

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

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by LOM  
Tuesday  
17/4/2018*



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
STATE OFFICERS AND PUBLIC OFFICERS  
CAR LOAN SCHEME FUND**

**FOR THE YEAR ENDED  
30 JUNE 2017**

**THE NATIONAL TREASURY**



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**THE NATIONAL TREASURY**

**STATE OFFICERS AND PUBLIC OFFICERS MOTOR CAR LOAN  
SCHEME FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2017**

**REVISED**

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**PREPARED IN ACCORDANCE WITH THE CASH BASIS OF ACCOUNTING METHOD UNDER THE  
INTERNATIONAL PUBLIC-SECTOR ACCOUNTING STANDARDS (IPSAS)**

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# STATE OFFICERS AND PUBLIC OFFICERS CAR LOAN SCHEME FUND

## (I) KEY ENTITY INFORMATION AND MANAGEMENT

### Background information

The State Officers and Public Officers Car Loan Scheme Fund was established in 2015, through legal notice no. 195 of 25<sup>th</sup> September, 2015 under the Public Finance Management Act. This was pursuant to guidelines provided by Salaries and Remuneration Commission on Car Loan benefit for State officers and other Public Servants in December 2014.

The Cabinet Secretary, National Treasury is responsible for the general policy and strategic direction of the Fund while the Chief Executive Officer is the administrator of the Fund.

### (a) Principal Activities

The Salaries and Remuneration Commission on 17<sup>th</sup> December 2014 set and advised on the car and House mortgage benefits for all state officers and other public officers in Kenya. The objective and purpose for which the Fund was established is to provide a car loan facility to State Officers and Public Officers of the National government to purchase a motor car.

### (b) Scheme Management Committee

The Fund is administered through the Car Loan Secretariat by the Accounting Officer / Principal Secretary of the Ministry for the time being responsible for matters related to Finance. Management of the Fund is overseen by an Advisory Board for the reporting period comprising:

S/No.	Name of Board Member	Designation
1	Dr. Kamau Thugge	Principal Secretary for the National Treasury.
2	Mr. Albert Kobia Wakamau	Principal Secretary for Public Service Management.
3	Mr. Bernard Masiga	Principal Secretary for Transport
4	Mrs. Janet Mabwa	Chief Executive Officer Salaries and Remuneration Commission
5	Mr. Dismus Ogot	Chief Executive Officer Public Service Commission
6	Dr. Geoffrey Mwau	Budget, Financial and Economic Affairs, National Treasury
7	Mr. Mutua Kilaka	Administrative Services, National Treasury
8	Mrs. Margaret Muiru	Officer administering the Fund/ Secretary

### (c) Fiduciary Management

During the financial year under focus the Fund operations were undertaken by the Fund Secretariat and administered by "the Officer Administering the Fund. The Officer administering the Fund therefore hereby submits the report of the Fund and the financial statements for the year ended 30 June 2017 which show the state of the Fund affairs.

## STATE OFFICERS AND PUBLIC OFFICERS CAR LOAN SCHEME FUND

The members of Secretariat who held office during the financial year ended 30<sup>th</sup> June 2017 and who had direct fiduciary responsibility were:

S/No.	Name of Secretariat	Designation
1	Mrs. Margret W. Muiru, OGW	Chief Executive Officer.
2	CPA Solomon Ngahu	Accountant
3	Edna Atisa	Investment
4	CPA Bernard N. Nganga	Internal Auditor
5	Edward Rutere	Assistant Director, ICT
6	Kennedy Odhiambo	Principal, Human Resource Officer

### (d) Fiduciary Oversight Arrangements

The overall oversight role of the Fund lies with the National Assembly in line with article 226(2) of the Constitution and Public Financial Management Act 2012. The Fund Auditors remains the Auditor General of the Government of Kenya. Internal audit for the Scheme is carried by the audit section within the National Treasury.

### (e) Entity Headquarters

The National Treasury Building, 6<sup>th</sup> Floor Room 627,  
Harambee Avenue  
P.O. Box 30007-00100  
NAIROBI

### (f) Entity Contacts

Telephone: (+254) 2718050  
Website: [www.Treasury.go.ke](http://www.Treasury.go.ke)

### (g) Entity Bankers

Central Bank of Kenya,  
Account Number: 1000239476  
**Address:** Haile Selassie Avenue  
**Mailing Address:** P.O Box 60000-00200, Nairobi, Kenya

### (h) Independent Auditors

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

### (i) Principal Legal Adviser

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

# STATE OFFICERS AND PUBLIC OFFICERS CAR LOAN SCHEME FUND

## II. STATEMENT OF FUND ADMINISTRATOR RESPONSIBILITIES

Section 116 (7) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the administrator for a public fund shall prepare financial statements in respect of that fund.

