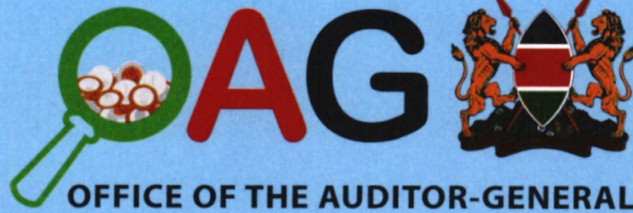


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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REPORT

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ON

**NYAMIRA COUNTY ASSEMBLY CAR AND
MORTGAGE LOAN SCHEME FUND**

**FOR THE YEAR ENDED
30 JUNE, 2023**



**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN
SCHEME FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE, 2023**

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

**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE, 2023**

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**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE, 2023**

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
KCA	Kenya College of Accountancy
Kshs	Kenya Shillings

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility
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**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE, 2023**

**2. KEY NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME
FUND INFORMATION AND MANAGEMENT**

a) Background information

The Nyamira County Assembly Car & Mortgage Loan Scheme Fund is established by Section 116 of the PFM Act and derives its authority and accountability from the Public Finance Management Act, 2012. The fund became operational vide Nyamira County Gazette Supplement No.2 of 21st March, 2014 and was further amended in 2019. The fund is wholly owned by the County Government of Nyamira and domiciled in Kenya.

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

b) Principal Activities

The principal activity of the Fund is to provide loan scheme to the members.

c) Fund Administration Committee

No.	Position	Name
1.	Chairman of the Fund	Hon. Thaddeus Nyabaro
2.	Vice Chairperson	Hon. George Abuga
3.	Fund Administrator	Mr. Duke Onyari - Up to 4 th January 2023
4.	Fund Administrator	Mr. Daniel Orina - from 4 th January 2023
5.	Member	Hon. Beatrice Onyancha
6.	Member	Hon. Samuel Gichana Ogeto
7.	Member	CPA. Evelyne Kiage
8.	Member	CPA. Leonard Nyamasege
9.	Member	Mr. David Nyaberi
10.	Member	Hon. Dickson Machungo

**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE, 2023**

d) Key Management Team

No.	Name	Position
1	Fund Chairman	Hon. Thaddeus Nyabaro
2	Fund Administrator – Served from 4 th January 2023	Mr. Daniel Orina
3	Fund Administrator – served up to 4 th January 2023	Mr. Duke Onyari
4	Fund Accountant	CPA. Leonard Nyamasege

e) Registered Offices

P.O. Box 590 - 40500

Nyamira County Assembly

Off Nyamira – Nyabite Road

Nairobi, KENYA

f) Fund Contacts

Telephone: (254) 701967200

E-mail: info@nyamiraassembly.go.ke

Website: www.nyamiraassembly.go.ke

g) Fund Bankers

Family Bank

Nyamira Branch

Nyamira

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

**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE, 2023**




3. FUND ADMINISTRATION COMMITTEE

	<p>Hon. Nyabaro is the Chairman of the Car and Mortgage Management Committee in line with the car and Mortgage loan scheme regulations. He is serving his third term as the Member of the County Assembly representing Ekerenyo Ward. Hon. Nyabaro previously worked at the Independent Electoral and Boundaries Commission before joining elective politics in the year 2013. He holds a diploma in Leadership and Governance from KCA University.</p>
	<p>Hon. CPA. George Abuga served as the vice chairperson of the Nyamira County Assembly car and mortgage loan scheme fund committee during the year. He is serving his second term as the Member of County Assembly representing Bogichora ward.</p> <p>Hon. CPA. George is a certified public accountant and a registered member of ICPAK.</p>
	<p>Mr. Daniel Orina is the Clerk of Nyamira County Assembly and the secretary to the Nyamira County Assembly car and mortgage loan scheme fund committee</p> <p>He holds a diploma in project management, a post graduate diploma in education, a Bachelor of Arts from the University of Nairobi and Master in English from the University of Warwick, United Kingdom.</p> <p>He served as the Scheme Administrator as from 4th January, 2023.</p>

**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE, 2023**

 <p>Mr. Duke Simeon Onyari Senior Deputy Clerk</p>	<p>Mr. Duke Simeon Onyari is the Senior Deputy Clerk of Nyamira County Assembly. He served as the Scheme Administrator up to 4th January, 2023. He is an Advocate of the High Court of Kenya.</p> <p>He also hold a certificate of Senior Management course from the Kenya School of Government.</p>
 <p>CPA. Leonard Nyamasege Chief Finance Officer</p>	<p>He is a member of the Car and Mortgage Loan Management Committee and the Chief Finance Officer.</p> <p>He holds a Bachelor of Commerce Degree and Master of Business Administration in Finance from the University of Nairobi. He is a Certified Public Accountant (CPAK) and a member of Institute of Public Accountants.</p>
 <p>Mr. David Nyaberi Member</p>	<p>He is an elected member of staff of Car and Mortgage Loan Management Committee represent the members of staff.</p> <p>He holds a Diploma in Business Management from Kisii Polytechnic.</p>
 <p>CPA. Evelyne Kiage Member</p>	<p>She is an elected member of staff representing the interests of the members of staff.</p> <p>She holds a Bachelor of Arts (Economics) Degree and Master of Business Administration (Finance). She is a Certified Public Accountant (CPAK) and a member of Institute of Public Accountants.</p>

