

REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

**BOMET COUNTY (STATE AND PUBLIC
OFFICERS) CAR LOAN AND MORTGAGE
SCHEME FUND**

**FOR THE YEAR ENDED
30 JUNE, 2025**





**BOMET COUNTY (STATE AND PUBLIC OFFICERS) CAR LOAN AND
MORTGAGE SCHEME FUND**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30 JUNE, 2025**

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



Bomet County Government Car Loan & Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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1. ACRONYMS AND GLOSSARY OF TERMS

a) Acronyms

CPA (K)	Certified Public Accountants, Kenya
CS (K)	Certified Secretary, Kenya
CSR	Corporate Social Responsibility
ICPAK	Institute of Certified Public Accountants of Kenya
IHRM	Institute of Human Resource Management
IPSAS	International Public Sector Accounting Standards
NTSA	National Transport and Safety Authority
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
SRC	Salaries and Remuneration Commission

b) Glossary of Terms

Applicant - a state or public officer in the Bomet County Public Service

Committee - Car Loans and Mortgages Management Committee established under regulation

Borrower - a person in receipt of a loan facility out of the fund

Financial Year - period of twelve months ending on the 30th June in each year

Fund - Bomet County (State and Public Officers) Car Loan and Mortgage Scheme Fund

Fiduciary Management - The key management personnel who had financial responsibility

Officer Administering the Fund - the officer designated by the County Executive Member for Finance under the regulations to manage the Fund

2. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Bomet County Government Car Loan and Mortgage Fund is established by and derives its authority and accountability from Section 116 of Public Finance Management Act, 2012. The Fund is fully owned by the County Government of Bomet and based in Kenya.

The Fund became operational in July 2018, following the gazettment of Bomet County (State and Public Officers) Car Loan and Mortgage Scheme Fund Regulations, 2018, which have been amended through consolidation of Car Loan and Mortgage to Bomet County (State and Public Officers) Car Loan and Mortgage Scheme Fund Regulations, 2023 with a further review in 2025.

The fund's objective is to provide financial assistance to provide loan scheme for the purchase of vehicles, purchase and/or development or renovation or repair of property by members of the scheme. The Fund's core function is to disburse loans to legible members.

b) Principal Activities

The principal activity/mandate of the Fund is to provide car loans and mortgage to members (State and Public Officers).

c) Fund Administration Committee

Ref	Name	Position
1	Milcah Chepkoech Ronoh	Chairperson
2	John Mark Langat	V. Chairperson
3	Eric Ronoh	Member
4	Kipngetich Towett	Member
5	Kipkorir Mutai	Member
6	Charles Koech	Fund Administrator

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d) Key Management

Ref	Name	Position
1	Milcah Chepkoech Ronoh	Chairperson
2	John Mark Langat	V. Chairperson
3	Eric Ronoh	Member
4	Kipngetich Towett	Member
5	Kipkorir Mutai	Member
6	Charles Koech	Fund Administrator

e) Fiduciary Oversight Arrangements

The key fiduciary bodies at the County for the year ended 30th June, 2025 were:

Bomet County Car Loan and Mortgage Scheme Fund Management Committee

The committee is responsible for:

- i. Making recommendations with respect to the conditions under which a Car Loan and or a Mortgage shall be granted or repaid under the Regulations;
- ii. Processing application for the granting of Car Loans and mortgages to beneficiaries of the of the Fund subject to the provisions of any agreement relating to the provision of the Car Loan and or mortgage
- iii. Receiving, administering and investing the resources of the Fund
- iv. Supervising the day-to-day running of the Fund.

County Executive

The County Executive provides strategic leadership in policy formulation, planning, and delivery of public services

Internal Audit Committee

The role of the audit committee is to support the County Assembly in fulfilling its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, internal and external audit functions and ethical accountability.

Bomet County Assembly Public Accounts and Investment Committee

The Committee is responsible for examining the accounts detailing the appropriations of funds approved by the County Assembly for public expenditure, as well as any other accounts submitted to the Assembly that it deems necessary. It further reviews the reports, financial statements and operations of County public investments to assess their performance. In doing so, the Committee evaluates whether these public investments are managed autonomously and efficiently, and whether their affairs adhere to sound financial management, prudent commercial practices, and established principles

Bomet County Assembly Budget and Appropriation committee

The role of the committee is to:

- i. Investigate, inquire into and report on all matters related to coordination, control and monitoring of the of the County budget;
- ii. Discuss and review the estimates and make recommendations to the County Assembly;
- iii. Examine the County Budget Policy Statement presented to the County Assembly;
- iv. Examine Bills related to the County budget, including Appropriations Bills;
- v. Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays and such other functions as may be assigned by a County Legislation or this Standing Orders.

Senate Public Accounts and Investment committee

The Senate Public Accounts Committee is responsible for the examination of the accounts showing the appropriations of the sum voted by the House to meet the public expenditure and of such other accounts laid before the House as the Committee may think fit.

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f) Registered Offices/Fund Headquarters

P.O. Box 19 – 20400
Bomet, Kenya
Off Narok Sotik Highway

g) Fund Contacts

Telephone: (+254) 0202084070
E-mail: clmf@bomet.go.ke
Website: www.bomet.go.ke

h) Fund Banker

Equity Bank-Bomet Branch
A/C No:1220277299764

i) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084 – GPO 00100
Nairobi, Kenya

j) Principal Legal Advisor

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

k) County Attorney

The County Attorney
County Government of Bomet
Office of the Governor
P.O. Box 19-20400
Bomet

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3. THE FUND ADMINISTRATION AND MANAGEMENT TEAM

During the Financial Year Ending 30th June, 2025, the fund was administered by the following committee members:

Name	Details of Qualifications and Experience
Ms. Milcah Chepkoech Rono 	Ms. Milcah was born in 1982 and is the Chief Officer Economic Planning and Acting Chief Officer, Finance. She has MA Economics, BA Economics and CPA (II). She has over 15 years working experience most of which in different capacities. She is the chairperson of the Fund
Mr. John Mark Langat 	Mr. Langat is the County Attorney and is 51 years old. He holds Bachelor's Degree in Law (LLB) from Nairobi University and Diploma in Law from Kenya School of Law (KSL). He was admitted as Advocate for High Court in 1998 and He has over 20 years litigation experience. He is the vice chairperson of the Fund.
Mr. Eric Ronoh 	Mr. Ronoh was born in 1973 and is the Ag. Director Human Resource Management at the County Government of Bomet. He has Bachelors degree and Higher Diploma in HRM and also Higher Diploma in Entrepreneurship Development with over 27 years working experience. He is a Member of IHRM with. He serves as a member of the Fund
Mr. Kipkorir Mutai 	Mr. Mutai was born in 1980 and is serving as the County Fleet/Transport Manager. He has over 15 years working experience. He holds Bachelors in Automotive Engineering and Masters in Strategic Management. He serves as a member of the Fund
CS. Kipngetich Towett 	CS. Towett is 45 years old and serves as the Ag. Managing Director Bomet Water and Sanitation Company and before as Ag. CEO County Public Service Board. He has over 15 years working experience. He holds Master's Degree in Education (Guidance and Counselling), Bachelor of Education (Arts), Post Graduate Diploma in Management (Public Relation) and CPS (K). He serves as a member of the Fund
Mr. Charles Cheruiyot Koech 	Mr. Koech is 43 years old and is the Director ICT at the County. He has Masters in IT, Bachelor's Degree in Computer Science, Post Graduate Diploma in Project Management and Senior Management Course (SMC). Koech has over 15 years working experience. He is the Fund Administrator and Secretary to the Fund.

4. FUND CHAIRPERSON'S REPORT

On behalf of the Bomet County Car Loan and Mortgage Scheme Management Committee, I am pleased to present the Annual Report and Financial Statements for the year ended June 30, 2025.

Changes in the Fund Management during the year

During the financial year under review, the Fund underwent a change in leadership following the unfortunate demise of the Chairperson, CPA (K) Erick Chepkwony, in May 2025. Ms. Milcah C. Ronoh was appointed as Ag. Chief Officer Finance and thus assumed the chairperson position of the Fund as per the regulation.

