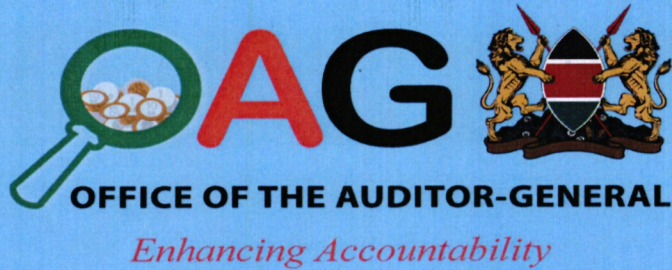


REPUBLIC OF KENYA



REPORT

PAPERS LAID	
DATE	03/05/2023
TABLED BY	Gen. Majority Whip
COMMITTEE	_____
CLERK AT THE TABLE	M. Adjibedou

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THE AUDITOR-GENERAL

ON

**COUNTY ASSEMBLY OF KILIFI CAR
AND MORTGAGE SCHEME FUND**

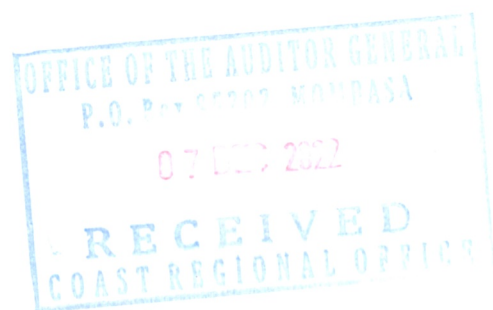
**FOR THE YEAR ENDED
30 JUNE, 2022**



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

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2022**

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



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Kilifi County Assembly Car and Mortgage Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

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1. Key Entity Information and Management

a) Background information

The Kilifi County Assembly Members Car Loan Scheme and Kilifi County Assembly Members Mortgage Scheme Fund established as per the respective regulations are headed by the Leader of Majority in the County Assembly who is responsible for the general policy and strategic direction of the County Assembly Scheme Funds. However, the Kilifi County Assembly (staff) Mortgage Scheme Fund is headed by the Deputy Clerk who is the Chairperson of the Kilifi County Assembly (Staff) Mortgage Fund Committee.

The specific regulations governing this fund are: Kilifi County Assembly Members Car Loan Scheme and Fund Regulations, 2014; The Kilifi County Assembly Members (Mortgage Scheme Fund) Regulations, 2014; and Kilifi County Assembly (Staff) Mortgage Scheme Fund Regulations, 2015. The regulation requires the establishment of three funds. However, considering that the administrator of all the Funds is the clerk of the County Assembly, and two (2) of the funds share the same loan committee members, the financial statements represent a joint operation of the three funds.

b) Principal Activities

The principal activity of the three funds; Kilifi County Assembly Members Car Loan Scheme Fund, Kilifi County Assembly Members Mortgage Scheme Fund and the Kilifi County Assembly Staff Mortgage Scheme Fund is to disburse car and mortgage loans to both members of the County Assembly and the Staff and prudently account for all the monies entrusted into the Fund by ensuring that these regulations together with the Public Finance Management Act, 2012 and Public Finance Management (County Government) Regulations, 2015 are adhered to.

c) Loan Management Committee

Ref	Name	Position
1	Adamson K. Mwathethe	Chairman (Leader of Majority)
2	Lilian Ngala	Secretary
3	Alphonse Mwayaa	Member of County Assembly
4	Albert Kiraga	Member of County Assembly
5	Frank Kimosho	Member of County Assembly

d) Key Management

Ref	Name	Position
1	Silas K Mulewa	Chairman (Deputy Clerk)
2	Lilian Ngala	Secretary
3	Charles Mapinga	Fund Accountant
4	Patience P. Kingi	Director Legal Services
5	Harrison Chizambo	Director Human Resource
6	Mathias Jefwa Mwachiru	Deputy Director- Supply Chain

e) Registered Offices

County Assembly Headquarter

County Assembly Complex

Assembly Road

P.o Box 332-80200

Malindi, KENYA.

f) Fund Contacts

Telephone:(2540202171220)

E-mail: clerk@kilifiassembly.go.ke

Website: www.kilifiassembly.go.ke

g) FundBankers

1. Family Bank of Kenya
P.O. Box 14-80109,
Mombasa Kilifi Road,
Mtwapa, Kenya
2. Kenya Commercial Bank
P.o Box 9-80200,
Lamu Road,
Malindi.
3. SBM Bank
P.o Box -80200,
Lamu Road,
Malindi.

h) Independent Auditors

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

i) Principal Legal Adviser

County Attorney
Kilifi County Government
P.O. Box 519
Kilifi, Kenya.

