

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

PARLIAMENT
OF KENYA
LIBRARY

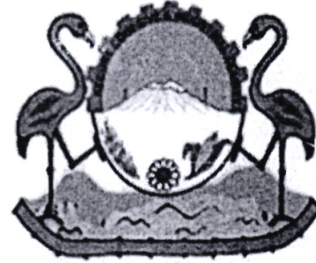
OF

THE AUDITOR-GENERAL

ON

**NAKURU COUNTY EXECUTIVE (STAFF)
CAR LOAN SCHEME FUND**

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



NAKURU COUNTY EXECUTIVE (STAFF) CAR LOAN SCHEME FUND

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

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

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

Table of Content

1. Acronyms and Glossary of Terms	ii
2. Key Entity Information and Management	iii
3. Fund Administration Committee	vi
4. Management Team	viii
5. Fund Chairperson's report	x
6. Report of The Fund Administrator	xii
7. Statement of Performance Against the County Fund's Predetermined Objectives	xv
8. Corporate Governance Statement	xvi
9. Management Discussion and Analysis	xvii
10. Environmental and Sustainability Reporting	xviii
11. Report of The Trustees	xix
12. Statement of Management's Responsibilities	xx
13. Report of The Independent Auditor on the Financial Statements for Nakuru County Executive (Staff) Car Loan Scheme Fund	xxi
14. Statement of Financial Performance for the Year Ended 30 th June 2024	1
15. Statement of Financial Position As at 30 June 2024	2
16. Statement of Changes in Net Assets for the year ended 30 th June 2024	4
17. Statement of Cash Flows for The Year Ended 30 June 2024	5
18. Statement Of Comparison Of Budget And Actual Amounts For The Period 2024	6
19. Notes to the Financial Statements	7
20. Annexes	39

Nakuru County Executive (Staff) Car Loan 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
CPA	Certified Public Accountant
CPS	Certified Public Secretary
CECM	County Executive Committee Member
CEO	Chief Executive Officer
DOB	Date of Birth
ICPAK	Institute of Certified Public Accountants of Kenya
PHD	Doctor of Philosophy
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
ECL	Expected Credit Loss
Kshs	Kenya Shillings

b) Glossary of Terms

Fiduciary Management The key management personnel who had financial responsibility

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

2. Key Entity Information and Management

a) Background information

Nakuru County Executive (Staff) Car Loan Scheme Fund is established by and derives its authority and accountability from The Public Finance and Management (Nakuru County Executive Car Loan scheme fund) regulations, 2018 Act on 11th May, 2018. The Fund is wholly owned by the County Government of Nakuru and is domiciled in Kenya.

The fund's objective is to provide a loan scheme for the purchase of vehicles by members of the Scheme.

The Fund's principal activity is to provide a loan scheme for the purchase of vehicles by members of the scheme.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to provide a loan scheme for the purchase of vehicles by members of the scheme.

c) Fund Administration Committee

Ref	Name	Position
1	Mr Stephen Iribe Njogu	Fund Chairman
2	CPS Joseph Mutua Malinda	Fund Administrator/Secretary
3	CPA Wilson Mungai	Fund Accountant/Member
4	Mr Charles Koech	Member
5	Mr Dan Odundo	Member
6	CPA James Katiwa	Member

d) Key Management team

Ref	Name	Position
1	Dr Samuel Mwaura	County Secretary
2	CPS Joseph Mutua Malinda	Fund Administrator
3	CPA Wilson Mungai	Fund Accountant

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

Key Entity and Management (Continued)

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate Internal Audit	Mr Timothy Njoroge Mbatia
2	Staff Car Loan Advisory Committee	County Assembly Of Nakuru

tu.go.ke

f) Registered Offices

P.O. Box 2870-20100
New Town Hall Building
Moi Road
Nakuru, Kenya.

g) Fund Contacts

Telephone (051)2214142/(051)2216379/80
E-mail: info@nakuru.go.ke
Website: www.nakuru.go.ke

h) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Family Bank Ltd. Head Office,
Family Bank towers
P.O Box 74145-00200
Nairobi, Muindi Mbingu Street
Tel: 020 325 2000 Cell: +254 703 095 000
Email: info@familybank.co.ke, www.familybank.co.ke

Key Entity and Management (Continued)

i) Independent Auditors

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

j) Principal Legal Adviser




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

k) County Attorney

The County Attorney
New Town Hall Office
Moi Road
P.O. Box 2870 20100
Kenyatta Avenue
Nakuru, Kenya

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

3. Fund Administration Committee

Name	Details of qualifications and experience
 <p>1. Stephen Iribe Njogu Fund Chairman D.O.B: 20Th June 1983</p>	<p>Mr Stephen Iribe Njogu holds an Associate of Science from Kwame Nkrumah University of Science & Technology in Business Administration</p> <p>He also holds a Diploma in Applied Biology from Mombasa Polytechnic University College.</p> <p>He is a former Managing Director at XPD Limited Accra. Former CEO Soft Ventures East African Limited; Nakuru, Nairobi, Kampala.</p> <p>He has over 10 years' experience in private sector.</p> <p>He is currently the CECM Finance and Economic Planning.</p>
 <p>2. CPS Joseph M. Malinda Fund Administrator D.O.B: 27/12/1969</p>	<p>CPS Joseph Malinda Holds a Masters Degree in Business Management from Kenyatta University, A Bachelors of Law Degree from University Of Nairobi, Diploma in-Law from Kenya School of Law.</p> <p>He is a Certified Public Secretary (CPS (K) and an Advocate of the High Court of Kenya.</p> <p>He has served the County Assembly of Nakuru as Clerk and Secretary to the County Assembly Service Board. He has previously service various Defunct Local Authorities as the Chief Executive/ Clerk to Council, Kenya Anti-Corruption Authority as an Attorney and Office of the Attorney General as a State Counsel (Public Prosecutions).</p> <p>Currently he is the Chief Officer – Finance</p>
 <p>3. CPA Wilson Mungai Fund Accountant D.O.B: 01/01/1965</p>	<p>CPA Wilson Mungai holds a Masters Degree from KEMU university and a Bachelor of Arts Degree from the University of Nairobi.</p> <p>He is a Certified Public Accountant {CPA(K)} and Certified Public Secretary (CS).</p> <p>He was previously the treasurer of Municipal Council of Naivasha and Ag. Chief Officer Finance, Nakuru County from August 2022 to Dec 2022.</p> <p>Currently he is the Director of Finance Nakuru County, a position he has held from 2013 to date.</p>

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



4. Mr Charles Koech
Member
D.O.B: 12/12/1968

Mr Charles Koech holds an Education degree from University of Nairobi, a diploma in education from Kisii University.

