

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



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CLERK AT THE TABLE: Minam Mado	

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE 2018**

**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, 2018**

**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. Michael Ojiambo	Alternate for the Principal Secretary for Public Service Management.
3	Eng. Charles Nzuka	Alternate for the Principal Secretary- for Transport and Infrastructure
4	Mrs. Ann Gitau	Chief Executive Officer Salaries and Remuneration Commission (SRC)
5	Mr. Dismus Ogot	Alternate for the Chief Executive Officer Public Service Commission(PSC)
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 2018 which shows 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 2018 and who had direct fiduciary responsibility were:

S/No.	Name of Secretariat	Designation
1.	Mrs. Margret W. Muiro, OGW	Chief Executive Officer.
2.	Mr. George Kariuki	Assistant Director, ICT
3.	Kennedy Odhiambo	Principal, Human Resource Officer
4.	CPA Solomon Ngahu	Chief Accountant
5.	CPA Bernard N. Nganga	Senior Internal Auditor
6.	Edna Atisa	Chief Investment Officer
7.	Paul Kamau	Senior Finance 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

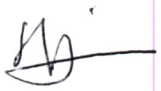
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112, City Square 00200, Nairobi, Kenya



## STATE OFFICERS AND PUBLIC OFFICERS CAR LOAN SCHEME FUND









### 1) ADVISORY BOARD MEMBERS

S/No	BOARD MEMBER	PROFILES
1	 Dr. Kamau Thugge, CBS	Chairman, State Officers and Public Officers Motor Car Loan Scheme Fund Principal Secretary, National Treasury
2	 Mr. Mutua Kilaka, CBS, SS	Board member Principal Administrative Secretary, National Treasury
3	 Dr. Geoffrey Mwau, EBS	Board member DG, Budget Fiscal and Economic Affairs
4	 CPA, Dismas Ogot	Board member Rep. Chief Executive Officer, Public Service Commission
5	 Eng. Charles Nzuka	Board member Rep. Principal Secretary, Ministry of Infrastructure
6	 Mr. Samson Wangusi	Board member Rep. Principal Secretary, State Department for Public Service and Youth Affairs
7	 Ms. Ann Gitau, MBS	Board member, Chief Executive Officer, Salaries and Remuneration Commission



## STATE OFFICERS AND PUBLIC OFFICERS CAR LOAN SCHEME FUND

### II) MANAGEMENT/SECRETARIAT

S/No	MANAGEMENT TEAM	PROFILES
1.	 Mrs. Margaret W. Muiru,OGW	Ag. Chief Executive Officer
2.	 CPA FA Solomon Ngahu	Principal Accountant
3.	 CPA Bernard Nganga	Principal Internal Auditor
4.	 Mr. Kenneth Odhiambo	Human Resource & Development Officer
5.	 Ms. Edna Atisa	Principal Investment Officer
6.	 Mr. George Kariuki	Ag. Director (ICT)
7.	 Mr. Joseph Korir	Procurement Officer
8.	 Anthony Muthini	Senior Accountant



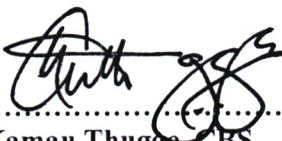
## STATE OFFICERS AND PUBLIC OFFICERS CAR LOAN SCHEME FUND

### II. CHAIRMAN'S STATEMENT

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 appointed Secretariat to oversee operationalization of the fund. Towards this end, several milestones including appointment of Advisory Board members and development of the procedures and guidelines have been achieved. The Fund is in the process of developing a web based system to support online application OF the Car Loan. It is envisaged that the System will allow the targeted officers to apply for loans from their work stations.

In view of the above and the progress made so far in the operationalization of the scheme, the Fund expects to advance the first phase of loans to State Officers and Public Officers in the first half of Financial Year 2018/19 so as to accomplish the purpose for which the Fund was established.



.....  
**Dr. Kamau Thugge, CBS**  
**Chairman, State Officers and Public Officers Motor Car Loan Scheme Fund and**  
**Principal Secretary National Treasury**

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

### **III. CHIEF EXECUTIVE OFFICER**

On behalf of the Management of the State Officer and Public Officers Motor Car Loan Scheme Fund, I wish to present the annual report and financial Statements for the year ended 30<sup>th</sup> June 2018. The State Officers and Public Officers Motor car Loan Scheme Fund is financed by the Government of Kenya.