Fund Performance

The Fund started the financial year with a bank balance brought forward from FY 2023/2024 amounting to Kshs. 1,958,224.72. No additional allocation was received from the exchequer during the year under review. Within the period, a total of Kshs. 22,200,000 was disbursed which consisted of Kshs. 7,000,000 and Kshs. 15,200,000 as Car Loan and Mortgage respectively.

Strategy and Future outlook of the Fund

a) Strategy

During the past years, the Fund has advanced Car Loan and Mortgage to both State Officers and Public Officers. This demonstrates the Fund's commitment to attract, motivate, and retain top talent in the public sector. In order to enable the Fund to achieve its objectives, it will seek an increased budget to accommodate the rising interest from state and public officers.

b) Future Outlook

The Fund aims to enhance its impact by expanding its reach and increasing its financial support. Plans include:

- i. **Increased Budget Allocation** – The Fund will continue to advocate for increased budgetary allocation to accommodate the growing demand from state and public officers and to enhance its capacity to provide broader and more impactful financial support.
- ii. **Outreach and Communication** - Strategic efforts will be undertaken to improve awareness and accessibility of the Fund, with the goal of ensuring that all eligible officers are adequately informed and empowered to take advantage of the available financing opportunities.

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- iii. **Evaluation and Improvement** – The Fund will regularly assess its performance to evaluate effectiveness and to identify areas for improvement, ensuring that the Fund continues to serve its purpose and meet the objectives.

Conclusion

The Bomet County Car Loan and Mortgage Scheme continues to play a vital role in supporting state and public officers by offering accessible financial solutions aimed at improving their welfare and motivation. The committee administering the Fund is fully committed to maximizing stakeholder value and assisting the County in fulfilling Section 12 (7) of the County Governments Act, 2012. Despite the challenges experienced during the year, including leadership transitions during the year and limited funding, the Fund remained committed to its mandate, disbursing substantial amounts in both car loans and mortgage. Looking ahead, the Fund is focused on strategic growth through enhanced outreach, continuous performance evaluation, and advocating for increased budgetary allocation. These efforts are geared toward ensuring the Fund remains sustainable, responsive, and impactful in meeting the evolving needs of its beneficiaries and thus aligns with the Salaries and Remuneration Commission's objective of attracting, motivating, and retaining a qualified workforce.


.....
Milcah Chepkoech Ronoh
Fund Chairperson
County Government of Bomet Car Loan and Mortgage Scheme Fund


Date: 20. 8. 2025

5. REPORT OF THE FUND ADMINISTRATOR

In compliance with the PFM Act (2012), the Bomet County (State and Public Officers) Car Loan and Mortgage Scheme Fund Regulations, 2023, as revised by the 2025 amendment, the SRC circular, the Fund is pleased to present the report for the fiscal year 2024/25, covering the period from July 1, 2024, to June 30, 2025.

As noted in the Chairperson's report, the Car Loan and Mortgage Scheme Fund had a bank balance brought forward of Kshs. 1,958,224.72 from the fiscal year 2023/24. No additional funds were received from the exchequer during the financial year. For the period under review, total disbursements for both car and mortgage loans amounted to Kshs. 22,200,000. The mortgage of Kshs. 15,200,000 disbursed were clearing of balances for loans advanced in the 2023/24 FY. The accrued interest during the period was Kshs. 2,976,327, while principal repayments received totalled Kshs. 25,573,821, whereas interest payments amounted to Kshs. 3,022,986. During the period, Kshs. 697,678 was incurred as administrative costs. The cumulative payable liability (fringe benefit tax) reported in the year amounted to Kshs. 1,675,885, comprising Kshs. 333,000 for the current period under review and Kshs. 1,342,885 carried forward from previous years.

Since inception of the Fund, a total of sixty-two (62) staff members have benefited from the Fund, with cumulative loan disbursements amounting to Kshs. 216,079,550. These disbursements were made over the Financial Years 2018/19 to 2024/25, with respective yearly allocations as follows: Kshs. 45,153,791 (2018/19), Kshs. 11,300,000 (2019/20), Kshs. 21,263,324 (2020/21), Kshs. 26,700,000 (2021/22), Kshs. 55,562,435 (2022/23), Kshs. 33,900,000 (2023/24), and Kshs. 22,200,000 (2024/25).

During the period, the Fund faced challenge of non-remittance of loans occasioned by issues related to employment contracts and lapse of secondment periods. As

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earlier noted, there was no additional funds received from the exchequer and thus the available revolving funds was not enough to also cater for growing needs of the state and public officers. To meet the rising demand from state and public officers, the Fund will seek for additional budget to strengthen its ability to deliver broader and more inclusive financial assistance.

To minimize loan risks, the Fund implements a range of safeguards, including thorough due diligence before loan approval. For mortgage loans, title deeds are secured as collateral which is charged, while car loans involve joint vehicle registration with beneficiaries to ensure protection. Insurance coverage is also in place for both loans and members. In addition, the Fund conducts comprehensive credit assessments to evaluate applicants' financial stability and repayment ability.

As Car Loan and Mortgage Committee, we remain committed to enhancing public service daily, while upholding strict compliance with the regulations governing the Fund's management. Our focus is forward-looking, with a strong emphasis on improving staff welfare—an essential step toward fostering the continued growth and success of our County.

Signed: _____

Charles Koech

Fund Administrator

County Government of Bomet Car Loan and Mortgage Scheme Fund



6. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'S PREDETERMINED OBJECTIVES

Introduction

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

Strategic Development Objectives

The County's 2023–2027 Integrated Development Plan (CIDP) outlines 82 key strategic priorities, identified through a participatory process that aligned the Governor's Manifesto, the National Government Agenda, Sustainable Development Goals (SDGs), and the Fourth Medium-Term Framework (MTF IV).

The strategic objectives are a synthesised product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks.

The key objectives in Bomet County's 2023-2027 CIDP that are relevant to the Car Loan and Mortgage Scheme Fund is to:

- i. Attract, motivate and retain qualified workforce through provision or access of low interest car loan and mortgage facilities

Progress on Attainment of Strategic Development Objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Performance indicators were identified for reasons of tracking progress

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and performance measurement: Below we provide the progress on attaining the stated objectives:

CAR LOAN AND MORTGAGE SCHEME FUND

Program	Objectives	Outcome	Indicator	Performance
Provision of Car and Mortgage Loan Facilities	To ensure all staff have access to Car and Mortgage loan facilities	Number of car loan and mortgages successfully processed	No. of staff benefiting from the loan (car and mortgage)	In the Financial Year 2024/2025, two (2) staff members benefited from new Car Loan disbursements. Additionally, four (4) mortgage applicants—who had been approved and partially processed in the previous financial year—received full disbursement during this period

7. CORPORATE GOVERNANCE STATEMENT

The County Government of Bomet is committed to best practice and has adopted the Salaries and Remuneration Commission (SRC) guidelines and Principles in implementing the civil servants' car loans and mortgages schemes. These principles are used as a guide to best practice in dealing with these loans. The County Car Loan and Mortgage Scheme Fund wishes to report this corporate governance statement as part of its commitment to preserving stakeholder's confidence.

The County Government of Bomet first passed the regulations on 13th February 2018 which guided the implementation of the SRC recommendation on state officers and civil servant's car loans and mortgages. The regulations were amended in 27th June, 2023 in order to consolidate it into a single regulation covering both Car Loan and Mortgage, which were separate initially. A further amendment was made on 31st January, 2025 to comply with Salaries and Remuneration Commission (SRC) Gazette Notice No. 10348 of dated 9th August, 2023.

Committee Composition and Roles/Functions

Section 6 (1) of the Regulations established a loans management committee known as the Car Loans and Mortgages Management Committee. Its membership consists of: -

- a) The Chief Officer responsible for Finance who is the chairperson.
- b) The Head of Human Resource Department
- c) The County Attorney or any officer appointed by the County Attorney
- d) Two members of staff appointed by the County Secretary
- e) The Fund Administrator (ex-officio) appointed by the County Executive Member for Finance

Section 6 (3) of the said regulation vests the responsibility of general oversight of administration and management of the affairs of the Fund to the Car Loans and Mortgages Management Committee. The section provides the loans management committee with mandate to consider when conducting and approving disbursements of loan applications applied and presented.