He has been an Education Administrator, Principal with 15 of years' experience and 13 years' experience as a teacher in various levels.

He currently is the Chief Officer Administration & Devolution



5. CPA James Katiwa
Member
Date of Birth: 22/11/1975

CPA James Katiwa holds a master's degree in business Administration and a Bachelor's degree in Education Specializing in Accounting & Economics both from the university of Nairobi.



He is Certified Public Accountant of Kenya (CPAK) with over fifteen years' experience in Internal Audit and finance.

He is a member of Certified Public Accountants of Kenya (ICPAK).

He is currently the Deputy Director in Charge of Financial Reporting and financial management of Health facilities.

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

4. Management Team

Name	Details of qualifications and experience
 <p>1. Dr Samwel Mwaura Date of birth : 08/07/1985</p>	<p>Dr Samuel Mwaura is a pharmacist by training and a holder of Master of Business Administration (MBA) degree and he is currently a PhD candidate. He has worked with the Ministry of Health and Kenya Medical Supplies Authority (KEMSA). He was the pioneer Chief Officer for Health in the County Government of Nakuru between 2013 and 2018. He was instrumental in the design and execution of the facilities improvement fund (FIF), which has won national and global accolades for its transformative contribution to health services in Nakuru County.</p> <p>During his tenure as Chief Officer of Health, as acting county secretary, Dr. Mwaura has institutionalized accountability in project management and focus on service delivery.</p>
 <p>2. CPS Joseph M. Malinda Fund Administrator Date of Birth: 27/12/1969</p>	<p>CPS Joseph Malinda Holds a Masters Degree in Business Management from Kenyatta University, A Bachelors of Law Degree from University Of Nairobi, Diploma in-Law from Kenya School of Law.</p> <p>He is a Certified Public Secretary (CPS (K) and an Advocate of the High Court of Kenya.</p> <p>He has served the County Assembly of Nakuru as Clerk and Secretary to the County Assembly Service Board. He has previously service various Defunct Local Authorities as the Chief Executive/ Clerk to Council, Kenya Anti-Corruption Authority as an Attorney and Office of the Attorney General as a State Counsel (Public Prosecutions).</p> <p>He currently is the Chief Officer – Finance</p>

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



3. CPA Wilson Mungai
Fund Accountant
Date of Birth: 01/01/1965

CPA Wilson Mungai holds a Masters Degree from KEMU university and a Bachelor of Arts Degree from the University of Nairobi.

He is a Certified Public Accountant {CPA(K)} and Certified Public Secretary (CS).

He was previously the treasurer of Municipal Council of Naivasha and Ag. Chief Officer Finance, Nakuru County from August 2022 to Dec 2022.

Currently he is the Director of Finance Nakuru County, a position he has held from 2013 to date.

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

5. Fund Chairperson's Report

I am pleased to present to you my report as the Chairman of Nakuru County Executive (Staff) Car loan Scheme Fund.

The Nakuru County Executive (Staff) Car Loan Scheme Fund was initially combined with Nakuru County Executive Mortgage (Staff) Scheme Fund. The two operated as one fund from May 2018. In accordance to The Public Finance and Management (Nakuru County Executive Mortgage (Staff) scheme fund) regulations, 2018, they were separated in 17th September 2021. Currently the fund is operating on its own as The Nakuru County Executive (Staff) Car Loan Fund Scheme.

In order to boost the Car Loan Scheme Fund Account to benefit the County Government of Nakuru Staff, departments were directed to allocate the budget for the Fund. The following departments allocated funds in their budget as follows;

<u>DEPARTMENT</u>	<u>AMOUNT</u>
1. Finance	20,000,000
2. Agriculture	2,000,000
3. Land	2,475,000
4. Education	3,500,000
5. Youth	<u>2,500,000</u>
	<u>30,475,000</u>

Out of the total budget allocation of Kshs 30,475,000, we managed to receive Kshs 12,000,000 from the County Treasury (Finance Kshs 10,000,000 and Agriculture Kshs 2,000,000). We noticed a challenge in delays in approval of requisitions by the Controller of budget.

At the start of Financial year 2023-2024, the Fund started its operations with an opening cash balance of **Kshs 975,779.79**. The Fund recovered **Kshs 8,115,548.80** from the loan beneficiaries, **Kshs 12,000,000** transfers from the county Treasury and the Fund earned an interest of **Kshs**

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

57,010.32 from bank Account deposits. The total amount available for disbursement to the beneficiaries in the financial year 2023-2024 was **Kshs. 21,148,338.91**.

Twenty-Six (26) members have benefited from Nakuru County Executive (Staff) Car Loan Scheme Fund since inception of this Fund. Out of the 26 members, eighteen (18) members were male while Eight (8) members were female. This particular period 6 members benefited from the funds of which 3 members were male while 3 members were female.

The fund accounts' statement of financial performance for the period ended 30th June 2024 showed a surplus of Four hundred and ninety-seven thousand three hundred and seven shillings only (**Ksh. 497,307**). The fund noted an increase of surplus by **Kshs 353,526** from the prior period.

