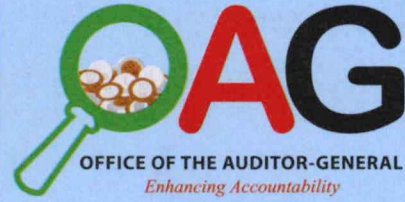


REPUBLIC OF KENYA



REPORT

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THE AUDITOR-GENERAL

ON

KENYA INSTITUTE OF CURRICULUM
DEVELOPMENT MORTGAGE AND CAR LOAN
SCHEME

FOR THE YEAR ENDED
30 JUNE, 2025





KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
A Skilled and Ethical Society

KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
MORTGAGE & CAR LOAN SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

CEO	Chief Executive Officer
CSR	Corporate Social Responsibility
FY	Financial Year
IPSAS	International Public Sector Accounting Standards
KICD	Kenya Institute of Curriculum Development
MBS	Moran of Burning Spear
MOE	Ministry of Education
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SRC	Salaries & Remuneration Commission

B. Definition of Key Terms

Comparative Year- Means the prior period.

2. Key Scheme information and management

a) Background information

Kenya Institute of Curriculum Development Staff Mortgage and Car Loan Scheme is established by and derives its authority and accountability from KICD Act No. 4 of 2013. The scheme is wholly owned by the Government of Kenya and is domiciled in Kenya. Pursuant to the Salaries and Remuneration Commission Circular No. SRC/ADM/CIR/1/13Vol. III (128) dated 17th December 2014, the Institute operationalized a car loan and mortgage scheme which was approved by the Council in 2017. The Institute developed Regulations as guided and approved by the National Treasury. An internal Committee was thereafter appointed to oversee the operationalization and implementation of the scheme. An agreement with the Scheme Administrator (Kenya Commercial Bank) was signed on 30th November 2019. The Scheme was operationalized in the FY2020/2021.

b) Principal Activities

The principal activity/mandate of the scheme is to provide staff with loans for car and mortgage to facilitate their mobility and acquisition of residential homes. The Scheme is administered by Kenya Commercial Bank Ltd. There is a Mortgage & Car loan Committee charged with the responsibility of recommending for approval of loans from applicants in accordance with the approved regulations. The scheme is a cash backed with resources from Kenya Institute of Curriculum Development budgetary process.

c) Scheme Administration Committee

Ref	Position	Name
1	Chairperson	Dr. Samuel Obudho Omondi
2	Member	Mr. David Ndambuki
3	Member	Mr. David Ribiru Kung'u
4	Member	Mr. Kennedy Ongaro
5	Member	Mr. Sebastian Muema
6	Member	Mr. Alfayo Ongeru
7	Member	Ms. Jacinta Njenga
8	Member	Ms. Agnetta Mwangoma
9	Secretariat	Ms. Anne Muteti
10	Secretariat	Ms. Ann Muiru
11	Scheme Manager	Prof. Charles Ong'ondo, PhD., MBS.
12	Member up to May 2025	Mr. Johnson Wachira
13	Vice Chair up to February 2025	Ms. Emily Sila

d) Key Management

Ref	Position	Name
1	Scheme Administrator	Kenya Commercial Bank
2	Scheme Manager	Prof. Charles Ong'ondo, PhD., MBS.
3	Scheme Accountant	Dr. Solomon Kathuo
4	Chairperson	Dr. Samuel Obudho Omondi
5	Member	Mr. David Ndambuki
6	Member	Mr. Kennedy Ongaro
7	Member	Mr. Sebastian Muema
8	Member	Mr. Alfayo Ongeru
9	Member	Ms. Jacinta Njenga
10	Member	Mr. David Ribiru Kung'u
11	Member	Ms. Agnetta Mwangoma
12	Secretariat	Ms. Anne Muteti
13	Secretariat	Ms. Ann Muiru
14	Member up to May 2025	Mr. Johnson Wachira
15	Vice Chair up to February 2025	Ms. Emily Sila

e) Fiduciary Oversight Arrangements

Ref	Position	Name
1	Chairperson	Dr. Samuel Obudho Omondi
2	Member	Mr. David Ndambuki
3	Member	Mr. David Ribiru Kung'u
4	Member	Mr. Kennedy Ongaro
5	Member	Mr. Sebastian Muema
6	Member	Mr. Alfayo Ongeru
7	Member	Ms. Jacinta Njenga
8	Member	Ms. Agnetta Mwangoma
9	Secretariat	Ms. Anne Muteti
10	Internal Audit	Mr. Peter Kamau
11	Member up to May 2025	Mr. Johnson Wachira
12	Vice Chair up to February 2025	Ms. Emily Sila

f) Registered Offices

Kenya Institute of Curriculum Development,
P.O. Box 30231-00100,
Desai Road, Off Murang'a Road,
Nairobi, Kenya.

g) Scheme Contacts

Kenya Institute of Curriculum Development,
P.O. Box 30231-00100,
Desai Road, Off Murang'a Road,
Nairobi, Kenya.
E-mail: info@kicd.ac.ke
Website: www.kicd.ac.ke

h) Scheme Bankers

Kenya Commercial Bank,
Moi Avenue Branch,
P.O. Box 30081 – 00100,
Nairobi, Kenya.




i) Independent Auditors




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



j) Principal Legal Adviser


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



3. Scheme Administration Committee

	Name	Details of qualifications and experience
1	<p>Ms. Emily Sila</p> 	<p>Vice-Chair/Ag. Chairperson - Exited February 2025</p> <p>Ms. Emily Sila (50 years) has a Master of Business Administration in Strategic Management (JKUAT), Bachelor of Science in hotel Management (USIU) and Higher Diploma in Human Resource Management (KNEC). Emily has over 20 years in hotel management and operations.</p>
2	<p>Dr. Samuel Obudho</p> 	<p>Chairperson - Appointed 18th March 2025</p> <p>Dr. Samuel Obudho(53 years) is an accomplished education and development professional with over 15 years of progressive leadership in the Technical and Vocational Education and Training (TVET) sector and wider international development. He holds a PhD in Building Engineering from Politecnico di Milano, a Master of Philosophy in Technology Education from Moi University and is a Certified Mediator from Strathmore University's Centre for Alternative Dispute Resolution (ADR).</p>
3	<p>Mr. Johnson Wachira</p> 	<p>Member-Exited May 2025.</p> <p>Mr. Johnson Wachira (60 years) has Master of Arts Degree in Communication and a Higher Diploma in Electrical and Electronics Engineering. He has over 30 years' experience in media.</p>

