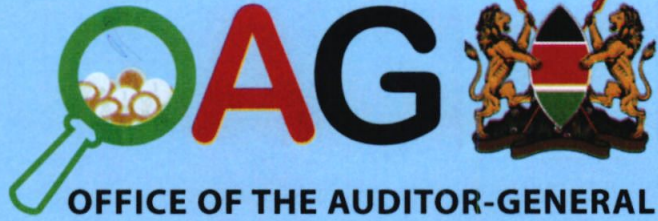


REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**NAROK COUNTY ASSEMBLY CAR LOANS,  
GRANTS AND MORTGAGE SCHEME FUND**

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

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



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**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME  
FUND**

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

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

***NAROK COUNTY ASSEMBLY CAR LOANS, GRANT AND MORTGAGES SCHEME  
FUND***

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

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**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME  
FUND**

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

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***NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME  
FUND***

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

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**1. Acronyms and Glossary of Terms**

a) Acronyms

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

b) Glossary of Terms

Fiduciary Management: The key management personnel who had financial responsibility

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME  
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**Annual Report and Financial Statements for the year ended June 30, 2024**

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**2. Key Entity Information and Management**

**a) Background information**

Narok County Assembly Car Loans, Grants and Mortgages Scheme Fund was established by and derives its authority and accountability from Public Finance Management Act, 2012 and Narok County Assembly Car Loans, Grants and Mortgages Scheme Fund Regulations, 2021. The Fund is wholly owned by the County Assembly of Narok and is domiciled in Kenya.

The fund's objective is to facilitate the acquisition of car loans and mortgage schemes for Members of the County Assembly and staff of the Narok County Assembly to motivate them and retain the requisite services for the County Assembly Public Service.

The Fund's principal activity is to provide avenue through which Members of the County Assembly and staff would easily and affordably acquire properties thereby transforming their livelihoods. This would improve the members and staff motivation and retention for better service delivery to the people of Narok.

**b) Principal Activities**

The principal activity of the Fund is to provide car loans and mortgages to Members of County Assembly and Staff at affordable interest rate of 3%.  
The mission of the Fund is to ensure its members have a consistent flow of funds to enable them undertake the activities mentioned above.

**c) Car Loans, and Mortgages Management Committee**

| Ref | Position                            | Name                       |
|-----|-------------------------------------|----------------------------|
| 1   | Chairman of the Committee           | Hon. Isaac Salau Dapash    |
| 2   | Vice Chair of the Committee         | Hon. Susana Kutingala      |
| 3   | Member                              | Hon. Henry Titimet Siololo |
| 4   | Member                              | Hon. Alice Kering          |
| 4   | Clerk Assembly / Fund Administrator | Mr. Joseph Kasaine Lengeny |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME  
FUND**

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

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**d) Key Management team**

| Ref | Position           | Name                       |
|-----|--------------------|----------------------------|
| 1   | Fund Administrator | Mr. Joseph Kasaine Lengeny |
| 2   | Fund Accountant    | CPA Peter Shakamae Tianta  |
| 3   | Fund Secretary     | Mr. Gideon Langat          |

**Key Entity and Management (Continued)**

**e) Fiduciary Oversight Arrangements**

The Key management Personnel who held office during the financial period ended 30<sup>th</sup> June 2023 and who had direct fiduciary responsibility were:

| SN | Position           | Name                       |
|----|--------------------|----------------------------|
| 1  | Fund Administrator | Mr. Joseph Kasaine Lengeny |
| 2  | Fund Accountant    | CPA Peter Shakamae Tianta  |
| 3  | Fund Secretary     | Mr. Gideon Langat          |

**f) Registered Offices**

P.O. Box 19-20500  
Narok County Assembly Building/House  
Mau-Narok Road  
Narok, KENYA

**g) Fund Contacts**

Telephone: (254) 02068889  
E-mail: info@narokassembly.go.ke  
Website: www.narokassembly.go.ke

**h) Fund Bankers**

1. Central Bank of Kenya

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME  
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**Annual Report and Financial Statements for the year ended June 30, 2024**

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Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya

2. Access Bank PLC  
P.O BOX 852-20500  
Narok-KENYA  
Narok Branch
  
3. Diamond Trust Bank  
P.O BOX 1265-20500  
Narok-KENYA  
Narok Branch

**Key Entity Information 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**

P.O. Box 898-20500  
Narok County Headquarters Building  
Mau-Narok Road  
Narok, KENYA

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME FUND**

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

**3. Car Loans and Mortgages Management Committee**

| NAME   | POSITION  | QUALIFICATIONS  |
|--|---|---|
|  <p data-bbox="225 853 560 884"><b>Hon. Isaac Salau Dapash</b></p>  | <p data-bbox="724 600 863 667">Committee<br/>Chairman</p>     | <p data-bbox="906 421 1412 629">Born in 1985, Hon Isaac is the Deputy Speaker of the Narok County Assembly since September 2022. He holds a bachelor of nursing and has over 10 years' experience both in the public and private sector.</p> <p data-bbox="906 674 1422 846">He is a staunch legislator with keen interest in oversight legislation. He is the chairperson of the Narok County Assembly Car Loans and Mortgages Scheme Fund Management Committee.</p> |
|  <p data-bbox="225 1442 536 1473"><b>Hon. Susana Kutingala</b></p> | <p data-bbox="724 1003 863 1070">Committee<br/>Vice Chair</p> | <p data-bbox="906 898 1422 1106">Born in 1984, she has been a big player in the NGO world where she rose to the management level and a champion of community development. She has been a member of Narok County Assembly for two consecutive terms.</p> <p data-bbox="906 1182 1422 1317">Hon. Susan is the vice chairperson of the Narok County Assembly Car Loans and Mortgages Scheme Management Committee.</p>  |


**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME FUND**

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

|  |                           |  |
|--|---------------------------|--|
|  <p><b>Hon. Henry Titimet Siololo</b></p> | <p>Committee Member</p>   | <p>Born in 1988, Hon Titimet is a seasoned youth leader who has been critical in championing youth matters across the county. He was first elected member of Narok County Assembly in 2013 and thereafter in 2022.</p> <p>He has over 10 years' experience in community work and environmental management. He is a member of the Narok County Assembly Car Loans and Mortgage Scheme Committee.</p>        |
|  <p><b>Hon. Alice Kering</b></p>         | <p>Committee Member</p>   | <p>Born in 1963, she is a longtime social worker whose contribution in human rights championing and girl child empowerment is unmatched. She has over 20 years' experience in society mobilization towards dignified living standards through information, education and political democracy.</p> <p>She is a member of the Narok County Assembly Car Loans and Mortgages Scheme Management Committee.</p> |
|   | <p>Fund Administrator</p> | <p>Born in 1987, Mr. Joseph Kasaine Lengeny is the Clerk of the Narok County Assembly charged with full responsibility of administering the Fund. Mr. Lengeny holds a Master's degree in Business Administration, Bachelor's Degree in Human Resource Management and CPA IV with working experience of 15 years in the banking industry as well as the public sector.</p>                                  |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME FUND**

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


|  |   |  |
|--|---|--|
| <p><b>Mr. Joseph Kasaine Lengeny</b></p> |  |  |
|--|---|--|

**4. Management Team**

| NAME  | POSITION                  | QUALIFICATIONS  |
|---|---------------------------|---|
|  <p><b>Mr. Joseph Kasaine Lengeny</b></p> | <p>Fund Administrator</p> | <p>Born in 1987, Mr. Joseph Kasaine Lengeny is the Clerk of the Narok County Assembly charged with full responsibility of administering the Fund.</p> <p>Mr. Lengeny holds a Master's degree in Business Administration, Bachelor's Degree in Human Resource Management and CPA IV with working experience of 15 years in the banking industry as well as the public sector.</p>  |
|  <p><b>CPA Peter Shakamae Tianta</b></p> | <p>Fund Accountant</p>    | <p>Born in 1974, CPA Peter Shakamae Tianta is the Principal Finance officer of Narok County Assembly in charge of preparation of books of accounts.</p> <p>CPA Peter Shakamae Tianta holds a Bachelor's Degree in Finance and Accounts option, and is a Member of ICPAK. He is also a Certified Internal Auditor and a member of Institute of Internal Auditors of Kenya (IIA) with working experience of 25 years in the public sector.</p> <p>At the Fund level, he is responsible for keeping all books of accounts and preparation of the annual report and financial statements of the fund.</p> |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME FUND**

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

|  |                       |   |
|--|-----------------------|---|
|  |                       |   |
|  <p><b>Mr. Gideon Langat</b></p> | <p>Fund Secretary</p> | <p>Born in 1989, Mr. Gideon Langat is the Narok County Assembly Principal Human Resource Management Officer in charge of the Fund's records. He holds a Bachelor's Degree in in Human Resource Management and CHRP (K) with working experience of 12 years in the public sector. At the Fund management committee level, he is the Secretary to the fund.</p> |

**5. Fund Management Committee Chairperson's Report**

Narok County Assembly Car Loans, Grants and Mortgages Scheme fund was established through approval of the County Assembly. The fund derives its authority and accountability from Public Finance Management Act, 2012 and Narok County Assembly Car Loans, Grants and Mortgages Scheme fund Regulations 2021.

The fund was established as a revolving fund with the initial capital consisting of the monies appropriated by the County Assembly in the FY 2014/15 amounting to Kshs. 20 Million to operate as a revolving fund with an annual increase from the Assembly's budget based on anticipated credit needs projections, funds available as well as repayments from the beneficiaries.