The following members of the Fund were awarded the Car Loan;

1. Gladys Kamuren	2,850,000
2. Stephen Kuria	800,000
3. Rotich A.K. Peter	2,980,000
4. Josephine Atieno	4,000,000
5. Samuel Nyaundi	1,720,000
6. Irene Mokeira	1,010,000
7. David Kamau Kuria	<u>3,700,000</u>
	<u>17,060,000</u>

We managed to hold four (4) meetings this financial year 2023-2024. The committee continue to view the year ahead with confidence and hope that the fund will continue to grow.

Name: **Mr Stephen Iribe Njogu**

Signature..........Date..... **13-12-2024**.....

Chairperson of the Fund

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

6. Report of The Fund Administrator

I wish to present to you my report as the fund administrator of Nakuru County Executive (staff) Car Loan Scheme Fund for the year ended 30th June 2024. I will start by highlighting the formation and activities of the fund. This scheme was established through The Public Finance and Management (Nakuru County Executive (Staff) Car Loan scheme fund) regulations, 2018. With the objective of advancing loan to members of the staff of the Nakuru County Executive at a negotiated interest rate of the 3%. The fund is administered through Family Bank who are the Bankers administrators and controller of the fund. This financial period, we managed to have a surplus of **Kshs 497,307** (Four hundred and ninety-seven thousand three hundred and seven shillings only). The fund noted an increase of surplus by **Kshs 353,526** from the prior period.

At the start of Financial year **2023-2024**, the Fund started its operations with an opening cash balance of **Kshs 975,779.79**. The Fund recovered **Kshs 8,115,548.80** from the loan beneficiaries, **Kshs 12,000,000** transferred from the county Treasury and the Fund earned an interest of **Kshs 57,010.32** from bank deposits.

The fund is managed by a fund management committee which comprise of the following;

		Position
1	Mr. Stephen Iribe Njogu	Fund Chairman
2	CPS Joseph M. Malinda	Fund administrator
3	CPA Wilson Mungai	Fund accountant
4	Mr. Charles Koech	Member
5	CPA James Kaiwa	Member
6	Mr Dan Odundo	Member

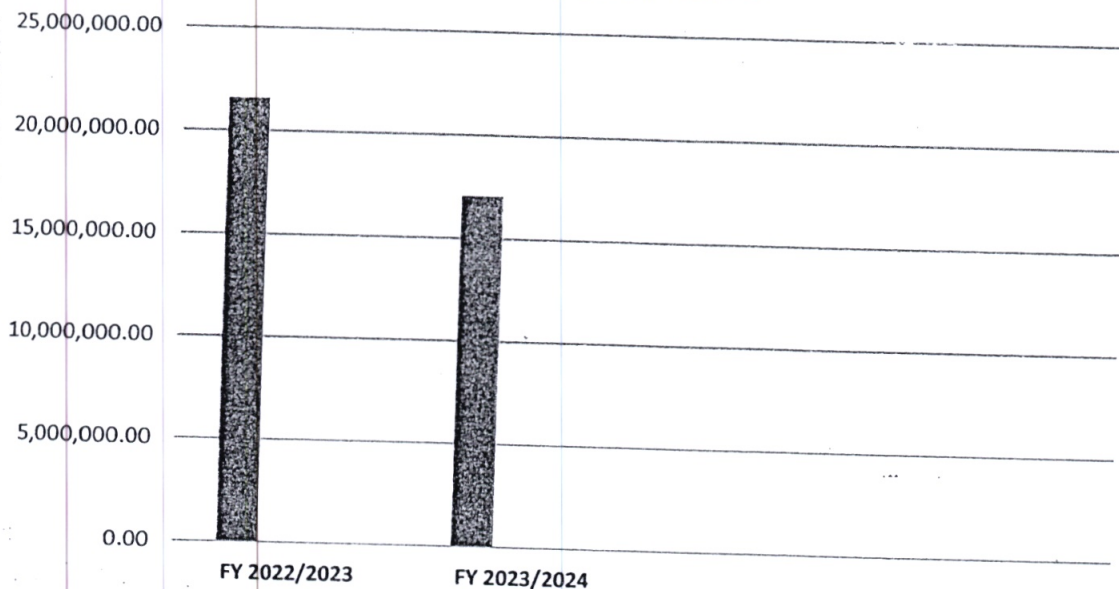
The following members of the Fund were awarded the Car Loan;

1.	Gladys Kamuren	2,850,000
2.	Stephen Kuria	800,000
3.	Rotich A.K. Peter	2,980,000
4.	Josephine Atieno	4,000,000

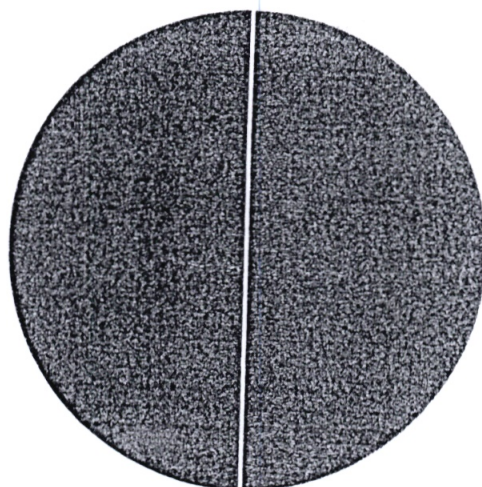
**Nakuru County Executive (Staff) Car Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2024**

5. Samuel Nyaundi	1,720,000
6. Irene Mokeira	1,010,000
7. David Kamau Kuria	<u>3,700,000</u>
	<u>17,060,000</u>

LOAN DISBURSEMENTS



MEN AND WOMEN



■ 3 MEN ■ 3 WOMEN

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

Before any loan is disbursed to the beneficiary, the committee ensure that all the requirements have been met by the applicant.

It is the responsibility of the committee to ensure that the fund is well managed and the funds advanced are properly accounted for.

The fund faced the challenge of insufficiency of funds to meet the ever growing demand of the loan facility. The fund received a transfer of **Kshs 12,000,000** from the County treasury against a budget of **Kshs 30,475,000**.