4	<p>Mr. Kennedy Ongaro</p> 	<p>Appointed on 7th January 2020. Mr. Kennedy Ongaro (55 years) is an accomplished administrator with over 26 years' experience in administration and corporate governance. He has a Master of Business Administration in Strategic Management and Bachelor of Arts from the University of Nairobi. He is a Certified Secretary and a member of the Institute of Certified Secretaries and the Institute of Human Resource Management. He has previously worked in the Public Service, the Kenyatta National Hospital and Jomo Kenyatta University of Agriculture and Technology.</p>
5	<p>Ms. Agnetta Mwangoma</p> 	<p>Appointed on 18th March 2025 Ms. Agnetta Mwangoma (47 years) is currently pursuing a master's degree in hospitality management (KU). She holds a bachelor's degree in Institution Catering & Accommodation Management (TUK), Diploma in Food and Beverage Management (KNEC). Agnetta has over 18 years in hotel management and operations.</p>
6	<p>Mr. David Ndambuki</p> 	<p>Appointed on 18th March, 2025 David Ndambuki (48 years) is a media technologist and strategist with over two decades expertise in broadcasting and educational media. He is interested in advancing modern technologies integration for efficiency and innovation. His service in diverse staff-focused roles demonstrates a strong commitment to institutional growth, staff welfare, and the overall betterment of life. He holds a Bachelor's degree in Electrical and Electronics Engineering Technology and is a certified Trustee.</p>


7	<p>Mr. David Kungu</p>  A portrait of Mr. David Kungu, a Black man with short hair, wearing a dark suit jacket, a white shirt, and a striped tie. He is looking directly at the camera with a neutral expression.	<p>Appointed on 18th March, 2025 David Kung'u (42 years) holds a master's degree in Economics and Bachelor's degree in Economics and Mathematics, both earned from the University of Nairobi. In addition, he holds a Diploma in Human Resource Management from the Kenya Institute of Management. He is currently pursuing a PhD in Economics at Kenyatta University. David has also undertaken other professional courses in governance, performance management and quality assurance. David has over 15 years' experience in corporate Planning, strategy and performance management in public sector.</p>
8	<p>Mr. Sebastian Muema</p>  A portrait of Mr. Sebastian Muema, a Black man with a shaved head, wearing a light blue shirt and a dark tie. He is looking slightly to the right of the camera.	<p>Appointed on 18th March, 2025 Sebastian Muema(53 years) holds a Master of Business Administration - Strategic Management (JKUAT), Bachelor of Printing Technology from the Technical University of Kenya. He has over 25 years' experience in Printing and Publishing.</p>



9	<p>Mr. Alfayo Onger</p> 	<p>Appointed on 2nd December 2022. Alfayo Onger (30 years) has a Master of Laws-International Financial Law and Regulation from Strathmore Law School, a Postgraduate Diploma in Law from the Kenya School of Law and a Bachelor of Laws Degree from the University of Nairobi. Mr. Onger is a Certified Mediator and has previously worked for Strathmore University and the Public Procurement Administrative Review Board. He has experience of 7 years in the practice of law and corporate governance. Mr. Onger is a member of the Strathmore Dispute Resolution Centre and the Law Society of Kenya. Mr. Onger is a Certified TDPK by the College of Insurance and the Retirement Benefits Authority.</p>
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10	<p>Ms. Jacinta Njenga</p> 	<p>Appointed on 7th January 2020. Jacinta Njenga (49 years) has Master of Business Administration & Bachelor of Commerce degree from University of Nairobi and is a Certified Public Accountant of Kenya. She has over 20 years' experience in Finance and Accounting profession.</p>
11	<p>Ms. Anne Muteti</p> 	<p>Appointed on 7th January 2020. Anne Muteti (57 years) holds a Master of Business Administration in Human Resource Management from Kenya Methodist University and a Bachelor of Arts degree from the University of Nairobi. Anne has over 30 years' experience in Human Resource Management. She is a Licensed member of Institute of Human Resource Management.</p>
12	<p>Ms. Ann Muiru</p> 	<p>Appointed on 7th January 2020. Ann Muiru (53 years) holds a bachelor's degree in public administration and a Higher Diploma in Human Resource Management. She has 28 years of experience in Human Resource Management.</p>



<p>13</p>	<p>Prof. Charles O. Ong’ondo, PhD., MBS</p> 	<p>Appointed on 25th September 2020</p> <p>Prof. Ong’ondo, PhD, MBS (60 years) is an Associate Professor in Teacher Education. He is the Director/Chief Executive Officer (CEO) at the Kenya Institute of Curriculum Development (KICD). He is a Commonwealth Academic Fellow and Scholar who holds a Postdoctoral Fellowship (University Warwick, UK), a PhD (the University of Leeds, UK), an M.Phil. Degree (Moi University, Kenya), a B.Ed. Degree (Moi University), and a Diploma in Education (Siriba Teachers College - Kenya). Before he joined KICD, Prof. Ong’ondo was the Executive Director of African Network for Internationalization of Education (ANIE). ANIE is a Pan-African professional organisation focusing on research, capacity building and harnessing partnerships in Higher Education. He also served as a Teacher Educator in the School of Education at Moi University - Kenya where he had worked for 16 years. Prior to joining the university as a lecturer, Charles had fifteen years’ experience as a teacher of English Language and Literature in English at secondary school level in Kenya. He has (alone and jointly) published widely in English Language Teacher Education, Research Methodology and Communication Studies. He also serves as a reviewer for a number of international journals. Prof. Ong’ondo was a member of the <i>Taskforce on enhancing access, relevance, transition, equity and quality in curriculum reforms implementation in Kenya</i>. He has actively participated in Community Service as Chairman and member of Boards of Management; Adjudicator, Facilitator and Consultant in a number of National, Regional, County or Institutional events, conferences and festivals. Prof. Ong’ondo is a member of several International Professional/Academic Associations including ANIE, International Association of English as Teachers of English as a Foreign Language (IATEFL), African Curriculum Association (ACA), among others.</p>
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4. Management Team

	Name	Details of qualifications and experience
1	<p>Ms. Emily Sila</p> 	<p>Exited February 2025. Ms. Sila has a Master of Business Administration in Strategic Management (JKUAT), Bachelor of Science in hotel Management (USIU) and Higher Diploma in Human Resource Management (KNEC). Emily has over 20 years in hotel management and operations. The main area of responsibility was to chair and provide guidance to the scheme administration committee and report to the CEO on deliberations of the committee.</p>
2	<p>Dr. Samuel Obudho</p> 	<p>Chairperson - Appointed 18th March 2025 Dr. Samuel Obudho is an accomplished education and development professional with over 15 years of progressive leadership in the Technical and Vocational Education and Training (TVET) sector and wider international development. He holds a PhD in Building Engineering from Politecnico di Milano, a Master of Philosophy in Technology Education from Moi University and is a Certified Mediator from Strathmore University's Centre for Alternative Dispute Resolution (ADR). The main area of responsibility was to chair and provide guidance to the scheme administration committee and report to the CEO on deliberations of the committee.</p>