During the financial year 2023/2024, the fund prepared the budget in accordance with section 135 of the Public Finance Management Act 2012 and later submitted to the County Assembly for

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME FUND**

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

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considerations and approval. The budget was approved paving way for expenditure. The fund received an allocation Kshs. 90,000,000 in the budget which was not altered in the supplementary budget. The Narok County Assembly Car Loans, Grants and Mortgages Scheme fund has grown from a revolving fund of Kshs.20 million in the FY 2014/2015 to a revolving fund with net value of Kshs.321,383,600 as at 30<sup>th</sup> June 2024.

In the financial year 2023/2024, Narok County Assembly Car Loans, Grants and Mortgages Scheme fund implemented the Salaries and Remuneration Commission’s guidelines in issuance of car grants to Members of the County Assembly and as a result, a total of Kshs.36,516,400 was disbursed as car reimbursement thereby reducing the revolving fund by the same amount. Further, the Fund disbursed a total of Kshs.20,000,000 to Members of the County Assembly and staff resulting to a increase in receivables from exchange transactions from Kshs. 74,040,940 in the previous year to Kshs.82,840,790 as at 30<sup>th</sup> June 2024. We are confident that the growth will be maintained into the future.

Name: Hon. Isaac Ojwach Signature: [Signature] Date: 10<sup>th</sup> Dec 2024  
Chairperson of the Fund

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME  
FUND**

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

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**6. Report of the Fund Administrator**

In the Financial Year 2023/2024, the revolving Fund increased from Kshs. 267,900,000 in the previous year to Kshs. 321,383,600. In addition, the fund implemented the recommendations/guidelines of the Salaries and Remuneration Commission referenced SRC/TS/COG/3/48/VOL.II (113) of 9 February 2021 on review of the car loan for the speaker and Members of County Assembly.

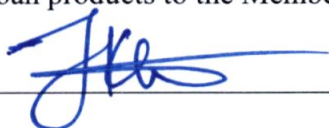
In the Financial year, the Management disbursed new loans valued at 20,000,000 as compared to Kshs.3,500,000 in the previous year representing a decline of 471%. The interest earned on loans issued decreased by Kshs.665,136 from Kshs. 2,022,488 in 2023 to Kshs.1,357,352 in 2024. At the close of the year, the Fund had outstanding loans valued at Kshs.82,840,790 and Kshs.312,010,503 cash balance.

In administration of the fund, the main challenge is low budgetary allocation compared to the high number of Members of County Assembly and staff who are in dire need of the mortgage. However, the management of the fund has tried to work with the funds available and has developed a list of all pending applicants. The management has also put controls in place to ensure sequential disbursements on a 'first come – first beneficiary' basis. Going forward, there is need to enhance the allocation of the fund to attract a large number of beneficiaries.

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

Finally, we are confident that the fund will sustain the impressive performance in the foreseeable future which is prerequisite in meeting its goals and objectives of providing affordable loan products to the Members of the County Assembly and staff.

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



**Joseph Kasaine Lengeny**

**Fund Administrator.**

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME FUND**

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

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

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 Narok County Assembly Car Loans, Grants and Mortgages Scheme Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board which includes a statement of the Narok County Assembly Car Loans, Grants and Mortgages Scheme Fund’s performance against predetermined objectives.

The key development objectives of the Narok County Assembly Car Loans, Grants and Mortgages Scheme fund 2023/2024 plan is to:

- Facilitate the acquisition of car loans and mortgage facilities for staff and Members of the County Assembly to motivate them and retain the requisite services for the County Assembly’s Public Service.

**Progress on the attainment of Strategic development objectives**

below we provide the progress on attaining the stated objectives:

| <b>Program</b>                                    | <b>Objective</b>  | <b>Outcome</b>   | <b>Indicator</b>   | <b>Performance</b>   |
|---|---|--|--|--|
| 1. County Assembly Members’ Car Loan              | To facilitate members of the County Assembly, acquire personal motor vehicles for ease of movement. | Car loans of two million shillings to all the 49 MCAs and the speaker.     | Number of members issued with loans                                      | During the year under review, all the members were issued with car reimbursement amounting to Kshs.36,516,400 on recommendation by the Salaries and Remuneration Commission vide Circular referenced SRC/TS/COG/3/48/VOL. II(113) dated 9 February 2021. |
| 2. Members of County Assembly and Staff Mortgages | To facilitate members of the County Assembly and staff with funds to purchase,                      | Mortgage Ksh. 3,000,000 disbursement to all the eligible Members of County | Number of members and staff facilitated to acquire residential property. | All the members are repaying their car loans and Mortgages amounting to Kshs.5 million.  |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME  
FUND**

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

|   |   |  |  |  |
|---|---|--|--|--|
|   | Construct or renovate residential property.   | Assembly and staff.                                      |  | Over twenty (20) members of staff already issued with mortgage funds as at 30 June 2024.   |
| 3. Collection of loan principal and interest repayments | To ensure that all the outstanding loan principal and interest are collected by the Fund. | Proceeds from the loan principal and interest repayments | The amount of proceeds collected in Comparison to the expected proceeds. | During the year ending 30 June 2024, the Fund collected a total of Kshs.56,899,211 and Kshs. 1,357,352 in form of principal repayments and interest earned respectively. |

***NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME FUND***

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

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**8. Corporate Governance Statement**

The members of Narok Assembly Loans and Mortgages Committee are as listed on pages viii – ix of this report.

• **Committee meetings held and those in-attendance**

During the financial year 2023/2024, the members of Car Loans and Mortgages management Committee held 4 meetings with one (1) meeting held quarterly. In all the four meetings, all the committee members attended.

• **Roles and Functions of the Car Loans and Mortgages Management Committee**

Narok County Assembly Car Loans, Grants and Mortgages Scheme fund was established through approval of the County Assembly. The funds derive its authority and accountability from Public Finance Management Act, 2012 and Narok County Assembly Car Loans, Grants and Mortgages Scheme fund Regulations 2021. The roles and functions of the Committee are as stipulated in the Regulations and include general administration and management of the fund including:

- a) Making recommendations with respect to the conditions under which a loan and or a mortgage shall be granted or repaid under these regulations;
- b) Setting out the criteria and conditions governing the granting of loans and mortgages;
- c) Receiving and processing applications for the granting of loans, Grants and mortgages to Members of County Assembly subject to the provisions of any agreement relating to the provision of the loan and or mortgage;
- d) Formulating sound policies for regulating the management of the fund;
- e) To raise and solicit for funds and other assistance to promote the fund;
- f) To perform and exercise all other functions and powers conferred on the Committee by these Regulations.

• **Conflict of Interest**

To enhance integrity in the dispensation of the roles of the Committee, members are to avoid any conflict of interest or declare any conflict of interest. The management has designed a standard form to establish existence of any conflict of interest in conduct of the fund Committee's businesses. Where applicable, circumstances which may impair the members' compliance to the

***NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME  
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**Annual Report and Financial Statements for the year ended June 30, 2024**

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documented ethical requirements are disclosed by the respective members and communicated without any delay.

During the financial year 2023/2024, no such circumstance was noted or reported.

- **Remuneration of the Car Loans and Mortgages Management Committee**

Members of the Committee are remunerated as per the provisions of the Salaries and Remuneration Commission. The members are therefore only entitled to sitting allowances when meetings are held.

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME  
FUND**

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

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**9. Management Discussion and Analysis**

During the year the Fund portfolio increased from Kshs. 264,433,847 to Kshs. 407,015,061 representing a 53.9% growth rate. Additional new loans totalling Kshs. 20,000,000 were disbursed as compared to Kshs. 3,500,000 disbursed in the FY 2022/2023 which represents a decline of 471%.

In the financial year under review, the Assembly received Kshs. 90 Million from the Exchequer where the entire amount was transferred to the Narok County Assembly Car Loans and Mortgages Scheme fund on 3<sup>rd</sup> November 2023. Interest Income earned from loans decreased from Kshs. 2,022,488 in the Financial Year 2022/2023 to Kshs. 1,357,352 in the FY2023/2024. In conclusion the fund has registered some growth in net worth from Kshs. 20 million in the first year of operation to Kshs 321.38 million in the year under review.

As at 30th June, 2024, long term receivables from loans disbursed stood at Kshs. 78,920,607 against Kshs. 66,789,828 for the year ended 30<sup>th</sup> June 2023.

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME  
FUND**

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

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**10. Environmental and Sustainability Reporting**

Narok County Assembly Car Loans, Grants and Mortgages Scheme Fund exists to motivate staff to reduce rate of staff turnover thus retaining skills in the labour force. Also, by offering loans at subsidized rates, it reduces strain for staff when taking up projects for personal development. Key factors on which the disbursement of the loans is anchored to:

**1. Sustainability strategy and profile -**

The Revolving Fund sustainability is assured through the existence of Fund Managers/Administrators – Access Bank who ensure that the loans taken up by staff act as collaterals whilst the beneficiaries can repay the loan without strain on their financial resources as per the requirement of the 1/3<sup>rd</sup> rule. A proportion of the Income interest is also lumped up with the Fund and marginally contribute to the growth of the Fund.

**2. Environmental performance**

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

**3. Employee welfare**

Employee welfare is essential for sustainability in the implementation of County Programmes and projects. Disbursement of the loans at the favourable rates allow for personal development whilst removing hurdles that limit their disposable income.