The administrator in charge of the Car Loan Scheme Fund is responsible for the preparation and presentation of the fund's financial statements, which give a true and fair view of the state of affairs of the fund for and as at the end of the financial year ended on June 30, 2017. 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 entity;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the fund;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Administrator of the Car Loan Scheme Fund accepts responsibility for the fund's financial statements, which have been prepared using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Administrator is of the opinion that the fund's financial statements give a true and fair view of the state of fund's transactions during the financial year ended June 30, 2017, and of the fund's financial position as at that date. The Administrator of the State Officers and Public Officers Motor Car Loan Scheme Fund further confirms the completeness of the accounting records maintained for the fund, which have been relied upon in the preparation of the fund's financial statements as well as the adequacy of the systems of internal financial control.



**Dr. Kamau Thugge, CBS**  
Principal Secretary,  
National Treasury



**Margret w. Muiru, OGW**  
Ag. Chief Executive Officer  
& Administrator of the Fund



**CPA Solomon Ngahu**  
Senior Accountant  
Ag. Fund Accountant

## STATE OFFICERS AND PUBLIC OFFICERS CAR LOAN SCHEME FUND

### III. CERTIFICATE OF THE INDEPENDENT AUDITORS ON THE STATE OFFICERS AND PUBLIC OFFICERS CAR LOAN SCHEME FUND

We have audited the accompanying (consolidated) financial statements of State Officers and Public Officers Car Loan Scheme Fund for the year ended June 30, 2017, which comprise: (i) a statement of receipt and payments; (ii) a statement of assets and liabilities; (iii) a statement of cash flows; (iv) a statement of comparison of budget and actual amounts and (v) a summary of significant accounting policies and other explanatory information.

#### **Management's responsibility for the financial statements**

The State Officers and Public Officers Car Loan Scheme Fund Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards (IPSAS), PFM Act 2012 and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditors' responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the *entity's* preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at June 30, 2017, and its financial performance as well as cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) and the requirements of the PFM Act 2012.

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Auditor General

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Date

# REPUBLIC OF KENYA

Telephone: +254-20-342330  
Fax: +254-20-311482  
E-mail: oag@oagkenya.go.ke  
Website: www.kenao.go.ke



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON STATE OFFICERS AND PUBLIC OFFICERS CAR LOAN SCHEME FUND FOR THE YEAR ENDED 30 JUNE 2017 - THE NATIONAL TREASURY

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#### REPORT ON THE FINANCIAL STATEMENTS

##### Opinion

I have audited the accompanying financial statements of State Officers and Public Officers Car Loan Scheme Fund set out on pages 6 to 11, which comprise the statement of financial assets and liabilities as at 30 June 2017 and the statement of receipts and payments, 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 State Officers and Public Officers Car Loan Scheme Fund as at 30 June, 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

In addition, as required by Article 229(6) of the Constitution, except for the matter described in the Emphasis Matter section of my report, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

##### Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of State Officers and Public Officers Motor Car Loan Scheme Fund in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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*Report of the Auditor-General on the Financial Statements of State Officers and Public Officers Car Loan Scheme Fund for the year ended 30 June 2017 - The National Treasury*

## **Emphasis of Matter**

### **Idle Cash of Kshs.2,835,000,000**

Whereas the State Officers and Public Officers Motor Car Loan Scheme Fund was established in 2015 through Legal Notice no. 195 of 25<sup>th</sup> September, 2015 and pursuant to guidelines provided by Salaries and Remuneration Commission on Car Loan benefit for state officers and other public servants in December 2014, the fund management has not undertaken any activities since then. The National Treasury however, has continued to transfer money to the fund account at the Central Bank of Kenya which stood at Kshs.2,835,000,000 as at 30 June 2017. Though cash balance have been confirmed to exist and safe, this amount could have been utilized for other more deserving cases in government while the National Treasury continues to develop or create an enabling environment for the Fund's operation. Through the Fund, the National Treasury management continues to withhold vital services to government officers earmarked to benefit from the loan scheme and hence loss of revenue from interest earnings that would have accrued over the years.

## **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in the audit of the financial statements of the current year. I have determined that there were no Key Audit Matters to communicate in my report.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to sustainability of services and using the going concern accounting assumption unless the management either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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.

