# COUNTY ASSEMBLY OF KISUMU

## SECOND ASSEMBLY – SIXTH SESSION

## PUBLIC ACCOUNTS AND INVESTMENTS COMMITTEE

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## COMMITTEE REPORT

## ON

## THE CONSIDERATION OF THE AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS OF THE KISUMU COUNTY EXECUTIVE CAR LOAN AND MORTGAGE FUND FOR THE YEAR ENDED 30, JUNE 2020

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**PRESENTED BY;**

**HON. MAURINE OTIANG'**

**COMMITTEE CHAIRPERSON**

**JUNE, 2022**



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## 1.0 PREAMBLE

### 1.1 Background

**Hon. Speaker,**

**PURSUANT** to the provisions of Article 229(7) of the Constitution of Kenya, 2010, the County Executive Committee member for Finance and Economic Planning forwarded the Report of the Auditor General on the Financial Statements of Kisumu County Executive Car Loan and Mortgage Fund for the year ended 30th June 2020. The report was tabled in this House and subsequently committed to the Public Accounts and Investments Committee for legislative processing and reporting pursuant to Article 229(8) of the Constitution of Kenya 2010. (Annex 1- AG report)

### 1.2 Establishment and Mandate of the Committee

**Hon. Speaker,**

The Public Accounts and Investments Committee is established under Standing Order No. 188 of the Kisumu County Assembly Standing Orders and is mandated to undertake the following functions;

a. Examination of the accounts showing the appropriations of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the House as the committee may think fit;
b. Examination of the working of the Public Investments
c. Examine the reports and accounts of the Public Investments and,
d. Examine in the context of the autonomy and efficiency of the public investments, whether the affairs of the public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices.



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## 1.3 Committee Membership

The Committee as currently constituted comprises of the following Honorable Members,

| NAME | POSITION |
|---|---|
| **1. Hon. Maureen Otiang'** | **Chairperson** |
| **2. Hon. Benny Oiko** | **Vice Chairperson** |
| 3. Hon. Paul Okiri | Member |
| 4. Hon. Seth Okumu | Member |
| 5. Hon. Johnson Guya | Member |
| 6. Hon. Roy Samo | Member |
| 7. Hon. Beatrice Pamella | Member |
| 8. Hon. Nancy Owiti | Member |
| 9. Hon. John Atieno | Member |
| 10. Hon. Julius Genga | Member |

**Committee Secretariat**

| | |
|---|---|
| 1. Austine Ochieng | Committee Clerk |
| 2. Charles Agengo | Audit |
| 3. Edward Odanga | Hansard |
| 4. Geofrey Omollo | Secretariat |
| 5. Dominic Muinde | Legal Counsel |
| 6. Faith Judith | Seargent-at-arm |
| 7. Raphael Juma | Legislative Research |



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## 1.5 Acknowledgement

**Hon. Speaker,**

May I take this opportunity to thank all members of the Public Accounts and Investments Committee for their input and valuable contributions during this exercise. The Committee also takes this opportunity to thank the offices of the Speaker and the Clerk for providing a conducive environment. Special gratitude goes to the Office of the Auditor General for their guidance and advices throughout this process. We also appreciate the Fund Management for their cooperation throughout the process. Lastly, we would like to appreciate the secretariat attached to this Committee for their endless contributions towards the committee matters.

It is now my privilege to table this report on the PIC/ PAC Committee considerations of the Auditor General's report on the financial statements of the Kisumu County Executive Car Loan and Mortgage Fund for the year ended 30th June 2020 for considerations and adoption.

**HON.MAUREEN OTIANG'**
**COMMITTEE CHAIRPERSON**



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## 2.0 LEGAL FRAMEWORK & GUIDING PRINCIPLES

### 2.1 Legal Framework

Hon. Speaker,

The Committee was guided by the following legal instruments;

1) **Constitution of Kenya 2010:** Article 229 of the Constitution of Kenya, 2010 expects the Auditor General Within a period of six months after the end of each financial year to audit and report, in respect of that financial year, on;

   The accounts of the National and County governments;

   a) The accounts of all funds and authorities of the National and County governments;

   The Constitution further indicates that, all aspects of public finance shall be guided by the following principles;

   a) Openness and accountability including public participation in financial matters.
   b) The public finance system shall promote an equitable society, and in particular:
      i). the burden of taxation shall be shared fairly;
      ii). Revenue raised nationally shall be shared equitably among national and County governments and
      iii). Expenditure shall promote equitable development of the country, including by making special provision for marginalized groups and areas
   c) The burdens and benefits of the use of resources and public borrowing shall be shared equitably between present and future generations;
   d) Public money shall be used in a prudent and responsible way and;
   e) Financial management shall be responsible, and fiscal reporting shall be clear



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2) **Public Audit Act 2015;** Section 7 mandates the auditor general to: (i) Give assurance on the effectiveness of internal controls, risk management and overall governance at National and County Government; (ii) Undertake audit activities in state organs and public entities to confirm whether or not public money has been applied lawfully and in an effective way

3) **Public Finance Management Act, 2012:** Section 149 of the Public Financial Management Act, 2012 outlines the responsibilities of Accounting Officers for the County Government and County Assembly and it categorically states that; "An accounting officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is; Lawful and authorized; and Effective, efficient, economical and transparent. The Act primarily provides for the effective management of public finances by the national and county governments; the oversight responsibility of Parliament and county assemblies; the different responsibilities of government entities and other bodies. ***Section 3*** emphasizes on the need for upholding the fiscal responsibility principles. These principles are to be observed in both the National and County levels of government. The Act further mandates the County Accounting officers to monitor, evaluate and oversee the management of their public finances.

4) **Public Procurement and Disposal Act, 2015:** This Act primarily seeks to give effect to Article 227 of The Constitution; to provide procedures for efficient public procurement and for assets disposal by public entities. The disposal and procurement process ought to be transparent, accountable and cost-effective.

Hon. Speaker,

Further to the above legal framework, Article 226(1) (5) of the Constitution of Kenya, 2010 stipulates that:- *"If the holder of a public office, including a political office, directs or approves the use of public funds contrary to law or instructions, the person is liable for any loss arising from that use and shall make good the loss, whether the person remains the holder of the office or not".*



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In this report, the Committee has applied Article 226(1) (5) of the Constitution and Section 156 of the Public Finance Management Act, 2012 to make various recommendations as indicated in this report.

## 2.2 Guiding Principles

Hon. Speaker,

In the execution of its mandate, the Committee was guided by core Constitutional and Statutory principles on Public Finance Management as well as established customs, traditions, practices and usages. These principles include the following;

### 1) Constitutional Principles on Public Finance

Article 201 of the Constitution of Kenya 2010 provides for fundamental principles aimed at guiding all aspects of Public Finance in the republic. It states that the principles are; inter alia;

i). Openness and Accountability including public participation in financial matters;

ii). Public money shall be used in a prudent and responsible way; and

iii). Financial management shall be responsible and fiscal reporting shall be clear.

### 2) Obligations of the Accounting officer

Article 262(2) of the Constitution provides, inter alia, that;

i). The Accounting officer of a national public entity is accountable to the national assembly for its financial management, and the accounting officer of a county public entity is accountable to the county assembly for its financial management.

ii). Subsequently, section 149(1) of the Public Finance Management Act 2012 provides that; an accounting officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that is; (i) Lawful and authorized and; and (ii) Effective, efficient and transparent



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These provisions obligate all the accounting officers to appear before the Public Accounts and Investments Committee to respond to audit queries raised by the Auditor General

### 3) Direct Personal Liability

Article 226(5) of the Constitution is unequivocal that, if the holder of a Pubic Office or a political office, directs or approves the use of Public Funds contrary to the law or instruction, the person is liable for any loss arising from that use and shall make good, the loss, whether the person remains the office holder or not, Consequently, Section 203(1) of the Public Finance Management Act enacts that; a public officer is personally liable for any loss sustained by a County Government and is attributed to; (i) The fraudulent or corrupt conduct, or negligence of the officer or, (ii) The officer's having done any act prohibited by Sections 196, 197, and 198

The Committee considers this constitutional and legal provisions as the basis for holding Accounting Officers and other public officers directly and personally liable for any loss of Public Funds that may occur under their watch.



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## 3.0 SUMMARY OF AUDITOR GENERAL'S OPINION ON THE KISUMU COUNTY EXECUTIVE CAR LOAN AND MORTGAGE FUND FOR THE FINANCIAL YEAR ENDED 30, JUNE 2020

### 3.1 Qualification status of the report: Qualified opinion

**Hon. Speaker,**

The Auditor General gave a qualified opinion on the Financial Statements of the Kisumu County Car Loan and Mortgage Scheme Fund for the year ended 30, June 2020, implying that except for the issues discussed below, the Financial Statements for the Fund during the FY 2019/2020, presented fairly the financial position of the Fund.

Hon. Speaker, the committee in its first meeting resolved to invite the Fund Administrator and the Office of the Auditor General to a committee meeting on 23rd May 2022 to deliberate on the issues raised in the report. ( See Annex 2- Invitation letter)

On 23rd May 2022, the fund management appeared before the committee with a written response on the issues raised. (See Annex 3- Management response)

## 4.0 BASIS OF QUALIFIED OPINION/ISSUES RAISED BY THE AUDITOR GENERAL /MANAGEMENT RESPONSES

Hon. Speaker,

The following issues formed the basis upon which the Auditor General gave a qualified opinion on the financial statements of the Kisumu County Executive Car Loan and Mortgage Fund for the financial year ended June 2020;

### 4.1 Cash and Cash Equivalents

The Statement of Financial Position reflects cash and cash equivalents of Kshs. 4,274,542. The Bank reconciliation statement provided to support this balance reflects receipts in the cash book not in the bank statement of Kshs. 543,095 which had been received between 24th October, 2019 and 24th April, 2020, an indication that banking was not being done regularly. In addition, the supporting documents for these receipts were not provided for audit review to ascertain the source. Consequently, the accuracy and



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completeness of the Cash equivalents balance of Kshs. 4,274,542 as at 30 June, 2020, could not be confirmed.

**Management Response**

The management responded as follows;

The receipts in cash book not in the bank statement amounting to Kshs. 543,095 were recoveries done from loan beneficiaries but not remitted to Kisumu County Car Loan and Mortgage Scheme Fund account owing to cash flow constraints by the executive. An amount summing Kshs. 176,567 were reversed due to double posting while balance of Kshs. 366,528 as tabulated below. All the outstanding remittances have been submitted to the bank account and supporting documents availed to the auditor for verification.

*Table 1: Illustrations of reversals due to double posting amounting to ksh. 543, 095*

| NO | DATE | DETAILS | AMOUNT (Kshs.) | STATUS | DATE REVERSED /CLEARED |
|---|---|---|---|---|---|
| 1. | 24/10/2019 | Alice Moraa | 44,269 | Reversed | 1/7/2021 |
| 2. | 21/02/2020 | Rosemary Okeyo | 21,626 | Reversed | 1/7/2021 |
| 3. | 21/02/2020 | Mathews Owili | 110,672 | Reserved | 1/07/2021 |
| | **Sub Total** | | **176,567** | | |
| 4. | 21/02/2020 | John Obiero | 32,439 | Cleared | 4/02/2022 |
| 5. | 20/03/2020 | John Obiero | 32,439 | Cleared | 4/02/2022 |
| 6. | 21/04/2020 | Rosemary Okeyo | 21,626 | Cleared | 09/07/2021 |
| 7. | 21/04/2020 | Ruth Odinga | 80,814 | Cleared | 09/07/2021 |
| 8. | 21/04/2020 | Mathews Owili | 110,672 | Cleared | 09/07/2021 |
| 9. | 21/04/2020 | Charles Babu | 88,538 | Cleared | 09/07/2021 |
| | Sub Total | | 366,528 | | |
| | **Grand Total** | | **543,095** | | |

Source: Kisumu County Car Loan and Mortgage Fund financial statements fy2019/2020



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**Committee Deliberations/Observations and Recommendations**

Hon. Speaker,

During the joint committee interrogations of the fund management on the foregoing issue, the committee noted from the presentation of the representative of the Office of the Auditor General, that the outstanding remittances submitted to the bank account were done late even though they acknowledged receipt of evidences of bank statements for the same. The issue was therefore resolved. However, the Committee recommends that going **forward, all incomes/recoveries MUST be banked regularly irrespective of circumstances.**

### 4.2 Current portion of Long Term Receivables from exchange transactions

The statement of financial position as at 30, June 2020 reflects current portion of long term receivables from exchange transactions balance of Kshs. 4,085,650. However, the schedule supporting this figure reflected a balance of Kshs. 4,063,132. This balance also included interest receivable of Kshs. 443, 332 which differs with the amount of Kshs. 276,399 interest income reflected in the statement of financial performance.

Consequently, the accuracy, validity and completeness of the current portion of long term receivables from exchange transaction balance of Kshs. 4,085,650 as at June, 2020 could not be confirmed.

**Management Response**

The Management responded thus;

The correct schedule with a balance of Kshs. 4,085,650 was submitted to the Auditor General for review. And that in addition, the Kshs 276,399 was reported to be relating to interest income earned for the year 2019/2020 while Kshs 443,332 relates to expected interest from beneficiaries in the subsequent years.



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**Committee Observations and Recommendations**

Hon. Speaker, the committee observed that an amount of Kshs. 443,332 should be taken into account as interest receivable in the next financial year. Nonetheless, upon a joint considerations of the matter and the pieces of evidence adduced as indicated in the management response, the issue was resolved.