**4. Market place practices-**

- Supply chain and supplier relations is essential for promoting ethical, sustainable, and accountable procurement practices. A responsible supply chain approach ensures that the assembly's purchases and supplier relations align with its commitment to good governance, transparency, and corporate social responsibility.
- Ethical practices involve upholding high standards of integrity, transparency, and accountability in all procurement and business activities. These practices are critical for foresting trust among stakeholders, preventing corruption, and ensuring that public resources are used responsibly.
- Stewardship of goods and services involve managing public resources efficiently, effectively, and transparently to ensure that the needs of the community are met while upholding principles of accountability, responsibility and ethical conduct.

***NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME  
FUND***

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

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**5. Corporate Social Responsibility / Community Engagements**

The Budget and Appropriations Committee provides guidance in the budgetary process. It is charged with the budget process and ensuring that there is public participation in the budget process.

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME  
FUND**

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

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**11. Report of the Narok County Assembly Car Loans, Grants and Mortgages Scheme Fund Management Committee**

Narok County Assembly Car Loans, Grants and Mortgages Scheme Fund Management 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 activity of the Fund is to grant car loans and mortgage loans to Members and staff of Narok County Assembly.

**Results**

Results of the Fund for the year ended June 30, 2024, are set out on pages 1– 53.

**Trustees**

The members of the Management Committee who served during the year are shown on pages x- xi. There were changes in the Committee during the financial year under review.

**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



Hon. Isaac Salau Dapash

**Chair of the Fund Management Committee**

Date <sup>14</sup> 10 Dec 2024

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME  
FUND**

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

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**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 Narok County Assembly Car Loans, Grants and Mortgages Scheme fund established by Section 116 of the PFM Act, 2012 and Narok County Assembly Car Loans, Grants and Mortgages Scheme fund 2021 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 Narok County Assembly Car Loans, Grants and Mortgages Scheme 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 Narok County Assembly Car Loans, Grants and Mortgages Scheme 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.

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 confirms 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 Narok County Assembly Car Loans, Grants and Mortgages Scheme fund has assessed the fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the fund will not remain a going concern for at least the next twelve months from the date of this statement.

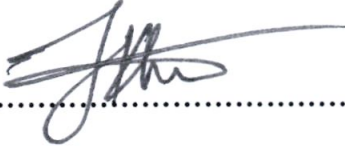
**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME  
FUND**

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

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**Approval of the financial statements**

The Fund's financial statements were approved by the Board on 10/12 2024 and signed on its behalf by:

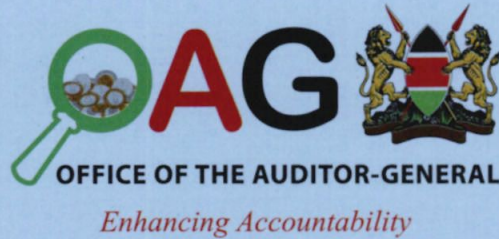


.....  
**Joseph Kasaine Lengeny**

**Administrator of the Fund**

# REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

## REPORT OF THE AUDITOR-GENERAL ON NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGE SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2024

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### PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- 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 Narok County Assembly Car Loans, Grants and Mortgage Scheme Fund set out on pages 1 to 49, which comprise of

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*Report of the Auditor-General on Narok County Assembly Car Grants and Mortgage Scheme Fund for the year ended 30 June, 2024*

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Narok County Assembly Car Loans, Grants and Mortgage Scheme Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards ( Accrual Basis) and comply with Narok County Assembly Car Loans, Grants and Mortgage Scheme Fund Regulations, 2021 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Under Collection of Interest Income**

The statement of financial performance and as disclosed in Note 4 to the financial statements reflects interest income amount of Kshs.1,357,352 against a budgeted amount of Kshs.3,000,000 resulting to 45% realization. Management did not explain the reasons for failure to realize the amount budgeted for by a significant margin of 55%. Further, review of records revealed that interest loan recoveries amounting to Kshs.32,699,389 were not recovered from four (4) staff as required.

In the circumstances, the accuracy and completeness of the interest income amount of Kshs.1,357,352 could not be confirmed.

#### **2. Unsupported Receivables from Exchange Transactions**

The statement of financial position reflects current and long-term portions of long-term receivables from exchange transactions balances of Kshs.3,920,183 and Kshs.78,920,607 respectively all totaling Kshs.82,840,790. However, the movement schedule provided for audit does not indicate the loan amounts issued, amount repaid in previous years and dates issued. It was therefore not possible to confirm loan amounts issued, whether loans were issued at correct rates and whether the loan balances were accurately brought forward.

In the circumstances, the accuracy and completeness of the current and long-term portion of receivables from exchange transactions balances amounting to Kshs.82,840,790 could not be confirmed.

#### **3. Non - Performing Loans**

The statement of financial position reflects current and long-term portions of long-term receivables from exchange transactions balance of Kshs.3,920,183 and Kshs.78,920,607

all totaling Kshs.82,840,790. The balance includes loans amounting to Kshs.19,825,603 issued to sixteen (16) former Members of the County Assembly and Kshs.14,128,455 issued to two staff members that were in default in the year under review. However, there is no evidence of efforts being taken by the Loan Management Committee through administrative or legal action to recover the debts in full.

In the circumstances, the recoverability of the loan balance totaling to Kshs.33,954,058.28 as at 30 June, 2024 is doubtful.

#### **4. Unsupported Current Portion of Borrowing**

The statement of financial position reflects current portion of borrowings amounting to Kshs.62,427,027 current liabilities as disclosed in Note 21 to the financial statements. However, the detailed schedules and computations supporting the current portion of borrowings amounting to Kshs.33,745,869 were not provided for audit verification.

In the circumstances, the accuracy, existence and completeness of the current portion of borrowing balance of Kshs.33,745,869 could not be confirmed.

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

#### **Key Audit Matters**

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

#### **Other Matter**

##### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.93,098,000 and Kshs.91,357,352 respectively resulting to an under-funding of Kshs.1,740,648 or 2% of the budget.

Further, the statement reflects actual expenditure of Kshs.93,098,000 against the actual payments of Kshs.92,259,738 resulting to an under-performance of Kshs.838,262 or 1% of the budget.

The under-performance funding affected the planned activities of the Fund and impacted negatively on service delivery to the members of the scheme.

#### **Other Information**

The Management is responsible for the other information set out on page v to xxiii which

comprise of Key Entity Information and Management, Car Loan and Mortgage Management Committee, Fund Management Committee Chairperson's report, 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 Narok County Assembly Car Loans, Grants and Mortgages Scheme Fund Management Committee and Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

#### **Irregular Issuance of Loans to County Assembly Staff**

The statement of financial position reflects current and long-term portions of long-term receivables from exchange transactions balances of Kshs.3,920,183 and Kshs.78,920,607 all totaling Kshs.82,840,790. However, the balance includes loans balances of Kshs.61,193,645 issued to County Assembly Staff in the period between July, 2021 to June, 2023 who are not authorized beneficiaries of the loans as per the Fund's Regulations.

In the circumstances, management was in breach of the regulations

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

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

## **Conclusion**

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

## **Basis for Conclusion**

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

## **Responsibilities of the Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention terminate the Fund or 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 IFPP 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**

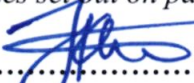
**NAROK COUNTY ASSEMBLY CAR LOANS, GRANT AND MORTGAGES SCHEME  
FUND**


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

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

| Description                                   | Note | FY 2023-2024      | FY 2022-2023       |
|---|------|-------------------|--------------------|
|   |      | Kshs              | Kshs               |
| <b>Revenue From Non-Exchange Transactions</b> |      |                   |                    |
| Public Contributions and Donations            | 1    | -                 | -                  |
| Transfers From the County Government          | 2    | 90,000,000        | 118,100,000        |
| Fines, Penalties and Other Levies             | 3    | -                 | -                  |
|   |      | -                 | -                  |
| <b>Revenue From Exchange Transactions</b>     |      |                   |                    |
| Interest Income                               | 4    | 1,357,352         | 2,022,488          |
| Other Income                                  | 5    | -                 | -                  |
|   |      | <b>1,357,352</b>  | <b>2,022,488</b>   |
| <b>Total Revenue</b>                          |      | <b>91,357,352</b> | <b>120,122,488</b> |
|   |      |                   |                    |
| <b>Expenses</b>                               |      |                   |                    |
| Employee Costs                                | 6    | -                 | -                  |
| Use of goods and services                     | 7    | 2,259,738         | 119,207,042        |
| Depreciation and Amortization Expense         | 8    | -                 | -                  |
| Finance Costs                                 | 9    | -                 | 8,287,574          |
| <b>Total Expenses</b>                         |      | <b>2,259,738</b>  | <b>127,547,430</b> |
| <b>Other Gains/Losses</b>                     |      |                   |                    |
| Gain/Loss on Disposal of Assets               | 10   | -                 | -                  |
| Gain /Loss on fair value of investments       | 11   | -                 | -                  |
| <b>Surplus/(Deficit) for the Period</b>       |      | <b>89,097,614</b> | <b>(7,424,942)</b> |

*(The notes set out on pages 21 to 41 form an integral part of these Financial Statements)*

