

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY	
DATE:	18 APR 2024
TABLED BY:	Hon Kimani Ichungwa MP Leader, Majority Party
CLERK-AT THE TABLE:	A. Shubuko

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OF KENYA
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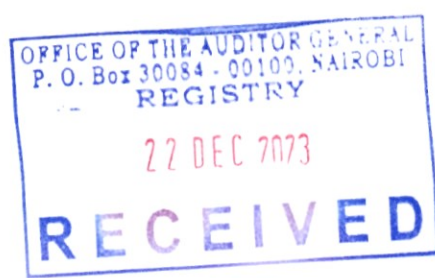
ON

**KENYA UNIVERSITIES AND COLLEGES
CENTRAL PLACEMENT SERVICE STAFF
MORTGAGE AND CAR LOAN SCHEME**

**FOR THE YEAR ENDED
30 JUNE, 2023**

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KENYA UNIVERSITIES AND COLLEGES CENTRAL PLACEMENT SERVICE CAR LOAN AND MORTGAGE SCHEME

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2023**

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

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1. Abbreviations, Acronyms and Glossary of Terms

A. Abbreviations And Acronyms

CEO	Chief Executive Officer
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KUCCPS	Kenya Universities and Colleges Central Placement Service
MD	Managing Director
NT	National Treasury
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies

B. Glossary of Terms

Fiduciary management: Members of management entrusted directly with the responsibility and trust for the organisation financial resources.

2. Key Scheme information and management

a) Background information

The Kenya Universities and Colleges Central Placement Service (KUCCPS) Staff Mortgage and Car Loan Scheme is established by the Salaries and Remuneration Commission Circular No. SRC/ADM/CIR/1/13 Vol. III (128) of 17th December, 2014 on Schemes for State Officers and Other Public Officers of Government of Kenya, National Treasury Circular ZZ/MOF/26/03/86 of 16th September 2015 and ZZ/MOF/26/03/86/A (134) of 16th March 2016 to all public bodies. The Placement Service Staff Mortgage and Car Loan Scheme is wholly owned by Kenya Universities and Colleges Central Placement Service located in Nairobi, Kenya.

b) Principal Activities

The principal activities of the KUCCPS Staff Mortgage and Car Loan Scheme:

- a) To enable KUCCPS staff to access mortgage facilities;
- b) To enable KUCCPS staff to purchase cars.

The Placement Service Staff Mortgage and Car Loan Scheme is administered by the Housing Finance. There is a committee appointed by the Chief Executive Officer charged with the responsibility of;

- i. Processing loans from applicants in accordance with laid down approved regulations;
- ii. Setting up a revolving Scheme for the disbursement of loans; and
- iii. Supervising the day-to-day operations of The Placement Service Staff Mortgage and Car Loan Scheme.

The Vision of KUCCPS

The organisation's Vision is "An equitable, fair and efficient placement service." The core values of the entity are customer centricity, integrity, access and equity, innovativeness and teamwork.

The Mission of KUCCPS

To nurture careers through advisory services and placement to educational and training institutions.

c) Scheme Administration Committee

The Staff Mortgage and Car Loan Scheme Committee was re-constituted on 29th August 2022 with the following members;

No.	Designation	Name
1.	Chairperson	Christine Mwaka
2.	Member	Dr. John Oluoch
3.	Member	Michael Kimani
4.	Member	Faith Kaluai
5.	Member	Eric Asande
6.	Scheme Secretary	Nicholas Kanisa
8.	Scheme Administrator	Dr. Agnes Mercy Wahome

Key Scheme and Information Management (Continued)

d) Key Management

No.	Designation	Name
1.	Chief Executive Officer	Dr. Agnes Mercy Wahome
2.	Director, Corporate Services	Christine Mwaka
3.	Director, Strategy, Planning, Quality Assurance and Compliance	Dr. Christopher Yegon
4.	Director, Placement Coordination and Career Development	Dr. John Oluoch
5.	Finance Manager	Michael Kimani
6.	Manager, Human Resource and Administration	Nicholas Kanisa
7.	Manager, Placement Coordination and Career Development	Nancy Soila
8.	Manager, Information, Communication and Technology	Joseph Mwanja
9.	Manager, Supply Chain Management	Daina Kibogo
10.	Manager, Research and Knowledge Management	Dr. Victoria Gioto
11.	Manager, Corporate Communication	Paul Juma
	Manager, Internal Audit (Retired December 2022)	Faith Musya
12.	Manager, Internal Audit (Effective January 2023)	Martin Rono
13.	Manager, Legal and Corporation Secretary	Faith Kaluai

e) Fiduciary Oversight Arrangements

The Placement Service has put in place measures and structures to enforce fiduciary and oversight arrangements and ensure compliance. These structures comprise the Parliamentary Committees, Placement Board and Committees of the Board.

SN	Position	Name
1	Manager, Internal Audit	Martin Rono
2	Staff Mortgage and car Loan Advisory Committee	

f) Registered Offices

P.O. Box 105166-00101,
ACK Garden House, 1st Ngong Avenue,
Community Area
Nairobi, Kenya

Koinange Street/Kenyatta Avenue

i) Independent Auditor

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

g) Scheme Contacts

Telephone: (+254) 020 5137400,
0723954927
E-mail: ceo@kuccps.ac.ke
Website: www.kuccps.ac.ke

j) Principal Legal Adviser





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

h) Scheme Bankers

HFC
Rehani House,
P.O. Box 30088, 00100, Nairobi, Kenya






3. The Scheme Administration Committee

No.	Scheme Committee Members	Details
1.	 <p>Dr. Agnes Mercy Wahome Scheme Administrator and Chief Executive Officer</p> <p><i>PhD (Health Communication, JKUAT), M.A. Medical Sociology & B.A. Sociology and Communication (UON), Dip. Community Oral Health (KMTTC), Dip. Leadership in Strategic Health Communication (Johns Hopkins Center for Communication Program, USA)</i></p>	<p>The CEO is responsible for the day-to-day operations at the Placement Service.</p>
2.	 <p>Christine Mwaka Director, Corporate Services and Chairperson, KUCCPS Car Loan and Mortgage Scheme Committee</p> <p><i>MBA, Finance (UON), B. Education (Moi), CPA (K), Member (ICPAK, KIM, Institute of Directors (IOD))</i></p>	<p>The Director, Corporate Services is responsible for coordinating and overseeing the Directorate of Corporate Services incorporating the ICT, Human Resource & Administration, Corporate Communication & Customer Experience and Finance functions.</p>
3.	 <p>Dr. John Oluoch, PhD, MPRSK, MIHRM Director, Placement Coordination & Career Development</p> <p><i>PhD and Master's Degree in Communication Studies, Postgraduate Diploma in Strategic and Human Resource Management, Postgraduate Diploma in Public Relations, Bachelor's degree in Education</i></p>	<p>The Director, Placement Coordination & Career Development is responsible for coordinating and overseeing placement coordination and career development functions.</p>




