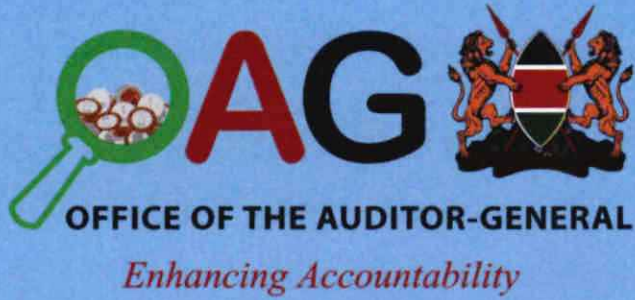


REPUBLIC OF KENYA



REPORT

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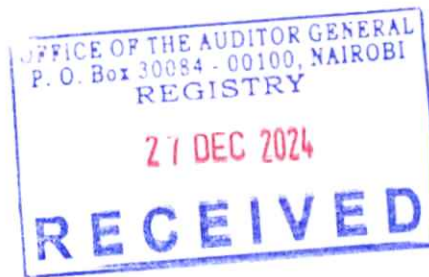
ON

**PUBLIC PROCUREMENT REGULATORY
AUTHORITY STAFF LOANS SCHEME FUND**

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

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 11 MAR 2025 DAY: Tuesday
TABLED BY: Hon. Owen Baya M.P.
CLERK-AT-THE-TABLE: Gretude Chabet.
Deputy majority leader.





**PUBLIC PROCUREMENT REGULATORY AUTHORITY
STAFF LOANS SCHEME FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

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

Table of Contents

ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS.....	iii
KEY FUND INFORMATION AND MANAGEMENT.....	iv
THE BOARD OF DIRECTORS.....	vii
FUND ADMINISTRATION COMMITTEE.....	xii
FUND MANAGEMENT COMMITTEE.....	xvi
REPORT OF THE FUND ADMINISTRATOR.....	xxi
STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE FY 2023/2024.....	xxii
CORPORATE GOVERNANCE STATEMENT.....	xxiii
MANAGEMENT DISCUSSION AND ANALYSIS.....	xxvii
ENVIRONMENTAL AND SUSTAINABILITY REPORTING.....	xxix
REPORT OF THE LOANS COMMITTEE.....	xxxi
STATEMENT OF MANAGEMENT'S RESPONSIBILITIES.....	xxxii
STATEMENT OF FINANCIAL PERFORMANCE.....	1
STATEMENT OF FINANCIAL POSITION.....	2
STATEMENT OF CHANGES IN NET ASSETS.....	3
STATEMENT OF CASH FLOWS.....	4
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS.....	5
NOTES TO THE FINANCIAL STATEMENTS.....	6
APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS.....	21

ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS

A: Acronyms and Abbreviations

DG	Director General
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PPRA	Public Procurement Regulatory Authority
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations

B: Glossary of Terms

Fiduciary Management - Members of Management directly entrusted with the responsibility of financial resources of the organization.

Comparative Year - Means the prior period.

KEY FUND INFORMATION AND MANAGEMENT

a) Background Information

The PPRA staff loans scheme fund (the Scheme) is established pursuant to the Public Finance Management (State Officers and Public Officers Motor Car Loan Scheme Fund) Regulations, 2015; the Public Finance Management (State Officers House Mortgage Scheme Fund) Regulations, 2015 and Salaries and remuneration Commission Circular Ref No: SRC/ADM/CIR/1/13 Vol. III (128) dated 17th December 2014.

The Fund is wholly owned by the Public Procurement Regulatory Authority and is domiciled in Kenya.

b) Principal Activities

The Fund is administered by the Fund Administrator. There is a loans committee charged with the responsibility of processing loans from applicants in accordance with laid down approved regulations, setting up a revolving Fund for the disbursement of loans and supervising the day-to-day operations of the Fund.

The Fund was established to enable staff of Public Procurement Regulatory Authority (PPRA) to afford descent accommodation through provision of low interest mortgage loans and ease of commuting to work through provision of low interest car loans.

c) Fund Administration Committee

The PPRA Staff Loans Scheme Fund is administered internally by a loans committee whose composition during the financial year ended 30th June 2024 is as listed below. The Scheme does not have a Board of Trustees.

S/No.	Position	Name
1	Chairperson	Rose M. Nyamweya (Mrs)
2	Member	Pauline O. Opiyo
3	Member	Lucy J. Barno
4	Member – retired June 2024	James K. Kihara
5	Member – appointed June 2024	Mwangi K. Gitonga
6	Member	Chris Sakwa
7	Secretary	Raphael M. Ngalatu
8	Accountant	Lawrence Yuta

KEY FUND INFORMATION AND MANAGEMENT CONTINUED

d) Key Management

The PPRA Staff Loans Scheme's management is under the following:

S/No.	Position	Name
1	Fund Administrator	Patrick K. Wanjuki
2	Chairperson	Rose M. Nyamweya (Mrs)
3	Member	Pauline O. Opiyo
4	Member	Lucy J. Barno
5	Member	Mwangi K. Gitonga
6	Member	Chris Sakwa
7	Secretary	Raphael M. Ngalatu
8	Fund Accountant	Lawrence Yuta

e) Fiduciary Oversight Arrangements

Fiduciary oversight of the Scheme is provided by the Directorate of Internal Audit. The Scheme does not have an advisory committee.

S/No.	Position	Name
1	Director Internal Audit	Julius G. Mungai
2	Staff Mortgage and Car Loan Advisory Committee	
	1. Chairperson	1. Rose M. Nyamweya (Mrs)
	2. Member	2. Pauline O. Opiyo
	3. Member	3. Lucy J. Barno
	4. Member	4. Mwangi K. Gitonga
	5. Member	5. Chris Sakwa

f) Registered Offices

PPRA Staff Loans Scheme Fund
KISM Towers, 6th Floor,
Ngong Road,
Nairobi, Kenya.

KEY FUND INFORMATION AND MANAGEMENT CONTINUED

g) Fund Contacts

PPRA Staff Loans Scheme Fund
P.O. Box 58535-00200,
Tel: +254 20 3244000
Email: info@ppra.go.ke,
Website: www.ppra.go.ke

h) Fund Bankers

PPRA Staff Loans Scheme Fund
Kenya Commercial Bank
KICC Branch
P.O Box 46950-00100
Nairobi, Kenya

i) Independent Auditors

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

j) Principal Legal Adviser

The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112 - 00100
Nairobi, Kenya

THE BOARD OF DIRECTORS

Section 10(1) of the PPADA, 2015 establishes the Public Procurement Regulatory Board which is the Board of Directors of the Authority (sponsor of the Scheme). The main responsibility of the Board is to oversight management, operations and activities of the Authority. The Regulatory Board comprises:



**Hon. Kadhua Jimmy Kahindi (41) – Chairperson:
Appointed 18.08.2023**

Hon. Jimmy Kahindi is renowned for his unwavering commitment to academic excellence, reflected in his diverse educational foundation.

Hon. Kahindi is a dedicated governance, legislative, and legal expert with a decade of invaluable public service and professional experience. He has been a two-term County Assembly Speaker at the Kilifi County Government, where he presided over the County Assembly, ensured its efficient functioning, provided crucial policy advice, and played a pivotal role in budget preparation.