Those charged with governance are responsible for overseeing the State Officers and Public Officers Car Loan Scheme Fund's financial reporting process.

## **Auditor-General's Responsibilities for the Audit of the Financial Statements**

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

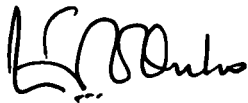
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the State Officers and Public Officers Car Loan Scheme Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the State Officers and Public Officers Car Loan Scheme Fund's ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the State Officers and Public Officers Car Loan Scheme Fund's to cease to continue as a going concern or to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the State Officers and Public Officers Car Loan Scheme Fund's to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



**FCPA Edward R. O. Ouko, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

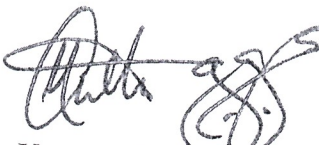
**20 March 2018**


# STATE OFFICERS AND PUBLIC OFFICERS CAR LOAN SCHEME FUND

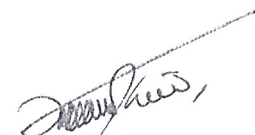
## IV. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2017

		2016-2017	2015-2016 Re-stated Balances
	Notes	Ksh.	Ksh.
<b><u>Income</u></b>			
Transfers from Government	2	850,000,000	1,985,000,000*
<b>Total Receipts</b>		<b>850,000,000</b>	<b>1,985,000,000*</b>
<b><u>Expenditure</u></b>			
Nil Expenses	6	-	-
<b>Total Payments</b>		<b>-</b>	<b>-</b>
Surplus for the year		<b>850,000,000</b>	<b>1,985,000,000*</b>

\*This asterisk represents restated balances, see note 7 for clarity.

  
Dr. Kamau Thugge, CBS  
Principal Secretary,  
National Treasury

  
Margret w. Muiru, OGW  
Ag. Chief Executive Officer  
& Administrator of the Fund

  
CPA Solomon Ngahu  
Senior Accountant  
Ag. Fund Accountant

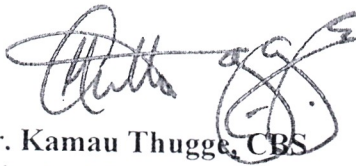
# STATE OFFICERS AND PUBLIC OFFICERS CAR LOAN SCHEME FUND

## V. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2017

	Notes	2016-2017 Ksh.	2015-2016 Re-stated Balances Ksh.
<b>Non-Current Assets</b>	5	-	-
<b><u>Current Assets</u></b>			
Cash and Cash Equivalents	4	2,835,000,000	1,985,000,000
<b>Total Assets</b>		<b><u>2,835,000,000</u></b>	<b><u>1,985,000,000</u></b>
<b><u>Financed By</u></b>			
Car Loan Fund Account b/f		1,985,000,000	-
Surplus for the year		850,000,000	1,985,000,000
<b>Net Value of the Fund</b>		<b><u>2,835,000,000</u></b>	<b><u>1,985,000,000</u></b>

### APPROVAL OF THE FINANCIAL STATEMENTS

The Fund's financial statements were approved and signed by the Accounting Officer / Ag. Chief Executive Officer of the Fund.



Dr. Kamau Thugge, CBS  
Principal Secretary,  
National Treasury



Margret w. Muiru, OGW  
Ag. Chief Executive Officer  
& Administrator of the Fund



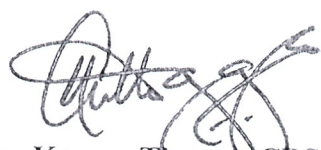
CPA Solomon Ngahu  
Senior Accountant  
Ag. Fund Accountant

# STATE OFFICERS AND PUBLIC OFFICERS CAR LOAN SCHEME FUND

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 2017

	Notes	2016- 2017 Ksh.	2015- 2016 Restated Balances Ksh.
<b><u>Cash Flows from Operating Activities</u></b>			
Cash Receipts from National Treasury	2	850,000,000	1,985,000,000*
Nil Operating incomes	3	-	-
<b>Total cash received from Operating Activities 'a'</b>		<b>850,000,000</b>	<b>1,985,000,000*</b>
<b>Cash Payments</b>			
Nil Expenses	6	-	-
<b>Total Payments 'b'</b>		<b>-</b>	<b>-</b>
<b>Net Cash from Operating Activities 'a'- 'b' = 'c'</b>		<b>850,000,000</b>	<b>1,985,000,000*</b>
<b><u>Cash Flows from Investing Activities</u></b>			
Nil cash flow from Investment Activities		-	-
<b>Net Cash flows from Investing Activities'</b>		<b>-</b>	<b>-</b>
<b>Cash Flows from Investing Activities</b>			
Nil Investing Activities		-	-
<b>Net Cash flows from Financing Activities 'e'</b>		<b>-</b>	<b>-</b>
<b>Net Increase/ Decrease in cash and cash equivalent</b>		<b>850,000,000</b>	<b>1,985,000,000*</b>
<b>Cash at the beginning of the period 'f'</b>		<b>1,985,000,000</b>	<b>- *</b>
<b>Cash at the end of the period (c + d + e)</b>	4	<b>2,835,000,000</b>	<b>1,985,000,000</b>