### 4.3 Long term receivables from exchange Transactions

The Statement of financial position reflects long term receivables from exchange transactions balance of Kshs. 13,754,936. However, a review of the records provided for audit review revealed that loans totaling to Kshs. 5,825,347 issued before the year 2017/2018 were not being serviced as the recipients were no longer working for the County. These loans had not been secured and therefore may be irrecoverable. The fund may therefore be required to make a provision for loss due to the likelihood of non-payment.

Consequently, the accuracy, validity and completeness of the long term receivables from exchange transactions balance of Kshs. 13,754,936 as at 30 June, 2020 could not be confirmed.

**Management Response**

The management admitted that the beneficiaries in the previous regime had not provided any form of security against the loans advanced given the funds had just unveiled. However, the balance of Kshs. 5,825,347 as tabulated hereunder is supposed to be recovered from gratuities due to CECMs as illustrated below. Further, we are currently obtaining securities for the advanced loans



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*Table 2: Illustration of unsecured funds advanced to former officers and CECMs due for recovery from payment of their gratuities*

| NO | NAME(LOAN BENEFICIARY) | AMOUNT | GRATUITY DUE | BALANCE | STATUS |
|---|---|---|---|---|---|
| 1 | Mr. George Ongaya | 1,504,435 | 3,079,462 | 1,575,027 | Voucher processed awaiting payment |
| 2 | Mrs, Elizabeth Ogajah | 1,661,661 | 2,835,453 | 1,173,792 | Voucher processed awaiting payment |
| 3 | Mrs. Jenipher Atieno Kerre | 1,703,359 | 2,904,243 | 1,200,884 | Voucher processed awaiting payment |
| 4 | Mr. Stephen Orot | 955,892 | 742,083 | (213,810) | Voucher processed for 742,083 awaiting payment while 213,810 is currently being recovered |
| | **TOTAL** | **5,825,347** | | | |

**Committee Observations and Recommendations**

Hon. Speaker,

During the interrogations on this matter, the committee in collaboration with the representatives of the Office of the Auditor General observed the following;

i). That the Car Loan and Mortgage Scheme Fund advanced loans to employees knowing very well that recoveries would not be complete by the end of the contract period. As a result, loans cannot be serviced because the employees are no longer in service.

ii). That these loans were advanced without any form of security

iii). That the vouchers are written but the money is yet to be paid to the fund account



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The fund management could not adequately respond to the issues raised thus the matter remained **unresolved** until the money is taken to the fund account.

Consequently, the committee preferred specific recommendations on this matter thus;

i). That the fund management should ensure that the money is paid to the fund account within 30days upon adoption of this report.

ii). That going forward, loans should **never** be advanced if they cannot be serviced within the contract period of the loanees

iii). That in future, the Fund Management Committee MUST ensure that loans are advanced with some form of security

### 4.4 Understated Interest Income

The statement of financial performance and Note 4 to the financial statements reflects interest income of Kshs. 276,399. However, this amount is based on interest received during the year and not interest charged on all loans in the year as required by the accrual basis of accounting. Further, interest was not charged on loans of Kshs. 5,825,347 that were not being serviced as the loanees were no longer working for the County.

Consequently, the accuracy, validity and completeness of the interest income of Kshs. 276,399 for the year ended June, 2020 could not be confirmed.

### Management Response

The management indicated that they computed interest based on the active members and therefore did not compute interest on former County Executive Committee members' outstanding loans of Kshs. 5,825,347 given they were not in active service since doing so would mean charging interest on the unpaid gratuities from which they ware to do recoveries.



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**Committee Observations and Recommendations**

Hon. Speaker,

Upon joint interrogations with the office of the Auditor General, the committee noted the following;

i). That despite the fact that loans advanced should be paid with interest, the administration of the fund submitted that they charged interest on the outstanding loans only for active members. Interest was therefore not charged on those whose outstanding loans were to be recovered through gratuity. In this case, the accrual basis of accounting was not observed.

The issue therefore remained unresolved.

### 4.5 Proceeds from Loan Principal Repayments

The statement of cash flows reflects proceeds from loan principal repayments totaling Kshs. 3,127,429. However, the breakdown of this amount has not been provided for audit review. In addition, the balance was not supported with schedules indicating the source of the proceeds.

Consequently, the accuracy of the proceeds from loan principal repayments balance of kshs. 3,127,429 could not be confirmed for the year ended 30 June, 2020.

**Management Response**

The management responded that the schedule was not availed during the audit since the workings had been computer-corrupted and by the time the matter was resolved they were out of time. However, the management indicated at the interrogation stage that they had since resubmitted the schedule for verification, a copy of which they annexed.

**Committee Deliberations and Resolutions**

The committee in collaboration with the representatives of the Office of the Auditor General acknowledged the receipt of the schedules referenced and the matter remained resolved.



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## 4.6 Unsupported Prior Year Adjustments

The Statement of changes in net assets reflects a prior adjustments of Kshs. 527,459 which was not supported or explained. Consequently, the validity and accuracy of the prior year adjustments of Kshs. 527,459 could not be confirmed for the year ended 30 June, 2020

### Management Response

The management responded that the factors that contributed to prior year adjustments ware Interest receivables for 2018/2019 Kshs. 483,384, under cast of interest receivable on Alice Moraa Kshs. 22,519 and finally under cast of principal amount for Rosemary Obara for the year ended June 2019 Kshs. 21,556. They equally submitted the supporting schedule to the same effect.

### Committee Deliberations

The committee in collaboration with the representatives of the Office of the Auditor General reviewed the matter and the documents submitted and cleared the management thus absolving the matter as resolved with the recommendation that going forward, there should be no prior year adjustments.

## 4.7 Budgetary Control and Performance

The Statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs. 311,034 and Kshs. 276,399 respectively resulting to an under-funding of Kshs. 34,635 or 11% of the budget. Similarly, the fund spent Kshs. 11,480 against an approved budget of the same amount. The budget was not balanced contrary to section 31© of the Public Finance Management (County Governments) Act, 2015 which states that budget revenue and expenditure appropriations shall be balanced. The low budget may have affected the planned activities and may have impacted negatively on service delivery to the residents of Kisumu County.

### Management Response

The management responded that the difference in revenue budget and actual amount of Kshs. 34,635 is attributed to the fact that they intended to disburse more funds resulting into higher interest. However, this was not achieved. Further, the expenditure of Kshs.



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11,480 relates to actual bank charges for the period. The expenditure could not equal the revenue since there were no other costs that could be incurred.

**Committee Deliberations**

The responses were reviewed in light of management clarifications as indicated in the management response and subsequent oral submissions. The Committee and the representatives of the Office of the Auditor General were satisfied and concluded the matter as resolved.

### 4.8 Preparation of Financial Statements

The Financial Statements submitted for audit had combined the transactions for the car loan scheme fund and the mortgage scheme fund. However, the two schemes are governed by two separate legislations; the Kisumu County Car Loan Scheme Fund Regulations, 2016 and the Kisumu County Mortgage Scheme Fund Regulations, 2016. The two legislations define the two schemes as the Kisumu County Car Loan Scheme Fund and the Kisumu County Employees Housing Mortgage Scheme Fund respectively and both are required to separately submit financial statements for audit to the Auditor General. The Financial Statements presented have therefore not been prepared as per the law. Consequently, the Management is in breach of law.

**Management Response**

The management acknowledged the error done by having separate regulations and reported that the same had been shared with the county legal team to have it as one document so as to minimize management costs.

**Committee Deliberations**

The committee in collaboration with the representatives of the Office of the Auditor General stood convinced with the submissions of the management thus clearing the matter as resolved. However, it was recommended that going forward, the accounts should be prepared separately.



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## 4.9 Unsecured Loan

Kisumu County Car Loan Scheme Fund Regulations, 2016 number 10(2) and Kisumu County Mortgage Scheme Fund Regulations 2016 number 11(2) requires the respective management of Committees to charge the log books or titles in favour of the County and be kept in the custody of the County Secretary. However, there was no evidence that the loans issued had been secured as required. The Management were therefore in breach of the law and the fund could suffer loss in case of default.

### Management Response

The management indicated that the loans issued before 2018/2019 had not been secured since the fund had just been initiated but there was reported adherence to the provisions of the act for those issued after the said financial year.

### Committee Deliberations

Hon. Speaker,

The management reiterated in their response that the loans issued before the fy2018/2019 were not secured since the fund had just been initiated. This therefore means that the 5.8million unrecovered loans remained at large.

The representatives of the Office of the Auditor General and the committee therefore remained adamant that until the said funds are fully recovered, the matter remains **unresolved.**



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## 5.0 GENERAL COMMITTEE FINDINGS/OBSERVATIONS

**Hon. Speaker,**

Following the analysis of the report of the Auditor General on the financial statements of Kisumu County Executive Car Loan and Mortgage Fund for the year ended 30th June 2020, the responses and submissions on the issues raised, the committee makes the following as findings;

1) THAT the Auditor General gave a qualified opinion on the Financial Statements of the Kisumu County Car Loan and Mortgage Scheme Fund for the year ended 30, June 2020, implying that except for the issues discussed above, the Financial Statements for the Fund during the FY 2019/2020, presented fairly the financial position of the Fund.
2) THAT on the issue of cash and cash equivalents; there were inconsistent remittances of incomes/recoveries with lots of irregular banking into the Fund bank account during the financial year ended 30th June 2020.
3) THAT the fund management advanced unsecured loans to officers and County Executive Committee members in the previous regime without any form of security against the loans thus occasioning unrecovered total balances of Kshs. 5,825,347.
4) THAT the Car Loan and Mortgage Scheme Fund advanced loans to employees knowing very well that recoveries would not be complete by the end of the contract period. As a result, loans cannot be serviced because the employees are no longer in service. The loans were advanced without any form of security
5) THAT despite the management indication that the total outstanding amount of ksh. 5,825,347 due to be recovered from the gratuities have vouchers that have already been written, the money is yet to be paid to the fund account.
6) The Committee finds that the management of the Kisumu County Executive Car Loan and Mortgage Fund has not been charging interest on loans advanced to those whose outstanding loans were to be recovered through gratuity thus not observing the Accrual basis of accounting.
7) THAT since the Kisumu County Car Loan and Mortgage Scheme Fund was created, no report from the Auditor General on the fund has ever been submitted to this



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Assembly except for the financial year ended 30, June 2020, which the committee has considered herein.



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## 6.0 COMMITTEE RECOMMENDATIONS

**Hon. Speaker,**

Based on the above findings and the committee deliberations on the audit issues raised by the Auditor General, the committee makes the following recommendations;

1) **THAT** the County Executive Committee member for Finance and Economic Planning should, within 60 days upon adoption of this report, submit to this House for considerations, a comprehensive report on the recovery strategies with timelines on how the Fund intends to recover the total outstanding loan balances of ksh. 5,825,347 due from the unsecured loans advanced to officers as highlighted in the audit report for the financial year ended 30th June 2020.

2) **THAT** the County Executive Committee member for Finance and Economic Planning should, within 60 days upon adoption of this report, compute and report to this House recovery strategies with timelines on total outstanding interests on loans advanced to those whose loans were/are to be recovered through gratuity payments.

3) THAT Section 229(4) (b) of the Constitution of Kenya 2010 which requires the Auditor General to audit the accounts of **all funds** and authorities of National Governments and County Governments and Section 229(9) which requires the reports to be submitted to the Parliament/County Assembly be adhered with. Adherence to this sections of the law will ensure proper oversight on the operations of all the funds.

4) THAT the Fund Management through the County Executive Committee member for Finance and Economic Planning submit to this Assembly, in not more than 60 days upon adoption of this report, a report(progress) on how the management is working on ensuring that the unresolved issues are resolved.



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## 7.0 CONCLUSION

Hon. Speaker, I call upon Hon. Members to adopt this report that will go a long way in ensuring that the Assembly monitor closely the operations of all the funds in the County. May I call upon Hon. .....to second.



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Annex 1

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OAG

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# REPORT OF THE AUDITOR-GENERAL ON KISUMU COUNTY CAR AND MORTGAGE SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2020

## REPORT ON THE FINANCIAL STATEMENTS

### Qualified Opinion

I have audited the accompanying financial statements of Kisumu County Car and Mortgage Scheme Fund set out on pages 11 to 35, which comprise of the statement of financial position as at 30 June, 2020, statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kisumu County Car and Mortgage Scheme Fund as at 30 June, 2020, 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 Kisumu County (Car Loan Scheme Fund) Regulations, 2016 and Kisumu County (Mortgage Scheme Fund) Regulations, 2016 and the Public Finance Management Act, 2012.

### Basis for Qualified Opinion

#### 1. Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents of Kshs.4,274,542. The bank reconciliation statement provided to support this balance reflects receipts in the cash book not in the bank statement of Kshs.543,095 which had been received between 24 October, 2019 and 24 April, 2020 an indication that banking was not being done regularly. In addition, the supporting documents for these receipts were not provided for audit review to ascertain the source.

Consequently, the accuracy and completeness of the cash and cash equivalents balance of Kshs.4,274,542 as at 30 June, 2020 could not be confirmed.

#### 2. Current Portion of Long Term Receivables from Exchange Transactions

The statement of financial position as at 30 June, 2020 reflects current portion of long term receivables from exchange transactions balance of Kshs.4,085,650. However, the



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schedule supporting this figure reflected a balance of Kshs.4,063,132. This balance also included interest receivable of Kshs.443,332 which differs with the amount of Kshs.276,399 interest income reflected the statement of financial performance.