Oversight Role

The County Executive and Assembly provide strategic oversight to ensure the consistent and effective operation of the Fund within a framework of transparency and accountability. They retain full control and closely monitor the implementation of established plans and strategies. In line with the principles of good governance, Committee Members are expected to uphold the highest standards of honesty and

integrity, as outlined in Chapter Six of the Constitution of Kenya (2010). They are also responsible for promoting ethical conduct and ensuring full compliance with applicable laws, regulations, audit and accounting standards, as well as the Fund's internal policies, procedures, and code of ethics

Conflict of Interest

The committee is legally obligated to act with honesty and in the best interest of the institution. The regulations section 6(5)-(10) captures conflict of interest which must be declared by the member of the committee. The committee is also required to foster diversity within the organization, considering age, gender, ethnicity, and cultural background in both committee members and employees. In fulfilling their responsibilities, members must ensure that no applicant is discriminated against based on these factors.

Committee Meetings and Trainings

The meetings of the Committee are convened by the chairperson or in the absence of the chairperson, the vice-chair person. The committee members are given appropriate and timely agenda for the meeting. During the Financial Year 2024/25, the Fund spent Kshs. 697,678 as Administration costs. There was one (1) training done during the Financial Year and eight (8) committee meetings.

Existence of Service Charter

The Fund is guided by a comprehensive service charter designed to ensure continuous and sustainable quality improvements. This charter outlines the service standards expected by our internal and external customers, setting clear benchmarks for excellence. It provides detailed guidance on how customers can submit complaints and offer suggestions for enhancing our services, ensuring that we remain responsive to their needs and feedback. Additionally, the charter includes procedures for addressing and resolving complaints promptly, reinforcing our commitment to customer satisfaction and continuous improvement.

Succession Plan

The Fund's Administrator, the Head of Human Resources and the appointees of County Secretary are Public Officers, which ensures continuity in the Fund's operations even when a new Committee is constituted following a change in government that may necessitate adjustments in the Committee's composition

Committee Allowances/Remuneration

Committee allowances are paid as per SRC Circular dated 16th April, 2014 and Ministry of Devolution and Planning Circular dated 2nd August, 2013

Ethics, Conduct and Governance Audit

Committee members consistently uphold high ethical standards, ensuring transparency, fairness, and the avoidance of conflicts of interest. Governance audits are conducted to ensure compliance with regulations and internal policies, while enhancing transparency, risk management, and operational efficiency

8. MANAGEMENT DISCUSSION AND ANALYSIS

The fund was established by the Salaries and Remuneration Commission (SRC) Circular Ref. No. SRC/ADM/CIR/1/13 Vol. III (128) dated 17th December 2014 with aim of enabling public service attract, motivate and retain the best skills in line with the Article 230(5) of the Kenya Constitution. The same was operationalized by the County Government of Bomet in the year 2018 after the passing of the guiding regulations, which were reviewed and published on 27th June, 2023 with a further amendment on 31st January, 2025.

The Fund operates in full compliance with all relevant statutory and regulatory requirements, including adherence to the Public Finance Management Act (2012), applicable Treasury and SRC regulations, and provisions of the Constitution of Kenya (2010). Governance reviews and financial reporting are undertaken to ensure transparency, accountability, and alignment with best practices in public fund management.

Despite these efforts, the Fund faces several major risks, including limited budgetary allocations, delays in disbursements and loan repayment defaults especially upon on unexpected termination of contracts and changes in political leadership. To mitigate these risks, the Committee continues to implement risk management strategies as provided for in the County Risk Policy, strengthen internal controls, and advocate for increased funding and broader stakeholder engagement.

Operational and Financial performance

i. Operational Performance

During the financial year, the Fund demonstrated strong operational performance by continuing to facilitate access to affordable car loans and mortgage facilities for eligible county officers. The table below is a summary of operational performance of the Fund during the year under review.

Indicator	2024/2025	Remarks
Interest Income	2,976,327	Interest from the past and loans issued during the year
Expenses	697,678	Administrative expenses

The interest income totalling Kshs. 2,976,327 comprised Kshs. 2,229,141 from mortgage loans and Kshs. 747,186 from car loans.

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ii. Financial Performance

The table below presents a summary of the Fund's financial performance, including cumulative figures:

Indicator	2024/2025	Cumulative	Remarks
Surplus	2,278,649	4,193,106	Expenses minimized during the year
Trade Payables	333,000	1,675,885	Fringe benefits due to KRA
Loan Disbursements	22,200,000	216,079,500	Disbursements during the year were funded from the bank balance brought forward from the 2023/2024 financial year amounting to Kshs. 1,958,224 and principal loan repayments during the year totalling Kshs. 25,573,821.

Arrears in Statutory Obligations

On Arrears in Statutory Obligations, the Fund had arrears due to Kenya Revenue Authority amounting to Kshs. 1,675,885 by the close of the reporting period under review. The amount is on fringe benefits taxes (Kshs. 1,342,885 from previous financial years and Kshs. 333,000 in the year under review)

Challenges

The Fund has positively contributed to the welfare and motivation of civil servants. However, it has encountered a range of challenges in their implementation, including operational, financial, and administrative constraints that have affected the Fund's efficiency and reach: -

a) Overcommitted pay-slips

Since the introduction of the Loan Scheme Fund seven (7) years ago, some civil servants had existing loans with commercial banks, leaving them with limited disposable income. This restricts their ability to access the Fund's car loans or mortgages without breaching the mandatory one-third salary rule

b) Land Ownership Registration

The regulations of the Fund direct that all mortgage loans disbursed must be fully secured with Title Deed either registered under applicant's name or a spouse. However, a number of the state and public officers who have expressed interest in the loan have land ownership registration issues that need succession which is a lengthy process.

9. ENVIROMENTAL AND SUSTAINABILITY REPORTING

i) Sustainability Strategy and Profile

During the FY 2024/25, the Fund aligned its efforts on the Sustainable Development Goals (SDGs), especially decent work, reduced inequalities, and sustainable institutions. Although it faced budget constraints, the Fund provided loans to eligible staff, which helped promote financial empowerment.

ii) Environmental Performance

The Fund is guided by the County's Policy on environment policy, emphasizing sustainable office practices and eco-friendly operations. Key actions include proper management of wastes, promotion of paperless environment and proper management of e-wastes

iii) Employee Welfare

The Fund does not recruit its own employees; However, as much as possible it tried to align its operations to ensure compliance with the Occupational Safety and Health Act (OSHA) 2007 within the County.

iv) Market Place Practices

During the Financial year under review, the Fund did not carry out any tendering process, marketing, advertisement nor awareness campaigns.

v) Corporate Social Responsibility / Community Engagements

The Fund did not undertake any Corporate Social Responsibility (CSR) during the financial year under review but will consider in subsequent financial years. The Fund intends to use part of savings from administration fees to carry out CSR in future in activities such as tree planting and supporting financial literacy among county staff.

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10. REPORT OF THE FUND ADMINISTRATION COMMITTEE

The Fund Committee submit their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the Fund affairs.

Principal Activities

The principal activity of the Fund is to provide car loans and mortgage to members (State and Public Officers) with the aim of attraction, motivation and retention of the best skills in the public service in line with the Article 230(5) of the Kenya Constitution (2010).

Results

The results of the Fund for the year ended June 30, 2025 are set out on page 1 to 36

Fund Committee

The members of the Fund Committee who served during the year are shown on page vii.