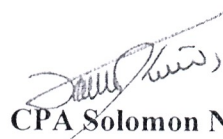
\*This asterisk represents restated balances, see note 7 for clarity



Dr. Kamau Thugge, CBS  
Principal Secretary,  
National Treasury



Margret w. Muiru, OGW  
Ag. Chief Executive Officer  
& Administrator of the Fund



CPA Solomon Ngahu  
Senior Accountant  
Ag. Fund Accountant

STATE OFFICERS AND PUBLIC OFFICERS CAR LOAN SCHEME FUND

VII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2017

	Original Budget	Adjustments	Final Budget	Actual	Variance	% of utilisation	Explanation of material variances
	Shs	Shs	Shs	Shs	Shs	%	
<b>Receipts</b>							
Transfers from the National Treasury	850,000,000	-	850,000,000	850,000,000	-	0%	The Fund has not started disbursement of car loan to the civil servants.
<b>Total Receipts</b>	<b>850,000,000</b>	<b>-</b>	<b>850,000,000</b>	<b>850,000,000</b>	<b>-</b>	<b>0%</b>	
<b>Payments</b>							
Car loans to public servants	850,000,000	-	850,000,000	-	850,000,000	-100%	The Fund has not started disbursement of car loan to the civil servants.
<b>Total Payments</b>	<b>850,000,000</b>	<b>-</b>	<b>850,000,000</b>	<b>-</b>	<b>850,000,000</b>		

## STATE OFFICERS AND PUBLIC OFFICERS CAR LOAN SCHEME FUND

### VIII. SIGNIFICANT ACCOUNTING POLICIES

1) The principle accounting policies adopted in the preparation of these financial statements are set outlined below;

**a) Statement of compliance and basis of preparation**

The Financial Statement is prepared in accordance and complies with International Public Sector Accounting Standards (IPSAS). The Financial Statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board (PSASB) Kenya.

**b) Budget**

The fund operates as revolving fund and therefore the amounts deposited therein are available for borrowing at any time provided it is for the purpose of the fund. The fund however, receives transfers from the National Treasury which were budgeted for in the financial year 2016/2017. The amounts received in the year under reporting was budgeted and approved as required by Law and as detailed in the National Treasury Printed Estimates.

**c) Subsequent events**

There were no subsequent events after reporting date.

# STATE OFFICERS AND PUBLIC OFFICERS CAR LOAN SCHEME FUND

## IX. NOTES TO FINANCIAL STATEMENTS

### 2) Transfers from National Government;

	2016- 2017	2015- 2016
	Ksh.	Re-stated Balances Ksh.
Cash transfers from National Treasury	850,000,000	1,985,000,000
<b>Total Cash received as at 30<sup>th</sup> June</b>	<u><b>850,000,000</b></u>	<u><b>1,985,000,000</b></u>

3) The Fund had no other incomes apart from transfers from National Treasury as at reporting date. All the money has been deposited in Central Bank of Kenya.

4) Cash and cash equivalents represent cashbook and bank balance as per bank statement.

	2016 - 2017	2015- 2016
	Ksh.	Re-stated Balances Ksh.
<b>Cash and Cash Equivalent</b>		
Central Bank of Kenya	2,835,000,000	1,985,000,000
Cash at hand and on Transit	-	-
<b>Total Cash and Cash Equivalent</b>	<u><b>2,835,000,000</b></u>	<u><b>1,985,000,000</b></u>

5) The Fund did not have non-current assets as at reporting date since it is yet to start operations.

6) The Fund did not incur expenditure or advance loan to State Officers or Public officers as at the reporting period, since the contract to engage a Financial Institution to act as the agent of the Fund had not been concluded. The Fund is managed by a Secretariat seconded from the National Treasury.