Consequently, the accuracy, validity and completeness of the current portion of long-term receivables from exchange transaction balance of Kshs.4,085,650 as at 30 June, 2020 could not be confirmed.

### 3. Long Term Receivables from Exchange Transactions

The statement of financial position reflects long term receivables from exchange transactions balance of Kshs.13,754,936. However, a review of the records provided for audit review revealed that loans totaling Kshs.5,825,347 issued before the year 2017/2018 were not being serviced as the recipients were no longer working for the County. These loans had not been secured and therefore may be irrecoverable. The Fund may therefore be required to make a provision for loss due to the likelihood of non-payment.

Consequently, the accuracy, validity and completeness of the long-term receivables from exchange transactions balance of Kshs.13,754,936 as at 30 June, 2020 could not be confirmed.

### 4. Understated Interest Income

The statement of financial performance and Note 4 to the financial statements reflects interest income of Kshs.276,399. However, this amount is based on interest received during the year and not interest charged on all loans in the year as required by the accrual basis of accounting. Further, interest was not charged on loans of Kshs.5,825,347 that were not being serviced as the loanees were no longer working for the county.

Consequently, the accuracy, validity and completeness of the interest income of Kshs.276,399 for the year ended 30 June, 2020 could not be confirmed.

### 5. Proceeds from Loan Principal Repayments

The statement of cash flows reflects proceeds from loan principal repayments totalling Kshs.3,127,429. However, the breakdown of this amount has not been provided for audit review. In addition, the balance was not supported with schedules indicating the source of the proceeds.

Consequently, the accuracy of the proceeds from loan principal repayments balance of Kshs.3,127,429 could not be confirmed for the year ended 30 June, 2020.

### 6. Unsupported Prior Year Adjustments

The statement of changes in net assets reflects a prior year adjustments of Kshs.527,459 which was not supported or explained.

Consequently, the validity and accuracy of the prior year adjustments of Kshs.527,459 could not be confirmed for the year ended 30 June, 2020.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kisumu County Car and Mortgage Scheme



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Fund Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

**Key Audit Matters**

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

**Other Matter**

**Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.311,034 and Kshs.276,399 respectively resulting to an under-funding of Kshs.34,635 or 11% of the budget. Similarly, the Fund expended Kshs.11,480 against an approved budget of the same amount. The budget was not balanced contrary to Section 31(c) of the Public Finance Management (County Governments) Act, 2015 which states that budget revenue and expenditure appropriations shall be balanced. The low budget may have affected the planned activities and may have impacted negatively on service delivery to the residents of Kisumu County.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

**Conclusion**

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

**Basis for Conclusion**

**1.0 Preparation of Financial Statements**

The financial statements submitted for audit had combined the transactions for the car loan scheme fund and the mortgage scheme fund. However, the two schemes are governed by two separate legislations; the Kisumu County Car Loan Scheme Fund Regulations, 2016 and the Kisumu County Mortgage Scheme Fund Regulations, 2016. The two legislation define the two schemes as the Kisumu County Car Loan Scheme Fund and the Kisumu County Employees Housing Mortgage Scheme Fund respectively and both are required to separately submit financial statements for audit to the Auditor-General. The financial statements presented have therefore not been prepared as a par the law.

Consequently, the Management is in breach of the Law.



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## 2.0 Unsecured Loan

Kisumu County Car Loan Scheme Fund Regulations, 2016 number 10(2) and Kisumu County Mortgage Scheme Fund Regulations, 2016 number 11(2) requires the respective management committees to charge the log books or titles in favour of the County and be kept in the custody of the County Secretary. However, there was no evidence that the loans issued had been secured as required.

The Management were therefore in breach of the law and the Fund could suffer loss in case of default.

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

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

### Conclusion

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

### Basis for Conclusion

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

### Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Funds' ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to abolish the Fund or to cease operations.

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



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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the Fund 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become



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inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

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

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

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

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

**Nairobi**

**09 February, 2022**



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Annex 2

P.O Box 86-40100, Kisumu
Email: kisumuassembly@gmail.com

Email: owenojuok@gmail.com
Web: www.kisumuassembly.go.k

# County Assembly of Kisumu

## OFFICE OF THE CLERK

REF: CAK/CGK/CS/FP/5/22 11/05/2022

**Fund Administrator**
**Kisumu County Executive Car Loan and Mortgage Scheme Fund**

**Thro,**
**The County Secretary**

**RE: INVITATION TO APPEAR BEFORE THE PUBLIC ACCOUNTS AND INVESTMENTS COMMITTEE**

The Assembly is in receipt of the Auditor General's Report on the Financial Statements of the Kisumu County Executive Car Loan and Mortgage Scheme Fund for the Financial Year ended 30, June 2020. The report was tabled in the House and committed to the Public Accounts and Investments Committee Pursuant to Standing orders No. 188.

Consequently, the Committee resolved to invite you to attend a Committee meeting scheduled on 23rd May 2022 at 12.00pm in the County Assembly Chamber, to respond to the issues raised.

You are advised to forward a copy of the response on the issues flagged to the Office of the Auditor General, Kisumu Branch and the County Assembly at least seven days before the actual meeting. Attached herewith is the report for your ease of action.

Kindly expedite.

**OWEN OJUOK**
**CLERK OF THE ASSEMBLY**
**Cc.**

**Hon. Maureen Otiang' – Committee Chairperson**
**Hon. Elisha Oraro - Speaker**
**Office of the Auditor General**
**CEC member, Finance and Economic Planning**

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Annex 3

# THE COUNTY GOVERNMENT OF KISUMU

*Office of the County Treasury*

**REF: CGK/FIN/C/A/5/VOL. I**

Date: 16th May, 2022

The Clerk to County Assembly,
Kisumu County,
P.O. Box 86-40100,
Kisumu.

Dear Sir

**REF: SUBMISSION OF RESPONSES TO THE AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENT OF KISUMU COUNTY CAR LOAN AND MORTGAGE SCHEME FUND FOR THE YEAR ENDED 30 JUNE 2020**

Kindly receive below documents for the stated financial year in response to the queries raised.

The documents are:

1. Audit responses 2019/2020 – (3) copies

Yours sincerely

**EVANS OTIENO**
**FUND ADMINISTRATOR**

Cc

**Office of the Auditor General**
**CEC member, Finance and Economic Planning**

Prosperity House (Former Nyanza Provincial Headquarters Building) 2nd Floor
P.O. Box 2738-40100Kisumu City. Email: treasury@kisumu.go.ke

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# THE COUNTY GOVERNMENT OF KISUMU

*Office of the County Treasury*

The Auditor General,
Kenya National Audit Office,
Kisumu Hub,
P.O. Box 1188-40100,
Kisumu.

ATT: Audit Team Leader
Kisumu County Car and Mortgage Scheme Fund

**REF: RESPONSES TO THE AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENT OF KISUMU COUNTY CAR LOAN AND MORTGAGE SCHEME FUND FOR THE YEAR ENDED 30 JUNE 2020**

We acknowledge receipt of your letter of reference **No. CAK/CGK/CS/FP/5/22** dated 11th May 2022 on request for written submission of the referred subject matter and wish to respond to the issues raised therein as follows:

**Basis for Qualified Opinion**

1. **Cash and Cash Equivalents**
   The statement of financial position reflects cash and cash equivalents of Kshs.4,274,542. The bank reconciliation statement provided to support this balance reflects receipts in the cash book not in the bank statement of Kshs.543,095 which had been received between 24 October, 2019 and 24 April, 2020 an indication that banking was not being done regularly. In addition, the supporting documents for these receipts were not provided for audit review to ascertain the source.

   Consequently, the accuracy and completeness of the cash and cash equivalents balance of Kshs.4,274,542 as at 30 June, 2020 could not be confirmed.

   **Management Response**
   The receipts in cash book not in bank statement amounting to Shs. 543,095/= were recoveries done from loan beneficiaries but not remitted to Kisumu county car and Mortgage scheme Fund account owing to cash flow constraints by the executive. An amount summing Shs.176,567/= were reversed due to double posting while balance of Sh.366,528/= as tabulated below. All the outstanding remittances have been submitted to



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the bank account and supporting documents availed to the auditor for verification. See **Annex 1**

| S.NO | DATE | DETAILS | AMOUNT | STATUS | DATE REVERSED/CLEARED |
|---|---|---|---|---|---|
| 1 | 24/10/2019 | Alice Moraa | 44,269 | Reversed | 1/07/2021 |
| 2 | 21/02/2020 | Rosemary Okeyo | 21,626 | Reversed | 1/07/2021 |
| 3 | 21/02/2020 | Mathews Owili | 110,672 | Reversed | 1/07/2021 |
| | **Sub Total** | | **176,567** | | |
| 4 | 21/02/2020 | John Obiero | 32,439 | Cleared | 4/02/2022 |
| 5 | 20/03/2020 | John Obiero | 32,439 | Cleared | 4/02/2022 |
| 6 | 21/04/2020 | Rosemary Okeyo | 21,626 | Cleared | 09/07/2021 |
| 7 | 21/04/2020 | Ruth Odinga | 80,814 | Cleared | 09/07/2021 |
| 8 | 21/04/2020 | Mathews Owili | 110,672 | Cleared | 09/07/2021 |
| 9 | 21/04/2020 | Charles Babu | 88,538 | Cleared | 09/07/2021 |
| | **Sub Total** | | **366,528** | | |
| | **Grand Total** | | **543,095** | | |

2. **Current portion of Long Term Receivables from Exchange Transactions**
The statement of financial position as at 30 June, 2020 reflects current portion of long term receivables from exchange transactions balance of Kshs.4,085,650. However, the schedule supporting this figure reflected a balance of Kshs.4,063,132. This balance also included interest receivable of Kshs.443,332 which differs with the amount of Kshs.276,399 interest income reflected the statement of financial performance.

Consequently, the accuracy, validity and completeness of the current portion of long-term receivables from exchange transaction balance of Kshs.4,085,650 as at 30 June, 2020 could not be confirmed.

**Management Response**
The correct schedule with a balance of Shs. 4,085,650/= has been submitted for review. See **Annex 2**. In addition, Shs. 276,399 relates to interest income earned for the year 2019/2020 while Shs. 443,332 relates to expected interest from beneficiaries in the subsequent year.

3. **Long Term Receivables from Exchange Transaction**
The statement of financial position reflects long term receivables from exchange transactions balance of Kshs.13,754,936. However, a review of the records provided for



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audit review revealed that loans totaling Kshs.5,825,347 issued before the year 2017/2018 were not being serviced as the recipients were no longer working for the County. These loans had not been secured and therefore may be irrecoverable. The Fund may therefore be required to make a provision for loss due to the likelihood of non-payment.

Consequently, the accuracy, validity and completeness of the long-term receivables from exchange transactions balance of Kshs.13,754,936 as at 30 June, 2020 could not be confirmed.

**Management Response**

We admit that the CECMs in the previous regime had not provided any form of security against the loans advanced given the fund had just unveiled. However, the balance of Shs. 5,825,347 as tabulated hereunder is supposed to be recovered from gratuities due to CECMs as per **Annex 3.** Further, we are currently obtaining securities for he advanced loans

| S.NO | NAME(LOAN BENEFICIARY) | AMOUNT | GRATUITY DUE | BALANCE | STATUS |
|---|---|---|---|---|---|
| 1 | Mr. George Ongaya | 1,504,435 | 3,079,462 | 1,575,027 | Voucher processed awaiting payment |
| 2 | Mrs. Elizabeth Ogajah | 1,661,661 | 2,835,453 | 1,173,792 | Voucher processed awaiting payment |
| 3 | Mrs. Jenipher Atieno Kerre | 1,703,359 | 2,904,243 | 1,200,884 | Voucher processed awaiting payment |
| 4 | Mr. Stephen Orot | 955,892 | 742,083 | (213,810) | Voucher processed for 742,083 awaiting payment while 213,810 is currently being recovered **Annex 3f** |
| | **Total** | **5,825,347** | | | |

4. **Understated Interest Income**

The statement of financial performance and Note 4 to the financial statements reflects interest income of Kshs.276,399. However, this amount is based on interest received during the year and not interest charged on all loans in the year as required by the accrual



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basis of accounting. Further, interest was not charged on loans of Kshs.5,825,347 that were not being serviced as the loanees were no longer working for the county.

Consequently, the accuracy, validity and completeness of the interest income of Kshs.276,399 for the year ended 30 June, 2020 could not be confirmed.

**Management Response**
We computed interest based on the active members and therefore did not compute interest on former CECMs outstanding loans of Shs. 5,825,347 given they were not in active service since doing so would mean charging interest on the unpaid gratuities from which we are to do recoveries. **See Annex 3.**

5. **Proceeds from Loan Principal Repayments**
The statement of cash flows reflects proceeds from loan principal repayments totaling Kshs.3,127,429. However, the breakdown of this amount has not been provided for audit review. In addition, the balance was not supported with schedules indicating the source of the proceeds.

Consequently, the accuracy of the proceeds from loan principal repayments balance of Kshs.3,127,429 could not be confirmed for the year ended 30 June, 2020.

**Management Response**
The schedule was not availed during the audit since the workings had been corrupted and by the time it was resolved we were out of time. We have resubmitted for verification as per **Annex 4**

6. **Unsupported Prior Year Adjustments**
The statement of changes in net assets reflects a prior year adjustments of Kshs.527,459 which was not supported or explained.

