
CLERK AT THE TABLE	Maalim



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**COUNTY ASSEMBLY OF TANA RIVER CAR AND MORTGAGE FUND**

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

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

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**1. Acronyms and Glossary of Terms**

a) Acronyms

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

**2. Key Entity Information and Management**

**a) Background information**

County Assembly of Tana River Car Loan and Mortgage Scheme Fund is established by legal Notice no 2 and 8 and derives its authority and accountability from public finance county assembly of Tana-River Car Loan Scheme Fund under regulations 2014 on 7th July 2014. The Fund is wholly owned by the County assembly of Tana River and is domiciled in Kenya.

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

**b) Principal Activities**

The fund principal activity is to provide easy access of car loan and mortgage with members of the county assembly for purchase of motor vehicle and purchase of land.

**c) Board of Trustees/Fund Administration Committee**

Ref	Name	Position
1	OSMAN GALOLE	CHAIRMAN
2	MASHA BORU DELA	MEMBER
3	MOHAMUD AHMED GABO	VICE CHAIR
4	ABDULLAHI DAYIB HUSSEIN	FUND ADMINISTRATOR

*(This section will be applicable for Public Funds that have a Board of Trustees/Fund Administration Committee. Input names of all the members who held office during the period)*

**d) Key Management team**

Ref	Name	Position
1	ABDULLAHI DAYIB HUSSEIN	FUND ADMINISTRATOR
2	ALEX KIBWAGE ONTUMI	PRINCIPAL ACCOUNTS CONTROLLER
3	MERCY MAODO KOMORA	FINANCE OFFICER
4	WEHLIYE AHMED DAKAT	SENIOR ACCOUNTANT
5		

*(Include all positions regarded as top management for the Fund).*

**Key Entity and Management (Continued)**

**e) Fiduciary Oversight Arrangements**

<b>SN</b>	<b>Position</b>	<b>Name</b>
1	Internal Auditor	Esha Hadia Maro
2	Internal Auditor I I	Komora Marimadi Jackson

**f) Registered Offices**

County Assembly of Tana River  
P.O. Box 113-70101  
HOLA. KENYA  
Along Hospital Road

**Fund Contacts**

Telephone: (+254) 708005459  
E-mail: [info@tanariverassembly.go.ke](mailto:info@tanariverassembly.go.ke)  
Website: [www.tanariverassembly.go.ke](http://www.tanariverassembly.go.ke)

**g) Fund Bankers**

1. Kenya Commercial Bank  
P.O. BOX 100-70101  
HOLA.

**Key Entity and Management (Continued)**

**h) Independent Auditors**

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

**i) Principal Legal Adviser**

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

**3. Board of Trustees/ Fund Administration Committee (Or Any Other Corporate Governance Body for The Fund)**

<b>Name</b>	<b>Details of qualifications and experience</b>
1. OSMAN GALOLE	Hon Osman holds degree in criminology and security Studies from Mount Kenya University. Hon Osman worked with Independent Police Oversight Authority as investigation officer for five years. Currently Hon Osman is speaker of the county assembly of Tana river.
2. MASHA BORU DELA	Hon Masha Boru holds Certificate in pharmacy from Thika technical institute .Currently Hon Masha is Member of the county assembly for Garsen Central
3. MOHAMUD AHMED GABO	Hon Mohamud Gabo Holds P1 teaching and has been teaching for over 10 years. Currently Mr Gabo is Member of the county assembly for Garsen west ward.
4. ABDULLAHI DAYIB HUSSEIN	Mr Abdullahi holds Bachelor of Education (Arts) from Nairobi University. and is currently clerk to Assembly.

**4. Management Team**

<b>Name</b>	<b>Details of qualifications and experience</b>
1. Abdullahi Dayib Hussein Fund Administrator	Officer holds Bachelor of Education (Arts) from Nairobi University and is currently clerk to Assembly.
2. Alex Kibwage Ontumi	Mr Alex holds MBA from United state international University Africa. He also holds degree in education from the same University. Mr Alex is currently the principal accounts Controller.

**5. Board/Fund Chairperson's Report**

The fund started operational officially during the financial year 2017/2018.

During the financial year 2023/2024 Members of the county assembly borrowed to the tune of Kshs. 8,450,000

100% of the loans advanced to Mcas was on mortgage.

