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REPORT

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Hon. Naomi Wapoko M.P.
Deputy Majority Whip
Christine Ndlovu

THE AUDITOR-GENERAL

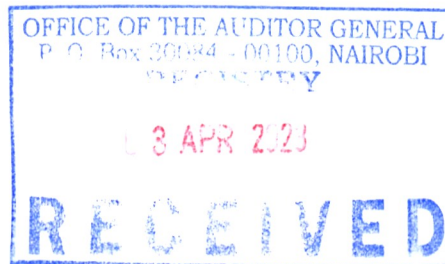
ON

**STAFF HOUSE MORTGAGE AND CAR LOAN
SCHEME**

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

UNCLAIMED FINANCIAL ASSETS AUTHORITY

Unclaimed Financial Asset Authority Staff House Mortgage and Car Loan Scheme
Annual Report and Financial Statements
For the Year ended 30th June 2022



UNCLAIMED FINANCIAL ASSET AUTHORITY

STAFF HOUSE MORTGAGE AND CAR LOAN SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2022

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

Unclaimed Financial Asset Authority Staff House Mortgage and Car Loan Scheme
Annual Report and Financial Statements
For the Year ended 30th June 2022

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Key Entity Information and Management

1. Background information

The Unclaimed Financial Assets Authority (UFAA/ the "Authority") was created under the Unclaimed Financial Assets Act, No. 40 of 2011 (the "Act") to administer unclaimed financial assets.

The Board of Directors was gazetted under Legal Notice No.16272 of 9th November 2012.

2. Principal Activities

The objects and functions of the Authority as defined by the Act include:

- i. Enforce and generally administer the provisions of the Act.
- ii. Receive all payments required by the Act to be made to the Unclaimed Assets Trust Fund (the "Fund").
- iii. Make payments out of the Fund to the rightful owners in accordance with the provision of the Act.
- iv. Manage and invest the funds of the Authority.
- v. Advise the Cabinet Secretary on national policy to be followed with regard to unclaimed assets and implement all Government policies related to it.
- vi. Perform such other functions as are conferred on it by the Act or other written law.

3. Fiduciary Management

The key management personnel who held office during the financial year ended 30 June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer (CEO)	FA John Kihara Mwangi, EBS
2.	Ag. Manager Unclaimed Financial Assets Line	CPA Beatrice Marusoi Chelangat
3.	Manager Information and Communication Technology	Francis Mathenge Muchina
4.	Manager Human Resource & Administration	Caroline Chepkurui Chirchir
5.	Manager Finance & Accounting	CPA Henry Taabu Ngegenye
6.	Manager Procurement	Jack Owino Gumboh, Phd
7.	Corporation Secretary/Head of Legal	David Mwangi Kamau

4. Fiduciary Oversight Arrangements

Board oversight

The Board of Directors has the overall oversight responsibility of the Authority. As detailed in the section on corporate governance, this responsibility is administered through various committees of the Board that have specific roles, including: the finance and human resource committee; audit, risk and governance committee and the technical committee.

Parliamentary committees

The following Parliamentary Committees also have fiduciary oversight responsibilities over the Authority's operations; the Parliamentary Budget Committee oversees budgeting; the Parliamentary Investment Committee oversees investment decisions, and the Parliamentary Accounts Committee oversees financial accountability.

5. Entity Headquarters

24 Floor, Pacis Centre
Slip Road, off Waiyaki way, Westlands
P O Box 28235 - 00200
Nairobi, Kenya

6. Entity Contacts

Telephone: +254 020 4343440, +254 706 866 984 / +254 736 559 152
E-mail: imfo@ufaa.go.ke
Website: www.ufaa.sssgo.ke

7. Entity Bankers

HF - Rehani House
Koinange street/Kenyatta Avenue
P.O Box 30088 - 00100
Nairobi, Kenya

8. Independent Auditors

The Auditor General
Office of the Auditor General (OAG)
Anniversary Towers, Loita Street
P.O Box 30084 – 00100
Nairobi, Kenya

9. Principal Legal Adviser

The Attorney General
State law office
Harambee avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

Corporation Secretary/Head of Legal Services

David Kamau
Unclaimed Financial Assets Authority

Board of Directors of the Authority



Hon. Dr. CPA Francis K. Njenga – Chairman of the Board of Directors

Dr. CPA Francis Kigo Njenga is the Chief Executive Officer at Regional Africa Consultants Limited and the Lead Consultant for Management and Business Division.

Prior to the current appointment, CPA Kigo served as a County Executive Committee Member (CECM) in charge of Trade, Industry, Investments, Tourism and Cooperative development in Kiambu County and at Finance, ICT and Economic Planning docket. He is a former Member of Parliament for Gatundu North Constituency. During his term in the National Assembly, he served on the Budget and Appropriation Committee, and the Committee on Lands.

He holds a doctorate degree in Social Transformation and Entrepreneurship from Catholic University of Eastern Africa, a Master of Business Administration from the University of Nairobi, Bachelor of Science -Business Administration degree (Accounting and Finance) from United States International University and accounting professional qualification from Strathmore College.

His over 29 years career in accounting and auditing began at Mbaya and Associates and has seen him work at Waithaka Mwangi & Co. Certified Accountants, Central Finance (K) Limited, Ernest & Young, and at Regional Africa Consultants Limited.

Born in 1961, Hon Njenga was appointed as member and Chairman of the Board on February 10, 2023.





Mr Richard Kiplagat – Chairman of the Board of Directors till February 2023

Richard is the Chief Operating Officer at Africa practice, a Pan African Strategic Communications Advisory Group. He leads Africa practice operations across the group offices in London, Dar es Salaam, Perth, Casablanca, Johannesburg, Lagos, and Nairobi. In addition, he is the Senior Stakeholder Advisor to business and government leaders particularly in the infrastructure, energy, oil and gas sectors.

Richard was the Head of Global Strategic Alliances at Microsoft Africa for five years and was responsible for managing Microsoft's strategic engagements with development partners and inter-governmental organisations across 47 countries in sub-Saharan Africa and the Indian Ocean islands. He was instrumental in establishing Microsoft's partnerships with The African Union (AU), African Development Bank (AfDB), United Nations Economic Commission for Africa (UNECA), Economic Community of West African States (ECOWAS), World Bank and the East African Community (EAC) among others.

Before joining Microsoft, Richard was the East African Regional Manager for SAP. While at SAP he spearheaded several initiatives with governments and businesses to utilise technology to improve the competitiveness of African companies as well as increase efficiency, transparency and service delivery in the public sector.

Richard has sat on the boards of several organisations including, Kenya ICT Federation where he was Vice Chair, Kenya ICT Village, Kenya ICT Board, Kenya Youth Business Trust (Chairman), Allavida and Kenya National Chamber of Commerce. He is currently the Chairman of The Warren.