Finally, I wish to assure all members that we are committed in ensuring that the fund in managed in a transparent and accountable manner.

Signed: 

CPS Joseph M. Malinda
Fund Administrator

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

Introduction

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

The key development objectives of the Fund as per the strategic plan for the financial year 2023-2024 are to:

- a) Purchase of vehicles by members of scheme.
- b) Facilitate effective recoveries of loans given to members to enhance availability of funds.
- c) Give members loan at affordable rate of 3% annually on a reducing balance method.

Progress on attainment of Strategic development objectives

Program	Objective	Outcome	Initiative	Performance
<i>Nakuru County Executive (Staff) Car Loan Scheme Fund</i>	a) Provide affordable loan facilities to buy vehicle	Make staff member mobility at ease by buying vehicles	Bought affordable vehicle for staff member	In this period, six members were given the loan.
	b) Facilitate effective recoveries of loans given to enhance availability of funds	Recoveries has been made monthly and other members also have completed paying their loans.	Availability of funds after recoveries to facilitate other new members given opportunity to own vehicles	This period Six members were given loan due to availability of funds and loan recoveries.
	c) Give members loan at affordable rate of 3% annually on a reducing balance method	Many members have applied due to low interest rates.	Applications that have been made by members.	Successful members have been awarded the loan facility.

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

8. Corporate Governance Statement

- a) Succession plan of Committee members is laid down by The Public Finance and Management (Nakuru County Executive (Staff) Car Loan scheme fund) regulations, 2018 Act governing it and comes with office held, the county executive committee member for finance (chairperson), chief officer treasury (Fund Administrator), chief officer public service management (Member), county attorney office (member) and any other member specified by the Act.
- b) The act indicate that the county secretary appoints other committee members, two directors appointed and two chief officers.
- c) Roles and functions of the committee is to supervise and control the day to day administration of the fund, may appoint such other staff to attend its meeting, may appoint a financial institution to administer the fund on behalf of the committee, determine and regulate interest charged on the car loan, approve all housing developments and financing proposals, enter into agreements with persons or legal entities for the purposes of providing services to the fund, develop equitable criteria for the beneficiaries of the fund, establish management guidelines and engage such staff as may be necessary for the discharge of its functions and such other duties as may be directed by the chairperson for the proper management of the fund.
- d) **Remuneration:** Members are paid allowances and disbursements for expenses as approved by the salaries and remuneration commission on the advice of the county executive committee member.
- e) The committee managed to hold four meetings this financial year.
- f) The committee has put in place mechanism for induction and training in that the incoming accountant is trained by outgoing accountant. The accountant in charge also attends trainings organised by ICPAK.
- g) There is no conflict of interest because all the beneficiaries are awarded after application has been made and committee approval. The accountant-in-charge is not a beneficiary of the Fund at the moment.
- h) The fund is managed ethically and in a professional manner. The Fund accountant and the accountant in charge of the fund are members of institute of public accountants (ICPAK) with good standings.

9. Management Discussion and Analysis

This scheme was established through The Public Finance and Management (Nakuru County Executive (Staff) Car Loan scheme fund) regulations, 2018. With the objective of advancing loan to members of the staff of the Nakuru County Executive at a negotiated interest rate of the 3%. The fund is administered through Family Bank who are the Bankers controller of the fund.

This financial period, the fund managed to have a surplus of **Ksh. 497,307**(Four hundred and ninety-seven thousand three hundred and seven shillings only)

The committee received applications and the following members were awarded the car loan;

1. Gladys Kamuren	2,850,000
2. Stephen Kuria	800,000
3. Rotich A.K. Peter	2,980,000
4. Josephine Atieno	4,000,000
5. Samuel Nyaundi	1,720,000
6. Irene Mokeira	1,010,000
7. David Kamau Kuria	<u>3,700,000</u>
	<u>17,060,000</u>

Mr Stephen Kuria was awarded a car Loan of Kshs 4,000,000 in the Financial Year 2022-2023 and was given Kshs 3,200,000 that year. The balance of Kshs 800,000 was given this financial year 2023-2024.

Before any loan is disbursed to the beneficiary the committee ensure that all the requirements have been met by the applicant.

It is the responsibility of the committee to ensure that the fund is well managed and the funds advanced are properly accounted for.

The fund faced the challenge of insufficiency of funds to meet the ever growing demand of the loan facility. The fund received **Kshs 12,000,000** transfers from the County treasury to boost the Fund against a budget of **Kshs 30,475,000**.

Finally, I wish to assure all members that we are committed in ensuring that the fund in managed in a transparent and accountable manner.

10. Environmental and Sustainability Reporting

1. Sustainability strategy and profile -

The Fund is to ensure that the members are sustained through the allocation of loan to facilitate the efficient movement from one place to another more movement to work via the vehicle acquired through the Fund. Sustainability is also realized as a result of the recoveries from the car loan given to members and the transfers received from the county treasury. Through requisitions, transfers are also being made from the treasury to enhance sustainability of the fund thereby boosting the Fund account.

2. Environmental performance

Nakuru County Executive (Staff) Car Loan Scheme Fund is established by and derives its authority and accountability from The Public Finance And Management (Nakuru County Executive Car Loan scheme fund) regulations, 2018 Act on 11th May, 2018. The Fund is wholly owned by the County Government of Nakuru and is domiciled in Kenya.

The Fund is regulated through the above mentioned policy which has made it more effective and efficient. There is conducive environment for the management of the Fund where all the employees in need of the facility are encouraged to apply.

3. Employee welfare

Nakuru County Executive (Staff) Car Loan Scheme Fund is established by and derives its authority and accountability from The Public Finance and Management (Nakuru County Executive (Staff) Car Loan scheme fund) regulations, 2018 Act on 11th May, 2018.

The committee members' appointments are laid down in the Act. The committee members are paid allowances of attending meetings as per the salaries and remuneration commissions directives.