  
 Name: Joseph Kasaine Lengeny  
 Administrator of the Fund

  
 Name: CPA Peter Shakamae Tianta  
 Fund Accountant  
 ICPAK Member Number: 21251

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES 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 | FY 2023-2024       | FY 2022-2023       |
|--|------|--------------------|--------------------|
|  |      | Kshs               | Kshs               |
| <b>Assets</b>  |      |                    |                    |
| <b>Current Assets</b>  |      |                    |                    |
| Cash and Cash Equivalents  | 12   | 312,010,503        | 314,681,094        |
| Current Portion of Long- Term Receivables From Exchange Transactions | 13   | 3,920,183          | 7,251,112          |
| Prepayments  | 14   | 74,590,796         | -                  |
| Inventories  | 15   | -                  | -                  |
| Investments in financial assets                                      | 16   | -                  | -                  |
| <b>Total current assets</b>  |      | <b>390,521,482</b> | <b>321,932,205</b> |
| <b>Non-Current Assets</b>  |      |                    |                    |
| Property, Plant and Equipment  | 17   | -                  | -                  |
| Intangible Assets  | 18   | -                  | -                  |
| Long Term Receivables from Exchange Transactions                     | 13   | 78,920,607         | 66,789,828         |
| Investment Property  | 19   | -                  | -                  |
| <b>Total non- current assets</b>                                     |      | <b>78,920,607</b>  | <b>66,789,828</b>  |
| <b>Total Assets</b>  |      | <b>469,442,089</b> | <b>388,722,034</b> |
| <b>Liabilities</b>   |      |                    |                    |
| <b>Current Liabilities</b>   |      |                    |                    |
| Trade and Other Payables from Exchange Transactions                  | 20   | -                  | 33,180,000         |
| Current Portion of Borrowings  | 21   | 62,427,028         | 91,108,186         |
| Employee Benefit Obligations   | 22   | -                  | -                  |
| Social benefit liabilities   | 23   | -                  | -                  |
| <b>Total current liabilities</b>                                     |      | <b>62,427,028</b>  | <b>124,288,186</b> |
| <b>Non-Current Liabilities</b>                                       |      |                    |                    |
| Long Term Portion of Borrowings                                      | 21   | -                  | -                  |
| Non-Current Employee Benefit Obligation                              | 22   | -                  | -                  |
| Social benefit liabilities   | 23   | -                  | -                  |
| <b>Total Liabilities</b>   |      | <b>62,427,028</b>  | <b>124,288,186</b> |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME  
FUND**

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

| Description                             | Note | FY 2023-2024       | FY 2022-2023       |
|---|------|--------------------|--------------------|
|   |      | Kshs               | Kshs               |
| <b>Net Assets</b>                       |      | <b>407,015,061</b> | <b>264,433,847</b> |
| Revolving Fund                          |      | 321,383,600        | 267,900,000        |
| Reserves                                |      | -                  | -                  |
| Accumulated Surplus                     |      | 85,631,461         | (3,466,153)        |
| <b>Total Net Assets and Liabilities</b> |      | <b>407,015,061</b> | <b>264,433,847</b> |

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



.....  
**Name: Joseph Kasaine Lengeny**  
**Administrator of the Fund**



.....  
**Name: CPA Peter Shakamae Tianta**  
**Fund Accountant**  
**ICPAK Member Number: 21251**

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES  
SCHEME FUND**

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

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

| Description                       | Revolving Fund     | Revaluation Reserve | Accumulated surplus | Total              |
|-----------------------------------|--------------------|---------------------|---------------------|--------------------|
|                                   |                    | Kshs                | Kshs                | Kshs               |
| <b>Balance As At 1 July 2022</b>  | <b>151,000,000</b> | -                   | <b>3,958,789</b>    | <b>154,958,789</b> |
| Surplus/(Deficit) For the Period  |                    | -                   | (7,424,942)         | (7,424,942)        |
| Funds Received During the Year    | 116,900,000        | -                   | -                   | 116,900,000        |
| Car Grants to MCAS                |                    |                     | -                   |                    |
| Revaluation Gain                  | -                  | -                   | -                   | -                  |
| <b>Balance As At 30 June 2023</b> | <b>267,900,000</b> | -                   | <b>(3,466,153)</b>  | <b>264,433,847</b> |
|                                   |                    |                     |                     |                    |
| <b>Balance As At 1 July 2023</b>  | <b>267,900,000</b> | -                   | <b>(3,466,153)</b>  | <b>264,433,847</b> |
| Surplus/(Deficit) For the Period  |                    | -                   | 89,097,614          | 89,097,614         |
| Funds Received During the Year    | 90,000,000         | -                   | -                   | 90,000,000         |
| Car Grants to MCAS                | (36,516,400)       |                     |                     | (36,516,400)       |
| Revaluation Gain                  | -                  | -                   | -                   | -                  |
| <b>Balance As At 30 June 2024</b> | <b>321,383,600</b> | -                   | <b>85,631,461</b>   | <b>407,015,061</b> |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES  
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 | FY 2023-2024       | FY 2022-2023       |
|---|------|--------------------|--------------------|
|   |      | Kshs               | Kshs               |
| <b>Cash flows from operating activities</b>                   |      |                    |                    |
| <b>Receipts</b>   |      |                    |                    |
| Public contributions and donations                            |      | -                  | -                  |
| Transfers from the county government                          |      | 90,000,000         | 118,100,000        |
| Interest received   |      | 1,759,769          | 855,110            |
| Receipts from other operating activities                      |      | -                  | -                  |
| <b>Total receipts</b>   |      | <b>91,759,769</b>  | <b>118,955,110</b> |
| <b>Payments</b>   |      |                    |                    |
| Fund administration expenses                                  |      | 2,259,738          | 1,159,856          |
| General expenses  |      | -                  | -                  |
| Finance cost  |      | -                  | 8,287,574          |
| Other payments  |      | -                  | -                  |
| <b>Net cash flows from operating activities</b>               |      | <b>89,500,031</b>  | <b>109,507,680</b> |
| <b>Cash flows from investing activities</b>                   |      |                    |                    |
| Purchase of property, plant, equipment and Intangible assets  |      | (-)                | (-)                |
| Proceeds from sale of property, plant & equipment             |      | -                  | -                  |
| Proceeds from loan principal repayments                       |      | 56,899,211         | 27,648,552         |
| Loan disbursements paid out                                   |      | (20,000,000)       | (3,500,000)        |
| <b>Net cash flows used in investing activities</b>            |      | <b>36,899,211</b>  | <b>24,148,552</b>  |
| <b>Cash flows from financing activities</b>                   |      |                    |                    |
| Proceeds from revolving fund receipts                         |      |                    | 116,900,000        |
| Additional borrowings   |      |                    |                    |
| Car Grants to MCAS  |      |                    |                    |
| Car Reimbursement to MCAS                                     |      | (36,516,400)       | (84,920,000)       |
| Borrowings  |      | -                  | 108,388,000        |
| Repayment of borrowings                                       |      | (92,553,433)       | (17,279,814)       |
| <b>Net cash flows used in financing activities</b>            |      | <b>129,069,833</b> | <b>123,088,186</b> |
| <b>Net increase/(decrease) in cash &amp; cash Equivalents</b> |      | <b>(2,670,591)</b> | <b>256,744,419</b> |
| Cash and cash equivalents at 1 July 2022                      |      | 314,681,094        | 57,936,675         |

***NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES  
SCHEME FUND***

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

|  |  |                    |                    |
|--|--|--------------------|--------------------|
| <b>Cash and cash equivalents at 30 June 2023</b> |  | <b>312,010,503</b> | <b>314,681,094</b> |
|--|--|--------------------|--------------------|

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES  
SCHEME FUND**

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

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

| Description                        | Original budget   | Adjustments | Final budget      | Actual on comparable basis | Performance difference | % Utilization |
|------------------------------------|-------------------|-------------|-------------------|----------------------------|------------------------|---------------|
|                                    | Kshs              | Kshs        | Kshs              | Kshs                       | Kshs                   |               |
|                                    | a                 | b           | C=(a+b)           | d                          | e=(c-d)                | f=d/c*100     |
| <b>Revenue</b>                     |                   |             |                   |                            |                        |               |
| Public Contributions and Donations | -                 | -           | -                 | -                          | -                      | -             |
| Transfers From County Govt.        | 90,098,000        | -           | 90,098,000        | 90,000,000                 | 98,000                 | 100%          |
| Interest Income                    | 3,000,000         | -           | 3,000,000         | 1,357,352                  | 1,642,648              | 45%           |
| Other Income                       | -                 | -           | -                 | -                          | -                      | -             |
| <b>Total Income</b>                | <b>93,098,000</b> | <b>-</b>    | <b>93,098,000</b> | <b>91,357,352</b>          | <b>1,740,648</b>       | <b>98%</b>    |
| <b>Expenses</b>                    |                   |             |                   |                            |                        |               |
| Capital expenditure                | 90,098,000        | -           | 90,098,000        | 90,000,000                 | 98,000                 | 100%          |
| Fund Administration Expenses       | 3,000,000         | -           | 3,000,000         | 2,259,738                  | 740,262                | 75%           |
| General Expenses                   | -                 | -           | -                 | -                          | -                      | -             |
| Finance Cost                       | -                 | -           | -                 | -                          | -                      | -             |
| <b>Total Expenditure</b>           | <b>93,098,000</b> | <b>-</b>    | <b>93,098,000</b> | <b>92,259,738</b>          | <b>838,262</b>         | <b>99%</b>    |
| <b>Surplus For the Period</b>      | <b>-</b>          | <b>-</b>    | <b>-</b>          | <b>(902,386)</b>           | <b>902,386</b>         |               |

***NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES  
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**19. Notes to the Financial Statements**

**1. General Information**

Narok County Assembly Car Loans, Grants and Mortgages Scheme Fund was established by and derives its authority and accountability from Public Finance Management Act, 2012 and Narok County Assembly Car Loans, Grants and Mortgages Scheme Fund Regulations, 2021. The Fund is wholly owned by the County Assembly of Narok and is domiciled in Kenya.

The Fund's objective is to facilitate the acquisition of a car or property for Members of the County Assembly and staff of the Narok County Assembly to motivate them and retain the requisite services for the County Assembly Public Service.

The Fund's principal activity is to provide avenue through which Members of the County Assembly and staff would easily and affordably acquire properties thereby transforming their livelihoods. This would improve the members and staff motivation and retention for better service delivery to the people of Narok.

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

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

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

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

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| Standard   | Effective date and impact:  |
|--|---|
| IPSAS 43   | <p><b><i>Applicable 1<sup>st</sup> January 2025</i></b><br/>                     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.<br/>                     The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>   |
| IPSAS 44:<br>Non- Current<br>Assets Held<br>for Sale and<br>Discontinued<br>Operations | <p><b><i>Applicable 1<sup>st</sup> January 2025</i></b><br/>                     The Standard requires,<br/>                     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:<br/>                     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>   |
| IPSAS 45-<br>Property Plant<br>and<br>Equipment  | <p><b><i>Applicable 1<sup>st</sup> January 2025</i></b><br/>                     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> |
| IPSAS 46<br>Measurement  | <p><b><i>Applicable 1<sup>st</sup> January 2025</i></b><br/>                     The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> </ul>   |

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|                                    |   |
|------------------------------------|---|
|                                    | <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>  |
| IPSAS 47- Revenue                  | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> |
| IPSAS 48- Transfer Expenses        | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>   |
| IPSAS 49- Retirement Benefit Plans | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>  |

**(ii) Early adoption of standards**

The Entity did not early – adopt any new or amended standards in the financial year 2024.

**4. 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.

***NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES  
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**ii. Revenue from exchange transactions**

**Interest income**

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

**Dividends**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2023-2024 was approved by the County Assembly on 25<sup>th</sup> June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional nil appropriations on the FY 2023-20234 budget following the governing body's approval.

The Narok County Assembly Car Loans, Grants and Mortgages 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.

***NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES  
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Narok County Assembly Car Loans, Grants and Mortgages Scheme Fund was established by and derives its authority and accountability from Public Finance Management Act, 2012 and Narok County Assembly Car Loans, Grants and Mortgages Scheme Fund's Regulations, 2021. The Fund is wholly owned by the County Assembly of Narok and is domiciled in Kenya.

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

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

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

**c) Property, plant and equipment**

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

***NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES  
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**a) Intangible Assets**

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

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

**b) Investment property**

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

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES  
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**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 Narok County Assembly Car Loans, Grants and Mortgages Scheme Fund's *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 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 fund classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

***NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES  
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**Annual Report and Financial Statements for the year ended June 30, 2024**

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

**Amortized cost**

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

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

The 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 entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in the Notes.

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

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**Significant Accounting Policies (Continued)**

**Financial liabilities**

**Classification**

The 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 fund.

**e) Provisions**

Provisions are recognized when the 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 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 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

***NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES  
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scheme is measured at the best estimate of the cost (the social benefit payments) that the fund will incur in fulfilling the present obligations represented by the liability.

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

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

**g) Contingent liabilities**

The 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 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 fund's 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 Narok County Assembly Car Loans, Grants and Mortgages Scheme Fund creates and maintains reserves in terms of specific requirements.

**i) Changes in accounting policies and estimates**

The Narok County Assembly Car Loans, Grants and Mortgages 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 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 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.

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

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***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 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 Narok County Assembly Car Loans, Grants and Mortgages Scheme Fund 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.

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES  
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**Annual Report and Financial Statements for the year ended June 30, 2024**

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

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

The preparation of the 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 fund based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

**b) Useful lives and residual values**

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

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

**c) Provisions**

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

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

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES  
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**Annual Report and Financial Statements for the year ended June 30, 2024**

**6. Notes to the Financial Statements**

**1. Public contributions and donations**

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

**2. Transfers from County Government**

| Description                                 | FY 2023-2024      | FY 2022-2023       |
|---|-------------------|--------------------|
|   | Kshs              | Kshs               |
| Transfers From County Govt. –Operations     |                   | 118,100,000        |
| Transfers From County Govt. –Revolving fund | 90,000,000        | 116,900,000        |
| Unconditional Development grants            | -                 | -                  |
| <b>Total</b>                                | <b>90,000,000</b> | <b>235,000,000</b> |

- Transfers from County Govt – Revolving fund- Affecting Changes in Net Assets

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

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

**4. Interest income**

| Description                         | FY 2023-2024 | FY 2022-2023 |
|-------------------------------------|--------------|--------------|
|                                     | Kshs         | Kshs         |
| Interest Income from Mortgage Loans | 1,357,352    | 2,022,488    |
| Interest Income From Car Loans      | -            | -            |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES  
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**Annual Report and Financial Statements for the year ended June 30, 2024**

|  |                  |                  |
|--|------------------|------------------|
| Interest Income From Investments in financial assets | -                | -                |
| Interest Income On Bank Deposits                     | -                | -                |
| <b>Total Interest Income</b>                         | <b>1,357,352</b> | <b>2,022,488</b> |

**Notes to the Financial Statements Continued**

**5. Other income**

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

**6. Employee Costs**

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

**7. Use of Goods and Services**

| Description                 | FY 2023-2024 | FY 2022-2023 |
|-----------------------------|--------------|--------------|
|                             | Kshs.        | Kshs.        |
| General Office Expenses     | -            | -            |
| Loan Processing Costs       | -            | -            |
| Professional Services Costs | -            | -            |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES  
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**Annual Report and Financial Statements for the year ended June 30, 2024**

| Description                          | FY 2023-2024     | FY 2022-2023       |
|--------------------------------------|------------------|--------------------|
|                                      | Kshs.            | Kshs.              |
| Administration Fees                  | 2,250,000        | 1,100,000          |
| Committee Allowances                 | -                | -                  |
| Bank Charges                         | 9,738            | 59,856             |
| Electricity And Water Expenses       | -                | -                  |
| Fuel And Oil Costs                   | -                | -                  |
| Insurance Costs                      | -                | -                  |
| Postage And Courier                  | -                | -                  |
| Printing And Stationery              | -                | -                  |
| Rental Costs                         | -                | -                  |
| Security Costs                       | -                | -                  |
| Telephone And Communication Expenses | -                | -                  |
| Bank Charges                         | -                | -                  |
| Audit Fees                           | -                | -                  |
| Provision For Doubtful Debts         | -                | -                  |
| Other Expenses-Car Reimbursement     |                  | 118,100,000        |
| Social benefit expenses              |                  |                    |
| <b>Total</b>                         | <b>2,259,738</b> | <b>119,259,856</b> |

**8. Depreciation and Amortization Expense**

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

**9. Finance costs**

| Description                  | FY 2023-2024 | FY 2022-2023     |
|------------------------------|--------------|------------------|
|                              | Kshs         | Kshs             |
| Interest On Bank Overdrafts  | -            | -                |
| Interest On Loans From Banks | -            | 8,287,574        |
| <b>Total</b>                 | <b>-</b>     | <b>8,287,574</b> |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES  
SCHEME FUND**

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

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

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

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

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

**12. Cash and cash equivalents**

| Description                            | FY 2023-2024       | FY 2022-2023       |
|--|--------------------|--------------------|
|  | Kshs               | Kshs               |
| Car Loan Account                       | -                  | -                  |
| County Mortgage Account                | -                  | -                  |
| Fixed Deposits Account                 | -                  | -                  |
| On – Call Deposits                     | -                  | -                  |
| Current Account                        | 312,010,503        | 314,681,094        |
| Others                                 | -                  | -                  |
| <b>Total Cash And Cash Equivalents</b> | <b>312,010,503</b> | <b>314,681,094</b> |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES  
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**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 | FY 2023-2024       | FY 2022-2023       |
|----------------------------------|----------------|--------------------|--------------------|
|                                  |                | Kshs               | Kshs               |
| <b>a) Fixed Deposits Account</b> |                |                    |                    |
| Kenya Commercial Bank            |                | -                  | -                  |
| Equity Bank, Etc.                |                | -                  | -                  |
| <b>Sub- Total</b>                |                | -                  | -                  |
| <b>b) On - Call Deposits</b>     |                |                    |                    |
| Kenya Commercial Bank            |                | -                  | -                  |
| Equity Bank - Etc.               |                | -                  | -                  |
| <b>Sub- Total</b>                |                | -                  | -                  |
| <b>c) Current Account</b>        |                |                    |                    |
| Access Bank                      | 0160130000006  | 2,073,641          | 244,915            |
| Diamond Trust Bank               | 0847829001     | 298,379,500        | 299,358,087        |
| Diamond Trust Bank               | 0847829002     | 11,557,362         | 15,078,092         |
| <b>Sub- Total</b>                |                | <b>312,010,503</b> | <b>314,681,094</b> |
| <b>d) Others(Specify)</b>        |                |                    |                    |
| Cash In Transit                  |                | -                  | -                  |
| Cash In Hand                     |                | -                  | -                  |
| <b>Sub- Total</b>                |                | -                  | -                  |
| <b>Grand Total</b>               |                | <b>312,010,503</b> | <b>314,681,094</b> |

**13. Receivables from exchange transactions**

| Description                           | FY 2023-2024      | FY 2022-2023      |
|---------------------------------------|-------------------|-------------------|
|                                       | Kshs              | Kshs              |
| <b>Current Receivables</b>            |                   |                   |
| Interest Receivable                   | 1,357,352         | 2,188,877         |
| Current Loan Repayments Due           | 2,562,831         | 5,062,235         |
| Other Exchange Debtors                | -                 | -                 |
| Less: Impairment Allowance            | -                 | -                 |
| <b>Total Current Receivables</b>      | <b>3,920,183</b>  | <b>7,251,112</b>  |
| <b>Non-Current Receivables</b>        |                   |                   |
| Long Term Loan Repayments Due         | 78,920,607        | 66,789,828        |
| <b>Total Non- Current Receivables</b> | <b>78,920,607</b> | <b>66,789,828</b> |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES  
SCHEME FUND**

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

|   |                   |                   |
|---|-------------------|-------------------|
| <b>Total Receivables From Exchange Transactions</b> | <b>82,840,790</b> | <b>74,040,940</b> |
|---|-------------------|-------------------|

**Notes to the Financial Statements Continued**

**Additional disclosure on interest receivable**

| <b>Description</b>   | <b>FY 2023-2024</b> | <b>FY 2022-2023</b> |
|--|---------------------|---------------------|
|  | <b>Kshs</b>         | <b>Kshs</b>         |
| <b>Interest Receivable</b>   |                     |                     |
| Interest receivable from current portion of long-term loans of previous years          | -                   | -                   |
| Accrued interest receivable from of long-term loans of previous years                  | -                   | -                   |
| Interest receivable from current portion of long-term loans issued in the current year | -                   | -                   |
| <b>Current loan repayments due</b>   | -                   | -                   |
| Current portion of long-term loans from previous years                                 | -                   | -                   |
| Accrued principal from long-terms loans from previous periods                          | -                   | -                   |
| Current portion of long-term loans issued in the current year                          | -                   | -                   |

**14. Prepayments**

| <b>Description</b>        | <b>FY 2023-2024</b> | <b>FY 2022-2023</b> |
|---------------------------|---------------------|---------------------|
|                           | <b>Kshs</b>         | <b>Kshs</b>         |
| Prepaid Rent              | -                   | -                   |
| Prepaid Insurance         | -                   | -                   |
| Prepaid Electricity Costs | -                   | -                   |
| Other Prepayments         | 74,590,796          | -                   |
| <b>Total</b>              | <b>74,590,796</b>   | <b>-</b>            |

**15. Inventories**

| <b>Description</b>     | <b>FY 2023-2024</b> | <b>FY 2022-2023</b> |
|------------------------|---------------------|---------------------|
|                        | <b>Kshs</b>         | <b>Kshs</b>         |
| Consumable Stores      | -                   | -                   |
| Spare Parts And Meters | -                   | -                   |
| Catering               | -                   | -                   |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES  
SCHEME FUND**

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

|  |   |   |
|--|---|---|
| Other Inventories  | - | - |
| <b>Total Inventories at The Lower of Cost and Net Realizable Value</b> | - | - |

**16. Investments in financial assets**

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

**d) Movement of Equity Investments**

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

**e) Shareholding in other entities**

| Name of Entity where investment is held | No of shares | Nominal         | Fair            | Fair            |
|---|--------------|-----------------|-----------------|-----------------|
|   |              | value of shares | value of shares | value of shares |
|   |              |                 |                 |                 |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES  
SCHEME FUND**

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

|          | <b>Direct<br/>shareholding</b> | <b>Indirect<br/>shareholding</b> | <b>Effective<br/>shareholding</b> |             | <b>Current<br/>year</b> | <b>Prior<br/>year</b> |
|----------|--------------------------------|----------------------------------|-----------------------------------|-------------|-------------------------|-----------------------|
|          | <b>%</b>                       | <b>%</b>                         | <b>%</b>                          | <b>Kshs</b> | <b>Kshs</b>             | <b>Kshs</b>           |
| Entity A | -                              | -                                | -                                 | -           | -                       | -                     |
| Entity B | -                              | -                                | -                                 | -           | -                       | -                     |
| Entity C | -                              | -                                | -                                 | -           | -                       | -                     |
|          | -                              | -                                | -                                 | -           | -                       | -                     |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES  
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**

|                                     | <b>Land and Buildings</b> | <b>Motor vehicles</b> | <b>Furniture and fittings</b> | <b>Computers and office equipment</b> | <b>Total</b> |
|-------------------------------------|---------------------------|-----------------------|-------------------------------|---------------------------------------|--------------|
| <b>Cost</b>                         | <b>Kshs</b>               | <b>Kshs</b>           | <b>Kshs</b>                   | <b>Kshs</b>                           | <b>Kshs</b>  |
| <b>At 1<sup>st</sup> July 2021</b>  | -                         | -                     | -                             | -                                     | -            |
| Additions                           | -                         | -                     | -                             | -                                     | -            |
| Disposals                           | (-)                       | (-)                   | -                             | -                                     | (-)          |
| Transfers/Adjustments               | -                         | (-)                   | -                             | (-)                                   | (-)          |
| <b>At 30<sup>th</sup> June 2022</b> | -                         | -                     | -                             | -                                     | -            |
| <b>At 1<sup>st</sup> July 2022</b>  |                           |                       |                               |                                       |              |
| Additions                           | -                         | -                     | -                             | -                                     | -            |
| Disposals                           | (-)                       | -                     | -                             | -                                     | (-)          |
| Transfer/Adjustments                | (-)                       | -                     | -                             | (-)                                   | (-)          |
| <b>At 30<sup>th</sup> June 2023</b> | -                         | -                     | -                             | -                                     | -            |
| <b>Depreciation And Impairment</b>  |                           |                       |                               |                                       |              |
| At 1 <sup>st</sup> July 2022        | (-)                       | (-)                   | (-)                           | (-)                                   | (-)          |
| Depreciation                        | (-)                       | (-)                   | (-)                           | (-)                                   | (-)          |
| Impairment                          | (-)                       | -                     | -                             | -                                     | (-)          |
| <b>At 30<sup>th</sup> June 2023</b> | -                         | -                     | -                             | -                                     | -            |
| <b>At 1<sup>st</sup> July 2023</b>  |                           |                       |                               |                                       |              |
| Depreciation                        | (-)                       | (-)                   | (-)                           | -                                     | (-)          |
| Disposals                           | -                         | -                     | -                             | -                                     | -            |
| Impairment                          | (-)                       | (-)                   | -                             | -                                     | (-)          |
| Transfer/Adjustment                 | -                         | (-)                   | (-)                           | -                                     | -            |
| <b>At 30<sup>th</sup> June 2023</b> | -                         | -                     | -                             | -                                     | -            |
| <b>Net Book Values</b>              |                           |                       |                               |                                       |              |
| <b>At 30<sup>th</sup> June 2022</b> | -                         | -                     | -                             | -                                     | -            |
| <b>At 30<sup>th</sup> June 2023</b> | -                         | -                     | -                             | -                                     | -            |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME FUND**

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

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

**18. Intangible assets**

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

**19. Investment Property**

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

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES 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                                       | FY 2023-2024        |                       | FY 2022-2023        |                       |
|---|---------------------|-----------------------|---------------------|-----------------------|
|   | Kshs                |                       | Kshs                |                       |
| Trade Payables                                    | -                   |                       | -                   |                       |
| Refundable Deposits                               | -                   |                       | -                   |                       |
| Accrued Expenses                                  | -                   |                       | -                   |                       |
| Other Payables                                    | -                   |                       | 33,180,000          |                       |
| <b>Total Trade and Other Payables</b>             | -                   |                       | <b>33,180,000</b>   |                       |
|   |                     |                       |                     |                       |
| <b>Ageing analysis (Trade and other payables)</b> | <b>FY 2023-2024</b> | <b>% of the Total</b> | <b>FY 2022-2023</b> | <b>% of the Total</b> |
| Under one year                                    | -                   | %                     | -                   | %                     |
| 1-2 years   | -                   | %                     | -                   | %                     |
| 2-3 years   | -                   | %                     | -                   | %                     |
| Over 3 years                                      | -                   | %                     | -                   | %                     |
| <b>Total (tie to above total)</b>                 | -                   |                       | -                   |                       |

**21. Provisions**

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

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME FUND**

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

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

**22. Borrowings**

| Description   | FY 2023-2024      | FY 2022-2023      |
|---|-------------------|-------------------|
|   | Kshs              | Kshs              |
| <b>Balance At Beginning of The Period</b>           | 91,108,186        | 108,388,000       |
| External Borrowings During the Year                 | -                 | -                 |
| Domestic Borrowings During the Year                 |                   |                   |
| Repayments Of External Borrowings During the Period | -                 | -                 |
| Repayments Of Domestic Borrowings During the Period | (28,681,158)      | (17,279,814)      |
| <b>Balance At End of The Period</b>                 | <b>62,427,028</b> | <b>91,108,186</b> |

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

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

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

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

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES 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 | FY 2023-2024 | FY 2022-2023 |
|--------------------------------|----------------------|----------------------------------|------------------|--------------|--------------|
|                                | Kshs                 | Kshs                             | Kshs             | Kshs         | Kshs         |
| Current Benefit Obligation     | -                    | -                                | -                | -            | -            |
| Non-Current Benefit Obligation | -                    | -                                | -                | -            | -            |
| <b>Total</b>                   | -                    | -                                | -                | -            | -            |

**24. Social Benefit Liabilities**

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

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES 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**

| <b>Description</b>                                | <b>FY 2023-<br/>2024</b> | <b>FY 2022-2023</b> |
|---|--------------------------|---------------------|
|   | <b>Kshs</b>              | <b>Kshs</b>         |
| <b>Surplus/ (Deficit) For the Year Before Tax</b> | <b>89,097,614</b>        | <b>(7,424,942)</b>  |
| <b>Adjusted For:</b>                              |                          |                     |
| Depreciation                                      | -                        | -                   |
| Amortisation                                      | -                        | -                   |
| Gains/ Losses On Disposal Of Assets               | -                        | -                   |
| Interest Income                                   | -                        | -                   |
| Finance Cost                                      | -                        | -                   |
| <b>Working Capital Adjustments</b>                |                          |                     |
| Increase In Inventory                             | -                        | -                   |
| Increase In Receivables                           | -                        | -                   |
| Increase In Payables                              | -                        | -                   |
| <b>Net Cash Flow From Operating Activities</b>    | <b>89,097,614</b>        | <b>(7,424,942)</b>  |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME FUND**

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

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

**26. Related party balances**

**a) Nature of related party relationships**

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

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

**b) Related party transactions**

| Description                     | FY 2023-2024 | FY 2022-2023 |
|---------------------------------|--------------|--------------|
|                                 | Kshs         | Kshs         |
| Transfers From Related Parties' | -            | -            |
| Transfers To Related Parties    | -            | -            |

**c) Key management remuneration**

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

**d) Due from related parties**

| Description                | FY 2023-2024 | FY 2022-2023 |
|----------------------------|--------------|--------------|
|                            | Kshs         | Kshs         |
| Due From Parent Ministry   | -            | -            |
| Due From County Government | -            | -            |
| <b>Total</b>               | -            | -            |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME FUND**

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

**Other Disclosures Continued**

**e) Due to related parties**

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

**27. Contingent assets and contingent liabilities**

| <b>Contingent Liabilities</b> | <b>FY 2022-2023</b> | <b>FY 2021-2022</b> |
|-------------------------------|---------------------|---------------------|
|                               | <b>Kshs</b>         | <b>Kshs</b>         |
| Court Case Against the Fund   | -                   | -                   |
| Bank Guarantees               | -                   | -                   |
| <b>Total</b>                  | -                   | -                   |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME FUND**

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

**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 Narok County Assembly Car Loans, Grants and Mortgages Scheme fund'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 Narok County Assembly Car Loans, Grants and Mortgages Scheme fund's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

| <b>Description</b>                         | <b>Total amount<br/>Kshs</b> | <b>Fully performing<br/>Kshs</b> | <b>Past due<br/>Kshs</b> | <b>Impaired<br/>Kshs</b> |
|--|------------------------------|----------------------------------|--------------------------|--------------------------|
| <b>At 30 June 2023</b>                     |                              |                                  |                          |                          |
| Receivables From Exchange Transactions     | -                            | -                                | -                        | -                        |
| Receivables From Non-Exchange Transactions | -                            | -                                | -                        | -                        |
| Bank Balances                              | -                            | -                                | -                        | -                        |
| <b>Total</b>                               | -                            | -                                | -                        | -                        |
| <b>At 30 June 2022</b>                     |                              |                                  |                          |                          |
| Receivables From Exchange Transactions     | -                            | -                                | -                        | -                        |
| Receivables From Non-Exchange Transactions | -                            | -                                | -                        | -                        |
| Bank Balances                              | -                            | -                                | -                        | -                        |
| <b>Total</b>                               | -                            | -                                | -                        | -                        |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME FUND**

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

**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 Narok County Assembly Car Loans, Grants and Mortgages Scheme fund has significant concentration of credit risk on amounts due.

The Narok County Assembly Car Loans, Grants and Mortgages Scheme fund management committee sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**b) Liquidity risk management**

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

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

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

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME FUND**

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

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

**c) Market risk**

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

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

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

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

**i. Foreign currency risk**

The Narok County Assembly Car Loans, Grants and Mortgages 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 Narok County Assembly Car Loans, Grants and Mortgages Scheme fund's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME FUND**

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

**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<br>currency rate | Effect on surplus/<br>deficit | Effect on<br>equity |
|-------------------------|----------------------------|-------------------------------|---------------------|
|                         | Kshs                       | Kshs                          | Kshs                |
| <b>(Current FY)</b>     |                            |                               |                     |
| Euro                    | 10%                        | -                             | -                   |
| USD                     | 10%                        | -                             | -                   |
| <b>(Comparative FY)</b> |                            |                               |                     |
| Euro                    | 10%                        | -                             | -                   |
| USD                     | 10%                        | -                             | -                   |

**ii. Interest rate risk**

Interest rate risk is the risk that the Narok County Assembly Car Loans, Grants and Mortgages Scheme fund'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 0 (2023: Kshs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0 (2022 – Kshs 0).

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME FUND**

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

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

**d) Capital risk management.**

The objective of the Fund's capital risk management is to safeguard the Fund's ability to continue as a going concern. The Narok County Assembly Car Loans, Grants and Mortgages Scheme fund's capital structure comprises of the following funds:

| Description                                 | FY 2023-2024       | FY 2022-2023       |
|---|--------------------|--------------------|
|   | Kshs               | Kshs               |
| Revaluation reserve                         | -                  | -                  |
| Revolving fund                              | 321,383,600        | 267,900,000        |
| Accumulated surplus                         | 85,631,461         | (3,466,153)        |
| <b>Total funds</b>                          | <b>407,015,061</b> | <b>264,433,847</b> |
|   |                    |                    |
| Total borrowings                            | -                  | -                  |
| Less: cash and bank balances                | (312,010,503)      | (314,681,094)      |
| Net debt/(excess cash and cash equivalents) | 95,004,558         | (50,247,247)       |
| <b>Gearing</b>                              | <b>23%</b>         | <b>19%</b>         |

**29. Events after the reporting period**

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

**30. Ultimate and Holding Entity**

Narok County Assembly Car Loans, Grants and Mortgages Scheme Fund was established by and derives its authority and accountability from Public Finance Management Act, 2012 and Narok County Assembly Car Loans, Grants and Mortgages Scheme Fund Regulations, 2021. The Fund is wholly owned by the County Assembly of Narok and is domiciled in Kenya. Its ultimate parent is the County Government of Narok.

**31. Currency**

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

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME FUND**

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

**20. Annexes**

**Annex I: Progress on Follow up of Prior Year Auditor’s Recommendations**

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

| <b>Referen<br/>ce No.<br/>on the<br/>external<br/>audit<br/>Report</b> | <b>Issue / Observations<br/>from Auditor</b>  | <b>Management comments</b>  | <b>Status:<br/>(Resolved /<br/>Not<br/>Resolved)</b> | <b>Timeframe:<br/>(Put a date<br/>when you<br/>expect the issue<br/>to be resolved)</b> |
|--|---|---|--|---|
| 1  | <p>The statement of financial performance reflects total expenses of Kshs.127,547,430 that differed with the recomputed amount of Kshs.127,494,616 resulting to unreconciled variance of Kshs.52,814. The statement also reflects interest income of Kshs.2,022,488 whereas the statement of cash flows reflects a balance of Kshs.855,110 in respect to interest income resulting to unreconciled variance of Kshs.1,167,373.</p> <p>In the circumstances, the accuracy and completeness of the financial statements for the year ended 30 June, 2023.</p> | <p>The variances in the financial performance has been reconciled and the schedules are available for Audit verification. Also, the interest income of Kshs.2, 022,488 in Note 4 is interest earned and Kshs.855, 110 is the interest received from loan recoveries. The supporting schedules are available for audit verification.</p> | Resolved   | 2022-2023   |
| 2  | <p>The statement of financial position reflects current portion of long-term receivables from Exchange transactions balance</p>   | <p>The movement schedule indicating opening balance brought forward, loans issued, interest charged and loan repayments to arrive at the closing balance are</p>  | Resolved   | 2022-2023   |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME  
FUND**

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

| Reference No. on the external audit Report | Issue / Observations from Auditor  | Management comments   | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|---|-----------------------------------|--|
|  | <p>of Kshs.7,251,112. However, the movement schedule provided for audit does not indicate opening balance brought forward, loans issued, interest charged and loan repayments to arrive at the closing balance.</p> <p>Additionally, the previous year's comparative balances for current portion of long-term receivables from exchange transactions is Kshs.2,660,544 whereas the Note 13 reflects Kshs.6,049,774. The variance of Kshs.3,389,230 has not been explained.</p> <p>In the circumstances, the accuracy and completeness of the current year portion of long-term receivables from exchange transactions balances and the could previous not be confirmed.</p> | <p>available for audit verification. Additionally, the previous year's comparative balances for current portion of long-term receivables from exchange transactions is Kshs.2,660,544 whereas the Note 13 reflects Kshs.6,049,774 is as a result of interest receivable from exchange transactions as indicated in Note 13 of the financial statements.</p> |                                   |  |
| 3  | The statement of financial position reflects long-term receivables from  | The movement schedule indicating opening balance brought forward, loans issued, interest  | Resolved                          | 2022-2023  |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME FUND**