	<p>Born in 1969, Richard's tenure ended on 10th February 2023.</p>
	<p>Hon. Ambassador Ukur Yatani Kanacho - Cabinet Secretary, The National Treasury, Non-Executive Director</p> <p>Hon. Amb. Yatani has over 27-year experience in public administration, politics, diplomacy and governance in public sector.</p> <p>He was appointed Cabinet Secretary, The National Treasury, in January 2020. In January 2018, he was appointed the Cabinet Secretary for Labour and Social Protection. Between the years 2006-2007 while Member of Parliament for North Horr constituency, he also served as an Assistant minister for science and technology. At the height of his career (March 2013-August 2017), he served as a pioneer Governor of Marsabit County.</p> <p>Between June 2009 and October 2012, he served as Kenya's Ambassador to Austria with Accreditation to Hungary and Slovakia and Permanent Representative to the United Nations in Vienna. He has also held senior leadership positions at various diplomatic and international agencies such as International Atomic Energy Agency (IAEA), United Nations Organization on Drugs and Crimes (UNODC), United Nations Industrial Development Organization (UNIDO), Vice Chairperson of United Nations Convention Against Transnational Organized Crime (UNTOC), Vice President of Convention on Crime Prevention and Criminal Justice (CCPJ), and chair of African Group of Ambassadors among others. Between 1992—2015, he served in different positions in Kenya's Public Administration including as a District Commissioner, which sharpened his management and administrative skills. He has Master of Arts in Public Administration and Public Policy, University of York, United Kingdom, 2005; and Bachelor of Arts in Economics, Egerton University, Kenya, 1991.</p> <p>Born in 1967, Hon Yatani is a non-Executive member of the Board as per the Unclaimed Financial Assets Act as read in line with the Cabinet secretary (incorporation) to the Treasury Act.</p>
	<p>Mr. Daniel M. Mutua</p> <p>Daniel is a Senior Deputy Director, Investment in the National Treasury.</p> <p>He holds a Bachelor of Education (Economics/Business)-Kenyatta University (1991) and MBA-ESAMI/Maastricht (2006) and is a Registered Certified Investment and Financial Analyst (CIFA). Mr. Mutua has undergone Intensive training in many areas such as Investment appraisal, Enterprise Risk Analysis, Corporate Governance, Performance Management, Project management, Procurement, Public Finance and holds several certificates on Public Private Partnerships from IP3 Institute, in Washington DC-USA.</p> <p>He has over 31 years public sector experience in various Ministries including-TSC, Ministry of Labour, Office of the Vice President, Culture & National Heritage and currently in the National Treasury-Directorate of Public Investments and Portfolio management. He has previously served as an Alternate Director in the Boards of ICDC, EPZA, WSTF, NBA, KNAC (2001) Ltd, and University of Eldoret Council.</p> <p>Born in 1967, Daniel was appointed in November 2012 as an Alternate Director to the CS, The National Treasury.</p>



Mr Gabriel K. Njenga – Non-Executive Director

Mr Karanja is a founding Partner at Karanja-Njenga Advocates, a fully-fledged Corporate Commercial Law firm, established in 1993. He holds a Bachelor of Laws (LLB) from Sheffield University, Sheffield United Kingdom. He attained a Diploma in law from the Kenya School of Law in 1991 and has been an Advocate of the High Court of Kenya since 1993. He also holds a Specialized Honours Degree Bachelor of Arts (BA) in Political Science from York University, Toronto Canada. He is also a Certified Public Secretary.

Born in 1959, Mr Njenga was re-appointed in December 2018 as a member of the Board. His term expired in December 2021.



Ms Jacqueline Oyuyo - Non-Executive Director

Jacqueline is the Managing Partner of Umsizi LLP, where she practices as an Advocate, Corporate Secretary, Arbitrator and Mediator to a host of clientele.

She holds an MBA in Global Technology Management from the American Intercontinental University and is a Fellow of the Chartered Institute of Arbitrators, a Certified and Judiciary-Accredited Mediator and an accredited Governance Auditor.

She is committed to demystifying corporate governance in a way that makes sense for each Authority that she deals with and is adept at tackling regulatory compliance. She served on the Governing Council of the Institute of Certified Public Secretaries of Kenya (ICPSK), as well as on various Boards ranging from non-profit entities and has served in various State Corporations in the capacity of non-executive Director.

Born in 1975, Jacqueline's second term as a member of the Board expired in May 2022.





Hon FCPA Thomas Ludindi Mwandeghu - Non-Executive Director

Hon. Thomas Ludindi Mwandeghu is the immediate former Member of Parliament for Wundanyi Constituency having served for two consecutive terms. As Member of Parliament, Hon. Mwandeghu served as a Minority Chief Whip, Member of House Business Committee, Member of Public Investment Committee and Lands Committee of the National Assembly.

Previously, Hon. Mwandeghu served at different capacities at the Central Bank of Kenya, Industrial Development Bank Limited, the Housing Finance Company, the Kenya Wildlife Services and Ocean Freight East Africa Ltd. He was a managing partner at Keah & Co. Ltd and Shulunge Auditing firms before he ventured into politics and successfully ran for the parliamentary seat for Wundanyi Constituency since year 2008.

Hon. Mwandeghu is a graduate of Commerce (Accounting) from the University of Nairobi. He is a Fellow of the Institute of Certified Public Accountants of Kenya (ICPAK) and a member since 1981.

Born in 1953, Hon FCPA Mwandeghu resigned in February 2019 in his second term as member of the Board.

	<p>Mr. Peter Ng'ang'a Kanyua - Non-Executive Director</p> <p>Peter is an accomplished business leader in Kenya and USA markets running into insurance, security exchange, real estate, IT, security and betting. He began his career as an Investment Consultant in the commodities and derivatives market at the New York stock Exchange (NYSE), National Association of Stock Dealers Association (NASDAQ) and the Chicago Board of Exchange.</p> <p>With 18 years-experience, Peter has held several senior positions at John Power Ltd, EBET (K) Limited, Energy Tech Africa Limited, SENACA Security Limited among others. He received his undergraduate degree from the Baruch College, City University of New York in Finance and Economics.</p> <p>Born in 1966, Peter was re-appointed as a member of the Board in September 2021.</p>
	<p>FA John K. Mwangi, EBS - CEO & Managing Trustee</p> <p>John is the CEO of the Authority & Managing Trustee of the Trust Fund.</p> <p>Prior to his appointment as CEO and Managing Trustee, he was the Manager, Unclaimed Financial Assets Line at UFAA, a position he held for four years.</p> <p>John has served for over 20 years in several financial institutions within investment and a commercial banking. He joined the Authority in April 2015 from Bank of Africa (BOA) where he was a Relationship Manager in institutional banking. Prior to joining BOA, Mr. Mwangi also worked at African Alliance Investment Bank, Old Mutual Asset Managers and ICEA Asset Managers.</p> <p>John is a Certified Investment and Financial Analyst and Member of the Institute of Certified Investment and Financial Analysts (ICIFA). He is also a member of Kenya Institute of Management (KIM). He holds an Executive MBA from Strathmore Business School and underwent a Modular course on Corporate Entrepreneurship and Global Strategy at IESE Business School, University of Navarra in Barcelona. John is a Certified Trustee by College of Insurance and holds an undergraduate degree in Economics and Business Studies from the University of Nairobi.</p> <p>Born in 1977, John was re-appointed as the CEO & Managing Trustee on 1 March 2022.</p>