Notably, his exemplary performance earned him the prestigious national award of the Moran of the Burning Spear (MBS) from the President of the Republic of Kenya in 2017. Additionally, he held the role of National Treasurer of the County Assembly Forum (CAF) from 2013 to 2022. Hon. Kahindi, operates his own law firm, Jimmy Kahindi and Associates Advocates, established in 2013. Throughout his career, Hon. Kahindi has developed strong skills in governance, leadership, constitutional, legislative, and parliamentary procedures. His legal practice and management experience alongside his passion for the people of Kenya, have provided him with a comprehensive understanding of law and national matters.

Currently, Hon. Kahindi is pursuing a Master of Law (LLM) in Law, Democracy, and Governance at the University of Nairobi. He holds diplomas in Contemporary Public Administration Management and Human Resource Management from the Galilee International Management Institute (Israel). Additionally, he earned a Post Graduate Diploma in Law from the Kenya School of Law, a Master of Law (LLM) in International Trade Law from Holborn College UK, and a Bachelor of Law Degree (LLB) from the University of Nairobi.

PUBLIC PROCUREMENT REGULATORY BOARD CONTINUED

Amos Simiyu Makokha (53) – Independent: Appointed 18.08.2023

Amos Simiyu is an accomplished legal professional with a diverse and extensive background in law and legal consultancy. He is an Associate Arbitrator with the Charter Institute of Arbitrators Kenya and a Professional Mediator with the Mediation Training Institute. Currently, he serves as the Managing Partner at the Law Firm of Wattanga & Luyali Associates in Bungoma, specializing in Commercial, Human Rights, and Constitutional issues.



His legal career has seen him hold various roles, including positions at Wetangula & Co. Advocates in Nairobi, Khan & Saisi Advocates, Kibichiy & Co. Advocates, and Jim Choge & Co. Advocates all based in Eldoret. Amos earned his Post Graduate Diploma in Law at the Kenya School of Law and holds a Bachelor of Law Degree from the University of Nairobi.

In addition to his legal expertise, Amos actively participates in various professional and community roles. In 2022, he was appointed as the Chairman of the Human Resource Task Force by the Governor of Bungoma County and serves as the Vice Chairperson of Cardinal Otunga Girls' High School's Board of Management. He holds leadership positions in multiple school associations, including Maranda High School and Lugulu Girls, and is actively engaged in church leadership and media organizations in Bungoma. Furthermore, Amos is a committed member of the Federation of Kenya Women Lawyers and serves on the Board of Trustees for the Canadian Missionary Fellowship Trust.

Amos' extensive legal experience and commitment to community engagement make him a valuable asset in both legal and community-oriented contexts.

Ali Mohamed Haji (64) – Independent: Appointed 18.08.2023



Mr. Ali Mohamed is an accomplished leader renowned for driving operational excellence, fostering innovation and aligning talent with ideal roles. With a Bachelor of Business Administration from the University of Houston, he brings a solid educational foundation to a distinguished career. His skills in strategic planning and operations, business development, team leadership, financial management, and quality control have been instrumental in his professional journey.

PUBLIC PROCUREMENT REGULATORY BOARD CONTINUED

Ali currently serves as the CEO of Nairobi Calibration Services Limited. In his seven-year tenure, he has steered the company to remarkable heights. Under his leadership, the company achieved a 20% reduction in errors and customer complaints, implemented quality controls, and expanded the client base, resulting in a 30% revenue increase.

In his previous role as Project Manager at Clean Water Industries, Ali managed intricate projects, notably including the successful solar hybrid installation for KPLC in Laisamis Marsabit County. This highlighted his proficiency in both stakeholder communication and effective project management. With 14 years as a Finance Manager at Nairobi Calibration Services Limited, Ali expertly managed budgets, forecasted financial trends, and led finance professionals, contributing significantly to the organization's success through financial automation and process enhancements.

**Lucy Chepkemoi (51) – Independent:
Appointed 18.08.2023**

Ms. Lucy Chepkemoi holds a degree from Moi University and is currently a trainer at Kericho Diocese. She has also trained at Tealand Achievers and Nyamira colleges.



**Patrick Kimemia Ndirangu (71) – Independent:
Appointed 18.08.2023**

Patrick Kimemia is an accomplished and visionary Procurement Professional with extensive experience and a proven track record in supply chain management strategy, vendor management, projects management, contract negotiations, and organizational leadership. Among many other achievements, Mr. Kimemia contributed as a member of taskforce in the drafting of the Public Procurement and Disposal Act (2005 and 2015) and the Public Procurement regulations (2000-2001 and 2016).



He was the member of task force appointed by Ministry of Public Works to review the functions of Supplies Branch. He is notably a supply chain management consultant and trainer. Mr. Kimemia also serves as the Chairman of the Board to Makomboki Tea Factory.

PUBLIC PROCUREMENT REGULATORY BOARD CONTINUED

Mr. Kimemia holds a Master of Science (MSC), in Procurement and Logistics from Jomo Kenyatta University of Agriculture & Technology and a Bachelor of Arts (Economics) from University of Nairobi. He is a member of Chartered Institute of Purchasing and Supply, Kenya Institute of Supplies Management, International Federation of Purchasing and Supply Management and Scottish Qualification Authority. He served as a Head of Supply Chain Management at Kenya Electricity Generating Company PLC (KenGen).



Mr Eric Korir (58) - Alternate to CS, The National Treasury and Planning - Appointed May 2023

Mr Korir is a results-orientated Procurement and Supply Chain Management Leader with over 25 years' experience in public and private sector procurement and supply chain management with a strategic overview and an analytical knowledge of local and global context.

He is currently the Director of Public Procurement at The National Treasury handling policy, research, legal and technical matters in the public-sector procurement for both national and county governments.

Eric holds a Bachelor of Arts degree from the University of Nairobi, a Master of Business Administration in Strategic Management from Moi University and a Diploma in Supply Chain Management from the Chartered Institute of Purchasing and Supply (UK). He is a Member of the Chartered Institute of Purchasing and Supply, Kenya Institute of Supply Management and the Institute of Transport and Logistics.

He sits in the Boards of Kenya Reinsurance Corporation Ltd, Export Processing Zones Authority and Jomo Kenyatta University of Agriculture and Technology as Alternate Member to Cabinet Secretary, The National Treasury & Economic Planning. Previously sat in the Boards of Kenya Pipeline Company and Tana-Athi Water Company.

Mr Allan Kamau (40): Alternate to Attorney General - Appointed May 2023



Allan Kamau is a first-class reader with excellent communication and interpersonal skills. He possesses a highly motivated and energetic character, known for his creativity and visionary approach to challenges.

Allan holds a Bachelor of Laws (LL.B) from Makerere University and a Postgraduate Diploma in Legal Practice from the Kenya School of Law. Additionally, he has completed Strategic Leadership Development Program (SLDP) and Senior Management Course (SMC) at the Kenya School of Government, equipping him with leadership and managerial skills.

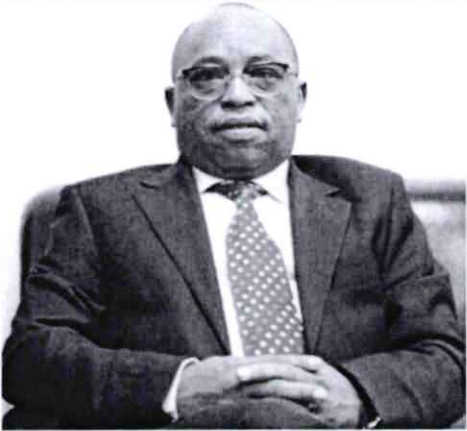

PUBLIC PROCUREMENT REGULATORY BOARD CONTINUED


He has taught various law subjects, including the law of contract, law of torts, and commercial law at Lord Diplock's Learning Centre. He has also offered training on Determination of the Value of Evidence through Scientific Quantitative Methods at Strathmore University.

