

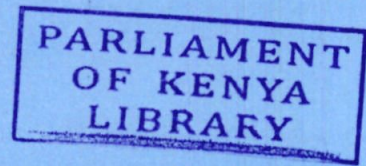
REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**



**THE AUDITOR-GENERAL**

**ON**

**NYERI CAR LOAN AND MORTGAGE  
(MEMBERS) SCHEME FUND**

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

**NYERI COUNTY**

PAPERS LAD	
DATE	6/3/2025
TABLED BY	Dep Ma W Whip
COMMITTEE	
CLERK AT THE TABLE	Maalim



**COUNTY ASSEMBLY OF NYERI**

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**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30TH JUNE 2024**

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



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**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME  
FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

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**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME  
FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

**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
SRC	Salaries and Remuneration Commission

b) Glossary of Terms

Fiduciary Management    The key management personnel who had financial responsibility

# **COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME FUND**

## **Annual Report and Financial Statements for the year ended June 30, 2024**

### **2. Key Entity Information and Management**

#### **a) Background information**

County Assembly of Nyeri Car Loan and Mortgage (Members) Scheme Fund is established by and derives its authority and accountability from Salaries and Remuneration Commission (SRC) Circular Number SRC/ADM/CIR/1/13/VOL.111 (128) dated 17th December, 2014. SRC/ADM/CIR/1/13/VOL.111 (130) dated 29th January, 2015, SRC/ADM/CIR/1/13/VOL.111 (142), of 25th August, 2016 and Nyeri County Assembly Car Loan and Mortgage Scheme Fund Regulations, 2017; Kenya Gazette Supplement No.14 dated 22nd November, 2017. Section 167 of the Public Finance Management (PFM) Act 2012 mandates the administrator of public funds with the preparation of annual financial statements.

The Fund is wholly owned by the County assembly of Nyeri and is domiciled in Kenya.

The fund's objective is to provide Mortgage and Car loans to Members of the County Assembly

#### **b) Principal Activities**

The principal activity/mission/ mandate of the Fund is to offer subsidized loans to Members of the County Assembly

##### **Vision**

"The fund of choice for Members of County Assembly"

##### **Mission**

"To provide affordable, accessible and sustainable car loans to Members of County Assembly"

##### **Core Values**

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

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

<b>Ref</b>	<b>Name</b>	<b>Position</b>
1	Hon. James Kanyugo Mwangi	Chairman
2	Hon. Margaret Muthoni Kuruga	V/Chairperson
3	Hon. Sebastian Mugo Theuri	Member
4	Hon. David Mwangi Kabatha	Member
5	Jernard Mwiggeh	Fund Administrator
6	Scolastica Wambui	Member
7	Josiah Mathenge	Member
8	Joseph Kimiti	Member

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

**d) Key Management Steam**

Ref	Name	Position
1	Jernard Mwiggeh	Fund Administrator
2	Scolastica Wambui	Member
3	Josiah Mathenge	Member
4	Joseph Kimiti	Member

**Key Entity and Management (Continued)**

**e) Fiduciary Oversight Arrangements**

SN	Position	Name
1	Directorate Internal Audit	Peter Maina Karuru

**f) Registered Offices**

P.O. Box 162 – 10100

County Assembly Building

Nyeri Nairobi Road

Nyeri, KENYA

**g) Fund Contacts**

Tel No.0612037100

**h) Fund Bankers**

Family Bank

Head Office

P.O. Box 74145 - 00200

Muindu Mbingu Street

Thro. Nyeri Branch...

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME  
FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

**Key Entity and Management (Continued)**

**i) Independent Auditors**

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

**j) Principal Legal Adviser**

Director Legal Services  
  
County Assembly Headquarters  
  
Off Nyeri-Karatina –Nairobi Highway  
Ruringu  
P.O. Box 162  
Nyeri

**k) County Attorney**

County Attorney  
County Government of Nyeri  
P.o.Box 180  
Nyeri

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**





**3. Board of Trustees/ Fund Administration Committee**

Ref	Picture	Name	Position	Qualification
1		Hon. James Kanyugo Mwangi	Chairman	Majority Leader from 2017 to date. Holder of a Bachelor's Degree
2		Hon. Margaret Muthoni Kuruga	V/Chairperson	MCA Kiganjo/Mathari ward. Holder of a Master's Degree
3		Hon. Sebastian Mugo Theuri	Member	Majority Whip from 2017 to date. Holder of a Bachelor's Degree
4		Hon. David Mwangi Kabatha	Member	MCA Iriani-Ward from 2017 to date. Holder KCE Certificate
5		Jernard Mwiggeh	Fund Administrator	Clerk of the County Assembly from 2013 to date. Holder of a Master's Degree
6		Scolastica Wambui	Member	Legal Counsel from 2014 to date. Holder of Bachelor's Degree. Dip KSL
7		Josiah Mathenge	Member	Head of Human resource Management from 2014 to date. Holder of a Master Degree
8		Joseph Kimiti	Member	Head of Finance & Accounts since 2014 to date. Holder of a Bachelors Degree. CPA(K)

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

**4. Management Team**

Ref	Picture	Name	Position	Work Experience
1		Jernard Mwiggeh	Fund Administrator	Clerk of the County Assembly from 2013 to date. Holder of a Master's Degree
2		Scolastica Wambui	Member	Legal Counsel from 2014 to date. Holder of Bachelor's Degree. Dip KSL
3		Josiah Mathenge	Member	Head of Human resource Management from 2014 to date. Holder of a Master Degree
4		Joseph Kimiti	Member	Head of Finance & Accounts since 2014 to date .Holder of a Bachelors Degree. PA(K)

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

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

It is my pleasure to present, on behalf of the management team, the County Assembly of Nyeri Car Loan and Mortgage (Members) Scheme Fund Financial Statements for the year ended 30th June 2024. The financial statements present the financial performance of the fund over the past year.