Management Team

Name	Designation
<p>FA John Kihara Mwangi, EBS</p> 	<p>Chief Executive Officer & Managing Trustee</p> <p>John is the CEO of the Authority & Managing Trustee of the Trust Fund. He has the responsibility to oversee the overall day to day management of the Authority, including all the projects and schemes set up within UFAA.</p> <p>Prior to his appointment as CEO and Managing Trustee, John was the Manager, Unclaimed Financial Assets Line at UFAA since April 2015.</p> <p>He was re-appointed as the CEO & Managing Trustee with effect from 1st March 2022.</p>
<p>Mrs Caroline Chepkurui Chirchir</p> 	<p>Manager Human Resource & Administration</p> <p>Caroline is responsible for the facilitation, co-ordination and implementation of human resource and administration policies, strategies and systems and provision of a conducive working environment for the Authority.</p> <p>Caroline also acted as CEO of UFAA following appointment on 1st November 2018 until 28th February 2019. She joined the Authority in October 2016 following a successful career in Human resource management and consultancy at institutions in the manufacturing and financial services sector.</p>
<p>Mr David Mwangi Kamau</p> 	<p>Corporation Secretary/Head of Legal Services</p> <p>David is responsible for the Legal, Governance and Corporation Secretary functions of the Authority.</p> <p>As a legal and corporate governance professional with over 20 years' experience, he has held senior management roles in the private and public sectors in Kenya. He joined UFAA on 1st November 2021.</p> <p>David is a Member of the Law Society of Kenya, the Institute of Certified Public Secretaries of Kenya and the Chartered Institute of Arbitrators (London & Kenya)</p>
<p>Mr Francis Mathenge Muchina</p> 	<p>Manager ICT</p> <p>Francis is responsible for Planning, developing, coordinating and ensuring delivery of the Authority's ICT strategy and needs.</p> <p>Francis joined the Authority in April 2015 following distinguished service in many public sector institutions including the National Treasury and Kenya Forestry Research Institute (KEFRI).</p>

Name	Designation
<p>CPA Pius Kibet Kimutai</p> 	<p>Manager Audit, Risk& Assurance</p> <p>Pius is responsible for ensuring the effective operation of the internal audit function. The role is also responsible for ensuring that UFAA has a Risk Management Strategy in place with appropriate systems to identify and mitigate identified risks.</p> <p>Pius joined the Authority in August 2015, following long service in academia in various schools and in different capacities in Accounting and Audit at Postbank.</p>
<p>Jack Owino Gumboh, PhD</p> 	<p>Manager Procurement</p> <p>Jack is responsible for procurement and supply function and overseeing aspects of purchasing, negotiations and management of the procurement of goods, works and services in line with the law.</p> <p>Jack joined the Authority in January 2018 having served in various capacities in Supply Chain management in many public and private sector institutions.</p>
<p>CPA Beatrice Marusoi Chelangat</p> 	<p>Acting Manager Unclaimed Financial Assets Line</p> <p>Beatrice is responsible for overall management of the Unclaimed Financial Assets Trust Fund, including overseeing compliance by holders, investment of received funds and re-unification to the rightful owners.</p> <p>Beatrice joined the Authority as a Senior Auditor (Claims) in September 2015 after long service in financial management at various institutions including EACC. She was appointed as Ag Manager UFAL in March 2019.</p>
<p>CPA Henry Taabu Nyegenye</p> 	<p>Manager Finance& Accounting</p> <p>Henry is responsible for managing the Authority's financial operations and ensuring that there is efficient utilization of financial resources within established policies of the Authority. He is also responsible for financial accounting and reporting, cash and bank operations and tax management.</p> <p>Henry joined the Authority in July 2015 having served in risk management& audit, investment management, financial analysis, treasury management and budget management in public sector institutions in the energy, health and infrastructure sector.</p>

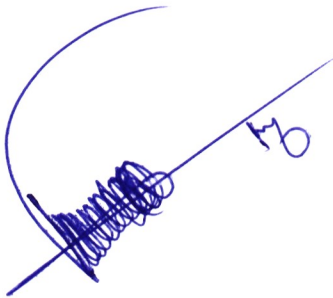
Chairman's Report

Unclaimed Financial Assets Authority is committed towards continuously improving the welfare of its staff through implementation of various products such as UFAA Staff Mortgage and Car Loan Scheme. The Scheme has been in existent for the last 3 years and is implemented in line with Salaries and Remuneration Commission Guidelines. The benefits derived contribute to attraction and retention of staff.

The National Treasury approved seed capital of Ksh 250 million to Staff House mortgage and car loan scheme the scheme. UFAA appreciates the support of the Government through the National Treasury. The uptake of the mortgage and car loan has been on an increase and the Authority continue to review the products available to ensure optimal uptake of the facility. Some of the products introduced include equity release, plot purchase and buy and build, Car loan among others.

The governance and management of the scheme is as set out in the loan entitlement and conditions stipulated in the Staff Mortgage and Car Loan Scheme Policies and Regulations and as per the guidelines issued by Salaries and Remuneration Commission.

I urge all staff to utilize the opportunity to improve on their wellbeing as well as that of their families. I further wish to state the uptake of the facility has a direct effect in supporting the Government's Big Four Agenda on affordable housing.



Hon Dr. CPA Francis K Njenga
Chairman of The Board of Directors
Unclaimed Financial Assets Authority

REPORT OF THE SECRETARY/ CHIEF EXECUTIVE OFFICER

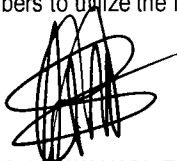
The Staff Mortgage and Car Loan Scheme is established and governed in line with existing Government regulations. In this regard, the UFAA hereby presents the financial statements of the Staff Mortgage and Car Loan Scheme for the year ended 30th June 2022. The Financial Statements presented comprise of the Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Net Assets and Statement of Cashflows.

The Authority ensures prudent financial management and reporting in line with Public Finance Management Act (PFMA)2012, Public Financial Regulations, 2015 and International Public Sector Accounting Standards (IPSAS). As a result, the administration of the scheme has been efficient and effective in meeting the intended purpose.

The implementation and administration of the scheme is overseen by a Staff Mortgage and Car Loan Scheme Committee in liaison with external professional service providers. The Committee meets regularly to consider loans applications and make recommendations for management approval. The board approved seed capital of KSh 250 million through concurrence of The National Treasury. As at the period under review, Ksh 249.61 million had been transferred to HF bank who are the administrators of the scheme.

During the period under review, 3 mortgage applicants benefited while 3 car loan applicants were facilitated. The total amount disbursed during the financial year under review to facilitate staff mortgage was Ksh. 25.997 million while car loans issued were Kshs 6.142 million. One Car loan scheme was fully repaid during the year.

The scheme continues to meet its objective of creating an enabling environment for optimal productivity by providing a competitive loan scheme for members of Staff. The Scheme has been beneficial to staff and has enhanced staff morale and productivity. I encourage all staff members to utilize the facility for improvement of their welfare and to maintain resilient and focused in the performance of their duties.



FA JOHN MWANGI, EBS.
CHIEF EXECUTIVE OFFICER/MT

Strategic Pillar	Strategic Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Receive	Objective 1: Enhance holder compliance to ensure receipt of Kshs 100 billion of unclaimed financial assets by 2023	Holders' compliance audits Holders' declaration & surrender of Unclaimed Financial Assets	Conduct 25 holders' compliance audits Collect Kshs 4.0 billion unclaimed financial assets from holders	25 successful bid for audits are underway being undertaken by the contracted auditors. Process delays arose from earlier court's process litigation that got out-of-court settlement and are now work in progress. Kshs 3 billion in cash representing 71.95% achievement of target realized was collected. Enhancement of cash collections of UFAs from holders is being scaled-up through enforcement efforts and partnerships with other Government agencies.
Pillar 2: Safeguard	Objective 2: Strengthen accountability and sustainability in safeguarding unclaimed financial assets	Investment rate of return Budget funding and absorption	Attain investment income of Kshs 1.8billion 100 % Budget funding and absorption	Kshs 1.86 B realized, representing 103% achievement on investing activities. 100% Budget funding, with 78% budget utilization for FY 2018/19
Pillar 3: Reunite	Objective 3: Reunite 5% received UFA as at 1 st July 2019 to the rightful owners	Reunification rate in respect to amount and number of claims processed and paid	Process and pay out claims amounting Kshs 882 million Reunite 10,000 claimants	Kshs 604 million in cash claims paid out representing 71.09 % achievement of target realized. Reunification efforts to be continually improved. 8,111 claimants reunified representing 88.42 % achievement of target.