**Kilifi County Assembly Car and Mortgage Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

The Board of Trustees/ Loan Management Committee

Name	Details of qualifications and experience
1. Silas Mulewa Kahindi	Masters in Business Administration-Strategic Management-on going Bachelor of Commerce 13 Years of Experience D.O.B 8 th April,1982 Fund Administrator
2. Lilian Ngala	Masters in Business Administration- Management Bachelor of Business Administration- Management Bachelor of Business Administration- Marketing 8 Years Working Experience D.O.B 17 th March 1990 Ex-Official/Secretary in the Committee
3. Harrison Mgaza Chizambo	Masters in Business Administration Human Resource Management Bachelor in Business Administration Human Resource Management Higher Diploma, Human Resource Management and Industrial Relations. 15 Years working experience D.O.B 21 st March 1966 Member
4. Mathias Jefwa Mwachiru	Masters in Science- Procurement and Logistics Bachelor of Business Information Technology Senior Management Course (KSG) Executive Induction Course (KSG) Supply Chain Management 4 Years working experience D.O.B 11 TH November 1982 Member
5. Charles Mapinga Lwiga	Masters in Project Management Bachelor of Commerce- Accounting Option Certified Public Accountant of Kenya 10 Years working experience D.O.B 12 th December, 1972 Fund Accountant

Kilifi County Assembly Car and Mortgage Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

6. Patience Pili Kingi		Bachelors of Law 8 Years working experience D.O.B 27 th March 1982 Member & Legal Advisor	

**Kilifi County Assembly Car and Mortgage Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022**

Management Team

Name	Details of qualifications and experience
1. Silas Mulewa Kahindi	Masters in Business Administration-Strategic Management-on going Bachelor of Commerce 13 Years of Experience D.O.B 8 th April,1982 Chairperson- Kilifi County Assembly (Staff) Mortgage Fund Committee
2. Lilian Ngala	Masters in Business Administration- Management Bachelor of Business Administration- Management Bachelor of Business Administration- Marketing 8 Years Working Experience D.O.B 17 th March 1990 Ex-Official/Secretary in the Committee- Kilifi County Assembly (Staff) Mortgage Fund Committee
3. Harrison Mgaza Chizambo	Masters in Business Administration Human Resource Management Bachelor in Business Administration Human Resource Management Higher Diploma, Human Resource Management and Industrial Relations. 15 Years working experience D.O.B 21 st March 1966 Member- Kilifi County Assembly (Staff) Mortgage Fund Committee
4. Mathew Jefwa Mwachiru	Masters in Science- Procurement and Logistics Bachelor of Business Information Technology Senior Management Course (KSG) Executive Induction Course (KSG) Supply Chain Management 4 Years working experience D.O.B 11 TH November 1982 Member- Kilifi County Assembly (Staff) Mortgage Fund Committee

Kilifi County Assembly Car and Mortgage Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

5.Charles Mapinga Lwiga	Bachelor of Commerce – Accounting Option Certified Public Accountant (K) 10 Years working experience D.O.B 12 th December 1972 Fund Accountant
6.Patience Pili Kingi	Bachelor of Law 8 Years working experience D.O.B 27 th March 1982 Member & Legal Advisor

2. Board/Fund Chairperson's Report

Changes in the Fund during the Year

There were no changes in key management in the current financial year.

Review of the Fund Performance.

Over the past, the fund has had a steady growth in the disbursement of Car and Mortgage Loans to both the members of County Assembly and Staff.

In the financial year ended 30th June 2022, the fund reported a total income of Kshs. 11,682,039 compared to the prior financial year income of Kshs. 12,955,873. The fund had a deficit of Kshs. 3,038,794. The deficit subsequently reduced the accumulated surpluses which are used to disburse more loans to Staff and Members of the County Assembly in the event of loan refinancing. The revolving fund balances was Kshs. 562,769,281.40 during the year ended 30th June 2021, an increase of Kshs. 75,000,000 from the prior year balances of Kshs. 487,769,281.35.

Total current expenditure is Kshs. 14,720,833.20 as compared to Kshs. 13,530,879.55 in the FY 2020/2021.

Future Outlook of the Fund.

The fund is developing a five (5) year strategic plan which will be reviewed after every three (3) years. It will also have its own staff who shall be recruited and posted by the County Assembly Public Service Board.

It will also budget for emergencies and support corporate social responsibility.