Consequently, the validity and accuracy of the prior year adjustments of Kshs.527,459 could not be confirmed for the year ended 30 June, 2020.

**Management Response**
The factors that contributed to prior year adjustments are Interest receivable for 2018/2019 Shs. 483,384, Under cast of interest receivable on Alice Moraa Shs. 22,519 and finally under cast of principal amount for Rosemary Obara for the year ended June 2019 Shs. 21,556. The supporting schedule has been submitted as per **Annex 5**

**Other Matters**

**Budgetary Control**
The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.311,034 and Kshs.276,399 respectively resulting to an under-funding of Kshs.34,635 or 11% of the budget. Similarly, the Fund expended Kshs.11,480 against an approved budget of the same amount. The budget was not balanced contrary to Section 31(c) of the Public Finance Management (County Governments) Act, 2015 which states that budget revenue and expenditure appropriations shall be balanced. The low budget may have affected the



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planned activities and may have impacted negatively on service delivery to the residents of Kisumu County.

**Management Response**
The Difference in revenue budget and actual amount of Shs. 34,635 is attributed to the fact that we intended to disburse more funds resulting into higher interest. However, this was not achieved. Further, the expenditure of Shs. 11,480 relates to actual bank charges for the period. The expenditure could not equal the revenue since there were no other costs that could be incurred.

**Basis for Conclusion**

**1.0 Preparation of Financial Statements**
The financial statements submitted for audit had combined the transactions for the car loan scheme fund and the mortgage scheme fund. However, the two schemes are governed by two separate legislations; the Kisumu County Car Loan Scheme Fund Regulations, 2016 and the Kisumu County Mortgage Scheme Fund Regulations, 2016. The two legislation define the two schemes as the Kisumu County Car Loan Scheme Fund and the Kisumu County Employees Housing Mortgage Scheme Fund respectively and both are required to separately submit financial statements for audit to the Auditor-General. The financial statements presented have therefore not been prepared as a par the law.

**Management Response**
We acknowledge the error done by having separate regulations and the same has been shared wih the county legal team to have it as one document so as to minimize management costs.

**2.0 Unsecured Loan**
Kisumu County Car Loan Scheme Fund Regulations, 2016 number 10(2) and Kisumu County Mortgage Scheme Fund Regulations, 2016 number 11(2) requires the respective management committees to charge the log books or titles in favour of the County and be kept in the custody of the County Secretary. However, there was no evidence that the loans issued had been secured as required.

The Management were therefore in breach of the law and the Fund could suffer loss in case of default.

**Management Response**
The loans issued before 2018/2019 had not been secured since the fund had just been initiated but we have adhered to the provisions of the act for those issued after the said financial year as per **Annex 6.**

**EVANS OTIENO**
**FUND ADMINISTRATOR**



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ANNEX 1

THE COUNTY GOVERNMENT OF KISUMU
Office of the County Treasury
CASH AND CASH EQUIVALENTS

| NO | DATE | DETAILS | AMOUNT | STATUS | DATE REVERSED/CLEARED |
|---|---|---|---|---|---|
| | 24/10/2019 | Alice Moraa | 44,269 | Reversed | 1/7/2021 |
| | 21/02/2020 | Rosemary Okeyo | 21,626 | Reversed | 1/7/2021 |
| | 21/02/2020 | Mathews Owili | 110,672 | Reversed | 1/7/2021 |
| | **Sub Total** | | **176,567** | | |
| | 21/02/2020 | John Obiero | 32,439 | Cleared | 4/2/2022 |
| | 20/03/2020 | John Obiero | 32,439 | Cleared | 4/2/2022 |
| | 21/04/2020 | Rosemary Okeyo | 21,626 | Cleared | 9/7/2021 |
| | 21/04/2020 | Ruth Odinga | 80,814 | Cleared | 9/7/2021 |
| | 21/04/2020 | Mathews Owili | 110,672 | Cleared | 9/7/2021 |
| | 21/04/2020 | Charles Babu | 88,538 | Cleared | 9/7/2021 |
| | **Sub Total** | | **366,528** | | |
| | **Grand Total** | | **543,095** | | |

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REPUBLIC OF KENYA
COUNTY GOVERNMENT OF KISUMU

F.O 30

# BANK RECONCILIATION

ACCOUNT NO: 028000017643 (FAMILY BANK EXECUTIVE CAR AND MORTGAGE
As at 30th June 2020

| | SHS. | SHS. | SHS. |
|---|---|---|---|
| Balance as per Bank Certificate | | 3,731,444.35 | |
| Less: | | | |
| 1. Payments in Cash Book not yet recorded in Bank Statement (Unpresented Cheques) .. | 0.00 | | |
| 2. Receipts in Bank Statement not yet recorded in Cash Book .. | 0.00 | 0.00 | 3,731,444.35 |
| Add: | | | |
| 1. Payments in Bank Statement not yet recorded in Cash Book .. | | 0.00 | |
| 2. Receipts in Cash Book not yet recorded in Bank Statement .. | | 543,095.00 | 543,095.00 |
| | | | 4,274,539.35 |

Bank Balance as per Cash Book .. .. .. ..

Prepared By: Moses Okello

Certify that I have verified the Bank Balance in the Cash Book with the Bank Statement and that the above Reconciliation is correct

.....
Signature

Fund Administrator
Designation

.....
Date

PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)

| CHEQUE NO. | DATE | PAYEE | AMOUNT SHS. | CHEQUE NO. | DATE | PAYEE | AMOUNT SHS. |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

1.PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)

| CHEQUE NO. | CHEQUE DATE | PAYEE | AMOUNT SHS. |
|---|---|---|---|
| | | BAL B/F | |
| | | | |
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| | | TOTAL | 0.00 |

2.RECEIPTS IN BANK STATEMENT NOT YET RECOR IN CASH BOOK

| DATE | DETAILS | AMOUNT SHS. |
|---|---|---|
| | | |
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| | TOTAL | |

3.PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

| DATE | DETAILS | AMOUNT SHS. |
|---|---|---|
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| | TOTAL | 0.00 |

4.RECEIPTS IN CASH BOOK NOT YET RECORDED I BANK STATEMENT

| DATE | DETAILS | AMOUNT SHS. |
|---|---|---|
| 24/10/2019 | Alice Moraa | 4 |
| 21/2/2020 | Rosemary Okeyo | 21 |
| 21/2/2020 | Mathew Owili | 11 |
| 21/2/2020 | John Obiero | 32 |
| 20/3/2020 | John Obiero | 32 |
| 21/4/2020 | Rosemary Okeyo | 21 |
| 21/4/2020 | Ruth Odinga | 8 |
| 21/4/2020 | Mathew Owili | 11 |
| 21/4/2020 | Charles Babu | 8 |
| | | |
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| | | |
| | TOTAL | 543 |

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DPP(SP)

# RECEIPTS

| Date | From whom Received | Description of Receipt | Allocation | Voucher No. | Receipt No. | Sh. cts. | Sh. cts. | Sh. cts. |
|---|---|---|---|---|---|---|---|---|
| | | Rat | B/F | | | | | |
| | Michael Odhiambo Orel | Loan recovery | | | | | | |
| | Charles Kipkoech Kogo | Loan recovery | | | | | | |
| | Rosemary Atieno Okeyo | Loan recovery | | | | | | |
| | Ruth Nyandiko Odongo | Loan recovery | | | | | | |
| | | | Sub-total | | | | | |
| | | | Total | | | | | |

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# PAYMENTS

JULY 2021

2003 P.O. 26 (Small)

| Date | To whom Paid | Description of Payment | Allocation | Voucher No. | Cheque No. | Sh. cts. | Sh. cts. | Sh. cts. |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| 1 | Alice Moraa | Being reversal of erroneously done | | | | | | |
| | Victor Otieno | | | | | | | |
| | Matthew Ondieki | Being reversal of erroneously done. | | | | | | |
| 1 | Rosemary Okeyo | Being reversal of receipt erroneously done | | | | | | |
| | | | | | Sub-Total | | | |
| | | | | | Bal c/d | | | |
| | | | | | Total | | | |

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KISUMU COUNTY EXECUTIVE CAR LOAN AND MORTGAGE ACCOUNT

001845698

028000017643

County Corporate Business Current(KES)

| | | | | |
|---|---|---|---|---|
| | | *OPENING BALANCE* | | 6,581,17 |
| -07-2021 | 09-07-2021 | RTGS | 199,210.00 | 6,780, |
| -07-2021 | 09-07-2021 | RTGS | 199,210.00 | 6,979, |
| -07-2021 | 09-07-2021 | RTGS | 102,440.00 | 7,082,( |
| 07-2021 | 12-07-2021 | RTGS | 102,440.00 | 7,184,4 |
| 07-2021 | 16-07-2021 | RTGS | 199,210.00 | 7,383,6 |
| 07-2021 | 16-07-2021 | RTGS | 102,440.00 | 7,486,1 |
| 09-2021 | 06-09-2021 | RTGS | 102,440.00 | 7,588,56 |
| 09-2021 | 06-09-2021 | RTGS | 199,210.00 | 7,787,77 |
| 09-2021 | 06-09-2021 | RTGS | 102,440.00 | 7,890,21 |
| 09-2021 | 06-09-2021 | RTGS | 199,210.00 | 8,089,423 |
| 0-2021 | 07-10-2021 | RTGS | 199,210.00 | 8,288,633 |
| 0-2021 | 07-10-2021 | RTGS | 102,440.00 | 8,391,073. |
| 1-2021 | 03-11-2021 | RTGS | 220,954.00 | 8,612,027. |
| 1-2021 | 03-11-2021 | RTGS | 102,440.00 | 8,714,467.3 |
| 1-2021 | 02-12-2021 | RTGS | 220,954.00 | 8,935,421.3 |
| 1-2021 | 02-12-2021 | RTGS | 102,440.00 | 9,037,861.3 |
| 2021 | 09-12-2021 | RTGS | 199,210.00 | 9,237,071.35 |
| 2021 | 30-12-2021 | RTGS | 220,954.00 | 9,458,025.35 |
| 021 | 30-12-2021 | RTGS | 102,440.00 | 9,560,465.35 |
| 22 | 04-02-2022 | RTGS | 32,439.00 | 9,592,904.35 |
| 22 | 04-02-2022 | RTGS | 102,440.00 | 9,695,344.35 |
| 22 | 04-02-2022 | RTGS | 220,954.00 | 9,916,298.35 |

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KISUMU COUNTY EXECUTIVE CAR LOAN AND MORTGAGE ACCOUNT

001845698

028000017643

County Corporate Business Current(KES)

| | | | | |
|---|---|---|---|---|
| 02-2022 | 04-02-2022 | RTGS | | |
| 03-2022 | 09-03-2022 | RTGS | 32,439.00 | 9,948,73 |
| 03-2022 | 09-03-2022 | RTGS | 220,954.00 | 10,169,691 |
| | | | 21,626.00 | 10,191,317 |
| | | | | N |

| | |
|---|---|
| CLEAR BALANCE | |
| VALUE BALANCE | 10,191,317 |
| UNCLEAR BALANCE | 10,191,317. |
| | 0.( |

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| | | |
|---|---|---|
| Transaction Type | 0781 | Outward RTGS Payment MT 103 |
| Debit Acct No | 1003170916 | KISUMU COUNTY RECURRENT |
| Currency Mkt Dr | 1 | TT mkt |
| Debit Currency | KES | Kenya Shilling |
| Debit Value Date | 09 JUL 2021 | 09 JUL 2021 |
| Debit Their Ref | 0000061305 | |
| Credit Their Ref | 0000061305 | |
| Credit Acct No | 1000004304 | KES-FAMILY BANK LTD |
| Currency Mkt Cr | 1 | TT mkt |
| Credit Currency | KES | Kenya Shilling |
| Credit Amount | 199,210.00 | |
| Credit Value Date | 09 JUL 2021 | 09 JUL 2021 |
| Processing Date | 09 JUL 2021 | 09 JUL 2021 |
| Ordering Cust.1 | KISUMU COUNTY | |
| Ordering Bank.1 | CBK | |
| Ben Acct No | 020000017643 | |
| Ben Customer.1 | KISUMU COUNTY EXECUTIVE CAR LOAN AC | |
| Payment Details.1 | /REC/0000061305 | |
| Charges Acct No | 1000170916 | KISUMU COUNTY RECURRENT |
| Charge Com Display | No | |
| Commission Code | Debit Plus Charges | |
| Charge Code | Debit Plus Charges | |
| Profit Centre Dept | 1 | Head Office |
| Return To Dept | No | |
| Fed Funds | No | |
| Position Type | TR | TRADING POSITION |
| Bank Code | 70 | FAMILY BANK LTD |
| Branch Code | 028 | |
| Pres Bank Code | 00 | |
| Pres Branch Cde | 001 | |
| Name Of Remitr | Kisumu - Department | |
| Orginator Ref | APRIL 2021 DED | |
| Amount Debited | KES 199,210.00 | |
| Amount Credited | KES 199,210.00 | |
| Delivery Outrd.1 | D2021070906000123146I4-800.1.1 DEBIT ADVICE | |
| Delivery Outrd.2 | D2021070906000123146I3-810.1.1 CREDIT ADVICE | |
| Credit Comp Code | KE-001-0001 | HEAD OFFICE |
| Debit Comp Code | KE-001-0001 | HEAD OFFICE |
| Loc Amt Debited | 199,210.00 | |