Car loan and mortgage fund account has improved life for members of the county assembly and staff since they are given loan to purchase land and therefore improving their living standards.

.....

**Name: Osman Noor Galole**

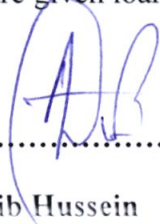
**Chairperson**

**6. Report of The Fund Administrator.**

The fund started operational officially during the financial year 2017/2018. During the financial year 2023/2024 staff and Mcas borrowed to the tune of Kshs 8,450,000. 100% of the loans advanced to Members of the county assembly was on mortgage and none on car loan as detailed below:

<b>Details</b>	<b>Amount</b>
	<b>Kshs</b>
Mortgage	8,450,000
<b>Total</b>	<b>8,450,000</b>

Car loan and mortgage fund account has improved life for members of the county assembly and staff since they are given loan to purchase land and their improving their living standards.



.....  
Name: Abdullahi Dayib Hussein

**Fund Administrator**

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

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 key mandate of the County Assembly of Tana River car loan and mortgage is issue loans to members of the county assembly and staff, and below were the expected outputs of the assembly in FY 2023/2024

<b>Program 1</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Mortgage	Issue Mortgage loans to MCAs and Staff	Motivation of MCA and Staff	Number of Mortgage Issued	Three (3)Mortgages issued to MCAS

**Progress on attainment of Strategic development objectives**

Below we provide the progress on attaining the stated objectives.

<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Mortgage	Issue Mortgage loans to MCAs and Staff	Motivation of MCA and Staff	Number of Mortgage Issued	Three (3)Mortgages issued to MCAS

**8. Corporate Governance Statement**

The member of the loans management committee are established under regulation 8 which provides for:-

-The vice-chair of the board who shall be the chairperson -The leader of minority party

-The chair-person of the member's welfare committee of the members

-Majority whip of the Assembly.

-Minority Whip of the Assembly.

The officer administering the fund shall be ex-officio member of the committee and secretary of the committee.

**9. Management Discussion and Analysis**

The fund committee has advanced loans on both car loan and mortgage to the members of the county Assembly and Staff. The fund started officially operational during the financial year 2017/2018 and financial year 2018/2019.

During the financial year 2023/2024 staff borrowed to the tune of Kshs8,450,000. 100% of the loans was on mortgage and non on car loan

## **10. Environmental and Sustainability Reporting**

County assembly of Tana River Car and Mortgage Scheme Fund exists to transform lives of Members of County Assembly and the staff. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on three 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**

The top management of the county assembly ensures safety of it is environment.

### **3. Employee welfare**

County Assembly of Tana River Car and Mortgage Scheme Fund also consider employee welfare as per Public Service reward system.

### **4. Corporate Social Responsibility / Community Engagements.**

The- fund did not engage in any community projects

**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 County Assembly of Tana River Car Loan and Mortgage Fund account is to advance loans to the members of the county assembly and the staff.

**Results**

The performance of the Fund for the year ended June 30, 2024, are set out on page 1-5

**Trustees**

The members of 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.

By Order of the Board

By Order of the Board

.....  .....

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

**Date:** 13/12/24

**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 *Tana river county assembly car loan and mortgage fund act* shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

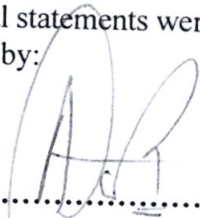
The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) 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 *Tana river county assembly car loan and mortgage fund act*. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2024, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

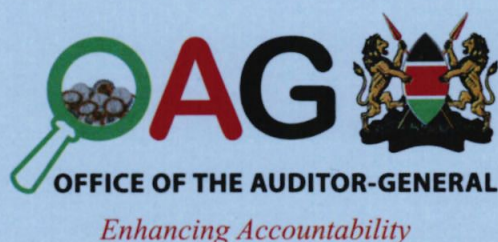
The Fund's financial statements were approved by the Board on 13/12 2024 and signed on its behalf by:



.....  
**Administrator of the County Public Fund**

# REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

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

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### PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- 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 Tana River County Assembly Loan and Mortgage Fund set out on Pages 1 to 37, which comprise the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Assembly of Tana River Car Loan and Mortgage Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management (County Assembly of Tana River Mortgage (Members) Scheme Fund) Regulations, 2018 and the Public Finance Management Act, 2012.