There are neither projects nor investments undertaken by the fund.

During the financial year ended 30th June 2022, the fund ensured compliance with the Public Finance Management Act no 18 of 2012 and the Public Finance Management (County Government) Regulations, 2015 and other statutory requirements.

The fund is exposed to loan defaults by loan beneficiaries. The fund has insured all the loans disbursed to both Members of County Assembly and staff thus mitigating against the risk of default.

.....


Name: Adamson K. Mwathethe

Chairperson-Loan Management Committee- Kilifi County Assembly Members Car Loan and Mortgage Scheme Fund.

Kilifi County Assembly Car and Mortgage Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

Report of The Fund Administrator

The Fund continues to grow in the disbursement of Car and Mortgage Loans to both the members of County Assembly and Staff.

In the financial year ended 30th June 2022, the fund reported a total income of Kshs. 11,682,039 compared to the prior financial year income of Kshs. 12,955,873. The fund had a deficit of Kshs. 3,038,794. The deficit subsequently reduced the accumulated surpluses which are used to disburse more loans to Staff and Members of the County Assembly in the event of loan refinancing. The revolving fund balances was Kshs. 562,769,281.40 during the year ended 30th June 2021, an increase of Kshs. 75,000,000 from the prior year balances of Kshs. 487,769,281.35. Total current expenditure stands at Kshs. 14,720,833.20 as compared to Kshs. 13,530,879.55 during the financial year 2020/2021.

The Fund is currently developing its strategic plan for a period of five (5) years. The Fund future prospects are to budget for emergencies and Corporate Social Responsibility.

The main activity of the fund is to disburse car loan and mortgages to members of the County Assembly as well as mortgages to staff of the County Assembly. The objective, Key performance indicators and actual performance of the loan advanced are as summarized in the table below.

Program	Objective	Outcome	Indicator	Performance
Car Loans	To support easy and convenient movement of the MCAs to and from the County Assembly in order for them to perform their roles.	Timely attendance during the committee meetings and assembly sittings	Availability of quorum in meetings/sittings	Fair and justified discussions in meetings
Mortgage Loans	To offer good and comfortable housing facilities to the MCAs & Staff	Good security	Comfortable Housing	Improved economy



.....
Name: CPA. Michael B. Ngala

Fund Administrator

3. Statement of Performance Against the CountyFund’s Predetermined Objectives

Introduction

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

The Kilifi County Assembly Car and Mortgage Loan Scheme Fund budgeted revenue during the year ended 30 June 2022 was Kshs. 14,800,000 while budgeted expenditure was Kshs. 14,800,000 resulting to a balanced budget.

The County Assembly of Kilifi Car and Mortgage Loan Fund is yet to achieve its objectives to staff in terms of awarding loans promptly. Liquidity issues have contributed significantly to qualifying staff not been awarded loans. Failure by the Office of the Controller of budget to approve funding to the fund account affected the cashflow.

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Car Loans	To support easy and convenient movement of the MCAs to and from the County Assembly in order for them to perform their roles.	Timely attendance During the committee meetings and assembly sittings	Availability of quorum in meetings/sittings	Fair and justified discussions in meetings.
Mortgage Loans	To offer good and comfortable housing facilities to MCAs and Staff.	Good security	Comfortable housing	Improved economy

Kilifi County Assembly Car and Mortgage Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

Corporate Governance Statement

During the financial year ended 30th June 2022, the Fund Administration Committee (Staff Mortgage Scheme Fund) and the Loan Committee (Car and Mortgage Scheme Fund-MCAs) cumulatively held twenty-nine (29) meetings with enough quorums.

The following table shows a succession plan for the Fund.

Position Title	Incumbent Name	Retirement date	Number of Candidates	Candidate(S) Name (S)
Fund Administrator	CPA. Michael B. Ngala	11/10/2037	1	Silas Mulewa
Chairman (MCA)	Hon. Adamson Mwathethe	06/09/2022	1	Newly Elected Member
Member (MCA)	Hon. Valentine Matsaki	06/09/2022	1	Newly Elected Member
Member (MCA)	Hon. Albert Kiraga	06/09/2022	1	Newly Elected Member
Member (MCA)	Hon. Alphonse Mwayaa	06/09/2022	1	Newly Elected Member
Member (MCA)	Hon. Frank Kimosho	06/09/2022	1	Newly Elected Member
Chairman (Staff)	Silas Mulewa	03/08/2042	1	William Nyanje
Member (Staff)	Charles Mapinga	11/12/2032	1	Joseph Chaka
Member (Staff)	Harrison Chizambo	20/03/2026	1	Damaris Bakari
Member (Staff)	Patience Kingi	26/03/2042	1	Rashid Mbeto
Member (Staff)	Mathias Jefwa	10/11/2042	1	Brenda Umazi
Secretary (Staff)	Lilian Gabriel	16/03/2050	1	Linda Nyamwata

SERVICE CHARTER

Our Commitment:

This Customer Service Charter marks an important milestone in our commitment to excellence in service delivery. It is a commitment to offer excellent services to our MCAs and Staff.

