

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

**KENYA PLANT HEALTH INSPECTORATE
SERVICE MORTGAGE SCHEME**

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

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 05 MAR 2024

DAY:

WED

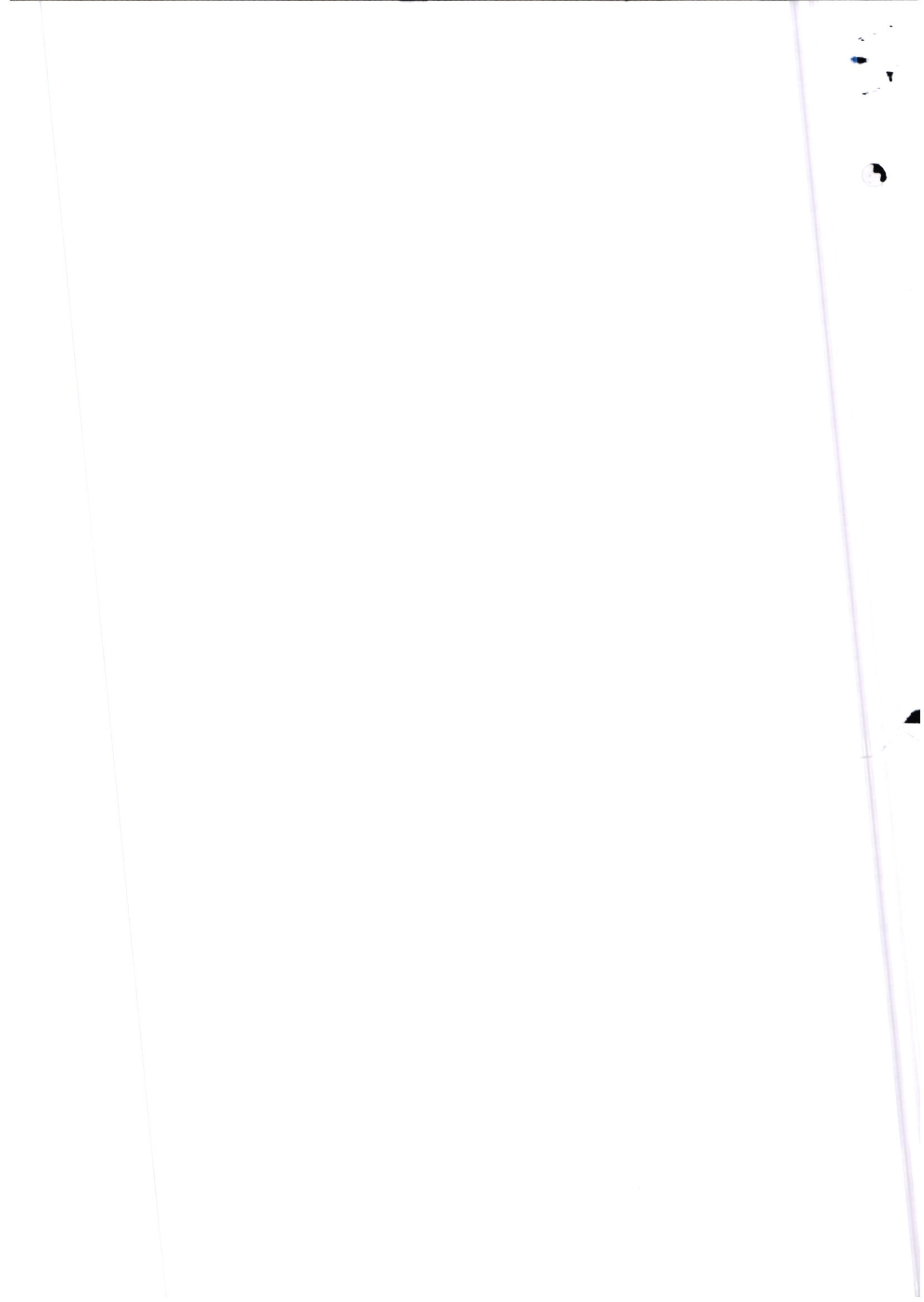
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John Owen Baya, MP
Deputy Leader, Majority Party

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KEPHIS MORTGAGE SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

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*KEPHIS Mortgage Scheme
Annual Report and Financial Statements for the year ended 30th June 2023*