3	<p>Mr. Johnson Wachira</p> 	<p>Exited May 2025 Mr. Wachira has Master of Arts Degree in Communication and a Higher Diploma in Electrical and Electronics Engineering. He has over 30 years' experience in media. The main area of responsibility as a member of the scheme administration committee was to deliberate and recommend loan approvals.</p>
4	<p>Mr. Kennedy Ongaro</p> 	<p>Mr Ongaro is an accomplished administrator with over 26 years' experience in administration and corporate governance. He has a Master of Business Administration in Strategic Management and Bachelor of Arts from the University of Nairobi. He is a Certified Secretary and a member of the Institute of Certified Secretaries and the Institute of Human Resource Management. He has previously worked in the Public Service, the Kenyatta National Hospital and Jomo Kenyatta University of Agriculture and Technology. The main area of responsibility as a member of the scheme administration committee was to deliberate and recommend loan approvals.</p>

5	<p>Ms. Agnetta Mwangoma</p> 	<p>Ms. Agnetta Mwangoma is currently pursuing a master's degree in hospitality management (KU), holds bachelor's degree in Institution Catering & Accommodation Management (TUK), Diploma in Food and Beverage Management (KNEC). Agnetta has over 18 years in hotel management and operations. The main area of responsibility as a member of the scheme administration committee was to deliberate and recommend loan approvals.</p>
6	<p>Mr. David Ndambuki</p> 	<p>David Ndambuki is a media technologist and strategist with over two decades expertise in broadcasting and educational media. He is interested in advancing modern technologies integration for efficiency and innovation. His service in diverse staff-focused roles demonstrates a strong commitment to institutional growth, staff welfare, and the overall betterment of life. He holds a Bachelor's degree in Electrical and Electronics Engineering Technology and is a certified Trustee. The main area of responsibility as a member of the scheme administration committee was to deliberate and recommend loan approvals.</p>
7	<p>Mr. David Kungu</p> 	<p>Mr. David Kung'u hold a Master's Degree in Economics and Bachelor's Degree in Economics and Mathematics, both earned from the University of Nairobi. In addition, he holds a Diploma in Human Resource Management from the Kenya Institute of Management. He is currently pursuing a PhD in Economics at Kenyatta University. David has also undertaken other professional courses in governance, performance management and quality assurance. David has over 15 years' experience in corporate Planning, strategy and performance management in public sector. The main area of responsibility as a member of the scheme administration</p>

		committee was to deliberate and recommend loan approvals.
8	<p>Mr. Sebastian Muema</p> 	<p>Sebastian Muema holds a Master of Business Administration - Strategic Management (JKUAT), Bachelor of Printing Technology from the Technical University of Kenya. He has over 25 years' experience in Printing and Publishing. The main area of responsibility as a member of the scheme administration committee was to deliberate and recommend loan approvals.</p>
9	<p>Mr. Alfayo Onger</p> 	<p>Mr Onger has a Master of Laws-International Financial Law and Regulation from Strathmore Law School, a Postgraduate Diploma in Law from the Kenya School of Law and a Bachelor of Laws Degree from the University of Nairobi. Mr. Onger is a Certified Mediator and has previously worked for Strathmore University and the Public Procurement Administrative Review Board. He has experience of 7 years in the practice of law and corporate governance. Mr. Onger is a member of the Strathmore Dispute Resolution Centre and the Law Society of Kenya. Mr. Onger is a Certified TDPK by the College of Insurance and the Retirement Benefits Authority. The main area of responsibility as a member of the scheme administration committee was to deliberate and recommend loan approvals.</p>

	<p>Ms. Jacinta Njenga</p> 	<p>Ms. Njenga has Master of Business Administration & Bachelor of Commerce degree from University of Nairobi and is a Certified Public Accountant of Kenya. She has over 20 years' experience in Finance and Accounting profession. Njenga is a Certified TDPK by the College of Insurance and the Retirement Benefits Authority. The main area of responsibility as a member of the scheme administration committee was to deliberate and recommend loan approvals.</p>
<p>11</p>	<p>Ms. Anne Muteti</p> 	<p>Ms. Muteti has Master of Business Administration in Human Resource Management from Kenya Methodist University and a Bachelor of Arts degree from the University of Nairobi. Anne has over 30 years' experience in Human Resource Management. She is a Licensed member of Institute of Human Resource management. Secretariat to the Committee; maintains records relating to the scheme, taking minutes during the meetings and communicating to the scheme administrator. Mrs. Muteti is a Certified TDPK by the College of Insurance and the Retirement Benefits Authority.</p>
<p>12</p>	<p>Ms. Ann Muiru</p> 	<p>Ms. Muiru holds a Bachelor's Degree in Public Administration and a higher diploma in Human Resource Management. She has 28 years of experience in Human Resource Management. Secretariat to the Committee; maintains records relating to the scheme, taking minutes during the meetings and communicating to the scheme administrator.</p>

13 Prof. Charles O. Ong'ondo,
PhD., MBS



Prof. Ong'ondo, PhD, MBS is an Associate Professor in Teacher Education. He is the Director/Chief Executive Officer (**CEO**) at the Kenya Institute of Curriculum Development (**KICD**). He is a Commonwealth Academic Fellow and Scholar who holds a Postdoctoral Fellowship (University Warwick, UK), a PhD (the University of Leeds, UK), an M.Phil. Degree (Moi University, Kenya), a B.Ed. Degree (Moi University), and a Diploma in Education (Siriba Teachers College - Kenya). Before he joined KICD, Prof. Ong'ondo was the Executive Director of African Network for Internationalization of Education (**ANIE**). **ANIE** is a Pan-African professional organisation focusing on research, capacity building and harnessing partnerships in Higher Education. He also served as a Teacher Educator in the School of Education at Moi University - Kenya where he had worked for 16 years. Prior to joining the university as a lecturer, Charles had fifteen years' experience as a teacher of English Language and Literature in English at secondary school level in Kenya. He has (alone and jointly) published widely in English Language Teacher Education, Research Methodology and Communication Studies. He also serves as a reviewer for several international journals. Prof. Ong'ondo was a member of the *Taskforce on enhancing access, relevance, transition, equity and quality in curriculum reforms implementation in Kenya*. He has actively participated in Community Service as Chairman and member of Boards of Management; Adjudicator, Facilitator and Consultant in several National, Regional, County or Institutional events, conferences and festivals. Prof. Ong'ondo is a member of several International Professional/Academic Associations including ANIE, International Association of English as Teachers of English as a Foreign Language (**IATEFL**), African Curriculum Association (**ACA**), among others.

He is the scheme Manager; approves the loan applications to be forwarded to the scheme administrator. He is the secretary to the KICD council that approves the Mortgage & Car loan budgets, Annual Report & Financial statements.

14



Dr. Solomon M. Kathuo

Dr Kathuo is an accomplished professional with extensive experience in the field of finance and public service.