The employees are given Car loan at an interest rate of 3% which is lower than a market rate of 17.5%. This is 14.5% lower thereby ensuring that their welfare is well taken care of.

4. Market place practices-

The fund has provided members with car loan and this has facilitated their movements within the environment more easily. This has also made them to do their work effectively because they are able to come early.

5. Corporate Social Responsibility / Community Engagements

There was no Social Responsibility undertaken during the financial year 2023-2024. The committee is looking forward undertaking one in a near future.

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

11. Report of The Trustees

The Committee 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 provide loans to the scheme members for purchase of vehicles by members of scheme.

Results

The results of the Fund for the year ended June 30, 2024 are set out on page 1-7

Committee

The members of the Board of Committee who served during the year are shown on page vii- x.


No changes were made in the Board during the financial year and remains as shown below:

NAME	POSITION
Dr Samwel Mwaura	County Secretary
Mr. Stephen Iribe Njogu	Fund Chairman
CPS Joseph Malinda	Fund administrator
CPA Wilson Mungai	Fund Accountant

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



Chair of the committee

Date: 13-12-2024

Nakuru County Executive (Staff) Car Loan 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 The Public Finance And Management (Nakuru County Executive (Staff) Car Loan scheme fund) regulations, 2018 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

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

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and The Public Finance and Management (Nakuru County Executive (Staff) Car Loan scheme fund) regulations, 2018. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended **June 30, 2024**, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

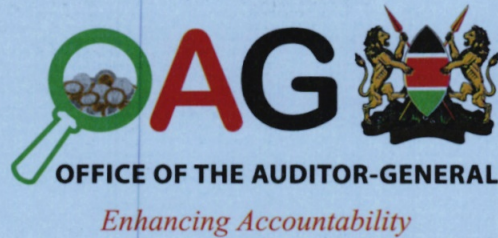
The Fund's financial statements were approved by the Board on 13-12-2024 and signed on its behalf by:


.....

Fund Administrator

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NAKURU COUNTY EXECUTIVE (STAFF) CAR LOAN SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Nakuru County Executive (Staff) Car Loan 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 performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of

Report of the Auditor-General on Nakuru County Executive (Staff) Car Loan Scheme Fund for the year ended 30 June, 2024

significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Nakuru County Executive (Staff) Car Loan 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 Public Finance Management (The Nakuru County Government Car Loan (Staff) Scheme Fund) Regulations, 2018 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Statement of Cash Flows

The statement of cash flows reflects a net increase in cash and cash equivalents amount of Kshs.2,893,159. However, recast of statement results in a balance is Kshs.2,598,408 leading to an unexplained and unreconciled variance of Kshs.294,751. In addition, Note 25 to the financial statements discloses net cash flows from operating activities amount of Kshs.497,307. However, recast of the schedule in Note 25 results in net cash flows from operating activities amount of Kshs.143,781 leading to unreconciled and unexplained variance of Kshs.353,526.

Further, Note 25 to the financial statements discloses an increase in receivables amount of Kshs.612,515. However, the statement of financial position reflects increase in the long term and current portions of receivables amount of Kshs.5,219,745 and Kshs.4,609,998 all totaling Kshs.9,829,743 resulting in an unexplained and unreconciled variance of an amount of Kshs.9,217,228. In addition, the increase in payables was indicated as Kshs.258,989 which differed with the recomputed amount of Ksh.225,595 resulting to another unexplained and unreconciled variance of Ksh.33,394.

In the circumstances, the accuracy of the statement of cash flows could not be confirmed.

2. Variance in Transfers from the County Government

The statement of changes in net assets reflects funds received from the County Government during the year amount of Kshs.12,000,000. However, the County Executive records indicate that an amount of Kshs.20,000,000 was transferred to the Fund resulting in an unexplained and unreconciled variance of Kshs.8,000,000.

In the circumstances, the accuracy and completeness of the funds received from the County Government during the year amount of Kshs.12,000,000 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Nakuru County Executive (Staff) Car Loan Scheme Fund Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with

other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues or given any explanation for the failure to do so.

Other Information

The Management are responsible for the other information set out on page iii to xx which comprise of Fund's Key Entity Information and Management, The Fund Administration Committee, Management Team, Fund Chairperson's Statement, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Trustees and Statement of Management 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 and I am required to report that fact. Based on the audit procedures performed, because of the significance of the matters described in my basis for qualified opinion, I confirm that the Other Information is materially inconsistent with the financial statements

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I

confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Implementation of Recommendations by Legislative Committees and Auditor-General

The Fund Management did not provide any evidence in form of reports on the progress made in implementing prior year auditor's recommendations nor explanations in writing to the Parliament on why the report has not been acted upon in total breach of to the Public Sector Accounting Standards Board reporting framework and Section 53(1) of the Public Audit Act of 2015.

Further there was no evidence of Implementation of the Legislative Committees' Recommendations for the Auditor-General's Reports for the previous years.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Fraud and Risk Management Strategies

The Fund did not have in place a fraud management policy to assist in detecting and preventing fraud during the year under review. Further, Management did not have a risk management policy or strategy in place and therefore, had no approved processes and guidelines on how to mitigate operational, legal and financial risks contrary to Regulation 158 of the Public Finance Management (County Governments) Regulations, 2015.

In addition, the Fund lacks disaster recovery plan or business continuity plan which outlines how it will continue operating during an unplanned disruption in service. Management has not instituted its own policies and procedures to guide key financial processes and controls for the management of personnel and related expenditure.

Further, the Management did not perform formal risk assessments during the financial year audited.

In the circumstances, Management may not be in a position to evaluate, rank and prioritize critical risks and channel resources towards mitigating identified risks.

2. Composition of the Staff Car Loan Management Committee

Review of the Fund Administration Committee membership of the Fund revealed that the Committee has five (5) Members instead of the seven (7) required by the Regulations. Management did not provide any explanation for this unsatisfactory situation. This is contrary to Regulation 6(1) of the Public Finance Management (County Government of Nakuru Mortgage (Staff) Scheme Fund) Regulations, 2018 which indicates that the Staff Mortgage Loans Committee shall consist of seven (7) members.