4.	 <p>CPA Michael Kimani Manager, Finance <i>MBA (UoN), B Com. (KU), CPA-K, Member ICPAK</i></p>	The Finance Manager is responsible for budgeting, budgetary control, financial management and reporting at the Placement Service.
5.	 <p>Faith Kaluai Corporation Secretary and Legal Manager <i>LLM (KU), LLB (Moi), Dip. Law (KSL), Higher Diploma, HR Management, Member, LSK</i></p>	The Corporation Secretary and Legal Manager is responsible for management and administration of the Legal Department, statutory compliance and regulatory requirements.
6.	 <p>Nicholas Kanisa Manager, Human Resource and Administration <i>Secretary, Mortgage and Car loan Committee</i> <i>MSc. Human Resource Management (JKUAT), BSc. Human Resource Management (Moi), International Higher Diploma in HRM (Cambridge), Diploma in HRM (Moi), Certified Human Resource Professional of Kenya, Fellow of the Institute of Human Resource Management</i></p>	The Human Resource and Administration Manager is responsible for human capital management and administrative support services at the Placement Service.
7.	 <p>CPA Eric Saisi Asande Senior Accountant <i>MBA (JKUAT), B Com. (UON), CPA-K, Member ICPAK, IEA, KAPM</i></p>	The Senior Accountant is responsible for the payables and receivables function of the finance department.

4. Management Team

No.	Management Member	Details
1.	 <p>Dr. Agnes Mercy Wahome Scheme Administrator Chief Executive Officer</p> <p><i>PhD (Health Communication, JKUAT), M.A. Medical Sociology & B.A. Sociology and Communication (UON), Dip. Community Oral Health (KMTC), Dip. Leadership in Strategic Health Communication (Johns Hopkins Center for Communication Program, USA)</i></p>	<p>The CEO is responsible for the day-to-day operations at the Placement Service.</p>
2.	 <p>Dr. Christopher Yegon, MKIM Director, Strategy, Planning, Quality Assurance & Compliance</p> <p><i>PhD in Business Administration (JKUAT), MBA (UoN), Bachelor of Business Management (Moi), Diploma in Education</i></p>	<p>The Director, Strategy, Planning, Quality Assurance & Compliance is responsible for coordinating and overseeing the strategy and planning, research and knowledge management, quality assurance, risk and compliance functions in the organisation.</p>
3.	 <p>Dr. John Oluoch, MPRSK, MIHRM Director, Placement Coordination & Career Development</p> <p><i>PhD and Master's Degree in Communication Studies, Postgraduate Diploma in Strategic and Human Resource Management, Postgraduate Diploma in Public Relations, Bachelor's degree in Education</i></p>	<p>The Director, Placement Coordination & Career Development is responsible for coordinating and overseeing placement coordination and career development functions.</p>

4.		<p>Christine Mwaka Director, Corporate Services</p> <p><i>MBA, Finance (UON), B. Education (Moi), CPA (K), Member (ICPAK, KIM, Institute of Directors (IOD)</i></p>	<p>The Director, Corporate Services is responsible for coordinating and overseeing the Directorate of Corporate Services incorporating the ICT, Human Resource & Administration, Corporate Communication & Customer Experience and Finance functions.</p>
5.		<p>CPA Michael Kimani Manager, Finance</p> <p><i>MBA (UoN), B Com. (KU), CPA-K, Member ICPAK</i></p>	<p>The Finance Manager is responsible for budgeting, budgetary control, financial management and reporting at the Placement Service.</p>
6.		<p>Nyamambia Nyaribo Personal Assistant to CEO</p> <p><i>LLB (CUEA), Dip. Law (KSL), Member, LSK, CPM (K)</i></p>	<p>The PA to CEO is responsible for Providing administrative support to the CEO in managing her diary, the organisation of meetings and the maintenance of confidential documents and files.</p>
7.		<p>CPA Faith Musya, Manager, Internal Audit (Up to Dec 2022)</p> <p><i>MBA, B. Ed. (UoN), CPA-K, Member IIA, ICPAK</i></p>	<p>The Internal Audit Manager is responsible for financial and systems audit, assurance and risk advisory services at the Placement Service.</p>
8.		<p>CPA Martin Rono, Manager, Internal Audit (With Effect from January, 2023)</p> <p><i>MBA (KU), B. Com. (Egerton), CPA-K, CISA, Member ISACA & ICPAK</i></p>	<p>The Internal Audit Manager is responsible for financial and systems audit, assurance and risk advisory services at the Placement Service.</p>

9.		<p>Daina Kibogo, Manager, Supply Chain Management</p> <p><i>M. Sc. Procurement & Logistics (JKUAT), B.A. (Egerton), Dip. Supply Chain Management (ICM-UK), Member ICM, KISM</i></p>	<p>The Supply Chain Manager is responsible for procurement and supply chain operations at the Placement Service.</p>
10.		<p>Paul Juma Manager, Corporate Communication</p> <p><i>MA Communication Studies, B. Ed. (UoN), Member PRSK</i></p>	<p>The Corporate Communication Manager is responsible for the administration and management of publicity, corporate communication and customer experience at the Placement Service.</p>
11.		<p>Nancy Soila, Manager, Placement and Career Services</p> <p><i>MBA (KU), B. Ed (Moi), Member KIM</i></p>	<p>The Placement and Career Services Manager is responsible for career guidance and placement programmes and activities at the Placement Service.</p>
12.		<p>Dr. Victoria Gioto, PhD, Manager, Research and Knowledge Management</p> <p><i>PhD Climate Change & Adaptation, MA (Population Studies & Research), BSc. Mathematics (Statistics), Diploma in Management Information System, Member, IMIS.</i></p>	<p>The Manager, Research and Knowledge Management is responsible for the research and knowledge management operations.</p>