Our Obligations.

We shall endeavour to provide our MCAs and Staff with high quality service by: communicating effectively; acting on any feedback relayed and prompt response; providing accurate, complete, and up-to-date information; and being polite and courteous.

Our promise.

Attend to you within ten (10) minutes of your visit and treat your concern with confidentiality and privacy.

When you call us on the telephone we shall:

Answer your call within the 3rd ring, be ready and willing to serve, let you know who you are speaking to and remain polite, courteous, and friendly.

When you write an e-mail to us we shall:

Provide an initial response within 12 hours, let you know who is dealing with your inquiry and address the issue to completion within 48hours i.e 3 days

When you have a complaint about service, we shall:

Acknowledge receipt of complaint with an initial response within 12 hours and resolve the complaint within 48 hours i.e. 3 working days.

Credit facilities:

Loan/advance processing and disbursements shall be as follows:

- Mortgage – 7 days
- Refinance loan -4days
- Car Loan -3days

The Government:

It is the duty of the Committee to comply with regulations by all Government bodies.

General Information:

Our offices are open from Monday to Friday (Weekdays) 8.30 a.m. to 4.30pm and we are closed on weekends, public and national holidays.

Process of Appointment of Administration Committee Members:

Regulation 6 (1) of the Kilifi County Assembly Members Car Loan Scheme Fund Regulations, 2014 and regulation 6(1) of the Kilifi County Assembly Members (Mortgage Scheme Fund) Regulations, 2014 provides for the composition of the Loans Management Committee.

Regulation 6 (1), 6(2) and 6(3) of the Kilifi County Assembly (Staff) Mortgage Scheme Fund Regulations 2015 amended in 2020 provides for the composition of the Kilifi County Assembly (Staff) Mortgage Fund Committee.

Roles and Functions of the Administration Committee Members.

Regulation 6 (3) to regulation 6(7) of the Kilifi County Assembly Members Car Loan Scheme Fund Regulations, 2014 and regulation 6(5) of the Kilifi County Assembly Members (Mortgage Scheme Fund) Regulations, 2014 outline the roles and functions of the Loan Committee members.

Kilifi County Assembly Car and Mortgage Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

Regulation 6 (4 a-j) to Regulation 6(6) of the Kilifi County Assembly (Staff) Mortgage Scheme Fund Regulations 2015 amended in 2020 outlines the roles and function of the Kilifi County Assembly (Staff) Mortgage Fund Committee.

Kilifi County Assembly Car and Mortgage Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

Management Discussion and Analysis

During the Financial Year ended 30th June 2022, loan advanced to staff and members of the county assembly amounted to Kshs. 1,350,000 as compared to Kshs. 61,206,001 in the prior financial year.

The operational costs of the fund comprise of the general expenses which include bank charges and sitting allowances paid to loan committee members amounting to Kshs. 14,720,833.20.

The fund activities are in compliance with the Public Finance Management Act, 2012; Public Finance Management (County Government) regulations, 2015; Kilifi County Assembly Members Car Loan Scheme Fund Regulations, 2014; Kilifi County Assembly Members (Mortgage Scheme Fund) Regulations, 2014; Kilifi County Assembly (Staff) Mortgage Scheme Fund regulations 2015 amended in 2020 and all other statutory requirements.

Loan defaults is a major risk. The Fund management has implemented controls to address the risk by ensuring that all loans are secured (title deeds and logbooks) are insured.

Kilifi County Assembly Car and Mortgage Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

Report of The Trustees

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2022 which show the state of the Fund affairs. The Fund is regulated by the Kilifi County Assembly Members Car Loan Scheme Fund Regulations, 2014; Kilifi County Assembly Members Mortgage Scheme Fund regulations, 2014; and Kilifi County Assembly Staff Mortgage Scheme Fund Regulations, 2015. Further, the funds budget estimates are incorporated in the Kilifi County Assembly Budget Estimates.