**Sustainability**

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

**Review of performance**

**Income**

The fund earned revenue amounting to Kshs. 5,861,212 from other exchange transactions. This through the interest from loans advanced to members.

Loans disbursement during the period was carried out as per the plan with the coordinated efforts by all stakeholders. The performance was also attributed to balances in the accounts and repayment of loans by members.

The increase in revenue from interest earned was occasioned by interest earned from loans; this was because the principal loan had increased after issues of loans to Hon members in the current financial year.

**Expenditures**

The total expenditures during the period amounted to Kshs. 5,796,836. out of which the administration expenses amounted to Kshs. 1,957,881, hospitality Kshs. 1,638,000, Bank Charges 12,955 and fridge benefit of Kshs. 2,188,000 expenditures respectively.

**Future outlook**

The outlook of the Fund for 2024/2025 looks brighter. The fund has disbursed loans to all Hon Members. The focus now on building a robust and sustainable fund with a motivated workforce and structures that enhance efficiency and effectiveness in the service delivery. The fund looks forward to continued support from the County Government and development partners to the realization of its vision.

**Appreciation**

I take this opportunity to express my sincere gratitude and appreciation to the County Government, Partners, Stakeholders, Management and Staff for their continued support which made us achieve these results.

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME  
FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

I look forward to your continued support in the year 2023/2024

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

Hon. James Kanyugo

Fund Chairman

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

**6. Report of the Fund Administrator**

It is my pleasure to present the County Assembly of Nyeri Car loan and Mortgage Financial Statements for the year ended 30th June 2024. The financial statements present the financial performance of the fund over the past year.

The fund was established in January, 2018 started with an amount of Ksh. 253M. During the second Assembly that run from year 2017 to 2022, a total of 54 loan beneficiaries were disbursed amounting Ksh. 251.5 M. By the end of their term in year 2022, all Members had cleared their loans. In the year under review and the third session of the Assembly since devolution, a total of 45 loan beneficiaries have been issued with loans, amounting to Kshs.244M. The fund financial status is stable which has been enabled by repayment of loans. We have managed to disburse loans to members as per their requests and the approval of the management team.

**Financial Performance**

**a) Revenue**

In the year ended 30th June 2024, the fund made revenue from interest on loans from members amounting to Kshs. 5,861,212 this was made possible by the fact that, all members paid up their monthly instalments as at the close of the FY 2022/2023 which is a positive gesture in the management of the fund

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

Revenue classification	Revenue budget (KShs)	Actual (KShs)	Realization (%)
Revenue	KShs	KShs	
Public contributions and donations			
Transfers from County Govt.	-		
Interest income	5,861,212	5,861,212	100%
Fines, penalties and other levies			
Other income			
Total income	5,861,212	5,861,212	100%

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

**b) Loans**

During the financial year 2023/2024, the fund issued 4 loans; this was as per requests from Members of the third Assembly who joined the Assembly in August 2023.

**c) Cash flows**

In the FY 2023/2024, we have not had liquidity disruptions. This was as a result of proper planning and better loan recoveries from beneficiaries. The cash and cash equivalents was Kshs. 91,431,582 as at 30th June 2024.

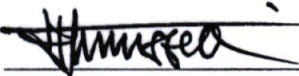
**d) Conclusion**

FY 2023/2024 was a good year in general. Good progress was made in as all the members have been loaned and the momentum has been created to enable County Assembly of Nyeri Car loan and Mortgage fund continue on a trajectory into prosperity. We identified gaps and areas to improve on in the subsequent years.

**Report of the Fund Administrator (Continued)**

I take this opportunity to thank the management team for their support. I would also want to thank all staff who we have worked hand in hand to ensure that County Assembly of Nyeri Car loan and Mortgage (Members) Scheme fund achieves its mission.

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



**Jenard Mwiggeh**  
**Fund Administrator**

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

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

**Guidance**

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 Government entities 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 development objectives of the Fund as per the strategic plan for 2019-2023 are to:

- a) Provide Members with subsidized Car Loans.
- b) Provide Members with subsidized Mortgage Loans

**Progress on attainment of Strategic development objectives**

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Program	Objective	Outcome	Indicator	Performance
Provision of Mortgage Loans	Housing for Members of the Assembly	Number of Mortgage loans applied	Completed houses by June 2024	Number of Members owning houses
Provision of Car Loans	Acquisition of Vehicles	Number of Vehicles Loans applied	Cars bought	Number of Members owning vehicles by June 2024

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

**8. Corporate Governance Statement**

The County Assembly of Nyeri Car Loan and Mortgage (Members) Scheme Fund has not engaged in any CSR activities yet due to limited resources.

**1. Sustainability strategy and profile**

The management has ensured the sustainability of the fund by making sure that all the money rent in terms of loans is repaid back on time before the end of the member's term this is accordance with the lending policy guided by the approved Regulations.