Unclaimed Financial Asset Authority
Staff House Mortgage and Car Loan Scheme
For the Year ended 30th June 2022

Corporate Governance Statement

The purpose of this scheme is to provide a loan scheme for the purchase or development of residential property or equity release for improvement of a residential premises by UFAA staff. In addition, it facilitates acquisition of cars of up to 8 years, for personal use by staff members.

The loans shall be administered by a mortgage finance company approved by the Board. The source of funds for the scheme shall be Authority's approved budgetary provisions and income from investments made by the scheme or other sources as approved by the Board.

Committee of the Scheme

There is an established a committee of the scheme appointed by the Chief Executive Officer (CEO) which consist of;

- (a) A staff member from HR & Administration Department who shall be the Secretary
- (b) A staff member from Finance & Accounting Department who shall be the Chairperson
- (c) A staff member from Legal Department
- (d) Two (2) other staff members recommended, being one by the Management staff and the other, by non-management staff.

Functions of the committee

- a. Process and approve loan applications in accordance with the existing terms and conditions of borrowing.
- b. Liaise with the approved financial company to set up a fund for disbursement of loans for the scheme.
- c. Oversight management of the scheme.
- d. Determine procedures for conducting its business, provided that they shall meet at least once every quarter and keep minutes for their deliberations.
- e. Other functions as per the requirements of the scheme.

The committee members who served during the period were:

No	Name	Designation	Status
1	Leonard Langat	Senior Accountant	Chair
2	Godfrey Wambugu	Senior Legal Officer	Member
3	Jane Gicheru	Human Resource Officer	Secretary
4	Paul Muya	Senior Communication officer	Member
5	Gideon Nzioki	Senior Auditor Compliance	Member

Management Discussion and Analysis

Operational and financial performance

Loan disbursement

During the period, Ksh 32.139 million were disbursed, being Ksh 25.997 million for 3 staff house mortgage and Ksh 6.142 Million for 3 staff for Car loan. Cumulatively, Ksh 235.786 has been disbursed for 21 staff house mortgage and 11 Car loan scheme ,Ksh 211.962 and Ksh 23.824 respectively.

Interest charged and Loan principle repaid

Ksh 5.586 million were charged for loans disbursed and Ksh .14.756 Million were repaid. Cumulatively, interest charged on loans disbursed is Ksh 14.772 million and loan principle repaid and ploughed back is Ksh 35.080 million.

COVID-19 pandemic and its effects

The COVID-19 pandemic presented significant challenges to the operating environment, which affected the Authority's execution of its mandate.

Key projects and investment decisions the Authority is planning/implementing

There was no project initiated during the period.

Major Risks facing the Organization.

There was no significant risk to the scheme because the scheme is at formative stages.

Compliance with statutory requirements

The scheme carries out its operations in adherence to the Public Finance Management Act and Regulations and The National Treasury laid down guidelines.

Material arrears in statutory/financial obligations

There were no material arrears in financial obligations. Given the Authority operates on an accrual basis, all the accrued amounts was provided for in the budget. Therefore, the obligations will be settled as and when activities relating to them are finalized.

Financial Probity/Governance Issues

No financial probity issues were noted during the year under review.

Environmental and Sustainability Reporting

The staff house mortgage and car loan scheme is a revolving fund, all loan recoveries are done through the payroll and money remitted to the scheme and the same is made available to the next applicant in the queue.

Environmental Performance

UFAA has a Workplace Occupational Health and Safety Policy (OSH). This is the policy that guides most aspects relating to the workplace environment. In the just concluded Financial year UFAA made the following milestones some of which were as recommended in the OSHA Audit that were previously raised by the Directorate of Occupational Health and Safety in the workplace notably; improving Office ventilation; training some of the staff First AID and installation of additional First AID in all strategic points in the authority in the just concluded; training staff on fire-fighting; fitting the building premises with fire-fighting equipment including identifying a fire assembly point; enhancing office ergonomics including provision of suitable furniture to cater for staff in its bid to improve the work environment.

Employee Welfare

Employee welfare is an area of significant interest in the Authority' operations. To this end, various policies and schemes that are geared towards welfare, gender and disability mainstreaming have been put in place. These include car and housing benefit, medical and group life insurance, pension scheme among others. In addition, the Authority has developed career guidelines as well as initiating a reward and sanctions policy to give staff career direction and to reward good performance. Staff are continuously trained to update their skills. Staff policies and schemes are continually reviewed to ensure they address emerging needs of staff. Also, the Authority has continuously adhered to Government guidelines aimed at mitigating the risks associated with the Covid- 19 pandemic to staff. These include medical cover for COVID-19 treatment and vaccinations for the staff and fumigation of office premises.

c) Responsible marketing and advertisement

Customer Relationship Management

The Authority procured & implemented a call management system to ensure efficiency in managing customer calls. To address customer complaints and suggestions, the Authority submits quarterly reports to the commission on the Administrative of Justice (Office of the Ombudsman) which among other, show how customers complaints are addressed.

Corruption Prevention

To address corruption, a corruption Prevention Committee (CPC) has been put in place and two (2) integrity Officers trained by the Ethics and Anti-Corruption commission (EACC). Further, the Board of Directors approved a witness Protection Policy, which addresses measures on how to report issues of concern without compromising the safety of witnesses.

Corporate Social Responsibility/Sustainability Reporting

Sustainability Strategy and Profile

The Authority continued to deepen its partnerships collaborative frameworks on many fronts. This is in line with the prevailing UFAA strategic plan 2018-2023 where the triple bottom line of people, planet and value remain on the fore front. In this respect, UFAA focused on partnerships and collaboration with other government agencies such as Kenya Yearbook Editorial Board, Office of the Auditor General and Huduma Kenya Secretariat; capacity development of staff and the Board with requisite upskilling and benchmarking tours and visits for exposure on skillsets, attitudes and competencies enable delivery of the Authority mandate, mission, and vision.

In view of contributing to secure and fit-for-use environment for today and posterity, the Authority deepened its investments in environmental preservation, greening and tree coverage agenda by availing funding budgets (financial resources) to Kenya Forest Services (KFS) for regeneration of Ngong forest. Besides, in the period, the Authority fostered green ecology in its workplace; and delivered staff awareness creation and sensitizations on climate change issues, as part implementation of its performance contract, as envisaged in progressive National Values and Principles of Governance.

In the period under review, UFAA focused on its investment focus of stabilizing the overall interest rate regime. This was through investment of all unclaimed assets not required for immediate reunification in Treasury Bills at non-competitive rates thus, meeting GoK requirements for a stable interest rate regime.