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| | | |
|---|---|---|
| Transaction Type | OT61 | Outward RTGS Payment MT 103 |
| Debit Acct No | 1000170056 | KISUMU COUNTY RECURRENT |
| Currency Mkt Dr | 1 | TT mtm |
| Debit Currency | KES | Kenyan Shilling |
| Debit Value Date | 09 JUL 2021 | 09 JUL 2021 |
| Debit Their Ref | 0000061306 | |
| Credit Their Ref | 0000061306 | |
| Credit Acct No | 1000004304 | KES-FAMILY BANK LTD |
| Currency Mkt Cr | 1 | TT mtm |
| Credit Currency | KES | Kenyan Shilling |
| Credit Amount | 102,440.00 | |
| Credit Value Date | 09 JUL 2021 | 09 JUL 2021 |
| Processing Date | 09 JUL 2021 | 09 JUL 2021 |
| Ordering Cust.1 | KISUMU COUNTY | |
| Ordering Bank.1 | CBK | |
| Ben Acct No | 02800017643 | |
| Ben Customer.1 | KISUMU COUNTY EXECUTIVE CAR LOAN AC | |
| Payment Details.1 | /REC/0000061306 | |
| Charges Acct No | 1000170056 | KISUMU COUNTY RECURRENT |
| Charge Com Display | No | |
| Commission Code | Debit Plus Charges | |
| Charge Code | Debit Plus Charges | |
| Profit Centre Dept | 1 | Head Office |
| Return To Dept | No | |
| Fed Funds | No | |
| Position Type | TR | TRADING POSITION |
| Bank Code | 70 | FAMILY BANK LTD |
| Branch Code | 028 | |
| Pres Bank Code | 09 | |
| Pres Branch Cde | 001 | |
| Name Of Remitr | Kisumu - Department | |
| Orginator Ref | APRIL 2021 DEDM | |
| Amount Debited | KES 102,440.00 | |
| Amount Credited | KES 102,440.00 | |
| Delivery Outref.1 | D2021070906000123146I8-900.1.1 DEBIT ADVICE | |
| Delivery Outref.2 | D2021070906000123146700-910.2.1 CREDIT ADVICE | |
| Credit Comp Code | KE-001-0001 | HEAD OFFICE |
| Debit Comp Code | KE-001-0001 | HEAD OFFICE |
| Loc Amt Debited | 102,440.00 | |



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| | | |
|---|---|---|
| Transaction Type | OT61 | Outward RTGS Payment MT 202 |
| Debit Acct No | 1000170856 | KISUMU COUNTY RECURRENT |
| Currency Mkt Dr | 1 | TT mkt |
| Debit Currency | KES | Kenyan Shilling |
| Debit Value Date | 04 FEB 2022 | 04 FEB 2022 |
| Debit Their Ref | 0008565631 | |
| Credit Their Ref | 0008565631 | |
| Credit Acct No | 1020004304 | KES-FAMILY BANK LTD |
| Currency Mkt Cr | 1 | TT mkt |
| Credit Currency | KES | Kenyan Shilling |
| Credit Amount | 32,439.00 | |
| Credit Value Date | 04 FEB 2022 | 04 FEB 2022 |
| Processing Date | 04 FEB 2022 | 04 FEB 2022 |
| Ordering Cust.1 | KISUMU COUNTY | |
| Ordering Bank.1 | CBK | |
| Ben Acct No | 028000017643 | |
| Ben Customer.1 | KISUMU COUNTY EXECUTIVE CAR LOAN AC | |
| Payment Details.1 | /REC/0008565631 | |
| Charges Acct No | 1000170856 | KISUMU COUNTY RECURRENT |
| Charge Cust Display | No | |
| Commission Code | Debit Plus Charges | |
| Charge Code | Debit Plus Charges | |
| Profit Centre Dept | 1 | Head Office |
| Return To Dept | No | |
| Fed Funds | No | |
| Position Type | TR | TRADING POSITION |
| Bank Code | 70 | FAMILY BANK LTD |
| Branch Code | 029 | |
| Pres Bank Code | 09 | |
| Pres Branch Cde | 001 | |
| Name Of Remitter | Kisumu - Department | |
| Originator Ref | JAN 2020 MORTGA | |
| Amount Debited | KES 32,439.00 | |
| Amount Credited | KES 32,439.00 | |
| Delivery Queue1.1 | D20220204060032536506-800.1.1 DEBIT ADVICE | |
| Delivery Queue1.2 | D20220204060022556103-910.2.1 CREDIT ADVICE | |
| Credit Comp Code | KE-001-0001 | HEAD OFFICE |
| Debit Comp Code | KE-001-0001 | HEAD OFFICE |
| Loc Amt Debited | 32,439.00 | |



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| | | |
|---|---|---|
| Transaction Type | OTSI | Outward RTGS Payment MT 103 |
| Debit Acct No | 1000170956 | KISUMU COUNTY RECURRENT |
| Currency Mkt Dr | 1 | TT mkt |
| Debit Currency | KES | Kenyan Shilling |
| Debit Value Date | 04 FEB 2022 | 04 FEB 2022 |
| Debit Their Ref | 0000065941 | |
| Credit Their Ref | 0000065941 | |
| Credit Acct No | 1000004304 | KES-FAMILY BANK LTD |
| Currency Mkt Cr | 1 | TT mkt |
| Credit Currency | KES | Kenyan Shilling |
| Credit Amount | 32,439.00 | |
| Credit Value Date | 04 FEB 2022 | 04 FEB 2022 |
| Processing Date | 04 FEB 2022 | 04 FEB 2022 |
| Ordering Cust.1 | KISUMU COUNTY | |
| Ordering Bank.1 | CBK | |
| Ben Acct No | 020000017643 | |
| Ben Customer.1 | KISUMU COUNTY EXECUTIVE CAR LOAN AC | |
| Payment Details.1 | /REC/0000065941 | |
| Charges Acct No | 1000170956 | KISUMU COUNTY RECURRENT |
| Charge Com Display | No | |
| Commission Code | Debit Plus Charges | |
| Charge Code | Debit Plus Charges | |
| Profit Centre Dept | 1 | Head Office |
| Return To Dept | No | |
| Fed Funds | No | |
| Position Type | TR | TRADING POSITION |
| Bank Code | 70 | FAMILY BANK LTD |
| Branch Code | 029 | |
| Pres Bank Code | 09 | |
| Pres Branch Cde | 001 | |
| Name Of Remitr | Kisumu - Department | |
| Orginator Ref | JAN 2019 MORTGA | |
| Amount Debited | KES 32,439.00 | |
| Amount Credited | KES 32,439.00 | |
| Delivery Outref.1 | D2022020400001255631S-900.1.1 DEBIT ADVICE | |
| Delivery Outref.2 | D2022020400802255631S-910.2.1 CREDIT ADVICE | |
| Credit Comp Code | KE-001-0001 | HEAD OFFICE |
| Debit Comp Code | KE-001-0001 | HEAD OFFICE |
| Loc Amt Debited | 32,439.00 | |



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## CURRENT PORTION OF LONG TERM RECEIVABLES FROM EXCHANGE TRANSACTIONS

### CURRENT LOAN REPAYMENTS DUE

| S/NO. | NAME | Openning Bal. Kshs | Monthly Principal Kshs | Period covered | Outstanding Bal. Kshs |
|---|---|---|---|---|---|
| 1 | Mrs. Alice Moraa Onserio | 44,269 | July 20-June 21 | | - |
| 2 | Dr. Mathews Ochieng Owili | 110,672 | July 20-June 21 | | 1,328,064 |
| 3 | Mr. John Obiero Ogone | 32,439 | July 20-June 21 | | - |
| 4 | Mrs. Ruth A. Odinga Busia | 80,814 | July 20-June 21 | | 969,768 |
| 5 | Dr. Rosemary Akinyi Okeyo Obara | 21,626 | July 20-June 21 | | 259,512 |
| 6 | Mr. Charles Babu Karan | 88,538 | July 20-June 21 | | 1,062,456 |
| | TOTAL | | | | 3,619,800 |

### INTEREST RECEIVABLE

| S/NO. | NAME | Openning Bal. Kshs | Monthly Principal Kshs | Period covered | Outstanding Bal. Kshs |
|---|---|---|---|---|---|
| 1 | Mrs. Alice Moraa Onserio | 44,269 | November 19- July 22 | | 60,315 |
| 2 | Dr. Mathews Ochieng Owili | 110,672 | July 20 - July 22 | | 87,932 |
| 3 | Mr. John Obiero Ogone | 32,439 | April 20 - May 22 | | 27,812 |
| 4 | Mrs. Ruth A. Odinga Busia | 80,814 | July 20 - July 22 | | 64,208 |
| 5 | Dr. Rosemary Akinyi Okeyo Obara | 21,626 | July 20 - May 22 | | 14,615 |
| 6 | Mr. Charles Babu Karan | 88,538 | July 20 - February 24 | | 210,969 |
| 7 | Mr. George Ongaya | | | | |
| 8 | Mrs. Elizabeth Ogajah | | | | |
| 9 | Mrs. Jenipher Atieno Kerre | | | | |
| 10 | Mr. Stephen Orot | | | | |
| | TOTAL | | | | 465,850 |
| | GRAND TOTAL | | | | 4,085,650 |

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ANNEX 24

COUNTY GOVERNMENT OF KISUMU
DIRECTOR HUMAN RESOURCE MANAGEMENT
Sign:.....
RECEIVED

# THE COUNTY GOVERNMENT OF KISUMU

*Office of The County Treasury*

**REF: CGK/FIN/C&M/LD/7/VOL. I (133)** Date: 20th September, 2021

**To:** Chief Officer Finance

**REF: RECOVERY OF OUTSTANDING CAR & MORTGAGE LOAN FROM GRATUITY**

Reference is made to our letter Ref: CGK/FIN/C&M/LD/7/VOL. I (72) dated 29th September, 2020 on the above subject matter.

Car and Mortgage Fund Scheme was created to provide loans to employees for purchase of motor vehicles in addition to purchase, development, renovation or repair of residential property by members of the scheme. Our mandate has been hampered by lack of funding and non remittance of loan deductions.

We are hereby reminding your office to remit outstanding loans recoverable from the underlisted former CECMs from their gratuity due and remit to County Executive Car Loan & Mortgage account No. 028000017643 to enable us disburse the same to the deserving applicants who have queued for long.

The former officers are;

| | | |
|---|---|---|
| 1. | George Ongaya Okoth | Shs. 1,504,435/= |
| 2. | Elizabeth Ogajah | Shs. 1,661,661/= |
| 3. | Jenipher Atieno Kere | Shs. 1,703,359/= |
| 4. | Stephen Orot | Shs. 955,892/= |
| 5. | Alice Moraa Onserio | Shs. 1,460,877/= |
| 6. | John Obiero Ogone | Shs. 843,414/= |
| | **Total** | **8,129,638/=** |

7. Ruth Adhiambo — Sh. 484,925/=

Your prompt response will be highly appreciated.

**Evans Otieno**
**FUND ADMINISTRATOR**

Copy to Director Human Resource Management

Prosperity House (Former Nyanza Provincial Headquarters Building) 2nd Floor
P.O. Box 2738-40100Kisumu City. Email: treasury@kisumu.go.ke

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# COUNTY GOVERNMENT OF KISUMU
## PAYMENT VOUCHER
### (VOTED PROVISION) - CASH PAYMENT

F.C. 20 (Revised)

Payee's Name and Address EQUITY BANK

| Particulars | LPO/LSO No. | Invoice No. | AMOUNT Sh. | Cts. |
|---|---|---|---|---|
| Being loan deduction from the total sum payable. | | | 1,661,661/= | |

COUNTY TREASURY VALIDATED DATE

Amount Payable (in words) One million six hundred and sixty one thousand six hundred and sixty one only — Total Sh. 1,661,661/=

Internal Audit

COUNTY GOVERNMENT OF KISUMU EXAMINATION SECTION 11 MAR 2022

Voucher Examined by

Date

VOTE

I certify that the expenditure has been entered in the Vote book and that adequate funds cover are available against charge Approved shown here below

Approved Estimates/Allocation

Item No. 2710115 Ref. No. 20,21,22

Less Total Expenditure plus Commitments Ksh.

Balance - Ksh.

Less This EXTEL - Vch.

Sh. Ksh.

Balance - Ksh.

Date Signature
ACCOUNTANT IV / CPO

AIE HOLDER CERTIFICATE

I certify that the expenditure detailed above has been incurred for the authorized purpose and should be charged to the Item shown here below.

Signature PADM OFFICER

Date 10/3/22

AUTHORIZATION

I certify that the rate/price charged is/are according to regulation/contract fair and reasonable that the expenditure has been incurred on proper authority and should be charged as stated. Where appropriate a certificate overleaf has been completed. I hereby AUTHORIZE payment of the amount shown above without any alteration.