Principal activities

The principal activity is to disburse car and mortgage loans to both Members of County Assembly and the Staff and prudently account for all the monies entrusted into the fund by ensuring that the Car Loan and Mortgage regulations together with the Public Finance Management Act, 2012 and the Public Finance Management (County Government) Regulations, 2015 are adhered to.

Results

The results of the Fund for the year ended June 30, 2022 are set out in the Financial Performance; Statement of Financial Position; Statement of Changes in net assets; Statement of Cashflows; Statement of Comparison of Budget and Actual amounts as reflected in pages 1 to 6 of the Financial Statements.

Trustees

The Fund does not have a board of trustees, but rather, the administrative functions of the Fund are performed by the Loan Management Committee and Kilifi County Assembly (Staff) Mortgage Fund Committee. The members of the Committee who served during the financial year ended 30th June 2022 are as shown on pages viii to xii of the financial statements. There were no changes in the Loan Management Committee and Kilifi County Assembly (Staff) Mortgage Fund Committee in the Financial Year.

Auditors

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

By Order of the Administration Committee.



.....
Member of the Fund Administration Committee

Date: 30th September 2022

4. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund (Kilifi County Assembly Car and Mortgage Loan Scheme Fund) shall prepare financial statements for the Fund in accordance with the Standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

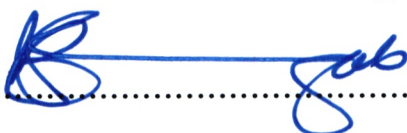
The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012; Kilifi County Assembly Members Car Loan Scheme Fund Regulations, 2014; Kilifi County Assembly Members (Mortgage Scheme Fund) Regulations, 2014 and the Kilifi County Assembly (Staff) Mortgage Scheme Fund regulations 2015 amended in 2020. The Administrator of the Fund is of the opinion that the Funds' Financial Statements give a true and fair view of the state of Funds' transactions during the financial year ended June 30, 2022, and of the Funds' financial position as at that date.

The administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Funds' statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund's financial statements were approved by the Board on 30th September 2022 and signed on its behalf by:

..... 

Administrator of the Fund

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF KILIFI CAR AND MORTGAGE SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Kilifi Car and Mortgage Loan Scheme Fund set out on pages 1 to 18, which comprise of the statement of financial position, and the statement of financial performance, statement of

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

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

Basis for Opinion

1. Unrecovered Receivables from Staff and Members of County Assembly

The statement of financial position reflects Kshs.20,119,513 in respect to receivables from staff and members of County Assembly and as disclosed in Note 7 to the financial statements. As previously reported, the amount relates to loans advanced to two (2) Members of the County Assembly who lost their seats through a by-election and two (2) deceased Members of Staff. Although the Management has explained that the loans were secured, no evidence was provided to support the security. Further, the Management has not demonstrated any efforts made to recover the loans which have been outstanding for over two (2) years. In addition, no evidence was provided to show that the Board had registered a charge on the property used as collateral.

In the circumstances, the accuracy and recoverability of the receivables balance of Kshs.20,119,513 could not be confirmed.

2. Receivables from County Assembly

The statement of financial position reflects Kshs.79,573,339 in respect to receivables from County Assembly which, as disclosed in Note 6 to the financial statements includes Kshs.12,249,654 owing from Kenya Deposit Insurance Corporation (KDIC) and Kshs.67,323,685 receivable from the County Assembly. However, records provided for audit review indicated that the balance of Kshs.12,249,654 was held in Chase Bank (now in receivership) which later transformed to SBM Bank. In addition, the process of recovering the outstanding receivables had been initiated, but no recoveries had been made as at the time of audit in October, 2022.

In the circumstances, the recoverability of receivables amounting to Kshs.79,573,339 could not be confirmed.

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

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, a number of paragraphs were raised. However, Management had not resolved the issues as at 30 June, 2022.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Failure to Prepare Separate Financial Statements

As reported in the previous year, the Management did not prepare and submit for audit review separate annual financial statements in line with Regulation 15(1)(d) of the Kilifi County Assembly Members Car Loan Scheme Fund Regulations, 2014 and Regulation 19(1)(d) of the Kilifi County Assembly Staff Mortgage Scheme Fund Regulations, 2015 which require the Officer Administering the Fund to prepare, sign and submit financial statements relating to the Funds to the Auditor General every financial year.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of Risk Management Framework

As previously reported, Kilifi County Assembly Car and Mortgage Scheme Loan Fund has a draft Risk Management Policy. The Fund therefore lacks a structured process for identifying and minimizing potential threats to its operations and sustainability of services.

In the circumstances, existence of effective risk management could not be confirmed.