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 Car Loan and Mortgage Fund Committee



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Milcah Chepkoech Ronoh
Fund Chairperson
County Government of Bomet Car Loan and Mortgage Scheme Fund



Date: 28.8.2025

11. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Bomet County Car Loan & Mortgage (State and Public Officers) Scheme Fund Regulations, 2025 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, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Bomet County Car Loan & Mortgage (State and Public Officers) Scheme Fund Regulations, 2025. 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, 2025, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

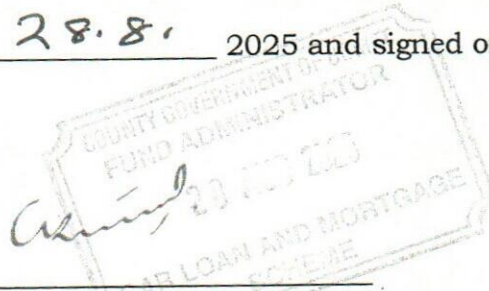
In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

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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 Fund Committee on 28.8. 2025 and signed on its behalf by:


The stamp is a rectangular box containing the text 'COUNTY GOVERNMENT OF BOMET', 'FUND ADMINISTRATOR', and 'CAR LOAN AND MORTGAGE SCHEME'. A handwritten signature is written over the stamp.

Fund Administrator

County Government of Bomet Car Loan and Mortgage Scheme Fund

REPUBLIC OF KENYA

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



HEADQUARTERS
Anniversary Towers
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REPORT OF THE AUDITOR-GENERAL ON BOMET COUNTY (STATE AND PUBLIC OFFICERS) CAR LOAN AND MORTGAGE SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Bomet County (State and Public Officers) Car Loan and Mortgage Scheme Fund set out on pages 1 to 49, which comprise the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement

Report of the Auditor-General on Bomet County (State and Public Officers) Car Loan and Mortgage Scheme Fund for the year ended 30 June, 2025

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Bomet County (State and Public Officers) Car Loan and Mortgage Scheme Fund as at 30 June, 2025 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 Bomet County (State and Public Officers) Car Loan and Mortgage Scheme Fund Regulations, 2023 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Bomet County (State and Public Officers) Car Loan 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 opinion.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the audit reports of the previous year, nine (9) issues were raised under the Report on Financial Statements, Emphasis of Matter, Other Matter, and Report on Lawfulness and Effectiveness in Use of Public Resources as shown below:

Financial Year	Audit Issue
2023-2024	Inaccuracy of Fund administration costs
2023-2024	Inaccuracy of current portion of long-term receivables from exchange transactions
2023-2024	Inaccuracy of trade and other payables
2023-2024	Inaccuracy of net cash flows from operating activities
2023-2024	Budgetary control and performance
2023-2024	Prior year audit matters
2023-2024	Failure to recover loans advanced
2023-2024	Irregular internal borrowing
2023-2024	Fringe benefit tax-KRA

However, although Management has indicated that the issues had been resolved, no documentary evidence was provided to support that the issues had been resolved.

Other Information

Management is responsible for the Other Information set out on page iii to xxiii which comprise of Key Entity Information and Management, the Fund Administration and Management Team, Fund Chairperson's Report, Report of the Fund Administrator, Statement of Performance Against County Entity's Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Fund Administration 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 conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matters 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

1. Non-Recovery of Loan Arrears

The statement of financial position reflects current portion of long-term receivables from exchange transactions totalling Kshs.46,247,456. The amount includes unrecovered loan arrears due from five (5) former County Executive and staff members who had exited the service totalling Kshs.11,352,008. However, no recoveries had been made from the loanees who had defaulted dating back to 2019. The title deeds or motor vehicle log books held as security for these loans were not provided for audit review. This was contrary to Regulation 27(1) of the Bomet County (State and Public Officers) Car Loan and Mortgage Scheme Fund Regulations, 2023 which states that the Committee may call in a loan and in default sell the property or car by public auction or private treaty where the borrower is

in breach of the terms under the loan agreement or the covenant contained in the charge instrument.

In the circumstance, Management was in breach of the law and the recoverability of receivables of Kshs.11,352,008 could not be confirmed.

2. Irregular Transfer of Funds to Bomet County Executive

The statement of financial position reflects current portion of long-term receivables from exchange transactions totalling Kshs.46,247,456. The amount includes other exchange debtors - internal borrowing amounting to Kshs.5,050,000 as disclosed in Note 14 to the financial statements. Review of records revealed that the internal borrowing amounting to Kshs.5,050,000 relates to short term loans transferred from the Fund account to Bomet County Executive. However, the loans had not been approved by the Fund Administration Committee and Fund objective is not to grant loans to the County Executive. This was contrary to Section 154(1) (a) of the Public Finance Management Act, 2012 which states that an accounting officer shall not authorize the transfer of an amount that is appropriated for transfer to another County Government entity or person. Further, the transfers were made without any conditions, agreement or management instructions by the Committee.

In addition, the other exchange debtors - internal borrowing - includes Kshs.3,150,000 which had been outstanding for more than two (2) years since 2022/2023 financial year. However, Management had not made any effort to recover these long outstanding loans.

In the circumstances, Management was in breach of the law and the recoverability of Kshs.5,050,000 from the County Executive of Bomet could not be confirmed.

3. Failure to Remit Fringe Benefit Tax

The statement of financial position and as disclosed in Note 20 to the financial statements reflects trade and other payables from exchange transactions totaling Kshs.1,675,885 in respect of Fringe Benefit Tax. Review of records revealed that the taxes had accrued for more than three (3) years since the financial year 2022/2023. However, Management did not remit to Kenya Revenue Authority (KRA) the fringe benefit tax accrued from the low interest loans extended to its members. This was contrary to Section 12(3) of the Income Tax Act, 2010 which requires the fringe benefit tax to be remitted on or before the tenth day of the following month to KRA.

In the circumstances, Management is in breach of law.

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

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

Conclusion

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

Basis for Conclusion

Lack of Mortgage Protection Policy

Review of records revealed that the mortgage protection and fire policies on loans issued expired on 7 November, 2023. However, the policies had not been renewed. This was contrary to Regulation 17(1) of the Fund Regulations which requires the borrower to take out and maintain a mortgage protection policy and a fire policy with an insurance company approved by the management committee.

Failure to maintain these policies exposes the Fund to risk of loss in case of fire, death or total disability of the borrower.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements

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

Those charged with governance are responsible for overseeing 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 of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

21 November, 2025

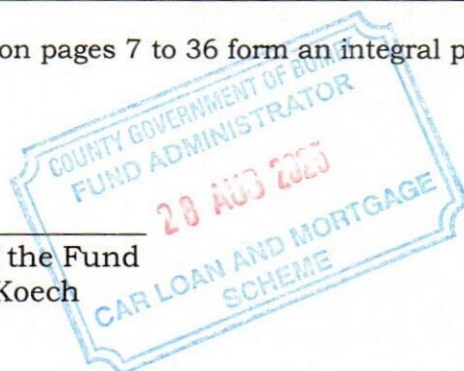
Bomet County Government Car Loan & Mortgage Scheme Fund
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13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE, 2025

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Revenue from Non-Exchange Transactions			
Public Contributions and Donations	1	-	-
Transfers from the County Government	2	-	-
Fines, Penalties and Other Levies	3	-	-
Revenue from Exchange Transactions			
Interest Income	4	2,976,327	2,763,055
Other Income	5		
Total Revenue		2,976,327	2,763,055
Expenses			
Employee Costs	6	-	-
Use of Goods and Services	7	697,678	996,800
General Expenses	8	0	0
Depreciation and Amortization Expense	9	0	0
Finance Costs	10	-	7,365
Total Expenses		697,678	1,004,165
Other Gains/Losses			
Gain/Loss on Disposal of Assets	11		
Surplus/(Deficit) For the Period		2,278,649	1,758,890

The notes set out on pages 7 to 36 form an integral part of these Financial Statements


 Administrator of the Fund
 Name: Charles Koech




 Fund Accountant
 Name: Gilbert Langat
 ICPAK Member Number: 21599

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14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2025