Signature

Chief Executive Officer

Date 10-3-2022

Vote R.5074 | Head 2211 | Sub-Head 2nd | Item 2710115

| A.I.E NO. | Account No. | Dept'l Vch. No. | Station | Cash Book Vch. No. | Cash Book Date | AMOUNT Sh | AMOUNT cts. |
|---|---|---|---|---|---|---|---|
| | | | | | | 1,661,661 | |

*Delete inapplicable title

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COUNTY TREASURY VALIDATED DATE:

# COUNTY GOVERNMENT OF KISUMU
## PAYMENT VOUCHER

F.O. 20 (Revised)

(VOTED PROVISION) - CASH PAYMENT

Payee's Name and Address: FAMILY BANK CAR & MORTGAGE FUND

| Particulars | LPO/LSO No. | Invoice No. | AMOUNT Sh. | Cts. |
|---|---|---|---|---|
| Being mortgage loan recovery from the total sum of gratuity payable to Jaspher Kiser | - | | 1,703,358/= | |

Amount Payable (in words): One million seven hundred and three thousand three hundred and fifty eight only

Total Sh. 1,703,358/=

COUNTY GOVERNMENT OF KISUMU
EXAMINATION SECTION
11 MAR 2022
P.O. Box 3718 - 40100 KISUMU

Voucher Examined by: .....
Date: .....
Sign: .....

Internal Audit: .....

VOTE CERTIFICATE

I certify that the expenditure has been entered in the Vote book and that adequate funds cover are available against charge Approved shown here below:

Approved Estimate/Addendum

Item No. 2710102 Title Pensions

Less: Total Expenditure plus Commitments Sh. .....

Balance Sh. 57,683,258

Less: This ENTRY - Vch. No. .....

Sh. (1,703,358)

Balance Sh. .....

Date: ..... Signature: ..... Accountable Officer

AIE HOLDER CERTIFICATE

I certify that the expenditure detailed above has been incurred for the authorized purpose and should be charge to the Item shown here below.

Signature: ..... Date: 10/3/22

AUTHORIZATION

I certify that the rate/price charged is/are according to regulation/contract fair and reasonable that the expenditure has been incurred on proper authority and should be charged as under. Where appropriate a certificate overleaf has been completed. I hereby AUTHORIZE payment of the amount shown above without any alteration.

Signature: ..... Chief Executive Officer

Date: 10-3-2022

| Vote | Head | Sub-Head | Item |
|---|---|---|---|
| R-5079 | 0002 | 017 | 2710102 |

| AIE NO. | Account No. | Dept. Vch No. | Station | Cash Book Vch. No. | Cash Book Date | AMOUNT Sh. | Cts. |
|---|---|---|---|---|---|---|---|
| R | 2710102-0704025060 | | | | | 1,703,358 | |

*Delete inapplicable title

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3e

COUNTY TREASURY
VALIDATED
DATE

P.D. 20 (Revised)

Payee [illegible] CAR & MORTGAGE FUND A/C (FAMILY BANK)

| Particulars | Folio No. | Amount Sh. | Amount Cts. |
|---|---|---|---|
| Being mortgage loan recovery from the total sum payable to Stephen Cret less payment | | 742,023/= 242,000 | |
| Amount Payable in words: Seven hundred and forty two thousand and eighty three only | | ~~742,083~~ 500,083 | |

Voucher Examined by

Date

COUNTY GOVERNMENT OF KISUMU
EXAMINATION SECTION
30 MAR 2022
P.O. Box 2735 - 40100, KISUMU
Sign:

I certify that the [illegible] and the [illegible] have been [illegible]
Approved [illegible]
Approved [illegible]

Voucher 2711602 ... 74,000/=

Less Tax [illegible]

Deduct

Less Tax [illegible]

Net ... (742,083)

Balance

Date

29/3/22

29-3-2022

Cheque No. RK25674 CR02

Cash Book Folio

A.I.E. No. | Account No. | Amount Sh.

2710102 — CR160 | ~~742,083/=~~ 500,083/=

*Delete [illegible]

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Payroll Chronicler: C:\PPD\BK

Ds GSIS Baguio Office

| | 1984097657 | 930 | 34201 | CAR LOAN | 152,208.00 | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Payroll | P/F-Number | E/D | Ref-1 | Ref-Account | Amount | Balance | Vote-Site | Ref-2 | Taxable |
| 17-MAR-2022 | 1984097657 | 930 | 34201 | CAR LOAN | 21,744.00 | 61,602.00 | 34201 | 0 | 0 |
| 16-FEB-2022 | 1984097657 | 930 | 34201 | CAR LOAN | 21,744.00 | 83,346.00 | 34201 | 0 | 0 |
| 11-JAN-2022 | 1984097657 | 930 | 34201 | CAR LOAN | 21,744.00 | 105,090.00 | 34201 | 0 | 0 |
| 14-DEC-2021 | 1984097657 | 930 | 34201 | CAR LOAN | 21,744.00 | 126,834.00 | 34201 | 0 | 0 |
| 18-NOV-2021 | 1984097657 | 930 | 34201 | CAR LOAN | 21,744.00 | 148,578.00 | 34201 | 0 | 0 |
| 14-OCT-2021 | 1984097657 | 930 | 34201 | CAR LOAN | 21,744.00 | 170,322.00 | 34201 | 0 | 0 |
| | | | | | 21,744.00 | 192,066.00 | 34201 | 0 | 0 |



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## REPORT ON GRATUITY DUE FOR EMPLOYEES WHO HAVE LEFT SERVICE

Committee members

1. Ben Nyakinya
2. Fredrick Malowa
3. Harriet Amulen
4. Solomon Okinyi
5. Clement Wadegu
6. Jael Okumu
7. Felix Pacho (adopted because of Medalion awards)
8. Kezia Okoth
9. Elvis Otieno
10. Evans Otieno
11. Joseph Kisengo
12. Beryl Akinyi
13. Maurice Oyaro

Reference was made to the following documents (copies circulated to all relevant offices) in effort to calculate, verify and remit gratuity of staff who have so far left service to the pension fund managers

i) *Circular from the former County Secretary Naktari that all employees should be registered to Laptrust (County Pension Fund). The employees who had registered with Lapfund were then deemed to be making voluntary contributions.*

ii) *The deed agreement signed by Council of Governors that staff pension and gratuity should be remitted to the County Pension Fund.*

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***The following matters were agreed upon by the Gratuity Committee members;***

a) The amounts recovered for un-surrendered imprest in total should be credited to the County Revenue Fund account and debited to the staff accounts;

| No | PF. No / ID. No | Names | Amount |
|---|---|---|---|
| 1 | 20130013464 | Ruth Adhiambo Busia Odinga | 558,973/00 |
| 2 | 20130019233 | Jennifer Atieno Kere | 306,305/00 |
| 3 | 1166091 | Ogone John Obiero | 75,200/00 |
| 4 | 20130032781 | Doris Ombara Chandi | 266,315/20 |
| 5 | 19980016706 | Samuel Otieno Ondola | 24,000/00 |
| 6 | 20030001364 | Lucy Atieno Matengo | 174,440/00 |
| 7 | 20150065928 | Jacinta Aluoch | 769,126/00 |
| 8 | 20130032254 | Ogolla Tom Mboya | 514,900/00 |
| 9 | 20130020183 | Dan Kidha | 143,270/00 |
| 10 | 20160146716 | Julius Onyango Ayieko | 16,000/00 |
| 11 | 20130019117 | George Ongaya Okoth | 65,200/00 |
| 12 | 20130019171 | Rodha Atieno Ahono Obadha | 25,200/00 |
| 13 | 19980016411 | Cephas Odhiambo Kasera | 733,543/00 |
| | | **TOTAL** | **3,672,472/20** |

The total amount of Kshs. 3,672,472/20 should be credited to the County Revenue Fund account.

b) The amount recovered from car and mortgage loan should be remitted to the Car & Mortgage Account.

| No | PF. No / ID. No | Names | Amount |
|---|---|---|---|
| 1 | 20130013464 | Ruth Adhiambo Busia Odinga | 3,218,228/41 |
| 2 | 1979159305 | Elizabeth Mary Anyang Ominde | 1,661,661/00 |
| 3 | 20130019233 | Jeniffer Atieno Kere | 1,703,358/87 |
| 4 | 20130019117 | George Ongaya Okoth | 1,504,434/00 |

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| | | | |
|---|---|---|---|
| 5 | 198409765 | Orot Stephen Otieno | 955,891/76 |
| 6 | 20130019439 | Rose Auma Kisia Omondi | 2,047,683/00 |
| | | Hanif Mohamed Rana | 1,893,649/00 |
| **TOTAL** | | | **12,984,906/04** |

**The Chief Accountant should credit of Kshs.12,984,906/04** to the Car and Mortgage Account and debit the staff accounts with individual figures.

All amounts recovered through the payroll in reference to Car and Mortgage should also be credited to this account.

**Note 1.**

Elizabeth Mary Anyang Ominde had mortgage balance of 1,661,661/= and house rent not paid of Kshs. 380,000/=. The total amount to be recovered should be 2,041,661/=. To be credited to loan account and CRF respectively.

**Note 2**

Rose Auma Kisia Omondi was to be recovered from Kshs. 2,267,305/40 but only Kshs. 2,047,683/00 was available. The finance department should therefore write a letter demanding for Kshs. 219,622/=

**Note 3**

The Finance department should write a letter to the Director Human Resource Management to recover Kshs. 213,809/00 from Mr. Stephen Orot Otieno. The officer should however be notified in writing of this amount pending from car and mortgage loan.

**Note 4**

Cephas Odhiambo Kasera was over paid by Kshs. 466,582/30. The Finance department should therefore write a demand note to him.

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**Note 5**

There is a court decree to pay the following

1. Omulo Okal was paid Kshs. 1,009,050 and tax of Kshs. 300,000 was remitted.
   Tax of Kshs. 628,292 was not remitted.

2. Merita had a court ruling to be compensated.
   However, employee had disciplinary process on-going before going to court.

c) PAYE deducted but not yet remitted to Kenya Revenue Authority

| No | PF. No / ID. No | Names | Amount |
|---|---|---|---|
| 1 | 20130019233 | Jeniffer Atieno Kere | 845,853/00 |
| 2 | 1989127449 | Derek Otieno Obura | 191,199/00 |
| 3 | 20150066069 | Johnson Awuor Odero | 340,090/00 |
| 4 | 1983051103 | Loise Mildred Akinyi Omoro | 540,560/00 |
| 5 | 198409765 | Orot Stephen Otieno | 266,967/00 |
| | | Omulo Okal | 628,292/00 |
| **TOTAL** | | | **2,812,961/00** |

Therefore, the Finance department should remit Kshs. 2,812,961/00 as pending tax to Kenya Revenue Authority as gratuity already paid and tax not remitted.

**Note 6**

All other tax shall be deducted by the fund managers as per Retirement Benefits Authority regulations.

**PART A – THOSE WHO HAVE LEFT SERVICE**

1. Former County Executive Committee members
2. Former Chief Officers and former City Managers
3. Former Directors and Governor's appointees

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4. All other employees who worked under the previous regime starting from 2013 to June 2017.
5. All ECDE deceased (cases with evidence of death notification or death certificate)
6. Any other death cases for deceased cases (those who were under contract)
7. Former employees of Jomo Kenyatta Sports Ground
8. Staff who are legible for medallion awards with complete details

**Further Action by the Human Resource office**

The finance department requested that the office of Director Human Resource signs individual letters for each staff who is supposed to be paid for file reference as has always been done in the past. The said letters include details on individual calculations. It was noted that some files had the letters and for some the letters needed to be revised. It was agreed that Clement shall print all the letters according to the names that have been tabulated for payment.

Members also agreed that the Director Human Resource Management should draft a letter to Public Service Commission, to be signed by the County Secretary verifying if the following were not earning pension for the period when they were serving in Kisumu County to avoid double payment of pension for public servants;

1. Humphrey Okuku Nakitari
2. Lucy Atieno Matengo
3. Odhiambo Seline Bonyo
4. Samwel Ongwen Okuro

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Note

That the current budget could only accommodate only Kshs. 50,000,000 unless a supplementary is done to top up to the figure required. However, Finance department shall pay accordingly.

It was agreed that a separate committee should be appointed to work on current and on-going payments due to employees for purpose of future budgeting which forms part B of this listing;

**PART B - THOSE WHO ARE STILL IN SERVICE**

Members also agreed that the County Secretary should appoint another working committee to work on phase II of gratuity for purpose of future budgeting and can be submitted to County Pension Fund in the next financial year as shall have been budgeted.

1. Current executive members beginning July 2017 to date
2. Senior officers who have served in both regimes. To remit only the contracts expired.
3. ECDE 1st contract which lasted 3 years, 2nd contract that lasted for one year (total of 4 years)
4. ECDE 3rd contract that was recently issued by County Public Service Board for 3 years
5. Enforcement officers
6. Revenue officers (6 months, extended by another 6 months and finally 3 years contract issued by County Public Service Board)
7. Locum staff – total of 102 nurses
8. Nurses recruited on contract
9. Drivers under the department of Governance & Administration

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10. Drivers for department of Roads, Transport and Public works,
11. Medallion awards for July 2021 to June 2022

d) The committee also decided that that the County should not charge PAYE since it shall be charged at the time of payment by the County Pension Fund Managers.

e) That a list of beneficiaries shall be remitted to Laptrust and one voucher written. The Human Resource office however shall communicate to all those who should visit the Laptrust office, Kisumu branch or as applicable in a convenient manner.

f) The finance department also requested that the HR office prints individual workings per file for future reference.

g) The finance department mentioned that out of the existing budget of 50,000,000/=, the former chief officer for environment, Madam Loise Omoro was recently paid from the same budget and the gross amount payable should be deducted. Tax to be remitted to KRA of 540,560/=. 845,853/=

h) It was also agreed that the Payroll Manager shall confirm the names of the staff who received their gratuity together with their last pay slip to avoid double payment.