**2. Environmental performance**

The Assembly has adopted the best environmental management practices in terms of ensuring that all activities done and materials used to construct offices are environmental friendly.

**3. Employee welfare**

The policy guiding the hiring process of the employee is derived from the Public Service Manual as well Human Resource Manual. Further, the 2010 Constitution gives guidelines on one third gender rule on recruitment. The Assembly has ensured that safety of its employees is taken care of while at by insuring them against injury while at work. All work places are safe to work in and adequate measures has been put in place to ensure that employees safety is guaranteed

**4. Market place practices**

The Assembly adheres to fair market practices.

**a) Responsible competition practice.**

The Assembly ensures that there are fair competition practices by ensuring that all tenders and service provisions are advertised in widely circulated newspaper for interest members of public to apply.

**b) Responsible Supply chain and supplier relations**

The Assembly ensures that all service providers are paid on time upon delivery of service without delay

- The fund Administration committee held twenty one meetings with all the members present.
- Succession plan. The succession for the fund committee is as per laid down procedure of the fund regulations.
- Existence of a board/trustee charter. Currently the fund does not have a charter.
- Process of appointment and removal of trustees. The process of appointment is as per the fund regulation i.e regulation 6(1) which states as follows

6(1) There is established a Loan Management Committee to be known as the County Assembly of Nyeri Car Loan and Mortgage (Members) Management Committee, which consists of-

- (a) The Leader of the Majority Party who shall be the Chairperson;

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME  
FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

- (b) The Leader of the Minority Party;
- (c) The Whip of the Majority Party;
- (d) Two Members of the County Assembly nominated by the Members of County Assembly;
- (e) The Head of the Human Resource Department of the Assembly;
- (f) The Head of the Finance Department of the Assembly;
- (g) The Head of the Legal Department of the Assembly;

The Clerk of the County Assembly is hereby designated as the Officer administering the Fund

The removal will be guided also by the same regulation.

- Roles and functions of the Board/Trustee are
  - (a) process and approve loans in accordance with these regulations;
  - (b) liaise with the financial institution where necessary to set up a Fund for the disbursement of the loans;
  - (c) oversee the management of the Fund;
  - (d) monitor and evaluate the performance of the Fund;
  - (e) approve annual work programmes and procurement plans for the Fund;
  - (f) recommend the investment of any surplus funds not immediately required in securities approved by the Board, for the purposes of realizing the objects and purpose for which the Fund is established;
  - (g) cause to be kept all proper books and records of account of the income, expenditure, assets and liabilities of the Fund;
  - (h) receive any gifts, donations, grants or endowments made to the Fund;
  - (i) consider and recommend approval of the financial statements to the officer administering the Fund;
  - (j) recommend as when required the procurement of a financial institution to administer the Fund on its behalf

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME  
FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

(k) perform any other functions that are ancillary to the objects and purpose for which the Fund is established; and

(l) determine its own procedures for conducting its business.

- Induction and training. The fund committee has not attended any induction and training this far due to limited resources. It intends to do so once resources allows.,
- Board and member performance. The committee of the fund has performed exemplary. It has managed to issue loans to all Members of the County Assembly. This has been achieved through members commitment in attending all the meetings
- Conflict of interest. There have never been any conflict of interest since the committee members adhere to the fund regulations while conducting or executing any matter.
- Board/trustee remuneration. The remuneration of the fund committee has adopted the remuneration criteria of the County Assembly Service Board as guided by the Salaries and Remuneration Commission. This remunerations are paid from interest generated from loans issued.
- Ethics and conduct as well as governance audit. The fund committee.

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME  
FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

**9. Management Discussion and Analysis**

(a). On the operational and financial performance of the Fund managed to advance loans to all requests by members and the repayment has been good.

(b). **Fund's key projects or investments decision implemented or ongoing,**

The fund does not engage in any investments projects

(c). **Fund's compliance with statutory requirements,**

The Fund complies with all statutory key requirements i.e. regulations governing the Fund, the PFM Act and PPAD Act and any other policy guideline issued by the treasury.

(d). **Major risks facing the Fund, material arrears in statutory and other financial obligations, and**

The major risks facing the fund are inadequate funding due budget ceilings.

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

**10. Environmental and Sustainability Reporting**

**1. Sustainability strategy and profile**

The management has ensured the sustainability of the fund by making sure that all the money lent in terms of loans is repaid back on time before the end of the member's term this is accordance with the lending policy guided by the approved Regulations.

**2. Environmental performance**

The Assembly has adopted the best environmental management practices in terms of ensuring that all activities done and materials used to construct offices are environmental friendly.