1. Acronyms, Abbreviations and Glossary of Terms

MD	Managing Director
BOD	Board of Directors
KEPHIS	Kenya Plant Health Inspectorate Service
CPAK	Certified Public Accountant of Kenya
KCB	Kenya Commercial Bank
S&L	Savings & Loan
CSS	Corporate Social Sustainability (CSS)
IPSAS	International Public Sector Accounting Standards)
OAG	Office of the Auditor General
PFM	Public Finance Management
FY	Financial Year

2. Key Fund information and management

a) Background information

KEPHIS Mortgage Scheme is through a signed contract between Kenya Plant Health Inspectorate Service and Savings & Loan Kenya Limited (Now KCB Group) to provide housing to KEPHIS staff. S&L was a fully owned subsidiary of Kenya Commercial Bank Limited and duly licensed mortgage financing institution. KEPHIS entered into the agreement with S&L (Now KCB Group) to formalize this arrangement through a contract signed on 19th May 2009. An initial deposit of Kshs. Sixty Million was paid on 16th January 2013 to operationalise this fund.

b) Administration of the scheme

The administration of the scheme is subject to normal lending requirements of S&L (Now KCB Group). S&L advises the applicants of their terms prior to approval of the loan. S&L and KEPHIS may review from time to time the terms of the agreement upon serving either party a month's notice of its intention to do so. An addendum is prepared upon any review and forms part of the original agreement.

c) Board of Trustees/Fund Administration Committee

The Fund is fully administered by S& L (Now KCB Group).

d) KEPHIS Headquarters

P.O. Box 49592 -00100
Oloolua Ridge, Karen
Nairobi, KENYA

e) KEPHIS Contacts

Telephone :254 0206618000/0709891000
E-mail: director@kephis.org
Website: www.kephis.org

f) Fund Bankers

Kenya Commercial Bank Ltd
P.O Box 7206 00100
NAIROBI

g) Independent Auditors

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

h) Principal Legal Adviser

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

3. Management Discussion and Analysis

S&L are charged with the responsibility of processing loans from applicants in accordance with laid down approved regulations, setting up a revolving Fund for the disbursement of loans, and supervising the day-to-day operations of the Fund. Currently, an interest of 4% is charged to staff for the facility by KCB Group. This interest is KCB Group Income. Interest Income recognised by KEPHIS is from funds available for disbursement currently standing at 2,164,687.

KCB group provides KEPHIS with a certificate of interest earned in the year, staff loan balances and amounts available for disbursement as. This information was provided to KEPHIS at the end of Financial Year 2022/23 and is the basis for preparation of these financial statements.

As at 30th June 2023 the fund had disbursed loans amounting to Kshs. 53,647,398.45. An approved mortgage amount of 6,000,000 was yet to be disbursed with available amount for disbursement excluding approved standing at Kshs. 2,517,288.55. The total scheme funds was Kshs. 62,164,687 made up of Fund amount of 60,000,000 and interest receivable of Ksh. 2,164,687. In Financial year 22/23 mortgage amounts issued to staff amounted to Kshs. 21,147,804 while Kshs. 6,502,480.16 was paid off in the year. More staff would want to use this facility but funds are a limitation.

4. Report on the Mortgage Scheme

Principal Activities

The principal activities of the Fund are financial assistance to KEPHIS employees to enable them acquire residential homes in Kenya. S&L are charged with the responsibility of processing loans from applicants in accordance with laid down approved regulations, setting up the revolving Fund for the disbursement of loans, and supervising the day-to-day operations of the Fund.

Performance

The performance of the Fund for the year ended June 30, 2023, is set out on page 10-13.

Auditors

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

By Order of the Board



.....
Chair of the Board

Date: 24/01/2024

5. Corporate Governance Statement

The KEPHIS Act, No. 54 of 2012 Laws of Kenya, in Section 8 provides that the Board shall comprise of; a Chairman, seven (7) independent, non-executive members, appointed from among persons experienced in agriculture, horticulture, seed and administration; the following statutory members; the Principal Secretaries to the National Treasury and Planning; the Ministry of Agriculture, Livestock, Fisheries and Co-operatives; and the Managing Director who is the Secretary to the Board. The Board brings together Members from different professional backgrounds with diverse skills, competencies and strives to comply with the constitutional gender balance requirements.