During the period under review, the Fund undertook various activities geared towards operationalization of the Scheme. Notably, the Fund engaged a financial institution (Kenya Commercial Bank Limited) to offer financial services to the Fund. Additionally, the Secretariat developed guidelines and application form, facilitated appointment of the Advisory Board members and put in place structures in readiness for roll out of the Scheme.

We appreciate the support accorded to the Secretariat by the Management of the National Treasury during the process of operationalization of the Scheme when most structures were being established. We look forward to the continued support from all the stakeholders.



.....  
**Margaret W. Muiru, OGW**  
**Ag. Chief Executive Officer**  
**& Administrator of the Fund**



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

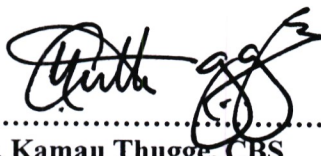
**IV. STATEMENT OF FUND ADMINISTRATOR RESPONSIBILITIES**

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, 2018. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that this 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, 2018, 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**  
**Chairman, State Officers and Public Officers**  
**Motor Car Loan Scheme Fund and**  
**Principal Secretary National Treasury**



.....  
**Margaret W. Muiru, OGW**  
**Ag. Chief Executive Officer**  
**& Administrator of the Fund**



# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON STATE OFFICERS AND PUBLIC OFFICERS MOTOR CAR LOAN SCHEME FUND FOR THE YEAR ENDED 30 JUNE 2018 – 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 Motor Car Loan Scheme Fund set out on pages 10 to 15 which comprise the statement of financial position as at 30 June 2018, 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 State Officers and Public Officers Motor Car Loan Scheme Fund as at 30 June, 2018, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (cash basis) and comply 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 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.

##### Emphasis of Matter

###### 1. Failure to Commence Business

As was reported during the previous year, 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

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*Report of the Auditor-General on the Financial Statements of State Officers and Public Officers Motor Car Loan Scheme Fund for the year ended 30 June 2018- The National Treasury*

Remuneration Commission on Car Loan benefit for state officers and other public servants in December 2014. However, the fund management has not undertaken any activities since then but the National Treasury continues to transfer money to the fund account at the Central Bank of Kenya which stood at Kshs.3,472,500,000 as at 30 June 2018. 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.

## **2. Difference between Trial Balance and the Financial Statement Amounts**

The statement of receipts and payments of the fund shows a receipt figure of Kshs.637,500,000 being transfers from Government. The Trial balance presented for audit review under head 1071000114 on the other hand reflects a transfers from Government figure of Kshs.647,300,000 which is in agreement with the General Ledger but differs with the statement of receipt and payments figure by unexplained difference of Kshs.9,800,000. Although the management has confirmed that indeed only Kshs.637,500,000 was received in the Fund's bank account no explanation or reconciliation has been carried out between the two records.

In the circumstances, the accuracy of the financial statements cannot be confirmed and may not have been drawn from the primary accounting records which may lead to misstatements and/or inaccurate reporting.

### **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. Except for the matter(s) described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter(s) described in the Basis for Qualified Opinion section, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

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

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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 (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 going concern and using the going concern basis of accounting unless the management either intends to cease operations of the Fund, 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 Fund's financial reporting process.

### **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect

a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 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 Fund's ability to continue as a going concern. 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 Fund to cease to continue as a going concern.
- 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 Fund 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**

**7 February 2019**

**STATE OFFICERS AND PUBLIC OFFICERS CAR LOAN SCHEME FUND****VI. STATEMENT OF RECEIPTS AND PAYMENTS**

		2017-2018	2016-2017
	Notes	Ksh.	Ksh.
<b><u>Income</u></b>			
Transfers from Government	2	637,500,000	850,000,000
<b>Total Receipts</b>		<b>637,500,000</b>	<b>850,000,000</b>
<b><u>Expenditure</u></b>			
Car loans to State & Public officers	6	-	-
<b>Total Payments</b>		<b>-</b>	<b>-</b>
Surplus for the year		<b>637,500,000</b>	<b>850,000,000</b>

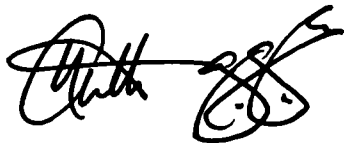


**STATE OFFICERS AND PUBLIC OFFICERS CAR LOAN SCHEME FUND**  
**VII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2018**