<p>13.</p>		<p>CHRP Nicholas Kanisa, FIHR Manager, Human Resource and Administration <i>Secretary, Mortgage and Car loan Committee</i></p> <p><i>MSc. Human Resource Management (JKUAT), BSc. Human Resource Management (Moi), International Higher Diploma in HRM (Cambridge), Diploma in HRM (Moi), Certified Human Resource Professional of Kenya, Fellow of the Institute of Human Resource Management</i></p>	<p>The Manager, Human Resource and Administration is responsible for human capital management and administrative support services. CHRP Kanisa joined the corporation in the last quarter of the financial year.</p>
<p>14.</p>		<p>Ms. Faith Kaluai, Manager, Legal and Corporation Secretary</p> <p><i>LLM (KU), LLB (Moi), Dip. Law (KSL), Higher Diploma, HR Management, Member, LSK</i></p>	<p>The Manager, Legal and Corporation Secretary is responsible for legal and corporation secretarial matters. Ms. Kaluai joined the corporation in the last quarter of the year ended.</p>
<p>15.</p>		<p>Mr. Joseph Mwanja, Manager, ICT</p> <p><i>MBA (Management Information Systems), BSc. ICT</i></p>	<p>The ICT manager is responsible for information communication technology operations at the Placement Service. Mr. Mwanja joined the corporation in the quarter under review.</p>

5. Chairman's Report



The Placement Service is pleased to present the Staff Mortgage and Car Loan Annual Report and Financial Statements for the year ended 30 June, 2023.

The Placement Service Staff Mortgage and Car Loan Scheme provides staff with the opportunity to buy, build or improve a house using a mortgage loan that is repayable within a term of up to 20 years. The KUCCPS Scheme also facilitates staff to acquire motor vehicles repayable within a term of up to five years. The Placement Service Staff Mortgage and Car Loan Scheme is in the sixth year of operation.

Rationale of the KUCCPS Staff Mortgage and Car Loan Scheme

To effectively execute its mandate towards the realisation of its Vision, the Placement Service endeavours to attract, motivate and retain top talent. The Placement Service Staff Mortgage and Car Loan Scheme was established as a means to achieving this goal. Through the Scheme, employees access housing and car loans at competitive concessionary interest rates. Since this is a revolving Scheme, upon a repayment, the recovered funds are lent out to other employees who present an application.

Additionally, by administering the Scheme and providing affordable housing loans to employees, the Placement Service will be supporting the Bottom-up Economic Transformation Agenda (BeTa) which has prioritised Housing and Settlement. The Government's objective is to facilitate the development of 250,000 affordable Housing Units per year. This is a transformative agenda that is expected to go beyond provision of decent homes to deserving Kenyans but also to trigger economic transformation, job and wealth creation.

Further, the Scheme emanates from the Car Loan and Mortgage Schemes for State and other Public Officers of the Government of Kenya that was established in December 2014 by the Salaries and Remuneration Commission (SRC) in collaboration with the National Treasury. The Placement Service is indeed grateful to the National Treasury and the Salaries and Remuneration Commission for their respective roles in enabling The Placement Service Staff Mortgage and Car Loan Scheme to achieve its objectives of facilitating staff access to the facility.

Governance and Management of the KUCCPS Staff Mortgage and Car Loan Scheme

The Placement Service has set up a revolving fund to facilitate the operation of the Scheme. KUCCPS also provides the governance and management capacity to run the scheme. The loan entitlement and conditions are stipulated in detailed KUCCPS Staff Mortgage and Car Loan Scheme regulations. The staff Mortgage and Car Loan Scheme Committee has been set up to oversee the administration and implementation of the Scheme. The committee has continuously sensitised staff on the loan terms and conditions in order to increase uptake. Further, the

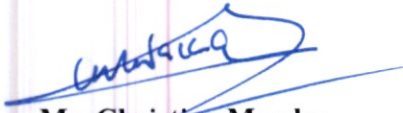
Management Committee has continuously engaged the administrator Housing Finance of Kenya to ensure members get a pool of service providers in order to get competitive rates.

During the period under review, the Committee held 12 meetings, considered and processed 16 applications worth Kshs. 108.6 million.

Sustainability of the KUCCPS Staff Mortgage and Car Loan Scheme

Through prudent management of resources, the Placement Service generated the initial capital of Kshs 120 million for the Staff Mortgage and Car Loan Scheme. To ensure sustainability, The Scheme operates as a revolving fund whereby the repayments by the past beneficiaries are utilised to provide loans to new applicants. Currently the fund stands at Kshs 340 million of which Kshs 40 is growth from the initial fund.

Finally, the Placement Board is grateful to the Government, which through National Treasury and the Ministry of Education, has continued to guide and support the Placement Service to improve the welfare of the staff through mortgage and car loan Scheme. It is anticipated that the provision of this facility shall encourage the staff to continue undertaking their duties and responsibilities with zeal and patriotism.



Ms. Christine Mwaka
Chairman, Mortgage and Car Loan Committee

**6. Report of the Placement Service Staff Mortgage and Car Loan Scheme Manager /
Administrator**



It is with honour and pleasure that I present the Placement Service financial statements of the Staff Mortgage and Car Loan Scheme for the fiscal year 2022/2023. These statements encompass the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Net Assets, and Statement of Cash Flows. Adhering to Government Financial Regulations and International Public Sector Accounting Standards (IPSAS), the KUCCPS demonstrated astute financial management, resulting in the proficient administration of the Staff Mortgage and Car Loan Scheme.

The operations and activities of the Placement Service Staff Mortgage and Car Loan Scheme throughout the Financial Year 2022/2023 ensured meticulous processing of loan applications through the dedicated Staff Mortgage and Car Loan Scheme Committee.

In this period, the Placement Service Staff Mortgage and Car Loan Scheme successfully finalised twelve (12) staff house mortgages, amounting to Kshs 105 million. Additionally, the Scheme facilitated four (4) car loans, with a total value of Kshs 3.6 million.

During the fiscal year, the Scheme's capital grew to Kshs 340 million, a commendable increase from the previous year (2021/2022FY) Kshs. 337 million. Going forward, the Placement Service is committed to continuing its efforts in securing budgetary allocations in the forthcoming financial years, thereby ensuring ongoing accessibility of this beneficial facility to the staff.

Appreciation is extended to the esteemed Board for its vision in establishing this Scheme, which has not only improved lives but also reaffirmed the Corporation's unwavering dedication to bolstering the aspirations of our valued employees.

Our steadfast commitment to nurturing this invaluable opportunity remains unwavering. We are resolute in our pursuit of continuously enhancing our initiatives to uplift the overall quality of life for our esteemed staff.

A handwritten signature in black ink that reads "Dr. Agnes Mercy Wahome". The signature is written in a cursive, flowing style.