Dr. Kathuo holds **PhD, MBA (Finance)** from Jomo Kenyatta university of Agriculture and Technology. He has **MED** (University of Mysore, Karnataka, India) and Bachelor of Education Degree(Kenyatta University). Dr. Kathuo has undertaken several professional courses in strategic leadership and development, strategic negotiations, results-based performance and public private partnerships. Prior to joining KICD he worked at Teachers Service Commission and Public Service Commission at Ministry of Education.

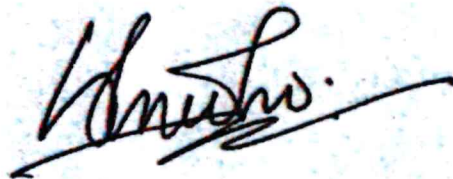
He heads the Finance & Accounts department. He advises the CEO on availability of funds relating to the Mortgage & Car loan. Prepares Institute's budgets including the Mortgage & Car loan budget for Senior Management recommendations and approval by the Council.

5. Chairperson's Report

The Kenya Institute of Curriculum Development Staff Mortgage and Car Loan Scheme is established under the Institute's Car loan and Mortgage Scheme Regulations. The administration of the scheme is carried out by the Kenya Commercial Bank. The scheme's Committee members are drawn from the directorates of the Institute who help in administering the scheme.

The Kenya Institute of Curriculum Development Staff Mortgage and Car Loan Scheme have in the last five years benefitted the staff in acquiring residential homes and motor vehicles. This has translated to a motivated workforce. The scheme is expected to grow significantly and benefit more members of staff in the future. The scheme is managed by the Kenya Commercial Bank, and all the scheme unutilised funds are held in a deposit earning account to earn interest. The earned interest is ploughed back to the Scheme, and this leads to the growth of the scheme. Staff that have benefited from the scheme have utilized the scheme to acquire residential houses and motor vehicles.

The Institute Staff Car Loan and Mortgage Scheme Committee commits to prudently manage the scheme for the benefit of all Staff and for overall achievement and realization of the staff welfare objectives.



DR. SAMUEL OBUDHO OMONDI
CHAIRPERSON, SCHEME ADMINISTRATION COMMITTEE

6. Report of the Scheme Manager

The Kenya Institute of Curriculum Development Staff Mortgage and Car Loan Scheme was approved for establishment by the Council in 2017 with an aim of providing staff with low-cost Mortgage & Car Loans as required by the Salaries & Remuneration Commission. The Institute developed Regulations as guided and approved by the National Treasury. An internal Committee was thereafter appointed to oversee the operationalization and implementation of the scheme. An agreement with the Scheme Administrator (Kenya Commercial Bank) was signed on 30th November 2019. The Scheme was operationalized in the FY2020/2021. The scheme is a cash backed scheme, with resources from Kenya Institute of Curriculum Development budgetary process.

Since inception the scheme has so far awarded Mortgage Loans to six staff members and Car Loans to nine staff members. Staff members positively welcomed the introduction of the Scheme as they will be able to acquire Mortgage and Car loan facilities at lower cost. This will also enhance staff retention and motivation. Since inception there was low uptake especially for Mortgage loans as staff were clearing prior financial commitments to be able to take up the loans.



PROF. CHARLES O. ONG'ONDO, PhD., MBS.
SCHEME MANAGER

7. Statement of Performance against Predetermined Objectives

Objective of the scheme- to provide staff with low-cost Mortgage & Car Loans to motivate, retain and attract staff. A Mortgage & Car loan Committee was appointed to oversee the operationalization and implementation of the scheme. An agreement with the Scheme Administrator (Kenya Commercial Bank) was signed on 30th November 2019. The Scheme was operationalized in the FY2020/2021.

The Scheme has issued Mortgage Loans to six staff members and car loans to nine staff members.

In the financial year 2024/2025 Staff advanced Mortgage and car loan continued to pay their loans hence availing more cash for lending to new requests. Towards the end of the financial year a car loan of Kshs. 3,000,000 was at an advanced stage of approval.

A new committee to manage the affairs of the scheme was appointed towards the end of the financial year.

Strategic pillar	Objective	Indicator	Activities	Results achieved
Strengthening Institutional Capacity	To strengthen staff capacity for improved service delivery through provision of Mortgage & Car loan facility	No. of staff capacity built	Create awareness on the Mortgage & Car loan facility	1)Sensitized staff on the facility during staff meetings & Education day. 2)Continued to monitor loans advanced to staff. 3)Availed flyers on the Mortgage & Car loan scheme to staff.

8. Corporate Governance Statement

The KICD Car Loan and Mortgages Scheme draws its purpose from the KICD Staff Mortgage Scheme Regulations, 2019. The Regulations set out, *inter alia*, the scope and eligibility criteria for the staff members to benefit from the Scheme. Section 4 of the Scheme Regulations establishes the Mortgage & Car loan Advisory Committee that is to be appointed by the Chief Executive Officer. The Committee is charged with the responsibility of recommending for approval of loans from applicants in accordance with the approved regulations. The Committee is required to meet regularly as and when there is need and the quorum for its meetings is 50%+1. In the year under audit, the Committee met three (3) times, and the attendance of members was as per the regulations.

The chairperson is appointed by the Chief Executive Officer from among its members is empowered to convene the meetings and in his/her absence the Vice Chairperson presides. The decisions by the Committee are by a simple majority and in the case of a tie, the Chairperson has a casting vote. The term of the committee members is three years' renewable for one further term of three years. The secretariat of the Committee serves on a permanent basis to preserve the memory of the transactions.

The Committee is charged with the roles of selecting the service providers or the administration of the scheme on their behalf. Additionally, the Committee is the link between the Scheme and the Scheme Administrator by way of vetting and forwarding of successful candidates for award of loans. The Committee supervises the day to day running of the Scheme.

The Chief Executive Officer is charged with the responsibility of appointing from among the staff members' competent individuals to serve in the Committee. In so appointing, the CEO ensures a perfect skill set mix to ensure effective deliberations and oversight of the Scheme. The CEO ensures that at any one point there is a finance, legal and corporate governance skill from amongst the Committee membership. Upon appointment, the Committee members undergo an induction training to acquaint themselves of their roles, obligations and responsibilities.

The Committee members indicate whether they are conflicted in the matters enlisted on the Agenda Notice that is circulated early enough before the meeting as reflected in the Minutes of the various meetings. The Secretariat maintains a Conflict-of-Interest Register for the same. The members of the Committee do not take any remuneration for service. The service is voluntary. The Committee members severally and cumulatively are charged with ensuring that the administration of the Scheme is well within the existing relevant and applicable laws and regulations. The overall responsibility of adherence to the laws and regulations is resident with the Chairperson of the Scheme and/or whoever that presides in the said position from time to time.

The Committee is working towards ensuring that there is enhanced and proper governance of the Scheme, through the development of a Service Charter and any other relevant additional policies. The scheme administrator who is the Kenya Commercial Bank appraises the individual staff loan applications recommended by the Institute and facilitates the acquisition of the assets to the individuals as per the approved agreement. There is also an internal audit function charged with the responsibility of ensuring adherence to the regulations. Attendance for the meetings during the year under review is as shown below;

NO.	NAME OF COMMITTEE MEMBER	ATTENDANCE
1.	Emily Sila	1/1
2.	Dr. Samuel Obudho	2/2
3.	Johnson Wachira	1/1
4.	Agnetta Mwangoma	2/2
5.	David Kungu	2/2
6.	Sebastian Muema	2/2
7.	Jacinta Njenga	3/3
8.	David Ndambuki	2/2
9.	Alfayo Ongeru	3/3
10.	Kennedy Ongaro	1/3
11.	Ann Muteti	2/3
12.	Ann Muiru	1/3

9. Management Discussion and Analysis

The scheme's initial investment in the FY2020/2021 was **Kshs. 50 million. Kshs. 30 million** was allocated to Mortgage while **Kshs. 20 million** was allocated to car loan. There was additional mortgage deposit of **Kshs. 10 million** in FY2022/2023. As of 30th June 2025, the Scheme's accumulated surplus which was mainly from interest earned on unutilised funds was **Kshs. 2,049,059**. The scheme therefore closed at **Kshs. 62,049,059**

The scheme is cash backed from the Institute's resources allocated from the budgetary process. The Institute is funded by the exchequer. The allocation of funds follows the normal KICD budget approval process. As at end of financial year 2024/2025 the scheme had awarded Mortgage Loans to six staff members. Nine staff members were awarded car loans. The loans were issued to applicants who had successfully met all the requirements for the loan advancement. There were however several applicants who were not successful and hence were not granted the loans due to various reasons.

During the financial year 2024/2025.

The principal recoveries were as follows;

Mortgage Loan	Kshs. 1,770,256
Car loan	Kshs. 4,021,201

The balances as at end of financial year were as follows.

Mortgage loans	Kshs.31,425,029
Car loan	Kshs.4,087,198

There were no major risks facing the scheme and Scheme complied with statutory requirements and obligation relating to deductions and remittance.

10. Environmental and Sustainability Reporting

i) Sustainability strategy and profile

The scheme is wholly owned by the Government of Kenya and domiciled at KICD. All the loans are performing and hence the recoveries are available for lending to new applicants. The scheme is guided by the approved guidelines and the Institute's aim is that the scheme will be self-sustaining in future. The Institute adhered to the 30% proportion of contracts and procurements allocated to special groups (Youth, Women) and PWD categories.

ii) Environmental performance

The Institute continues to carry out its Corporate Social Responsibility (CSR) activities as outlined in the existing policies. Over the years, KICD has endeavoured to partner with its stakeholders to champion a course that positively impacts society. During the 2024/2025 Financial Year, in giving back to society, the Institute participated in tree planting and nurturing activities in response to a Presidential Directive on 'The National Tree Growing and Restoration Campaign' of growing 15 billion trees by 2032. The initiative is to increase the forest cover from the current 12% to 30% by 2032.

The Institute planted 45,000 (Forty-five thousand) tree seedlings in various teaching and learning institutions in 4 counties in Kenya during the 2024/2025 Financial Year. This surpassed the target issued by the Ministry of Education to plant 30,000 trees yearly.

Table 1 shows the distribution of tree planting activities carried out by KICD in different counties in line with its objective.

Table 1: A Summary of Planted Trees in Different Counties

NO.	COUNTY	NO. OF SCHOOLS	NO. OF TREE	Tree Cover%
1.	Homa Bay	25	15,000	3%
2.	Kitui	20	10,000	2%
3.	Nandi	9	9,000	62%
4.	Kisii	23	10,000	63%
	Total	77	45,000	

The Institute's objective is to promote environmental sustainability and grow Indigenous and fruit trees in teaching and learning institutions.

Tree Planting in Homa Bay County

The Institute, guided by its Chief Executive Officer, Prof. Charles Ong'ondo, on 26th March 2025, launched the planting of 15,000 tree seedlings at Orero Boys High School. The tree cover in Homa Bay County remains one of the lowest in the country, which is at 3 percent against the required 10 percent mark. The Institute, in collaboration with KFS and the Ministry of Education, selected 25 comprehensive and secondary schools, which received and planted a given number of tree seedlings

iii) Employee welfare

KICD is guided by the Human Resources & Development policies relating to recruitment. It takes into account gender ratios, PWD among others. Staff undertake trainings so as to improve skills and for career development. Staff performance appraisals are also undertaken mid-year and annually. A committee is appointed to look into the safety and compliance with Occupational Safety and Health Act of 2007, (OSHA.)

iv) Market place practices-

a) Responsible competition practice.

The Institute has a committee to deal with Ethics & integrity issues. The committee reports on regular basis. A service charter is in place and there is a performance evaluation to ensure adherence. Clients make payments via the cashless mode of payments. The Institute's operations are automated where applicable.

b) Responsible Supply chain and supplier relations

The Institute adheres to the guidelines as stipulated by the Public Procurement and Disposal Act.

c) Responsible marketing and advertisement or Responsible engagement with the citizens.

The Kenya Institute of Curriculum Development (KICD) transforms lives in the education sphere. The Institute is a driving force in nurturing every learner's potential in the execution of its mandate, which is to develop, review, and

approve programmes, curricula and curriculum support materials that meet international Standards for Basic and Tertiary Education and Training. Guided by its Service Delivery Charters, KICD always values its stakeholders. It puts the customer's interest first as it strategically provides relevant goods and services and continuously improves on its operational excellence

d) Product stewardship or Awareness creation

The Institute develop, review, and approve programmes, curricula and curriculum support materials that meet international Standards for Basic and Tertiary Education and Training. It carries out stakeholders' engagements as required. The products and services are informed through various engagements and the Institute's website.

v) Corporate Social Responsibility / Community Engagements

The Institute was involved in Corporate Social Investment through participation and sponsorship in the Kenya Music festival and drama. This promoted talent growth of the students. The Institute also participated in the Mater Heart Run.

11. Report of the Scheme Administration Committee

The Institute/Scheme Administration Committee submits their report together with the financial statements for the year ended June 30th, 2025, which show the state of the Scheme affairs. Financial Statements are as provided in this report.

Principal activities

The principal activities of the Scheme are to provide mortgage and car loan facilities to the staff.

Performance

The performance of the Scheme for the year ended June 30, 2025, is set out on page 1.

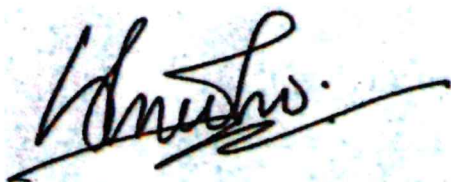
Scheme Committee

The members of the Mortgage & Car loan Committee who served during the year are as shown on the key scheme information and management page.

Auditors

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

By Order of the Scheme



.....
DR. SAMUEL OBUDHO OMONDI
CHAIRPERSON, SCHEME ADMINISTRATION COMMITTEE

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/Manager of a Scheme established by Kenya Institute of Curriculum Development (KICD Act2013), shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

This responsibility includes:

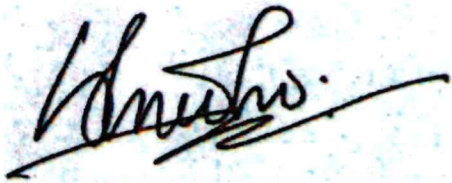
- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the scheme,
- (iii) designing, implementing 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 Council and Fund administrator/Manager 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 Council and administrator/manager 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, 2025, and of the Scheme's financial position as at 30th June 2025. It further confirms the completeness of the accounting records maintained for the Scheme, which have been relied upon in the preparation of the Scheme's financial statements as well as the adequacy of the systems of internal financial control. In preparing the financial statements, the management of the Scheme has assessed the Scheme's ability to continue as a going concern and disclosed, as

applicable, matters relating to the use of going concern basis of preparation of the financial statements.

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

The scheme's financial statements were approved by the Council on **26th August 2025** and signed on its behalf by: -



.....
DR. SAMUEL OBUDHO
CHAIRPERSON



.....
PROF. CHARLES O. ONG'ONDO, PhD., MBS.
SCHEME MANAGER

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 KENYA INSTITUTE OF CURRICULUM DEVELOPMENT MORTGAGE AND CAR LOAN SCHEME FOR THE YEAR ENDED 30 JUNE, 2025

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 Kenya Institute of Curriculum Development Mortgage and Car Loan Scheme set out on pages 1 to 21, which comprise

Report of the Auditor-General on Kenya Institute of Curriculum Development Mortgage and Car Loan Scheme for the year ended 30 June, 2025

of the statement of financial position as at 30 June, 2025, 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 Kenya Institute of Curriculum Development Mortgage and Car Loan Scheme as at 30 June, 2025, 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 Kenya Institute of Curriculum Development Mortgage and Car Loan Scheme Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Other Information

The Management is responsible for the Other Information set out on pages iii to xxx which comprise of Key Entity Information and Management, Scheme Administration Committee, Key Management Team, Chairperson's Statement, Report of the Scheme Manager, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Scheme Administration Committee, Statement of Management Responsibilities,. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the 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 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 3000 and ISSAI 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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as 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.

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

Auditor-General's Responsibilities for the Audit

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 ISSAIs 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

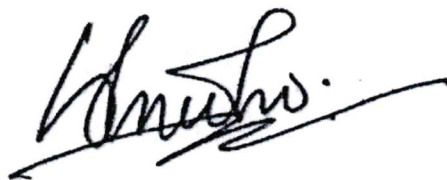
14 November, 2025

14. Statement of Financial Performance for the year ended 30th June 2025.

Description	Note	2024/2025	2023/24
		Kshs.	Kshs.
Revenue from exchange transactions			
Interest income	6	1,672,431	1,644,029
Total Revenue		1,672,431	1,644,029
Expenses			
Finance Costs	7	1,188,959	1,103,675
Total expenses		1,188,959	1,103,675
Surplus		483,472	540,354

(The notes set out on pages 13 to 18 form an integral part of these Financial Statements).


The financial statements were approved on **26th August, 2025** by:-



.....
DR. SAMUEL OBUDHO
CHAIRPERSON OF THE
SCHEME



.....
PROF. CHARLES O. ONG'ONDO,
PhD., MBS.
SCHEME ADMINISTRATOR



.....
DR. SOLOMON M. KATHUO
SCHEME ACCOUNTANT

15. Statement of Financial Position as at 30th June 2025


Description	Note	2024/25	2023/24
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	8	26,536,832	20,261,902
Receivables from exchange transactions	9(a)	4,572,483	5,113,103
Total Current Assets		31,109,315	25,375,005
Non-Current Assets			
Receivables from exchange transactions	9(b)	30,939,744	36,190,583
Total Non-Current Assets		30,939,744	36,190,583
Total assets		62,049,059	61,565,588
Liabilities			
Trade and other payables			-
Total liabilities			-
Net assets		62,049,059	61,565,588
Represented By:			
Car loan revolving scheme	12	20,000,000	20,000,000
Mortgage revolving scheme	12	40000000	40,000,000
Accumulated surplus (<i>Reserves</i>)	11	2,049,059	1,565,588
Net Assets		62,049,059	61,565,588

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Scheme financial statements were approved on 26th August 2025 and signed by:-



DR. SAMUEL OBUDHO

CHAIRPERSON OF THE
SCHEME



PROF. CHARLES O. ONG'ONDO,
PhD., MBS.

SCHEME ADMINISTRATOR

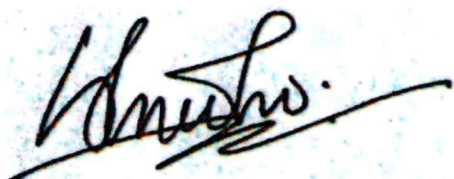


DR. SOLOMON M. KATHUO

SCHEME ACCOUNTANT

16. Statement of Changes in Net Assets for the year ended 30th June 2025

Description	Mortgage Scheme	Car Loan Scheme	Accumulated surplus	Total
	Kshs	Kshs	Kshs	Kshs
Balance as of 1st July 2023	40,000,000	20,000,000	1,025,233	61,025,233
Surplus for the period			540,354	540,354
Funds received during the year	-	-	-	-
As at 30th June 2024	40,000,000	20,000,000	1,565,587	61,565,587
Balance as of 1st July 2024	40,000,000	20,000,000	1,565,587	61,565,587
Surplus for the period			483,472	483,472
Funds received during the year	-	-	-	-
As of 30th June 2025	40,000,000	20,000,000	2,049,059	62,049,059





DR. SAMUEL OBUDHO

PROF. CHARLES O. ONG'ONDO,

DR. SOLOMON M. KATHUO

CHAIRPERSON OF THE
SCHEME

PhD., MBS.
SCHEME ADMINISTRATOR

SCHEME ACCOUNTANT

17. Statement of Cash Flows for the year ended 30th June 2025

Description	Note	2024/25	2023/24
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Interest income	6	1,672,431	1,644,029
Total receipts		1,672,431	1,644,029
Payments			
Finance costs	7	1,008	3,469
Administrative costs	7	1,187,951	1,100,206
Total payments		1,188,959	1,103,675
Net cash flow from operating activities	10	483,472	540,354
Cash flows from investing activities			
Disbursements on loan Mortgage	13	0	(11,619,760)
Proceeds from Loan principal repayments	13	5,791,458	1,296,655
Net cash flows used in investing activities		5,791,458	(7,091,400)
Cash flows from financing activities			
Transfer to KCB Mortgage scheme	15	0	0
Net cash flows used in financing activities		0	0
Net increase/(decrease) in cash and cash equivalents		6,274,930	(6,551,046)
Cash and cash equivalents at 1 st July		20,261,902	26,812,948
Cash and cash equivalents on 30th June	8	26,536,832	20,261,902

18. Statement of Comparison of Budget and Actual amounts for the year ended 30th June 2025

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 KICD budget	10,000,000	(10,000,000)	0	0	0	0
Interest received on bank balances	500,000	-	500,000	484,480	15,520	97
Interest on Loans	1,187,951	-	1,187,951	1,187,951	0	100
Total Revenue	11,687,951	(10,000,000)	1,687,951	1,672,431	15,520	99
Expenditure						
Finance costs	3,000	-	3,000	1,008	1,992	34
Mortgage & Car loan transfers	10,000,000	(10,000,000)	0	0	0	0
Administrative charge on loans	1,187,951	-	1,187,951	1,187,951	0	100
Surplus	497,000	-	497,000	483,472	13,528	97
Total Expenditure	11,687,951	(10,000,000)	1,687,951	1,672,431	15,520	99

Budget notes

- The original budget of Kshs. 10,000,000 was revised to Nil as staff had not applied for Mortgage and Car loans.
- There were no transfers in the financial period hence the utilisation of 0%.
- Though the budget is on cash basis, the actual on comparable basis tallied with the statement of financial performance.
- The scheme is cash backed and the interest on loans is administrative charge by the administrator.
- The transfers were not necessary as the cash and cash equivalent in the bank were adequate to advance loan requests.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	483,472
1	Proceeds from Loan principal repayments-Mortgage	1,770,256
2	Proceeds from Loan principal repayments-Car Loan	4,021,201
4	Cash and cash equivalents at 1 st July	20,261,902
	Closing Cash and Cash Equivalent as per the statement of Cash flows	26,536,831

19. Notes to the Financial Statements

1. General Information

KICD Staff Mortgage & Car Loan Scheme is established by and derives its authority and accountability from KICD Act. The Scheme is wholly owned by the Government of Kenya and is domiciled in Kenya. The scheme was established to cater for the welfare of the staff by providing loans for mortgage and car.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on accrual basis. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency. The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act 2012. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. 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 2025.

There are no new standards effective in the FY.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>This Standard is not relevant to the Scheme</i>
IPSAS 44: Non- Current Assets Held for	Applicable 1st January 2025 The Standard requires,

Sale and Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>This Standard is not relevant to the Scheme</i></p>
IPSAS 45: Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>This Standard is not relevant to the Scheme</i></p>
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol 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.</p> <p><i>This Standard is not relevant to the Scheme</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,</p>

	<p>timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>Revenue is recognised when earned.</p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</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.</p> <p>This Standard is not relevant to the Scheme</p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>This Standard is not relevant to the Scheme</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p>This Standard is not relevant to the Scheme</p>

iii. Early adoption of standards

The Institute did not early - adopt any new or amended standards in the financial year 2024/2025

4. Significant Accounting Policies

a. Revenue recognition

i) Revenue from Non-Exchange Transactions

Transfers from other Government Entities

Transfers to the Mortgage and Car loan scheme accounts are from KICD and no other government entities.

ii) Revenue from Exchange Transactions

Interest income

Interest income is accrued when earned in the period which it is earned. Revenue constitutes all income accruing to the scheme in the form of interest on unutilised bank balances and interest accruing on Mortgage Loans (3%) and Car loans (4%).

b. Budget Information

The FY2024/2025 original budget and revised budgets covering from July 2024 to June 2025 were approved by the Council on 10th July 2024 & 14th July 2025 respectively. The financial statements are prepared on accrual basis whereas the budget is prepared on a cash basis. Though the budget is on cash basis, the actual on comparable basis tallied with the statement of financial performance.

Significant Accounting Policies (Continued)

c. Property, Plant & Equipment (PPE)

The Scheme does not have property, plant & equipment.

d. Intangible Assets

The Scheme does not have intangible assets.

e. Investment Property

The Scheme does not have investment property.

f. Financial Instruments

The Scheme does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Scheme's financial statements.

I. Financial Assets

The financial assets held or recognised at fair value.

II. Financial Liabilities

The financial liabilities are measured at fair value.

g. Contingent Liabilities

The Scheme does not have contingent liabilities.

h. Contingent Assets

The scheme does not have contingent assets

i. Nature and Purpose of Reserves

The scheme accumulated reserves are mainly from the accumulated surplus over the years.

j. Change in accounting policies and estimates

The 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.

k. Foreign Currency transactions

There were no foreign currency transactions.

l. Related Parties

The 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 Director, the Scheme Managers, and Scheme committee.

m. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and unutilised 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 the Kenya Commercial Bank at the end of the financial year.

n. Loans & Receivables

Loans are issued to staff for Mortgage (3%) and Car loan (4%). The loan balances are recognised as Current receivables (less than 1 year) and non-current receivables (More than 1 year)

o. Comparative Figures

Where necessary comparative figures for the previous financial year have been included.

p. Events after the Reporting Period

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

q. Ultimate and Holding Scheme

The Scheme is established under Section 24 (4) PFM Act under the Department of State Corporation. Its ultimate parent is the Government of Kenya.

r. Currency

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

5. Significant judgements 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. 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 administrator.
- 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. Interest income

Description	2024/25	2023/24
	Kshs.	Kshs.
Interest received from Mortgage bank balance	176,364	323,277
Interest received from Car Loans bank balance	308,116	220,546
Interest received from Loans-Mortgage	963,124	701,526
Interest received from Loans-Car loan	224,827	398,680
Total Interest Income	1,672,431	1,644,029

7. Finance costs

Description	2024/25	2023/24
	Kshs.	Kshs.
Bank charges on Mortgage bank account	504	1,674
Bank charges on Car Loans bank account	504	1,795
Administrative charge on Loans-Mortgage	963,124	701,526
Administrative charge on Loans-Car loan	224,827	398,680
Total	1,188,959	1,103,675

8. Cash & Cash Equivalent

Description	2024/25	2023/24
	Kshs.	Kshs.
Mortgage and Car Loan Scheme		
Kenya Commercial Bank Ltd—Mortgage Current Account	48,934	60,309
Kenya Commercial Bank Ltd-Mortgage unutilized Account	9,470,386	7,512,896
Kenya Commercial Bank Ltd-Car loan unutilized Account	16,931,297	62,636
Kenya Commercial Bank Ltd-Car loan Current Account	86,215	12,626,061
Total	26,536,832	20,261,902

Notes to the Financial Statements Continued

8a) Detailed Analysis of the cash & cash equivalents

Description	Account number	2024/25	2023/24
		Kshs.	Kshs.
Mortgage and Car Loan Scheme			
Kenya Commercial Bank Ltd— Mortgage Current Account	1281008311	48,934	60,309
Kenya Commercial Bank Ltd- Mortgage unutilized Account	1281008311	9,470,386	7,512,896
Kenya Commercial Bank Ltd- Car loan unutilized Account	1281008753	16,931,297	62,636
Kenya Commercial Bank Ltd- Car loan Current Account	1281008753	86,215	12,626,061
Total		26,536,832	20,261,902