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

Responsibilities of 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 control 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 control, risk management and overall governance.

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

in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


09 March, 2023

Report of the Auditor-General on County Assembly of Kilifi Car and Mortgage Scheme Fund for the year ended 30 June, 2022


Kilifi County Assembly Car and Mortgage Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

5. Statement of Financial Performance For The Year Ended 30th June 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
Revenue From Exchange Transactions			
Interest Income	1	11,180,850.80	12,873,094.95
Other Income	2	501,188.28	82,778.00
		11,682,039.08	12,955,872.95
Expenses			
Fund Administration expenses	3	-	-
General Expenses	4	14,720,833.20	13,530,879.55
Finance Costs		-	-
Total Expenses		14,720,833.20	13,530,879.55
Surplus/(Deficit)For the Period		(3,038,794.12)	(575,006.60)



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 Name: CPA. Michael B. Ngala
 Administrator of the Fund



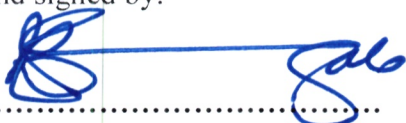
.....
 Name: Christine Karemba Nyale
 Fund Accountant
 ICPAK Member Number: 10435


Kilifi County Assembly Car and Mortgage Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

6. Statement of Financial Position As At 30 June 2022

	Not e	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	5	130,635,400.16	48,404,245.35
Receivables from County Assembly	6	79,573,339.03	59,479,204.00
Receivables from Staff and Members of the County Assembly	7	20,119,512.94	20,919,512.94
		230,328,252.13	128,802,962.29
Non-Current Assets			
Mortgage to Members of the County Assembly and Staff	8	319,833,608.49	371,333,692.40
		319,833,608.49	371,333,692.40
Total Assets		550,161,860.62	500,136,654.69
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	9	21,304,000.00	3,240,000.00
		21,304,000.00	3,240,000.00
Non-Current Liabilities			
Long Term Portion of Borrowings		-	-
Total Non- Current Liabilities		-	-
Net Assets		528,857,860.62	496,896,654.69
Revolving Fund		522,769,281.35	487,769,281.35
Reserves		-	-
Accumulated Surplus		6,088,579.27	9,127,373.34
Total Net Assets and Liabilities		528,857,860.62	496,896,654.69

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 30th September 2022 and signed by:


 Name: CPA. Michael B. Ngala
 Administrator of the Fund


 Name: Christine Karemba Nyale
 Fund Accountant
 ICPAK Member Number: 15707

Kilifi County Assembly Car and Mortgage Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

7. Statement Of Changes in Net Assets for the year ended 30th June 2022

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2020	584,833,788.00	-	9,906,798.70	594,740,586.88
Surplus/(Deficit) For the Period	-	-	(575,007.00)	(575,007.00)
Prior Year Adjustments	-	-	(204,419.00)	(204,419.00)
Funds replenished for car grant	(108,000,000.0)	-	-	(108,000,000.0)
Funds received during the year	10,935,493.00	-	-	10,935,493.00
Revaluation gain		-		-
BalanceAsAt30 June 2021	487,769,281.00	-	9,127,372.70	496,896,653.70
BalanceAs At 1 July 2021	487,769,281.00	-	9,127,372.70	496,896,653.70
Surplus/(Deficit)For the Period		-	(3,038,794.12)	(3,038,794.12)
FundsReceived During the Year	35,000,000.00	-	-	35,000,000.00
Transfers	-	-	-	
Revaluation Gain	-	-	-	-
BalanceAsAt30 June 2022	522,769,281.00	-	6,088,579.22	528,857,860.62



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Name: CPA. Michael B. Ngala
Administrator of the Fund



.....
Name: Christine Karemba Nyale
Fund Accountant
ICPAK Member Number: 15707

Kilifi County Assembly Car and Mortgage Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

8. Statement of Cash Flows For The Year Ended 30 June 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
Cashflows from operating activities			
Receipts			
Interest received	1	11,180,850.80	12,873,095.00
Receipts from other operating activities	2	501,188.28	82,778.00
Total Receipts		11,682,039.08	12,955,873.00
Payments			
Fund administration expenses	3	-	-
General expenses	4	14,720,833.20	13,530,880.00
Total payments		14,720,833.20	13,530,880.00
Operating cash flows before adjusting for changes in working capital		(3,038,794.12)	(575,007.00)
Adjust for:			
Increase in receivables		(20,094,135.03)	(9,500,000.00)
Increase in payables		18,064,000.00	3,240,000.00
Net Cash flows from operating activities		(2,030,135.03)	(6,835,007.00)
Cashflows from Investing activities			
Proceeds from loan principal repayments		53,650,083.91	73,958,648.55
Loan disbursements paid out		1,350,000.00	61,206,001.95
Net cashflows used in investing activities		52,300,083.91	12,752,646.60
Cashflows from financing activities			
Car Grant Payments		-	(75,204,333.00)
Proceeds from County Assembly		35,000,000.00	10,935,493.00
Net cashflows used in financing activities		35,000,000.00	(64,268,840.00)