### Basis for Qualified Opinion

#### 1. Inaccuracies in the Financial Statements

Review of the financial statements revealed that the statement of cash flows reflects Kshs.Nil balance in respect to interest received while the corresponding interest income in the statement financial performance is Kshs.2,820,278 resulting to unexplained variance of Kshs.2,820,278. In addition, Note 23 to the financial statement reflects Kshs.Nil balance in respect of net cash flow from operating activities while the corresponding payments in the statement of cash flows is Kshs.7,844 resulting to unexplained variance of Kshs.7,844.

In the circumstances, the accuracy and completeness of the interest income and payments on operating activities could not be confirmed.

#### 2. Inaccurate Receivables Balance

The statement of financial position reflects receivables balance of Kshs.96,749,672 which includes long term and short-term receivables balances of Kshs.69,740,378 and Kshs.27,009,294 respectively. However, the loan register reflects outstanding receivables balance of Kshs.93,837,580 resulting to unreconciled variance of Kshs.2,912,092. In addition, review of the payroll's records indicates that a total of Kshs.17,526,458 was recovered from twenty-nine (29) members of staff and members of the County Assembly towards repayment of loans during the year under review. However,

loan amortization schedule reflects a corresponding amount of Kshs.20,921,515 resulting to unexplained variance of Kshs.3,395,057.

In the circumstances, the accuracy and completeness of the receivables balance of Kshs.96,749,672 could not be confirmed.

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

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section. There were no key audit matters to report in the year under review.

### **Other Matter**

### **Unresolved Prior Year Matters**

The prior year audit issues remained unresolved as at 30 June, 2024.

### **Other Information**

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

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

# 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. Unbalanced Budget**

The statement of budget and actual amount reflects budgeted final income totalling Kshs.3,000,000 while total expenditure budget is Kshs.8,460,000 resulting to budgeted deficit of Kshs.5,460,000 contrary to Regulation 31 of the Public Finance Management (County Governments) Regulations, 2015 which provides that unless provided otherwise in the Act, these Regulations or any other guidelines developed in furtherance of the Act or these Regulations, at all times during budget formulation and approval all revenue and expenditure shall be entered into the County Government budget estimates, expenditure entered in County Government budget estimates shall be authorized for one(1) financial year only and budget revenue and expenditure appropriations shall be balanced.

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

### **2. Failure to Effect Loan Recovery**

The statement of financial position and Note 8 to the financial statements reflects long term receivables balance of Kshs.69,740,378. Included in this balance is an amount of Kshs.4,382,349 in respect of loans disbursed to a member of the County Assembly. However, the balance has remained constant as reported in the previous year audited financial statements, an indication that no repayment was made in the financial year under review. In addition, Management did not provide the loan agreement and loan securities to support this outstanding balance contrary to Regulation 18 of Public Finance (County Assembly of Tana River Car Loan (Members) Scheme Fund) Regulations, 2018 which states that the board may call in a loan and in default sell the charged property by public auction or private treaty where the borrower is in breach of the terms under the loan agreement or the covenant contained in the charge of the mortgage instrument.

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

### **3. Failure to Provide Loan Discharge Certificates**

Available information indicates that an officer had completed loan repayments totalling to Kshs.215,624 in the year under review. However, the member has not been issued with a loan discharge certificate contrary to Regulation 14 of Public Finance (County Assembly

of Tana River Car Loan (Members) Scheme Fund) Regulations, 2018 which states that upon full payment of the loan, a signed loan discharge certificate shall be issued to the member of the scheme and a copy thereof shall be forwarded to the Registrar of Motor Vehicles.

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

#### **4. Failure to Remit Car Loan and Mortgage Deductions**

Review of the payroll indicate that the County Assembly deducted a total amount of Kshs.26,391,899 from staff and members in the year under review in respect of car loan and mortgage loan repayments. However, only Kshs.9,018,493 was deposited to the fund account held at the Kenya Commercial Bank leaving a balance of Kshs.17,373,406 resulting to an increase in unremitted loan deductions as at 30 June, 2024 to Kshs.142,638,398 contrary to Section 16(3) of the Tana River County Assembly Car Loan (Members) Scheme Fund) Regulations, 2018 which states that all monies of the Fund shall be paid into an account operated by the officer administering the Fund.