In the circumstances, oversight role of the Fund Administration Committee may not be 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 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

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

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

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	-	-
Transfers From the County Government	2	-	-
Fines, Penalties and Other Levies	3	-	-
Revenue From Exchange Transactions			
Interest Income	4	909,682	313,227
Other Income	5	33,220	17,160
		942,902	330,387
Total Revenue		942,902	330,387
Expenses			
Employee Costs	6	-	-
Use of goods and services	7	445,595	186,606
Depreciation and Amortization Expense	8	-	-
Finance Costs	9	-	-
Total Expenses		445,595	186,606
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	-	-
Gain /Loss on fair value of investments	11	-	-
Surplus/(Deficit) for the Period		497,307	143,781

(The notes set out on pages 18 to 42 form an integral part of these Financial Statements)

.....
Name: CPS Joseph M. Malinda
Administrator of the Fund

.....
Name: CPA Wilson Mungai
Fund Accountant
ICPAK Member Number: 7241

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

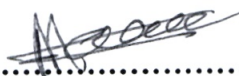
15. Statement of Financial Position As at 30 June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	3,868,939	975,780
Current Portion of Long- Term Receivables From Exchange Transactions	13	11,520,908	6,910,910
Prepayments	14	-	-
Inventories	15	-	-
Investments in financial assets	16	-	-
Total current assets		15,389,847	7,886,690
Non-Current Assets			
Property, Plant and Equipment	17	-	-
Intangible Assets	18	-	-
Long Term Receivables from Exchange Transactions	13	24,020,440	18,800,695
Investment Property	19		
Total non- current assets		24,020,440	18,800,695
Total Assets (A)		39,410,287	26,687,385
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	489,143	263,548
Current Provisions	21		
Current Portion of Borrowings	22	-	-
Employee Benefit Obligations	23	-	-
Social benefit liabilities	24		
Total current liabilities		489,143	263,548
Non-Current Liabilities			
Non-Current Provisions	21	-	-
Long Term Portion of Borrowings	22	-	-
Non-Current Employee Benefit Obligation	23		


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

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Social benefit liabilities	24		
Total Liabilities (B)		489,143	263,548
Net Assets (A-B)		38,921,144	
Represented By:			
Revolving Fund		38,072,967	26,072,967
Reserves			
Accumulated Surplus		848,177	350,870
Net Assets		38,921,144	26,687,385

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



Name: CPS Joseph M. Malinda
Administrator of the Fund



Name: CPA Wilson Mungai
Fund Accountant
ICPAK Member Number: 7241

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

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

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	
		Kshs	Kshs	Kshs
Balance As At 1 July 2022	26,072,967	-	207,089	26,281,788
Surplus/(Deficit) For the Period		-	143,781	143,781
Funds Received During the Year	-	-	-	-
Transfers	-		-	
Revaluation Gain	-	-	-	-
Balance As At 30 June 2023	26,072,967	-	350,870	26,423,837
Balance As At 1 July 2023	26,072,967	-	350,870	26,281,788
Surplus/(Deficit) For the Period		-	497,307	497,307
Funds Received During the Year	12,000,000	-	-	12,000,000
Transfers	-		-	
Revaluation Gain	-	-	-	-
Balance As At 30 June 2024	38,072,967		848,177	38,921,144

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

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

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government		-	-
Interest received	4	909,682	313,227
Receipts from other operating activities	5	33,220	17,160
Total receipts		942,902	330,387
Payments			
Fund administration expenses		433,444	179,406
General expenses		3,600	7,200
Finance cost			-
Other payments (Withholding Tax)		8,551	-
Net cash flows from operating activities	25	497,307	231,823
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets			
Proceeds from sale of property, plant & equipment			
Proceeds from loan principal repayments		7,212,813	3,269,991
Loan disbursements paid out		(17,060,000)	21,570,000
Net cash flows used in investing activities		(9,847,187)	-18,300,009
Cash flows from financing activities			
Proceeds from revolving fund receipts		12,000,000	-
Additional borrowings			
Repayment of borrowings			
Net cash flows used in financing activities			
Net increase/(decrease) in cash & cash Equivalents		2,893,159	-17,997,281
Cash and cash equivalents at 1 July		975,780	18,973,061
Cash and cash equivalents at 30 June		3,868,939	975,780

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
Revenue						
Public Contributions and Donations	-	-	-	-	-	
Transfers From County Govt.						
Interest Income	909,682		909,682	909,682	-	100
Other Income	33,220		33,220	33,220	-	100
Total Income	942,902		942,902	942,902	-	100
Expenses						
Fund Administration Expenses	325,995	-	325,995	325,995	-	100
General Expenses	116,000		116,000	116,000	-	100
Finance Cost	3,600	-	3,600	3,600	-	100
Total Expenditure	445,595	-	445,595	445,595	-	100
Surplus For the Period	497,307	-	497,307	497,307	-	100
Capital expenditure						

**Nakuru County Executive (Staff) Car Loan 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

Nakuru County Executive (Staff) Car Loan Scheme Fund is established by and derives its authority and accountability from The Public Finance and Management (County Government of Nakuru Car Loan Staff scheme fund) regulations, 2018 Act. The Nakuru County Executive (Staff) Car Loan Scheme Fund is wholly owned by the Nakuru County Government and is domiciled in Kenya. Nakuru County Executive (Staff) Car Loan Scheme Fund's principal activity is provide affordable car loans facilities to its member staff.

2. Statement of compliance and basis of preparation

The Nakuru County Executive (Staff) Car Loan Scheme 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 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>

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

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

<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial 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 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

(i) Early adoption of standards

The Nakuru County Executive (Staff) Car Loan Scheme Fund 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

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

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

Rental income

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

b) Budget information

The original budget for FY 2023-2024 was approved by the County Assembly on 29/6/2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Kshs. 12,000,000 on the FY 2023-2024 budget following the governing body's approval.