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ANN EX 4

# THE COUNTY GOVERNMENT OF KISUMU

## Office of the County Treasury

## Preceeds from Loan Principal Repayments.

| DATE | NAME | MONTH | AMOUNT |
|---|---|---|---|
| 07/31/2019 | Ruth Adhiambo Odinga Busia | JULY 219 RECOVERY | 80,814.00 |
| 07/31/2019 | Dr. Mathews Ochieng Owili | JULY 2019 RECOVERY | 110,672.00 |
| 07/31/2019 | Alice Moraa Onserio | JULY 2019 RECOVERY | 44,269.00 |
| 08/31/2019 | Ruth Adhiambo Odinga Busia | AUGUST 2019 RECOVERY | 80,814.00 |
| 08/31/2019 | Dr. Mathews Ochieng Owili | AUGUST 2019 RECOVERY | 110,672.00 |
| 08/31/2019 | Alice Moraa Onserio | AUGUST 2019 RECOVERY | 44,269.00 |
| 09/30/2019 | Dr. Rosemary Akinyi Obara | SEPTEMBER 2019 RECOVERY | 21,626.00 |
| 09/30/2019 | Ruth Adhiambo Odinga Busia | SEPTEMBER 2019 RECOVERY | 80,814.00 |
| 09/30/2019 | Dr. Mathews Ochieng Owili | SEPTEMBER 2019 RECOVERY | 110,672.00 |
| 09/30/2019 | Alice Moraa Onserio | SEPTEMBER 2019 RECOVERY | 44,269.00 |
| 10/30/2019 | Ruth Adhiambo Odinga Busia | OCTOBER 2019 RECOVERY | 80,814.00 |
| 10/30/2019 | Dr. Mathews Ochieng Owili | OCTOBER 2019 RECOVERY | 110,672.00 |
| 10/30/2019 | Alice Moraa Onserio | OCTOBER 2019 RECOVERY | 44,269.00 |
| 10/31/2019 | Dr. Rosemary Akinyi Obara | OCTOBER 2019 RECOVERY | 21,626.00 |
| 11/30/2019 | Dr. Rosemary Akinyi Obara | NOVEMBER 2019 RECOVERY | 21,626.00 |
| 11/30/2019 | Ruth Adhiambo Odinga Busia | NOVEMBER 2019 RECOVERY | 80,814.00 |
| 11/30/2019 | Dr. Mathews Ochieng Owili | NOVEMBER 2019 RECOVERY | 110,672.00 |
| 12/31/2019 | Dr. Rosemary Akinyi Obara | DECEMBER 2019 RECOVERY | 21,626.00 |
| 12/31/2019 | Ruth Adhiambo Odinga Busia | DECEMBER 2019 RECOVERY | 80,814.00 |
| 12/31/2019 | Dr. Mathews Ochieng Owili | DECEMBER 2019 RECOVERY | 110,672.00 |
| 12/31/2019 | Dr. John Obiero Ogone | DECEMBER 2019 RECOVERY | 32,439.00 |
| 01/31/2020 | Dr. Rosemary Akinyi Obara | JANUARY 2020 RECOVERY | 32,436.00 |
| 01/31/2020 | Dr. Rosemary Akinyi Obara | JANUARY 2020 RECOVERY | 21,626.00 |
| 01/31/2020 | Ruth Adhiambo Odinga Busia | JANUARY 2020 RECOVERY | 80,814.00 |
| 01/31/2020 | Dr. Mathews Ochieng Owili | JANUARY 2020 RECOVERY | 110,672.00 |
| 02/29/2020 | Dr. Rosemary Akinyi Obara | FEBRUARY 2020 RECOVERY | 21,626.00 |
| 02/29/2020 | Ruth Adhiambo Odinga Busia | FEBRUARY 2020 RECOVERY | 80,814.00 |
| 02/29/2020 | Dr. Mathews Ochieng Owili | FEBRUARY 2020 RECOVERY | 110,672.00 |
| 03/31/2020 | Dr. Rosemary Akinyi Obara | MARCH 2020 RECOVERY | 21,626.00 |
| 03/31/2020 | Ruth Adhiambo Odinga Busia | MARCH 2020 RECOVERY | 80,814.00 |
| 03/31/2020 | Dr. Mathews Ochieng Owili | MARCH 2020 RECOVERY | 110,672.00 |
| 03/31/2020 | Charles Babu Karan | MARCH 2020 RECOVERY | 88,538.00 |
| 04/30/2020 | Dr. Rosemary Akinyi Obara | APRIL 2020 RECOVERY | 21,626.00 |
| 04/30/2020 | Ruth Adhiambo Odinga Busia | APRIL 2020 RECOVERY | 80,814.00 |

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| | | | | |
|---|---|---|---|---|
| 35 | 04/30/2020 | Dr. Mathews Ochieng Owili | APRIL 2020 RECOVERY | 110,672. |
| 36 | 04/30/2020 | Charles Babu Karan | APRIL 2020 RECOVERY | 88,538. |
| 37 | 05/31/2020 | Dr. Rosemary Akinyi Obara | MAY 2020 RECOVERY | 21,626. |
| 38 | 05/31/2020 | Ruth Adhiambo Odinga Busia | MAY 2020 RECOVERY | 80,814. |
| 39 | 05/31/2020 | Dr. Mathews Ochieng Owili | MAY 2020 RECOVERY | 110,672. |
| 40 | 05/31/2020 | Charles Babu Karan | MAY 2020 RECOVERY | 88,538. |
| 41 | 06/30/2020 | Dr. Rosemary Akinyi Obara | JUNE 2020 RECOVERY | 21,626. |
| 42 | 06/30/2020 | Ruth Adhiambo Odinga Busia | JUNE 2020 RECOVERY | 80,814. |
| 43 | 06/30/2020 | Dr. Mathews Ochieng Owili | JUNE 2020 RECOVERY | 110,672. |
| 44 | 06/30/2020 | Charles Babu Karan | JUNE 2020 RECOVERY | 88,538. |
| | | | | |
| | **Total** | | | **3,127,429.** |

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ANNEX 5

# THE COUNTY GOVERNMENT OF KISUMU
## Office of the County Treasury
## Prior Year Adjustments

ndercast on Alice Moraa Interest receivable

| LOAN REPAYMENT SCHEDULE - Mrs. Alice Moraa Onserio | | | | | | |
|---|---|---|---|---|---|---|
| ate | Openning Bal. | Instalment Paya | Interest | Total Payable | Total Paid | Outstanding Bal. |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| lov-19 | 1,400,544 | 44,269 | 3,501 | 1,404,046 | 44,269 | 1,359,777 |
| )ec-19 | 1,359,777 | 44,269 | 3,399 | 1,363,176 | 44,269 | 1,318,907 |
| an-20 | 1,318,907 | 44,269 | 3,297 | 1,322,204 | 44,269 | 1,277,935 |
| eb-20 | 1,277,935 | 44,269 | 3,195 | 1,281,130 | 44,269 | 1,236,861 |
| Mar-20 | 1,236,861 | 44,269 | 3,092 | 1,239,953 | 44,269 | 1,195,684 |
| Apr-20 | 1,195,684 | 44,269 | 2,989 | 1,198,674 | 44,269 | 1,154,405 |
| May-20 | 1,154,405 | 44,269 | 2,886 | 1,157,291 | 44,269 | 1,113,022 |
| un-20 | 1,113,022 | 44,269 | 2,783 | 1,115,804 | 44,269 | 1,071,535 |
| otal | | | 22,519 | | | |

nterest receivable in 2018/2019

| CAR LOAN AND MORTGAGE - TO CECs | | | | | | |
|---|---|---|---|---|---|---|
| MCAs LOAN | | | | | | |
| Date | Openning Bal. | Principal | Interest | Total Payable | Total Paid | Outstanding Bal. |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| | 7,000,000.00 | | - | 7,000,000.00 | - | 7,000,000.00 |
| ul-19 | 10,131,326.39 | 264,491.68 | 25,328.32 | 10,156,654.70 | 289,820.00 | 9,866,834.70 |
| Aug-19 | 9,866,834.70 | 265,152.91 | 24,667.09 | 9,891,501.79 | 289,820.00 | 9,601,681.79 |
| Sep-19 | 9,601,681.79 | 265,815.80 | 24,004.20 | 9,625,685.99 | 289,820.00 | 9,335,865.99 |
| Oct-19 | 9,335,865.99 | 266,480.34 | 23,339.66 | 9,359,205.66 | 289,820.00 | 9,069,385.66 |
| Nov-19 | 9,069,385.66 | 267,146.54 | 22,673.46 | 9,092,059.12 | 289,820.00 | 8,802,239.12 |
| Dec-19 | 8,802,239.12 | 267,814.40 | 22,005.60 | 8,824,244.72 | 289,820.00 | 8,534,424.72 |
| Jan-20 | 8,534,424.72 | 268,483.94 | 21,336.06 | 8,555,760.78 | 289,820.00 | 8,265,940.78 |
| Feb-20 | 8,265,940.78 | 269,155.15 | 20,664.85 | 8,286,605.63 | 289,820.00 | 7,996,785.63 |
| Mar-20 | 7,996,785.63 | 269,828.04 | 19,991.96 | 8,016,777.60 | 289,820.00 | 7,726,957.60 |
| Apr-20 | 7,726,957.60 | 270,502.61 | 19,317.39 | 7,746,274.99 | 289,820.00 | 7,456,454.99 |
| May-20 | 7,456,454.99 | 271,178.86 | 18,641.14 | 7,475,096.13 | 289,820.00 | 7,185,276.13 |
| Jun-20 | 7,185,276.13 | 271,856.81 | 17,963.19 | 7,203,239.32 | 289,820.00 | 6,913,419.32 |

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| | | | | | | |
|---|---|---|---|---|---|---|
| Jul-20 | 6,913,419.32 | 272,536.45 | 17,283.55 | 6,930,702.87 | 289,820.00 | 6,640,882.87 |
| Aug-20 | 6,640,882.87 | 273,217.79 | 16,602.21 | 6,657,485.08 | 289,820.00 | 6,367,665.08 |
| Sep-20 | 6,367,665.08 | 273,900.84 | 15,919.16 | 6,383,584.24 | 289,820.00 | 6,093,764.24 |
| Oct-20 | 6,093,764.24 | 274,585.59 | 15,234.41 | 6,108,998.65 | 289,820.00 | 5,819,178.65 |
| Nov-20 | 5,819,178.65 | 275,272.05 | 14,547.95 | 5,833,726.60 | 289,820.00 | 5,543,906.60 |
| Dec-20 | 5,543,906.60 | 275,960.23 | 13,859.77 | 5,557,766.36 | 289,820.00 | 5,267,946.36 |
| Jan-21 | 5,267,946.36 | 276,650.13 | 13,169.87 | 5,281,116.23 | 289,820.00 | 4,991,296.23 |
| Feb-21 | 4,991,296.23 | 277,341.76 | 12,478.24 | 5,003,774.47 | 289,820.00 | 4,713,954.47 |
| Mar-21 | 4,713,954.47 | 278,035.11 | 11,784.89 | 4,725,739.36 | 289,820.00 | 4,435,919.36 |
| Apr-21 | 4,435,919.36 | 278,730.20 | 11,089.80 | 4,447,009.15 | 289,820.00 | 4,157,189.15 |
| May-21 | 4,157,189.15 | 279,427.03 | 10,392.97 | 4,167,582.13 | 289,820.00 | 3,877,762.13 |
| Jun-21 | 3,877,762.13 | 280,125.59 | 9,694.41 | 3,887,456.53 | 289,820.00 | 3,597,636.53 |
| Jul-21 | 3,597,636.53 | 280,825.91 | 8,994.09 | 3,606,630.62 | 289,820.00 | 3,316,810.62 |
| Aug-21 | 3,316,810.62 | 281,527.97 | 8,292.03 | 3,325,102.65 | 289,820.00 | 3,035,282.65 |
| Sep-21 | 3,035,282.65 | 282,231.79 | 7,588.21 | 3,042,870.86 | 289,820.00 | 2,753,050.86 |
| Oct-21 | 2,753,050.86 | 282,937.37 | 6,882.63 | 2,759,933.48 | 289,820.00 | 2,470,113.48 |
| Nov-21 | 2,470,113.48 | 283,644.72 | 6,175.28 | 2,476,288.77 | 289,820.00 | 2,186,468.77 |
| Dec-21 | 2,186,468.77 | 284,353.83 | 5,466.17 | 2,191,934.94 | 289,820.00 | 1,902,114.94 |
| Jan-22 | 1,902,114.94 | 285,064.71 | 4,755.29 | 1,906,870.23 | 289,820.00 | 1,617,050.23 |
| Feb-22 | 1,617,050.23 | 285,777.37 | 4,042.63 | 1,621,092.85 | 289,820.00 | 1,331,272.85 |
| Mar-22 | 1,331,272.85 | 286,491.82 | 3,328.18 | 1,334,601.03 | 289,820.00 | 1,044,781.03 |
| Apr-22 | 1,044,781.03 | 287,208.05 | 2,611.95 | 1,047,392.99 | 289,820.00 | 757,572.99 |
| May-22 | 757,572.99 | 287,926.07 | 1,893.93 | 759,466.92 | 289,820.00 | 469,646.92 |
| Jun-22 | 469,646.92 | 234,580.88 | 1,174.12 | 470,821.04 | 235,755.00 | 235,066.04 |
| Jul-22 | 235,066.04 | 235,167.33 | 587.67 | 235,653.70 | 235,755.00 | - 101.30 |
| **Total** | | **12,468,330.30** | **483,384.31** | | | |

3 **Undercast for Dr. Rosemary Obara**

| | |
|---|---|
| Reported amount June 2019 | 761,458.00 |
| Adjustment | 21,556.00 |
| Ammended balance | 783,014.00 |
| | |
| **GRAND TOTAL FOR PRIOR YEAR ADJUSTMENTS** | **527,459.15** |

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## LOAN REPAYMENT SCHEDULE - Dr. Rosemary Akinyi Okeyo Obara

| e | Openning Bal. | Instalment Payable | Interest | Principal | Total Payable | Total Paid | Outstanding Bal. |
|---|---|---|---|---|---|---|---|
| | Kshs | Kshs | Kshs | | Kshs | Kshs | Kshs |
| | 900,000.00 | | - | | 900,000.00 | - | 900,000.00 |
| -19 | 900,000.00 | 21,626.00 | 2,250.00 | 19,376.00 | 902,250.00 | 21,626.00 | 880,624.00 |
| -19 | 880,624.00 | 21,626.00 | 2,201.56 | 19,424.44 | 882,825.56 | 21,626.00 | 861,199.56 |
| -19 | 861,199.56 | 21,626.00 | 2,153.00 | 19,473.00 | 863,352.56 | 21,626.00 | 841,726.56 |
| -19 | 841,726.56 | 21,626.00 | 2,104.32 | 19,521.68 | 843,830.88 | 21,626.00 | 822,204.88 |
| -19 | 822,204.88 | 21,626.00 | 2,055.51 | 19,570.49 | 824,260.39 | 21,626.00 | 802,634.39 |
| -19 | 802,634.39 | 21,626.00 | 2,006.59 | 19,619.41 | 804,640.97 | 21,626.00 | 783,014.97 |
| 19 | 783,014.97 | 21,626.00 | 1,957.54 | 19,668.46 | 784,972.51 | 21,626.00 | 761,458.51 |
| -19 | 761,458.51 | 21,626.00 | 1,903.65 | 19,722.35 | 763,362.16 | 21,626.00 | 741,736.16 |
| -19 | 741,736.16 | 21,626.00 | 1,854.34 | 19,771.66 | 743,590.50 | 21,626.00 | 721,964.50 |
| -19 | 721,964.50 | 21,626.00 | 1,804.91 | 19,821.09 | 723,769.41 | 21,626.00 | 702,143.41 |
| -19 | 702,143.41 | 21,626.00 | 1,755.36 | 19,870.64 | 703,898.77 | 21,626.00 | 682,272.77 |
| -19 | 682,272.77 | 21,626.00 | 1,705.68 | 19,920.32 | 683,978.45 | 21,626.00 | 662,352.45 |
| -20 | 662,352.45 | 21,626.00 | 1,655.88 | 19,970.12 | 664,008.33 | 21,626.00 | 642,382.33 |
| -20 | 642,382.33 | 21,626.00 | 1,605.96 | 20,020.04 | 643,988.29 | 21,626.00 | 622,362.29 |
| r-20 | 622,362.29 | 21,626.00 | 1,555.91 | 20,070.09 | 623,918.19 | 21,626.00 | 602,292.19 |
| -20 | 602,292.19 | 21,626.00 | 1,505.73 | 20,120.27 | 603,797.92 | 21,626.00 | 582,171.92 |
| y-20 | 582,171.92 | 21,626.00 | 1,455.43 | 20,170.57 | 583,627.35 | 21,626.00 | 562,001.35 |
| -20 | 562,001.35 | 21,626.00 | 1,405.00 | 20,221.00 | 563,406.36 | 21,626.00 | 541,780.36 |

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ANNEX 6

# Registration Certificate

K3176326 R

K3176326R

## REPUBLIC OF KENYA

TRAFFIC ACT (CAP 403)
*(Section 6(5))*

Entry No 2018MSA6922207 Transfer No 2020022001538

| Particulars: | |
|---|---|
| Registration: | KCR944C |
| Chassis/Frame: | NZT260-3095679 |
| Make: | Toyota |
| Model: | Premio |
| Type: | Motor Vehicle |
| Body: | SALOON |
| Fuel: | Petrol |
| Man Year: | 2011 |
| Rating: | 1490 |
| Engine No: | 1NZ-D861624 |
| Color: | WINE RED |
| Reg. Date: | 12-Jul-18 |
| Gross weight: | 1475.0 |
| Duty: | Paid |

Number of previous owners:1

| Particulars: | |
|---|---|
| Passengers: | 5 |
| Tare Weight: | 1200.0 |
| Tax class: | Private |
| Axles: | 1 |
| Load Capacity(Kg): | 275 |
| Previous Reg. country: | Japan |
| Previous registration: | 8 9 6 2 |

**Registered Owner(s)**

| | |
|---|---|
| PIN: | A003372603E |
| Name: | JOHN OBIERO OGONE |
| PIN: | P051419196U |
| Name: | KISUMU COUNTY |
| Box No.: | 333 |
| Code: | 50100 |
| Town: | KISUMU |

**For official use only:-**

Authorising Signature and official seal

20/02/20

Usual signature: _____

**Important:-**

*The person in whose name a vehicle is registered shall unless the contrary be proved, be deemed to be the owner of the vehicle. Before you use any vehicle on the road,please ensure that your insurance against third party risk is in order. It is a serious offence to drive without proper insurance.*

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# MINISTRY OF LANDS HOUSING AND URBAN DEVELOPMENT

Telephone 057-2020676
Fax: 020-3530447
When replying please quote

DEPARTMENT OF LANDS
P. O. BOX 1663 - 40100
KISUMU

COUNTY GOVERNMENT OF KISUMU
EXCHEQUER
COUNTY TREASURY
RECEIVED
DATE 07/

Evans Otieno
(Chief Accountant)
For Your further action.
07/05/2021

KSM/DLR/GEN/VolI/106

5th May, 2021

The CECM
Finance and Economic Planning,
County Government of Kisumu
**KISUMU**

**RE: OFFICIAL SEARCH CERTIFICATES.**

Reference is made to your letter KC/FIN/LANDS/VOL.II/21 dated 28th April, 2021.

Enclosed herein please searches for KSM/KOGONY/6145 and KSM/OJOLA/2114.

(GEORGE O. NYANGWESO)
LAND REGISTRAR
**KISUMU EAST /KISUMU WEST**

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Form LRA-85

REPUBLIC OF KENYA

THE LAND REGISTRATION ACT

THE LAND REGISTRATION (GENERAL) REGULATIONS, 2017

CERTIFICATE OF OFFICIAL SEARCH

TITLE NO. Kwale/Ndavaya/2114

SEARCH NO. 221 04 2024

On the 30th day of APR 2024, the following were the subsisting entries on the register of the above-mentioned title:

RMS: 7

**Part A - Property Section** *[easements, etc.]*

Nature of title: LEASEHOLD

Approximate area: (0.39 Hrs.) ZERO DECIMAL THREE NINE HAS

**Part B - Proprietorship Section**

2. 12.5.93. OKEYO STEPHEN OLUS REGISTERED ON ROSEMARY AKUMU OBARA

Name and address of proprietor:

Inhibitions, cautions and restrictions: 3. 12.5.93. TITLE DEED ISSUED

4. 07.11.19. CAUTION BY SWANS OTIENO (ADMINISTRATOR OF THE ESTATE OF ROSEMARY AKUMU OBARA (DECEASED) LODGED BY EQUITY BANK

**Part C - Encumbrances Section** [leases, charges, etc.]

CAVEAT BY PRINCIPAL KWALE COUNTY GOVERNMENT OF KWALE CLAIMING INTEREST AS EQUITABLE CHARGEE

The following applications are pending:

a) .....

b) .....

c) .....

d) .....

The following certified copies are attached as requested:

a) .....

b) .....

c) .....

d) .....

Date 30th day APR 2024

SIGNED by the Registrar

Seal .....

Name:

Signature:

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Form LRA 84

(r. 86(1)

REPUBLIC OF KENYA

THE LAND REGISTRATION ACT

THE LAND REGISTRATION (GENERAL) REGULATIONS, 2017

| Date Received | Presentation Book No. | Official Fees Paid Kshs. |
|---|---|---|
| ..... | ..... | |

## APPLICATION FOR OFFICIAL SEARCH

TITLE NUMBER: Kwm/03081/2114

| | |
|---|---|
| Date of Application | |
| Applicant | *Name:* .....<br>*ID/Passport No.:* .....<br>*PIN No.:* .....<br>*Address:* .....<br>*Telephone No:* .....<br>*Email address (if any):* .....<br>*NB: Application for Searches can be made by Interested Parties or their Agents. For purposes of this document, an agent is any person or firm registered by a professional body.* |
| Purpose of Search | |
| Scope of Search | (a) particulars of the subsisting entries in the register of the above-mentioned title; or<br>(b) Particulars noted on : the Property Section/the Proprietorship Section/Encumbrances Section of the Register* **select as appropriate* |
| Copy of Documents Requested | Please supply a certified copy of each of the following:-<br>(a) .....<br>(b) .....<br>(c) .....<br>(d) .....<br>*NB. There is a fee for each copy* |
| Signature of Applicant | |
| Search Application No. | |
| Time of Receipt | |
| Booking Officer | |
| Search Collected by | Name: .....<br>ID /Passport No.: .....<br>Signature .....<br>Date: ..... |

Notes:

1. Application to be submitted in triplicate.
2. Applicant to attach copy of original title document, unless exempted by Registrar.
3. Duplicate to be stamped and released to the Applicant.
4. Triplicate to be retained by the Land registry for its records.
5. Original to be returned to the Applicant together with the Certificate of Search.

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Form LRA-85

C-

REPUBLIC OF KENYA

THE LAND REGISTRATION ACT

THE LAND REGISTRATION (GENERAL) REGULATIONS, 2017

CERTIFICATE OF OFFICIAL SEARCH

TITLE NO. KSM/KOROMEI/6145

SEARCH NO. 122 04 2021

On the 29th day of APR 2021 the following were the subsisting entries on the register of the above-mentioned title:

Part A - Property Section [*easements, etc.*] RMS: 5

Nature of title ABSOLUTE

Approximate area 0.067 Hm / 26m DRIVEWAY 2m WING WALL SUB-DIV PLOT NO. 5167

Part B - Proprietorship Section 2. 29.2.2012. ALICE M. ONSORIO

Name and address of proprietor 3. 29.2.2012. DPR PBD 18 RWS

Inhibitions, cautions and restrictions 4. 07.11.019. CAUTION BY GUARDS OGIGWO (ADMINISTRATOR CHIEF MORIGWOS FROM COURT GRANT OF MORTGAGE - ENTERED ON PLOT) HOUSE CLEARING PROPERTY

Part C - Encumbrances Section [leases, charges, etc.]

The following applications are pending:

a) .....

b) .....

c) .....

d) .....

The following certified copies are attached as requested:

a) .....

b) .....

c) .....

d) .....

Date 29th day APR 2021

SIGNED by the Registrar

Seal .....

Name:

Signature:

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Date Received ..... Presentation Book No..... Official Fees Paid Kshs.

APPLICATION FOR OFFICIAL SEARCH

TITLE NUMBER KMP/KDG/1645

| | |
|---|---|
| Date of Application | 24-2-2021 |
| Applicant | Name: [illegible]<br>ID/Passport No.: 13911755<br>PIN No.: A004 685 40 W<br>Address: [illegible]<br>Telephone No.: 0722 263185<br>Email address (if any) .....<br>*NB: Application for searches can be made by interested parties or the Agents. For purposes of this document, an agent is any person or firm registered by a professional body.* |
| Purpose of Search | Confirmation |
| Scope of Search | (a) particulars of the subsisting entries in the register of the above mentioned title; or<br>(b) Particulars noted on: the property Section/the proprietorship Section/Encumbrances Section of the Register*<br>*select as appropriate |
| Copy of Documents Requested | Please supply a certified copy of each of the following: -<br>(a) .....<br>(b) .....<br>(c) .....<br>(d) .....<br>*NB. There is a fee for each copy* |
| Signature of Applicant | [signature] |
| Search Application No. | |
| Time of Receipt | |
| Booking Officer | |
| Search Collected by | Name: [illegible]<br>ID/Passport No.: 12[illegible]<br>Signature: [signature]<br>Date: ..... |

Notes:

1. Application to be submitted in triplicate.
2. Applicant to attach copy of original title document, unless exempted by Register.
3. Duplicate to be stamped and released to the Applicant.
4. Triplicate to be retained by the Land registry for its records.
5. Original to be returned to the Applicant together with the Certificate of search.

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## 6.0 ADOPTION SCHEDULE

We the Hon. Members of the Public Accounts and Investments Committee hereby append our signatures in affirmation that these are the true deliberations from the Committee.

| MEMBER | POSITION | SIGNATURE |
|---|---|---|
| **Hon. Maureen Otiang'** | **Chairperson** | |
| **Hon. Benny Oiko** | **Vice chairperson** | |
| Hon. Roy Samo | Member | |
| Hon. John Atieno | Member | |
| Hon. Johnson Guya | Member | |
| Hon. Beatrice Pamalia | Member | |
| Hon. Seth Okumu | Member | |
| Hon. Nancy Cwiti | Member | |
| Hon. Paul Okiri | Member | |
| Hon. Julius Genga | Member | GENGA |

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