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

#### **5. Irregular Processing of Loan Applications**

Review of loan records indicate that a Member of the County Assembly (MCA) was granted a Mortgage loan of Kshs.3,150,000 for the purchase of a residential property in Kilifi-Mtonda area according to land evaluation, a search done on 7 March, 2023 and a sale agreement dated 14 March, 2023. However, the loan application form did not indicate duration of the loan, next of kin PIN number and address, position in employment, years and terms of service, number of years remaining in service, current net salary, application form not signed by the payroll manager, financial appraisal details, approval by loan management committee and fund administrator and payments details section by the accounts department contrary to the provisions of Regulation 8 of the Public Finance Management (Tana River County Assembly Car Loan (Members) Scheme Fund) Regulations, 2018) which states that a member of the scheme who wishes to apply for a loan from the Fund shall make such application to the officer administering the Fund in such manner and form as prescribed in the First Schedule.

In addition, the amount advanced to the MCA was above the limit of Kshs.3,000,000 set maximum amount eligible by any member contrary to Regulation 13(1) of the Public Finance Management (Tana River County Assembly Car Loan (Members) Scheme Fund) Regulations, 2018) which states that the maximum loan to be granted under these regulations shall not exceed the sum of three million shillings in the case of a member of the County Assembly.

Further, according the loan register, the loan will be repaid within a period of seven (7) years yet the unexpired term is only four (4) years. In July, 2027, the member will be having an outstanding balance of Kshs.1,508,033. Another MCA was advanced Kshs.3,000,000 repayable within seven (7) years effective 28 November, 2023. However,

at the expiry of the term in July, 2027, the member will have an outstanding balance of Kshs.1,507,104. Regulation 14 of the Public Finance Management (Tana River County Assembly Car Loan (Members) Scheme Fund) Regulations, 2018) states that a loan advanced under these regulations shall be repaid in full in the case of a member of the County Assembly, for a maximum period of forty-eight months provided that the repayment period of the loan shall not exceed the last month of the term of the member of the scheme where the member is a member of the County Assembly.

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

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

## REPORT ON 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 the 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 applicable 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

31 December, 2024

**14. Statement of Financial Performance for the Year Ended 30<sup>th</sup> June 2024**

	Note	2023/2024	2022/2023
		KShs	KShs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	1		117,200,000
<b>Total</b>			-
<b>Revenue from exchange transactions</b>			
Interest income	2	2,820,278	1,779,673
<b>Total revenue</b>		<b>2,820,278</b>	<b>118,979,673</b>
<b>Expenses</b>			
Committee expenses	3	-	896,000
Car Grants	4	-	57,512,000
Bank Charges	5	7,844	10,287
<b>Total expenses</b>		<b>7,844</b>	<b>58,418,287</b>
<b>Surplus/(deficit) for the period</b>		<b>2,812,434</b>	<b>60,561,386</b>

.....  
**Name: Abdullahi Dayib Hussein**  
**Administrator of the Fund**


.....  
**Name: Alex Kibwage**  
**Fund Accountant**


.....  
**Wehliye Ahmed D**  
**Senior Accountant**  
**Member No 17115**


15. Statement of Financial Position As at 30 June 2024

	Note	2023/2024	2022/2023
		KShs	KShs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	595,144	34,495
Short Term Receivables	6	27,009,294	26,799,643
Amount receivable from main assembly account	7	142,638,398	125,264,992
<b>Total</b>			
<b>Non-current assets</b>			
Long Term Receivables	8	69,740,378	85,791,497
<b>Total</b>		<b>69,740,378</b>	
<b>Total assets</b>		<b>239,983,214</b>	<b>237,890,627</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
<b>Non-current liabilities</b>		-	
Net Assets		-	
<b>Represented by</b>			
Revolving Fund		186,688,000	186,688,000
Accumulated surplus		53,295,214	51,202,627
<b>Total net assets and liabilities</b>		<b>239,983,214</b>	<b>237,890,627</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 13/12/2024 and signed by:


  
.....  
**Name: Abdullahi Dayib Hussein**  
**Administrator of the Fund**


  
.....  
**Name: Alex Kibwage**  
**Fund Accountant**


  
.....  
**Wehliye Ahmed D**  
**Senior Accountant**  
**Member No 17115**

**16. Statement Of Changes in Net Assets for the year ended 30<sup>th</sup> June 2024**

	<b>Revolving Fund</b>	<b>Accumulated surplus</b>	<b>Total</b>
		<b>KShs</b>	<b>KShs</b>
<b>Balance as at 1 July 2023</b>	<b>127,000,000</b>	<b>(9,358,759)</b>	<b>117,641,241</b>
Surplus/(deficit) for the period		60,561,386	60,561,386
Funds received during the year	117,200,000		117,200,000
Car Grant	(57,512,000)		(57,512,000)
<b>Balance as at 30 June 2023</b>	<b>186,688,000</b>	<b>51,202,627</b>	<b>237,890,627</b>
<b>Balance as at 1 July 2024</b>	<b>186,688,000</b>	<b>51,202,627</b>	<b>237,890,627</b>
Surplus/(deficit) for the period	-	2,812,434	2,812,434
Prior year adjustment	-	(719,847)	(719,847)
Car Grants paid	-	-	-
<b>Balance as at 30 June 2024</b>	<b>186,688,000</b>	<b>53,295,214</b>	<b>239,983,214</b>

  
 .....  
**Name: Abdullahi Dayib Hussein**  
**Administrator of the Fund**

  
 .....  
**Name: Alex Kibwage**  
**Fund Accountant**

  
 .....  
**Wehliye Ahmed D**  
**Senior Accountant**  
**Member No 17115**

*County assembly of Tana River car loan and mortgage fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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

	Note	2023/2024	2022/2023
		KShs	KShs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government	1		117,200,000
Interest received	2		-
<b>Total Receipts</b>			<b>117,200,000</b>
<b>Payments</b>			
Committee expenses	3		896,000
Car grant expenses	4		57,512,000
Bank Charges	5	7,844	10,287
<b>Total Payments</b>		<b>7,844</b>	<b>58,418,287</b>
<b>Net cash flows from operating activities</b>		<b>-7,844</b>	<b>58,781,713</b>
<b>Cash flows from investing activities</b>			
Loan disbursements paid out	9	-8,450,000	-64,850,600
<b>Net cash flows used in investing activities</b>			
<b>Cash flows from financing activities</b>			
Repayment of borrowings	10	9,018,493	4,024,553
<b>Net cash flows used in financing activities</b>		<b>9,018,493</b>	<b>4,024,553</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>560,649</b>	<b>-2,044,334</b>
Cash and cash equivalents at 1 JULY 2024	11	34,495	2,078,829
<b>Cash and cash equivalents at 30 JUNE 2024</b>	<b>11</b>	<b>595,144</b>	<b>34,495</b>

18. Statement Of Comparison Of Budget And Actual Amounts For The Period 30<sup>th</sup> June,2024.

	Original budget	Adjustments	Final budget	Actual on comparable basis	% utilisation
	2024	2024	2024	2024	2024
Revenue	KShs	KShs	KShs	KShs	
Transfers from County Govt.	-	-	-	-	-
Interest income	3,000,000	-	3,000,000	2,820,278	94
<b>Total income</b>	3,000,000	-	3,000,000	2,820,278	94
Expenses					
Bank Charges	10,000	-	10,000	7,844	78
Car loan and Mortgage	8,450,000	-	8,450,000	8,450,000	100
Car grant	-	-	-	-	-
<b>Total expenditure</b>	8,460,000	-	8,460,000	<b>8,457,844</b>	99

**19. Notes to the Financial Statements**

**1. General Information**

entity is established by and derives its authority and accountability from Pfm Act. The entity is wholly owned by the Tana River County assembly and is domiciled in Kenya. The entity’s principal activity is to disburse loan and mortgage to staff and members of the county assembly.

**2. Statement of compliance and basis of preparation**

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

**3. Adoption of new and revised standards**

(i) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024*

Standard	Effective date and impact
<p><b>IPSAS 41: Financial Instruments</b></p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></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 Tana river county assembly 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"> <li>• 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;</li> </ul>

Standard	Effective date and impact
	<ul style="list-style-type: none"> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• 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.</li> </ul>
<p><b>IPSAS 42: Social Benefits</b></p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></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"> <li>(a) The nature of such social benefits provided by the Entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows.</li> </ul>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> </ul>

<b>Standard</b>	<b>Effective date and impact</b>
	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.
Other improvements to IPSAS	<p><b><i>Applicable 1<sup>st</sup> January 2023</i></b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i></li> </ul> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> <li>• <i>IPSAS 39: Employee Benefits</i></li> </ul> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement</b></li> </ul> <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</p>

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and 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>

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1<sup>st</sup> January 2025</i> 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.