Environmental Performance

UFAA has a Workplace Occupational Health and Safety Policy (OSH). This is the policy that guides most aspects relating to the workplace environment. In the just concluded Financial year UFAA made the following milestones some of which were as recommended in the OSHA Audit that were previously raised by the Directorate of Occupational Health and Safety in the workplace notably; improving Office ventilation; training some of the staff First AID and installation of additional First AID in all strategic points in the authority in the just concluded; training staff on fire-fighting; fitting the building premises with fire-fighting equipment including identifying a fire assembly point; enhancing office ergonomics including provision of suitable furniture to cater for staff in its bid to improve the work environment.

Going forward, the Authority aspires to mobilize resources to kickstart the process of acquiring own premises that will have provisions for all the requirements of an environmentally friendly working environment in the long term.

Employee Welfare

Employee welfare is an area of significant interest in the Authority' operations. To this end, various policies and schemes that are geared towards welfare, gender and disability mainstreaming have been put in place. In addition, the Authority has developed career guidelines as well as initiating a reward and sanctions policy to give staff career direction and to reward good performance. Staff are continuously trained to update their skills. Staff policies and schemes are continually reviewed to ensure they address emerging needs of staff. Also, the Authority has continuously adhered to Government guidelines aimed at mitigating the risks associated with the Covid- 19 pandemic to staff. These include medical cover for COVID-19 treatment and vaccinations for the staff and fumigation of offices.

Market place practices-

- a) **Responsible competition practice**

The Authority promotes use of open tender as the preferred method of procurement to enhance competition and openness in matters procurement. Also, in line with government guidelines, the Authority ensures that the youth, women, and persons with disability are allocated 30% of all the Authority's procurement opportunities, including ensuring that 40% of all procurement opportunities are allocated to company's owned by Kenyans, through the "Buy Kenya Build Kenya" initiative.

In its procurement processes, the Authority adheres to the Public Procurement and Assets Disposal laws. This is meant to not only ensure fairness, but also promote openness in management of procurement processes.

b) Responsible Supply chain and supplier relations

The Authority's annually appraises vendors, and any contract extensions are based on performance. Suppliers are also periodically sensitized on new laws and regulations as well as best procurement practices on an annual basis. Finally, payments to suppliers are made within payment timelines specified in contracts or purchase and service orders.

c) Responsible marketing and advertisement

Customer Relationship Management

The Authority procured & implemented a call management system to ensure efficiency in managing customer calls. To address customer complaints and suggestions, the Authority submits quarterly reports to the commission on the Administrative of Justice (Office of the Ombudsman) which among other, show how customers complaints are addressed.

Corruption Prevention

To address corruption, a corruption Prevention Committee (CPC) has been put in place and two (2) integrity Officers trained by the Ethics and Anti-Corruption commission (EACC). Further, the Board of Directors approved a witness Protection Policy, which addresses measures on how to report issues of concern without compromising the safety of witnesses.

Media Engagement

The Authority rolled out Digital media campaign dubbed #Changamkia Claim to drive interest and foot-traffic through service centers such as Huduma desks, claim portal and Call Center. The campaign entailed placement of adverts on Twitter, Facebook and google display network. A campaign landing page was also created on UFAA website to generate marketing leads. Market leads generated are followed-up by way of direct SMS to encourage customers to lodge a claim.

The Authority engaged the media to provide thought leadership and update members of the press on matters of unclaimed financial assets regime. The Authority also engaged on Media Appearance on National TV and leading daily Newspapers to sensitize the public on their 'lost and found' Unclaimed Financial Assets. A reunification clinic was also held locally, and diaspora conferences done on efforts to reach and partner with Kenyans living abroad and addressing initiatives on reunification.

d) Product stewardship

The Authority has continued to enhance collaboration with holders before deciding to audit. In addition, the Authority in collaboration with Kenya Yearbook Editorial Board has published digital Quick Info bytes edition on unclaimed financial assets regime. The Quick Info bytes 21st edition covered information about unclaimed financial assets for circulation at no cost to the Authority. The Authority hosted an awareness forum for Strathmore University community on reunification for donation. The engagement is in line with implementation of a Memorandum of Understanding (MoU) between UFAA and Strathmore University that provides for a collaborative approach to awareness, reunification of unclaimed assets and call for donation of claimed financial assets to the Strathmore University Foundation.

Report of The Trustees/ Staff House mortgage and car loan scheme Administration Committee

The Trustees/Staff House mortgage and car loan scheme Administration Committee submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of the Staff House mortgage and car loan scheme affairs.

1. Principal activities

The principal activities of the entity are to receive, safeguard and re-unite unclaimed assets with the rightful owners or beneficiaries. In addition, the authority has a role to advise the Cabinet Secretary National Treasury on the national policy to be followed with regard to unclaimed assets and to implement all government policies relating to it.

The scheme focuses on financing of acquisition of residential premises for staff, equity release and acquisition of cars for private use.

2. Results

The results of the scheme for the year ended 30 June 2022 are set out on page 1 to 5.

3. Trustees

The members of the Board of Directors who served during the year are shown on page iv to vi. During the year, Hon FCPA Thomas Mwadeghu resigned as a Director in February 2022. The second terms of Directors Gabriel Njenga and Director Jacqueline Oyuyo expired in December 2021 and May 2022 respectively. The term of the Chairman of the Board expired in May 2022 but was renewed in July 2022. Also, Mr Livingstone Mburu was seconded by the Inspector General of State Corporations, to serve in the Board of the Authority.

Three new Directors were appointed after the 30th June 2022. These are Directors Mwai Kihu, Grace Tole and Njoroge Ng'ang'a who were appointed effective 13th July 2022.

4. Auditors

The Auditor General is responsible for the statutory audit of Staff House Mortgage and Car Loan scheme in accordance with article 229 of the constitution and Public Audit Act 2015.

David Kamau
Corporation Secretary/Head of Legal Services

Date 23-03-2023

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 Staff House mortgage and car loan scheme established by Public Institutions shall prepare financial statements for the Staff House mortgage and car loan scheme in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Board of UFAA 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 Staff House mortgage and car loan scheme for and as at the end of the financial year ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the scheme, (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 scheme; (v) Selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

The Board accepts responsibility for the Scheme's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Board of UFAA is of the opinion that the Scheme's financial statements give a true and fair view of the state of Scheme's transactions during the financial year ended June 30, 2022, and of the scheme's financial position as at that date.

The Board further confirm 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 Board 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.

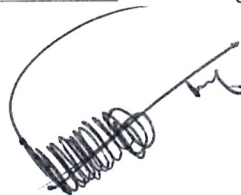
Nothing has come to the attention of the Board to indicate that the Staff House mortgage and car loan scheme will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the Financial Statements

The Scheme's financial statements were approved by the Board on 23-03- 2023 and signed on its behalf by:



FA. John Mwangi, EBS
CEO/Managing Trustee



Hon Dr. CPA Francis K Njenga
Chairman of The Board of Directors nga
Unclaimed Financial Assets Authority

REPUBLIC OF KENYA



Enhancing Accountability

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

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

REPORT OF THE AUDITOR-GENERAL ON STAFF HOUSE MORTGAGE AND CAR LOAN SCHEME FOR THE YEAR ENDED 30 JUNE, 2022 - UNCLAIMED FINANCIAL ASSETS AUTHORITY

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 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 the Staff House Mortgage and Car Loan Scheme set out on pages 1 to 22, which comprise of the statement of financial position as at 30 June, 2022 and the statement of financial performance, statement of

Report of the Auditor-General on Staff House Mortgage and Car Loan Scheme for the year ended 30 June, 2022 - Unclaimed Financial Assets Authority

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Staff House Mortgage and Car Loan Scheme as at 30 June, 2022, 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 International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Staff House Mortgage and Car Loan 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 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 Board of Directors

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

In preparing the financial statements, Management is responsible for assessing the 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.