**3. Employee welfare**

The policy guiding the hiring process of the employee is derived from the Public Service Manual as well Human Resource Manual. Further, the 2010 Constitution gives guidelines on one third gender rule on recruitment. The Assembly has ensured that safety of its employees is taken care of by insuring them against injury while at work. All work places are safe to work in and adequate measures has been put in place to ensure that employees safety is guaranteed

**4. Market place practices**

In regards to the above matter, the County Assembly of Nyeri Car Loan and Mortgage (Members) Scheme Fund being part of the County Assembly of Nyeri, Follows and adheres to the following;

a) Generally, the Assembly operates in a highly political environment on a day-to-day basis. However, despite the influence this can have in operations, the institution sees to it that procedures are followed and this ensures that there are no issues with bodies like the EACC. The Assembly competes fairly on all aspects as situations may demand responsible competition practice.

b) The County Assembly of Nyeri maintains an updated list of Registered Suppliers. The list is developed competitively by placing an advert in the dailies and having all interested bidders submits their tender. This then goes through an evaluation process which ensures the qualified suppliers are shortlisted for the stated period. The list is further developed on a continuous basis as provided for the in PPAD 2015 Act. The Assembly ensures that payments to suppliers are done in good time; on a first come, first served basis

c) Whenever the Assembly requires running an advertisement, it does so either on the dailies with a wide circulation in the Country or via its website. This ensures that the advertisement reaches a wide population as it should without any agenda to withhold information from reaching any particular group.

d) The Assembly is among other duties, charged with the responsibility of serving the electorate. Thus, it ensures that whatever engagements it is involved in on a day-to-day basis, the interests of the electorate come first. Product stewardship- outline efforts to safeguard consumer rights and interests

***COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME FUND***

**Annual Report and Financial Statements for the year ended June 30, 2024**

**.Community Engagements**

The organization should outline its efforts to:

**a) Responsible competition practice.**

The Assembly ensures that there are fair competition practices by ensuring that all tenders and service provisions are advertised in widely circulated newspaper for interest members of public to apply.

**b) Responsible Supply chain and supplier relations**

The Assembly ensures that all service providers are paid on time upon delivery of service without delays

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME  
FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

**11. Report of the Trustees**

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

**Principal activities**

The principal activities of the Fund are to advance Members Car Loans and Mortgages.

**Performance**

The performance of the Fund for the year ended June 30, 2024, are set out on page 1 to 6

**Trustees**

The members of the Administration Committee who served during the year are shown on page iii and vi. There were no changes in the Committee during the financial year:

**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

Sign: 

Name: James Kanyukio

Chair of the Fund Administration Committee

Date: 4/11/2024

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

**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 County Assembly of Nyeri Car Loan and Mortgage (Members) Scheme Fund Regulations 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<sup>th</sup>, 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.

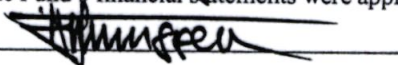
The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and County Assembly of Nyeri Car Loan and Mortgage (Members) Scheme Fund Regulations, 2017). 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<sup>th</sup>, 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 4/11/2024 and signed on its behalf by:



Name: Jervand N. Tomigoch  
Administrator of the County Public Fund

# REPUBLIC OF KENYA

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



*Enhancing Accountability*

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

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

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### PREAMBLE

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

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

An Unmodified Opinion is issued when the Auditor-General concludes that 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 aim to address the Auditor-General's statutory roles and responsibilities 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

#### Opinion

I have audited the accompanying financial statements of County Assembly of Nyeri Car Loan and Mortgage (Members) Scheme Fund set out on pages 1 to 40, which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial

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

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, the financial statements present fairly, in all material respects, the financial position of County Assembly of Nyeri Car Loan and Mortgage (Members) Scheme Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the County Assembly of Nyeri Car Loan and Mortgage (Members) Scheme Fund Regulations, 2017 and the Public Finance Management Act, 2012.

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

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

### **Other Matter**

#### **Unresolved Prior year Matters**

In the audit report of previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2024.

### **Other Information**

#### **Conclusion**

The Management is responsible for the other Information set out on page ii to xvi which comprise of Key Entity Information and Management, Steering Committee Members, Key Management Team, Chairman's Statement, Report of the Chief Executive Officer, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

## 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 matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **Unapproved Budget**

Management did not provide approved annual estimates for the activities of the Fund for the year ended 30 June, 2024. In addition, there were no approved annual work plans and procurement plan for the Fund contrary to Section 43(2) of the Public Finance Management (County Government) Regulations, 2015 which states that County Government entities shall execute their approved budgets based on the annual appropriation legislation and the approved annual cash flow plan. Further, review of the statement of budgeted versus actuals indicated that the staff fund final budget income amounted to Kshs.5,861,212 against final budget expenditure of Kshs.5,796,836 resulting to unbalanced budget by Kshs.64,376.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

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 going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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



**FCPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**31 December, 2024**


**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME FUND**


**Annual Report and Financial Statements for the year ended June 30, 2024**

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

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Revenue From Non-Exchange Transactions</b>			
Public Contributions and Donations	1		
Transfers From the County Government	2		
Fines, Penalties and Other Levies	3		
<b>Revenue From Exchange Transactions</b>			
Interest Income	4	5,861,212	2,479,630
Other Income	5		
<b>Total Revenue</b>		<b>5,861,212</b>	<b>2,479,630</b>
<b>Expenses</b>			
Employee Costs	6		
Use of goods and services	7	5,796,836	4,259,130
Depreciation and Amortization Expense	8		
Finance Costs	9		
<b>Total Expenses</b>		<b>5,796,836</b>	<b>4,259,130</b>
<b>Other Gains/Losses</b>			
Gain/Loss on Disposal of Assets	10		
Gain /Loss on fair value of investments	11		
<b>Surplus/(Deficit) for the Period</b>		<b>64,376</b>	<b>(1,779,500)</b>

(The notes set out on pages 7 to 44 form an integral part of these Financial Statements)

.....  
  
 Name: **Francis N. Mung'ere**  
 Administrator of the Fund

.....  
  