7) This asterisk (\*) represents restated figure of Ksh.1,985,000,000/- which was wrongly captured in FY 2015/2016 as zero (Ksh.0) in the Statement of Receipt and Expenditure thus understating receipts. Further in the an opening balance for FY 2015/2016 has been restated as zero (Ksh.0) since operations of the Fund started in FY 2015/2016.

8) The financial statements are presented in Kenya Shillings. The accounting policies adopted have been consistently applied.



**THE NATIONAL TREASURY**  
**STATE OFFICERS AND PUBLIC OFFICERS MOTOR CAR LOAN SCHEME FUND**

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**PROGRESS ON FOLLOW UP OF AUDITOR 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	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
NT/CLSF/2015/16 (9) FY 2015/2016	Accuracy of the Financial Statement	The statements were amended by including receipts for the year as disbursed by the National Treasury	S. Ngahu	Resolved	Resolved
	Unsupported bank balances	The management provided certificate of bank balances, updated cashbook and Bank reconciliation	S. Ngahu	Resolved	Resolved
	Failure to Adhere to guidelines	Financial Statements were amended and all pages were signed appropriately	S. Ngahu	Resolved	Resolved

**CPA. Solomon Ngahu**  
Accountant

Date 22/01/2018

APPENDIX I

COPY OF CASHBOOK

# FY 2016/17 PAYMENTS

To Whom Paid	Description of Payment	Allocation	Voucher No.	Cheque No.	Sh.	cts.	CASH		BANK	
							Sh.	cts.	Sh.	cts.
09/16 Bal	cid						NIL		NIL	
							<del>NIL</del>		<del>NIL</del>	
								1985000000=		
							NIL		1985000000=	
12/16 Bal	cid						NIL		NIL	
							<del>NIL</del>		<del>NIL</del>	
								1985000000		
							NIL		1985000000	
03/17 Bal	cid						NIL		NIL	
							<del>NIL</del>		<del>NIL</del>	
								1985000000		
							NIL		1985000000	
06/17 Bal	cid						NIL		NIL	
							<del>NIL</del>		<del>NIL</del>	
								2835000000=		
							NIL		2835000000=	

## APPENDIX II

### CERTIFICATE OF BANK BALANCES

BANKI  
KUU YA  
KENYA



CENTRAL  
BANK OF  
KENYA

20 July, 2017

Haile Selassie Avenue  
P.O. Box 60000 - 00200 Nairobi, Kenya  
Telephone: 2860000, Fax: 340192

## CERTIFICATE OF BALANCES

Customer : 120373 STATE AND PUBLIC OFFICERS CAR LOAN SCHEME FUND ACCOUNT

Balance Date: 30-Jun-2016

Account No	Account Name		Balance
1000239476	STATE AND PUBLIC OFFICERS CAR LOAN SCHEME FUND ACCOUNT	KES	1,985,000,000.00

Customer : 120373 STATE AND PUBLIC OFFICERS CAR LOAN SCHEME FUND ACCOUNT

Balance Date: 30-Jun-2017

Account No	Account Name		Balance
1000239476	STATE AND PUBLIC OFFICERS CAR LOAN SCHEME FUND ACCOUNT	KES	2,835,000,000.00

L. K. RWERIA  
AUTHORISED SIGNATORY  
BANKING DIVISION

P. S. LENKUME  
AUTHORISED SIGNATORY  
BANKING DIVISION

## APPENDIX III

### BANK RECONCILIATION




FO 30

**NATIONAL TREASURY**  
**STATE OFFICERS AND PUBLIC OFFICERS MOTOR CAR LOAN SCHEME FUND**  
**BANK RECONCILIATION STATEMENT- AS AT 30TH JUNE 2017**  
**CBK ACCOUNT.ACC No. 1000239476**

<u>AT 30TH JUNE 2017</u>	<u>Ksh.</u>	<u>Ksh.</u>
Balance as per bank Certificate		2,835,000,000.00
Less		
1 Payment in Cash Book not yet recorded in Bank Statement	-	
2 Receipts in Bank Statement not yet recorded in Cash Book	-	-
<b>Totals</b>		<b>2,835,000,000.00</b>
Add		
3 Payment in Bank Statement not yet recorded in Cash Book	-	
4 Receipts in Cash Book not yet recorded in Bank Statement	-	-
<b>Balance as per the Cash Book</b>		<b>2,835,000,000.00</b>

  
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PRINCIPAL SECRETARY  
NATIONAL TREASURY

  
.....  
Ag. CHIEF EXECUTIVE OFFICER  
STATE & PUBLIC OFFICERS CAR LOAN SCHEME FUND