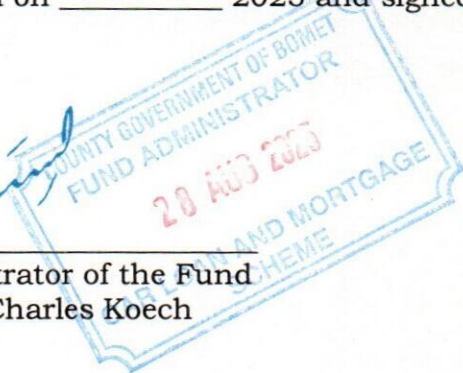
	Note	2024/2025	2023/2024
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	13	6,157,354	1,958,225
Current portion of short-term receivables from exchange transactions	14	46,247,456	45,584,182
Prepayments	15	-	-
Inventories	16	-	-
Non-current assets			
Property, plant and equipment	18	-	-
Intangible assets	19	-	-
Long term receivables from exchange transactions	14	66,368,090	68,618,844
Total assets (A)		118,772,900	116,161,251
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	20	1,675,885	1,342,885
Provisions	21	-	-
Current portion of borrowings	22	-	-
Employee benefit obligations	23	-	-
Non-current liabilities		-	-
Non-current employee benefit obligation	20	-	-
Long term portion of borrowings	22	-	-
Total liabilities (B)		1,675,885	1,342,885
Net assets (A- B)		117,097,015	114,818,366
Revolving Fund		112,903,909	112,903,909
Reserves		-	-
Accumulated surplus		4,193,106	1,914,457
Total net assets and liabilities		117,097,015	114,818,366

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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 28.8. 2025 and signed by:



Administrator of the Fund
Name: Charles Koech





Fund Accountant
Name: Gilbert Langat
ICPAK Member Number: 21599

Bomet County Government Car Loan & Mortgage Scheme Fund
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15. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE, 2025

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1st July 2023	112,903,909	-	155,567	113,059,476
Surplus/(deficit)for the period	-	-	1,758,890	1,758,890
Funds received during the year	-	-	-	-
Revaluation gain	-	-	-	-
Balance as at 30th June 2024	112,903,909	-	1,914,457	114,818,366
Balance as at 1st July 2024	112,903,909	-	1,914,457	114,818,366
Surplus/(deficit)for the period	-	-	2,278,649	2,278,649
Funds received during the year	-	-	--	-
Revaluation gain	-	-	-	-
Balance as at 30th June 2025	112,903,909	-	4,193,106	117,097,015

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16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE, 2025

	Note	2024/2025	2023/2024
		KShs	KShs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the County Government		-	-
Interest received		3,022,986	2,108,432
Receipts from other operating activities		-	-
Total Receipts		3,022,986	2,108,432
Payments			
Fund administration expenses		697,678	996,800
Less: Fringe Benefit Tax		-	(508,500)
General expenses		-	0
Finance cost		-	7,365
Total Payments		697,678	495,665
Net cash flows from operating activities	24	2,325,309	1,612,767
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-	-
Proceeds from sale of property, plant and equipment		-	-
Proceeds from loan principal repayments		25,573,821	15,935,683
Loan disbursements paid out		(22,200,000)	(33,900,000)
Net cash flows used in investing activities		3,373,821	(17,964,317)
Cash flows from financing activities			
Proceeds from revolving fund receipts			-
Additional borrowings		-	-
Internal Borrowing – Finance		(1,500,000)	(400,000)
Net cash flows used in financing activities		(1,500,000)	(400,000)
Net increase/(decrease)in cash and cash equivalents		4,199,130	(16,751,550)
Cash and cash equivalents at 1 st July 2024	13	1,958,224	18,709,774
Cash and cash equivalents at 30 June, 2025	13	6,157,354	1,958,224

Interest amounting to Kshs. 3,022,986 was received during the Financial year. Out of which, Kshs. 524,894 was arrears and Kshs. 2,498,091 receivables from interest accrued during the year (Kshs. 2,976,327)

**Bomet County Government Car Loan & Mortgage Scheme Fund
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17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE, 2025

	Original Budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	KShs	KShs	KShs	KShs	KShs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Public contributions and donations	-	-	-	-	-	-
Transfers from County Govt.	0	0	0	-	-	
Interest income	3,200,000	0	3,200,000	3,022,986	177,014	94.5%
Other income	-	-	-	-	-	-
Total income	3,200,000	0	3,200,000	3,022,986	177,014	
Expenses						
Fund administration expenses	800,000	-	800,000	697,678	102,322	87%
General expenses	2,400,000		2,400,000	0	2,400,000	-
Finance cost		-	-	-	-	-
Total expenditure	3,200,000	0	3,200,000	697,678	2,502,322	
Surplus for the period	-	-	-	2,325,308	-2,325,308	

Budget Notes:

The Fund had proposed a budget of Kshs. 2,400,000 for the payment of fringe benefit tax due to Kenya Revenue Authority (KRA), procurement of loans management system and insurance for the Fund which was not spent by the close of the financial year.

18. NOTES TO THE FINANCIAL STATEMENT

Significant Accounting Policies

1. General Information

Bomet County Government Car Loan and Mortgage Scheme Fund is established by and derives its authority and accountability from Section 116 of Public Finance Management Act, 2012. The entity is wholly owned by the Bomet County Government and is domiciled in Kenya. The Fund is operationalized under the revised Public Finance Bomet County (State and Public Officers) Car Loan and Mortgage Scheme Fund Regulations, 2025. The Fund began advancing car loans and mortgage to members of the County Executive in July 2018.

The fund's objective is to provide financial assistance to provide loan scheme for the purchase of vehicles, purchase and/or development or renovation or repair of property by members of the scheme. The Fund's principal activity is to disburse loans to members.

2. Statement of compliance and basis of preparation

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. Adoption of new and revised standards

- (i) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025*

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

- (ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025*

Standard	Effective Date and Impact:
IPSAS 43: Leases	Applicable 1st January 2025 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. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. Impact: There was no impact of the amendment of IPSAS 43 with respect to the financial report
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. Impact: There was no impact of the amendment of IPSAS 44 to the financial reporting since the Fund is not handling any tangible assets.
IPSAS 45- Property Plant and Equipment	Applicable 1st January 2025 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. Impact: There was no impact of the amendment of IPSAS 45 on property plant and equipment to the financial reporting

IPSAS 46 Measurement	<i>Applicable 1st January 2025</i> The objective of this standard is to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. Impact: There was no impact of the amendment of IPSAS 46 on the financial reporting
IPSAS 47- Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. Impact: There will be no impact of the amendment of IPSAS 47 with respect to the current financial reporting
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. Impact: There will be no impact of the amendment of IPSAS 48 with respect to the current financial reporting

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IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. Impact: There will be no impact of the amendment of IPSAS 49 on Retirement Benefit Plans with respect to the current financial reporting since the Fund is not handling employee's retirement
IPSAS 50- Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized Impact: There will be no impact of the amendment of IPSAS 50 to the Fund

(iii) Early adoption of standards

The Fund did not early- adopt any new or amended standards in year ending June 30, 2025.

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

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

b. Budget information

The proposed original budget for FY 2024/2025 was approved by the County Assembly on June 2024, where the Fund was not allocated any amount. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund did not record any additional appropriations on the FY 2024/25 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

Summary of Significant Accounting Policies (Continued)

and the actuals as per the statement of financial performance has been presented under section 17 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.

d. Intangible assets

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

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

e. Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 3-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.

Summary of Significant Accounting Policies (Continued)

f. Financial instruments

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

Financial Assets

Classification of financial assets

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

Subsequent measurement

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

Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

a) Inventories

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

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

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

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

b) Provisions

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

c) 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

Summary of Significant Accounting Policies (Continued)

and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

d) 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.

e) 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.

f) Nature and purpose of reserves

Not applicable to the Fund, as the Fund does not create or maintain reserves under its current operational and financial framework.

g) 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.

h) Employee benefits – Retirement benefit plans

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

Summary of Significant Accounting Policies (Continued)

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.

i) 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.

j) 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.

k) 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.

l) 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.

Summary of Significant Accounting Policies (Continued)

m) Comparative figures

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

5. Significant judgments and sources of estimation uncertainty

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

a) Estimates and assumptions

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

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available. 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. The provision for bad debts were not applied in the financial report.