Allan is currently serving as the Deputy Chief State Counsel at the Office of the Attorney General and the Department of Justice.

Driven by a passion for legal excellence, Allan is committed to becoming one of Kenya's top-tier law practitioners. His ambition is to build a career that is polished, articulate, principled, and dedicated to the rule of law and constitutionalism. Allan envisions leaving a legacy defined by an illustrious legal career and a lifelong campaign for human rights.

FUND ADMINISTRATION COMMITTEE

Name	Details of qualifications and experience
 <p>Mr. Patrick K. Wanjuki</p>	<p>Fund Administrator</p> <p>Patrick joined the service of Public Procurement Regulatory Authority on 1st April 2022 as the Director General. He is an accomplished supply chain and logistics practitioner with training in supply chain and logistics management, law and accounting.</p> <p>He has over over 30 years experience from both the private and public sector having served many organizations in different capacities with a huge track record of deliverables.</p> <p>He holds a Masters of Law from Nottingham University, Bachelor of laws from University of Nairobi, Post Graduate Diploma in law from Kenya School of Law, Diploma in Purchasing and Supplies Management and is a Certified Public Accountant.</p>
 <p>Mrs. Rose Nyamweya</p>	<p>Committee Chairperson</p> <p>Mrs Nyamweya is a seasoned accountant with over 35 years work experience derived from service across many entities both in the Public and Private Sector. She has a finance background in addition to being a Certified Public Accountant and Certified Public Secretary. She currently serves as the Director Strategy and Planning at the Public Procurement Regulatory Authority.</p> <p>She holds a Masters in Business Administration (Finance option) and Bachelor of Commerce (Accounting option) degrees. In addition she is a Certified Public Accountant (CPA-K) and a Certified Public Secretary (CS-K). Mrs Nyamweya is a founding trustee of the Public Procurement Regulatory Authority Staff Pension Scheme. She is also a Certified Trustee under the Retirement Benefits Act.</p> <p>Mrs Nyamweya is a member of the Institute of Certified Public Accountants of Kenya (ICPAK)</p>

	<p>and the Institute of Certified Secretaries of Kenya (ICS-K).</p>
 <p>Ms. Lucy J. Barno</p>	<p>Committee Member</p> <p>Ms. Lucy Barno is a seasoned corporate lawyer with 26 years' experience spanning both the private and public sector. She has a wealth of experience in litigation, corporate law and corporate governance. She is the Deputy Director, Legal Services at PPRA also currently acting as the Corporation Secretary and Director, Legal Services.</p> <p>Ms. Barno worked as Manager in charge of Litigation at Telkom Kenya Limited before she was appointed as Acting Company Secretary. She also served as the Legal Advisor to Telposta Pension Scheme. She joined PPOA (as it then was) in 2011 where she was instrumental in setting up the Board secretariat and the Legal Department. She is a founding trustee of the Public Procurement Regulatory Authority Staff Pension Scheme.</p> <p>Ms. Barno holds an LL.B degree from the University of Nairobi and a Diploma in Legal Practice from the Kenya School of Law. She is a Certified Public Secretary and an Accredited Governance Auditor. She is also a Certified Trustee under the Retirement Benefits Act.</p> <p>Ms. Barno was born on 12th April, 1974. She is a member in good standing of the Law Society of Kenya, the East Africa Law Society and the Institute of Certified Secretaries.</p>



Ms. Pauline O. Opiyo

Committee Member

Ms. Pauline Opiyo is a procurement professional with over 25 years' experience in supplies and logistics management and project management. She is also a certified fraud examiner.

She currently serves as the Acting Director Compliance at the Public Procurement Regulatory Authority. Pauline holds a Masters of Science in Procurement and Logistics Management, Bachelor of Arts, Diploma in Forensic and Criminal Investigations, Diploma in Procurement and Supplies management and a Certificate in Fraud Examination. She is a member of KISK and CIPS in good standing.



Mr. Chris Sakwa

Committee Member

Mr. Chris Sakwa has a background in finance and accounting with over 24 years experience in the private and public sector.

Chris is a Certified Public Accountant and a Certified Trustee under the Retirement Benefits Act. Chris holds; a Masters in Business Administration (Finance Option), Bachelor of Business Management (Finance and Banking option) degrees.

He was born on 8th June 1976 and is a member of the Institute of Certified Public Accountants (ICPAK) in good standing.


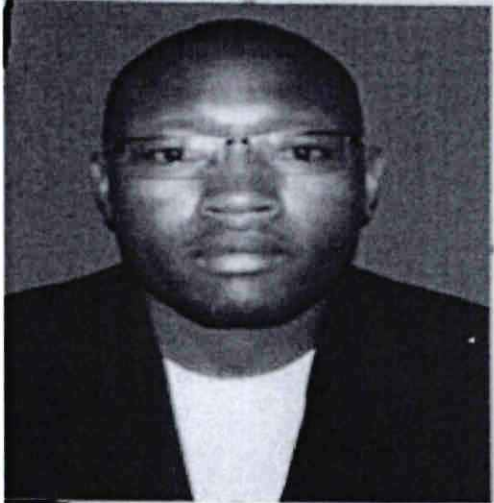


Mr. Mwangi K. Gitonga



Committee Member


Mr. Mwangi Gitonga is an accomplished Human Resource practitioner with over 25 years experience. He is a Certified Trustee under the Retirement Benefits Act and a founding trustee of the Public Procurement Regulatory Authority Staff Pension Scheme. He currently serves as Deputy Director, Human Resource and Administration.

He holds a Masters of Business Administration, Masters of Public Policy and Administration, Bachelor of Arts, Certified Human Resource Practitioner (CHRP), Certified

	<p>Public Secretary (CS) and Diploma in Labour Studies and Management.</p> <p>Mwangi is a member of the Institute of Human Resource Management (IHRM) and the Institute of Certified Secretaries (ICS-K).</p>
 <p>Mr. Raphael M. Ngalatu</p>	<p>Committee Secretary</p> <p>Mr. Raphael Ngalatu is a lawyer and certified Public Secretary with over 10 years experience spanning across legal practise in the private sector and public sector. He is an advocate of the High court and a Certified Trustee under the Retirement Benefits Act.</p> <p>He holds a Bachelor of Laws degree, Post Graduate Diploma in Law and ICDL certification. He is currently pursuing a Masters in Laws degree at the University of Nairobi.</p>
 <p>Mr. Lawrence Yuta</p>	<p>Committee Accountant</p> <p>Mr. Lawrence Yuta is a seasoned accountant with over 20 years experience spanning across the Private and Public Sectors.</p> <p>He is a Certified Public Accountant .He holds a Masters degree in Business Administration (Strategic Management) and Bachelor of Commerce degree (Accounting).</p> <p>Lawrence is a member of the Institute of Certified Public Accountants (ICPAK) in good standing.</p>

FUND MANAGEMENT COMMITTEE

Name	Details of qualifications and experience
 <p>Mr. Patrick K. Wanjuki</p>	<p>Fund Administrator</p> <p>Patrick joined the service of Public Procurement Regulatory Authority on 1st April 2022 as the Director General. He is an accomplished supply chain and logistics practitioner with training in supply chain and logistics management, law and accounting.</p> <p>He has over over 30 years experience from both the private and public sector having served many organizations in different capacities with a huge track record of deliverables.</p> <p>He holds a Masters of Law from Nottingham University, Bachelor of laws from University of Nairobi, Post Graduate Diploma in law from Kenya School of Law, Diploma in Purchasing and Supplies Management and is a Certified Public Accountant.</p>
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	<p>Certified Public Accountants of Kenya (ICPAK) and the Institute of Certified Secretaries of Kenya (ICS-K).</p>
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Committee Member

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Chris is a Certified Public Accountant and a Certified Trustee under the Retirement Benefits Act. Chris holds; a Masters in Business Administration (Finance Option), Bachelor of Business Management (Finance and Banking option) degrees.