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

30 March, 2023


Unclaimed Financial Asset Authority
 Staff House Mortgage and Car Loan Scheme
 For the Year ended 30th June 2022

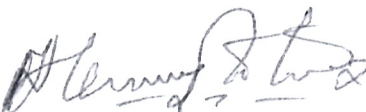
Statement of Financial Performance for the year ended 30th June 2022.


Description	Note	2021/22	2020/21
		Kshs. '000	Kshs. '000
Revenue from non-exchange transactions			0
Revenue from exchange transactions			
Interest income	7	2,562	2,891
Interest Charged on individual staff	8	5,586	5,377
Total revenue		8,148	8,268
Expenses			
Administration fees	9	5,586	5,377
Total expenses		5,586	5,377
Other gains/losses			
Gain/loss on disposal of assets		0	0
Surplus/(deficit) before tax		2,562	2,891
Taxation	10	0	0
Surplus/Deficit after Tax		2,562	2,891

The notes set out on pages 6 to 26 form an integral part of these Financial Statements).

The financial statements on page 1 to 5 were approved on ~~23.03.2023~~ 2023 by:


 C.E.O/Managing Trustee
 FA. John Mwangi, EBS


 Manager Finance & Accounting
 CPA, Henry Taabu
 ICPAK Member Number: 5413


 Chairman of the UFAA Board
 Hon Dr CPA Francis K Njenga

Statement of Financial Position as at 30th June 2022


Description	Note	2021/22	2020/21
		Kshs. '000	Kshs. '000
Assets			
Current assets			
Cash and cash equivalents	11	57,389	72,210
Staff house mortgage and car loan repaid	12(b)	3,736	3,659
Receivables from Non- exchange transactions			
Total Current Assets		61,124	75,869
Non-current assets			
Receivables-Staff House Mortgage	12 (a)	183,484	168,584
Receivables-Car Loan Mortgage	12 (a)	13,487	11,080
		196,971	179,664
Total assets		258,095	255,533
Liabilities			
Trade and other payables			
Total Current Liabilities			
Total liabilities		0	0
Net assets			
Car loan revolving Staff House mortgage and car loan scheme	13	25,000	25,000
Mortgage revolving fund	13	224,610	224,610
Accumulated surplus (<i>Reserves</i>)		8,485	5,923
Total net assets and liabilities		258,095	255,533

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

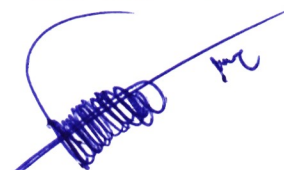
Staff House mortgage and car loan scheme financial statements were approved on 23-03- 2023 and signed by:



C.E.O/Managing Trustee
FA. John Mwangi, EBS



Manager Finance & Accounting
CPA, Henry Taabu
ICPAK Member Number: 5413



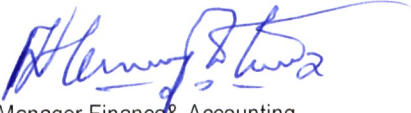
Chairman of the UFAA Board
Hon Dr CPA Francis K Njenga

Statement of Changes in Net Assets for the year ended 30th June 2022

Description	Mortgage Fund	Car Loan Fund	Accumulated surplus	Total
	Kshs. '000	Kshs. '000	Kshs. '000	Kshs. '000
As at 1 July 2020	224,610	25,000	3,032	252,642
Surplus/(deficit) for the period	0	0	2,891	2,891
Funds received during the year	0	0	0	0
Transfers	0	0	0	0
As at 30 June 2021	224,610	25,000	5,923	255,533
Balance as at 1 July 2021	224,610	25,000	5,923	255,533
Surplus/(deficit) for the period	0	0	2,562	2,562
Funds received during the year	0	0	0	0
Transfers	0	0	0	0
As at 30 June 2022	224,610	25,000	8,485	258,095

The financial statements on page 1 to 5 were approved on 23-03-2023 by:


 C.E.O Managing Trustee
 FA. John Mwangi, EBS



 Manager Finance & Accounting
 CPA, Henry Taabu
 ICPAK Member Number: 5413



 Chairman of the UFAA Board
 Hon Dr CPA Francis K Njenga

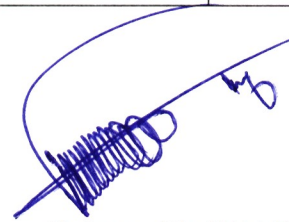
Statement of Cash Flows for the year ended 30th June 2022

Description	Note	2021/22 Kshs. '000	2020/21 Kshs. '000
Cash flows from operating activities			
Receipts			
Interest Income received	7	2,562	2,891
Total receipts		2,562	2,891
Payments			
Employee costs		0	0
Use of goods and services		0	0
Finance cost		0	0
Total payments		0	0
Net cash flow from operating activities		2,562	2,891
Cash flows from investing activities			
Proceeds from loan principal repayments		14,756	13,907
Loan disbursements paid out	14	(32,139)	(35,090)
Net cash flows used in investing activities		(17,383)	(21,183)
Cash flows from financing activities			
Receipts into the mortgage revolving Staff House mortgage and car loan scheme	13	0	0
Receipts into the car loan revolving fund	13	0	0
Net cash flows used in financing activities		0	0
Net increase/(decrease) in cash and cash equivalents		-14,821	-18,292
Cash and cash equivalents at 1 July 2021		72,210	90,502
Cash and cash equivalents at 30 June 2022	11	57,389	72,210

The financial statements on page 1 to 5 were approved on 23-03-2023 2023 by:


C.E./Managing Trustee
FA. John Mwangi, EBS


Manager Finance & Accounting
CPA, Henry Taabu
ICPAK Member Number: 5413


Chairman of the UFAA Board
Hon Dr CPA Francis K Njenga


Statement of Comparison of Budget and Actual amounts for the year ended 30th June 2022

Description	Original budget Kshs. '000 A	Adjustments Kshs. '000 b	Final budget Kshs. '000 C=(a+b)	Actual on comparable basis Kshs. '000 D	Performance difference Kshs. '000 e=(c-d)	% of utilization F=d/c
Revenue						
Balance of scheme funds	75,869	-	75,869	75,869	-	100.0%
Transfers from UFAA	-	-	-	-	-	-
Interest income	8,000	-	8,000	8,148	+148	101.9%
Other income	-	-	-	-	-	-
Total Revenue	83,869	-	83,869	84,017	+148	100.2%
Expenses						
Disbursements	78,280	-	78,280	32,139	-46,141	42.3%
Administrative cost	5,589	-	5,589	5,589	-	100%
Finance cost	-	-	-	-	-	-
Expenditure	83,869	-	83,869	37,725	46,141	45.2%
Surplus for the period	-	-	-	46,292		
Capital Expenditure						

1. Actual disbursements were less than the target disbursements of funds in the scheme due to the delay in finalizing recruitment for additional staff who had been targeted for applications/disbursements.
2. Reconciliation of the statement of financial performance and statement of comparison of budget and actual is provided as note 18.