 Name: **JOSEPH KIMANI**  
 Fund Accountant  
 ICPAK Member Number: **8458**

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

**15. Statement of Financial Position as at 30 June 2024**

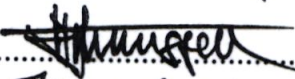
Description	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	12	91,431,582	54,042,207
Current Portion of Long- Term Receivables From Exchange Transactions	13	162,020,906	198,650,624
Prepayments	14		
Inventories	15		
Investments in financial assets	16		
<b>Total current assets</b>		<b>253,452,488</b>	<b>252,692,831</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	17	-	
Intangible Assets	18	-	
Long Term Receivables from Exchange Transactions	13	253,452,488	252,692,831
Investment Property	19		
<b>Total non- current assets</b>			
<b>Total Assets (A)</b>		<b>253,452,488</b>	<b>252,692,831</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables from Exchange Transactions	20	710,604	15,322
Current Provisions	21		
Current Portion of Borrowings	22		
Employee Benefit Obligations	23		
Social benefit liabilities	24		
<b>Total current liabilities(B)</b>		<b>710,604</b>	<b>15,322</b>
<b>Non-Current Liabilities</b>			
Non-Current Provisions	21		
Long Term Portion of Borrowings	22		
Non-Current Employee Benefit Obligation	23		
Social benefit liabilities	24		


**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
			0
<b>Total Liabilities (B)</b>		<b>710,604</b>	<b>15,322</b>
<b>Net Assets (A-B)</b>		<b>252,741,884</b>	<b>252,677,509</b>
<b>Represented By:</b>			
Revolving Fund		253,353,014	253,353,014
Reserves			
Accumulated Surplus		(611,130)	(675,506)
<b>Net Assets</b>		<b>252,741,884</b>	<b>252,677,508</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 04/11/2024 and signed by:

.....  
  
 Name: **Bernard N. Mung'eh**  
 Administrator of the Fund

.....  
  
 Name: **JOSEPH H. KIMITI**  
 Fund Accountant  
 ICPAK Member Number: **8458**

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

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

Description	Revolving	Revaluation	Accumulated	Total
	Fund	Reserve	surplus	
		Kshs	Kshs	Kshs
<b>Balance as at 1 July 2022</b>	<b>161,353,014</b>		<b>(7,717,229)</b>	<b>153,635,785</b>
Surplus/(deficit) for the period			(1,779,501)	-1,779,501
Funds received during the year	92,000,000		(682,492)	91,317,508
Revaluation gain			9,503,716	9,503,716
<b>Balance as at 30 June 2023</b>	<b>253,353,014</b>		<b>(675,506)</b>	<b>252,677,508</b>
<b>Balance As At 1 July 2023</b>	<b>253,353,014</b>		<b>(675,506)</b>	<b>252,677,508</b>
Surplus/(Deficit) For the Period			64,376	<b>64,376</b>
Funds Received During the Year				<b>0</b>
Transfers				
Revaluation Gain				
<b>Balance As At 30 June 2024</b>	<b>253,353,014</b>		<b>(611,130)</b>	<b>252,741,884</b>

*(Provide details on the nature and purpose of reserves)*

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

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

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Public contributions and donations			
Transfers from the county government			
Interest received		5,861,212	2,472,643
Receipts from other operating activities		-	0
<b>Total receipts</b>		<b>5,861,212</b>	<b>2,472,643</b>
<b>Payments</b>			
Fund administration expenses		5,086,233	2,390,638
General expenses			
Finance cost			
Other payments			
		<b>5,086,233</b>	<b>2,390,638</b>
<b>Net cash flows from operating activities</b>	24	<b>774,980</b>	<b>82,005</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and Intangible assets			
Proceeds from sale of property, plant & equipment			
Proceeds from loan principal repayments		56,614,395	26,004,746
Loan disbursements paid out		(20,000,000)	(224,000,000)
<b>Net cash flows used in investing activities</b>		<b>36,614,395</b>	<b>(197,995,254)</b>
<b>Cash flows from financing activities</b>			
Proceeds from revolving fund receipts			92,000,000
Additional borrowings			
Repayment of borrowings			
<b>Net cash flows used in financing activities</b>			<b>92,000,000</b>
<b>Net increase/(decrease) in cash &amp; cash Equivalents</b>		<b>37,389,375</b>	<b>(105,913,249)</b>
Cash and cash equivalents at 1 July		54,042,207	159,955,456
<b>Cash and cash equivalents at 30 June 2024</b>		<b>91,431,582</b>	<b>54,042,207</b>

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

**18. Statement of Comparison of Budget and Actual Amounts for the Period 2024**

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
<b>Revenue</b>						
Public Contributions and Donations						
Transfers From County Govt.						
Interest Income	5,861,212	0	5,861,212	5,861,212	0	100%
Other Income	0	-	0	0	0	
<b>Total Income</b>	<b>5,861,212</b>	<b>0</b>	<b>5,861,212</b>	<b>5,861,212</b>	<b>0</b>	<b>100%</b>
<b>Expenses</b>					0	
Fund Administration Expenses	5,861,212		5,861,212	5,796,836	64,376	99%
General Expenses		0			0	
Finance Cost	-	0	-	-		
<b>Total Expenditure</b>	<b>5,861,212</b>	<b>0</b>	<b>5,861,212</b>	<b>5,796,836</b>	<b>64,376</b>	<b>99%</b>
<b>Surplus For the Period</b>		0	0	64,376		
<b>Capital expenditure</b>						