He was born on 8th June 1976 and is a member of the Institute of Certified Public Accountants (ICPAK) in good standing.


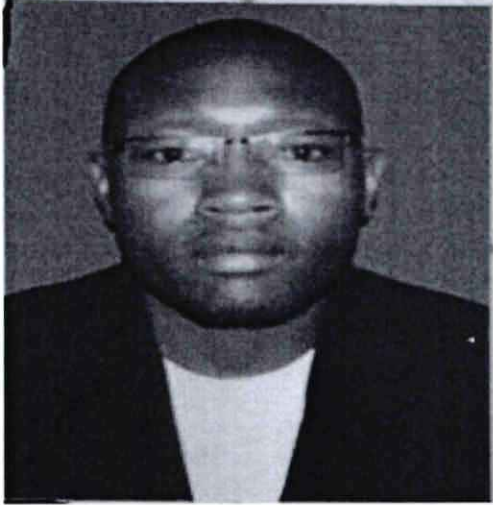


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Committee Member

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	<p>Public Secretary (CS) and Diploma in Labour Studies and Management.</p> <p>Mwangi is a member of the Institute of Human Resource Management (IHRM) and the Institute of Certified Secretaries (ICS-K).</p>
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CHAIRMAN'S REPORT

I am pleased to present the Loans Scheme annual report for the financial year ended 30th June 2024. This report highlights the Scheme's achievements and steps undertaken towards the continued actualization of the purpose of enabling staff of the Authority to access affordable car loans and have decent housing through access to affordable mortgage loans.

The Board continued to exercise oversight of the Scheme through review of quarterly reports presented to the Board through the Corporate Services Committee and the Board Audit, Risk and Governance committee for review. Through this arrangement, the Board gets updates on the operations of the Scheme, challenges in implementation, inherent risks and mitigation measures.

The Board reviewed the Staff Loans Scheme Governance documents in order to address the gaps and ensure smooth operation of the Scheme. This intends to reduce the cost of loans advanced from the Scheme and attract more staff to apply for loans. In addition, the Board reviewed the earlier ceiling for mortgage loans that had been set at Kenya Shillings ten million (Kshs.10,000,000) and resolved to allow all staff to apply for loans within their SRC thresholds. Consequently, the number of staff applying for loans increased in FY 2023/2024 compared to FY 2022/2023. We are happy to see the Scheme move towards achieving its objective of ensuring descent housing and mobility for staff of the Authority, which in turn is expected to enhance their productivity and the overall performance of the Authority.

The Board continues to monitor implementation of the strategy to broaden the Scheme's revenue base in a bid to ensure sustainability of the Scheme. Implementation of the measures put in place are projected to guarantee a bright future for the Scheme.



Kadhua Jimmy Kahindi
Chairman, PPRB

REPORT OF THE FUND ADMINISTRATOR

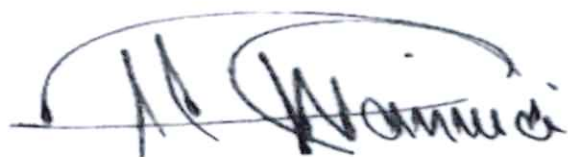
The Scheme aims to address the challenges of decent housing and convenient transport for staff of the Authority. Establishment of the PPRA Staff Loans Scheme has borne many fruits not only to the Staff of the Authority but also for the Authority itself. Notable benefits include; a motivated and productive staff, low staff turnover, an increase in the number of staff boasting of owning residential homes in Nairobi among many others.

The Loans Scheme is administered internally and we hope to be able to outsource its administration when the seed capital grows a significant amount that can be administered by an external party at a fair cost. During FY 2023/2024 the Scheme witnessed a significant increase in the number of applications for mortgage and residential loans following revision of the Scheme Governing documents and lifting of the ceilings that had been set initially. The notable interest in the products offered by the scheme has made the Authority to re-think ways and means of ensuring its sustainability.

To ensure sustainability of the Loans Scheme, the Scheme management continues to explore ways of improving the financial and non-financial performance of the Scheme. Some of the measures implemented include; review of the Loans Scheme governance documents so as to fill the gaps noted and improve efficiency and effectiveness in operation of the scheme to enable it achieve its goals. Implementation of the Scheme revenue generation strategy continued to be felt with the focus being on growing the revenue base while managing costs in order to grow the fund. The FY 2023/2024 revenue grew by 64% compared to the FY 2022/2023 performance.

The Authority has put in place adequate internal controls to safeguard the assets of the Scheme and ensure proper accountability. These include; segregation of duties, audits undertaken by the Authority's Internal Audit function and oversight by the Public Procurement Regulatory Board which receives and reviews quarterly reports on performance of the loans scheme from the Loans Committee.

The Authority continued to sensitize staff on the products offered through the loans scheme and keep them abreast of the changes in the governing documents and Scheme strategies.



Patrick K. Wanjuki
Director General

**STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES
FOR THE FY 2023/2024**

The Authority in its desire to attract and retain competent staff to deliver its mandate has two pillars and objectives within the current Strategic Plan for the FY 2023/2024. The Authority achieved its performance targets set for the year 2024 period for its the strategic pillars as indicated in the table below:

S/NO.	STRATEGIC THEME	OBJECTIVE	KEY PERFORMANCE INDICATOR	ACTIVITIES	ACHIEVEMENTS
1	To promote access to decent housing for all the staff of the Authority	To provide mortgage loan facility to all eligible staff of the Authority	Report on the number of mortgage loan applications processed during the financial year	Processing all the mortgage loans applications submitted to the Fund Administration committee	All the mortgage loans application received by the Fund Administration committee during the year were processed.
2	To promote flexibility and convenience in movement to all the staff of the Authority	To provide car-loan facility to all eligible staff of the Authority	Report on the number of car-loan applications processed during the financial year	Processing all the car-loan applications submitted to the Fund Administration committee	All the car-loan applications received by the Fund Administration committee during the year were processed.

CORPORATE GOVERNANCE STATEMENT

The Public Procurement Regulatory Board is committed to applying and maintaining the highest standards of corporate governance at the PPRA Staff Loans Scheme as it recognizes this to be a key contributor to the long-term success, value and sustainability of the Scheme.

Good corporate governance enables effective and efficient decision-making and gives a structural aid for the Board to discharge their duty to promote the success of the Scheme while taking into account the interest of stakeholders. Effective governance is achieved through a combination of strong policies, processes and structures, underpinned by the right values and culture.

The Public Procurement Regulatory Board

The Public Procurement Regulatory Board is established under section 10(1) of the PPADA, 2015. Further, the Act provides for a Regulatory Board to comprise of nine members. The Director General who is the Administrator of the Scheme is the Secretary to the Board. The Regulatory Board is responsible for the long-term sustainability and success of the Scheme through provision of strategic leadership and steadfast oversight of the Scheme.

The Regulatory Board's leadership responsibilities involve working together with the Administrator of the Scheme and the Loans Committee to set corporate values and to develop the Scheme strategies. Its oversight responsibilities involve: review and approval of the budgets for the loans scheme; review and approval of quarterly and annual financial reports of the loans scheme, review of risk management strategies and internal controls of the scheme.

The Loans Committee

a) Appointment and removal of Committee Members

The Board has delegated the responsibility of management of the Scheme to the Director General, who is the Scheme Administrator and the Loans Committee. The composition of the Staff Loans Committee is guided by legal notice 23 published in Kenya Gazette supplement No. 22 of 6th March 2015. Based on legal notice 23, the Director General, appointed the Staff Loans Committee. Changes to the composition of the committee are informed by changes in the substantive holders of the positions whose holders constitute the committee or disciplinary issues if any.

b) Roles and Functions of the Committee

The roles and functions of the loans committee are as stipulated below:

- (i) Ensure that loan application forms and the Policy Guidelines and Procedures for PPRA Staff Loan Scheme are available to staff.
- (ii) Recommend an officer for appointment to the Secretariat to receive, register and confirm completeness of loan application documents for consideration by the Committee.
- (iii) Recommend an officer for appointment to the Secretariat to maintain books of accounts and financial records of the Scheme.
- (iv) Appraise loan applications in accordance with the relevant Policy Guidelines and Procedures.
- (v) Ensure loan agreements are properly executed between the borrower and the Authority.
- (vi) Ensure applicable insurance covers are up to date at all times.
- (vii) Ensure safe custody of the Loans security documents.
- (viii) Upon repayment of the loan, interest and other expenses which may be outstanding, discharge the security for the loan and release the title documents to the borrowers.
- (ix) Prepare an annual budget for the Loan Scheme for approval by the Board
- (x) Cause to be kept proper books of accounts and other books and records in relation to the Scheme and all its activities and undertakings.
- (xi) Issue an annual account statement for each borrower;
- (xii) Make quarterly reports to the Public Procurement Regulatory Board.
- (xiii) Review the PPRA Staff Loans Scheme Policy Guidelines and Procedures and propose amendments.
- (xiv) Recommend honoraria payment to the Staff Loans Scheme Secretariat.

c) Meetings of the Committee

The Committee meets as and when there is a loan application to be considered or when there is any other matter to be considered.

Below is a schedule of the meetings held by the committee in the year ended 30th June 2024

S/No	Scheme Member	Meetings Attended	Meetings Held	% Attendance
1.	Mrs. Rose Nyamweya	5	5	100%
2.	Ms. Lucy Barno	4	5	80%
3.	Mrs. Pauline Opiyo	4	5	80%
4.	Mr. James Kihara	3	5	60%
5.	Mr. Gitonga Mwangi	4	5	80%
6.	Mr. Chris Sakwa	4	5	80%

Attendance of Scheme Secretariat

S/No	Scheme Member	Meetings Attended	Meetings Held	% Attendance
1.	Lawrence Yuta	5	5	100%
2.	Raphael Ngalatu	4	5	80%

d) Succession Plan

The Committee is made up of members of staff of the Authority who have been assigned the extra duty of processing loan applications from members of staff. The Committee has not developed a succession plan as this is handled by the Authority's Human Resource function. In addition, the internal management of the scheme is a temporary measure as the Authority explores outsourcing management of the scheme.

e) Existence of a Service Charter

The Loans Scheme does not have a service charter. The loans committee however, intends to develop a service charter for the Scheme in FY 2024/2025.

f) Induction and Training

There was no training of the loans committee in the year ended 30th June 2024. The committee has however identified a training to fill the gap on competence in evaluation of loan applications and managing the loans book.

g) Conflict of Interest

None of the committee members was conflicted in the transactions of the committee for the year ended 30th June 2024 as per the conflict of interest register.

h) Committee Remuneration

The loans committee performs its work pro bono. The secretariat however, receive a small stipend for the extra duties they perform in assisting the committee over and above their normal duties.

i) Compliance with existing Laws and Regulations

As a good corporate citizen, the PPRA Staff Loans Scheme Fund, observes and complies with relevant existing laws and regulations in execution of its mandate.

j) Ethics, Conduct and Governance Audit

The loans scheme observes ethics in its operations and the loans committee and secretariat conduct themselves with honesty, integrity and transparency in the dealings and transactions of the scheme. A governance audit was not undertaken in the year ended 30th June 2024 due to budget constraints. The committee however intends to do a governance audit when resources are available to be able to identify any matters that need to be addressed.

MANAGEMENT DISCUSSION AND ANALYSIS

The Loans Committee worked closely with all stakeholders to ensure smooth operations of the PPRA Staff Loans Scheme. The financial and operational performance results of the Scheme are as detailed in the following sections.

1. Financial Performance

During FY 2023/2024, the Scheme raised revenue of Kshs.4,846,253 comprising of loan interest of Kshs.1,474,248 and interest from investments of Kshs.3,372,005. The investments were mainly cash management activities where funds not likely to be disbursed or spent in the next one month were placed in short term investments to earn interest to grow the fund.

Out of this amount, Kshs.11,983 was spent on bank charges with secretariat expenses taking Kshs.72,000 bringing total expenses to Kshs.83,983. The Scheme posted a surplus of Kshs.4,762,270, which translates, to 98.2% of the revenues generated during the period.

2. Operational Performance

During the period under review, the loans committee approved two car loans totalling Kshs.5,900,000 and three mortgage loans amounting to Kshs.39,769,657. The total outstanding loans as at 30th June 2024 were Kshs.60,691,848 comprising of Mortgage loans Kshs. 52,686,182.96 and Car loans Kshs.8,005,665.04.

Further, documents governing operations of the staff loans scheme were revised and approved by the Public Procurement Regulatory Board.

3. Compliance with Statutory Requirements

The Scheme complied with all statutory requirements during the period under review.

4. Risk Management

The major risks facing the PPRA Staff Loans Scheme include:

- a) Funding risk – The current funding level for the Scheme is not sufficient to meet the financial requirements of the Scheme as and when all eligible staff apply for their loan entitlements; and
- b) Operational risk – The scheme is currently managed internally due to the small size of the fund which makes it hard to attract an administrator.

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

The Scheme hopes to train the Staff Loans Committee on areas of deficiency in the knowledge needed by the Committee to execute its mandate optimally.

5. Material arrears in statutory and other financial obligations

The Scheme did not have any arrears in statutory and other financial obligations during the year under review.

6. Funds Key Projects and Investments

The Scheme did not have any projects being implemented during the year ended 30th June 2024. On investment, the only strategy that was implemented was cash management where funds not likely to be paid out in the next 30 days were placed on short-term investment.

ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The PPRA Staff Loans Scheme Fund appreciates the need to preserve the environment by ensuring its operations are environment friendly. Some of the measures taken by the Scheme to preserve the environment include limiting printing to only what is essential and embracing of automation.

On sustainability, the Authority has a strategy to minimize Scheme expenses and broaden the revenue base. Some of the strategies include; diversification of the revenue base, engaging The National Treasury for funding to grow the initial seed capital, charging interest on loans advanced and limiting the administrative expenses of the scheme.

In regard to administration of the Scheme; the Scheme is currently administered internally so as to save on administrative expenses that would have been paid if administration of the scheme had been outsourced. However, as the Scheme grows, the Authority intends to outsource its administration to a financial institution at a competitive rate. Outsourcing administration of the Scheme will allow its operations to be managed more professionally.

Board and Senior Management Support

The Board and Senior Management of the Authority continue to support the PPRA Staff Loans Scheme to ensure sustainability in various ways including:

- a) Policies and procedures** – The scheme policies were revised to address changes in the operating environment and emerging issues. The revised policy documents were approved by the Regulatory Board in June 2024.
- b) Internal controls** – The Scheme has designed and put in place internal controls aimed at safeguarding the funds of the scheme and ensuring transparency and accountability in the operations of the scheme thereby ensuring sustainability of the Scheme.
- c) Revenue generation strategies** – Management and the Board also explored other revenue generation sources aimed at ensuring growth of the revolving kitty. The scheme revenue for the year ended 30th June 2024, grew by 64.5% compared to the previous financial year.

Distributions of Loans Advanced by the Scheme

The distribution of loans so far advanced by the Scheme is as shown below.

Chart1: Distribution of loans by type (Mortgage or Car Loan)

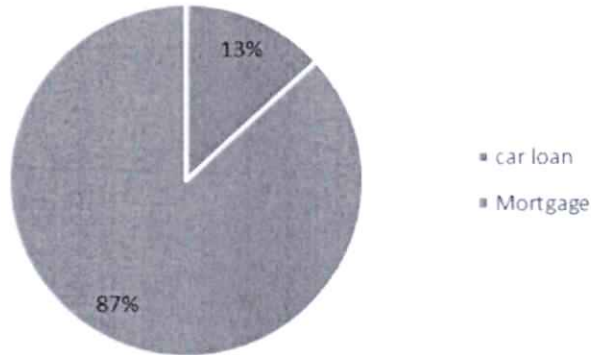
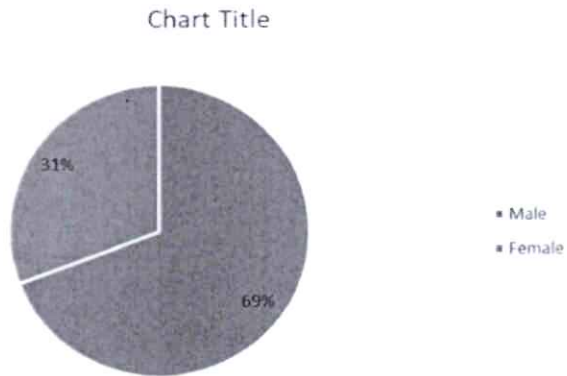


Chart 2: Distribution of loans based on Gender



REPORT OF THE LOANS COMMITTEE

The Loans Committee submits their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund continue to be provision of loans to staff of the Authority for:

- a) Purchase/ development/improvement of residential property,
- b) Equity release or
- c) Purchase of motor vehicles by staff of the Authority

Performance

The performance of the Fund for the year ended June 30, 2024, is set out on page 1.

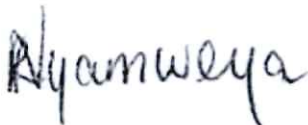
Loans Committee Members

The members of the Loans Committee who served during the year are shown on page iv.

Auditors

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

By Order of the Board



Chairperson, PPRA Staff Loan Scheme Fund Committee

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Section 84 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a Fund shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the 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 the year ended June 30, 2024. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the fund, (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 Fund accepts responsibility for the Fund'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 Administrator of the Fund 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 year ended June 30, 2024, and of the Fund's financial position as at that date.

The Administrator 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. In preparing the financial statements, the Administrator of the Fund has assessed the Fund'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 Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Scheme's financial statements were approved by the Board on 27th September 2024 and signed on its behalf by:



Chairperson of the Board



Director General

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
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NAIROBI

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON PUBLIC PROCUREMENT REGULATORY AUTHORITY STAFF LOANS SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of the Public Procurement Regulatory Authority Staff Loans Scheme Fund set out on pages 1 to 21, which comprise the statement of financial position as at 30 June, 2024 and the statement of financial

Report of the Auditor-General on Public Procurement Regulatory Authority Staff Loans Scheme Fund for the year ended 30 June, 2024

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 the Public Procurement Regulatory Authority Staff Loans Scheme Fund as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Public Procurement Regulatory Authority Staff Loans Scheme Fund 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 judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Information

The Directors are responsible for the other information set out on page iii to xxxii which comprise of Key Fund Information and Management, the Fund's Administration Committee, the Fund's Management Committee, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, 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.

Basis for Conclusion

Failure to Remit Fringe Benefits Tax

The Management of the Public Procurement Regulatory Authority failed to remit to Kenya Revenue Authority fringe benefit tax for the period under review. Further, this would additionally attract a penalty of 25% of the tax due and late payment penalty of 5% of tax due. Failure to remit Fringe Benefits Tax is against Section 12B(1) and (2) of the Income Tax Act, Cap 470 which states that notwithstanding any other provision of this Act, a tax to be known as fringe benefit tax shall be payable commencing on the 12 June, 1998 by every employer in respect of a loan provided at an interest rate lower than the market interest rate, to an individual who is a director or an employee or is a relative of a director or an employee, by virtue of his position as director or his employment or the employment of the person to whom he is related.

In the circumstances, Management was in breach of the law.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance

section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Inadequate Loan Approval Controls

The statement of financial position and, as disclosed in Note 11 to the financial statements, reflects balances of Kshs.7,799,245 and Kshs.52,892,603 in respect of current receivables from exchange transactions and non-current receivables from exchange transactions respectively, all totalling Kshs.60,691,848. Review of loan application documents provided revealed that some applications had no certified sale agreements and were approved before the same was provided.

In the circumstances, the lack of sale agreements increases the risk of unrecoverable debts and potential misstatement of the financial position.

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 the Management and the Fund Administration Committee

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 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 Management is aware of the intention to cease operations.

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

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

The Fund Administration Committee is responsible for overseeing the Fund'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 for 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

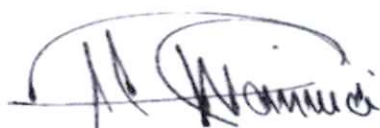
27 December, 2024

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30TH JUNE 2024**

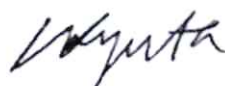
Description	Note	2024	2023	Restated 2022	Restated 2021
		Kshs.	Kshs.	Kshs.	Kshs.
Revenue from non-exchange transactions					
Transfers from other Parent Ministry/ SC/SAGA	6	0	0		
Revenue from exchange transactions					
Interest income	7	4,846,253	2,950,595	632,599	
Donations	8	0	0		1,000
		4,846,253	2,950,595	632,599	20,175
Total revenue					
Expenses					
Use of Goods & Services	9	83,983	55,407	57,639	
Total expenses		83,983	55,407	57,639	49,905
Surplus/Deficit for the period		4,762,270	2,895,188	574,960	(29,730)

The notes set out on pages 6 to 18 form an integral part of the financial statements.

