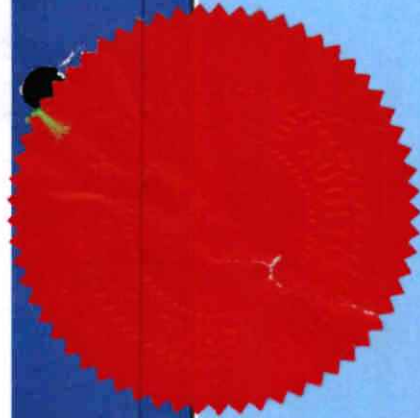


REPUBLIC OF KENYA



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REPORT

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THE AUDITOR-GENERAL

ON

**HELB STAFF CAR LOAN AND MORTGAGE
SCHEME**

**FOR THE YEAR ENDED
30 JUNE, 2024**





HELB STAFF CAR LOAN AND MORTGAGE SCHEME ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

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



HELB STAFF CAR LOAN AND MORTGAGE SCHEME
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1. ACRONYMS AND DEFINITION OF KEY TERMS

A: Acronyms

A-I-A	Appropriation- In-Aid
CEO	Chief Executive Officer
COB	Controller of Budget
EDMS	Electronic Document Management Systems
ERP	Enterprise Resource Planning
HELB	Higher Education Loans Board
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
OAG	Office of the Auditor General
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SCL&MS	Staff Car Loans and Mortgage Scheme
SRC	Salaries and Remuneration Commission

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B: Definition of Key Terms

NAME	DEFINITION
Comparative Year	Means the prior period
Fiduciary Management	Members of Management directly entrusted with the responsibility of financial resources of the organisation.
Performing Loans	Loans that are currently being repaid.

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2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The HELB Staff Car Loan and Mortgage Scheme (SCL&MS) was established in 1999 under the HELB Act (1995) Section 6 (a) and Salary Remuneration Commission (SRC) Circular No. SRC/ADM/CIR/1/13 VOL. III (128) dated 17th December 2014 to grant car loans and mortgages to the HELB employees except where the term provided in the individual letter of appointment state otherwise. The Scheme is wholly owned by Higher Education Loans Board (HELB) which is a state corporation in the Ministry of Education in the republic of Kenya. It is governed by Board Members and the Chief Executive Officer (CEO) who are responsible for policy and strategic direction. The CEO is also the Secretary to the Board.

(b) Principal Activities

The scheme facilitates HELB employees to acquire motor vehicles and residential property by providing staff loans for:

- i. Purchase of motor vehicle;
- ii. Purchase and/or development of property;
- iii. Renovation or repair of property; and
- iv. Acquisition of land for future development.

The mortgage loan scheme is managed by HELB through Staff Loan Committee appointed by the Chief Executive Officer and administered by its appointed agents under the terms and conditions of both HELB and the Agent. The agents are financial institutions namely SBM Bank, KCB Limited and Housing Finance. To foster growth and retain staff, a loan will be advanced to permanent members of staff who have been confirmed in their appointment, members of staff who are on contract for at least three years on mortgage scheme & two years for car loans. HELB may also take over an existing loan for a member of staff held by another entity.

(c) Key Management

HELB SCL&MS is administered by HELB's CEO and operationalized by Human Resource and Administration Department through Staff Loans Committee.

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30 June 2024 and had direct fiduciary responsibility were:

No.	Position	Designation	Name
1	Scheme Administrator	Chief Executive Officer & Board Secretary	FCPA Charles M. Ringera
2	Scheme Chief Accountant	Chief Finance Officer	CPA Shem Gichimu

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No.	Position	Designation	Name
2	Staff Loans Committee	Chairman	Mrs. Bernadette N.
		Secretary	Mr. Gilbert O. Wir
		Member	Mr. Josphat K. Nzuki
		Member	CPA Kerin Lidoroh
		Member	CPA James Gachari
		Member	CPA Justus K. Mwangi
		Member	Mr. Collins Wenje
4	Scheme Administration Team	Assistant Manager, Human Resource & Administration	Ms. Jemima Swanya
		Financial Accountant	CPA Michael Njenga
		Management Accountant	CPA Seth Muruthi

(e) Fiduciary Oversight Arrangements


No.	Position	Designation	Name
1	Senior Management Team	Chief Executive Officer & Board Secretary	F CPA Charles M. Ringera
		Chief Finance Officer	CPA Shem Gichimu
		Chief Strategy & Customer Experience Officer	CPA Mary Wachira-Muchee
		Chief Innovation and Technology Officer	Mr. Josephat K. Nzuki
		Head of Legal Services & Corporation Secretary & Ag. Chief Operations Officer	Mrs. Bernadette N. Masinde
		Head, Audit Risk Management and Compliance	CPA Justus K. Mwangi
		Head of Human Resource & Administration	CHRP (K) Zipporah Onyoni
		Head of Debt Management	CPA Fritz N.C. Achola
		Manager, Finance	CPA Kerin Lidoroh
		Manager, External Resources & Fund Management	CPA James Gachari
		Manager, Lending	Mr. Joseph Ndegwa
		Manager, Procurement and Logistics	Mr. Elijah W. Wekesa
		Ag. Head of Corporate Communication & Customer Experience	Mr. Collins Wenje
2	HELB Board Member	Chairman	Hon. Ekwee Ethuro
		Representative: Kenya Bankers Association	Dr. Habil Olaka
		Independent Board Member	Mr. Charles Onami Maranga
		Representative: PS, State Department for Higher Education and Research	Mrs. Diana Mutisya
		Representative: Kenya Federation of Employers	Mrs. Jacqueline A. Mugo
		Independent Board Member	Mrs. Shadia M. Faryd
		Representative: PS, The National Treasury	Ms. Cheryl Majiwa
		Representative: Vice Chancellors' Committee, Public Universities	Prof. Daniel Mugendi Njiiru
		Representative: Commission for University Education	Prof. Mike Kuria
		Representative: Kenya Association of Private Universities	Prof. Washington Okeyo

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(f) HELB Headquarters and Registered Office

18th Floor, Anniversary Towers, University Way
P.O. Box 69489-00400
NAIROBI – KENYA

(g) HELB Contacts

Telephone: (020) 2278000/0711052000
Email: contactcentre@helb.co.ke
Website: www.helb.co.ke
 [Twitter.com/HELBpage](https://twitter.com/HELBpage)
 [Facebook.com/HELBpage](https://facebook.com/HELBpage)

- [Linkedin.com/higher-education-loans-board](https://linkedin.com/higher-education-loans-board)

(h) HELB SCL&MS Bankers

	BANK	BRANCH
1	KCB Bank Limited	University Way Branch, Nairobi
2	Housing Finance Group	Koinange Street Branch, Nairobi
3	SBM Bank (Kenya) Limited	Delta Branch, Westlands, Nairobi

(i) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084 - 00100
NAIROBI, KENYA




(j) Principal Legal Adviser

The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112- 00200
NAIROBI, KENYA

3. KEY BOARD MEMBERS

Board Member	Key Qualifications and Experience
 <p>Rt. Hon. Ekwee Ethuro Board Chairman - HELB</p>	<p>RHT Hon. Ekwee Ethuro is the Chairman of the Board of Directors at HELB as appointed by the Head of State on 22nd September 2023. He holds an MSc in Agriculture and Economics and a Bachelor of Science in Agriculture, both from the University of Nairobi. His area of specialization is in Agriculture & Economics. He is former Speaker of the Senate having served for the period between 2013 to 2017. He served for three terms as a Member of Parliament for Turkana Central Constituency in 1997, 2002 and 2007. Hon. Ekwee Ethuro chaired the Constituency Development Fund Committee. He also served as an Assistant Minister in the Ministry of Planning and National Development from 2005 to 2007 and an Assistant Minister in the Ministry of Labour and Human Resource Development from 1998 to 2002. He was born in 1963.</p> <p>Appointed on 22nd September 2023.</p>
 <p>FCPA Charles Ringera Board Secretary, CEO- HELB</p>	<p>FCPA Ringera is the Chief Executive Officer of Higher Education Loans Board. He is a seasoned banker with over 23 years' experience gained at the Central Bank of Kenya, Kenya Deposit Insurance Corporation (KDIC), Cooperative Bank and KCB Group Plc specializing in Strategy, Risk Management, Governance, Compliance, Audit, Internal Controls, Corporate strategy formulation and Board dynamics. He holds a Bachelor of Science (Hons) Degree in Applied Accounting and an MBA in Strategic Management. He is a professional accountant, a member of ICPAK and a Fellow of the Association of Certified Chartered Accountants (FCCA) in good standing. He also holds an Advanced Diploma in Risk Management in Banking/Finance by KPMG Sweden. He was born in 1969.</p> <p>Appointed on 1st March 2019</p>
 <p>CPA Mary Wachira-Muchee Ag. CEO and Chief Strategy & Customer Experience Officer</p>	<p>CPA Mary has over 25 years of experience in the field of Finance and Strategy. She joined HELB at inception in 1996 as an Accountant in charge of Operations. Before joining HELB, she worked at National Housing Corporation from 1990-1996 in various positions rising to the position of Senior Accountant (Cost & Management section). Mary holds a Bachelor of Commerce degree - Accounting and Master of Business Administration - Finance from the University of Nairobi. She is a Certified Public Accountant of Kenya (CPA-K), a member of Institute of Certified Public Accountant of Kenya in good standing and also a Certified Investment and Security Analyst. Acting Chief Finance Officer from 7th September 2019 to 15th January 2024 as an additional role to overseeing Strategy and Customer Experience function.</p> <p>Appointed Acting CEO on 1st November 2024</p>

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Board Member	Key Qualifications and Experience
 <p style="text-align: center;">Prof. Washington Okeyo Vice-Chancellor, Management University of Africa, Board Member</p>	<p>Professor Washington Okeyo is an Associate Professor Entrepreneurship and is the Vice-Chancellor/CEO of the Management University of Africa (MUA). He is a member of the University's Governing Council, Chairperson of the University Senate and Chairman of The University Management Board (UMB). He has taught at University of Nairobi among others. He has written and published widely in Management and Leadership. He is also the patron of the Editorial Board of International Journal of Management and Leadership Studies. He has worked in the corporate world as Systems Administrator at Caltex Oil (Kenya) Limited, Deputy General Manager at Kenya Breweries Limited, Managing Director at Southlink Consultants Limited and Project Manager at UNESCO. He is a current Full Member of Kenya Institute of Management (KIM) and enjoys a round of golf during his free time. He was born in 1956.</p> <p>Appointed on 24th November 2023 to represent the Kenya Association of Private Universities (KAPU).</p>
 <p style="text-align: center;">Prof. Mumo Kisau, Board Member</p>	<p>Prof. Mumo Kisau is the immediate Vice-Chancellor of Scott Christian University. He was appointed to the Board on 20th September 2018 for a period of Five years. Prof. Kisau has gained wide experience in leadership and management, having served in various positions including as a senior adviser at World Vision East Africa. He has also served as an Assistant Professor/Deputy Principal at Africa Leadership University. He holds a Doctor of Philosophy in Divinity (Aberdeen University) and Master of Divinity from Africa International University. He was born in 1960.</p> <p>Appointed on 20th September 2018 to represent the Kenya Association of Private Universities (KAPU) and retired on 19th September 2023.</p>
 <p style="text-align: center;">Mrs. Jacqueline A. Mugo, Board Member and Chairman Loans Disbursement and Recovery Committee</p>	<p>Jacqueline Mugo, EBS, MBS, OGW is the Executive Director and Chief Executive Officer of the Federation of Kenya Employers. She plays a strong leadership role in the continent and represents Employers and the Private Sector at the Regional and International level including the Governing Body of the International Labour Organization (ILO) and the International Organization of Employers (IOE), both based in Geneva, Switzerland, The ACP-EU Follow-up Committee in Brussels and several Public Sector boards in Kenya. She is an advocate of the High Court of Kenya. She holds a Bachelor of Laws (LLB, Hons) degree, from the University of Nairobi and a Higher Diploma in Human Resource Management from the Institute of Personnel Management and is also a graduate of Kenya School of Law. She has over 30 years' experience acquired from serving in the public and private sector covering legal, Human Resource Management, Governance, Advocacy and Leadership. She was born in 1957.</p> <p>Appointed on 15th February 2021 to represent Kenya Federation of Employers.</p>

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Board Member	Key Qualifications and Experience
 <p data-bbox="87 896 542 1097">Mrs. Diana Mutisya Board Member Alternate to the Permanent Secretary, State Department for Higher Education and Research</p>	<p data-bbox="582 246 1516 862">Mrs Diana Mutisya is a Financial Analyst and currently working with the State Department for University Education & Research. She holds a master’s degree in business administration {MBA} (Finance option) at Kenyatta University, a degree in Business Administration (Accounting and Finance option) at Kenya Methodist University (KEMU), Diploma in Information Technology, Higher Diploma in Human Resources, Strategic Leadership Development Programme from KSG, Public Finance Management Course from KSG, Senior Management Course from KSG. In addition, Mrs Diana Mutisya has successfully completed an Effective Board & Board Audit Committee and Internal Audit Function training from Institute of Internal Auditor Kenya and induction program for Public Sector Boards from Kenya school of Government (KSG), Board Master class from the Institute of Certified Public Accountants of Kenya (ICPAK). Mrs Diana Mutisya further holds a Certification from the Kenya School of Government on Corporate Governance and other various relevant short courses obtained both locally and outside the country. She has a wealth of experience in Government functions and operations for over 40 years. She was born in 1960.</p> <p data-bbox="582 907 1516 974">Appointed on 5th December 2022 to represent PS, State Department for Higher Education and Research.</p>
 <p data-bbox="79 1523 550 1590">Mrs. Shadia M. Faryd, Independent Board Member</p>	<p data-bbox="582 1108 1516 1612">Mrs. Shadia M. Faryd, a seasoned Administrative Officer, has amassed extensive experience in elevating service delivery across prominent Public Service institutions, including the Parliamentary Service Commission, Public Service Commission and Ministry of Environment and Natural Resources, as well as the Ministry of Water. She holds a bachelor’s degree in political science and Kiswahili from the University of Nairobi, Corporate Governance and effective Board Management course from PAI UK, Leadership in the 21st Century from Singapore Institute of Management and Senior Management Course from ESAMI Dubai and other various relevant short courses obtained both locally and outside the country. She has a wealth of experience in Corporate Governance, Board Management, Performance Management, Strategic Planning, Human Resource Management, Strategic Leadership and Change Management. She has a wealth of experience in Public Sector Governance and Operations. She was born in 1961.</p> <p data-bbox="582 1646 1468 1680">Appointed on 29th September 2023 as an Independent Board Member.</p>


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Board Member	Key Qualifications and Experience
 <p>Mrs. Rita Wambui Kosgey, Board Member</p>	<p>Mrs. Wambui Kosgey is a strategic and creative commercial legal adviser with over 20 years' experience in legal, compliance, risk, governance commercial and corporate advisory roles in various sectors. Has advised on some of Africa's largest transactions and corporate restructurings in size and complexity including the recent investment by Diageo plc on its Kes15bn investment in Kenya Breweries Limited. Has practiced with and held senior executive positions in some of the largest global companies, law practices and financial institutions, including Diageo, Africa Legal Network and Standard Bank. Has local knowledge, global outlook and regional experience as Associate Director Corporate Finance, at CFC Bank Ltd and the Senior Regional Vice President for Advisory, Investment Banking Division, East Africa at Standard Bank and most recently Regional Legal Director for East Africa at Diageo, plc and Holds a Bachelor of Laws degree from the Cardiff University, an MBA from Strathmore Business School and a graduate of the SBS Women Directors Leadership Program. Key result areas: Strategic and Creative Initiatives – currently undertaking various entrepreneurial activities and holds positions in various Boards and Board Committees. Compliance, Risk & Governance – a key adviser to various companies on legal, compliance and risk. Operational Oversight & Change Management - has led large multi-disciplinary teams providing technical and operational advice and support, delivering projects or undertaking transformative change initiatives. Culture, Talent & People Management - a graduate of the Diageo Leadership Performance Program and voted as The Most Inspirational Senior Woman Executive Leader at EABL. Delivery & Performance – nominated by Legal 500 (a global ranking agency) as one of the Most Influential Lawyers in the Business Sector and included in the General Counsel Power list for Africa 2017. She was born in 1973.</p> <p>Appointed on 20th September 2018 as an Independent Board Member and exited on 19th September 2023.</p>
 <p>Mr. Charles Onami Maranga, Independent Board Member and Chairman, Finance Staff and General-Purpose Committee</p>	<p>Mr. Charles Onami Maranga was appointed by the CS. Ministry of Education to join HELB of Higher Education Loans Board on 15th February 2021. He holds BA (Hons) Sociology and Government the University of Nairobi and MSC Business Studies – HR Option from University of Salford United Kingdom. His area of specialization is in Human Resource and has over 25 years' experience in Human Resource Management. He has worked as Director HR in KCB and CBK; Head of Human Resources ABSA and Kenya Airways and is currently the CEO/Managing Partner-Human Capital Consultancy Ltd (HCMC). He was born in 1964.</p> <p>Appointed on 15th February 2021 as an Independent Board Member.</p>

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Board Member	Key Qualifications and Experience
 <p>Ms. Cheryl Majiwa, Board Member Alternate to the Permanent Secretary, The National Treasury</p>	<p>Ms. Cheryl Majiwa is the Alternate to the PS, National Treasury. She is currently working as the Chief Investment Officer in the Directorate of Public Investments and Portfolio Management at The National Treasury & Planning. Ms. Cheryl Majiwa holds a Bachelor of Commerce (Accounting & Finance) from Strathmore University and Master of Business Administration (Strategic Management) from the University of Nairobi. She represents the Cabinet Secretary, National Treasury in selected Boards of State Corporations and in Public Accounts and Public Investments Committees of Parliament. She has Specialized in Accounting and has previously worked as the Head of Accounting Unit and Administration of an advertising company for six years. She is a member of the Institute of the Certified Public Accountants of Kenya. An Associate Member of the Institute of Certified Investments/Financial Analyst and member of the secretariat of the Public Accounting Standards Board. She was born in 1978.</p> <p>Appointed on 1st January 2020 by the CS-TNT to represent the PS, The National Treasury.</p>
 <p>Dr. Habil O. Olaka, Board Member and Chairman Audit, Risk Management and Compliance Committee</p>	<p>Dr. Habil Olaka is the Chief Executive Officer of the Kenya Bankers Association since October 2010. Previously he was the Director of Operations of the East African Development Bank (EADB) based in Kampala after serving as the Resident Manager in Kenya. He earlier served the bank as the Head of Risk Management and as the Chief Internal Auditor. Before joining the EADB, he had been with Banque Indosuez (now Bank of Africa) as the Internal Auditor. He started his career at PricewaterhouseCoopers, Nairobi in the Audit and Business Advisory Services Division. His area of specialization is Accounting. He holds a Doctor of Business Administration from USIU-Africa, a First-Class Honours BSc degree in Electrical Engineering from the University of Nairobi, and an MBA in Finance from the Manchester Business School in the UK. He is a member of ICPAK and a seasoned banker. He was born in 1964.</p> <p>Appointed on 27th August 2021 to represent the Kenya Bankers Association</p>
 <p>Prof. Mike Kuria CEO/Secretary Commission for University Education, Board Member</p>	<p>Prof. Mike Kuria is the CEO and Commission Secretary for Commission for University Education (CUE). He holds a Bachelor of Education and Master of Philosophy {MPhil} from The University of Moi. He also holds Master of Arts in Creative Writing, at the Open University in United Kingdom and a Doctor of Philosophy at the University of Leeds, in UK. Before his appointment at the CUE, Prof. Mike Kuria served as the Deputy Executive Secretary, Inter-University Council for East Africa (2016-2022), and the Director, Centre for Quality Assurance at Daystar University (2006-2016). He also served as the Senior Lecturer, Daystar University (2004-2005) and Secretary General of the East African Quality Assurance Network (EAQAN) in 2012. He was born in 1966.</p> <p>Appointed on 10th October 2022 as HELB Board Member to represent the Commission for University Education (CUE).</p>

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Board Member	Key Qualifications and Experience
 <p align="center">Prof. Daniel Mugendi Vice-Chancellor, University of Embu, Board Member</p>	<p>Professor Daniel Mugendi Njiru is the Vice-Chancellor of the University Embu. He is a renowned Scholar, Researcher and Consultant with illustrious management expertise. His career in academia, research, education and training sectors, spanning over more than three decades, has seen him make significant contributions in Agro-ecosystems research and management as well as the development of University Education in Kenya. He also holds the following positions; Chairman of the Board of Directors, Cytonn Investments Management Limited, the Chairman, Board of Management, Kirege Secondary School, Chuka, Tharaka Nithi County and a Lead Expert in Environmental Impact Assessment/Audit. He has also served in other leadership capacities. These include, mentioning but a few, the Chairman Board of Directors of Kenya Forestry Research Institute (KEFRI), Regional Secretary General and Chairman of the Soil Science Society of East Africa, Secretary and Chairman to the Kenya Chapter of Soil Science of East Africa and Chairman, Africa Network (AfNet) of Tropical Soil Biology and Fertility, Programme-(TSBF). He has participated and conducted groundbreaking research focusing on agriculture, forestry and environmental policy and sustainability. He has worked extensively with communities, national and international partners in diverse fields of research in his area of expertise, and in higher education Leadership. As a scholar of international repute, Prof. Mugendi has authored nine (9) books and Sixty-Four (64) chapters in books in addition to publishing over 80 refereed articles and research papers in both national and international peer-reviewed journals. He has supervised and graduated 36 master's and 14 PhD students. He continues to lecture, supervise postgraduate students and conduct research in Forestry, Agriculture and Natural Resource Management. In addition, he has participated and presented scientific papers in more than 90 conferences. He was born in 1961.</p> <p>Appointed on 24th November 2023 to represent Vice Chancellors' Committee, Public Universities.</p>
 <p align="center">Prof. Francis W. O. Aduol, Board Member</p>	<p>Prof. Francis Aduol is the immediate Vice-Chancellor of Technical University of Kenya. He graduated with Bachelor of Science in Engineering (Surveying and Photogrammetry) and MSc degree in Surveying from the University of Nairobi. He holds a PhD (Doctor of Engineering) from the University of Stuttgart, Germany, and an M.A. degree in Economic Policy Management from the University of Nairobi. He has served in national taskforces that reviewed various laws governing university education and technical training. He was born in 1951.</p> <p>Appointed on 20th September 2018 to represent Vice Chancellors' Committee, Public Universities and exited on 19th September 2023.</p>

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Board Member	Key Qualifications and Experience
 <p data-bbox="71 600 544 728">Mrs. Bernadette N. Masinde Head of Legal Services & Corporation Secretary Ag. Chief Operations Officer</p>	<p data-bbox="582 253 1522 562">Mrs. Masinde holds an LLB (Hons) from the University of Nairobi, a Diploma in Law from the Kenya School of Law and is currently pursuing LLM (Commercial Law option). She is a Certified Public Secretary (K). She is a member of the Law Society of Kenya, the Law Society of East Africa and a member of the Institute of Certified Secretaries of Kenya. She has post qualification experience of over 20 years. Prior to joining HELB, she worked with FIDA and ICJ before joining private law practice. She joined HELB as a Legal Officer and progressed to the current post of Head of Legal Services. She has spearheaded the growth of the Legal function of HELB.</p> <p data-bbox="582 600 1433 633">Appointed Acting Chief Operations Officer from 1st December 2020.</p>

4. KEY MANAGEMENT TEAM



FCPA Charles Ringera
Chief Executive Officer
/Board Secretary
(Scheme Administrator)

FCPA Ringera is the Chief Executive Officer of Higher Education Loans Board. He is a seasoned banker with over 23 years' experience gained at the Central Bank of Kenya, Co-operative Bank and KCB Group PLC. He holds a BSc. degree in Applied Accounting and an MBA in Strategic Management. He is a professional Accountant, fellow in both the Association of Certified Chartered Accountants (FCCA) and institute of Certified Public Accountant of Kenya (FCPA) with membership in both ICPAK and ACCA in good standing. He also holds an Advanced Diploma in Risk Management in Banking/Finance by KPMG Sweden.



CPA Mary Wachira-Muchee
Ag. CEO and Chief Strategy &
Customer Experience Officer

CPA Mary has over 25 years of experience in the field of Finance and Strategy. She joined HELB at inception in 1996 as an Accountant in charge of Operations. Before joining HELB, she worked at National Housing Corporation from 1990-1996 in various positions rising to the position of Senior Accountant (Cost & Management section). Mary holds a Bachelor of Commerce degree - Accounting and Master of Business Administration - Finance from the University of Nairobi. She is a Certified Public Accountant of Kenya (CPA-K), a member of Institute of Certified Public Accountant of Kenya in good standing and also a Certified Investment and Security Analyst. Acting Chief Finance Officer from 7th September 2019 to 15th January 2024 as an additional role to overseeing Strategy and Customer Experience function. Appointed Acting CEO on 1st November 2024



CPA Shem Andrew Gichimu
Chief Finance Officer

CPA Gichimu has over 35 years' experience in the field of Finance. He previously worked for the Credit Reference Bureau Africa Limited as Group Finance Manager. He holds a Bachelor of Commerce - Accounting and Master of Business Administration - Strategic Management from the University of Nairobi. In addition, he is a Certified Public Accountant of Kenya (CPA-K) and a member of Institute of Certified Public Accountant of Kenya in good standing. He was the Chief Finance Officer of HELB from 2nd June 2007 to 27th September 2019. He resumed his duties as the Chief Finance Officer on 15th January 2024.

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Mr. Josephat Nzuki
Chief Innovation and
Technology Officer
(Member)

Mr. Nzuki has over 20 years' experience in Information Technology practice, key areas of expertise being Data Analysis, Systems Analysis and design, Software Development, Database Administration, Policy Formulation, ICT Infrastructure and Security Management. He joined HELB from the Bidco (K) Ltd as the Data and Systems Analyst and has been instrumental in sustaining the growth of ICT agenda at HELB. He holds a Bachelor of Science in Information Sciences (IT) from Moi University, Oracle DBA certifications, CCNA, WEB development and is currently finalizing his research for his Master of Science Information Systems degree (MIS) in the University of Nairobi. He is a Fellow of the Computer Society of Kenya.



Mrs. Bernadette N. Masinde
Head of Legal Services &
Corporation Secretary
Ag. Chief Operations Officer
(Chairperson)

Mrs. Masinde holds an LLB (Hons) from the University of Nairobi, a Diploma in Law from the Kenya School of Law and is currently pursuing LLM (Commercial Law option). She is a Certified Public Secretary (K), a member of the Law Society of Kenya and the Law Society of East Africa. She has post qualification experience of over 20 years. Prior to joining HELB, she worked with FIDA and ICJ before joining private law practice. She joined HELB as a Legal Officer and progressed to the current post of Head of Legal Services. She has spearheaded the growth of the legal function of HELB. Appointed Acting Chief Operations Officer from 1st December 2020.



CPA Justus K. Mwangi
Head of Internal Audit, Risk
Management and Compliance

CPA Mwangi is an Audit and Risk practitioner with over 14 years' progressive experience in external and internal auditing of Finance, Operations and ICT systems and Risk Management.

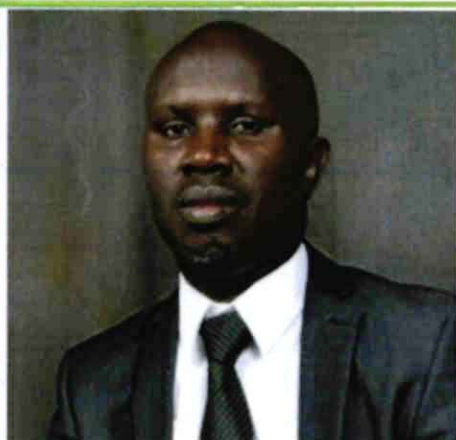
He joined HELB from the National Gender & Equality Commission where he was the Head of Internal Audit and Risk. He also worked as an Internal Auditor with the Ethics & Anti-Corruption Commission (EACC) and Financial and Information Systems Auditor with the Office of Auditor General (OAG). He holds Master of Business Administration - Finance from UoN, BA AGBM [Egerton University], CPA (K), CISA and a Certified Audit Quality Assessor. He is an active member of ICPAK and ISACA.

HELB STAFF CAR LOAN AND MORTGAGE SCHEME
Annual Report and Financial Statements for the Year Ended June 30, 2024



**CHRP (K) Zipporah Onyoni
(Mrs)
Head of Human Resource and
Administration**

CHRP Zipporah is a Human Resource practitioner specialized in Human Resource Management and Administration with over 19 years' experience. She holds a Master of Science in Human Resources Management and a bachelor's degree in business administration specializing in Human Resource Management. She previously worked in Non-Governmental Organizations, Banking Sector, Airline Industry, Private and Public sector. She is specialized in Human Capital Management. She is a Certified Human Resource Professional (CHRP-(K)), an accredited member of the Institute of Human Resource Management (IHRM) and Kenya Institute of Management (KIM).



**CPA James Maina Gachari
Manager, External Resources
(Member)**

CPA Gachari joined HELB from CPF (formally Local Authorities Pension Trust (LAPTRUST)) where he was Investment Manager specializing in Investment Accounting and Management. He also worked as an Accountant – Pensions & Life with Madison Insurance Company Limited and Investment Officer with Madison Asset Management Services Limited. He has a wealth of experience in Fund Management. He holds a Master of Business Administration - Finance from USIU - Africa], Bachelor of Arts - Economics from the University of Nairobi and is a Certified Public Accountant (CPA (K)). He is an active member of ICPAK in good standing and is currently pursuing a Post graduate degree in Entrepreneurship at Jomo Kenyatta University of Agriculture and Technology [JKUAT].



**CPA Kerin Lidoroh
Manager, Finance
(Member)**

CPA Kerin has over 20 years' experience in the field of Finance and Accounting. She is a Certified Public Accountant of Kenya [CPAK] and a member of ICPAK in good standing. She holds a Master's Degree in Business Administration (Finance) from the University of Nairobi and a Bachelors Degree in Commerce - Accounting Option from Catholic University of Eastern Africa. She has served HELB in various capacities since 1998. She previously worked in the hospitality industry.

HELB STAFF CAR LOAN AND MORTGAGE SCHEME
Annual Report and Financial Statements for the Year Ended June 30, 2024



**Ag. Manager, Corporate
Communication & Customer
Experience
(Member)**

Mr. Wenje is passionate about communication and is an enthusiastic customer advocate with over 15 years' Customer Relationship Management experience that cuts across banking and public sectors. He previously worked at KCB Bank as Team Leader in charge of Customer Experience & Communication as well as Sales & Marketing Team Leader; He worked with Barclays Bank of Kenya [ABSA] as a Credit Administrator; and Kenya National Bureau of Statistics as a Research Assistant. He holds a Bachelor of Education - Science from Kenyatta University, a Master of Business Administration - Operations Management from the University of Nairobi, Advanced Diploma from the Chartered Institute of Public Relations (UK), Diploma in Purchasing & Supplies Management from the Kenya Institute of Management; and is a Certified Public Speaker.



**CHRP Gilbert O. Wir
Assistant Manager Human
Resource & Administration
(Secretary)**

Mr. Wir is a transformative Human Resource Professional with over 15 years of cross functional experience in human resource management acquired majorly from public sector and banking industry. He joined Higher Education Loans Board in May 2016 from National Bank of where he was holding the position of Talent and Performance Specialist. He holds a Master of Science in Human Resource Management from Jomo Kenya University of Agriculture and Technology, Bachelor of Business Administration (Finance) from Maseno University, Certified Human Resource Professional (CHRP), Higher Diploma in Human Resource Management, Certificate in Corporate Leadership. He is a full member of Institute of Human Resource Management.

HELB STAFF LOANS AND MORTGAGE SCHEME
Annual Report and Financial Statements for the Year Ended June 30, 2024

5. CHAIRMAN STATEMENT



I am pleased to present the Annual Report and Financial Statement of HELB Staff Car Loan and Mortgage Scheme for the Financial Year 2023/2024. The scheme was to establish a revolving fund to support employees and enable HELB to attract and retain talented and competent staff.

Performance and Successes

During the reporting period, the scheme maintained an interest rate of 4% as cost of borrowing, achieved a 4% growth in balance sheet and maintained revenue generation like previous year. The scheme has also achieved a relatively low-cost efficient index since it utilized operational expenditure through HELB, which is the parent institution.

Challenges Being Faced and the Way forward.

Despite the relative growth of the scheme, its institutionalization has met various challenges leading to slowed uptake. The implementation of the various policies affecting the staff disposable income has reduced the uptake since they cannot be able to secure the repayments. The implementation of the approved organizational structure and the annual inflation adjustment will go in as an incentive to more uptake of the scheme funds.

Corporate Governance

The scheme is governed by HELB Car loan policy, staff Mortgage policy, staff loans regulations and Salaries and Remuneration Commission Circulars. Its operations are run by the senior management, overseen by the board through the Finance, Staff & General-Purpose Board Committee.

Future Outlook for the Organization

The outlook is to have the scheme strategically aligned to organizations goals, remain competitive in the industry, be policy compliant and create a sustainable revolving fund.

Appreciation

On behalf of the Board of Members, I take this opportunity to express my gratitude to the management and staff for their unwavering dedication and hard work.

A handwritten signature in blue ink, appearing to be 'RT. HON. EKWEE ETHURO'. The signature is stylized and somewhat messy, with many overlapping loops and lines.

RT. HON. EKWEE ETHURO
CHAIRMAN OF THE BOARD

6. REPORT OF THE CHIEF EXECUTIVE OFFICER (SCHEME ADMINISTRATOR)



The HELB Staff Car Loan and Mortgage Scheme (SCL&MS) was established in 1999. The key management is drawn from the senior management whose objective is to coordinate the operationalization of the scheme through Human Resource and Administration Department in collaboration with appointed agents who are financial institutions (Bank). The objective of the scheme is to establish a revolving fund to support its employees and enable HELB to attract and retain talented and competent staff.

Performance of HELB SCL&MS

HELB, in an effort to motivate and ensure growth and development, established a staff loans and mortgage scheme. The scheme balance sheet has grown to **KShs. 409.880 Million** as at 30 June 2024.

HELB SCL&MS Revenue Generation

In the year under review, the total revenues generated from interest income amounted to **Kshs. 4.126 Million**. Additionally, the overall accounting surplus achieved was **Kshs. 4.120 Million**. The financial performance demonstrates the scheme's effective and sound financial management.

HELB SCL&MS Financial Position

The total balance Sheet has grown to **Kshs. 409.880 Million** by the close of June 2024. This growth was driven by funding for loan advances in the period of **Kshs.42.904 Million**. The scheme has a promising future since it has a positive gearing ratio of over 100%.

Outlook

We shall endeavor to empower all staff through a revolving fund aimed at enabling HELB to attract and retain talented and competent staff and to enable staff own residential and own motor vehicles to facilitate efficient and safe transport.

A handwritten signature in black ink, appearing to read 'Mary Wachira-Muchee'.

CPA MARY WACHIRA-MUCHEE
Ag. CHIEF EXECUTIVE OFFICER (SCHEME ADMINISTRATOR)

HELB STAFF CAR LOAN AND MORTGAGE SCHEME
Annual Report and Financial Statements for the Year Ended June 30, 2024

**7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR
FY2023/2024**

The statement of performance against HELB'S predetermined objectives has been prepared in accordance with Section 81 subsection 2 (f) of the Public Finance Management Act, 2012. During FY 2023/2024, HELB developed its strategic plan dubbed 'The HELB Plan 2023-2027,' in alignment with its mandate, functions, and the 5th strategic plan generation guidelines from the State Department for Economic Planning. The plan prioritizes four strategic pillars, the HELB SCL&MS strategic issues are addressed under Our people-Centricity & Compliance pillar; Enrich Employee Value Proposition.

Financial Performance

To ensure People-Centricity & Compliance, HELB continued to enrich employee value proposition through budget allocation and advancement of staff car loans and mortgage. In the year under review a total of Kshs. **0.855Million** was advanced to car loans while **Kshs. 43.770Million** was advanced to finance mortgage and plot loan. The budget utilization was at **47%** and it was adversely affected by the current fiscal policies affecting disposable income. The repayments of the loans are at **100%** performance since they are managed in partnership with specific banks and the deductions are payroll based. The scheme also generates returns from the backed-up funds earning interest and interest return from the loan advanced to staff of **Kshs. 0.910Million** and **Kshs. 3.216Million** respectively. The cost-efficient index remained far below one cent per every **Kshs. 100** advanced to staff since it operates are expended under HELB's operations processes.

Employee Satisfaction and Impact

In the year under review **one (1)** staff benefited from the car loan and **eight (8)** staff benefited from mortgage and plot loan. The scheme aim is to improve employee welfare, increase morale and eventually translate to employee retention. A total of **eighty-Four (84)** staff have benefited from the mortgage and plot loans while **Eighty-Six (86)** staff have benefited from car loan. Only **twelve (12)** beneficiaries who benefited while in the board are currently outside the bond signifying positive gain from expected retention rate.

Organizational Alignment and Risk Management

The scheme is strategically aligned to the organizational goal of enriching employee value proposition in line with our people-centricity and compliance pillar of the current strategic plan. The scheme products are also competitive compared to those of the industry peers at 4%pa interest rate. The partnership with financial institution to manage the fund minimizes the risk associated with credit risk thus improving performance while delivering value to improvement of staff welfare.

8. CORPORATE GOVERNANCE STATEMENT

The Board Members, Senior Management, Human Resource & Administration (HRA) department and Staff Loans Committee are committed to ensuring that a strong governance framework operates throughout HELB Staff Car Loans and Mortgage Scheme, recognising that good corporate governance is a vital component to support management in their delivery to strategic objectives, and to operate a sustainable business for the benefit of all stakeholders. The Board Members develops and determines the purpose, strategy, and overall objectives. The Board Members ensures that HELB adopts policies and procedures that it considers appropriate to the business size and activities.

Operations of the Board

The board ownership, constitution and appointment, induction and trainings, board responsibilities, remuneration, board work plan and meetings, committees, appointment of the management team and any other corporate governance issues are in line with the HELB corporate governance statement.

The Management Team

Members of the management team are appointed by the Board through a competitive recruitment process. The membership consists of the CEO, the Chiefs of various functions and Managers as per the HELB's establishment who oversees the operations of the scheme. HELB SCL&MS is administered by HELB's CEO assisted by Staff Loans Committee. The management team that are members of the Staff Loans Committee who held office during the financial year ended 30 June 2024 has been disclosed on page (viii-x).

HELB STAFF CAR LOAN AND MORTGAGE SCHEME
Annual Report and Financial Statements for the Year Ended June 30, 2024

9. MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL AND FINANCIAL PERFORMANCE OF THE SCHEME

The HELB SCL&MS assets as at 30th June 2024, achieved a growth to **KShs 409.880 Million**. The growth is attributed to the capitation received to finance the scheme and the loan uptake in the period under review.

Balance Sheet growth for the past 5 years



Incomes and Expenditure for the period 2023/2024

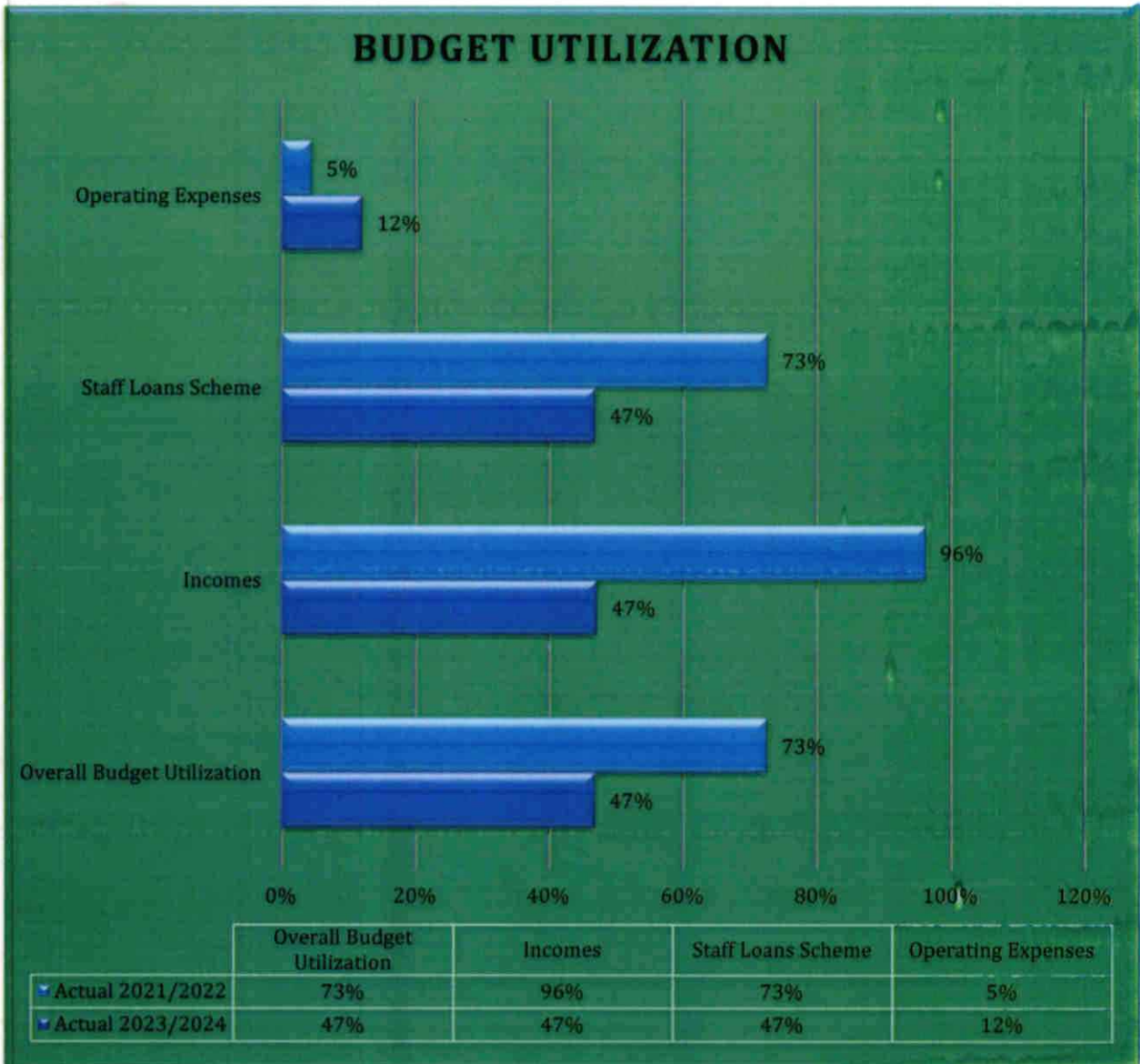
The operational income received for the FY 2023/2024 is **KShs. 4.126 Million** while the expenditure incurred was at **Kshs6,059**, resulting to an accounting surplus of **Kshs. 4.120 Million**. Majorly the income was generated from the interest earned from loan repayments and placements for the unutilized funds while expenses relate to bank charges.



HELB STAFF CAR LOAN AND MORTGAGE SCHEME
Annual Report and Financial Statements for the Year Ended June 30, 2024

Budget Utilization

The total incomes received during the period was **Kshs.166.173 Million** while the expenditure incurred was **Kshs.88.861 Million** resulting into a budget surplus of **Kshs. 77.312 Million**.



10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The HELB SCL&MS being part of HELB operations is cognizant of the key role it has in enhancing the country's achievement of overarching objectives such as the global Sustainable Development Goals and the national forest restorations efforts. Its sustainability strategy and profile, environmental performance, employee welfare, talent management, market practices and corporate social responsibilities/community engagement are in line with the HELB environmental and sustainability reporting.

Key activities of the year

Date	Activity	Venue	Trees Planted
23 rd Oct 2023	Tree planting	Nairobi School	2,500
13 th Nov 2023	National Tree Planting Day	Residents	3,255
FY2023/2024	Huduma Tree Planting	Mashinani	18,494
FY2023/2024	Individual Staff Initiatives	Countrywide	1,320
10 th May 2024	National Tree Planting Day	Lake Naivasha Resort	150
Total			25,719

Nairobi School Tree Planting

HELB, on 23rd October 2023, embarked on a tree-planting Corporate Social Investment (CSI) activity that brought **2,500** trees to life. This was part of the contribution towards the Government's tree planting initiative which aims at planting at least **15 billion** trees across



the country by 2032. The CSI event was spearheaded by the Board's Chairman, Rt.Hon. Ekwere Ethuro, among other Board Directors and the Senior Management Team. The event brought together at least **70** staff from HELB and staff from Kenya Universities and Colleges Central Placement Service (KUCCPS). Speaking during the event, HELB Chairman reiterated the pivotal role the tree planting initiative will play in environmental conservation.

L to R: Ag. HoCC&CX, Collins Wenje, HELB Chairman Rt. Hon. Ekwere Ethuro and Chief Principal, Caspar Maina, planting trees.

National Tree Planting Day; Board Members and Senior Management



The HELB Board of Directors and the Senior Management Team reaffirmed its commitment to environmental sustainability, community resilience, and collective action in addressing the urgent challenges of climate change and deforestation during the National Tree Growing public holiday on the **10th of May 2024** by planting 150 trees. This stands as a testament to the nation's resolve to safeguard its natural heritage for future generations in an aim to counteract global warming effects.



HELB STAFF CAR LOAN AND MORTGAGE SCHEME
Annual Report and Financial Statements for the Year Ended June 30, 2024

11. REPORT OF THE DIRECTORS

We the Board members submits the annual report and audited financial statements for the year ended June 30, 2024, which is showing the state of affairs of HELB SCL&MS.

i) Principal activities

The principal activities of HELB SCL&MS are stipulated in the Car Loan and House Loan policies. The objective and the purpose HELB SCL&MS HELB Staff Car Loan and Mortgage scheme is established and derives its authority and accountability from SRC regulations and **Circular No. SRC/ADM/CIR/1/13 VOL. III (128)** dated 17th December 2014 and HELB Act Clause 6(a) and clause 22 of HELB Act to foster growth and retain staff. HELB Act clause 6 (a) is "to formulate sound policies for regulating the management of the Scheme" and Clause 22 is where the board employs officers and pay out such salaries and allowances as the Board may fit, from time to time. HELB SCL&MS policy is "to enable HELB to attract and retain talented and competent staff and to enable staff own residential houses and motor vehicles to facilitate efficient and safe transport".

ii) Results

The Financial results of HELB SCL&MS for the year ended June 30, 2024, are set out on pages 1-5.

iii) Trustees

The members of the Board of Trustee who served during the year are shown on page xiii-xv. The management is drawn from the senior management team of HELB.

iv) Auditors

The Auditor General will audit the accounts of HELB SCL&MS in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the period ended June 30, 2024.

By Order of the Board



CPA MARY WACHIRA-MUCHEE
Ag. CHIEF EXECUTIVE OFFICER (SCHEME ADMINISTRATOR)

HELB STAFF CAR LOAN AND MORTGAGE SCHEME
Annual Report and Financial Statements for the Year Ended June 30, 2024

12. 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 Scheme established by Higher Education Loans Board shall prepare financial statements for the Scheme in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board. The Administrator of the Scheme is responsible for the preparation and presentation of the Scheme financial statements, which give a true and fair view of the state of affairs of the Scheme for and as at the end of the financial year ended on June 30, 2024.

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 Board;
- 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 Board;
- v) Selecting and applying appropriate accounting policies; and
- vi) Making accounting estimates that are reasonable in the circumstances.

The Administrator of the Scheme accepts responsibility for the Scheme financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Higher Education Loans Board Act 1995 Cap 213A. The Administrator of the Scheme is of the opinion that the Scheme financial statements give a true and fair view of the state of Scheme transactions during the financial year ended June 30, 2024, and of the Scheme financial position as at that date.

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

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

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

Approval of the financial statements

The HELB SCL&ML financial statements were approved by the Board on *24th September 2024* and signed on its behalf by:



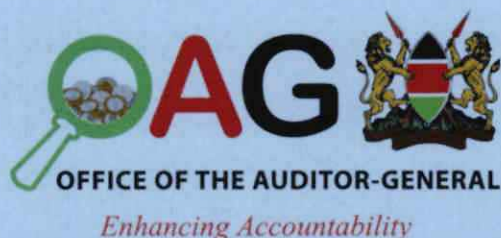
RT HON. EKWEE ETHURO
CHAIRMAN OF THE BOARD



CPA MARY WACHIRA-MUCHEE
AG. CHIEF EXECUTIVE OFFICER

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 HELB STAFF CAR LOAN AND MORTGAGE SCHEME FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of HELB Staff Car Loan and Mortgage Scheme set out on pages 1 to 15, which comprise the statement of financial

position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of HELB Staff Car Loan and Mortgage Scheme as at 30 June, 2024 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 HELB Act, 1995 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on a comparable basis of Kshs.99,500,000 and Kshs.47,030,071 respectively, resulting to under-funding of Kshs.52,469,929 or 53% of the revenue budget. Further, the Scheme spent Kshs.44,631,059 against actual revenue amount of Kshs.47,030,071, resulting to under-utilization of funds amounting to Kshs.2,399,012 or 5% of the actual revenue.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

Conclusion

The Management is responsible for the Other Information set out on pages iv to xxvii which comprise of Key Entity Information and Management, Board of Directors, Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

In connection with my audit on Scheme's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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 ISSAIs 3000 and 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and Board of Directors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is

not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

19 December, 2024

HELB STAFF CAR LOAN AND MORTGAGE SCHEME
Annual Report and Financial Statements for the Year Ended June 30, 2024

14. HELB SCL&MS STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

Description	Note	2023/2024 Kshs.
Revenue from exchange transactions		
Interest income	6	4,126,321
		4,126,321
Expenses		
Use of goods and services	7	6,059
Total expenses		6,059
Surplus/(deficit) before tax		4,120,262
Surplus/Deficit after Tax		4,120,262

The notes set out on pages 6 to 15 form an integral part of these Financial Statement.
 The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board by:



RT HON. EKWEE ETHURO
CHAIRMAN OF THE BOARD

Date:



CPA MARY WACHIRA-MUCHEE
Ag. CHIEF EXECUTIVE OFFICER

Date:



CPA SHEM A. GICHIMU (ICPAK NO. 5878)
CHIEF FINANCE OFFICER

FOR

Date:

**STUDENTS LOANS SELF PROTECTION SCHEME
REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

15

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2024

Description	Note	2023/2024 Kshs.
Assets		
Current assets		
Cash and cash equivalents	8	96,715,688
Total Current Assets		96,715,688
Non-current assets		
Receivables from exchange transactions (Outstanding Car Loan & Mortgage Balance)	9	307,308,992
Loans and Mortgage Allocations	10	5,855,000
Total Non-current assets		313,163,992
Total assets		409,879,680
Liabilities		
Trade and other payables	11	5,855,000
Total liabilities		5,855,000
Revolving Funds		
Car & Mortgage revolving fund	12	376,651,320
Accumulated surplus (<i>Accounting Surplus from Income Statement</i>)	13	27,373,360
Total Revolving Funds		404,024,680
Total Funds and Liabilities		409,879,680

The notes set out on pages 6 to 15 form an integral part of these Financial Statement.
The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board by:



RT HON. EKWEE ETHURO
CHAIRMAN OF THE BOARD

Date:



CPA MARY WACHIRA-MUCHEE
Ag. CHIEF EXECUTIVE OFFICER

Date:



CPA SHEM A. GICHIMU (ICPAK NO. 5878)
CHIEF FINANCE OFFICER

Date:

FOR

STAFF CAR LOAN AND MORTGAGE SCHEME
Annual Report and Financial Statements for the Year Ended June 30, 2023

16. HELB SCL&MS STATEMENT OF CHANGES IN NET ASSETS AS AT 30TH JUNE 2024

Description	Car Loan & Mortgage Fund	Accumulated surplus	Total
	Kshs.	Kshs.	Kshs.
Balance as at 1 July 2023	333,747,569	23,253,098	357,000,668
Surplus/(deficit) for the period	-	4,120,262	4,120,262
Funds received during the year	42,903,751	-	42,903,751
Transfers	-	-	-
As at 30 June 2024	376,651,320	27,373,360	404,024,680

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17. HELB SCL&MS STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2024

Description	Note	2023/2024
		Kshs.
Cash flows from operating activities		
Receipts		
Interest received	6	4,126,321
Total receipts		4,126,321
Payments		
Use of goods and services	7	6,059
Total payments		6,059
Net cash flow from operating activities	14	4,120,262
Cash flows from investing activities		
Proceeds from loan principal repayments	9	50,287,777
Loan disbursements paid out	9	(73,140,755)
Net Cash flows from investing activities		(22,852,978)
Cash flows from financing activities		
Car loan & Mortgage - Funds Received	12	42,903,751
Net cash flows used in financing activities		42,903,751
Net increase/(decrease) in cash and cash equivalents		24,171,034
Cash and cash equivalents at 1 July 2023	8	72,544,654
Cash and cash equivalents at 30 June 2024	8	96,715,688

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18. HELB SCL&MS STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
	A	b	C=(a+b)	d	e=(c-d)	F=d/c
Revenue						
Transfers from HELB/Loan Repayments	95,000,000.00	-	95,000,000.00	42,903,750.75	52,096,249.25	45%
Interest income - Investment	2,000,000.00	-	2,000,000.00	910,637.10	1,089,362.90	46%
Interest on Staff Loans and Bank Balance	2,500,000.00	-	2,500,000.00	3,215,683.59	(715,683.59)	129%
Total Revenue	99,500,000.00	-	99,500,000.00	47,030,071.44	52,469,928.56	47%
Staff Loans Scheme						
Car Loans	15,000,000.00	-	15,000,000.00	855,000.00	14,145,000.00	6%
Mortgage Loans	80,000,000.00	-	80,000,000.00	43,770,000.00	36,230,000.00	55%
Total Staff Loans Scheme	95,000,000.00	-	95,000,000.00	44,625,000.00	50,375,000.00	47%
Expenses						
Use of goods and services	50,000.00	-	50,000.00	6,058.81	43,941.19	12%
Total Expenses	50,000.00	-	50,000.00	6,058.81	43,941.19	12%
Total Expenditure	95,050,000.00	-	95,050,000.00	44,631,058.81	50,418,941.19	47%
Surplus for the period	4,450,000.00	-	4,450,000.00	2,399,012.63	2,050,987.37	54%

RECONCILIATION OF THE BUDGET PERFORMANCE AND INCOME STATEMENT SUPPLUS/DEFICIT

Details	Items	Total
Surplus/Deficit as per Statement of Income		4,120,262
Items in Statement of Comparison of Budget not in Income Statement		
Transfers from HELB/Loan Repayments	42,903,751	
Car Loans	(855,000)	
Mortgage Loans	(43,770,000)	(1,721,249)
Surplus/Deficit as per Statement of Comparison of Budget		<u>2,399,013</u>

19. NOTES TO FINANCIAL STATEMENTS

1. GENERAL INFORMATION

HELB Staff Car Loan and Mortgage scheme is established and derives its authority and accountability from SRC regulations and **Circular No. SRC/ADM/CIR/1/13 VOL. III (128)** dated 17th December 2014 and HELB Act Clause 6(a) and clause 22. to foster growth and retain staff. A loan will be advanced to permanent members of staff who have been confirmed in their appointment, members of staff who are on contract for at least three years on mortgage scheme & two years for car loans. HELB may also take over an existing loan for a member of staff held by another entity.

Principal Activity and Objective

The principal activity of HELB Car Loan and Mortgage Scheme is to grant car loans and mortgages to the HELB employees except where the term provided in the individual letter of appointment state otherwise. The scheme facilitates acquisition of motor vehicles and residential property to the members of the scheme by providing staff loans to enable attract and retain talented and competent staff.

- a. "To enable HELB, attract and retain talented and competent staff and to enable staff own residential houses".
- b. "To enable HELB, attract and retain talented and competent staff and to enable staff own motor vehicles to facilitate efficient and safe transport".

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The HELB SCL&MS financial statements have been prepared on a historical cost basis. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. The Board's management exercised judgement in the process of applying the accounting policies.

The financial statements have been prepared and presented in Kenya Shillings (KShs.) which is the functional and reporting currency of HELB SCL&MS.

The financial statements have been prepared in accordance with the PFM Act 2012, Higher Education Loans Board Act 1995 (Cap 213A) and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. ADOPTION OF NEW AND REVISED STANDARDS

- i) ***New and amended standards and interpretations in issue effective in the year ended 30 June 2024.***
There were no new and amended standards issued in the financial year.
- ii) ***New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024***

Standard	Effective date and impact:
IPSAS 46 Measurement	<i>Applicable 1st January 2025</i>

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Standard	Effective date and impact:
	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement, and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value. <i>The standard will be adopted for fair measure of the board's assets and liabilities.</i></p>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. <i>The standard will be adopted in reporting of revenue under exchange transactions and non-exchange transactions.</i></p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. <i>The standard will be applicable when and where there arise need for transfer of right of use of asset to another entity or merger resulting to new entity formation.</i></p>

iii) Early adoption of standards

The Board did not early – adopt any new or amended standards in year 2024.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue from Interest on Deposits and Interest on Staff Loans

HELB SCL&MS recognized income from interest income earned from staff loans and fund deposits. The income from interest on staff loans and deposits is recognized when earned.

a) HELB SCL&MS Management

The scheme management is provided for under Staff Car Loan and House Loan Policies that provide a general framework that guides, regulates and facilitates the proper management of staff car loans and mortgage scheme. The car loan scheme shall be administered by HELB through Staff Loan Committee appointed by the Chief Executive Officer.

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i) Interest

Board Members shall determine and charge interest on all the loans awarded on simple interest regime and applied every month or part of the month that the loan remains outstanding.