Kilifi County Assembly Car and Mortgage Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

Net increase/(decrease)in cash &cash Equivalents		82,231,154.76	(58,351,200.40)
Cash and cash equivalents at 1july 2021		48,404,245.40	106,755,445.80
Cash and cash equivalents at 30 june 2022		130,635,400.16	48,404,245.40



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Name: CPA. Michael B. Ngala
Administrator of the Fund



.....
Name: Christine Karemba Nyale
Fund Accountant
ICPAK Member Number: 15707

Kilifi County Assembly Car and Mortgage Loan Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2022

9. Statement of Comparison Of Budget And Actual Amounts For The Period

	Originalbudget	Adjustments	Finalbudget	Actualon comparable basis	Performance difference	% Utilisation
	2022	2022	2022	2022	2022	2022
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Public Contributions & Donations			-	-	-	-
Transfers From County Govt.	50,000,000.00		50,000,000.00	35,000,000.00	15,000,000.00	-30
Interest Income	14,800,000.00	-	14,800,000.00	11,180,850.80	3,619,149.2	24.45
Other Income	-	-	-	501,108.28	501,108.28	+100
Total Income	64,800,000.00	-	64,800,000.00	36,681,959.08	-18,118,040.92	-27.96
Expenses						-
Fund Administration Exps	-	-	-	-	-	-
General Expenses	14,800,000.00	-	14,800,000.00	14,720,833.20	79,166.80	0.01
Total Expenditure	14,800,000.00	-	14,800,000.00	14,720,833.20	79,166.80	0.01
Surplus for the Period	50,000,000.00	-	50,000,000.00	21,961,125.85	28,038,874.12	-

Budget notes

- The negative variance of 24.45% was caused by under collection of interest income. This was because the COB did not approve Kshs 30.5million which was meant to be disbursed as loans to staff and later generate interest income.*

10. Notes to the Financial Statements

1. General Information

County Assembly of Kilifi is established by and derives its authority and accountability from County Government Act. The entity is wholly owned by the Kilifi County Government and is domiciled in Kenya. The entity's principal activity is representation, legislature and oversight.

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.

(i) Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2022.

Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2021-2022 was approved by the County Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of on the FY 2021-2022 budget following the governing body's approval.

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

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 17 of these financial statements.

Summary of Significant Accounting Policies (Continued)

c) Property, plant and equipment

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

a) Intangible Assets

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

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

a) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Kilifi County Assembly Car and Mortgage Loan Scheme

Annual Report and Financial Statements for the year ended June 30, 2022

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Kilifi County Assembly Car and Mortgage Loan Scheme
Annual Report and Financial Statements for the year ended June 30, 2022

Summary of Significant Accounting Policies (Continued)

Contingent liabilities

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

Kilifi County Assembly Car and Mortgage Loan Scheme
Annual Report and Financial Statements for the year ended June 30, 2022

Summary of Significant Accounting Policies (Continued)

Contingent assets

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

b) Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

Summary Of Significant Accounting Policies (Continued)

c) Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

d) 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.

e) Comparative figures

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

f) Events after the reporting period

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

g) Ultimate and Holding Kilifi County Assembly

The Kilifi County Assembly is a County Public Fund established by PFM Act no 18 of 2012, Kilifi County Assembly Mortgage Scheme Fund Regulations, 2015 and Kilifi County Assembly (Staff) Mortgage Scheme Fund (Amendment) Regulations, 2020 under the Ministry of Devolution. Its ultimate parent is the County Government of Kilifi.

h) Currency

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

Kilifi County Assembly Car and Mortgage Loan Scheme
Annual Report and Financial Statements for the year ended June 30, 2022

6. Notes to The Financial Statements

1. Interest income

Description	2021-2022	2020-2021
	Kshs	Kshs
Interest Income from Car & Mortgage Loans	10,788,510.90	12,098,337.40
Interest Income on Bank Deposits	392,339.90	774,757.55
Total Interest Income	11,180,850.80	12,873,094.95