During the 2022/2023 financial year, composition of the Board was as follows:

Name	Position
Hon. Peter Weru Kinyua	Chairman (Effective from 13 th July 2022 to 29 th June 2023)
Hon. Joseph M’eruaki	Chairman (Effective from 30 th June 2023)
Prof. Theophilus M. Mutui (Ph.D.)	Managing Director (Effective 11 th December 2020)
Mr. Julius Mutua	Alternate Director to the Cabinet Secretary, National Treasury and Planning
Mr. James Wanjohi	Alternate Director to the Principal Secretary, State Department for Crop Development and Agricultural Research
Mr. Chrisologus Makokha	Alternate to the Inspector General, Inspectorate of State Corporations
Mr. Silas Killingo	Independent Board Member – Effective from 27 th October 2021
Ms. Lucky Litole	Independent Board Member – Exited 3 rd May 2023
Mr. Moses Atuko	Independent Board Member – Effective from 27 th October 2021
Dr. Rose Njeru	Independent Board Member – Effective from 27 th October 2021
Prof. Albert Kimutai	Independent Board Member-Effective from 30 th June 2023
Ms. Marstella Bahati	Independent Board Member -Term expired on 3 rd May 23
Dr. Stephen Kirimi Maore	Independent Board Member -Term expired on 3 rd May 23
Mr. Ronald Juxton Abonyo	Independent Board Member -Term expired on 3 rd May 23

6. Key Management-Fund Administration

Ref	Position	Name
1	Managing Director	Prof. Theophilus M. Mutui(Ph.D.)
2	Director Corporate Services	Mr. Bartonjo Cheptarus
3	Deputy Director-Human Capital	Mrs Lydia Rotich

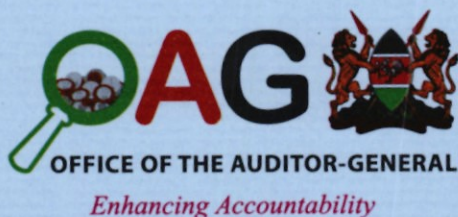
Fiduciary Oversight Arrangements

Ref	Position	Name
1	HRAC committee	Advisory Committee
2	Senior Manager-Internal audit & Risk	Mr. Raphael Nderitu

7. Environmental and Sustainability Reporting

KEPHIS conducts Corporate Social Sustainability (CSS) activities in the areas under its jurisdiction. The corporation supports activities that positively affect the environment and social and governance targeted activities. However, the mortgage fund was used to issue home loans to staff through S&L (Now KCB Group).

REPUBLIC OF KENYA



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

REPORT OF THE AUDITOR-GENERAL ON KENYA PLANT HEALTH INSPECTORATE SERVICE MORTGAGE 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 the 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the Kenya Plant Health Inspectorate Service Mortgage Scheme set out on pages 14 to 22, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial

Report of the Auditor-General on Kenya Plant Health Inspectorate Service Mortgage Scheme for the year ended 30 June, 2023

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya Plant Health Inspectorate Service Mortgage 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 contract signed on 19 May, 2019 between KEPHIS Management and Savings and Loans Limited (Now KCB group) on Employee Special Housing Scheme and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Presentation and Disclosure of the Financial Statements

A review of the financial statements submitted for audit revealed the following anomalies;

- (i) The statements do not indicate the reporting framework used in preparation of the financial statements.
- (ii) Notes to the financial statements are shown as roman numbers instead of numeric numbers as per the reporting template.
- (iii) Page number 15 have been repeated twice.
- (iv) The statement of changes in net assets did not include detailed comparative figures as per the reporting template and the year end balances is shown as at 30 June, 20 22 instead of 30 June, 2023.

In the circumstances, the accuracy and fair presentation of the above balances included in the financial statements could be confirmed.

2.0 Unsupported Cash Balances

The statement of financial position reflects a Nil balance in respect of cash and cash equivalents. However, the certificate of bank balance provided for audit reflects a balance of Kshs.11,875.05, Kshs.6,927,529.61 and Kshs.55,225,292.79 for account numbers 1112482717, MM1714569478 and MM211910F6T respectively. Further these bank balances are not supported with bank reconciliation statements and cashbooks.

In the circumstances, the accuracy and completeness of the cash and cash equivalents Nil balance could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Plant Health Inspectorate Service Mortgage Scheme 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.

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 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 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 Administrators of the Scheme

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 such 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 Scheme's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Scheme or to cease operations.

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

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

Those charged with governance are responsible for overseeing the 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 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 controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of

the internal control would not necessarily disclose all matters in the internal controls 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 to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the 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 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 Scheme to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

16 February, 2024

8. Statement of Management's Responsibilities

Section 84 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a Fund shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The administrator of the fund is S& L (KCB Group) whose responsibility as per the signed agreement includes:

- i. Processing loans from applicants in accordance with laid down approved regulations
- ii. Setting up a revolving Fund for the disbursement of loans
- iii. Supervising the day-to-day operations of the Fund.

From the information and statements provided by S&L (KCB Group), KEPHIS has prepared the Fund's financial statements, which give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2023, and of the Fund's financial position as at 30th June 2023.

KEPHIS has relied upon the completeness of the accounting records maintained for the Fund by KCB Group in the preparation of these Fund's financial statements as well as the adequacy of the systems of internal financial control.

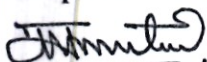
Nothing has come to the attention of KEPHIS to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

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

Managing Director

Prof. Theophilus M. Mutui (Ph.D.)

Sign: 

Date: 24/01/2024

Chairman of the Board

HON. Joseph M'eruaki

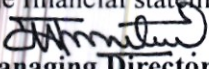
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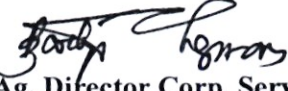
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10. Statement of Financial Performance for the year ended 30th June 2023.

Description	Note	2022/23	2021/22
		Kshs.	Kshs.
Revenue from non-exchange transactions			
Transfers from other Parent Ministry/ SC/SAGA		-	-
		-	-
Revenue from exchange transactions			
Interest income	v	66,974	155,259
Other income		-	-
	v	66,974	155,259
Total revenue		66,974	155,259
Expenses			
Employee costs		-	-
Use of goods and services		-	-
Depreciation and amortization expense		-	-
Finance costs	vii	1,065	595
Total expenses		1,065	595
Other gains/losses			
Gain/loss on disposal of assets		-	-
Surplus/(deficit) before tax		-	-
Taxation		-	-
Surplus/Deficit after Tax		65,909	154,664

The financial statements were approved by:


Managing Director
Prof. Theophilus M. Mutui(Ph.D.)


Ag. Director Corp. Services
Mr. Bartonjo Cheptarus
CPAK Member No. 4391


Chairman of the Board
HON. Joseph M'eruaki

Date. 24/01/2024.

Date. 23/01/2024.

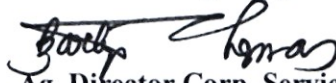
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11. Statement of Financial Position as at 30th June 2023

Description	Note	2022/23	2021/22
		Kshs.	Kshs.
Assets			
Current assets			
Cash and cash equivalents		-	-
Receivables from exchange transactions		-	-
Receivables from Non- exchange transactions	vii	2,164,687	2,098,778
Prepayments		-	-
Inventory		-	-
Total Current Assets		2,164,687	2,098,778.00
Non-current assets			
Receivables from exchange transactions		60,000,000	60,000,000
Property, plant, and equipment		-	-
Intangible assets		-	-
		60,000,000	60,000,000
Total assets		62,164,687	62,098,778
Liabilities			
Trade and other payables		-	-
Total Current Liabilities		-	-
Total liabilities		-	-
Net assets		62,164,687	62,098,778
Mortgage revolving fund		60,000,000	60,000,000
Accumulated surplus (<i>Reserves</i>)		2,164,687	2,098,778.00
Total net assets and liabilities		62,164,687	62,098,778

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Fund financial statements were signed by:


 Managing Director
 Prof. Theophilus M. Mutui(Ph.D.)


 Ag. Director Corp. Services
 Mr. Bartonjo Cheptarus
 CPAK Member No. 4391


 Chairman of the Board
 HON. Joseph M'eruaki

Date... 24/01/2024...

Date... 23/01/2024...

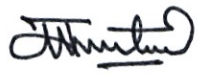
Date... 24/01/2024...

12. Statement of Changes in Net Assets for the year ended 30th June 2023

Description	Mortgage Fund	Accumulated surplus	Total
	Kshs.	Kshs.	Kshs.
As at 30 June 2022	60,000,000.00	2,098,778.00	62,098,778.00
Balance as at 1 July 2022	60,000,000.00	2,098,778.00	62,098,778.00
Surplus/(deficit) for the period	60,000,000.00	65,909.00	65,909
Funds received during the year	-	-	-
Transfers	-	-	-
As at 30 June 2022	60,000,000.00	2,164,687	62,164,687

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


Description	Note	2022/23 Kshs.	2021/22 Kshs.
Cash flows from operating activities			
Receipts			
Transfers from other Parent Ministry/ SC/SAGA		-	-
Interest received	v	66,974	155,259
Other income		-	-
Total receipts	v	66,974	155,259
Payments			
Employee costs		-	-
Use of goods and services		-	-
Finance cost	vii	1,065	595
Total payments		1,065	595
Net cash flow from operating activities		65,909	154,664
Cash flows from investing activities			
Purchase of PPE and intangible assets		-	-
Proceeds from sale of PPE		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		0	0
Cash flows from financing activities			
Receipts into the mortgage revolving fund		-	-
Net cash flows used in financing activities		0	0
Net increase/(decrease) in cash and cash equivalents		65,909	154,664
Cash and cash equivalents at 1 July		2,098,778	1,944,114
Cash and cash equivalents at 30 June		2,164,687	2,098,778


Managing Director

Prof. Theophilus M. Mutui (Ph.D.)


Ag. Director Corp. Services

Mr. Bartonjo Cheptarus
CPAK Member No. 4391


Chairman of the Board
HON. Joseph M'eruaki

Date... 24/01/2024

Date... 24/01/2024

Date... 24/01/2024

14. Statement of Comparison of Budget and Actual Amounts

Description	Budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs.	Kshs.	Kshs.	
	a	b	c=(a-b)	d=a/c
Revenue				
Interest income	-	66,974	66,974	N/A
Other income	-	-	-	
Total Revenue	-	66,974	66,974	N/A
Expenses				
Finance cost	-	(1,065)	(1,065)	N/A
Expenditure	-	(1,065)	(1,065)	
Surplus for the period	-	65,909	65,909	N/A

15. Notes to the Financial Statements

i. General Information

S & L is now under KCB Group and is wholly owned by the Government of Kenya .

ii. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis. The preparation of financial statements is in conformity with International Public Sector Accounting Standards (IPSAS), which allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Fund's accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Fund*. The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

iii. Termination of this agreement

The agreement entered into by KEPHIS and S& L(KCB Group) can be terminated by either party serving on the other three (3) calendar months' notice in writing .This notice would expire on the last day of the said period or any day thereafter. In the event of termination by either party, S&L (KCB Group) would refund the fixed deposit amount within three (3) months and all staff loans transferred at the prevailing commercial rate of interest.

iv. Administration of the scheme

The administration of the Mortgage scheme is subject to normal lending requirements of S&L (KCB Group). KEPHIS provides employees with Staff Housing Scheme Rules and Regulation as a general guide to potential applicants. KCB Group advises the applicants of S & L's terms prior to approval of the loan. The terms of the Mortgage agreement may be reviewed upon serving either party with a month's notice of the intention. An addendum is prepared upon any review and forms part of the original agreement.

*KEPHIS Mortgage Scheme
Annual Report and Financial Statements for the year ended 30th June 2023*

Detailed Movement of Mortgage Balances						
Name	PIN	Amount	Mortgage Date	Balance as at June 2022	Paid in FY 2022/23	Balance c/f
CHARLES KAMAU AMOS	AA16226RYB3K	2,790,000.00	2-Dec-14	814,129.96	356,132.09	457,997.87
CHARLES ONYANGO OWINO	AA19309ZCZ9S	5,300,000.00	5-Nov-19	4,582,783.18	398,979.78	4,183,803.40
EZEKIEL KAMAU MUIRURI	AA16301T84V5	3,500,000.00	27-Oct-16	2,783,706.21	200,081.00	2,583,625.21
FREDRICK KOOME	AA20196C4X6Q	4,385,000.00	14-Jul-20	3,294,958.81	1,491,137.25	1,803,821.56
HELLEN CHEPNGENO LANGAT	AA16226Q8GTL	8,000,000.00	18-Aug-22	-	283,221.51	7,716,778.49
JOSIAH MUSILI SYANDA	AA162263PNJJ	2,300,000.00	22-Apr-13	225,337.47	225,337.47	-
KIGAMWA JOSEPH NGILI	AA19171SJW7B	8,000,000.00	20-Jun-19	6,062,200.59	796,042.41	5,266,158.18
LILIAN VUHYA KEDERA	AA162269MJK4	4,500,000.00	30-Dec-09	1,962,655.64	338,228.01	1,624,427.63
NICHOLAS ENOKA TUNYA	AA16226Q8F2M	6,000,000.00	14-Jan-16	4,658,727.20	357,765.18	4,300,962.02
OMBUYA ALFAYO	AA18254VY5C0	5,650,000.00	11-Sep-18	5,002,393.98	240,795.88	4,761,598.10
PEGGY AMBOGO NGAIRA	AA172621Z89D	5,500,000.00	19-Sep-17	4,673,282.84	246,158.63	4,427,124.21
RAPHAEL WANJOHI NDERITU	AA162260D6RM	4,650,300.00	24-Jan-14	3,124,758.59	292,829.17	2,831,929.42
SAMUEL BORO KIMANI	AA20010PFXJ2	1,890,000.00	10-Jan-20	1,184,879.49	348,244.82	836,634.67
STELLAMARIS NDINDA MULIKA	AA181584LTYC	5,650,000.00	7-Jun-18	632,260.65	534,253.39	98,007.26
BENARD OPASI OKONDA	AA23032GJ1ZZ	3,147,804.00	1-Feb-23	0.00	51,097.30	3,096,706.70
IVY ROSE WAITHERA	AA22255XVJNS	10,000,000.00	12-Sep-22	0.00	342,176.27	9,657,823.73
		81,263,104.00		39,002,074.61	6,502,480.16	53,647,398.45


Prof. Theophilus M. Mutui (Ph.D.)

Date: 24/01/2024

KEPHIS Mortgage Scheme

Annual Report and Financial Statements for the year ended 30th June 2023

vi. Interest Received

Interest received is as presented in the certificate of interest issued in the year. Detailed breakdown is as below.

DATE	DESCRIPTION	VALUE DATE	Interest Received
1-Jul-22	BALANCE B/FWD	1-Jul-22	
31-Jul-22	Payment of Interest MM1714569478;398	31-Jul-22	13,733.30
31-Aug-22	Payment of Interest MM1714569478;405	31-Aug-22	12,994.45
30-Sep-22	Payment of Interest MM1714569478;412	30-Sep-22	6,138.85
31-Oct-22	Payment of Interest MM1714569478;421	31-Oct-22	3,624.55
30-Nov-22	Payment of Interest MM1714569478;426	30-Nov-22	3,927.15
31-Dec-22	Payment of Interest MM1714569478;431	31-Dec-22	4,058.05
31-Jan-23	Payment of Interest MM1714569478;439	31-Jan-23	4,633.20
28-Feb-23	Payment of Interest MM1714569478;446	28-Feb-23	3,085.10
31-Mar-23	Payment of Interest MM1714569478;451	31-Mar-23	2,904.35
30-Apr-23	Payment of Interest MM1714569478;460	30-Apr-23	3,018.25
31-May-23	Payment of Interest MM1714569478;465	31-May-23	4,501.00
30-Jun-23	Payment of Interest MM1714569478;470	30-Jun-23	4,355.80
			66,974.05

vii. Receivables from Exchange Transaction.

Interest receivable brought Forward	2,098,778
Interest Earned FY 2022/23	66,974
Less Finance Cost	(1,065)
Interest receivable c/down	2,164,687

16. Follow up on prior Audit Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved /Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	No separate Mortgage Financial Reports for the scheme	Separate Mortgage Financials for the scheme now prepared	Prof. Theophilus M. Mutui(Ph.D.) Managing Director	Fully resolved	Done.

	Name	PIN	Amount	Mortgage Date	Balance as at June 2022	Paid in FY 2022/23	Balance c/f
1	CHARLES KAMAU AMOS	AA16226RYB3K	2,790,000.00	2-Dec-14	814,129.96	356,132.09	457,997.87
2	CHARLES ONYANGO OWINO	AA19309ZCZ9S	5,300,000.00	5-Nov-19	4,582,783.18	398,979.78	4,183,803.40
3	EZEKIEL KAMAU MUIRURI	AA16301T84V5	3,500,000.00	27-Oct-16	2,783,706.21	200,081.00	2,583,625.21
4	FREDRICK KOOME	AA20196C4X6Q	4,385,000.00	14-Jul-20	3,294,958.81	1,491,137.25	1,803,821.56
5	HELLEN CHEPNGENO LANGA	AA16226Q8GTL	8,000,000.00	18-Aug-22	-	283,221.51	7,716,778.49
6	JOSIAH MUSILI SYANDA	AA162263PNJJ	2,300,000.00	22-Apr-13	225,337.47	225,337.47	-
7	KIGAMWA JOSEPH NGILI	AA19171SJW7B	8,000,000.00	20-Jun-19	6,062,200.59	796,042.41	5,266,158.18
8	LILIAN VUHYA KEDERA	AA162269MJK4	4,500,000.00	30-Dec-09	1,962,655.64	338,228.01	1,624,427.63
9	NICHOLAS ENOKA TUNYA	AA16226Q8F2M	6,000,000.00	14-Jan-16	4,658,727.20	357,765.18	4,300,962.02
10	OMBUYA ALFAYO	AA18254VY5C0	5,650,000.00	11-Sep-18	5,002,393.98	240,795.88	4,761,598.10
11	PEGGY AMBOGO NGAIRA	AA172621Z89D	5,500,000.00	19-Sep-17	4,673,282.84	246,158.63	4,427,124.21
12	RAPHAEL WANJOHI NDERITU	AA162260D6RM	4,650,300.00	24-Jan-14	3,124,758.59	292,829.17	2,831,929.42
13	SAMUEL BORO KIMANI	AA2001OPFXJ2	1,890,000.00	10-Jan-20	1,184,879.49	348,244.82	836,634.67
14	STELLAMARIS NDINDA MULIKA	AA181584LYC	5,650,000.00	7-Jun-18	632,260.65	534,253.39	98,007.26
	BENARD OPASI OKONDA	AA23032GJ1ZZ	3,147,804.00	1-Feb-23	0.00	51,097.30	3,096,706.70
15	Ivy Rose Waitthera	AA22255XVJNS	10,000,000.00	12-Sep-22	0.00	342,176.27	9,657,823.73
			81,263,104.00		39,002,074.61	6,502,480.16	53,647,398.45

KEPHIS MORTGAGE CASHBOOK

Date	Details	Amount	Date	Details	Amount
1st July 2022	Principal b/forward	60,000,000.00	30th June 2023	Finance Cost	1,065.00
1st July 2022	Interest Receivable b/forward	2,098,778.00			
30th June 2023	Interest Earned FY 2022/23	66,974.00			
			30/06/2022	Bal c/Down	62,164,687.00
		62,165,752.00			62,165,752.00

BANK MORTGAGE CASHBOOK

Date	Details	Amount	Date	Details	Amount
1st July 2022	Balance brought Forward	20,997,925.39			
Jul-22	Principal Repayments	442,081.15	Aug-22	Loan: Hellen Mwarey	8,000,000.00
Aug-22	Principal Repayments	457,522.20	Sep-22	Loan: Ivy Waithera	2,764,736.15
Sep-22	Principal Repayments	400,811.95	Nov-22	Loan: Ivy Waithera	3,243,300.00
Oct-22	Principal Repayments	423,375.55	Nov-22	Loan: Ivy Waithera	3,070,722.00
Nov-22	Principal Repayments	530,421.90	Feb-23	Loan: Bernard Opasi	3,147,804.00
Dec-22	Principal Repayments	492,970.35	Jun-23	Loan: Ivy Waithera	921,241.85
Jan-23	Principal Repayments	1,490,397.75			
Feb-23	Principal Repayments	498,710.87			
Mar-23	Principal Repayments	544,944.70			
Apr-23	Principal Repayments	449,850.01			
May-23	Principal Repayments	271,261.23			
Jun-23	Principal Repayments	500,132.50			
			30/06/2022	Bal c/Down	6,352,601.55
		27,500,405.55			27,500,405.55

ACCOUNT STATEMENT

Customer:

1112482717 KENYA PLANT HEALTH INSPECTORATE SER

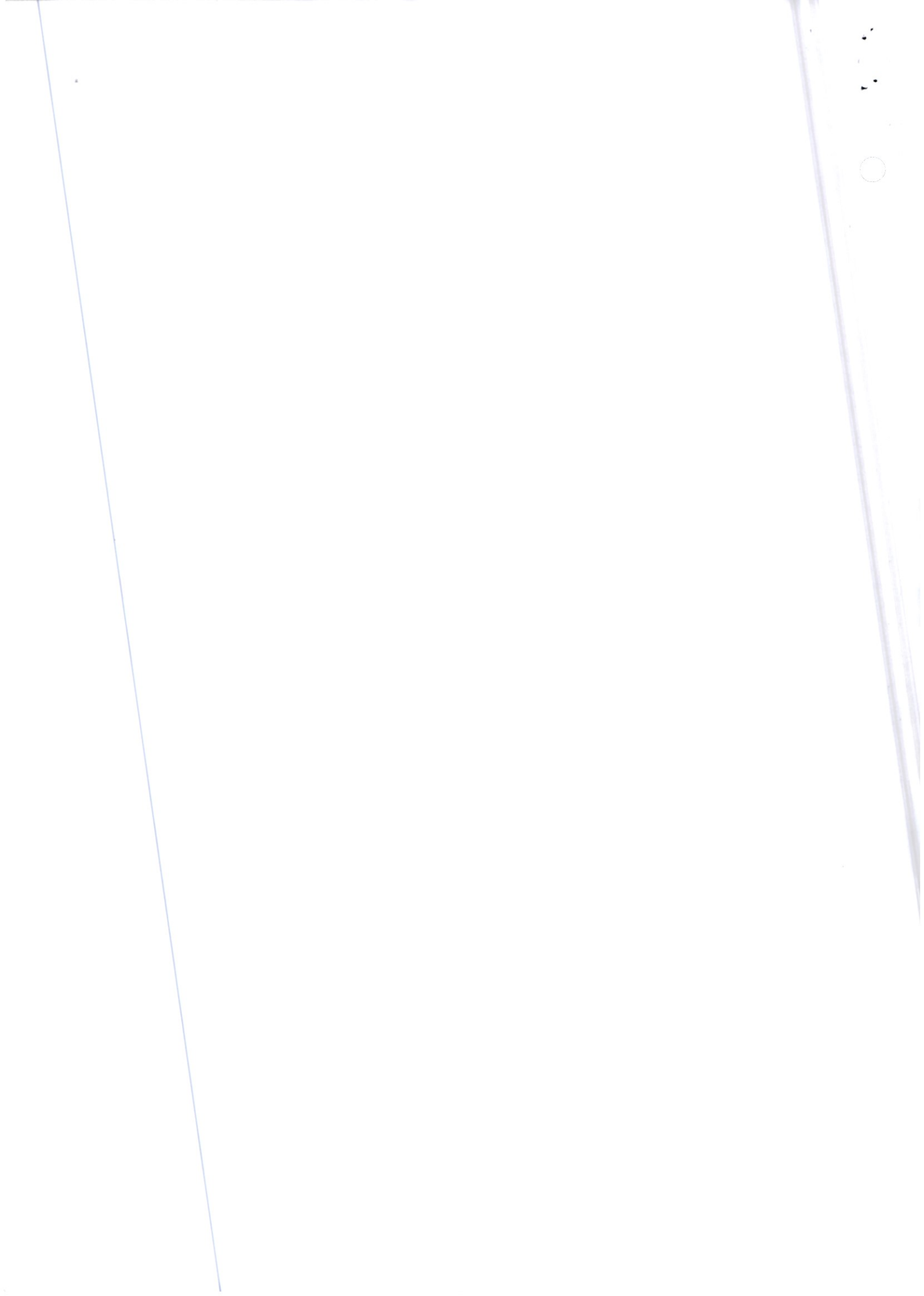
Account:

Product Name: Local Government

Statement Period:

1-Jul-22 -

TXN DATE	DESCRIPTION	VALUE DATE	MONEY IN
1-Jul-22	BALANCE B/FWD		1-Jul-22
31-Jul-22	Payment of Interest MM1714569478;398		31-Jul-22 13,733.30
31-Aug-22	Payment of Interest MM1714569478;405		31-Aug-22 12,994.45
30-Sep-22	Payment of Interest MM1714569478;412		30-Sep-22 6,138.85
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31-Mar-23	Payment of Interest MM1714569478;451		31-Mar-23 2,904.35
30-Apr-23	Payment of Interest MM1714569478;460		30-Apr-23 3,018.25
31-May-23	Payment of Interest MM1714569478;465		31-May-23 4,501.00
30-Jun-23	Payment of Interest MM1714569478;470		30-Jun-23 4,355.80
			66,974.05





1218 CA 41 BRANCHES
CERTIFICATE OF BALANCE

KCB Bank Limited
(Incorporated in Kenya)

CERT2401900125

KCB SARIT MORTGAGE CENTRE
.....

19 JAN 2024
.....

Certified that the balance at the CREDIT Of KENYA PLANT HEALTH INSPECTORATE SER
.....

A/C 1112482717
.....

at the close of business on 30 JUN 2023 Was KES
.....

ELEVEN THOUSAND EIGHT HUNDRED AND SEVENTY FIVE CENTS FIVE
.....

KES 11,875.05
.....

Examined by For: KCB BANK KENYA LTD.

[Signature]
.....
Manager Service, Quality & Compliance
KAREN WATERFRONT PLATINUM

For: KCB BANK KENYA LTD.
.....
Centre Manager,
KAREN WATERFRONT PLATINUM
Branch Manager