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

**19. Notes to the Financial Statements**

**Significant Accounting Policies**

**1. General Information**

County Assembly of Nyeri Car Loan and Mortgage (Members) Scheme Fund is established and derives its authority and accountability from Salaries and Remuneration Commission (SRC) Circular Number SRC/ADM/CIR/1/13/VOL.111 (128) dated 17th December, 2014. SRC/ADM/CIR/1/13/VOL.111 (130) dated 29th January, 2015, SRC/ADM/CIR/1/13/VOL.111 (142), of 25th August, 2016 and Nyeri County Assembly Car Loan and Mortgage Scheme Fund Regulations, 2017; Kenya Gazette Supplement No.14 dated 22nd November, 2017. The County Assembly of Nyeri Car Loan and Mortgage (Members) Scheme Fund is wholly owned by the Nyeri County Government and is domiciled in Kenya.

**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*

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

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

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

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

<p>IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1<sup>st</sup> 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>
<p>IPSAS 45-Property Plant and Equipment</p>	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

**(i) Early adoption of standards**

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

**Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i. Revenue from non-exchange transactions**

**Transfers from other government entities**

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

**ii. Revenue from exchange transactions**

**Interest income**

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

**Dividends**

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

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

**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 21st June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund did record additional appropriations for the FY 2023/2024 budget.

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.

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024  
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 - 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.

**a) Intangible Assets**

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

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

**b) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.* 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.

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND  
Annual Report and Financial Statements for the year ended June 30, 2024**

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

**c) Financial instruments**

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

**Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

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

***COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND***

**Annual Report and Financial Statements for the year ended June 30, 2024  
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).

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

**Summary of 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.

**d) Inventories**

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

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

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

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

**e) Provisions**

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

**f) Social Benefits**

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

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

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

**g) Contingent liabilities**

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

**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.

**h) Nature and purpose of reserves**

The Entity does not create or maintain reserves in terms of specific requirements.

**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.

**i) 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.

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

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

**j) 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.

**k) 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.

**l) 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.

**m) Cash and cash equivalents**

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

**n) Comparative figures**

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

**COUNTYASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024  
Summary of Significant Accounting Policies (Continued)**

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

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

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

**a) Estimates and assumptions –**

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

**b) Useful lives and residual values**

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

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

**c) Provisions**

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

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.

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

**6. Notes to the Financial Statements Continued**

**1. Public contributions and donations**

Description	2023-2024	2022-2023
	Kshs	Kshs
Donation From Development Partners		
Contributions From The Public		
<b>Total</b>		

**2. Transfers from County Government**

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

**3. Fines, penalties and other levies**

Description	2023-2024	2022-2023
	Kshs	Kshs
Late Payment Penalties		
Fines		
<b>Total</b>		

**4. Interest income**

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest Income from Mortgage Loans	5,861,212	2,479,630
Interest Income From Car Loans		
Interest Income From Investments in financial assets		
Interest Income On Bank Deposits		
<b>Total Interest Income</b>	<b>5,861,212</b>	<b>2,479,630</b>

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

Notes to the Financial Statements Continued

**5. Other income**

Description	2023-2024	2022-2023
	Kshs	Kshs
Insurance Recoveries		
Income from Sale of Tender Documents		
Bad debts recovered		
Miscellaneous Income		
<b>Total Other Income</b>		

**6. Employee Costs**

Description	2023-2024	2022-2023
	Kshs	Kshs
Salaries And Wages		
Staff Gratuity		
Staff Training Expenses		
Social Security Contribution		
Other ( <i>Specify</i> )		
<b>Total</b>		

**7. Use of Goods and Services**

Description	2023-2024	Insert Previous FY
	Kshs.	Kshs.
General Office Expenses		
Loan Processing Costs		
Professional Services Costs		
Administration Fees	1,957,881	825,214
Committee Allowances	1,638,000	1,560,000
Bank Charges	12,955	5,424
Electricity And Water Expenses		
Fuel And Oil Costs		
Insurance Costs		
Postage And Courier		
Printing And Stationery		
Rental Costs		

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

Description	2023-2024	Insert Previous FY
	Kshs.	Kshs.
Security Costs		
Telephone And Communication Expenses		
Bank Charges		
Audit Fees		
Provision For Doubtful Debts		
Other ( <i>Fridge Benefits</i> )	2,188,000	1,868,492
Social benefit expenses		
<b>Total</b>	<b>5,796,836</b>	<b>4,259,130</b>

**8. Depreciation and Amortization Expense**

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Property Plant and Equipment		
Intangible Assets		
<b>Total</b>		

**9. Finance costs**

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest On Bank Overdrafts		
Interest On Loans From Banks		
<b>Total</b>		

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

**10. Gain/(loss) on disposal of assets**

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, Plant and Equipment		
Intangible Assets		
<b>Total</b>		

**11. Gain/ (loss) on Fair Value Investments**

Description	2023-2024	2022-2023
	Kshs	Kshs
Investments at Fair Value- Equity investments		
Fair value – Investment property		
Fair value- other financial assets (specify)		
<b>Total Gain</b>		

**12. Cash and cash equivalents**

Description	2023-2024	2022-2023
	Kshs	Kshs
- Car Loan Account		
Main Account	6,606,771	26,616,851
Collection Account	84,808,945	26,035,750
Interest Account	15,866	1,389,606
Current Account		
Others (Specify)		
<b>Total Cash And Cash Equivalents</b>	<b>91,431,582</b>	<b>54,042,207</b>

**COUNTYASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes to the Financial Statements Continued**

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

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
<b>a) Fixed Deposits Account</b>			
Family Bank	55,000,044,194	6,606,771	26,616,851
Family Bank	55,000,044,823	84,808,945	26,035,750
Family Bank	55,000,045,668	15,866	1,389,606
		<b>91,431,582</b>	<b>54,042,207</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>		<b>91,431,582</b>	<b>54,042,207</b>

**13. Receivables from exchange transactions**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Current Receivables</b>		
Interest Receivable	1,056,378	
Current Loan Repayments Due	64,884,264	6,986
Other Exchange Debtors	-	
Less: Impairment Allowance		
<b>Total Current Receivables</b>	<b>65,940,642</b>	
		<b>6,986</b>
<b>Non-Current Receivables</b>		
Long Term Loan Repayments Due	96,080,263	198,643,638
<b>Total Non- Current Receivables</b>	<b>96,080,263</b>	<b>198,643,638</b>
<b>Total Receivables From Exchange Transactions</b>	<b>162,020,906</b>	<b>198,643,638</b>

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**  
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		

**14. Prepayments**

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

**15. 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>		

**COUNTYASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

Notes to the Financial Statements Continued

**16. 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 in Entity -		
Sub- total		
<b>Grand total</b>		

**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**

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

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS) SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes to the Financial Statements (Continued)**

**17. Property, plant and equipment**

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
<b>At 1<sup>st</sup> July (Previous FY)</b>					
Additions					
Disposals					
Transfers/Adjustments					
<b>At 30<sup>th</sup> June (Previous FY)</b>					
<b>At 1<sup>st</sup> July (Current FY)</b>					
Additions					
Disposals					
Transfer/Adjustments					
<b>At 30<sup>th</sup> June (Current FY)</b>					
<b>Depreciation And Impairment</b>					
<b>At 1<sup>st</sup> July (Previous FY)</b>					
Depreciation					
Impairment					
<b>At 30<sup>th</sup> June (Previous FY)</b>					
<b>At 1<sup>st</sup> July (Current FY)</b>					
Depreciation					
Disposals					
Impairment					
Transfer/Adjustment					
<b>At 30<sup>th</sup> June (Current FY)</b>					
<b>Net Book Values</b>					
<b>At 30<sup>th</sup> June (Previous FY)</b>					
<b>At 30<sup>th</sup> June (Current FY)</b>					

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

Notes to the Financial Statements (Continued)

**18. Intangible assets**

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

**19. Investment Property**

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

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND  
Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes to the Financial Statements (Continued)**

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

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Trade Payables				
Refundable Deposits				
Accrued Expenses(Fridge Benefits)			15,322	
Other Payables(Administrative costs)	710,604		-	
<b>Total Trade and Other Payables</b>	<b>710,604</b>		<b>15,322</b>	
<b>Ageing analysis (Trade and other payables)</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</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>				

**21. Provisions**

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f				
Additional provisions				
Provision utilised				
Change due to discount and time value for money				
<b>Total provisions year end</b>				
Current Provisions				
Non-Current Provisions				

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

Notes to the Financial Statements (Continued)

**22. 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	2022-2023
	Kshs	Kshs
Short Term Borrowings (Current Portion)		
Long Term Borrowings		
<b>Total</b>		

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

Notes to the Financial Statements (Continued)

**23. Employee benefit obligations**

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	2023-2024	2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation					
Non-Current Benefit Obligation					
<b>Total</b>					

**24. 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>		

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

Notes to the Financial Statements (Continued)

**25. Cash generated from operations.**

Description	2023-2024	2022-2023
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax		
Adjusted For:		
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>		

**COUNTY ASSEMBLY OF NYERI CAR LOAN AND MORTGAGE (MEMBERS)  
SCHEME FUND**

**Annual Report and Financial Statements for the year ended June 30, 2024**

**Notes to the Financial Statements (Continued)**

**26. 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	2023-2024	2022-2023
	Kshs	Kshs
Transfers From Related Parties'		
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 Government		
<b>Total</b>		

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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>		

27. Contingent assets and contingent liabilities

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

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**Notes to the Financial Statements (Continued)**

**28. 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 2022</b>				
Receivables From Exchange Transactions				
Receivables From Non-Exchange Transactions				
Bank Balances				
<b>Total</b>				
<b>At 30 June 2021</b>				
Receivables From Exchange Transactions				
Receivables From Non-Exchange Transactions				
Bank Balances				
<b>Total</b>				

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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 -

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 (Current FY)</b>				
Trade Payables				
Current Portion Of Borrowings				
Provisions				
Employee Benefit Obligation				
<b>Total</b>				
<b>At 30 June (Comparative FY)</b>				
Trade Payables				
Current Portion Of Borrowings				
Provisions				
Employee Benefit Obligation				
<b>Total</b>				

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**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 (Current FY)</b>			
Financial Assets			
Investments			
Cash			
Debtors/ Receivables			
<b>Liabilities</b>			
Trade And Other Payables			
Borrowings			
<b>Net Foreign Currency Asset/(Liability)</b>			

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**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>(Current FY)</b>			
Euro	10%		
USD	10%		
<b>(Comparative FY)</b>			
Euro	10%		
USD	10%		

**ii. Interest rate risk**

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

**Management of interest rate risk**

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

**Sensitivity analysis**

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs - (2024: Kshs - ). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs - (2023 - Kshs - ).

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**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		
Accumulated surplus		
<b>Total funds</b>		
Total borrowings		
Less: cash and bank balances		
Net debt/(excess cash and cash equivalents)		
<b>Gearing</b>		

**29. Events after the reporting period**

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

**30. Ultimate and Holding Entity**

The entity is a County Public Fund established by County Assembly of Nyeri Car Loan and Mortgage (Members) Scheme Fund Regulations, 2017 under the Ministry of finance. Its ultimate parent is the County Government of Nyeri.

**31. Currency**

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

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**20. Annexes**

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>2018/2019. <b>Cash and Cash Equivalents</b> The statement of financial position reflects cash and cash equivalents balance of Kshs.82,262,434.10 as at 30 June 2019. However, the fund administrator did not present bank reconciliations statements for the following bank accounts held at Family bank</p>		<p>The bank bank statement reconciliations were duly presented</p>		
<p>2018/2019 <b>Failure to Provide Approved Budget</b> The Fund's statement of comparison of budget and actual amounts for the year ended 30 June, 2019 reflects final budget of Kshs.5,970,161 and Kshs.5,459,697, for revenue and expenditure, respectively. However, approved budget by the delegated committee or County Assembly was not provided for audit review</p>		<p>The fund does not have it own budget, the assembly budget is one which is approved by the assembly before the start of a financial year</p>		
<p>2018/2019 <b>Failure to Provide Security for Car Loan and Mortgage</b> According to records presented for audit review, the Fund's administrator had advanced loans amounting to Kshs.248, 000,000 to Members of the County Assembly since inception out of which an amount of Ksh 172,826,900 was outstanding as at 30 June 2019. However, the administrator did not cause charge of assets acquired through the Car Loan and Mortgage Scheme Fund. Further, Section 14 of the Public Finance Management (Nyeri County</p>		<p>The loans issued were duly charged and by the end of the second assembly members in august 2022, all the loans been paid.</p>		

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<p>Assembly Car Loan and Mortgage Scheme Fund) Act, 2017 requires the borrower to maintain a mortgage protection policy and fire policy. However, there was no evidence indicating that insurance covers were taken by the borrowers. It is, therefore, not clear whether the funds advanced would be recovered in case of default by borrowers</p>				
<p><b>2019/2020</b> <b>Failure to Provide Approved Budget</b> The Fund's statement of comparison of budget and actual amounts for the year ended 30 June, 2020 reflects final budget of Kshs.4,800,000 and Kshs.5,010,000 for revenue and expenditure, respectively. However, an approved budget by the delegated committee or County Assembly was not provided for audit review. Consequently, the accuracy and completeness of the budget figures could not be confirmed</p>		<p>The fund does not have its own budget, the assembly budget is one which is approved by the assembly before the start of a financial year</p>		
<p><b>2019/2020</b> <b>Inaccurate Cash and Cash Equivalent Balances</b> The statement of financial position reflects cash and cash equivalents balance of Kshs.128,400,550 and Kshs.82,262,434 as at 30 June 2020 and 30 June, 2019 respectively. It was however noted that although the 2018/2018 financial year closing cash and cash equivalent balance was Kshs.82,262,434, a recomputation on the statement of cash flows amounted to a balance of Kshs.173,647,601 resulting in a variance of Kshs.91,385,167 which was not explained or reconciled</p>				
<p><b>2019/2020</b></p>		<p>The supporting schedules have</p>		

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<p><b>Unsupported Proceeds from Loan Repayments</b></p> <p>The statement of cash flows shows proceeds from loan principal repayments of Kshs.49, 186,284 whose supporting documents were not provided for audit verification. Consequently, the accuracy of the statement of cash flows for the year ended 30 June, 2020 could not be confirmed.</p>		<p>been duly provided</p>		
<p><b>Non-Remittance of Fridge Benefits Tax</b></p> <p>The Statement of financial position as at 30<sup>th</sup> June,2022 reflects trade and other payables from exchange transaction balance of Kshs.6,319,672 and as disclosed in Note 17 to the financial statements ,which relates to accrued fridge benefits tax payable to kenya revenue authority (KRA).However ,the fridge benefits tax had remained outstanding to remit the fridge benefits tax to KRA on time. In the circumstances, delayed remittance of fridge benefits tax may result to additional costs in terms of penalties and interest .Further, failure to remit the deductions is against income tax act.</p>		<p>The issue of non-remittance of fridge benefits has now been addressed adequately, the balance outstanding as at the end of the under review can attest to this.The balance outstanding as at June,2023 was Kshs.15,322 at indicated in the accounts payable of the Financial statements under review.</p>		<p>30<sup>th</sup> June, 2024</p>

**Guidance Notes:**

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

Fund Manager/Accounting Officer (*County Assembly of Nyeri Car Loan and Mortgage (Members) Scheme Fund*)



Date: 04/11/2024

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

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Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30 <sup>th</sup> June 20xx							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 <sup>th</sup> June 20xx				Amount Received by [beneficiary Fund] (KShs) as at 30 <sup>th</sup> June 20xx (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							

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

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

Name JOSEPH KEMIT Sign  Date 4/11/2024

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

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

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

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