**(iii) Early adoption of standards**

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

**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 20 march2023. 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 no additional appropriations on the FY 2023/2024 budget following the governing body's approval.

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

### **Summary of Significant Accounting Policies (Continued)**

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 1 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. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an given year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately)* 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. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**Financial assets**

*Classification of financial assets*

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

**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) are set out in.

## **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 creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

**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 commercial bank 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

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.

*(Include provisions applicable for your organisation e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)*

**6. Notes To The Financial Statements**

**1. Transfers from County Government**

<b>Description</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers From County Govt. –Operations	-	117,200,000
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants		-
<b>Total</b>	<b>-</b>	<b>117,200,000</b>

**2. Interest income**

<b>Description</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Income from Mortgage Loans	2,820,278	1,779,673
Interest Income From Car Loans		-
Interest Income From Investments in financial assets		
Interest Income On Bank Deposits		
<b>Total Interest Income</b>	<b>2,820,278</b>	<b>1,779,673</b>

**3. Committee Expenses**

<b>Description</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Committee Expenses	-	896,000
<b>Total Committee expenses</b>	<b>-</b>	<b>896,000</b>

**Notes to the Financial Statements Continued**

**4. Car grants**

Description	2023/2024	2022/2023
	Kshs	Kshs
Car grant expenses	-	57,512,000
<b>Total</b>	-	57,512,000

**5. Bank Charges**

Description	2023/2024	2022/2023
	Kshs	Kshs
Bank Charges	7,844	10,287
<b>Total</b>	7,844	10,287

**6. Loan receivable**

Description	2023/2024	2022/2023
	Kshs	Kshs
Short term receivables	27,009,294	26,799,643
<b>Total</b>	27,009,294	26,799,643

**7.Receivables from the main assembly account**

Description	2023/2024	2022/2023
	Kshs	Kshs
Receivable due from assembly	142,638,398	125,264,992
<b>Total</b>	142,638,398	125,264,992

**8. Long term receivables**

Description	2023/2024	2022/2023
	Kshs	Kshs
Long term receivables	69,740,378	85,791,497
<b>Total</b>	<b>69,740,378</b>	<b>85,791,497</b>

**9. Loan Paid out**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Loan disbursed to meas	8,450,000	64,850,600
		-
		-
		-
<b>Total</b>	<b>8,450,000</b>	<b>64,850,600</b>

**10. Loan repayment borrowing**

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Loan repayments	9,018,493	4,024,553
		-
		-
		-
<b>Total</b>	<b>9,018,493</b>	<b>4,024,553</b>

Notes to the Financial Statements Continued

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

Financial Institution	Account number	2023/2024	2022/2023
		Kshs	Kshs
<b>a) Fixed Deposits Account</b>			
Kenya Commercial Bank	11699663	595,144	34,495
Equity Bank, Etc.		-	-
<b>Sub- Total</b>		-	-
		-	-
<b>b) On - Call Deposits</b>			
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
<b>Sub- Total</b>		-	-
		-	-
<b>c) Current Account</b>			
Kenya Commercial Bank		-	-
Bank B		-	-
<b>Sub- Total</b>		-	-
		-	-
<b>d) Others(Specify)</b>			
Cash In Transit		-	-
Cash In Hand		-	-
<b>Sub- Total</b>		-	-
<b>Grand Total</b>		595,144	34,495

12. Receivables from exchange transactions

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Current Receivables</b>		
Interest Receivable	-	-
Current Loan Repayments Due	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
<b>Total Current Receivables</b>	-	-
	-	-
<b>Non-Current Receivables</b>		
Long Term Loan Repayments Due	-	-
<b>Total Non- Current Receivables</b>	-	-
<b>Total Receivables From Exchange Transactions</b>	-	-

Notes to the Financial Statements Continued

Additional disclosure on interest receivable

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Interest Receivable</b>		
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	-	-
<b>Current loan repayments due</b>	-	-
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.Prepayments

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

13.Inventories

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

Notes to the Financial Statements Continued

14. Investments in financial assets

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>a. Investment in Treasury bills and bonds</b>		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
<b>b. Investment with Financial Institutions/ Banks</b>		
Bank x	-	-
Bank y	-	-
Sub- total	-	-
<b>c. Equity investments (specify)</b>		
Equity/ shares	-	-
Sub- total	-	-
<b>Grand total</b>		

(Entity should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes: the interest rates, maturity dates, valuation methodology, and impairment of these investments.

**Movement of Equity Investments**

Impairment allowance/ provision	2023/2024	2022/2023
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
<b>At the end of the year</b>		

**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			
	%	%	%	Kshs	Current year Kshs	Prior year Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

**Notes To The Financial Statements (Continued)**

**15. Property, plant and equipment**

	<b>Land and Buildings</b>	<b>Motor vehicles</b>	<b>Furniture and fittings</b>	<b>C of</b>
<b>Cost</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
<b>At 1<sup>st</sup> July 2022</b>	-	-	-	
Additions	-	-	-	
Disposals	-	-	-	
Transfers/Adjustments	-	-	-	
<b>At 30<sup>th</sup> June 2023</b>	-	-	-	
<b>At 1<sup>st</sup> July 2023</b>	-	-	-	
Additions	-	-	-	
Disposals	-	-	-	
Transfer/Adjustments	-	-	-	
<b>At 30<sup>th</sup> June 2024</b>	-	-	-	
<b>Depreciation And Impairment</b>	-	-	-	
<b>At 1<sup>st</sup> July 2022</b>	-	-	-	
Depreciation	-	-	-	
Impairment	-	-	-	
<b>At 30<sup>th</sup> June 2023</b>	-	-	-	
<b>At 1<sup>st</sup> July 2023</b>	-	-	-	
Depreciation	-	-	-	
Disposals	-	-	-	
Impairment	-	-	-	
Transfer/Adjustment	-	-	-	
<b>At 30<sup>th</sup> June 2024</b>	-	-	-	
<b>Net Book Values</b>	-	-	-	
<b>At 30<sup>th</sup> June 2023</b>	-	-	-	
<b>At 30<sup>th</sup> June 2024</b>	-	-	-	

**County assembly of Tana River Car loan and Mortgage fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes To The Financial Statements (Continued)**

**16. Intangible assets**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Cost</b>		
<b>At Beginning of The Year</b>	-	-
Additions	-	-
<b>At End of The Year</b>	-	-
<b>Amortization And Impairment</b>		
<b>At Beginning of The Year</b>	-	-
Amortization	-	-
<b>At End of The Year</b>	-	-
Impairment Loss	-	-
<b>At End of The Year</b>	-	-
<b>NBV</b>	-	-

**17. Investment Property**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>At beginning of the year</b>	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
<b>At end of the year</b>	-	-

*(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.*

*County assembly of Tana River Car loan and Mortgage fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes To The Financial Statements (Continued)**

**18. Trade and other payables from exchange transactions**

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

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

**19. Provisions**

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance At the Beginning Of The Year	-	-	-	-
Additional Provisions	-	-	-	-
Provision Utilised	-	-	-	-
Change Due To Discount And Time Value For Money	-	-	-	-
Transfers From Non -Current Provisions	-	-	-	-
<b>Balance At The End of The Year</b>	-	-	-	-

*County assembly of Tana River Car loan and Mortgage fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes To The Financial Statements (Continued)**

**20. Borrowings**

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Balance At Beginning of The Period</b>	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments Of External Borrowings During the Period	-	-
Repayments Of Domestic Borrowings During the Period	-	-
<b>Balance At End of The Period</b>	-	-

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

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>External Borrowings</b>		
Dollar Denominated Loan From 'X Organization'	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from Z Organization'	-	-
<b>Domestic Borrowings</b>	-	-
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
<b>Total Balance at End of The Year</b>	-	-

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

Description	2023/2024	2022/2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
<b>Total</b>	-	-

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

*County assembly of Tana River Car loan and Mortgage fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes To The Financial Statements (Continued)**

**21. Employee benefit obligations**

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

**22. Social Benefit Liabilities**

Description	2023/2024	2022/2023
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
<b>Total</b>	-	-
	-	-
Current social benefits	-	-
Non- current social benefits	-	-
<b>Total (tie to totals above)</b>	-	-

*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.*

**County assembly of Tana River Car loan and Mortgage fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes To The Financial Statements (Continued)**

**23. Cash generated from operations**

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

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

**Notes To The Financial Statements (Continued)**

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

**b) Related party transactions**

Description	2023/2024	2022/2023
	Kshs	Kshs
Transfers From Related Parties'	-	117,200,000
Transfers To Related Parties	-	-

**c) Key management remuneration**

Description	2023/2024	2022/2023
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
<b>Total</b>	-	-

**d) Due from related parties**

Description	2023/2024	2022/2023
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Assembly assembly	142,638,398	125,264,992
<b>Total</b>	142,638,398	125,264,992

**Other Disclosures Continued**

**e) Due to related parties**

Description	2023/2024	2022/2023
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
<b>Total</b>	-	-

**25. Contingent assets and contingent liabilities**

Contingent Liabilities	2023/2024	2022/2023
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
<b>Total</b>	-	-

*(Give details)*

## Notes To The Financial Statements (Continued)

### 26. 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
<b>At 30 June 2024</b>				
Receivables From Exchange Transactions	96,749,672	96,749,672	-	-
Receivables From Non-Exchange Transactions	142,638,398	142,638,398	-	-
Bank Balances	-	-	-	-
<b>Total</b>	<b>239,388,070</b>	<b>239,388,070</b>	<b>-</b>	<b>-</b>
<b>At 30 June 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Receivables From Exchange Transactions	112,591,140	112,591,140	-	-
Receivables From Non-Exchange Transactions	125,264,992	125,264,992	-	-
Bank Balances	-	-	-	-
<b>Total</b>	<b>237,856,132</b>	<b>237,856,132</b>	<b>-</b>	<b>-</b>

(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 other entities

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
<b>At 30 June 2024</b>				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2023</b>				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-

**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
<b>At 30 June 2024</b>			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables	-	-	-
<b>Liabilities</b>	-	-	-
Trade And Other Payables	-	-	-
Borrowings	-	-	-
<b>Net Foreign Currency Asset/(Liability)</b>	-	-	-

*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
<b>2024</b>			
Euro	-	-	-
USD	-	-	-
<b>2023</b>	-	-	-
Euro	-	-	-
USD	-	-	-

**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.

**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	2023/2024	2022/2023
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	186,688,000	186,688,000
Accumulated surplus	53,295,214	51,202,627
<b>Total funds</b>	<b>239,983,214</b>	<b>237,890,627</b>
	-	-
Total borrowings	-	-
Less. cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
<b>Gearing</b>	<b>-</b>	<b>-</b>

**27. Events after the reporting period**

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

**28. Ultimate and Holding Entity**

County assembly of Tana River car loan and mortgage scheme fund is a County Public Fund established by public finance management (county assembly of Tana River mortgage and car loan (members) scheme fund) regulations 2018. Its ultimate parent is the County Government of Tana River

**29. Currency**

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

**20. Annexes**

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

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1.0	Unsecured Loan Receivable	Fund Administrator	Unresolved	June 2025
2.0	Bank Reconciliations not submitted	Fund Administrator	Unresolved	June 2025

**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.

Abdullahi Dayib Hussein  
Fund Manager/Accounting Officer.

Signature.....



Date.....13/12/2024

**County Assembly of Tana River car loan and mortgage fund  
Annual Report and Financial Statements for the year ended June 30, 2024**

**Annex II: Inter-Fund Confirmation Letter**

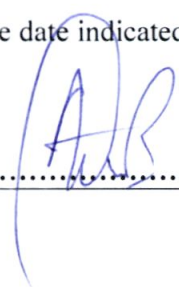
The *Car loan and mortgage fund*] wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Car loan and mortgage fund as at 30 <sup>th</sup> June 2024							
Reference Number	Date Disbursed	Amounts Disbursed by [County assembly as at 30 <sup>th</sup> June 2024				Amount Received by [beneficiary Fund] (KShs) as at 30 <sup>th</sup> June 2024 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)= (A+B+C)		

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

**Head of Accountants department of beneficiary Fund:**

Name ABDUL KAH DOWIB HUSSEIN

Sign 

Date 13/12/2024

*County Assembly of Tana River car loan and mortgage fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**Annex III: Reporting of Climate Relevant Expenditures**

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

*County Assembly of Tana River car loan and mortgage fund*  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**Annex IV: Reporting on Disaster Management Expenditure**

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