**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE, 2023**

	<p>Hon. Dickson Machungo is a member of the Car and Mortgage Management Committee appointed by the Board. He is serving his first term as the Member of the County Assembly representing the youth.</p>
	<p>Hon. Samuel Ogeto is a member of the Car and Mortgage Management Committee appointed by the Board. He is serving his first term as the Member of the County Assembly representing Manga Ward.</p> <p>Hon. Ogeto is a retired Principal.</p>
	<p>Hon. Beatrice Onyancha is a member of the Car and Mortgage Management Committee appointed by the Board. She is serving her first term as the Member of the County Assembly of gender to up.</p>




**Hon. Dickson Machungo
Member**

**Hon. Samuel Ogeto
Member**

**Hon. Beatrice Onyancha
Member**

**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE, 2023**

4. MANAGEMENT TEAM

 <p>Hon. Thaddeus Nyabaro Chairman</p>	<p>Hon. Nyabaro is the Chairman of the Car and Mortgage Management Committee in line with the car and Mortgage loan scheme regulations. He is serving his third term as the Member of the County Assembly representing Ekerenyio Ward. Hon. Nyabaro previously worked at the Independent Electoral and Boundaries Commission before joining elective politics in the year 2013. He holds a diploma in Leadership and Governance from KCA University.</p>
 <p>Mr. Daniel Oginda Orina Clerk/Scheme administrator</p>	<p>Mr. Daniel Orina is the Clerk of Nyamira County Assembly and the Scheme administrator of the Nyamira County Assembly car and mortgage loan scheme fund</p> <p>He holds a diploma in project management, a post graduate diploma in education, a Bachelor of Arts from the University of Nairobi and Master in English from the University of Warwick, United Kingdom. He served as the Scheme Administrator as from 4th January, 2023.</p>
 <p>Mr. Duke Simeon Onyari Senior Deputy Clerk</p>	<p>Mr. Duke Simeon Onyari is the Senior Deputy Clerk of Nyamira County Assembly. He served as the Scheme Administrator up to 4th January, 2023. He is an Advocate of the High Court of Kenya. He also holds a certificate of Senior Management course from the Kenya School of Government.</p>

**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE, 2023**



**CPA. Leonard Nyamasege
Chief Finance Officer**

He is a member of the Car and Mortgage Loan Management Committee and the Chief Finance Officer.

He holds a Bachelor of Commerce Degree and Master of Business Administration in Finance from the University of Nairobi. He is a Certified Public Accountant (CPAK) and a member of Institute of Public Accountants.

**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE, 2023**

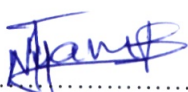
5 FUND CHAIRPERSON'S REPORT

The Management Committee submits this annual report and Financial Statements for Nyamira County Assembly Car and Mortgage Loan Scheme fund for the year ended 30th June, 2023. The financial reports disclose the state of affairs of the scheme.

The key objective of the Committee is to disburse loans to the members of the County Assembly and the staff. During the year under review, the committee received a total of Kshs. 127,000,000 that was disbursed to the members of the County Assembly in form of car loans and mortgages. Though the funding was not sufficient to cater for the members the committee was able to utilise the revolving fund in giving all the members the loans.

The committee still pursues options of lobbying for funding so as to ensure that all eligible members receive the loans to enable them purchase affordable houses and motor vehicles. The committee also ensures that any interest earned is prudently utilised in order to ensure that there is steady growth of the fund.

The committee is also at an advanced level in enhanced that it acquires an office that will be operational of day-to-day basis so as to ensure that the members challenges are addressed on a timely manner.



.....
Hon. Thaddeus Nyabaro

26th September, 2023

Chairman, Car and Mortgage Loan Management Committee

**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE, 2023**

6 REPORT OF THE FUND ADMINISTRATOR

During the year, the fund collected a total of Kshs. 6,584,589 from the interest income at a rate of 3% per annum on the loans given to the members of the scheme. The interest income received was slightly below the budgeted amounts of Kshs. 6,585,900 by Kshs. 1,311. However, the interest received of Kshs. 6,584,589 increased by 5% as compared to the interest of Kshs. 6,254,160 received in the financial year 2021/2022.

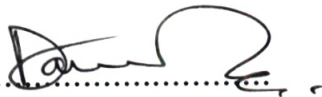
Out of the interest income earned of Kshs. 6,584,589, 17% was spent towards meeting Fund Administration and general expenses.

The Scheme equally experienced challenges in receiving of loan deductions from its members from its members due to the delayed disbursements of funds for salaries from the National Treasury. The Committee remains committed in ensuring that funds are disbursed to the members and look forward to constant growth of the fund.

The scheme has equally put up an elaborate plan so as to ensure that there is constant growth of the fund. The committee has resolved that there will always be minimal expenditure incurred from the fund so as to plough back the surplus to the accumulated fund. The committee is also in consultation with the board so as to have a budgeted allocation that will be utilised in loaning the members that are yet to get the loans from the revolving fund.

The Scheme has put in place an active risk management strategy so as to reduce the risks that could be faced by the Scheme. The strategies in place are Group Credit Life insurance policy with Britam Life Assurance Company, the loans are being repaid through check-off system and the loans are secured.

Signed:



Mr. Daniel Orina

**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE, 2023**

**7 STATEMENT OF PERFORMANCE AGAINST THE COUNTY FUND'S
PREDETERMINED OBJECTIVES**

The key objectives of the Public Finance Management (Nyamira County Assembly Mortgage and Car Scheme Fund) Regulations, 2019.

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

The progress of attaining the stated objectives are:

Program	Objective	Outcome	Indicator	Performance
Program 1: Loan Scheme for Purchase, development of residential properties	To ensure that the members of the scheme have decent homes to live in	Increased number of scheme members accessing the loans for development of residential property.	80% of members with good residential properties.	In FY 2022/23 we increased the number of beneficiaries.
Program 2: Loan for purchase of vehicles	To give loan to members for purchase of private motor vehicles	Increased number of members who can access car loans	Ability to access workplace	Car loans were issued to all Members of the County Assembly.

**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE, 2023**

8 CORPORATE GOVERNANCE STATEMENT

The Loans Management Committee met during the year to deliberate on key matters affecting the scheme such as, budget and budgetary controls and loans disbursements to more members. The Committee's functions are well articulated in the regulations as processing applications for loans in accordance with the existing terms and conditions of borrowing, liaise with mortgage institutions and County Government in soliciting for more funding. The committee also provides day to day running of the fund.

**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE, 2023**

9 MANAGEMENT DISCUSSION AND ANALYSIS

The Loan Management Committee spend ninety six percentage of the total budgeted amounts during the year. Out of the interest income received of Kshs. 6,584,589, the committee spent Kshs. 1,138,960 resulting to surplus of Kshs. 5,445,629. This brought about a saving that was transferred to the revolving kitty for more loaning to its members.

The Fund did not have any investments plan since its core objective was to ensure that more loans are disbursed to the members. The Fund has always complied with the statutory provisions in its operations. The major risks that the fund faces are outstanding loans from its members of the County Assembly of the first Assembly. The Management committee agreed that since the outstanding loans of Kshs.16,303,344 were for members of the scheme who deceased and therefore it was not possible to recover their loans from their next of keen the amounts should be written off from the records. The Management committee agreed that the revolving fund should be safe guarded so as to have steady growth, this should be done through prudence utilisation of the accrued interest in defraying any fund expenditures.

The Management Committee is pursuing more funding to assist the fund in meeting its long-term objectives.

**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE, 2023**

10 ENVIRONMENTAL AND SUSTAINABILITY REPORTING

1. Sustainability strategy and profile -

The Members of County Assembly car and Mortgage loan committee have been trained on their roles and discharged the mandates in line with the provisions of Public Finance Management Act and the Nyamira County Assembly car loan and Mortgage fund regulations, 2019. Their key roles are to process members' loans with impartiality. Emphasis has been on constant capacity building of the committee members in order to promote good governance and ethical values. The scheme has also ensured that it embraces best practises exhibited by other schemes globally.

2. Environmental performance

The committee has embraced virtual operations especially for the activities of the committees. As a way to reduce usage of papers, the committee has embraced technology the committee encourage use of technology in its operations.

3. Employee welfare

The Committee has ensured that it has put in place the Members Group Credit Assurance Benefit policy whose role is to pay the policyholder the amounts of benefits set out in the register of lives assured subject always to the conditions and privileges provided

4. Market place practices

The management committee ensures that there is fair competition among all the service providers engaged in providing services to the scheme. The management committee also ensures that all its services providers are pay their obligations whenever they fall due.

5. Corporate Social Responsibility / Community Engagements

The Committee did not engage in any corporate social responsibility during the year under review. The committee has however plans to have engagements with the citizens within the community.

**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE, 2023**

11 REPORT OF THE FUND ADMINISTRATION COMMITTEE

The Trustees submit their report together with the audited financial statements for the year ended 30th June, 2023 which show the state of the Fund affairs.

Principal activities

The principal activity of the Fund is to provide loan scheme to the members.

Results

The results of the Fund for the year ended 30th June, 2023 are set out on page 1

Fund Administration committee

The members of the Management Committee who served during the year are shown on page vi to page viii.

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....
Fund Administrator

Date: 26th September, 2023

**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE, 2023**

12 STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

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 30th June, 2023. 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 (Nyamira County Assembly Mortgage and Car Loan Scheme Fund regulations). 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 30th June, 2023, 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.

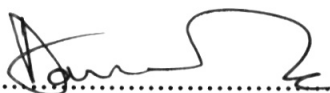
In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

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.

**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE, 2023**

Approval of the financial statements

The Fund's financial statements were approved by the Board on 26th September, 2023 and signed on its behalf by:



.....

Fund Administrator

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NYAMIRA COUNTY ASSEMBLY CAR AND MORTGAGE LOAN SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and overall governance systems are properly designed and were working effectively in the financial year under review.

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 Nyamira County Assembly Car and Mortgage Loan Scheme Fund set out on pages 1 to 29, which comprise of the statement of financial position as at 30 June, 2023 and the statement of financial

Report of the Auditor-General on Nyamira County Assembly Car and Mortgage Loan Scheme Fund for the year ended 30 June, 2023

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

In my opinion, except for the 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 Nyamira County Assembly Car and Mortgage Loan Scheme Fund as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012, and the Public Finance Management (Nyamira County Assembly Car and Mortgage Scheme Fund) Regulations, 2019.

Basis for Qualified Opinion

1. Long-Term Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 6 to the financial statements reflects balance of Kshs.277,292,646 in respect of long-term receivables from exchange transactions, However, re-calculation of the balance using information provided revealed a balance of Kshs.270,708,057 as detailed below resulting to unexplained and unreconciled variance of Kshs.6,584,589.

Details	Amount (Kshs.)
Opening Balance as at 1 July, 2022	174,870,068
Add new loans Issued	216,100,633
Less Loans Repayments	(41,275,271)
Less Interest earned	(6,584,589)
Less Current Portion of Long-Term Receivables from Exchange	(72,402,784)
Re-Calculated Balances as at 30 June, 2023	270,708,057
Less Balance in Financial Statements	277,292,646
Unexplained Variance	6,584,589

In the circumstances, the accuracy and completeness of the balance of Kshs.277,292,646 in respect of long-term receivables from exchange transactions could not be confirmed.

2. Loans Disbursements Paid Out

2.1 Variances between Financial Statements and Loan Disbursement Ledger

The statement of cash flows reflects an amount of Kshs.216,100,633 in respect of car and mortgage loan disbursements paid out during the year under review. However, review of the car and mortgage ledger schedule in respect of the loans revealed

Kshs.74,000,000 and Kshs.137,400,000 in respect of car loans and mortgage loans disbursed out respectively during the year totalling to Kshs.211,400,000 resulting to an unexplained and unreconciled variance of Kshs.4,700,633.

In the circumstances, the accuracy and completeness of an amount of Kshs.216,100,633 in respect of car and mortgage loan disbursements paid out could not be confirmed.

2.2 Discrepancies in Loans Disbursement to Staff

The statement of cash flows reflects an amount of Kshs.216,100,633 in respect of loan disbursements paid out during the year under review. However, review of the mortgage and car loan bank statements revealed that sampled members were granted loans of amounts of Kshs.12,600,000, Kshs.4,900,000, Kshs.5,400,000, Kshs.5,700,000, Kshs.5,900,000 and Kshs.5,250,000 that are at variance with the individual loan amortization schedules reflecting amounts of Kshs.10,800,000, Kshs.1,400,000, Kshs.2,500,000, Kshs.3,000,000, Kshs.1,500,000 and Kshs.1,650,000 respectively resulting to unexplained variance. The difference also affected the interest charged on the loan and hence the interest income and loan repayments. Further, the bank statement revealed that the loans were paid out in piecemeal and a complete loan control ledgers or amortization schedule was not maintained.

In the circumstances, the accuracy and completeness of the amount of Kshs.216,100,271 in respect of loan disbursements paid out could not be confirmed and the Management was in breach of the law in granting loans above the approved ceiling.

2.3 Unsupported Loans Disbursements Paid Out

The statement of cash flows reflects an amount of Kshs.216,100,633 in respect of loan disbursements paid out during the year under review. However, review of the mortgage and car loan bank statements revealed that loans disbursements were paid directly to the borrowers' bank accounts with beneficiaries names. Further, review of the bank statements for the year under review revealed payments amounting to Kshs.48,800,000 that were not paid to other parties which were not supported with loan application and disbursement schedules, fund transfers forms, borrowers name and bank accounts details as shown in the table below;

Payee	Amount (Kshs.)
Transfer Mortgage Account	42,050,000
Transfer Cash Loan	3,850,000
Auto Imports Limited	950,000
Unidentified Payee	1,950,000
Total	48,800,000

In the circumstances, the accuracy and completeness of the amount of Kshs.216,100,633 in respect of loan disbursements paid out could not be confirmed.

3. Proceeds from Principal Loan Repayments

3.1 Variances Between Financial Statements and Proceeds from Loan Principals Repayments

The statement of cash flows reflects an amount of Kshs.41,275,271 in respect of proceeds from loan principal repayments during the year under review. However, review of the car and mortgage loan ledger schedule in respect of loan principal repayments revealed Kshs.9,850,213 and Kshs.28,169,727 in respect of car loans and mortgage loans proceeds of loan principals repayments respectively during the year totalling to Kshs.38,019,940 resulting to an unexplained and unreconciled variance of Kshs.3,255,331.

In the circumstances, the accuracy and completeness of the amount of Kshs.41,275,271 in respect of loan principal repayments could not be confirmed.

4. Unsupported and Unjustified Loans Written-Off

The statement of changes in net assets reflects an amount of Kshs.3,364,126 in respect of accumulated surplus which includes an amount of Kshs.16,303,344 in respect of non-performing loans written-off. Review of the supporting documents including the list of loan defaulters, approval of writ-off by the Mortgage Loans Management Committee and County Service Board revealed that the non-performing loans written off included amounts of Kshs.10,988,033 and Kshs.5,315,311 in respect of loans borrowed by deceased members and non-remitted loan deductions by the County Executive of Nyamira since 2015 respectively. However, Management has not presented demand notice to the County Executive on the non-remitted deductions. Further, no insurance compensation process in respect of deceased members was instituted by the Management in line with Regulation 17(1) of the Public Finance Management (Nyamira County Assembly Mortgage Scheme Fund) Regulations, 2019 which requires that a borrower shall take out and maintain a mortgage protection policy and a fire policy with an insurance firm approved by the board, the cost of which shall be paid out of the Fund and debited in such borrower's account. The Insurance should cover the loss in respect of the loans borrowed by the deceased members. There was no demonstration of loan recovery and follow-up by Management.

In the circumstances, the regularity, accuracy and completeness of the amount of Kshs.16,303,344 in respect of the non-performing loans written off could not be confirmed and the Management was in breach of the Law.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Nyamira County Assembly Car and Mortgage Loan Scheme Fund Management in accordance with ISSAI 130 on 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 judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report during the year under review.

Other Matter

Unresolved Prior Year Matters

As disclosed under the progress on follow-up of auditor's recommendation section of the financial statements Annex 1, the Management presented six (6) prior year audit issues which remain unresolved. However, Management has not provided satisfactory reasons for the delay in resolving the issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in 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.

1. Non-Remittance of Fringe Benefit Tax

As disclosed in Note 3 to the financial statements, the statement of financial performance reflects an amount of Kshs.1,138,960 in respect of use of goods and services. However, review of the details of use of goods and services revealed that fringe benefit tax on the loans disbursed was not implemented as required by Section 12B of the Income Tax Act, 1973 which states that a tax to be known as fringe benefit tax to be payable commencing on the 12 June, 1998 by every employer in respect of a loan provided at an interest rate lower than the market interest rate, to an individual who is a Director or an employee or is a relative of a Director or an employee, by virtue of his position as Director or his employment or the employment of the person to whom is related.

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

2. Failure to Register Charges on Securities

Review records in support of the loans disbursed out during the year revealed that the Fund Management had not registered charges on the loan mortgages disbursed at a cost of Kshs.137,400,000 of the forty-applications received. This is contrary to Regulation 16 of the Public Finance Management (Nyamira County Assembly Mortgage Scheme Fund) Regulations, 2019 which requires that the Board shall have a charge registered on the property financed through a loan granted under these Regulations and shall be entitled to have its name entered in all documents of title for such property.

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

3. Failure to Value Motor Vehicles for Car Loans

The statement of financial position reflects long-term receivables from exchange transactions balance of Kshs.277,292,646 which includes loan balance of Kshs.74,000,000 in respect of car loans disbursed out to thirty-six (36) members during the year. However, values of the vehicles purchased were not determined and reported by Automobile Association of Kenya (AAK), or a Government Department dealing with such matters or any such value approved by the Board. This is contrary to Regulation 10(2) of the Public Finance Management (Nyamira County Assembly Car Loan Scheme Fund) Regulations, 2019.

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

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

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

Conclusion

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

Basis for Conclusion

Failure to Maintain Mortgage Protection Policy and Fire Policy

Review of records of loans disbursed out during the year revealed that the Management had not maintained a mortgage protection policy and a fire policy with an insurance firm approved by the Board in respect of the loan mortgages disbursed at cost of Kshs.137,400,000 of the forty-applications received. This is contrary to Regulation 17(1) of the Public Finance Management (Nyamira County Assembly Mortgage Scheme Fund) Regulations, 2019 which requires that that a borrower shall take out and maintain a mortgage protection policy and a fire policy with an insurance firm approved by the Board, the cost of which shall be paid out of the Fund and debited in such borrower's accounts.

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

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 control, 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

The 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 the 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, the Management is responsible for assessing the Fund's ability to sustain its services, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to terminate the Fund or to cease its operations.

The 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the

financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Funds to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

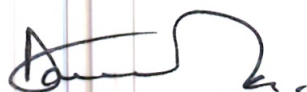
Nairobi

04 March, 2024

**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE, 2023**

**14 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH
JUNE 2023**

Description	Note	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
Revenue From Exchange Transactions			
Interest Income	2	6,584,589	6,254,160
Total Revenue		6,584,589	6,254,160
Expenses			
Use of goods and services	3	1,138,960	1,591,622
Finance Costs	4	-	-
Total Expenses		1,138,960	1,591,622
Surplus for the Period		5,445,629	4,662,538



.....
Daniel Oginda Orina
Administrator of the Fund



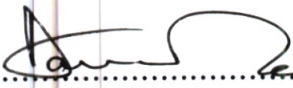
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CPA. Leonard Nyamasege
Fund Accountant
ICPAK Member No: 10008

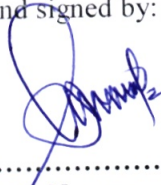
**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME FUND
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15 STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2023

Description	Note	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	5	8,668,696	51,043,429
Current Portion of Long- Term Receivables From Exchange Transactions	6	72,402,784	16,303,344
Total current assets		81,071,480	67,351,773
Non-Current Assets			
Long Term Receivables from Exchange Transactions	6	277,292,646	174,870,068
Total non- current assets		277,292,646	174,870,068
Total Assets		358,364,126	242,221,841
Liabilities			
Revolving Fund		355,000,000	228,000,000
Accumulated Surplus		3,364,126	14,221,841
Total Net Assets and Liabilities		358,364,126	242,221,841

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Nyamira County Assembly Car & Mortgage Loan Scheme Fund financial statements were approved on 26th September, 2023 and signed by:


.....
Daniel Oginda Orina
Administrator of the Fund


.....
CPA. Leonard Nyamasege
Fund Accountant
ICPAK Member No: 10008

**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME FUND
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**16 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH
JUNE 2023**

Description	Revolving Fund	Accumulated surplus	Total
	Kshs	Kshs	Kshs
Balance As At 1 July 2021	228,000,000	9,559,303	237,559,303
Surplus for the Period	-	4,662,538	4,662,538
Funds received during the year	-	-	-
Balance As At 30 June 2022	228,000,000	14,221,841	242,221,841
Balance As At 1 July 2022	228,000,000	14,221,841	242,221,841
Surplus for the Period		5,445,629	5,445,629
Funds received during the year	127,000,000	-	127,000,000
Non-performing loans written off	-	(16,303,344)	(16,303,344)
Balance As At 30 June 2023	355,000,000	3,364,126	358,364,126

**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME FUND
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17 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2023

Description	Note	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the county government	1	127,000,000	-
Interest received	2	6,584,589	6,254,160
Total receipts		133,584,589	6,254,160
Payments			
Fund administration expenses		1,029,800	1,575,900
General expenses		109,160	15,722
Finance cost		-	-
Total Payments		1,138,960	1,591,622
Net cash flows from operating activities		132,445,629	4,662,538
Cash flows from investing activities			
Proceeds from loan principal repayments		41,275,271	36,770,786
Loan disbursements paid out		(216,100,633)	(25,770,704)
Net cash flows used in investing activities		(174,825,362)	36,517,082
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities			
Net increase/(decrease) in cash & cash Equivalents		(42,379,733)	41,119,620
Cash and cash equivalents at 1 July 2022		51,048,429	9,868,809
Cash and cash equivalents at 30 June 2023		8,668,696	51,018,429

THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME FUND
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18 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE, 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	D	e=(c-d)	f=d/c*100
Revenue						
Transfers From County Govt.	100,000,000	27,000,000	127,000,000	127,000,000	-	100%
Interest Income	6,585,900	-	6,585,900	6,584,589	1,311	100%
Total Income	106,585,900	27,000,000	133,585,900	133,584,589	1,311	
Expenses						
Fund Administration Expenses	149,500	-	149,500	109,160	40,340	73%
General Expenses	1,150,000	-	1,150,000	1,029,800	120,200	90%
Finance cost	-	-	-	-	-	
Loans disbursed	100,000,000	27,000,000	127,000,000	127,000,000	-	100%
Amounts to revolving fund	5,286,400	-	5,286,400	5,445,629	(159,229)	103%
Total Expenditure	106,585,900	27,000,000	133,585,900	133,584,589	1,311	100%

Budget notes

1. Utilization of 73% under Fund administration expenses was due to the saving under the printing charges where no cost was incurred.
2. The original budget had Kshs. 100,000,000 for transfers from County government, the amounts were adjusted by Kshs. 27,000,000 during the supplementary budget estimate.

THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME FUND
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19 NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Nyamira County Assembly Car and Mortgage Loan Scheme Nyamira County Assembly Car & Mortgage Loan Scheme Fund is established by and derives its authority and accountability from Public Finance Management Act. The Nyamira County Assembly Car & Mortgage Loan Scheme Fund is wholly owned by the County Government of Nyamira and is domiciled in Kenya. The Nyamira County Assembly Car & Mortgage Loan Scheme Fund's principal activity is to provide loan scheme to members.

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

Standard	Effective date and impact
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Nyamira County Assembly Car & Mortgage Loan Scheme Fund's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p>

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Standard	Effective date and impact
	<ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Nyamira County Assembly Car & Mortgage Loan Scheme Fund's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Nyamira County Assembly Car & Mortgage Loan Scheme Fund 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> <p>(a) The nature of such social benefits provided by the Nyamira County Assembly Car & Mortgage Loan Scheme Fund;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Nyamira County Assembly Car & Mortgage Loan Scheme Fund's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <p>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.</p>

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Standard	Effective date and impact
	<p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</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</p>

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Standard	Effective date and impact:
	<p>cashflows of an Nyamira County Assembly Car & Mortgage Loan Scheme Fund.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

(i) Early adoption of standards

The Nyamira County Assembly Car & Mortgage Loan Scheme Fund did not early – adopt any new or amended standards in the financial year.

**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME
FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE, 2023**

3. 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 Nyamira County Assembly Car & Mortgage Loan Scheme Fund 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 Nyamira County Assembly Car & Mortgage Loan Scheme Fund'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 was approved by the County Assembly on 27th June, 2022. 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 Nyamira County Assembly Car & Mortgage Loan Scheme Fund upon receiving the respective approvals in order to conclude the final budget.

**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME
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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
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The Nyamira County Assembly Car & Mortgage Loan Scheme Fund'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.

**THE NYAMIRA COUNTY ASSEMBLY CAR & MORTGAGE LOAN SCHEME
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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 xxx 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 Nyamira County Assembly Car & Mortgage Loan Scheme Fund recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Intangible Assets

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

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

e) Investment property

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

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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 Nyamira County Assembly Car & Mortgage Loan Scheme Fund does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the fund's financial statements. A financial instrument is any contract that gives rise to a financial asset of one Nyamira County Assembly Car & Mortgage Loan Scheme Fund and a financial liability or equity instrument of another Nyamira County Assembly Car & Mortgage Loan Scheme Fund. At initial recognition, the Nyamira County Assembly Car & Mortgage Loan Scheme Fund 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 Nyamira County Assembly Car & Mortgage Loan Scheme Fund 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 Nyamira County Assembly Car & Mortgage Loan Scheme Fund'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 Nyamira County Assembly Car & Mortgage Loan Scheme Fund 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 Nyamira County Assembly Car & Mortgage Loan Scheme Fund 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.

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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 Nyamira County Assembly Car & Mortgage Loan Scheme Fund 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.

Significant Accounting Policies (Continued)

Financial liabilities

Classification

The Nyamira County Assembly Car & Mortgage Loan Scheme Fund 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.

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Summary of Significant Accounting Policies (Continued)

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 Nyamira County Assembly Car & Mortgage Loan Scheme Fund.

h) Provisions

Provisions are recognized when the Nyamira County Assembly Car & Mortgage Loan Scheme Fund 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 Nyamira County Assembly Car & Mortgage Loan Scheme Fund 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

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society as a whole. The Nyamira County Assembly Car & Mortgage Loan Scheme Fund 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 Nyamira County Assembly Car & Mortgage Loan Scheme Fund will incur in fulfilling the present obligations represented by the liability.

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Summary of Significant Accounting Policies (Continued)

j) Contingent liabilities

The Nyamira County Assembly Car & Mortgage Loan Scheme Fund does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

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

k) Nature and purpose of reserves

The Nyamira County Assembly Car & Mortgage Loan Scheme Fund creates and maintains reserves in terms of specific requirements.

l) Changes in accounting policies and estimates

The Nyamira County Assembly Car & Mortgage Loan Scheme Fund recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

m) Employee benefits – Retirement benefit plans

The Nyamira County Assembly Car & Mortgage Loan Scheme Fund provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Nyamira County Assembly Car & Mortgage Loan Scheme Fund pays fixed contributions into a separate Nyamira County Assembly Car & Mortgage Loan Scheme 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

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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.

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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 Nyamira County Assembly Car & Mortgage Loan Scheme Fund regards a related party as a person or an Nyamira County Assembly Car & Mortgage Loan Scheme Fund with the ability to exert control individually or jointly, or to exercise significant influence over the Nyamira County Assembly Car & Mortgage Loan Scheme Fund, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

q) Cash and cash equivalents

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

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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.

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Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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 Nyamira County Assembly Car & Mortgage Loan Scheme Fund 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 Nyamira County Assembly Car & Mortgage Loan Scheme Fund. 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 Nyamira County Assembly Car & Mortgage Loan Scheme Fund
- 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

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- Availability of funding to replace the asset

- Changes in the market in relation to the asset

c) Provisions

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

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

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6. Notes to The Financial Statements

1. Transfers from County Government

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Transfers from County Govt. - operations	127,000,000	-
Payments by County on behalf of the Nyamira County Assembly Car & Mortgage Loan Scheme Fund	-	-
Unconditional Development grants	-	-
Total	127,000,000	-

2. Interest income

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Interest Income from Mortgage Loans	5,511,578	5,722,662
Interest Income from Car Loans	1,073,011	160,872
Accrued Interest Income	-	370,626
Total Interest Income	6,584,589	6,254,160

3. Use of Goods and Services

Description	FY 2022/2023	FY 2021/2022
	Kshs.	Kshs.
Administration fees	-	-
Committee allowances	830,000	629,000
Bank Charges	109,160	15,722
Travelling costs	199,800	946,900
Total	1,138,960	1,591,622

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Notes to the Financial Statements Continued**

4. Finance costs

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

5. Cash and cash equivalents

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Nyamira County Assembly Car & Mortgage Loan Account	8,668,696	51,048,429
Total Cash And Cash Equivalents	8,668,696	51,048,429

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Notes to the Financial Statements Continued

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

Financial Institution	Account number	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
a) Current Account			
Family Bank	026000019496	8,668,696	51,048,429
Total		8,668,696	51,048,429

6. Receivables from exchange transactions

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Current Receivables		
Interest Receivable	-	-
Current Loan Repayments Due	72,402,784	16,303,344
Total Current Receivables	72,402,784	16,303,344
Non-Current Receivables		
Long Term Loan Repayments Due	277,292,646	174,870,068
Total Non- Current Receivables	277,292,646	174,870,068
Total Receivables From Exchange Transactions	349,695,430	191,173,412

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Notes to The Financial Statements (Continued)

7. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Transfers From Related Parties'	127,000,000	-

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Notes to The Financial Statements (Continued)

8. 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.

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Notes to The Financial Statements (Continued)

a) 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 Nyamira County Assembly Car & Mortgage Loan Scheme Fund capital structure comprises of the following funds:

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Revolving fund	355,000,000	228,000,000
Accumulated surplus	3,364,126	14,221,841
Total funds	358,364,126	242,221,841
Total borrowings	349,695,430	191,173,412
Less: cash and bank balances	(8,668,696)	(51,048,429)
Net debt/(excess cash and cash equivalents)	341,026,734	140,124,983
Gearing	95%	58%

9. Events after the reporting period

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

10. Ultimate and Holding Nyamira County Assembly Car & Mortgage Loan Scheme Fund

The Nyamira County Assembly Car & Mortgage Loan Scheme Fund is a County Public Fund established by public Finance Management Act, 2012 Nyamira County Gazette Supplement No.2 of 21st March, 2014 and was further amended in 2019. Its ultimate parent is the County Government of Nyamira.

11. Currency

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

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20 ANNEXES

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
Overdue current portion of Long term receivables	Included in current portion of long-term receivables from exchange a balance of Kshs.16,303,344 in respect of current portion of long term receivables from exchanges transactions which includes Kshs.10,988,033 in respect of non-performing loan which further include an amount of Kshs.10,734,329 owed by one former member of the county assembly.	The loans have since been insured to safeguard the Car and Mortgage scheme from losing funds. The fund administration has also instituted necessary measures to follow up on the outstanding loan balances.	Not Resolved	
Outstanding Remittances by Nyamira County Executive	Included in current portion of long-term receivables from exchange a balance of	The Assembly is following with the County Executive to repay the amount is owed.	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	Kshs.16,303,344 is an amount of Kshs.5,315,311 relating to monthly payroll deductions made by the County Executive			
Revenue analysis	The summary statement of comparison of budget and actuals reflects a receipt budget of Kshs.6,065,000 and actual receipt of Kshs.6,254,160 resulting to an excess revenue of Kshs. 189,160. There is need therefore for the management to relook at its budget making process with a view of coming up with a budget with higher targets.	The fund performance was exceptional since the target amount was exceeded by Kshs.189,160.	Not Resolved	
Expenditure analysis	The statement of budget and actual amounts for the year ended 30 June 2022 reflects expenditure of	The fund management committee prudently managed the resources by lowering the expenditure hence ploughing back to the fund.	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	Kshs.3,136,520 and actual expenditure of Kshs.1,591,622 resulting overall under expenditure Kshs.1,544,898.			
Failure to Register Charges on mortgages	The Nyamira County Assembly Car loan and Mortgage Scheme Fund's Statement of Financial Position as at June 2022 reflects a figure of Kshs.174,870,068 under long term receivables. Audit review of the title deeds and logbooks securing this loan revealed that the fund has not registered a charge on the title deeds to reflect its interest in the properties nor jointly registered the logbooks to secure the	The Fund Management is in the process of jointly registering the logbooks and register charge on the properties used as securities	Not resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	outstanding loans.			
Failure to value motor vehicles for the car loans	The Nyamira County Assembly Car loan and Mortgage Scheme Fund disbursed a total of Kshs.3,417,923 as car loans in the year under review. However, the motor vehicles acquired through these loans were never valued as required by regulations	Management is in the process of valuing the cars to be acquired before disbursing of the car loans.	Not resolved	

Signature.....

**Fund Administrator
The Nyamira County Assembly Car & Mortgage Fund**