	Notes	2017-2018 Ksh.	2016-2017 Ksh.
<b>Non-Current Assets</b>	5	-	-
<b><u>Current Assets</u></b>			
Cash and Cash Equivalents	4	3,472,500,000	2,835,000,000
<b>Total Assets</b>		<b><u>3,472,500,000</u></b>	<b><u>2,835,000,000</u></b>
<b><u>Financed By</u></b>			
Car Loan Fund Account b/f		2,835,000,000	1,985,000,000
Surplus for the year		637,500,000	850,000,000
<b>Net Value of the Fund</b>		<b><u>3,472,500,000</u></b>	<b><u>2,835,000,000</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 and the Advisory Board Chairperson



**Dr. Kamau Thugge, CBS**  
**Chairman, State Officers and**  
**Public Officers Motor Car Loan**  
**Scheme Fund and**  
**Principal Secretary**  
**National Treasury**



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

**STATE OFFICERS AND PUBLIC OFFICERS CAR LOAN SCHEME FUND**  
**VIII. CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 2018**

	Notes	2017- 2018 Ksh.	2016- 2017 Ksh.
<b><u>Cash Flows from Operating Activities</u></b>			
Cash Receipts from National Treasury	2	637,500,000	850,000,000
Nil Operating incomes	3	-	-
<b>Total cash received from Operating Activities</b>	<b>'a'</b>	<b>637,500,000</b>	<b>850,000,000</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>637,500,000</b>	<b>850,000,000</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>637,500,000</b>	<b>850,000,000</b>
<b>Cash at the beginning of the period 'f'</b>		<b>2,835,000,000</b>	<b>1,985,000,000</b>
<b>Cash at the end of the period (c + d + e)</b>	<b>4</b>	<b>3,472,500,000</b>	<b>2,835,000,000</b>

**STATE OFFICERS AND PUBLIC OFFICERS CAR LOAN SCHEME FUND  
IX. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**

Particulars	Original Budget	Adjustments	Final Budget	Actual	Budget Utilization -Difference	% 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	637,500,000	212,500,000	75%	The Fund did not receive fourth quarter disbursement from the National Treasury
<b>Total Receipts</b>	<b>850,000,000</b>	<b>-</b>	<b>850,000,000</b>	<b>637,500,000</b>	<b>212,500,000</b>	<b>0%</b>	
<b>Payments</b>							
Car loans to State & Public Officers	850,000,000	-	850,000,000	-	850,000,000	0%	The Fund has not started disbursement of car loan to the State Officer and Public Officers in the National Government
<b>Total Payments</b>	<b>850,000,000</b>		<b>850,000,000</b>	<b>-</b>	<b>850,000,000</b>	<b>0%</b>	
Surplus/ Deficit for the year	-	-	-	<b>637,500,000</b>	-		

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

**X. SIGNIFICANT ACCOUNTING POLICIES**

1) The principle accounting policies adopted in the preparation of these financial statements are as 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 2017/2018. 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.

2) **Transfers from National Government;**

	<b>2017- 2018</b>	<b>2016- 2017</b>
	<b>Ksh.</b>	<b>Ksh.</b>
Cash transfers from National Treasury	<u>637,500,000</u>	<u>850,000,000</u>
<b>Total Cash received as at 30<sup>th</sup> June</b>	<b><u>637,500,000</u></b>	<b><u>850,000,000</u></b>

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.

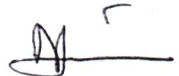
4) Cash and cash equivalents represent cashbook and bank balance as per bank statement.

	<b>2017 - 2018</b>	<b>2016- 2017</b>
	<b>Ksh.</b>	<b>Ksh.</b>
<b>Cash and Cash Equivalent</b>		
Central Bank of Kenya	3,472,500,000	2,835,000,000
Cash at hand and on Transit	-	-
<b>Total Cash and Cash Equivalent</b>	<b><u>3,472,500,000</u></b>	<b><u>2,835,000,000</u></b>

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, operational procedures and guidelines are at advanced stages of being developed. The Fund is managed by a Secretariat seconded from the National Treasury.

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

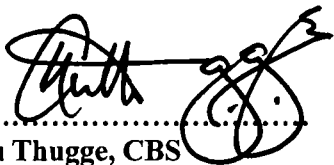


## STATE OFFICERS AND PUBLIC OFFICERS CAR LOAN SCHEME FUND

### XI. 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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

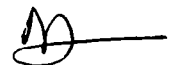
Reference No. on the external audit Report	Issue / Observations from Office of Auditor	Management comments and actions	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
REF: AA/TNT/SOPOCLS/2 016-17/ VOL.1 / (15)	The Auditor General gave a clean audit opinion with emphasis of the matter based on idle cash held at central bank of Kenya	The fund management has signed agency contract with Kenya Commercial Bank (KCB), operational procedures and guidelines , data base systems and enhanced Secretariat of the Fund	CPA Solomom Ngahu	Partially resolved	By 30 June 2018



.....  
**Dr. Kamau Thugge, CBS**  
 Chairman, State Officers and Public Officers Motor  
 Car Loan Scheme Fund and  
 Principal Secretary  
 National Treasury



.....  
**Margaret W. Muiro, OGW**  
 Ag. Chief Executive Officer  
 & Administrator of the Fund



**APPENDIX I**

**COPY OF CASH BOOK**

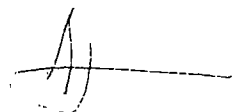
*Gi*

*A*



# APPENDIX II

## CERTIFICATE OF BANK BALANCES

A handwritten signature in black ink, appearing to be a stylized 'G' followed by a dot.A handwritten signature in black ink, consisting of a stylized 'A' followed by a horizontal line.

BANKI  
KUU YA  
KENYA



CENTRAL  
BANK OF  
KENYA

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

July 17, 2018

## CERTIFICATE OF BALANCES

Customer: 100133 / 120373

Account Name: THE NATIONAL TREASURY

Balance Date: 30 JUN 2018

ACCOUNT No	ACCOUNT TITLE	AMOUNT
1000003987	THE EXCHEQUER ACCOUNT	5,476,227,851.05
1000183225	EQUALIZATION FUND	9,250,575,917.00
1000183233	CONTINGENCIES FUND	5,950,000,000.00
1000205067	RAILWAY DEVELOPMENT LEVY FUND- HOLDING ACCOUNT	15,798,536,827.26
1000227257	THE EAST AFRICA TOURIST VISA FEE SPECIAL ACCOUNT	3,669,656.40
1000239476	THE STATE AND PUBLIC OFFICERS CAR LOAN SCHEME	3,472,500,000.00
1000201924	VOLUNTARY PAY CUT	78,046,814.10
1000349538	PPP PROJECT FACILITATION FUND ACC.	20,000,000.00

L. K. RWERIA  
AUTHORISED SIGNATORY  
BANKING SERVICES

P. S. LENKUME  
AUTHORISED SIGNATORY  
BANKING SERVICES

**APPENDIX III**

**BANK RECONCILIATION STATEMENT  
(FO-30)**

*Gi.*

*JJ*

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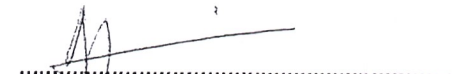
NATIONAL TREASURY & PLANNING  
STATE OFFICERS AND PUBLIC OFFICERS MOTOR CAR LOAN SCHEME FUND

BANK RECONCILIATION STATEMENT- AS AT 30TH JUNE 2018

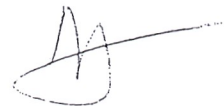
CBK ACCOUNT. ACC No. 1000239476

Balance as per bank certificate		3,472,500,000.00
<b>Less</b>		
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>		<u>3,472,500,000.00</u>
<b>Add</b>		
3 Payment in Bank Statement not yet recorded in Cash Book	-	
4 Receipts in Cash Book not yet recorded in Bank Statement	-	-
Balance as per the Cash Book		<u><u>3,472,500,000.00</u></u>

  
.....  
PRINCIPAL SECRETARY  
THE NATIONAL TREASURY

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





STATEMENT PERIOD: From 01/07/2017  
NO. 1  
Value Date 29/05/2018

ACCOUNT TITLE: THE ST OFF AND PCH OFF CAR LOAN SCH  
KES  
25/07/2018

To  
Reference No  
FT18149RYRZ TRFS Payments  
:KE0010001

Debit  
0.00

Credit  
637,500,000.00

CLOSING BALANCE: 3,472,500,000.00

Certified True Copy of the Original  
Central Bank of Kenya, Nairobi  
Banking Services Division  
Authorised Signatory

file:///C:/Users/makokham/Downloads/enqu--29JX7H2J.html