6. Notes to the Financial Statements Continued

1. Public contributions and donations

Description	2024/2025	2023/2024
	KShs	KShs
Donation from development partners	-	-
Contributions from the public	-	-
Total	-	-

2. Transfers from County Government

Description	2024/2025	2023/2024
	KShs	KShs
Transfers from County Govt. – operations	-	-
Payments by County on behalf of the entity	-	-
Total	-	-

3. Fines, penalties and other levies

Description	2024/2025	2023/2024
	KShs	KShs
Late payment penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	2024/2025	2023/2024
	KShs	KShs
Interest Income from Mortgage Loans	2,229,141	1,861,205
Interest Income from Car Loans	747,186	901,850
	2,976,327	2,763,055

Out of accrued interest income of Kshs. 2,976,327, a total of Kshs. 3,022,896 was received during the year which consisted of interest receivable due from year ended 30th June, 2024 (Kshs. 524,894) and part of interest for year ended 30th June, 2025 (Kshs. 2,498,091)

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5. Other income

Description	2024/2025	2023/2024
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender documents	-	-
Miscellaneous income	-	-
Total other income	-	-

6. Employee Costs

Description	2024/2025	2023/2024
	KShs	KShs
Salaries and wages	-	-
Staff gratuity	-	-
Staff training expenses	-	-
Social security contribution	-	-
Other staff costs	-	-
Total	-	-

7. Use of Goods and Services

Description	2024/2025	2023/2024
	Kshs.	Kshs.
General Office Expenses	-	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	689,000	488,300
Committee Allowances		
Bank Charges	8,678	-
Electricity and Water Expenses	-	-
Fuel and Oil Costs	-	-
Insurance Costs	-	-
Postage and Courier	-	-

Bomet County Government Car Loan & Mortgage Scheme Fund
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Printing and Stationery	-	-
Rental Costs	-	-
Security Costs	-	-
Telephone and Communication Expenses	-	-
Audit Fees	-	-
Other – Fringe Benefit Tax	-	508,500
Total	697,678	996,800

8. General expenses

Description	2024/2025	2023/2024
	KShs	KShs
Consumables	-	-
Electricity and water expenses	-	-
Fuel and oil costs	-	-
Insurance costs	-	-
Advertisement	-	-
Printing	-	-
Rental costs	-	-
Security costs	-	-
Telecommunication	-	-
Hospitality	-	-
Depreciation and amortization costs	-	-
Other expenses	-	-
Total	-	-

9. Depreciation and Amortization Expense

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total		

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10. Finance costs

Description	2024/2025	2023/2024
	KShs	KShs
Interest on Bank overdrafts		
Interest on loans from banks		
Bank charges	0	7,365
Total	0	7,365

11. Gain/(loss) on disposal of assets

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

12. Gain/ (loss) on Fair Value Investments

Description	2024/2025	2023/2024
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

13. Cash and Cash equivalents

Description	2024/2025	2023/2024
	KShs	KShs
Fixed deposits account	-	
On – call deposits	-	
Current account	6,157,354.07	1,958,224.72
Others	-	-
Total cash and cash equivalents	6,157,354.07	1,958,224.72

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Detailed for cash and cash equivalents as follows:

		2024/2025	2023/2024
Financial institution	Account number	KShs	KShs
a) Fixed deposits account			
Kenya Commercial bank			
Equity Bank, etc			
Sub- total			
b) On – call deposits			
Kenya Commercial bank			
Equity Bank – etc			
Sub- total			
c) Current account			
Equity Bank-Bomet – 1220277299764		6,157,354.07	1,958,224.72
Sub- total		6,157,354.07	1,958,224.72
d) Others(specify)			
Cash in transit			
Cash in hand			
Sub- total		6,157,354.07	1,958,224.72
Grand total		6,157,354.07	1,958,224.72

14. Receivables from exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Receivables		
Interest Receivable	1,336,804	960,154
Current Loan Repayments Due	23,455,951	25,896,130
Other Exchange Debtors – Pending Remittance	16,404,701	8,596,272
Other Exchange Debtors – Internal Borrowing	5,050,000	400,000
Total Current Receivables	46,247,456	35,852,556
Non-Current Receivables		
Long Term Loan Repayments Due	66,368,090	68,618,844
Total Non- Current Receivables	66,368,090	68,618,844
Total Receivables from Exchange Transactions	112,615,546	104,471,400

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Additional Disclosure on Accrued Total Receivables (Receivables from Exchange Transactions)

Financial year	Interest Receivable	Other Exchange Debtors Pending Remittance	Other Exchange Debtors Internal Borrowing	Totals
2022/2023				
Starting Balance	533,342	7,140,240	3,150,000	10,823,582
Payments	110,034	981,552	0	1,091,586
Balance C/F (2023/24)	423,308	6,158,588	3,150,000	9,731,896
2023/2024				
Starting Balance	423,308	6,158,588	3,150,000	9,731,896
Additions	960,154	8,596,272	400,000	9,956,426
Sub Total	1,383,462	14,754,860	3,550,000	19,688,322
Payments (2024/45)	524,894	4,351,399	0	4,876,293
Balance	858,568	10,403,461	3,550,000	14,812,029
Additions (By Close of 2024/25)	478,236	6,001,240	1,500,000	7,979,476
TOTAL	1,336,804	16,404,701	5,050,000	22,791,505

Additional Disclosure on Interest Receivable

Description	2024/2025	2023/2024
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	2,245,662	2,255,105
Accrued interest receivable from long-term loans of previous years	858,568	423,308
Interest receivable from current portion of long-term loans issued in the current year	730,665	507,950
Current loan repayments due		
Current portion of long-term loans from previous years	17,702,900	15,739,542
Accrued principal from long-terms loans from previous periods	10,403,461	6,158,588
Current portion of long-term loans issued in the current year	5,753,052	10,156,588

Current portion of long-term loans amounts to Kshs. 23,455,951. The current portion of loans issued in 2024/2025 is Kshs. 5,753,051 and thus from previous years is Kshs. 17,702,900 (Kshs. 23,455,951-5,753,051)

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15. Prepayments

Description	2024/2025	2023/2024
	KShs	KShs
Prepaid rent	-	-
Prepaid insurance	-	-
Prepaid electricity costs	-	-
Total	-	-

16. Inventories

Description	2024/2025	2023/2024
	KShs	KShs
Consumable stores	-	-
Spare parts and meters	-	-
Catering	-	-
Total inventories at the lower of cost and net realizable value	-	-

17. Investments in financial assets

Description	2024/2025	2023/2024
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
Bank	-	-
Sub- total	-	-
c. Equity investments		
Equity/ shares	-	-
Sub- total	-	-
Grand total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. Property, plant and equipment

Cost	Land and Buildings KShs	Motor vehicles KShs	Furniture and fittings KShs	Computers and office equipment KShs	Total KShs
At 1 st July 2023	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	(-)	(-)	-	-	(-)
Transfers/Adjustments	-	(-)	-	(-)	(-)
At 30 th June 2024	-	-	-	-	-
At 1 st July 2024	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	(-)	-	-	-	(-)
Transfer/Adjustments	(-)	-	-	(-)	(-)
At 30 th June 2025	-	-	-	-	-
Depreciation And Impairment					
At 1 st July 2023	(-)	(-)	(-)	(-)	(-)
Depreciation	(-)	(-)	(-)	(-)	(-)
Impairment	(-)	-	-	-	(-)
At 30 th June 2024	-	-	-	-	-
At 1 st July 2024	-	-	-	-	-
Depreciation	(-)	(-)	(-)	-	(-)
Disposals	-	-	-	-	-
Impairment	(-)	(-)	-	-	(-)
Transfer/Adjustment	-	(-)	(-)	-	-
At 30 th June 2025	-	-	-	-	-
Net Book Values					
At 30 th June 2024	-	-	-	-	-
At 30 th June 2025	-	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Intangible assets-software

Description	2024/2025	2023/2024
	KShs	KShs
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

20. Trade and other payables from exchange transactions

Description	2024/2025	2023/2024
	KShs	KShs
Trade payables	1,675,885	1,342,885
Refundable deposits	-	-
Accrued expenses	-	-
Other payables	-	-
Total trade and other payables	1,675,885	1,342,885

Note the following on the Total to be Reflected on Statement of Financial Position:

Financial Year	Fringe Benefit Due (Kshs.)	Payments	Balance
2022/2023	834,385	0	834,385
2023/2024	508,500	0	508,500
2024/2025	333,000	0	333,000
TOTAL	1,675,885	0	1,675,885

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Ageing analysis (Trade and other payables)	2024/2025	% of the Total	2023/2024	% of the Total
Under one year	333,000	20%	508,500	38%
1-2 years	508,500	30%	834,385	62%
2-3 years	834,385	50%	-	%
Over 3 years	0	%	-	%
Total	1,675,885	100%	1,342,885	

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	-	-	-	-
Total provisions	-	-	-	-

22. Borrowings

Description	2024/2025	2023/2024
	KShs	KShs
Balance at beginning of the period	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the period	-	-
Repayments of domestics borrowings during the period	-	-
Balance at end of the period	-	-

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

	2024/2025	2023/2024
	KShs	KShs
External Borrowings		
Dollar denominated loan	-	-
Sterling Pound denominated loan	-	-
Euro denominated loan	-	-
Domestic Borrowings	-	-
Kenya Shilling loan from Banks	-	-
Borrowings from other government institutions	-	-
Total balance at end of the year	-	-

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

Description	2024/2025	2023/2024
	KShs	KShs
Short term borrowings (current portion)	-	-
Long term borrowings	-	-
Total	-	-

23. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Total
	KShs	KShs	KShs	KShs
Current benefit obligation	-	-	-	-
Non-current benefit obligation	-	-	-	-
Total employee benefits obligation	-	-	-	-

24. Cash generated from operations

Description	2024/2025	2023/2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	2,278,649	1,758,890
Adjusted For:		
Depreciation	-	-
Amortization	-	-
Gains/ Losses on Disposal of Assets	(-)	(-)
Interest Income	46,660	(-)
Finance Cost	-	-
Working Capital Adjustments		
Increase in Inventory	(-)	-
Increase in Receivables	(-)	(-)
Increase in Payables	(-)	(146,123)
Net Cash Flow From Operating Activities	2,325,309	1,612,767

25. 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:

- The County Government
- Bomet County Assembly
- Department of Finance, ICT and Economic Planning
- Office of the County Secretary
- Key management/Fund Committee

b) Related party transactions

	2024/2025	2023/2024
	KShs	KShs
Transfers from related parties'	-	-
Transfers to related parties	-	-

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c) Key management remuneration

	2024/2025	2023/2024
	KShs	KShs
Fund Committee	689,000	-
Key Management Compensation	-	-
Total	689,000	-

d) Due from related parties

Financial year	Other Exchange Debtors – Internal Borrowing	Totals
2022/2023		
Starting Balance	3,150,000	3,150,000
Payments	0	0
Balance C/F (2023/24)	3,150,000	3,150,000
2023/2024		
Starting Balance	3,150,000	3,150,000
Additions	400,000	400,000
Sub Total	3,550,000	3,550,000
Payments (2024/45)	0	0
Balance C/F (2024/2025)	3,550,000	3,550,000
2024/2025		
Starting Balance	3,550,000	3,550,000
Additions	1,500,000	1,500,000
Total	5,050,000	5,050,000

e) Due to related parties

	2024/2025	2023/2024
	KShs	KShs
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
Total	-	-

26. Contingent assets and contingent liabilities

Contingent liabilities	2024/2025	2023/2024
	KShs	KShs
Court case against the Fund	-	-
Bank guarantees	-	-

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Total	-	-
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Other Disclosures Continued

27. 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 company's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount KShs	Fully performing KShs	Past due KShs	Impaired KShs
At 30 June 2025				
Receivables from exchange transactions	46,281,396	34,929,388	11,352,008	-
Receivables from non-exchange transactions	0	0	-	-
Bank balances	6,157,354	6,157,354	-	-
Total	52,438,750	41,086,742	11,352,008	-
At 30 June 2024	-	-	-	-
Receivables from exchange transactions	35,852,556	29,681,087	6,171,469	-
Receivables from non-exchange transactions	0	0	-	-
Bank balances	1,958,224	1,958,224	-	-

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Total	37,810,780	31,639,311	6,171,469	-
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The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has significant concentration of credit risk on amounts due from none.

The Fund 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.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	KShs	KShs	KShs	KShs
At 30 June 2025				
Trade payables	-	-	1,675,885	1,675,885
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	1,675,885	1,675,885
At 30 June 2024	-	-	-	-
Trade payables	-	-	1,342,885	1,342,885
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Employee benefit obligation	-	-	-	-

Bomet County Government Car Loan & Mortgage Scheme Fund
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Total	-	-	1,342,885	1,342,885
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c) Market risk

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

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

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

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

i. Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

		Other currencies	Total
	KShs	KShs	KShs
As at 30 June, 2025			
Financial assets (investments, cash ,debtors)	-	-	-
Liabilities	-	-	-
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

The Fund manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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.

	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	KShs	KShs	KShs
2025			
Euro	10%	-	-
USD	10%	-	-
2024		-	-
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The company'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.

d) Capital risk management

The objective of the Fund's capital risk management is to safeguard the Fund's ability to continue as a going concern. The entity capital structure comprises of the following funds:

	2025	2024
	KShs	KShs
Revaluation reserve	-	-
Revolving fund	112,903,909	112,903,909
Accumulated surplus	4,193,106	1,914,457
Total funds	117,097,015	114,818,366
Total borrowings	-	-
Less: cash and bank balances	(6,157,354)	(1,958,224)
Net debt/(excess cash and cash equivalents)	6,157,354	1,958,224
Gearing	0%	0%

28. Events after the reporting period

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

29. Ultimate and Holding Entity

The entity is a County Public Fund established by Section 116 of Public Finance Management Act, 2012. Its ultimate parent is the Treasury, County Government of Bomet.