2. Other income

Description	2021-2022	2020-2021
	Kshs	Kshs
Insurance Recoveries	501,188.28	82,778.00
Total Other Income	501,188.28	82,778.00

3. Fund administration expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Administration fees	-	-
Total	-	-

4. General expenses

Description	2021/22	2020/21
	Kshs.	Kshs.
Bank Charges	-	164,052.80
Other expenses	14,720,833.20	13,366,826.75
Total	14,720,833.20	13,530,879.75

5. Cash and cash equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Car & Mortgage Loan Accounts	130,635,400.16	30,029,764.40
Fixed Deposits Account	-	18,374,481.00
Total Cash and Cash Equivalents	130,635,400.16	48,404,245.40

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

**Kilifi County Assembly Car and Mortgage Loan Scheme
Annual Report and Financial Statements for the year ended June 30, 2022**

		2021-2022	2020-2021
Financial Institution	Account number	Kshs	Kshs
a) Fixed Deposits Account			
SBM Moratorium Fixed Deposit	0193330273004	-	6,124,827.00
KDIC		-	12,249,654.00
Sub- Total		-	18,374,481.00
b) Current Account			
Family Bank	9400013420	243,705.00	243,705.00
Family Bank	9400003755	153,249.00	153,249.00
Kenya Commercial Bank	1181021499	30,767,709.64	2,462,298.10
Kenya Commercial Bank	1225276381	0.00	312,340.30
Kenya Commercial Bank	1225276926	92,033,358.57	25,869,270.00
Kenya Commercial Bank	1181021391	(1,840.00)	(1,840.00)
SBM	0191330273003	95,356.15	90,416.00
SBM	0191330273002	7,343,863.00	900,326.00
Sub- Total		130,635,400.16	30,029,764.40
Grand Total		130,635,400.16	48,404,245.40

Funds in KDIC was removed as cash at hand to Receivables due to the timings in realising the cash.

6. Receivables from the County Assembly

Description	2021-2022	2020-2021
	Kshs	Kshs
Receivables from County Assembly	67,323,685.03	59,479,204.00
SBM Bank	12,249,654.00	-
Total Receivables from non-exchange transactions	79,573,339.03	59,479,204.00

**Kilifi County Assembly Car and Mortgage Loan Scheme
Annual Report and Financial Statements for the year ended June 30, 2022**

7.Receivables from Staff and Members of the County Assembly

Staff Name	Date of Exit	Amount	Reasons for exit
		Kshs	Kshs
Felix Mwarabu	1 st November 2020	9,730,937.00	Deceased
Getrude Shume Mbuche	1 st October 2019	5,096,549.00	Deceased
Omar Abdul Mohamed	7 th May 2019	2,510,691.07	Court nullification of election Lost in by-election
Changawa Emmanuel Kombe	18 th October 2019	2,781,335.87	Court nullification of election, Lost in by-election
	Total	20,119,512.94	

8.Receivables from Exchange Transactions-Mortgages to Members of the County Assembly and Staff.

Description	2021-2022	2020-2021
	Kshs	Kshs
Non-current Receivables		
Mortgages to Members of the County Assembly and Staff- Long term Loan	319,833,608.49	371,333,692.40
Total Non-current Receivables	319,033,608.49	371,333,692.40

Kilifi County Assembly Car and Mortgage Loan Scheme
Annual Report and Financial Statements for the year ended June 30, 2022

Notes To The Financial Statements (Continued)

9. Trade and other payables from exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Other Payables	21,304,000.00	3,240,000.00
Total Trade and Other Payables	21,304,000.00	3,240,000.00

10. 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 of Kilifi;
- b) Ministry of Devolution.
- c) County Assembly of Kilifi.
- d) Key management; and
- e) Fund Administration Committee.

b) Due from related parties

	2021-2022	2020-2021
	Kshs	Kshs
Due from County Assembly	79,573,339.03	59,479,204.00
Total	79,573,339.03	59,479,204.00

Kilifi County Assembly Car and Mortgage Loan Scheme

Annual Report and Financial Statements for the year ended June 30, 2022

11. 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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

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)
	Receivables from staff and members of the County Assembly	-Get into negotiations with the MCAs for repayments. -Charged titles of deceased to offset debt	-Progress	-February 2022
	-Unresolved prior year matters		-Resolved	30 th Sept 2022
	Failure to prepare separate Financial statements	-The management did in consistency With other years.	-In Progress	1 st July 2022
	Lack of Risk Management Framework	Draft to be taken for County Assembly Service Board approval	-In progress	February 2022

Guidance Notes:

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