The financial statements were approved by the Board on 27th September, 2024 and signed on its behalf by:



Patrick K. Wanjuki
Director General



Lawrence Yuta
Fund Accountant
ICPAK M/No: 12812



Kadhua Jimmy Kahindi
Chairperson of the Board

**STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2024**

Description	Note	2024	2023	Restated 2022	2021
		Kshs.	Kshs.	Kshs.	Kshs.
Assets					
Current assets					
Cash and cash equivalents	10	48,310,581	84,921,518		
Receivables from exchange transactions	11	7,799,245	3,239,140		
Total Current Assets		56,109,826	88,160,658		
Non-current assets					
Receivables from exchange transactions	11	52,892,603	17,912,818		
Total non-current assets		52,892,603	17,912,818		
Total assets		109,002,429	106,073,476		
Liabilities					
Trade and other payables	12	799,741	2,633,058		
Total liabilities		799,741	2,633,058		
Net assets					
Accumulated Fund	13	108,202,688	103,440,418	100,545,230	99,970,270
Total net assets and liabilities		109,002,429	106,073,476	100,675,395	100,291,811

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The fund financial statements were approved by the Board on 27th September, 2024 and signed on its behalf by:



Patrick K. Wanjuki
Director General



Lawrence Yuta
Fund Accountant
ICPAK M/No: 12812



Kadhua Jimmy Kahindi
Chairperson of the Board

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30TH JUNE 2024**

Description	Accumulated	Accumulated surplus	Total
	Kshs.	Kshs.	Kshs.
As at 1 July 2020	100,000,000	0	100,000,000
Surplus/(deficit) for the period	0	(29,730)	(29,730)
As at 30 June 2021	100,000,000	(29,730)	99,970,270
As at 1st July 2021	99,970,270	0	99,970,270
Surplus/(deficit) for the period	0	574,960	574,960
As at 30 June 2022	99,970,270	574,960	100,545,230
As at 1 July 2022	100,545,230	0	100,545,230
Surplus/(deficit) for the period	0	2,895,188	2,895,188
As at 30 June 2023	100,545,230	2,895,188	103,440,418
As at 1 July 2023	103,440,418		103,440,418
Surplus/(deficit) for the period		4,762,270	4,762,270
As at 30 June 2024	103,440,418	4,762,270	108,202,688

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2024**

Description	Note	2024 Kshs.	2023 Kshs.	2022 Kshs.	2021 Kshs.
Cash flows from operating activities					
Receipts					
Interest received	7	4,846,253	2,950,595	632,599	19,175
Donations	8	0	0	0	1,000
Total receipts		4,846,253	2,950,595	632,599	20,175
Payments					
Use of goods and services	9	83,983	55,407	57,639	49,905
Total payments		83,983	55,407	57,639	49,905
Net cash flow from operating activities		4,762,270	2,895,188	574,960	(29,730)
Cashflows from financing activities					
Proceeds from loan repayments		4,846,451	7,401,540	137,091	380,366
Loan disbursements paid out		(46,219,658)	(2,225,000)	(22,262,897)	(1,950,000)
Net cash flows used in financing activities		(41,373,207)	5,176,540	(22,125,806)	(1,569,634)
Net increase/(decrease) in cash and cash equivalents	14	(36,610,937)	8,071,728	(21,550,846)	(1,600,364)
Cash and cash equivalents at 1 July		84,921,518	76,849,790	98,400,636	100,000,000
Cash and cash equivalents at 30 June		48,310,581	84,921,518	76,849,790	98,400,636

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30TH JUNE 2024**

The budget and actual amounts of the PPRA Staff Loans Scheme Fund for the year ended 30th June 2024 is presented below.

Description	Original budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	
	a	d	e=(c-d)	f=d/c*100
Revenue from exchange transactions				
Interest income	3,500,000	4,846,253	1,346,253	138.5%
Total revenue	3,500,000	4,846,253	1,346,253	138.5%
Expenses				
Use of Goods & Services	115,000	83,983	31,017	73.0%
Total expenses	115,000	83,983	31,017	73.0%
Surplus/Deficit for the period	3,385,000	4,762,270		

Foot notes:

- a) Revenue: The Loans Scheme was able to raise more revenue from interest income revenue stream than had been anticipated due to aggressive negotiation on the interest rate with the banks and was also able to attract more staff to apply for loans with one to one addressing of the issues and concerns.
- b) Use of Goods & Services: There were savings on administration expenses and bank charges during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The PPRA staff loans scheme fund is wholly owned by Public Procurement Regulatory Scheme (the Scheme) which is established under Section 8 (1) of the Public Procurement and Disposal Act, 2015. The fund's principal activity is to enable PPRA staff members own homes and vehicles by providing affordable credit facilities. The Fund was established with a seed capital of Kshs.100 million which has now grown to Kshs.108,202,688. The funds for both Car loans and mortgage loans are held in a common pool and not segregated.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The Scheme's financial statements have been prepared on a historical basis. The preparation of the financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Scheme's accounting policies. The statements have been prepared and presented in Kenya shillings which is the functional and reporting currency of the Scheme.

The financial statements have been prepared in accordance with the PFM Act 2012, the State Corporations Act, the PPADA 2015 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. New and amended standards and interpretations in issue effective in the year ended 30th June 2024.

There were no new and amended standards issued in the financial year.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30th June 2024.

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>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.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires, 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>
IPSAS 45- Property Plant and Equipment	<p>Applicable 1st January 2025</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</p>

	<p>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>IPSAS 46 Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>

IPSAS 48- Transfer Expenses	Applicable 1st January 2026 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.
IPSAS 49- Retirement Benefit Plans	Applicable 1st January 2026 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.

iii. Early adoption of standards

The Scheme did not early – adopt any new or amended standards in year 2023/2024.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

ii) Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2023/2024 was approved by Public Procurement Regulatory Board. There were no revisions to the budget.

The Scheme's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

c) Property, plant and equipment (PPE)

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Intangible assets

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

e) Financial instruments

(i) Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors of the scheme experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

2) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

f) Contingent liabilities

The Entity does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

g) Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

h) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

i) Changes in accounting policies and estimates

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

j) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

k) Related parties

The Scheme regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Scheme, or vice versa. Members of key management are regarded as related parties and comprise loans committee, Directors and the Director General.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

m) Comparative figures

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

n) Events after the reporting period

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

l) Currency

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

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Entity'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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

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:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Notes and further disclosures in relation to the financial transactions of the PPRA Staff Loans Scheme Fund are as provided below.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

6. Transfers from Parent Ministry

The loans scheme did not receive any transfers from the Government to boost the loan kitty.

7. Interest Income

This is interest earned from loans issued to staff/borrowers who have accessed funds from the Loans Scheme and interest earned from investments.

Details	2024	2023	2022	2022 (Restated)	2021
	Ksh	Ksh	Ksh	Ksh	Ksh
Loans interest income	1,474,248	677,614	516,937	632,599	19,175
Investment interest income	3,372,005	2,272,981	0	0	0
Total	4,846,253	2,950,595	516,937	632,599	19,175

Restatement of interest income

The loans interest income for FY 2021/2022 have been restated in compliance to paragraph 47 of IPSAS 3 and paragraph 55 of IPSAS 1. The FY 2021/2022 loans interest income had been reported as Kshs.516,937 instead of Kshs.632,599 thus understating revenue by Kshs.115,662. The re-statement seeks to correct this error.

8. Donations

Donations relate to gifts to the scheme.

Details	2024	2023	2022	2021	2021 (Restated)
	Ksh	Ksh	Ksh	Kshs	Ksh
Donations	0	0	0	0	1,000

Restatement of Donations

The comparative year donations figure was erroneously not reported in FY 2020/2021. The donation is the account opening amount of Kshs.1,000 paid by the officer who took the documents for account opening to the bank. The officer treated the amount as a donation to the Loans Scheme. The reststement has been made in compliance with the provisions of 47 of IPSAS 3 and paragraph 55 of IPSAS 1.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

9. Use of Goods and Services

The expenses related to use of goods and services during the period under review are as presented in the table below.