30. Currency

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

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19. ANNEXES

ANNEX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor in the FY 2023/24 and the management comments. 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	Focal Point to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/KRO/BOMET CSPOCLMSF/2023 /2024/(20)	Inaccuracy of Fund Administration Costs The statement of financial performance reflects Fund administration costs amounting to Kshs. 996,800. The amount includes other fringe benefit tax totalling Kshs. 508,500 as disclosed in Note 7 to the financial statements. However, the Other fringe benefit tax is not expenditure in nature but tax levied on loan	The fringe benefit tax classified as expense was noted and correct in subsequent financial statements The bank charges totalling Kshs. 7,365, which was erroneously misclassified as finance costs has been noted and the necessary journal entries have been passed to correct the anomaly	Gilbert Langat, Fund Accountant	Resolved	31 st August, 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	beneficiaries. Further, the Fund administration costs do not include bank charges totalling Kshs, 7,365 which has been disclosed as Finance cost.				
	Inaccuracy of Current Portion of Short-Term Receivables from Exchange Transactions The Statement of financial position reflects current portion of short-term transactions totalling kshs. 45,584.182. However, the amount differs with the total current receivables amounting to Kshs. 35,852,556 as disclosed in Note 14 to the financial statements resulting to	The variance noted of Kshs. 9,731,626 was explained in the notes under Note 14. Out of Kshs. 7,140,140 (Other Exchange Debtors - Pending Remittance) and Kshs. 533,342 (Interest Receivable) from FY 2022/23, Kshs. 981,552 and Kshs. 110,034 were received respectively hence the balance of Kshs. 6,158,588 and Kshs. 423,308 formed part of accrued	Gilbert Langat, Fund Accountant	Resolved	31 st August, 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	unexplained variance of Kshs. 9,731,626	receivable respectively in the FY 2023/24. Also, Kshs. 3,150,000 (Other Exchange Debtors - Internal Borrowing) was not received during the FY under review hence part of accrued receivable. Therefore, the total accrued receivable is Kshs. 9,731,626 (i.e Kshs. 423,308 + 6,158,588 + 3,150,000)			
OAG/KRO/BOMET CSPOCLMSF/2023 /2024/(20)	Inaccuracy of Trade and other Payables from Exchange Transactions The statement of financial position reflects trade and other payables from exchange transactions totalling Kshs. 1,342,885.	The amount of Kshs. 1,342,885 reflected as trade and other exchange transactions in the Statement of Financial Position consisted of fringe tax benefit due to KRA	Gilbert Langat, Fund Accountant	Resolved	31 st August, 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	However, the amount differs with trade and other payables from exchange transactions amounting to Kshs. 508,500 reflected in Note 20 to the financial statements resulting to unexplained variance of Kshs. 834,385. In the circumstances, the accuracy and completeness of trade and other payables from exchange transactions totalling Kshs. 1,342,885 could not be confirmed	amounting to Kshs. 508,500 (FY 2023/24) and accrued amount of Kshs. 834,385 from the FY 2022/2023, which had not been paid. The amount was captured to conform to the accrual basis of reporting.			
OAG/KRO/BOMET CSPOCLMSF/2023 /2024/(20)	Inaccuracy of Net Cash Flows from Operating Activities The statement of cash flows reflects net cash flows from operating	The Management acknowledges the variances noted in the statement of cash flow from operating activities and the	Gilbert Langat, Fund Accountant	Work in Progress	31st August, 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	activities amounting to Kshs. 1,612,767. The amount includes working capital adjustment of Kshs. 146,123 in respect of increase in payables as disclosed in Note 24 to the financial statements. However, the increase in payables differs with the recomputed increase in payables amounting to Kshs. 508,500 resulting to unexplained variance of Kshs. 362,377. Further, the statement reflects net cash flows used in investing activities amounting to Kshs. 17,964,317. However, the amount differs with the recomputed increase in receivables in Note 14 to the financial statements	increase in payables noted in Note 24 to the Financial Statement. The management will review and correct these classifications accordingly in future financial statement to ensure compliance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	amounting to Kshs. 9,287,313 resulting in unexplained variance of Kshs. 8,677,004. In the circumstances, the accuracy and completeness of statement of cash flows could not be confirmed				
OAG/KRO/BOMET CSPOCLMSF/2023 /2024/(20)	Emphasis of Matter The statement of comparison of budget and actual amounts reflects final total income budget and actual on comparable basis amounting to Kshs 3,000,000 and Kshs. 2,763,055 respectively resulting to underfunding of Kshs. 236,945 or 7% of budget. Further, the statement reflects total expenditure actual on comparable basis	The disbursements to the fund is subject to the county revenue realization. This underfunding resulted from the revenue shortfall in the county executive in the year under review. We hope that the management will be able to receive all revenue projections in order to meets its intended obligations.	Gilbert Langat, Fund Accountant & Charles Koech, Fund Administrator	Work in Progress	31 st August, 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	amounting to Kshs. 1,008,165 resulting to under expenditure of Kshs. 1,995,835 or 67%. In addition, the statement reflects total expenditure difference amounting to Kshs. 3,835 which differs with the recomputed total expenditure performance difference of Kshs. 1,995,835 resulting to unexplained variance of Kshs. 1,992,000	Further, the anomaly in recomputed sums has been taken note of and necessary journal entry has been passed.			
OAG/KRO/BOMET CSPOCLMSF/2023 /2024/(20)	Failure to recover Loans Advanced The statement of financial position reflects current portion of short-term receivables from exchange transactions totaling Kshs. 45,584,182. The	The actual amount yet to be remitted by the County Exchequer on beneficiaries is Kshs. 9,731,626 and not Kshs. 15,739,542 as indicated as per	Charles Koech, Fund Administrator	Keep in view	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	amount includes current portion of Kshs. 15,739,542 as disclosed in Note 14 to the Financial Statements which have not been recovered. This was contrary to Regulation 25(2) of Bomet County (State and Public Officers) Car Loan and Mortgage Scheme Fund Regulations, 2023 which states that a loan advanced under these Regulations shall be repaid through check off system and Regulation 26(1) of Bomet County (State and Public Officers) Car Loan and Mortgage Scheme Fund Regulations, 2023 which states a loan advanced to members shall be repaid	explanation of footer notes in Note 14 on the pending accrued receivable. On the legibility of provision for bad and doubtful debts, the Office of Auditor General in their opinion for Draft Reports Ending June 30, 2023, did not see any need of having that provision as quoted below: <i>“However, review of the Regulations 29(1) of the Public Finance Management(Bomet County (State and Public Officers) Mortgage Scheme Fund</i>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	on a monthly installment plus interest within a maximum period determined by the Committee prescribed by applicable Salaries and Remunerations Commission . Further, no provision has been made for bad and doubtful debts contrary to accounting policy of recognizing trade and other receivables at fair value less allowance for any uncollectable amounts.	Regulations, 2018, states that where a repayment of a Car Loan and or mortgage is not made in accordance with the terms and conditions of the Car Loan and or mortgage as provided for under these Regulations, the sums of money due and owing to the fund shall be recoverable by the committee, as provided by the law and/or regulation in force, without prejudice to any other remedy in civil proceedings in a court of law. (2) Such recovery shall include: (a) The sums of money specified as outstanding with			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		respect to the principal sum initially advanced. (b) Interest for the sum of money that remains unpaid. (c) All reasonable cost and charges incurred by the Committee to recover the unpaid money and interest. (d) The costs in 29(2) above shall be borne and covered by the borrower. The Regulations clearly protects the Fund from any loss of funds due to non-repayment of loans thus does not require provision for doubtful debts." Thus, the observation and advisory made us not to subsequently			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		include provision for bad and doubtful debts which used to be 1.5% of loans due.			
OAG/KRO/BOMET CSPOCLMSF/2023 /2024/(20)	Irregular Borrowing The statement of financial position reflects long term receivables from exchange transactions totaling Kshs. 68,618,844. The amount includes other exchange debtors - Internal Borrowing amounting to Kshs. 400,000 as disclosed in Note 14 to the Financial statements in respect to internal borrowing by the County Executive. This was contrary to Regulation 4 of Bomet County (State and Public Officers) Car Loan and Mortgage Scheme Fund	A total of Kshs. 1,900,000 borrowing was advanced to the Executive to sort out emergencies owing to delays in release of exchequer funds. By the close of the Financial year, Kshs. 1,500,000 of the borrowed funds had been refunded leaving a balance of Kshs. 400,000 to be refunded. However, the borrowing Department has been reminded and has made commitment to clear plus other arrears before close of	Charles Koech, Fund Administrator	Work in Progress	31 st December, 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Regulations, 2023 which states that the object and purpose of the Fund is to enable Car Loan and Mortgage to be advanced to members of the Bomet County Executive, Bomet County Public Service Board and Members of staff of the County Executive	the financial year, 2024/2025.			
OAG/KRO/BOMET CSPOCLMSF/2023 /2024/(20)	Fringe Benefit Tax - KRA The statement of financial position reflects trade and other payables from exchange transactions amounting to Kshs. 1,342,885. A review of records revealed that the amount relates to fringe benefit tax which has not been	As noted, the Fund did not remit the fringe benefit tax amounting to Kshs. 1,342,885 by the close of the period under review. However, the Fund processed Kshs. 1,342,885 but was not deposited in time covering the FYs 2022/2023 and 2023/2024 due to	Charles Koech, Fund Administrator	Not Resolved	31 st December, 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	remitted to Kenya Revenue Authority (KRA) as disclosed in Note 20 to the financial statements. This was contrary to Section 12B of the Income Tax Act Cap. 470 Laws of Kenya which states that, a tax to be known as fringe benefit tax shall be payable in respect of a loan provided at an interest rate lower than the market rate to an individual who is a director or employee by virtue of his employment or employment of the person to whom is related. Fringe benefit tax is payable by an employer on or before the tenth day of the following month.	untimely demise of the Fund chairperson, CPA Chepkwony. The management will strive to make timely remittance of the fringe benefit tax in future to avoid fines and penalties that may arise.			

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ANNEX II: REPORTING OF CLIMATE RELEVANT EXPENDITURES

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
N/A									

ANNEX III: REPORTING ON DISASTER MANAGEMENT EXPENDITURE

Programme	Sub-programme	Disaster Type	Category of disaster related that require expenditure (response/recovery/mitigation/preparedness)	Activity reporting	Expenditure item	Amount (Kshs.)	Comments
N/A							