No	Product Type	Interest Rate
1	Mortgage	4%
2	Car Loan	3%

ii) Loan Disbursement

Disbursement will only take place after successful transfer, registration or on perfection of securities of the financed facility in the joint name of the Board and the applicant.

iii) Loan Clearance

SCL&MS shall transfer the title ownership documents a beneficially upon full repayment of the advanced amount.

iv) Budget Information

The original budget for FY 2023-2024 was approved by the Board in June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

v) Taxes

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date by the Kenya Revenue Authority.

vi) Changes in accounting policies and estimates

The SCL&MS recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

vii) Related Parties

The SCL&MS regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the GOK, the board members, the CEO and senior managers.

viii) Cash and Cash Equivalents

The SCL&MS's cash and cash equivalents comprise cash on hand and cash at bank and short-term deposits on call 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 various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term and petty cash.

ix) Comparative Figures

The SCL&MS has no previous year comparative figures to conform to changes in presentation in the current year. The opening balances are as per the balances in the consolidated HELB Financial statement.

x) Subsequent Events

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There have been no events after the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

5. SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of HELB SCL&MS financial statements in conformity with IPSAS requires management to make judgements, 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.

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NOTES TO THE ANNUAL FUND STATEMENTS		
6	REVENUE FROM EXCHANGE TRANSACTIONS	2023-2024
	Interest Income	
	Interest Income From Mortgage & Car Loans	2,060,706
	Interest Income From Investments	910,637
	Interest Income On Bank Deposits	1,154,978
	Total Revenue from Exchange Transactions	4,126,321
7	USE OF GOODS AND SERVICES	
	Bank charges	6,059
	Total	6,059
8	CASH AND CASH EQUIVALENTS	
	On – Call Deposits	72,496,560
a	Current Account	24,219,129
	Total	96,715,688
	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:	
	Mortgage and Car Loan Fund	
	On- Call Deposits	
	Savings & Loans - Short-term Placements	37,370,338
	SBM Bank (Formally Chase Bank) -Short-Term Placements	35,126,222
b	Sub- Total	72,496,560
	Current Account	
	KCB Univ. Way - Staff Loans	6,610,863
	Housing Finance - Staff Mortgage Account	17,448,122
	KCB Savings & Loan Mortgage Account	160,143
	Sub- Total	24,219,129
	Grand Total	96,715,688
9	RECEIVABLES FROM EXCHANGE TRANSACTIONS	
	Non-Current Receivables	
	Staff Car Loans	
	Balance B/F	8,952,503
	Loan Advanced	2,227,750
	Principal Loan Repayment	(7,356,673)
	Balance C/F	3,823,580
	Staff Mortgages and Plot Loans	
	KCB Savings & Loans Back Up Account	
	Balance B/F	103,803,731
	Loan Advanced	28,220,505
	Principal Loan Repayment	(16,076,093)
	Balance C/F	115,948,143
	Housing Finance Backup Account	
	Balance B/F	40,610,677
	Loan Advanced	
	Principal Loan Repayment	(3,614,920)
	Balance C/F	36,995,757
	SBM Mortgage Back up ac	
	Balance B/F	131,089,104
	Loan Advanced	42,692,500
	Principal Loan Repayment	(23,240,091)
	Balance C/F	150,541,513
	Total Non- Current Receivables	307,308,992

HELB STAFF CAR LOAN AND MORTGAGE SCHEME
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NOTES TO THE ANNUAL FUND STATEMENTS		
10	CAR LOAN & MORTGAGE ALLOCATIONS	
	Car Loan Allocation	
	Balance B/F	2,227,750
	Loan Allocated	855,000
	Allocation Paid	(2,227,750)
	Balance C/F	855,000
	Mortgage Loan Allocation	
	Balance B/F	35,288,005
	Loan Allocated	5,000,000
	Allocation Paid	(35,288,005)
	Balance C/F	5,000,000
	Total Car Loan & Mortgage Allocations	5,855,000
11	TRADE AND OTHER PAYABLES	
	Trade payables and Accruals	5,855,000
	Total trade and other payables	5,855,000
12	CAR AND MORTGAGE REVOLVING FUND	
	Balance B/F	333,747,569
	Drawings in the Year	-
	Additions in the Year	42,903,751
	Balance C/F	376,651,320
13	ACCUMULATED SURPLUS (RESERVES)	
	Balance B/F	23,253,098
	Surplus/Deficit for the Year	4,120,262
	Balance C/F	27,373,360
14	NET CASH FLOWS FROM OPERATING ACTIVITIES	
	Surplus/ (deficit) for the year before tax	4,120,262
	Working capital adjustments	
	Increase in receivables	(22,852,978)
	Total Working Capital	(22,852,978)
	Net cash flow from operating activities	(18,732,716)

Other Disclosures

15.COMPARATIVE FIGURES

The SCL&MS Financial Statements and Notes to Financial Statement has no previous year comparative figures in conformity to presentation in the current year since it's the first year of separate presentation for audit. The opening balances are as per the balances in the consolidated HELB Financial statement previously audited.

16.Financial risk management

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

The Fund's financial risk management objectives and policies are detailed below:

a) Credit Risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. The carrying amount of financial assets recorded in the financial statements representing the Fund's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs.	Fully performing Kshs.	Past due Kshs.	Impaired Kshs.
At 30 June 2024				
Receivables From Exchange Transactions- Car loans and mortgages	307,308,992	307,308,992	-	-
Bank Balances	96,715,688	96,715,688	-	-
Total	404,024,680	404,024,680	-	-

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 Fund has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Fund has significant concentration of credit risk on amounts due from xxx.

The board of trustees sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the Fund's short, medium, and long-term funding and liquidity management requirements. The Fund manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs.	Kshs.	Kshs.	Kshs.
At 30 June 2024				
Trade Payables	5,855,000	-	-	5,855,000
Total	5,855,000	-	-	5,855,000

c) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the Fund 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 Fund's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Fund's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by the Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Fund'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 Fund's financial condition may be adversely affected as a result of changes in interest rate levels. The Fund's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits. To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

e) Capital risk management.

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

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Description	2023/2024
	Kshs.
Revolving fund	376,651,320
Accumulated surplus (<i>Reserves</i>)	27,373,360
Total funds	404,024,680
Total Payables	5,855,000
Less: cash and bank balances	(96,715,688)
Net debt/ (excess cash and cash equivalents)	(90,860,688)
Gearing	-22%

17. RELATED PARTY BALANCES

a) Nature of related party relationships

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

- a) National government Fund
- b) Key management;
- c) Board of Trustees/Committee; etc.

b) Related party transactions

i. Transfers from related parties

Description	2023/2024
	Kshs.
Staff Car Loan and Mortgage - HELB	42,903,751

ii. Key management remuneration

The Scheme utilized HELB's normal operations; thus, the key management remunerations has been incorporated in the HELB financial statement under key management expenses.

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15. STAFF CAR LOAN AND MORTGAGE ACCOUNTABILITY STATEMENT

A total of one hundred Seventy (170) member of staff have benefited from the staff Car Loans and Mortgage Scheme funding of **Kshs. 530Million**, eighty-one (81) have cleared their loans majorly car loans of **Kshs. 80Million**, eighty-three (83) are actively servicing their loans of **Kshs. 425Million** and six (6) have been allocated **Kshs. 25Million** awaiting disbursement and processing of transfer of properties in joint ownership with HELB.

Details		Allocated		Active			Cleared		Grand Total		
		No.	Principal	No.	Principal	Balance	No.	Principal	No.	Principal	Balance
HELB	CAR LOAN	1	855,000	15	15,910,370	3,823,580	70	24,625,229	86	41,390,599	3,823,580
HFC	CONSTRUCTION OWNER OCCUPIER			2	5,225,280	2,784,937			2	5,225,280	2,784,937
	PLOT PURCHASE			1	5,130,000	3,222,786			1	5,130,000	3,222,786
	PURCHASE OWNER OCCUPIER			8	49,346,447	30,988,034	2	6,839,303	10	56,185,750	30,988,034
KCB S&L	CONSTRUCTION OWNER OCCUPIER			5	40,940,340	39,426,904	1	2,100,000	6	43,040,340	39,426,904
	PURCHASE OWNER OCCUPIER			25	141,482,556	76,521,239	8	46,532,004	33	188,014,560	76,521,239
SBM	CONSTRUCTION OWNER OCCUPIER			1	11,530,721	10,431,143			1	11,530,721	10,431,143
	PLOT PURCHASE	2	3,135,000	7	16,027,500	15,326,545			9	19,162,500	15,326,545
	PURCHASE OWNER OCCUPIER	3	20,900,000	19	139,074,515	124,783,826			22	159,974,515	124,783,826
Grand Total		6	24,890,000	83	424,667,729	307,308,993	81	80,096,535	170	529,654,264	307,308,993