Details	2024	2023	2022	2021
	Ksh	Ksh	Ksh	Ksh
Bank Charges & Commissions	11,983	7,407	9,639	1,905
Administrative costs	72,000	48,000	48,000	48,000
Total	83,983	55,407	57,639	49,905

10. Cash and cash equivalents

Cash and cash equivalents comprise of cash and bank balances as shown below:

Details	2024	2023	2022	2021
	Ksh	Ksh	Ksh	Ksh
KCB Account	48,310,581	84,921,518	76,849,790	98,400,636

11. Receivables from exchange transactions

The receivables from exchange transactions relate to transactions between the borrowers and the Loans Scheme.

Details	2024	2023	2022	2021
	Ksh	Ksh	Ksh	Ksh
Receivables due in next 12 months	7,799,245	3,239,140	2,814,933	389,996
Receivables due in more than 12 months	52,892,603	17,912,818	21,010,672	1,501,179
Total	60,691,848	21,151,958	23,825,605	1,891,175

The receivables for FY 2021/2022 have been restated in compliance to paragraph 47 of IPSAS 3 and paragraph 55 of IPSAS 1. The FY 2021/2022 receivables had been reported as Kshs.23,710,160 instead of Kshs.23,825,605 thus understating the receivables by Kshs.115,445. The re-statement seeks to correct this error.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Ageing Analysis:

Ageing Analysis- Receivables from exchange transactions	Current FY	% of the total	Comparativ e FY	% of the total
Less than 1 year	7,799,245	12.85	3,239,140	15.30
Between 1-2 years	7,799,245	12.85	3,239,140	15.30
Over 3 years	45,093,358	74.30	14,673,678	69.40
Total	60,691,848	100	21,151,958	100

- All the receivables due are deducted from the respective borrowers salaries through check-off on a monthly basis. Currently, there are no overdue receivables.

12. Trade & Other Payables

The payables for the Loans Scheme during the period under review are as presented in the table below.

Details	2024	2023	2022	2021
	Ksh	Ksh	Ksh	Ksh
Payables	0	128,000	96,000	48,000
Other payables	8,000	0	0	0
Staff Deposits	791,741	2,505,058	34,165	273,541
Total	799,741	2,633,058	130,165	321,541

The staff deposits figure for FY 2021/2022 has been restated to correct an error. The restatement has been done in compliance to paragraph 47 of IPSAS 3 and paragraph 55 of IPSAS 1. The FY 2021/2022 trade and other payables had been reported as Kshs.130,382 instead of Kshs.130,165 thus overstating payables by Kshs.217. The re-statement seeks to correct this error.

Ageing Analysis of Trade Payables

Ageing analysis: (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	197,690	24.72	2,633,058	100
1-2 years	602,051	75.28	0	0
2-3 years	0	0	0	0
Over 3 years	0	0	0	0
Total (tie to above total)	799,741	100	2,633,058	100

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13. Accumulated Fund

The position of accumulated fund for the year ended 30th June 2024 is shown below.

Details	2024	2023	2022	2021	2022 (Restated)	2021 (Restated)
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Balance as at 1st July	103,440,418	100,545,230	99,970,270	100,001,000	99,970,270	100,000,000
Surplus / Deficit	4,762,270	2,895,188	459,298	(30,730)	574,960	(29,730)
Balance as at 30th June	108,202,688	103,440,418	100,429,568	99,970,270	100,545,230	99,970,270

Restatement of Surplus for FY 2021/22 and FY 2020/21

The surplus figures for FY 2021/2022 and FY 2020/2021 have been restatement following correction of errors in those financial years which touch on **note 7:Interest income and note 8:Donations as well as the opening accumulated fund figure for FY 2020/21**. The restatement has been made in compliance with the provisions of paragraph 47 of IPSAS 3 and paragraph 55 of IPSAS 1.

The FY 2021/2022 surplus had been reported as Kshs.459,298 instead of Kshs.574,960 thus understating the surplus for the period by Kshs.115,662.

In addition, the accumulated funds as at 30th June 2022 had been reported as Kshs.100,429,568 instead of Kshs.100,545,230 thus understating the accumulated fund by Kshs.115,662. The re-statement seeks to correct the understatement of surplus and accumulated fund reported as at 30th June 2022.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

14. Reconciliation of Net increase/(decrease) in cash and cash equivalents

	2024	2023	2022	2021
Cash flows from operating activities	Ksh	Ksh	Kshs.	Kshs.
Surplus/(Deficit)	4,762,270	2,895,188	574,960	(29,730)
Adjusted for Depreciation:	0	0	0	0
Adjusted Surplus/(Deficit)	4,762,270	2,895,188	574,960	(29,730)
Working Capital adjustments				
Increase/(Decrease) in trade & other payables	(1,833,317)	2,502,893	(191,376)	321,541
Decrease/(Increase) in receivables from exchange transactions	(39,539,890)	2,673,647	(21,934,430)	(1,891,175)
Net increase/(decrease) in cash and cash equivalents	(36,610,937)	8,071,728	(21,550,846)	(1,599,364)
Cash & Cash equivalents opening balances	84,921,518	76,849,790	98,400,636	100,000,000
Cash & Cash equivalents closing balances	48,310,581	84,921,518	76,849,790	98,400,636

*From the nature of the PPRA Staff loans scheme operations and the prescribed Cash flow statement template by PSASB, the reconciling balances would be on **“Net increase/(decrease) in cash and cash equivalents”** and not on **“Net cash flow from operating activities”** as required by the standard.

15. Subsequent Events

There were no subsequent events after year-end that affect the Scheme and that would affect the decisions made by a third party.

16. Ultimate And Holding Entity

The PPRA loans Scheme Fund is a Fund under the sponsorship of Public Procurement Regulatory Authority

17. Currency

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

APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue/ Observation from OAG	Management Comments	Status (Resolved / Not resolved)	Timeframe (Put a date when you expect the issue to be resolved)
AUDIT CERTIFICATE FOR THE 2022/2023 FINANCIAL YEAR – PPRA STAFF LOANS SCHEME FUND				
1	<p>Inaccuracy in the Statement of Cash flows The statement of cashflows reflects a prior year adjustment of Kshs.115,662 under cash flows from operating activities. However, the amount does not involve movement of cash and is therefore a non-cash adjustment.</p> <p>In the circumstances, the accuracy of presentation of the Kshs.115,662 in the statement of cash flows could not be confirmed.</p>	<i>The error has been corrected</i>	<i>Resolved</i>	<i>Not Applicable</i>
2	<p>Inaccuracy in Presentation of Prior Year Adjustment The statement of changes in net assets reflects a prior year adjustment balance of Kshs.115,662. However, the presentation is contrary to the requirements of paragraph 47 of IPSAS 3 which require material prior period errors to be corrected retrospectively in the first set of financial statements authorized for issue after the discovery by restating the comparative amounts for the prior period presented in which the error occurred.</p> <p>In the circumstances, the accuracy and presentation of the prior year adjustment amount of Kshs.115,662 in the statement of net assets could not be confirmed.</p>	<i>The error has been corrected</i>	<i>Resolved</i>	<i>Not Applicable</i>