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

Nakuru County Executive (Staff) Car Loan 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 xxx of these financial statements.

e) Property, plant and equipment

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

a) Intangible Assets

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

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

b) Investment property

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

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 Nakuru County Executive (Staff) Car Loan Scheme Fund classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the 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 cash flows 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.

Nakuru County Executive (Staff) Car Loan 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 Nakuru County Executive (Staff) Car Loan Scheme Fund 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 Nakuru County Executive (Staff) Car Loan Scheme Fund recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *note xx*.

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

The Nakuru County Executive (Staff) Car Loan Scheme Fund 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 Nakuru County Executive (Staff) Car Loan Scheme Fund.

e) Provisions

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

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 Nakuru County Executive (Staff) Car Loan Scheme Fund recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the Nakuru County Executive (Staff) Car Loan Scheme Fund will incur in fulfilling the present obligations represented by the liability.

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

Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

Contingent assets

The Nakuru County Executive (Staff) Car Loan Scheme Fund does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the 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 Nakuru County Executive (Staff) Car Loan Scheme Fund creates and maintains reserves in terms of specific requirements.

i) Changes in accounting policies and estimates

The Nakuru County Executive (Staff) Car Loan Scheme Fund recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

j) Employee benefits – Retirement benefit plans

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

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

Summary of Significant Accounting Policies (Continued)

k) 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.

l) 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.

m) Related parties

The Nakuru County Executive (Staff) Car Loan Scheme Fund 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.

n) 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.

o) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

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

Nakuru County Executive (Staff) Car Loan 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	-	-
Total	-	-

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	-	-
Total	-	-

3. Fines, penalties and other levies

Description	2023-2024	2022-2023
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest Income from Mortgage Loans	-	-
Interest Income From Car Loans	852,672	313,227
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	57,010	-
Total Interest Income	909,682	313,227

Nakuru County Executive (Staff) Car Loan 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	33,220	17,160
Total Other Income	33,220	17,160

This is the income realised from the ledger fees charged on the monthly contributions

6. Employee Costs

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

7. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs	Kshs
General Office Expenses	-	-
Loan Processing Costs	33,220	17,160
Professional Services Costs	284,224	104,246
Administration Fees	-	-
Committee Allowances	116,000	58,000
Bank Charges	3,600	7,200
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-

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

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Printing And Stationery	-	-
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Bank Charges	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Withholding tax	8,551	-
Social benefit expenses*	-	-
Total	445,595	186,606

8. Depreciation and Amortization Expense

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

9. Finance costs

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

Nakuru County Executive (Staff) Car Loan 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	-	-
Total	-	-

11. Gain/ (loss) on Fair Value Investments

Description	2023-2024	2022-2023
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investments in property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

12. Cash and cash equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Nakuru County Executive (Staff) Car Loan Scheme Fund Account	3,868,939	975,780
Xxx County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	-	-
Others (<i>Specify</i>)	-	-
Total Cash And Cash Equivalents	3,868,939	975,780

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

Notes to the Financial Statements Continued

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

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Equity Bank, Etc.		-	-
Sub- Total		-	-
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
Sub- Total		-	-
c) Current Account			
Family Bank Ltd	19000044965	3,868,939	975,780
Bank B		-	-
Sub- Total		3,868,939	975,780
d) Others(Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		3,868,939	975,780

13. Receivables from exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Receivables		
Interest Receivable		18,564
Current Loan Repayments Due	11,520,908	6,910,910
Other Exchange Debtors		
Less: Impairment Allowance	-	-
Total Current Receivables	11,520,908	6,929,474
Non-Current Receivables		
Long Term Loan Repayments Due	24,020,440	18,800,695
Total Non- Current Receivables	24,020,440	18,800,695
Total Receivables From Exchange Transactions	35,541,348	25,750,328

Nakuru County Executive (Staff) Car Loan 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
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years		-
Accrued interest receivable from of long-term loans of previous years		18,564
Interest receivable from current portion of long-term loans issued in the current year		
Current loan repayments due		
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	11,520,908	6,910,910

14. Prepayments

Description	2023-2024	2022-2023
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (Specify)	-	-
Total	-	-

15. Inventories

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

Nakuru County Executive (Staff) Car Loan 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
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
Bank x	-	-
Bank y	-	-
Sub- total	-	-
c. Equity investments (specify)		
Equity/ shares in Entity xxx	-	-
Sub- total	-	-
Grand total	-	-

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	-	-
At the end of the year	-	-

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			
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

Nakuru County Executive (Staff) Car Loan 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

Cost	Land and Buildings Kshs	Motor vehicles Kshs	Furniture and fittings Kshs	Computers and office equipment Kshs	Total Kshs
At 1st July 2022	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
At 30th June 2023	-	-	-	-	-
At 1st July 2023					
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
At 30th June 2024	-	-	-	-	-
Depreciation And Impairment					
At 1 st July 2022	-	-	-	-	-
Depreciation	-	-	-	-	-
Impairment	-	-	-	-	-
At 30th June 2023	-	-	-	-	-
At 1st July 2023					
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
At 30th June 2024	-	-	-	-	-
Net Book Values					
At 30th June 2023	-	-	-	-	-
At 30th June 2024	-	-	-	-	-

Nakuru County Executive (Staff) Car Loan 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	-	-

Nakuru County Executive (Staff) Car Loan 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		489,143		263,548
Other Payables				-
Total Trade and Other Payables		489,143		263,548
Ageing analysis (Trade and other payables)	2023-2024	% of the Total	2022-2023	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

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	-	-	-	-
Total provisions year end	-	-	-	-
Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-

Nakuru County Executive (Staff) Car Loan 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
Balance At Beginning of The Period	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments of External Borrowings During the Period	-	-
Repayments of Domestic Borrowings During the Period	-	-
Balance At End of The Period	-	-

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

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

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	-	-
Total	-	-

Nakuru County Executive (Staff) Car Loan 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	-	-	-	-	-
Total	-	-	-	-	-

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	-	-
Total	-	-
Current social benefits	-	-
Non-current social benefits	-	-
Total (tie to totals above)	-	-

Nakuru County Executive (Staff) Car Loan 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
	Ksh	Ksh
Surplus/ (Deficit) For the Year Before Tax	497,307	143,781
Adjusted For:		
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	-	-
Finance Cost	-	-
Working Capital Adjustments		
Increase In Inventory	-	-
Increase In Receivables	(612,515)	14,141
Increase In Payables	258,989	73,901
Net Cash Flow From Operating Activities	497,307	231,823

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	-	-
Total	-	-

d) Due from related parties

Description	2023-2024	2022-2023
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

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	-	-
Total	-	-

27. Contingent assets and contingent liabilities

Contingent Liabilities	2023-2024	2022-2023
	Kshs	Kshs
Court Case Xxx Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

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
At 30 June 2024				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
At 30 June 2023				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

Notes To The Financial Statements (Continued)

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

The Nakuru County Executive (Staff) Car Loan Scheme Fund has significant concentration of credit risk on amounts due from no employee.

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

Notes To The Financial Statements (Continued)

c) Market risk

The board has put in place ^{the day} 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 Nakuru County Executive (Staff) Car Loan Scheme Fund 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	
At 30 June 2024			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Notes To The Financial Statements (Continued)

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on surplus/deficit	Effect on equity
	Kshs	Kshs	Kshs
2023-2024			
Euro	10%	-	-
USD	10%	-	-
2022-2023			
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 xxx (2024: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (2023 – Kshs xxx).

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	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-	-

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 Nakuru County Executive (Staff) Car Loan Scheme Fund is a County Public Fund is established by and derives its authority and accountability from The Public Finance And Management (Nakuru County Executive (Staff) Car Loan scheme fund) regulations,2018 Act on 11thMay,2018 under the Ministry of Finance. Its ultimate parent is the County Government of Nakuru.

31. Currency

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

20. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Start and end date when the issue will be resolved)
1.1	<p>Long-Term Receivables from Exchange Transactions</p> <p>The statement of financial position reflects long term receivables from exchange transactions balance of Kshs. 18,800,695 as disclosed in Note 13 to the financial statements. However, aging analysis and loan ledgers for individual account were not provided for audit. It was therefore not possible to confirm the extent of bad and doubtful debts and the required provisions.</p> <p>In the circumstances, the accuracy and fair statements of the long-term receivables from exchange transactions balance of Kshs. 18,800,695 could not be confirmed.</p>	<p>We do agree with auditors' findings however, the schedules supporting long term receivable from exchange transactions of Kshs. 18,800,695, Loan recoveries from beneficiaries and recovery plan from loan defaulter have been provided.</p>	Not Resolved	2024-2025 FY
1.2	<p>The statement of cash flows reflects net decrease in cash and equivalents amount of Kshs. 17,997,281 which differs with the recomputed decrease of Kshs 18,156,228 resulting to an</p>	<p>We take note on auditors' finding on recomputed decrease difference of Kshs. 18,156,228 however, the difference between</p>	Not Resolved	2024-2025 FY

Nakuru County Executive (Staff) Car Loan Scheme Fund
Annual Report and Financial Statements For the year ended 30th June 2024

Reference No. of 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>unexplained and unreconciled variance of Kshs 158,947.</p> <p>Further, Note 25 to the financial statements reflects increase in receivables and payables of Kshs. 14,141 and Kshs 73,901 respectively both totaling Kshs. 88,042. However, the amounts differ with the recomputed increase in receivables and payables of Kshs. 18,262,470 and Kshs 121,406 respectively totaling Kshs. 18,383,876 resulting to an unexplained and unreconciled variance of Kshs. 18,295,834.</p> <p>In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.</p>	<p>closing cash and cash equivalent of Kshs. 975,780 and opening cash and cash equivalent of Kshs. 18,973,061 is a decrease of Kshs. 17,997,281 and not Kshs. 18,156,228 as stipulated by auditors.</p> <p>On note 25 we do agree with Auditors' findings in increase in receivables and payables however, we computed figures based on income and expenditure. We have noted auditors concern and we are looking ahead making necessary changes.</p>		
	<p>Irregular Disbursement of Car Loan</p> <p>Review records revealed that a loan amounting to Kshs. 1,700,000 for purchase of a car whose year of manufacture was 2011 or 11 years old. This is contrary to Regulation 8 (2) of the</p>	<p>We do agree with auditors findings, however management is looking forward in</p>	Not Resolved	2024-2025 FY

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe (Date when you expect the issue to be resolved)
	<p>Nakuru County Government Car Loan (Staff) Scheme Fund Regulations, 2018 which stipulates that a loan shall not be advanced to a beneficiary to purchase a vehicle that is more than 8 years from the date of manufacture or as may be determined from time to time.</p> <p>In the circumstance, the Management was in breach of the regulations.</p> <p>The management to justify issuance of the car loan in contravention to the regulations.</p>	making necessary improvement.		

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 Administrator

Date.....13/12/2024

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

Annex II: Inter-Fund Confirmation Letter

[Insert your Letterhead]

[Insert name of beneficiary Fund]

[Insert Address]

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

02
tai

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30 th June 20xx							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 th June 2024				Amount Received by [beneficiary Fund] (KShs) as at 30 th June 2024 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							

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

Head of Accountants department of beneficiary Fund:

Name Sign Date

Nakuru County

Nakuru County Executive (Staff) Car Loan Scheme Fund

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

Annex III: Reporting of Climate Relevant Expenditures

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

Nakuru County

Nakuru County Executive (Staff) Car Loan Scheme Fund

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

Annex IV: Reporting on Disaster Management Expenditure

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