9. Receivables from Exchange Transactions

9(a) Receivables from Exchange Transactions- Current Receivables

Description	2024/25	2023/24
	Kshs.	Kshs.
Current Mortgage loan balances	2,158,334	1,837,033
Current Car loan balances	2,414,149	3,276,070
Total	4,572,483	5,113,103

9(b) Receivables from Exchange Transactions- Non- Current Receivables

Description	2024/25	2023/24
	Kshs.	Kshs.
Non-Current Mortgage loan balances	29,266,696	31,358,253
Non-Current Car loan balances	1,673,049	4,832,330
Total	30,939,745	36,190,583

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Ageing Analysis (Receivable from exchange transactions- Car loan)	2024/25	% of total	2023/2024	% of total
	Kshs		Kshs	
Less than 1 year	2,414,149	59.07	3,276,070	40.40
Between 1-2 years	1,494,621	36.57	2,843,894	35.07
Between 2-3 years	178,428	4.37	1,659,586	20.47
Over 3 years	-	0.00	328,850	4.06
Total	4,087,198	100.00	8,108,400	100.00

	2024.2025	% of total	2023.2024	% of total
Receivables aging Analysis(Mortgage)	Kshs		Kshs	
Less than 1 year	2,158,334	6.87	1,837,033	5.53
Between 1-2 years	2,225,226	7.08	1,915,450	5.77
Between 2-3 years	2,292,908	7.30	1,973,708	5.95
Over 3 years	24,748,562	78.75	27,469,095	82.75
Total	31,425,030	100	33,195,286	100

10. Net cash flows from operating activities

Description	2024/25	2023/24
	Kshs.	Kshs.
Surplus/ (deficit) for the year before tax	483,472	540,354
Adjusted for:		
Depreciation	-	-
Amortisation	-	-
Gains/ losses on disposal of assets	-	-
Interest income	-	-
Finance cost	-	-
Working capital adjustments		
Increase in inventory	-	-
Increase in receivables	5,791,458	(7,091,400)
Increase in payables		-
Net cash flow from operating activities	6,274,930	(6,551,046)

11. Accumulated Surplus

Description	2024/25	2023/24
	Kshs.	Kshs.
Opening Balance	1,565,587	1,025,233
Surplus/(Deficit) for the year	483,472	540,354
Total Accumulated Surplus	2,049,059	1,565,587

12. Initial Scheme Investment

Description	2024/25	2023/24
	Kshs.	Kshs.
Car Loan Initial Investment	20,000,000	20,000,000
Mortgage Initial Investment	30,000,000	30,000,000
Additional Funding Mortgage 2022/2023	10,000,000	10,000,000
Total	60,000,000	60,000,000

13. Net Cashflows from Investing activities

Description	2024/25	2023/24
	Kshs.	Kshs.
Disbursements on loan -Mortgage	0	(11,619,760)
Proceeds from Loan principal repayments-Mortgage	1,770,256	1,296,655
Proceeds from Loan principal repayments-Car Loan	4,021,201	3,231,705

14. Financial Risk Management

The Scheme's 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 Scheme does not hedge any risks and has in place policies to ensure that credit is only extended to borrowers with an established credit history. The Scheme's financial risk management objectives and policies are detailed below: -

a) Credit Risk

The Scheme has exposure to credit risk, which is the risk that a borrower will be unable to repay the loan. The Scheme's credit risk is low since the acquired assets are charged to the bank and act as security to the loan. The administrator reduces this risk by keenly appraising the borrower before processing the loan. 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: -

Description	Total amount Kshs.	Fully performing Kshs.	Past due Kshs.	Impaired Kshs.
At 30th June 2025				
Receivables From Exchange Transactions-Car loans and mortgages	35,512,227	35,512,227	-	-
Bank Balances	26,536,832	26,536,832	-	-
Total	62,049,059	62,049,059	-	-
At 30th June 2024				
Receivables From Exchange Transactions-Car loans and mortgages	41,303,686	41,303,686	-	-
Bank Balances	20,261,902	20,261,902	-	-
Total	61,565,588	61,565,588	-	-

b) Liquidity Risk Management

Liquidity risk is the risk that the scheme will not be able to meet financial obligation when they fall due. This risk is managed by ensuring that the scheme is liquid enough to meet its obligations whenever they fall due. This has been done by providing budgetary provisions to the scheme.

c) Market Risk

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

The Scheme's Finance Department is responsible for the development of detailed risk management policies and for the day-to-day implementation of those policies. There has been no change to the Scheme's exposure to market risks or the way 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 because of changes in interest rate levels. The Scheme's interest rate risk arises from bank deposits. This exposes the 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.

e) Sensitivity analysis

The Scheme is cash backed, and the Scheme administrator will bear the costs in case of any eventuality. No sensitivity analysis was undertaken as the scheme is not exposed.

f) Capital Risk Management

The objective of the Scheme's Capital Risk Management is to safeguard the Scheme's ability to continue as a going concern. The Scheme capital structure comprises of the following schemes: -

Description	2024/25	2023/24
	Kshs	Kshs
Revolving scheme	60,000,000	60,000,000
Accumulated surplus (<i>Reserves</i>)	2,049,059	1,565,587
Total schemes	62,049,059	61,565,587
Less: cash and bank balances	(26,536,832)	(20,261,902)
Net debt/ (excess cash and cash equivalents)	35,512,227	41,303,685

15. Related Party Balances

a) Nature of Related Party Relationships

Entities and other parties related to the 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/scheme is related to the following entities: -

- a) The Council
- b) Key management.
- c) Scheme Committee
- d) Scheme Administrator

b) Related Party Transactions

i. Transfers from related parties

Description	2024/25	2023/24
	Kshs.	Kshs.
Transfers from Related Parties	-	

The transfers are mainly from KICD Main bank account to KICD Mortgage and car loan bank accounts.

ii. Key Management Remuneration

Description	2024/25	2023/24
	Kshs	Kshs
Scheme's Committee	-	-
Key Management Compensation	-	-
Total	-	-

16. Events after the Reporting Period

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

17. Taxation

The income on deposits is consolidated with interest income from all accounts held in KCB and tax arising thereof paid from the main account.

Fringe benefit tax is computed and paid to Kenya Revenue Authority from main account.

18. Ultimate and Holding Entity

The Scheme is sponsored by KICD, a state corporation under the Ministry of Education, through the normal budgetary process.

19. Currency

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

20. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Non-remittance of Fringe benefit tax	Fringe Benefit tax remitted to Kenya Revenue Authority	Resolved	N/A



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PROF. CHARLES O. ONG'ONDO, PhD., MBS.
SCHEME MANAGER