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

| Reference No. on the external audit Report | Issue / Observations from Auditor   | Management comments  | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|--|-----------------------------------|--|
|  | <p>transactions balance of Kshs.66,789,828. However, the movement schedule provided for audit does not indicate opening balance brought forward, loans issued, interest charged and loan repayments to arrive at the closing balance.</p> <p>In the circumstances, the accuracy and completeness of the current portion of long-term receivables from exchange transactions balance of Kshs.66, 789,828 as at 30 June, 2023 could not be confirmed.</p> | <p>charged and loan repayments to arrive at the closing balance is available for audit verification.</p>       |                                   |  |
| 4  | <p>The statement of financial performance reflects use of goods and services amount of Kshs.119, 207,042. The amount includes Kshs.1,100,000 incurred on administration expenses out of which Kshs.736,000 comprised of transport, conference and payments to loan management</p>   | <p>The supporting documentation in support of the above transactions are available for audit verification.</p> | Resolved                          | 2022-2023  |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME FUND**

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

| Reference No. on the external audit Report | Issue / Observations from Auditor  | Management comments   | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|---|-----------------------------------|--|
|  | <p>committee non-members of Kshs.100,000,Kshs.200,000 and Kshs.436,000 respectively for which supporting documents were not provided for audit review.</p> <p>In the circumstances, the accuracy and the propriety of use of goods and services expenditure of Kshs.736,000 for the year ended 30 June,2023 could not be confirmed</p>   |   |                                   |  |
| 5  | <p>The statement of financial position reflects current and long-term portions of long-term receivables from exchange transactions balance of Kshs.7,251,112 and Kshs.66,789,828 All amounting to Kshs.74,040,940. The balance includes loans of Kshs. 27,810,128 issued to thirteen (13) former Members of the County Assembly that are in default. However, there is no evidence of efforts being taken by the</p> | <p>The Loan Management Committee is following up the matter to ensure the recoverability of the loan balance of Kshs.27,810,128 due from the previous Members of the County Assembly.</p> | Resolved                          | 2022-2023  |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME FUND**

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

| <b>Reference No. on the external audit Report</b> | <b>Issue / Observations from Auditor</b>  | <b>Management comments</b>   | <b>Status: (Resolved / Not Resolved)</b> | <b>Timeframe: (Put a date when you expect the issue to be resolved)</b> |
|---|---|--|--|---|
|   | <p>Loan Management Committee through administrative or legal action to recover the debts in full.</p> <p>In the circumstances, the recoverability of the loan balance of Kshs.27,810,128 due from the previous Members of the County Assembly is doubtful.</p>  |  |  |   |
| 6   | <p>The statement of comparison of budget and actual amounts reflects total income budget and actual revenue on comparable basis of Kshs.331,745,757 and Kshs.237,022,488 respectively, resulting to underfunding of Kshs.94,723,269 or 29% of the budget. Similarly, the statement reflects total expenditure budget and actual expenditure on Comparable basis of Kshs.331,745,757 and Kshs.244,447,430 respectively resulting to under expenditure of</p> | <p>The County Assembly did not receive full share of its budgetary allocation as per the approved budget thus affecting implementation of some planned activities hence leading to under expenditure as compared to approved budget.</p> | Not Resolved                             | 2022-2023   |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME FUND**

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

| Reference No. on the external audit Report | Issue / Observations from Auditor   | Management comments   | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|-----------------------------------|--|
|  | Kshs.87,298,327 or 26%. In the circumstances, the underfunding may have negatively affected the fund's operations during the year under review..  |   |                                   |  |
| 7  | The statement of financial position reflects current portion of borrowings balance of Kshs.91,108,186. However, the borrowings were not guaranteed by National Government contrary to the provisions of Regulation 77(3) of Management (County Governments) Regulations 2015 that requires the any Public borrowing Finance by a County Government shall require National Government guarantee. | The borrowings are guaranteed by an MOU between the Narok County Assembly and the Diamond Trust Bank to act as a guarantor in which the beneficiaries deposits the logbooks and title deeds as security to comply with provisions of Regulation 77(3) of Management (County Governments) Regulations 2015 | Resolved                          | 2022-2023  |
| 8  | The statement of financial position reflects current and long-term portions of long-term receivables from exchange transactions balances  | The loans issued to County Assembly Staff are authorized beneficiaries as per the amended Fund Regulations  | Resolved                          | 2022-2023  |

**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME FUND**

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

| Reference No. on the external audit Report | Issue / Observations from Auditor   | Management comments   | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|-----------------------------------|--|
|  | <p>of Kshs.7,251,112 and Kshs.66,789,828 all totaling to Kshs.74,040,940. However, the balance includes loans issued to County Assembly Staff who are not authorized beneficiaries as per the Fund Regulations.</p> <p>In the circumstances, Management was in breach of the law</p>  |   |                                   |  |
| 9  | <p>The financial statements for the year under review refer to the name of the Fund as Narok County Assembly Car Loans and Mortgage Scheme Fund. However, this is contrary to Section 3 of the Public Finance Management (Narok County Assembly Car Loans, Grants and Mortgages Scheme Fund) Regulations, 2021 which provides that there is established a Fund to be known as the County Assembly Car Loans, Grants and Mortgages Fund.</p> | <p>The Narok County Assembly amended the regulations to incorporate Grants to read Narok County Assembly Car Loans, Grants and Mortgages Fund</p> | Resolved                          | 2022-2023  |

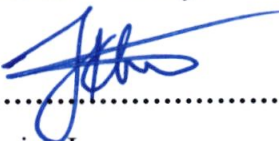
**NAROK COUNTY ASSEMBLY CAR LOANS, GRANTS AND MORTGAGES SCHEME FUND**


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

| Reference No. on the external audit Report | Issue / Observations from Auditor                          | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|---------------------|-----------------------------------|--|
|  | In the circumstances, Management was in breach of the law. |                     |                                   |  |

**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.

Sign .....   
 Joseph Kasaine Lengeny  
 Fund Administrator

Date..... 

***NAROK COUNTY ASSEMBLY CAR LOANS AND MORTGAGES SCHEME FUND***  
**Annual Report and Financial Statements for the year ended June 30, 2024**

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



**NAROK COUNTY ASSEMBLY**  
**OFFICE OF THE CLERK**

Assembly Building  
Mau-Narok Road, Narok Town  
P.O Box 19-20500  
Narok Kenya.

Tel: +020688889  
[info@narokassembly.go.ke](mailto:info@narokassembly.go.ke)

Narok County Assembly Car Loans and Mortgages Scheme Fund

The Narok County Assembly Car Loans and Mortgages Scheme Fund wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

**NAROK COUNTY ASSEMBLY CAR LOANS AND MORTGAGES SCHEME FUND**  
**Annual Report and Financial Statements for the year ended June 30, 2024**

**Confirmation of amounts received by Narok County Assembly Car Loans and Mortgages Scheme Fund as at 30<sup>th</sup> June 2024**

| Reference Number | Date Disbursed | Amounts Disbursed by Narok County Assembly Car Loans and Mortgages Scheme Fund (Kshs) as at 30 <sup>th</sup> June 2024 |                 |                       |                          | Amount Received by [ Narok County Assembly Car Loans and Mortgages Scheme Fund ] (KShs) as at 30 <sup>th</sup> June 2024 (E) | Differences (KShs) (F)=(D-E) |
|------------------|----------------|--|-----------------|-----------------------|--------------------------|--|------------------------------|
|                  |                | Recurrent (A)  | Development (B) | Inter-Ministerial (C) | Total (D)=(A+B+C)        |  |                              |
| FT23307Y31V1     | 03-NOV-2023    | 20,000,000   |                 |                       | 20,000,000               | 20,000,000   | -                            |
| FT233071CY1J     | 03-NOV-2023    | 25,000,000   |                 |                       | 25,000,000               | 25,000,000   | -                            |
| FT23307DL3SM     | 03-NOV-2023    | 45,000,000   |                 |                       | 45,000,000               | 45,000,000   | -                            |
| <b>Total</b>     |                | <b><u>90,000,000</u></b>   |                 |                       | <b><u>90,000,000</u></b> | <b><u>90,000,000</u></b>   | -                            |

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

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

Name PETER SHAKUMBO TANTA Sign  Date 10.12.2024

**NAROK COUNTY ASSEMBLY CAR LOANS AND MORTGAGES 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 |                 |                       |
|              |                     |                    |                    |    |    |    |    |                 |                       |
|              |                     |                    |                    |    |    |    |    |                 |                       |
|              |                     |                    |                    |    |    |    |    |                 |                       |
|              |                     |                    |                    |    |    |    |    |                 |                       |
|              |                     |                    |                    |    |    |    |    |                 |                       |
|              |                     |                    |                    |    |    |    |    |                 |                       |

**NAROK COUNTY ASSEMBLY CAR LOANS AND MORTGAGES 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 require expenditure reporting (response/recovery/mitigation/preparedness) | Expenditure item | Amount (Kshs.) | Comments   |
|           |               |               |  |                  |                |            |
|           |               |               |  |                  |                |            |
|           |               |               |  |                  |                |            |
|           |               |               |  |                  |                |            |