Dr. Agnes Mercy Wahome
Chief Executive Officer/ Scheme Administrator

7. Corporate Governance Statement

a) Appointment and Removal of Staff Car Loan and Mortgage Committee

The Secretary/Chief Executive Officer appoints members of the Staff Car Loan and Mortgage Scheme Committee to oversee the implementation and administration of the Scheme as per the KUCCPS Staff Car Loan and Mortgage Regulations. In appointing the members, the Secretary/Chief Executive Officer ensures that the Placement Service is well represented, particularly on the key support areas.

The Staff Car Loan and Mortgage Committee is composed as follows:

	Position	Members
1.	Chairman	Christine Mwaka
2.	Member	Dr. John Oluoch
3.	Member	Michael Kimani
4.	Member	Faith Kaluai
5.	Member	Eric Asande
6.	Scheme Secretary	Nicholas Kanisa

b) Roles and functions of the Staff Car Loan and Mortgage Committee

The functions of the Car Loan and Mortgage Scheme Committee include;

- i) Receiving and considering staff loan applications and guided by the applicable regulations and recommending to the CEO for approval,
- ii) Reviewing and recommending changes to the Housing Mortgage and Car loan Schemes Regulations,
- iii) Coordinating staff sensitisation and awareness campaigns on the benefits of the Scheme and available products.

c) Committee Meeting Attendance 2022/2023

KUCCPS Staff Car Loan and Mortgage Scheme Committee held eight meetings during the period ended 30th June, 2023 as shown below.

S/No.	Date
1.	22 nd September, 2022
2.	13 th October, 2022
3.	15 th November, 2022
4.	14 th December, 2022
5.	20 th December, 2022
6.	15 th February, 2023
7.	4 th May, 2023
8.	29 th June, 2023

Attendance Register FY 2022/2023

S/No	Position	Members	Meetings Attended
1	Chairman	Christine Mwaka	8/8
2	Member	Dr. John Oluoch	7/8
3	Member	Michael Kimani	7/8
4	Member	Faith Kaluai	7/8
5	Member	Eric Asande	7/8
6	Scheme Secretary	Nicholas Kanisa	8/8

d) Conflict of Interest

The Committee members have an ethical duty to act honestly and in the best interest of the Scheme. Accordingly, members are encouraged to recuse themselves from discussing or voting on matters that a conflict of interest may exist.

e) Induction and Continuous Skills Development

New Committee members are provided with the tools that are generally relied upon in administering the Mortgage and Car Loan Fund upon being appointed.

8. Management Discussion and Analysis

a) Financial performance

In the financial year ended 30th June 2023, Kshs 46 million was disbursed, compared to Kshs 31 million in the previous year 2021/2022. In addition, the Scheme recorded a marginal decline to Kshs 4.5 million from interest earned compared to Kshs 5.9 million in 2021/2022.

b) Key projects or investments decision implemented

KUCCPS Staff Car Loan and Mortgage Scheme committee received twelve (12) applications for mortgage and four (4) applications for car loan, which were processed for further consideration with the Scheme regulations.

c) Compliance with statutory requirements

In the period, the KUCCPS Staff Car Loan and Mortgage Scheme complied with the statutory requirements.

d) Major risks facing the KUCCPS Staff Car Loan and Mortgage Scheme

Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk arises from bank balances, trade receivables and amounts due from related parties. The Scheme administrator Housing Finance on behalf of the Placement Service assesses the credit quality of each customer who are staff members, taking in to account its financial position, past experience and other factors.

Interest rate risk

The interest rate risk arises from investments in short term deposits and Government securities. The Scheme has not invested in short term deposits or Government securities other than the deposit with the bank for the purposes of mortgage and car loan disbursement.

Price risk

The Placement Service Staff Car Loan and Mortgage Scheme does not hold investments that would be subject to price risk.

Liquidity risk management

This is the risk that the Scheme will not meet its financial obligations when they fall due. The Placement Service approach to managing liquidity is to ensure it has sufficient liquidity to meet its liabilities when they fall due. Additionally, under both normal and stressed conditions, and without incurring unacceptable losses or at the risk of damaging reputation. KUCCPS ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

Material errors in statutory/financial obligations

The KUCCPS Staff Car Loan and Mortgage Scheme is up to date in remitting its statutory and financial obligations.

9. Environmental and Sustainability Reporting

Environmental Reporting

The management and operation of the Placement Service Staff Mortgage and Car Loan Scheme is committed to the principles of financial and environmental sustainability. The Scheme administration works with the KUCCPS Environmental Sustainability Committee to champion matters to do with safeguarding the environment. The Committee is responsible for developing and ensuring environmentally clean and health practices in the workplace. The achievements realised in the period include; adoption of paperless policy through use of emails and electronics devices to reduce use of paper.

Further, environmental conservation is a key focus for the Scheme's environmental sustainability interventions. In the year under review, a total of 7,254 trees were planted in secondary schools, TVET institutions and the Maasai Mau water tower. Further, the scheme complied with the Occupational Safety and Health Act in its operations, including sensitising staff to comply with relevant environmental laws and regulations while implementing projects funded by the Scheme.

Sustainability Reporting

The Placement Service Staff Mortgage and Car Loan Scheme operates as a revolving fund. This way, repayments by the past beneficiaries are utilised to provide loans to new applicants. A further amount of Kshs. 150 million was injected to the Scheme in the financial year 2020/2021. As a result, the Scheme has grown from the initial capital of Kshs 120 million in 2018 to Kshs. 340 million as at June 30, 2023.

10. Scheme Administration Committee

The Placement Service hereby submits the report together with the audited financial statements for the year ended 30 June, 2023, which shows the state of the Placement Service Staff Mortgage and Car Loan Scheme affairs.

Principal activities

The principal activities of the Placement Service Staff Mortgage and Car Loan Scheme continued to be facilitation of the Placement Service employees to acquire own cars for use travel to work and secure residential houses.

Performance

The Financial statements of the Placement Service Staff Mortgage and Car Loan Scheme for the year ended 30 June, 2023 are set out on page 1 to 5.

Trustees

The members of the Administration Committee who served during the year are shown on pages vii to xii.

Auditors

The Auditor-General is responsible for the statutory audit of the Placement Service Mortgage and Car Loan Scheme in accordance with Article 229 of the Constitution of Kenya, Public Audit Act 2015.

By Order of the Board



Faith Kaluai
Scheme Administration Committee

11. Statement of Management's Responsibilities

Section 85 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a scheme established pursuant to the Salaries and Remuneration Commission Circular No. SRC/ADM/CIR/1/13 Vol. III (128) of 17th December, 2014 on Schemes for State Officers and Other Public Officers of Government of Kenya; and National Treasury Circular ZZ/MOF/26/03/86 of 16th September 2015 and ZZ/MOF/26/03/86/A (134) of 16th March 2016 to all public bodies, shall prepare financial statements for the scheme in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the Scheme is responsible for the preparation and presentation of the Scheme's financial statements, which give a true and fair view of the state of affairs of the scheme for and as at the end of the period ended 30th June 2023. This responsibility includes:

- i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period
- ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the fund
- iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud
- iv) Safeguarding the assets of the fund;
- v) Selecting and applying appropriate accounting policies, and
- vi) Making accounting estimates that are reasonable in the circumstances.

The Administrator of the scheme accepts responsibility for the its financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Salaries and Remuneration Commission Circular No. SRC/ADM/CIR/1/13 Vol. III (128) of 17th

December, 2014 on Schemes for State Officers and Other Public Officers of Government of Kenya; and National Treasury Circular ZZ/MOF/26/03/86 of 16th September 2015 and ZZ/MOF/26/03/86/A (134) of 16th March 2016. The Administrator of the scheme is of the opinion that the scheme's financial statements give a true and fair view of the state of the Scheme's transactions during the period ended 30th June 2023 and of the Fund's financial position as at that date.

The Administrator further confirms the completeness of the accounting records maintained for the scheme, which have been relied upon in the preparation of the scheme's financial statements as well as the adequacy of the systems of internal financial control.

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

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

Approval of the financial statements

The Kenya Universities and Colleges Central Placement Service Scheme's annual financial statements was approved by the Board on 25th September, 2023 and signed on its behalf by:



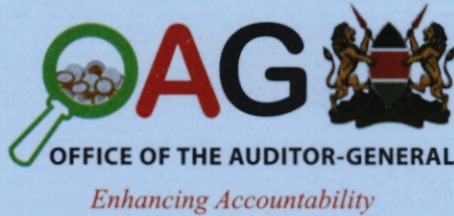
Dr. Agnes Mercy Wahome
Scheme Administrator/Chief Executive
Officer
31 August, 2023



Christine Mwaka
Chairman of The Placement Service Staff
Mortgage and Car Loan Scheme
31 August, 2023

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON KENYA UNIVERSITIES AND COLLEGES CENTRAL PLACEMENT SERVICE STAFF MORTGAGE AND CAR LOAN SCHEME FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Universities and Colleges Central Placement Service Staff Mortgage and Car Loan Scheme set out on pages 1 to 27, which comprise the statement of financial position as at 30 June, 2023, and the

Report of the Auditor-General on Kenya Universities and Colleges Central Placement Service Staff Mortgage and Car Loan Scheme for the year ended 30 June, 2023

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Universities and Colleges Central Placement Service Staff Mortgage and Car Loan Scheme as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Universities and Colleges Central Placement Service Staff Mortgage and Car Loan Scheme Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

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, I confirm that nothing 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

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 comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit was 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 considered 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 controls 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness in future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion,

- forgery, intentional omissions, misrepresentations, or the override of internal controls.
- 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 Scheme'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 Scheme to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Program 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 controls that are identified during the audit.

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

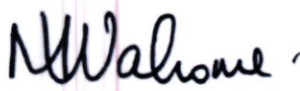
21 March, 2024

13. Statement of Financial Performance for the year ended 30th June 2023.

	Note	2022/2023 FY	2021/2022 FY
		Kshs.	Kshs.
Revenue from non-exchange transactions			
Transfers from KUCCPS	6	-	-
Total Revenue from exchange transactions		-	-
Revenue from exchange transactions			
Interest income	7	4,226,113	5,999,797
Total Revenue from exchange transactions		4,226,113	5,999,797
Total revenue		4,226,113	5,999,797
Expenses		-	-
		-	-
Surplus/(deficit) before tax	7	4,226,113	5,999,797
Taxation	12	(1,267,834)	-
Surplus/ (Deficit) after Tax		2,958,279	5,999,797

The notes set out on pages 6 to 35 form an integral part of these Financial Statements.

The financial statements were approved on 25th September 2023 by:



Dr. Agnes Mercy Wahome
Scheme Administrator

31 August 2023



Michael Kimani
Scheme Accountant

ICPAK M/No.5310

31 August 2023



Christine Mwaka
Chairman of the
Board/Scheme

31 August 2023

14. Statement of Financial Position as at 30 June, 2023

	Note	2022/2023	2021/2022
		Kshs.	Kshs.
Assets			
Current Assets			
Cash and cash equivalents	9	130,607,572	90,766,022
Receivables from exchange transactions		-	-
Receivables from Non- exchange transactions	10(a)	80,000,000	150,000,000
Total Current Assets		210,607,572	240,766,022
Non-current assets			
Receivables from exchange transactions	10 (b)	130,092,261	96,659,250
Total Non-Current Assets		130,092,261	96,659,250
Total Assets		340,699,833	337,425,272
Liabilities			
Trade and other payables	11	951,552	-
Taxation	12	1,267,834	-
Total Current Liabilities		2,219,386	-
Total Liabilities		2,219,386	-
Net assets			
KUCCPS Staff Mortgage Scheme Reserve	13	270,000,000	270,000,000
KUCCPS Staff Car Loan Reserve	13	30,000,000	30,000,000
Accumulated surplus	13	40,383,551	37,425,271
Total Net Assets		338,480,447	337,425,271
Total Net Assets and Liabilities		340,699,833	337,425,271

The accounting policies and explanatory notes on pages 6 to 35 to these financial statements form an integral part of the financial statements.

The Placement Service Staff Mortgage and Car Loan Scheme financial statements were approved on 25th September 2023 and signed by:



Dr. Agnes Mercy Wahome
Scheme Administrator

31 August 2023



Michael Kimani
Scheme Accountant

ICPAK M/No.5310

31 August 2023



Christine Mwaka
Chairman of the
Board/Scheme

31 August 2023

15. Statement of Changes in Net Assets for the year ended 30 June, 2023

	Mortgage Scheme	Car Loan Scheme	Accumulated surplus	Total
	Kshs.	Kshs.	Kshs.	Kshs.
As at 1 July 2021	31,425,475	30,000,000	270,000,000	331,425,475
Surplus/(deficit) for the period	5,999,797	-	-	5,999,797
Schemes received during the year	-	-	-	-
Transfers	-	-	-	-
As at 30 June 2022	37,425,272	30,000,000	270,000,000	337,425,272
Balance as at 1 July 2022	37,425,272	30,000,000	270,000,000	337,425,272
Surplus/(deficit) for the period	4,226,113			4,226,113
Schemes received during the year				
Transfers				
Tax Paid for Previous Year	(1,903,104)			(1,903,104)
Taxation for the Year	(1,267,834)			(1,267,834)
As at 30 June 2023	38,480,447	30,000,000	270,000,000	338,480,447

16. Statement of Cash Flows for the year ended 30th June 2023

	Note	2022/2023 FY	2021/2022 FY
		Kshs.	Kshs.
Cash flows from operating activities			
Receipts			
Transfers from Parent Ministry/ SC/SAGA	6	-	-
Interest received	7	4,502,934	5,999,798
Proceed from Non exchange debtors	10(a)	70,000,000	-
Total Receipts		74,502,934	5,999,798
Payments			
Total payments		-	-
Net cash flow from operating activities		74,502,934	5,999,798
Cash flows from investing activities			
Proceeds from loan principal repayments		11,563,576	4,290,944
Loan disbursements paid out		(46,224,960)	(31,302,364)
Net cash flows used in investing activities		(34,661,384)	(27,011,420)
Cash flows from financing activities			
Receipts into the mortgage revolving Scheme		-	-
Receipts into the car loan revolving Scheme		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		39,841,550	(21,011,622)
Cash and cash equivalents at 1 July		90,766,022	111,777,644
Cash and cash equivalents at 30 June 2023		130,607,572	90,766,022

17. Statement of Comparison of Budget and Actual amounts for the year ended 30th June 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
	A	b	C=(a+b)	d	e=(c-d)	F=d/c
Revenue						
Transfers from other Parent Ministry	-	-	-	-	-	0%
Interest income	-	-	-	4,226,113	(4,226,113)	
Other income	-	-	-	-	-	
Total Revenue				4,226,113	(4,226,113)	
Expenses						
Use of goods and services	-	-	-	-	-	0%
Finance cost	-	-	-	-	-	0%
Expenditure	-	-	-	-	-	0%
Surplus for the period	-	-	-	-	4,226,113	
Capital Expenditure	-	-	-	-	-	0%

The Placement Service had not factored any budget other than the revolving funds which was operating within the scheme

Prepared by: Michael Kimani

Sign: 

Date: 31 August 2023

Scheme Accountant

Confirmed by: Dr. Agnes Mercy Wahome
Scheme Administrator

Sign: 

Date: 31 August 2023

18. Notes to the Financial Statements

1. General Information

The Placement Service Staff Mortgage and Car Loan Scheme established pursuant to the Salaries and Remuneration Commission Circular No. SRC/ADM/CIR/1/13 Vol. III (128) of 17th December, 2014 on staff Car Loan and Mortgage Schemes for State Officers and Other Public Officers of Government of Kenya, National Treasury Circular ZZ/MOF/26/03/86 of 16th September 2015 and ZZ/MOF/26/03/86/A (134) of 16th March 2016 to all public bodies and the KUCCPS staff car loan and mortgage 2017.

2. Statement of Compliance and Basis of Preparation

The Financial Statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Placement Service Staff car loan and mortgage Scheme accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Placement Service Staff Mortgage and Car Loan Scheme.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, and the Universities Act No. 54 of 2012, Section 28 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption Of New and Revised Standards

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2023.

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of The Placement Service Staff Car Loan and Mortgage Scheme’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> i. Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; ii. Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and iii. Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between the Placement Service Staff Car Loan and Mortgage Scheme’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>This will not affect the Placement Service Staff car loan and mortgage Scheme.</p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance,</p>

Standard	Effective date and impact:
	<p>faithful representativeness and comparability of the information that a reporting KUCCPS Staff Mortgage and Car Loan Scheme provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> a) The nature of such social benefits provided by the Placement Service Staff Mortgage and Car Loan Scheme; b) The key features of the operation of those social benefit the Placement Service Staff Mortgage and Car Loan Schemes; and c) The impact of such social benefits provided on the Placement Service Staff Mortgage and Car Loan Scheme's financial performance, financial position and cash flows. <p>This will not affect the Placement Service Staff Mortgage and Car Loan Scheme.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

Standard	Effective date and impact:
	This will not affect the Placement Service Staff Mortgage and Car Loan Scheme.
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p> <p>This will not affect the Placement Service Staff Mortgage and Car Loan Scheme.</p>
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the Placement Service Staff Mortgage and Car Loan Scheme.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to</p>

Standard	Effective date and impact:
	<p>be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the Placement Service Staff Mortgage and Car Loan Scheme.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

iii. Early adoption of standards

The Placement Service Staff Mortgage and Car Loan Scheme did not early – adopt any new or amended standards in the year 2022/23.

4. Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property). In case the transfer is free from conditions, it is probable that the economic benefits or service potential related to the asset will flow to the Placement Service Staff Mortgage and Car Loan Scheme and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realized in the statement of comprehensive income over the useful life of the assets that has been acquired using such Schemes.

ii) Revenue from exchange transactions

Interest income

The Placement Service Staff Mortgage and Car Loan Scheme will have a Current bank account for the staff car loan account and mortgage account. KUCCPS expects to receive future cash receipts from the current accounts.

b. Budget information

The original budget for FY 2022-2023 was approved by the National Assembly. Subsequent revision and additional appropriations were made to the approved budget in accordance with specific approvals from the Placement Board and The National Treasury and Planning. The additional appropriations are added to the original budget by The Placement Service Staff Mortgage and Car Loan Scheme upon receiving the respective approvals from the Placement Board and The National Treasury and Planning to conclude the final budget. Accordingly, The Placement Board recorded no appropriation on the 2022-2023 budget following the governing body's approval.

Significant Accounting Policies (Continued)

KUCCPS Staff Mortgage and Car Loan Scheme budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement on financial performance, whereas the budget is prepared on a cash basis.

c. Financial instruments

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

I. Financial assets

Classification of financial assets

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

Significant Accounting Policies (Continued)

through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Significant Accounting Policies (Continued)

Trade and other receivables

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

Impairment

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

II. Financial liabilities

Classification

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

d. Contingent liabilities

The Placement Service Staff Mortgage and Car Loan Scheme does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

The Placement Service Staff Mortgage and Car Loan Scheme had no contingent liability during the year.

e. Contingent assets

The Placement Service Staff Mortgage and Car Loan Scheme does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of The Placement Service Staff Mortgage and Car Loan Schemes in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the

Significant Accounting Policies (Continued)

asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

The Placement Service Staff Mortgage and Car Loan Scheme had no contingent assets during the year.

f. Nature and purpose of reserves

Placement Service Staff Mortgage and Car Loan Scheme creates and maintains reserves in terms of specific requirements. Reserves are listed as below;

- i) Accumulated Surplus – this is the sum of all accumulated surplus and deficits as at the reporting date.
- ii) Placement Service Staff Mortgage and Car Loan Scheme– this represents Schemes set aside as seed money to operationalize The Placement Service Staff Mortgage and Car Loan Scheme once opening of the Bank Account is approved by the National Treasury and Planning

g. Changes in accounting policies and estimates

The Placement Service Staff Mortgage and Car Loan Scheme recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

h. Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

Significant Accounting Policies (Continued)

i. Related parties

The Placement Service Staff Mortgage and Car Loan Scheme regards a related party as a person or entity with the ability to exert control individually or jointly, or to exercise significant influence over The Placement Service Staff Mortgage and Car Loan Scheme, or vice versa. Members of key management are regarded as related parties and comprise the Directors/ Trustee, The Placement Service Staff Mortgage and Car Loan Scheme Managers, and Scheme Accountant.

j. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call, and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances at Housing Finance at the end of the financial year.

k. Comparative figures

The Placement Service Staff Mortgage and Car Loan Scheme was established and became operational in the year 2017, comparative figures are for 2021/2022 financial year.

l. Events after the reporting period

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

m. Ultimate and Holding Scheme

The Placement Service Staff Mortgage and Car Loan Scheme is established under Section 24 (4) PFM Act under the Ministry of Education. Its ultimate parent is the Government of Kenya.

n. Currency

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

Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

a) Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of The Placement Service Staff Mortgage and Car Loan Scheme. Such changes are reflected in the assumptions when they occur.

b) Useful lives and residual values

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

- i) The condition of the asset is based on the assessment of experts employed by The Placement Service Staff Mortgage and Car Loan Scheme
- ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- iii) The nature of the processes in which the asset is deployed
- iv) Availability of funding to replace the asset
- v) Changes in the market in relation to the asset

Notes to the Financial Statements

6. Transfers from the Parent Ministry/SC/SAGA

Description	2022/23	2021/2022
	Kshs.	Kshs.
Transfers from Government entities– operations	-	-
Payments by Government entity on behalf of the Placement Service Staff Car Loan and Mortgage Scheme	-	-
Total	-	-

The Placement Service Staff Mortgage and Car Loan Scheme did not receive any transfer during the year.

7. Interest income

Description	2022/23	2021/22
	Kshs.	Kshs.
Interest Income from Car Loan and Mortgage Loans	4,226,113	5,999,798
Total Interest Income	4,226,113	5,999,798

The Placement Service staff car loan and mortgage Scheme funds earned interest from Staff loans and market rate for the unutilised deposit.

8. Interest Income Statement of Financial Performance Reconciliation with Statement of Cash flows

Description	2022/23	2021/22
	Kshs.	Kshs.
Interest Income from Car Loan and Mortgage Loans (Statement of Financial Performance)	4,226,113	5,999,798
Less: Withholding tax on interest for 2022/2023	(633,917)	-
Back Up Account Interest for 2021 received in 2023	910,738	-
Interest Income from Car Loan and Mortgage Loans (Statement of Cash Flow)	4,502,933	5,999,798

9. Cash and Cash equivalents

Description	2022/23	2021/22
	Kshs.	Kshs.
KUCCPS Staff Mortgage Account	94,968,729	55,245,244
KUCCPS Staff Car loan Account	35,638,842	35,520,777
Total Cash and Cash equivalents	130,607,572	90,766,022

Notes to the Financial Statements (continued)

9 (a) Detailed analysis of the cash and cash equivalents in banks approved by National Treasury in line with Section 28 of the PFM Act are as follows:

		2022/23	2021/22
Financial Institution	Account number	Kshs.	Kshs.
KUCCPS Staff Car Loan & Mortgage			
HF -Mortgage Account	2211863401	94,968,729	54,334,506
HF -Car loan Account	2211863402	35,638,842	35,520,777
Grand Total		130,607,572	89,855,283

9 (b) Reconciliation of Cash and Cash equivalents

Description	2022/23	2021/22
	Kshs.	Kshs.
Cash and Cash equivalents as per statement of financial position	130,607,572	90,766,022
Amount in cashbook not reflected in Bank statement	-	910,739
Cash and Cash equivalents as per bank confirmation	130,607,572	89,855,283

10 (a) Receivables from Non-Exchange transactions

Description	2022/23	2021/22
	Kshs.	Kshs.
Transfers from GOK	-	-
Transfer from KUCCPS main account	80,000,000	150,000,000
Total Receivables from Non-Exchange Transactions	80,000,000	150,000,000

The amount was provided for by the Placement Service Board and is receivable by the Placement Service Staff Mortgage and Car Loan Scheme. During the year Kshs 70 million was received from the KUCCPS main account.

10 (b) Receivables from Exchange transactions

Description	2022/23	2021/22
	Kshs.	Kshs.
Long term Receivables from Car Loan and Mortgage Scheme	129,458,344	95,707,698
Other Exchange Debtors (Withheld tax on interest 15%)	633,917	951,552
Total Long Term Receivables from Scheme	130,092,261	96,659,250

Notes to the Financial Statements (continued)

11. Trade and Other Payables

Description	2022/23	2021/22
	Kshs.	Kshs.
Trade and Other Payables	951,552	-
Total Trade and Other Payables	951,552	-

The payable for the period include tax component of Kshs 951,552 for the KUCCPS Staff Car Loan and Mortgage for the financial year 2021/2022 paid for from the Placement Service main account and yet to be refunded.

12. Taxation

Description	2022/23	2021/22
	Kshs.	Kshs.
Income tax charge	-	-
Tax Charged on Interest Income	1,267,834	1,799,939
Income Tax expense	1,267,834	1,799,939

During the year a tax of Kshs 1,903,104 was paid for the previous from the Placement Service main account. An amount of Kshs 951,552 was carried forward as payable from the Staff Mortgage account.

13. Reserves

Description	2022/23	2021/22
	Kshs	Kshs
KUCCPS staff Mortgage Reserve	270,000,000	270,000,000
KUCCPS staff Car loan Reserve	30,000,000	30,000,000
Revenue Reserve	38,480,447	37,425,272
Total Staff Mortgage and Car Loan Reserve	338,480,447	337,425,272

Notes to the Financial Statements (continued)

14. Net cash flows from operating activities

Description	2022/23	2021/22
	Kshs.	Kshs.
Surplus/ (deficit) for the year before tax	4,226,113	5,999,798
Adjusted for:		
Depreciation/Amortisation	-	-
Gains/ losses on disposal of assets	-	-
Interest income	-	-
Finance cost	-	-
Working capital adjustments		
Increase in inventory	-	-
Increase in receivables	(35,615,437)	(27,011,420)
Increase in payables	-	-
Taxation	1,267,834	-
Net cash flow from operating activities	(30,121,490)	(21,011,623)

15. Financial risk management

The Placement Service Staff Mortgage and Car Loan Scheme's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Placement Service Staff Mortgage and Car Loan Scheme's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Placement Service Staff Mortgage and Car Loan Scheme does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Placement Service Staff Mortgage and Car Loan Scheme's financial risk management objectives and policies are detailed below:

Notes to the Financial Statements (continued)

a) Credit risk

The Placement Service Staff Mortgage and Car Loan Scheme has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by The Placement Service Staff Mortgage and Car Loan Scheme's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing The Placement Service Staff Mortgage and Car Loan Scheme's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs.	Fully performing Kshs.	Past due Kshs.	Impair ed Kshs.
At 30 June 2023				
Receivables From Exchange Transactions-Car loans and mortgages	-	-	-	-
Receivables From Non-Exchange Transactions	80,000,000	80,000,000	-	-
Bank Balances	131,043,813	31,043,813	-	-
Total	211,043,813	211,043,813	-	-
At 30 June 2022				
Receivables From Exchange Transactions- Car loans and mortgages	-	-	-	-
Receivables From Non-Exchange Transactions	150,000,000	150,000,000	-	-
Bank Balances	90,766,022	90,766,022	-	-
Total	240,766,022	240,766,022	-	-

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that The Placement Service Staff Mortgage and Car Loan Scheme has

Notes to the Financial Statements (continued)

recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Placement Service Staff Mortgage and Car Loan Scheme has significant concentration of credit risk on amounts due from xxx.

The board of trustees sets The Placement Service Staff Mortgage and Car Loan Scheme's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with The Placement Service Staff Mortgage and Car Loan Scheme Administrator, who has built an appropriate liquidity risk management framework for the management of The Placement Service Staff Mortgage and Car Loan Scheme's short, medium, and long-term Scheming and liquidity management requirements. The Placement Service Staff Mortgage and Car Loan Scheme manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by The Placement Service Staff Mortgage and Car Loan Scheme under non-derivative financial liabilities by their remaining contractual

Notes to the Financial Statements (continued)

maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs.	Kshs.	Kshs.	Kshs.
At 30 June 2023				
Trade Payables	951,552,			951,552
Total	951,552,			951,552
At 30 June 2022	-	-	-	-
Trade Payables	-	-	-	-
Total	-	-	-	-

c) Market risk

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

Notes to the Financial Statements (continued)

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

The Placement Service Staff Mortgage and Car Loan Scheme's Finance Department is responsible for the development of detailed risk management policies and for the day-to-day implementation of those policies.

There has been no change to the Placement Service Staff Mortgage and Car Loan Scheme's exposure to market risks or the manner in which it manages and measures the risk.

d) Interest rate risk

Interest rate risk is the risk that The Placement Service Staff Mortgage and Car Loan Scheme's financial condition may be adversely affected as a result of changes in interest rate levels. The Placement Service Staff Mortgage and Car Loan Scheme's interest rate risk arises from bank deposits. This exposes The Placement Service Staff Mortgage and Car Loan Scheme to cash flow interest rate risk. The interest rate risk exposure arises mainly from

Notes to the Financial Statements (continued)

interest rate movements on The Placement Service Staff Mortgage and Car Loan Scheme's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Notes to the Financial Statements (continued)

e) Capital risk management.

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

Description	2022/2023 FY	2021/2022 FY
	Kshs.	Kshs.
Revolving KUCCPS Staff Mortgage and Car Loan Scheme	300,000,000	300,000,000
Accumulated surplus (<i>Reserves</i>)	40,383,551	37,425,272
Total Schemes	340,383,551	337,425,272
Less: cash and bank balances	(130,607,572)	(90,766,022)
Net debt/(excess cash and cash equivalents)	209,775,979	246,659,250
Gearing	-	-

16. Events after the Reporting Period

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

17. Ultimate And Holding Entity

The Scheme is under the Placement Service which is a semi-autonomous government agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

18. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest shilling.

19. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1	Variance between Financial statements and ledger schedules balances	The receivable from the Non-exchange transactions of Kshs 150 million relate to the amount that was appropriated but not yet transferred to the HFC bank Mortgage and Car Loan Deposit account while Kshs Kshs 95,707,698 is receivable from exchange transactions of Kshs 96,659,250 excluding Kshs 951,552.Kshs 5,999,797 is a revenue and not a receivable and therefore not comparable with the receivable.	Not resolved	30 June, 2024
1.2	Cash and Cash equivalents	There are only two deposit account with the HFC bank. The other two account are debtors issued to staff which are mirrored in the bank back up accounts. The two cannot be	Not resolved	30 June, 2024

*Kenya Universities and Colleges Central Placement Service Car loan/Mortgage Scheme
Annual Report and Financial Statements For the year ended 30 June, 2023*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		treated as separate asset account otherwise there will be a risk of double counting the same. They are therefore treated as control account for receivables.		
1.3	Statement of Financial Performance	The amount of Kshs 122,566 reflected in the bank statement is a withholding tax on interest and does not amount to expense. All tax earned are subject to 15% withholding tax.	Not resolved	30 June, 2024

M Wahome

**Dr. Agnes Mercy Wahome
Chief Executive Officer/ Scheme Administrator**


31 August, 2023

Annex II: Inter-Scheme Confirmation Letter

The Placement Service wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Scheme] as at 30 th June 2023						
Reference Number	Date Disbursed	Amounts Disbursed by KUCCPS Staff Mortgage and Car Loan Scheme (Kshs) as at 30th June 2023			Amount Received by KUCCPS Staff Car Loan and Mortgage Scheme (Kshs) as at 30 th June 2023 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)		
	N/A					
Total						

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


Head of Accounts Department at the Placement Service Staff Mortgage and Car Loan Scheme
CPA Michael Kimani
30 June, 2023

Annex III: Reporting of Climate Relevant Expenditures

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

The Placement Service Scheme did not have expenditure under this category

Annex IV: Reporting on Disaster Management Expenditure

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

The Placement Service Scheme did not have expenditure under this category