The financial statements on page 1 to 5 were approved on 23-03-2023 by:


C.E.O/Managing Trustee
FA. John Mwangi, EBS


Manager Finance & Accounting
CPA, Henry Taabu
ICPAK Member Number: 5413


Chairman of the UFAA Board
Hon Dr CPA Francis K Njenga

9. Notes to the Financial Statements

1. General Information

Staff House mortgage and Car loan scheme is established by and derives its authority and accountability from PFM Act. The Staff House mortgage and car loan scheme is wholly owned by Unclaimed Financial Asset Authority. The Mortgage scheme principal activity is to provide a loan scheme for the purchase or development of a residential property or equity release or improvement of a residential premise and to help staff of the Authority to acquire motor vehicles.

2. Statement of Compliance and Basis of Preparation

The scheme's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Staff House mortgage and car loan scheme, and all values are rounded to the nearest thousand (Shs'000). The accounting policies have been consistently applied to all the years presented.

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

Changes in accounting policy and disclosures

- a) New and amended standards adopted by the Staff House mortgage and car loan scheme
- b) There were no new standards that have been adopted by the scheme
- c) New standards and interpretations not yet adopted

The accounting requirements for amalgamations in IPSAS 40 are based on existing information, which enables public sector entities to avoid unnecessary valuation costs, while still meeting users' needs. IPSAS 40 applies from January 1, 2019, with earlier adoption encouraged. This standard has no impact on the scheme.

IPSAS 41, Financial Instruments, establishes new requirements for classifying, recognizing, and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement. The effective date of IPSAS 41 is January 1, 2022, with early adoption encouraged.

IPSAS 42 Social Benefits provides guidance on accounting for social benefits expenditure. It defines social benefits as cash transfers paid to specific individuals and/or households to mitigate the effect of social risk. The standard requires an entity to recognize an expense and a liability for the next social benefit payment. IPSAS 42 establishes principles and requirements for:

- Recognising expenses and liabilities for social benefits;
- Measuring expenses and liabilities for social benefits;
- Presenting information about social benefits in the financial statements; and
- Determining what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the social benefits provided by the reporting entity.

The effective date for IPSAS 42 is for periods beginning on or after January 1, 2022.

These new standards that are not yet effective for the Staff House mortgage and car loan scheme are not expected to have any material impact on the financial statements of the scheme.

There are no other IPSASs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the scheme.

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2022

Standard	Impact
IPSAS 40: Public Sector Combinations	<p>Applicable: 1st January 2019</p> <p>This recognizes two types of public sector combinations: amalgamations and acquisitions. By contrast, International Financial Reporting Standards, used by private sector entities, treat all combinations as acquisitions, which requires obtaining fair value information. Amalgamations, which are much more common in the public sector, do not require this information.</p> <p>The accounting requirements for amalgamations in IPSAS 40 are based on existing information, which enables public sector entities to avoid unnecessary valuation costs, while still meeting users' needs. IPSAS 40 applies from January 1, 2019, with earlier adoption encouraged. This standard has no impact on the entity.</p>

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2022:</p> <p>Financial Instruments, establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement. The effective date of IPSAS 41 is January 1, 2022, with early adoption encouraged.</p>
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2022</p> <p>IPSAS 42 Social Benefits provides guidance on accounting for social benefits expenditure. It defines social benefits as cash transfers paid to specific individuals and/or households to mitigate the effect of social risk. The standard requires an entity to recognize an expense and a liability for the next social benefit payment. IPSAS 42 establishes principles and requirements for:</p> <ul style="list-style-type: none"> • Recognising expenses and liabilities for social benefits; • Measuring expenses and liabilities for social benefits; • Presenting information about social benefits in the financial statements; and

Standard	Effective date and impact:
	<ul style="list-style-type: none"> • Determining what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the social benefits provided by the reporting entity. <p>The effective date for IPSAS 42 is for periods beginning on or after January 1, 2022.</p> <p>These new standards that are not yet effective for the Authority are not expected to have any material impact on the financial statements of the Authority.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2022:</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>
<p>Other Improvements to IPSAS</p>	<p>There are no other IPSASs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the scheme.</p>

iii. **Early adoption of standards**

The Staff House mortgage and car loan scheme did not early – adopt any new or amended standards in the year 2018/19.

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) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Staff House mortgage and car loan scheme and can be measured reliably.

ii. Revenue from exchange transactions

Interest income

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

b. Budget information

There was no additional funding allocated to Staff house mortgage and Car loan scheme during for FY 2021/22. Subsequent there was no revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. There was no additional appropriations added to the original budget by the Staff House mortgage and car loan scheme upon receiving the respective approvals in order to conclude the final budget.

c. Property, plant, and equipment (PPE)

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

d. Intangible assets

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

e. Financial instruments

i. Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Staff House mortgage and car loan scheme has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, with less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Staff House mortgage and car loan scheme assesses at each reporting date whether there is objective evidence that a financial asset or a Staff House mortgage and car loan scheme of financial assets is impaired. Management then follows the procedure required by Regulation 145 of the PFM Act. A financial asset of the Staff House mortgage and car loan scheme is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (*an incurred 'loss event'*) and that loss event has an impact on the estimated future cash flows of the Staff House mortgage and car loan scheme that can be reliably estimated. Evidence of impairment may include the following indicators:

1. The debtors of the Staff House mortgage and car loan scheme are experiencing significant financial difficulty.
2. Default or delinquency in interest or principal payments
3. The probability that debtors will enter bankruptcy or other financial reorganization
4. Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Staff House mortgage and car loan scheme determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

f. Contingent liabilities

The Staff House 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.

g. Contingent assets

The Staff House 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 Staff House mortgage and car loan scheme in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

h. Nature and purpose of reserves

The Staff House mortgage and car loan scheme creates and maintains reserves in terms of specific requirements.

The Scheme has a reserve, which consists of accumulated surplus/deficit realised during the year and in prior years.

i. Changes in accounting policies and estimates

The Staff House 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.

j. 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.

k. Related parties

The Staff House 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 scheme, or vice versa. Members of key management are regarded as related parties and comprise the Directors/ Trustee, the Staff House mortgage and car loan scheme committees

l. Cash and cash equivalents

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

m. Comparative figures

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

n. Events after the reporting period

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

o. Ultimate and Holding Fund

The Staff House mortgage and car loan scheme is established under Section 24 (4) PFM Act under the Department of xxx/ State Corporation. Its ultimate parent is the Government of Kenya.

p. 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 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 scheme. Such changes are reflected in the assumptions when they occur. (see *IPSAS 1.140.*)

b) Useful lives and residual values

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

- i. The condition of the asset is based on the assessment of experts employed by the 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	2021/22	2020/21
	Kshs. '000	Kshs. '000
Transfers from Government entities– operations	0	0
Payments by Government entity on behalf of the scheme	0	0
Total	0	0

7. Interest income

Description	2021/22	2020/21
	Kshs. '000	Kshs. '000
Interest Income On Bank Deposits	2,562	2,891
Total Interest Income	2,562	2,891

8. Other income

Description	2021/22	2020/21
	Kshs. '000	Kshs. '000
Interest charged on loans to individual staff	5,586	5,377
Total Other income	5,586	5,377

Notes to the Financial Statements continued

9. Expenses

Description	2021/22	2020/21
	Kshs. '000	Kshs. '000
Administration fees-Interest charged on loans disbursed	5,586	5,377
Total	5,586	5,377

10. Taxation

Description	2021/22	2021/22
	Kshs. '000	Kshs. '000
Income tax charge	0	0
Tax Charged On Interest Income	0	0
Income Tax expense	0	0

11. Cash and cash equivalents

Description	2021/22	2020/21
	Kshs. '000	Kshs. '000
Staff House mortgage and Car Loan Account	57,389	72,210
Total Cash and Cash equivalents	57,389	72,210

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:

Financial Institution	Account number	2021/22	2020/21
		Kshs. '000	Kshs. '000
Staff House mortgage and car loan scheme			
HF Bank		57,389	72,210
On- Call Deposits			
HF Bank		0	0
Sub- Total			
Current Account			
Grand Total			
		57,389	72,210

12 (a) Receivables from exchange transactions

Description	2021/22	2020/21
	Kshs. '000	Kshs. '000
Current Receivables		
Non-Current Receivables		
Long Term Loan Repayments -Staff House Mortgage	183,415	168,584
Long Term Loan Repayments -Car Loan Scheme	13,487	11,080
Total Non- Current Receivables	196,902	179,664
Total Receivables From Exchange Transactions	196,902	179,664

12 (b) Staff House Mortgage and Car Loan Repaid

Description	2021/22	2020/21
	Kshs. '000	Kshs. '000
Staff House Mortgage	2,748	2,688
Car Loan scheme	988	971
Total	3,736	3,659

These are loan recoveries done and remitted at the end of financial year but reflected in the books the following month

13. Transfers from UFAA

Description	2021/22	2020/21
	Kshs. '000	Kshs. '000
Balances Brought forward	249,610	249,610
Transfer from UFAA -Staff House Mortgage	-	-
Transfer from UFAA -Car Loan Scheme	-	-
Total	249,610	249,610

Unclaimed Financial Asset Authority
 Staff House Mortgage and Car Loan Scheme
 For the Year ended 30th June 2022

Notes to the Financial Statements continued

14. Statement of Scheme Performance

During the year successful applications for Staff house mortgage were 3 for KSh 26.0 million and 3 for Car Loan scheme for KSh 6.1 million as per the below table.

Scheme Performance	2021/22		2020-21	
	No of Applications	Kshs. '000	No of Applications	Kshs. '000
Staff House Mortgage	3	25,997	3	32,720
Car Loan Scheme	3	6,142	2	2,370
Total	6	32,139	5	35,090

Notes to the Financial Statements continued

15. Net cash flows from operating activities

	2021/22	2020/21
	Kshs. '000	Kshs. '000
Surplus/ (deficit) for the year before tax	0	0
Adjusted for:		
Depreciation	0	0
Amortisation	0	0
Gains/ losses on disposal of assets	0	0
Interest income	2,562	2,891
Finance cost	0	0
Working capital adjustments		
Increase in inventory	0	0
Increase in receivables	0	0
Increase in payables	0	0
Net cash flow from operating activities	2,562	2,891

Other Disclosures

16. Financial risk management

The Staff House Mortgage and Car Loan scheme activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The 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 Staff House 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 scheme's financial risk management objectives and policies are detailed below:

a) Credit risk

The Staff House 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, considering 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 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 scheme's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Unclaimed Financial Asset Authority
 Staff House Mortgage and Car Loan Scheme
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Description	Total amount Kshs. '000	Fully performing Kshs. '000	Past due Kshs. '000	Impaired Kshs. '000
At 30 June 2021				
Receivables From Exchange Transactions-Car loans and mortgages	179,664	179,664	0	0
Receivables From Non-Exchange Transactions	0	0	0	0
Bank Balances	72,210	72,210	0	0
Total	251,874	251,874	0	0
At 30 June 2022				
Receivables From Exchange Transactions- Car loans and mortgages	183,415	179,664	0	0
Receivables From Non-Exchange Transactions	0	0	0	0
Bank Balances	57,389	72,210	0	0
Total	240,804	251,874	0	0

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 Staff House mortgage and car loan scheme has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Staff House mortgage and car loan scheme has significant concentration of credit risk on amounts due from xxx.

The board of trustees sets the 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 Staff House mortgage and car loan scheme Administrator, who has built an appropriate liquidity risk management framework for the management of the scheme's short, medium, and long-term funding and liquidity management requirements. The Staff House 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 Staff House mortgage and car loan scheme under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed

Other Disclosures Continued

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. '000	Kshs. '000	Kshs. '000	Kshs. '000
At 30 June 2021				
Trade Payables	0	0	0	0
Total	0	0	0	0
At 30 June 2022				
Trade Payables	0	0	0	0
Total	0	0	0	0

c) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the 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.

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

There has been no change to the 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 scheme's financial condition may be adversely affected as a result of changes in interest rate levels. The scheme's interest rate risk arises from bank deposits. This exposes the Staff House mortgage and car loan scheme to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the 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.

Sensitivity analysis

The Staff House mortgage and car loan scheme analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs. 10 (2018: Kshs. 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs. 50 (2018 – Kshs. 0)

e) Capital risk management

The objective of the scheme' capital risk management is to safeguard the scheme's ability to continue as a going concern.
 The Staff House mortgage and car loan scheme capital structure comprises of the following funds:

Description	2021/22	2020/21
	Kshs. '000	Kshs. '000
Revolving fund	249,610	249,610
Accumulated surplus (<i>Reserves</i>)	8,485	5,923
Total funds	258,095	255,533
Less: cash and bank balances	57,389	72,210
Net debt/(excess cash and cash equivalents)	200,706	183,323
Gearing	77.76%	71.74%

Other Disclosures Continued

17. Related party balances

i. Nature of related party relationships

Entities and other parties related to the Staff House mortgage and car loan scheme include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The scheme is related to the following entities:

- a. Unclaimed Financial Asset Authority
- b. Key management.
- c. Management Committee

ii. Related party transactions

a. Transfers from related parties

Description	2021/22	2020/21
	Kshs. '000	Kshs. '000
Transfers from related parties	0	0

18. Reconciliation of Statement of financial Performance and statement of comparison of Budget and Actual

Item	Amount (Kshs '000)
Surplus as per Statement of comparison of Budget and actual	46,292
Add: Disbursements	32,139
	78,431
Less: Balances brought forward	75,869
Balance as per Statement of Performance	2,562

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)
None	None	None	None	None

Date.....

Annex II: Inter-Staff House mortgage and car loan scheme Confirmation Letter

The UFAA /Staff House mortgage and car loan scheme wishes to confirm the amounts disbursed to you as at 30th June 2022 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 UFAA staff house and car loan scheme as at 30 th June 2022						
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/scheme] (KSh) as at 30th June 2022			Amount Received by (Kshs) as at 30 th June 2021 (E)	Differences (KSh. '000) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)		
Total						

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

Head of Accounting:

Name *Henny Taabu*

Sign

[Signature]

Date

Unclaimed Financial Asset Authority
 Staff House Mortgage and Car Loan Scheme
 For the Year ended 30th June 2022
Annex III: Reporting of Climate Relevant Expenditures
 Name of the Organization: UFAA Staff House and car mortgage scheme
 Telephone Number: +254706866984
 Email Address: info@ufaa.go.ke
 Name of CEO/MD/Head: John K Mwangi

Name and contact details of contact person (in case of any clarifications): N/A

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

Unclaimed Financial Asset Authority
 Staff House Mortgage and Car Loan Scheme
 For the Year ended 30th June 2022
Annex IV: Disaster Expenditure Reporting Template
 Date: N/A

Scheme: N/As

Period to which this report refers (FY)	Year	Quarter				
Name of Reporting Officer						
Contact details of the reporting officer:	Email	Telephone				
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments