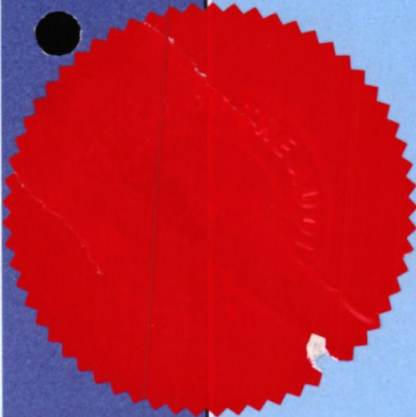
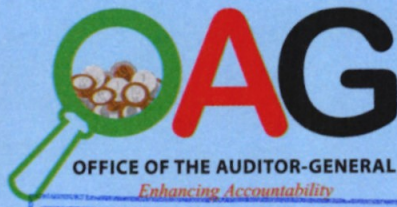


REPUBLIC OF KENYA



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J. LEMERELLE

THE AUDITOR-GENERAL

ON

ENERGY AND PETROLEUM REGULATORY
AUTHORITY STAFF MORTGAGE AND CAR
LOAN SCHEME

FOR THE YEAR ENDED
30 JUNE, 2025



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Energy & Petroleum Regulatory Authority

**ENERGY AND PETROLEUM REGULATORY AUTHORITY STAFF
MORTGAGE AND CAR LOAN SCHEME**

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

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

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***Energy and Petroleum Regulatory Authority Staff Mortgage and Car Loan Scheme
Annual Report and Financial Statements for the year ended 30th June 2025***

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1. Abbreviations, Acronyms and Definition of Key Terms

A. Acronyms

BETA	Bottom Up Economic Transformation Agenda
CSR	Corporate Social Responsibility
EPRA	Energy & Petroleum Regulatory Authority
IPSAS	International Public Sector Accounting Standards
KCB	KCB Bank
KFS	Kenya Forestry Services
OSHA	Occupational Safety and Health Act
PFM	Public Finance Management
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporation
SCAC	State Corporation Advisory Committee
SMCAC	Staff Mortgage and Car Loan Advisory Committee

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the prior period.

2. Key Scheme information and management

a) Background information

Energy and Petroleum Regulatory Authority (EPRA) Staff Mortgage and Car Loan Scheme is established by the Energy and Petroleum Regulatory Authority (EPRA) which derives its authority and accountability from the Energy Act, 2019. The Scheme was established on 29th May 2014 pursuant to the Salaries and Remuneration Commission Circulars references SRC/ADM/CIR/1/13 Vol.III (128) of 17th December 2014, SRC/ADM/CIR/1/13 Vol.III (130) of 29th January 2015 and SRC/ADM/CIR/1/13 Vol.III (142) of 25th August 2015. The Scheme is wholly owned by the EPRA and is domiciled in Kenya.

b) Principal Activities

The Energy Act 2019 and the Petroleum Act, 2019 gives EPRA the mandate for economic and technical regulation of electricity, renewable energy, petroleum and coal.

The EPRA has established the staff Mortgage and Car Loan Scheme as an employee incentive and motivation to enable employees to purchase and own houses and cars.

The principal objective of the scheme is to provide low interest mortgage and car loan facilities to the employees of the EPRA.

The Public Sector Accounting Standards Board requires preparation of separate Financial Statements for the Scheme independent of the Financial Statements for the Authority. These financial statements have been prepared in this premise. The EPRA Staff Mortgage and Car Loan Scheme is not an independent body; neither is it a registered entity. The Mortgage and Car Loan Scheme is considered as one of the employment benefits extended to the EPRA's employees.

The financial management of the Scheme and Corporate Governance complies with the corporate governance structure of the EPRA. For the purpose of the Scheme and this report, the Board of the EPRA provides oversight for the administration of the Scheme and undertakes the role of the Board of Trustees. Management of the Authority is in charge of the day to day

***Energy and Petroleum Regulatory Authority Staff Mortgage and Car Loan Scheme
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management of the Scheme under the Leadership of the Director General who acts as the Scheme Administrator. The Deputy Director, Finance and Accounts acts as the Scheme Accountant. The Mortgage and Car Loan Advisory Committee is a management Committee appointed by the Director General to oversee the operations of the Scheme.

Board Finance and Administration Committee is chaired by an independent Board member and meets at least once on quarterly basis. The members are Ms. Jennipher Nawoi Long'or (Chairperson), Mr. Albert Mwenda, Mr. Gabriel Kaunda Kitumu, Mr. Abdulkarim Mohamed and the Director General. The Committee's responsibilities are to ensure the Scheme has sound corporate governance structures, internal system controls and is properly administered.

Board Audit & Risk Committee is chaired by an independent Director. The members are Mr. Diba Daudi Huka (Chairman), Ms. Jane Cheptoo Masai, Mr. Antony Gachau Mbutia, and Mr. Gabriel Kaunda Katumu. The purpose of the Committee is to assist the board in their oversight responsibilities.

The Scheme administration has been delegated to the KCB Bank by the Management of the EPRA which is charged with the role of processing loans for applicants in accordance with laid down approved regulations. Management of the EPRA is responsible for setting up a revolving Fund for the disbursement of loans and supervising the day-to-day operations of the Scheme.

KCB Bank is charged with the delegated role for the day-to-day operations of the Scheme while the ultimate authority and responsibility for the Scheme rests with the management of EPRA.

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c) Board Members

Ref	Position	Name	Changes
1	Chairman	Hon. Adan Haji Ali	Appointed 16 th June 2025
2	Chairman	Mr. George Okeyo Wanga	Appointed 17 th January 2025. Retired 15 th June 2025
3	Chairman	Hon. Prof Justice Jackton Boma Ojwang	Retired 16 th January 2025
4	PS, State Department for Energy, Member	Mr. Alex Wachira, BSCN	
5	PS, State Department for Petroleum, Member	Mr. Mohamed Liban	
6	Alternate to PS, National Treasury	Mr. Albert Mwenda	
7	Alternate to PS, State Department for Petroleum	Mr. Abdulkarim Mohamed	
8	Alternate to PS, State Department for Energy	Mr. Gabriel Kaunda Kitumu	
9	Director	Mr. Diba Daudi Huka	
10	Director	Mr. Antony Gachau Mbuthia	
11	Director	Ms. Jennifer Nawoi Lang'or	
12	Director	Ms. Jane Cheptoo Masai	
13	Director	Dr. Jeremiah Obingo	Appointed: 28 th February 2025
14	Director	Ms. Martha Nyangwaria	Appointed: 16 th May 2025
15	Director General	Mr. Daniel Kiptoo Bargoria	

***Energy and Petroleum Regulatory Authority Staff Mortgage and Car Loan Scheme
Annual Report and Financial Statements for the year ended 30th June 2025***

d) Key Management

Ref	Position	Name	Changes
1	Director General	Mr. Daniel Kiptoo Bargoria	
2	Corporation Secretary & Director Legal Services	Mr. Ibrahim Kitoo	
4	Director, Petroleum & Gas	Eng. Edward Kinyua	
5	Director, Electricity & Renewable Energy	Dr. Eng. Joseph Oketch	
6	Director, Public Education, Advocacy & Consumer Protection	Mr. Cyprian Nyakundi	
7	Director, Corporate Services	Mr. Marona Cheplel	
8	Director, Economic Regulation & Strategy	Dr. John Mutua	
9	Director, Internal Audit & Risk Assurance	Ms. Everlyne Oreng	
10	Deputy Director, Supply Chain Management	Ms. Loise Thuge	

e) Fiduciary Oversight Arrangements

1	Board Finance and Administration Committee	1. Ms. Jenifer Nawoi Long'or (Chairperson) 2. Mr. Albert Mwenda 3. Mr. Gabriel Kaunda Kitumu 4. Mr. Abdulkarim Mohamed 5. Director General
2	Board Audit & Risk Committee	1. Mr. Diba Daudi Huka (Chairman) 2. Mr. Antony Gachau Mbuthia 3. Mr. Albert Mwenda 4. Mr. Gabriel Kaunda Kitumu 3. Ms. Jane Cheptoo Masai
3	Directorate of Internal Audit & Risk Assurance	Ms. Everlyne Oreng
4	Staff Mortgage and Car Loan Advisory Committee	Mr. Marona Cheplel – Chairman Ms. Loise Thuge Ms. Beth Mburai Ms. Eunice Ayodo - Secretary Mr. James Ochieng Eng. Jonathan Ronoh Mr. Duncan Ndegwa Ms. Bessie Atieno

f) Registered Offices

P.O. Box 42681-00100
Eagle Africa Centre
Longonot Road
Nairobi, Kenya

g) Scheme Contacts

Telephone: (254) 20 2847000
E-mail: info@epra.ho.ke
Website: www.epra.go.ke

h) Scheme Bankers

KCB Bank
Moi Avenue Branch
PO Box 48400 – 00100
Nairobi, Kenya

i) Independent Auditor

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

j) Principal Legal Adviser

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

3. Board Members

 <p>Hon. Adan Haji Ali Board Chairman</p>	<p>Hon. Adan is a seasoned public sector leader and strategic advisor with over twenty-eight (28) years of experience driving and mainstreaming legal and policy reforms, legislative development, and social economic transformation. A former Member of Parliament, he has had the privilege and honour to serve as the Chair of Trade, Industry and Co-operatives Parliamentary Committee with a strong record in shaping national policies and strategic initiatives. He has been adept at navigating inter-governmental relations, driving good governance and accountability and representing Kenya on global platform and has proven capacity to build consensus, lead legislative change and advise executive leadership on policy and development planning.</p> <p>He holds a master’s degree in business administration (MBA) specialising in Strategic Management and a Bachelor of Commerce degree all from the University of Nairobi. Hon. Adan is an active Member of the esteemed Institute of Directors (IoD – Kenya) and currently chairs the General Assembly of the Energy Regulators Association of East Africa (EREA) a multilateral association of National Energy regulators of the East Africa Community (EAC) countries.</p> <p>Date of Birth: 3rd January 1979 Appointed: 16th June 2025.</p>
 <p>Mr. George O. Wanga Board Chairman</p>	<p>Mr. Wanga has a wealth of experience spanning over two decades in senior leadership and entrepreneurial roles in the public, private and the financial services sector. In these roles, he demonstrated strategic leadership, governance and expertise in risk management.</p> <p>Throughout his professional journey, Mr. Wanga has been instrumental in driving organizational growth, implementing effective credit strategies, and fostering customer-centric services. His leadership acumen and operational efficiency have significantly contributed to the growth and profitability of the institutions he has hitherto served.</p> <p>He holds a master’s degree in business administration (MBA) with a focus on Operations Management and a Bachelor of Arts degree majoring in Economics all from the University of Nairobi.</p> <p>Date of Birth: 8th August 1979 Appointed 17th January 2025. Retired 15th June 2025.</p>

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Hon. Prof. Jackton Boma Ojwang
Board Chairman

Hon. Justice. Prof. Jackton B. Ojwang, was appointed Chairman of EPRA's Board of Directors for a four-year term with effect from 12th May 2020. Prof. Ojwang is a retired judge of the Supreme Court of Kenya with a span of 45 years' experience in the legal profession.

Prof. Ojwang has had an illustrious 17-year career in the Judiciary after having been first appointed a high court Judge in 2003 and then elevated to the Supreme Court in 2011 as one of the key seven Judges of the newly created apex court.

He holds bachelor's and master's degrees in law from the University of Nairobi and a PhD in Comparative Constitutional Law from Downing College, Cambridge. In 2015, he earned a Doctor of Laws degree (LLD) from the University of Nairobi making him the first sitting judge to receive the Degree. He is an accomplished scholar and who has authored numerous academic papers and other scholarly works. He has also taught at reputable universities around the world including the University of Nairobi where he served for 27 years. He has also been a visiting Associate Professor of Law at the J. Reuben Clark Brigham Young University Law School in the United States.

Prof. Ojwang was awarded the University of Nairobi's Staff Merit Award in recognition of his outstanding contribution towards the University's mission. He was also bestowed the coveted East African Law Society Senior Lawyer of Year Award in 2013 for his remarkable legal and judicial career. Up to February 2020, he sat on the Council of Legal Education Board where he chairs the Quality Assurance & Compliance Committee.

Appointed: 12th May 2020
Retired 16th January 2025.



Mr. Alex Wachira, BSCN
Principal Secretary, State Department for Energy

Mr. Alex Wachira was appointed the Principal Secretary, Ministry of Energy & Petroleum, State Department of Energy in December 2022. He holds a Bachelor of Science degree in Nursing from the University of Nairobi and is currently pursuing a Master of Arts degree in Leadership at Pan African Christian University. He has a wealth of experience from the private sector where he worked as an investment banker. He previously worked with Faida Investment Bank where he traded and structured treasury bonds and corporate bonds at the Nairobi Securities Exchange. He has also worked with Dyer & Blair Investment Bank and Genghis Capital limited. Mr. Wachira was a founding member of the Bonds Market Association as well as a member of the Steering Committee of the Kenya Association of Stockbrokers and Investment Bankers. He has spearheaded community initiatives such as youth mentorship programme and sports tournaments among other similar projects.

Date of Birth: 12th January 1982
Appointed: December 2022

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Mr. Mohamed Liban
Principal Secretary, State Department for
Petroleum

Mr. Mohamed Liban is the Principal Secretary for the State Department for Petroleum having been appointed to the position in December 2022. Prior to the appointment, he was the Chairman of the Ewaso Ng'iro North Development Authority, a position he held from 2019.

Mr. Liban has a wealth of leadership capabilities having served as Regional Elections Coordinator under the Independent Electoral and Boundaries Commission from 2009 - 2017. Other positions held include Regional Health Manager with the Kenya Red Cross Society and Deputy Chief Clinical Officer at the Ministry of Health.

Among other qualifications, Mr. Liban holds a Master of Public Health and Epidemiology from Kenyatta University, Higher National Diploma in Cataract Surgery from the Kenya Medical Training College (KMTTC), International Diploma in Community Eye Health from London University and, Higher National Diploma in Ophthalmology from KMTTC. He has also attended several Human Resource Management courses. The PS is a Life Member of the Kenya Society for the Blind and Kenya Red Cross Society.

Date of Birth: 2nd June 1961

Appointed: December 2022



Mr. Albert Mwenda
Alternate to PS, National Treasury

Mr. Albert Mwenda is the Director General, Budget, Fiscal and Economic Affairs. He holds a master's degree in public and Economic Policy from the London School of Economics and Political Science (LSE), UK as well as a Master of Business Administration (Finance) from the University of Nairobi (UON). He also holds a Bachelor of Arts degree in Economics from the University of Nairobi (UON).




He has over 20 years of experience in central government and private sector organizations. Albert was appointed as an Advisor to the National Treasury of the Government of Kenya in 2011. In this capacity, he advised the National Treasury on public finance management reforms as well as fiscal decentralization.

Prior to his current appointment he served as the Director of the Intergovernmental Fiscal Relations Department of the National Treasury which he helped to establish. He has made significant contributions in the recent development of Kenya's policy and legislative framework for public finance management, including the management of fiscal relations between the two levels of government. He was appointed Board member of the Authority on 10th August 2020.

Date of Birth: 10th May 1971

Appointed: 17th July 2020

**Energy and Petroleum Regulatory Authority Staff Mortgage and Car Loan Scheme
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	<p>Mr. Abdulkarim Mohamed is an accomplished professional with a diverse and extensive background in Public Administration. He holds a BA from Kenyatta University and a Post Graduate Diploma in Public Administration. Abdulkarim has held significant roles in various ministries, showcasing his expertise and adaptability.</p> <p>He is currently serving as the Deputy Head of Administration in the State Department for Petroleum. His previous roles span across key ministries, including Petroleum and Mining, Industry, Trade, Cooperatives, East African Affairs, Commerce, Tourism, and Education, reflecting a broad and comprehensive understanding of different governmental sectors.</p> <p>Date of Birth: 1st June 1972</p>
	<p>Mr. Gabriel Kaunda is currently the Director of Planning in the Central Planning and Project Monitoring Unit at the State Department for Energy, Ministry of Energy and Petroleum. He previously served at the same level at the State Department for Devolution, at the Office of the Deputy President.</p> <p>Mr. Kaunda has vast experience in trade negotiations (COMESA Free Trade Area and COMESA Customs Union), International Trade statistics and social statistics, Monitoring and Evaluation and national development planning spanning over 30 years.</p> <p>He previously worked in the ministries of Trade and Industry; Tourism; and Health. He holds a Master of Science, Bachelor of Statistics and Post Graduate Diploma from the University of Nairobi.</p> <p>He has several professional qualifications from various institutions across the world in Monitoring & Evaluation and International trade statistics.</p> <p>Appointed: 25th April 2024 23rd January 1966</p>
	<p>Mr. Diba Daudi Huka is a result driven business management leader with over 25 years of experience in the banking and finance sector with a proven ability to drive business growth and capture untapped opportunities through energizing teams to jointly deliver results beyond expectations.</p> <p>Mr. Huka is an expert at assessing the creditworthiness of customers, negotiating deals and terms, minimizing debt losses, increasing sales, investigating credit applications, analysing and averting risks, managing corporate financing programs, and maintaining the corporate credit policies. Further, he's experienced in building lasting and mutually beneficial banking relationships with corporates, small and medium enterprises and private banking clients.</p> <p>He is the Chairperson of the Audit and Risk Committee of the Board.</p> <p>Date of Birth: 1st January 1965 Appointed: 8th September 2023</p>

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 <p>Mr. Antony Gachau Mbuthia Independent Director</p>	<p>Mr. Antony Gachau Mbuthia joins the Authority as an accomplished executive and initiative-driven leader with a career spanning of over 12 years, excelling in overseeing the day-to-day operations as well as overall management and provision of strategic leadership to the company. I have a proven track record of performance turnaround and effective management of personnel whilst utilizing keen analysis and effective team motivation and Management to ensure organizational improvements and implementation of best practices.</p> <p>Mr. Mbuthia is proficient at comprehensive review and analysis of business policies and procedures as well as developing and implementing strategies and solutions that achieve consensus among key stakeholders across organizations through effective communication and management skills,</p> <p>He has wide experience leveraged from his expertise in leadership, strategic management, operation management, training and mentorship, overall coordination of the company's activities, and ensuring the company operates within the legal framework. Being a great communicator who values work ethic and integrity.</p> <p>Date of Birth: 12th September 1985 Appointed: 8th September 2023</p>
 <p>Ms. Jennifer Nawoi Lang'or Independent Director</p>	<p>Ms. Jennipher Nawoi Long'or is currently the CEO/Programme Coordinator for USAID ubora mashinani programme, Turkana Development Trust. She is a former County Executive Finance and Economic Planning in Turkana County; a fully qualified, results driven professional with demonstrable experience in successfully managing teams and monitoring all organization financial operations. She holds a bachelor's degree in commerce (Finance major) from Kenyatta University; Nairobi-Kenya and a Master of Science degree in Energy Studies with Specialization in Energy Finance from University of Dundee, Scotland, United Kingdom.</p> <p>Ms. Long'or has over fifteen (15) years' work experience in Public, corporate and Non-Governmental Organizations in areas Public Sector Management, Policy formulation, Accounting and Financial Management and experience in streamlining robust tools, strategies, and financial systems in humanitarian emergency responses.</p> <p>She is the Chairperson, Finance and Administration Committee of the Board.</p> <p>Date of Birth: 2nd December 1980 Appointed: 8th September 2023</p>

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Ms. Jane Cheptoo Masai
Independent Director

Ms. Jane Cheptoo Masai is a seasoned legal professional with a dynamic presence across prominent legal associations. With 12 years of practice as an Advocate of the High Court of Kenya, she boasts a wealth of experience and expertise. Her affiliations include memberships in the Law Society of Kenya, the Federation of Women Lawyers, the East Africa Law Society, and the Commonwealth Lawyers Association.

Her academic journey includes a Bachelor of Laws Degree (LLB) from Moi University and further honing her skills at the Kenya School of Law with a Diploma in Law through the Advocates Training Programme. Jane embodies a commitment to the legal field and a dedication to professional growth and service within the Kenyan legal landscape

Date of Birth: 17th August 1985

Appointed: 13th October 2023



Dr. Jeremiah Obingo
Independent Director

Dr. Obingo brings to the board vast experience from the private sector having worked in the healthcare industry, rising from a marketing executive to senior management in a period of only six (6) years.

Dr. Jeremiah Obingo was appointed to the Board of the Authority on 28th February 2025. He brings to the board vast experience from the private sector having worked in the healthcare industry, rising from a marketing executive to senior management in a period of only six (6) years.

During his time in formal employment Dr. Obingo interacted with professionals from multinational companies where he gained immense experience in key accounts management, strategic business negotiations and pharma marketing.

After a successful stint in employment, Dr. Obingo ventured into private business that led to the formation of Maxim Solutions and later Radiance Pharmaceuticals Limited, a company he has led for the last 18 years. The company currently has over 50 members of staff working in all regions of Kenya. He continues to be involved in high level multinational negotiations within the sector and has closed in on high value businesses. Outside the healthcare sector, Dr. Obingo has interests in real estate, farming, philanthropy and corporate governance.

He brings to the Board of the Authority the private sector work ethics, innovation, efficiencies, business resilience and the core values of integrity, hard work and clarity of mind, high performance and accountability culture in achieving corporate goals.

Date of Birth: 5th April 1975

Appointed: 28th February 2025

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Ms. Martha Nyangwaria
Representative, Council of Governors

Martha Nyangwaria is a seasoned mechanical engineer with extensive experience spanning energy policy, industry transformation, climate governance and sustainable development. She has held senior leadership roles spanning government and industry, combining technical knowledge with policy influence to advance Kenya's energy transition, regulatory effectiveness and private sector development. Currently a County Executive Committee Member in Uasin Gishu County, she has before served as the Deputy Chief Executive Officer at Kenya Private Sector Alliance (KEPSA) and served at the Kenya Power and Lighting Company Limited (KPLC) and the Kenya Association of Manufacturers (KAM).

Ms. Nyangwaria holds a bachelor's degree in mechanical engineering from Jomo Kenyatta University of Agriculture and Technology (JKUAT), Efficient Energy Use & Planning from the Swedish International Development Cooperation Agency (SIDA) and a master's degree specializing in Management & Leadership from Management University of Africa (MUA) where she is currently pursuing a Ph.D in the same specialization. She has pursued several other courses locally and internationally, building a distinguished career at the intersection of engineering, policy and public service. She is a member of the Institution of Engineers of Kenya (IEK), Engineers Board of Kenya (EBK) and Institute of Directors (IoD-K).

A recognized thought leader in Kenya's energy and development sectors, she has been honored with multiple awards including Women in Energy Professional Technical Award, Kenya and TechWomen Emerging Leaders Program, USA. She has also represented Kenya in various high-level regional and international forums on energy, trade, climate change and industrialization. As Certified Energy Manager, Martha has been instrumental in promoting adoption of energy efficiency and conservation. She has co-chaired two national taskforces spearheading development of Climate Change Policy, Climate Change Act 2016 and Green Economy Strategy and Implementation Plan and has been a member of various committees developing national and regional policies and legal frameworks.

Date of Birth: 17th August 1985

Appointed: 16th May 2025



Mr. Daniel Kiptoo
Director General

Mr. Daniel Kiptoo is a consummate energy professional; he is a lawyer by training but an energy specialist by trade. He has vast experience in the electricity and petroleum sub sectors with a specific focus in policy formulation, legislative drafting, regulation, negotiation, and structured financing.

He is currently the Director General of the Energy and Petroleum Regulatory Authority (EPRA) in Kenya, the Authority is the body mandated with the technical and economic regulation of the electricity and petroleum sectors in the Republic of Kenya. In his current role, which commenced on the 14th of December 2020, he regulates the entire value chain in

**Energy and Petroleum Regulatory Authority Staff Mortgage and Car Loan Scheme
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	<p>electricity, from generation, transmission, distribution and retail as well as upstream, midstream and downstream in petroleum.</p> <p>Previously, he served as the legal advisor in the Ministry of Energy and Petroleum. At the Ministry, he was the Chairman of the Government’s First Oil Committee charged with delivery of first oil for Kenya. He also represented Kenya in several Investor-State Arbitrations and was a member of two task forces on Independent Power Producers (IPPs). Prior to his role as legal advisor, he worked in the private sector with an Africa centric oil & gas risk consultancy as the oil & gas legal affairs director and with the Energy Regulatory Commission (ERC) in the Legal department. He is one of the drafters of the Kenyan Energy Act (2019) and Petroleum Act (2019).</p> <p>He holds Master of Business Administration (MBA) degree in Energy & Sustainability from the University of Cumbria and a Master of Laws (LLM) in Petroleum Law and Policy from University of Dundee, both in the United Kingdom, a bachelor’s degree in law (LLB) from the University of Nairobi and a Post Graduate Diploma (Dip.) from the Kenya School of Law. Mr. Kiptoo is a Harvard Senior Executive Fellow (SEF) and he holds two executive certificates, one in public policy and another in economic development, both from the Harvard Kennedy School of Government. He is currently pursuing a PhD from the Centre for Energy, Petroleum and Mineral Law and Policy (CEPMLP) at the University of Dundee.</p> <p>With respect to professional associations, in addition to being a member of the law society of Kenya in good standing having been called to the bar to as an Advocate of the High Court of Kenya, he is a corporate governance practitioner being a qualified Certified Secretary (CS) and is also a member of the Association of International Energy Negotiators (AIEN), a global body of international energy negotiators.</p> <p>Mr. Kiptoo has been awarded the Order of the Grand Warrior by the President of the Republic of Kenya. The Order of the Grand Warrior (OGW) is an award presented to individuals in recognition of an outstanding service rendered to the Country.</p>
 <p>Mr. Ibrahim Kitoo Corporation Secretary and Director, Legal Services</p>	<p>Mr. Ibrahim Kitoo has more than Fifteen (15) years’ post-admission and a near-decade experience in the energy sector, and in the legal corporate milieu. He is an Advocate of the High Court of Kenya; Notary Public & Commissioner for Oaths; Practising Certified Secretary, Governance Auditor; Governance, Ethics, Risk & Compliance Expert; Legal Auditor; Public Finance; Development Finance; Public Procurement; Public Private Partnerships (CP3P); Contracts Manager and Alternative Dispute Resolution (ADR) Practitioner.</p> <p>Ibrahim Kitoo has previously served and held senior positions as a Legal Counsel, Chief Legal Officer, Legal Services Manager and Legal Counsel at the Public Private Partnerships Directorate at the National Treasury; Kenya Electricity Generating Company PLC; Equity Group Holdings Limited</p>





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	<p>and National Oil Corporation of Kenya Limited. Passionate for energy access, affordability and sustainability, he is credited for, among others, offering bespoke and turnkey legal advice and negotiations expertise in the origination, financing and successful delivery of several strategic infrastructure projects in the renewable energy spectrum.</p> <p>He holds a Master’s Degree (LL.M) in Public Finance & Financial Services Law and Bachelor’s Degree in Law (LL.B) all from The University of Nairobi, a Post – Graduate Diploma in Law from the Kenya School of Law, a Master Certificate in Sustainable Infrastructure Financing and Development from York University, Canada.</p> <p>He is, among others, an alumnus of the London School of Economics and Political Science Negotiation Programme 2024; Oxford Renewable Energy Program Fellow 2022; Saïd Business School Leading Strategic Projects Programme 2021; King’s College London/FIDIC Summer School 2021 Programme; Kenya School of Government Strategic Leadership Development Programme 2020; Centre for Corporate Governance Programme 2020; Institute of Directors Advanced Directorship Programme, IFC/World Bank Group Corporate Governance Masterclass 2019; and Australia – Africa Public Private Infrastructure Partnerships Programme 2018.</p> <p>His professionalism, technical proficiency and stellar commitment to the legal and governance professions has seen him receive multiple accolades and legal excellence awards having recently been feted and featured in the Legal500 General Counsel Power list 2024 and as the Public Sector Lawyer of the Year 2022 under the auspices of the Law Society of Kenya. He has also served as a Council Member and Honorary Secretary of the Chartered Institute of Arbitrators (Kenya).</p> <p>Date of Birth: 13th May 1982</p>
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4. Management Team

 <p>Mr. Daniel Kiptoo Bargarora</p>	<p>Director General: Board Member and Chief Executive Officer of the Authority.</p>
 <p>Dr. John Mutua PhD (Economics)</p>	<p>Director, Economic Regulation and Strategy: Heading the Economic Regulation function of the Authority.</p>
 <p>Mr. Ibrahim Kitoo LLM, LL. B (Hons), CPS (K), Dip. Law (KSL)</p>	<p>Corporation Secretary & Director, Legal Services: Secretary to the Board and Head of the Legal function of the Authority.</p>
 <p>Dr. Eng. Joseph Oketch MBA, BSc (Elec. Eng.), C. Eng., MIEK, PhD.</p>	<p>Director, Electricity & Renewable Energy: Heading the Electricity & Renewable Energy subsector regulation function of the Authority.</p>

*Energy and Petroleum Regulatory Authority Staff Mortgage and Car Loan Scheme
Annual Report and Financial Statements for the year ended 30th June 2025*

	<p>Director Petroleum & Gas: Heading the Upstream and Downstream Petroleum & Gas Regulation function of the Authority.</p>
<p>Eng. Edward Kinyua Msc (Energy Management), B.Tech (Mech. & Prod. Eng)</p>	
	<p>Director, Public Education, Advocacy & Consumer Protection: Heading the Public Education, Advocacy & Consumer Protection function of the Authority.</p>
<p>Mr. Cyprian Nyakundi MBA, Bcom, CPA(K)</p>	
	<p>Director, Corporate Services: Heading the Corporate Services functions of the Authority (Finance & Accounts, HR & Admin, Corporate Communications & ICT)</p>
<p>Mr. Marona Cheplel MBA, Bcom, CPA(K)</p>	
	<p>Director, Directorate of Internal Audit and Risk Assurance: Heading the Internal Audit and Risk Assurance function of the Authority.</p>
<p>CPA Everlyne Oreng MBA, Bcom, CPA (K)</p>	

*Energy and Petroleum Regulatory Authority Staff Mortgage and Car Loan Scheme
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Ms. Loise Thuge
Msc, BA, MCIPS(UK), MKISM

Deputy Director, Supply Chain Management: Heading the supplies and procurement functions of the Authority.

5. Chairman's Report

Key strategic objectives of the Energy & Petroleum Regulatory Authority is to enhance institutional capacity and overall development of human resources. These include competitive recruitment and retention of high-quality employees. The Authority prides itself in the calibre of staff in its employment. It recognizes employees as a major stakeholder and human capital as its greatest asset and the driving force towards achieving its mandate. This is evidenced by the successful implementation of the Authority's mandate and achievement of key performance objectives in the year ended 30th June 2025. This is directly attributed to the effort exerted by the Authority's employees towards achieving superior service delivery.

It is my honour to present the Energy & Petroleum Regulatory Authority Mortgage and Car Scheme Annual Report and Financial Statements for the Financial Year 2024/2025. The Scheme has been aligned to respond to the BETA initiative by the National government. The Authority has manifested this by providing its employees with an affordable housing product at a very competitive interest rate of 3%. I am glad to report that the Scheme has continued to attract the interest and needs of employees and thus justifying the need for introduction of this employee welfare facility. The Authority has continued to innovate and make the facility attractive to its employees.

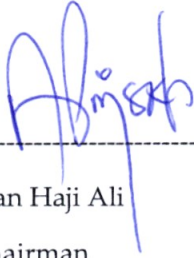
Therefore, employee welfare has continued to take a paramount position in the operations of the Authority. The Authority has purposed to grow the scheme by providing adequate funding to accommodate the needs of all employees who are interested in buying a house or car. The EPRA scheme was started with an initial capital injection of Kshs 48,000,000 in the financial year 2014/2015. This has grown to Kshs. 531,230,749 as at 30th June 2025. The uptake of the facility has also increased, and the Board continues to review the performance of the scheme to ensure optimal allocation and utilization of resources.

It is noted that the uptake of the Scheme products has experienced challenges because of the preliminary costs associated with acquiring property which is upwards of 10% in some cases. These upfront costs are not covered in the current design of the scheme's products.

***Energy and Petroleum Regulatory Authority Staff Mortgage and Car Loan Scheme
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Despite the challenges, there has been overwhelming response from the employees who have expressed interest in taking up the scheme's products. Budgetary constraints have however derailed the ability of the Authority to facilitate all the applicants in a timely manner. The Board will be looking at modalities of helping employees navigate these challenges.

I wish to encourage staff to take advantage of this facility and provide a home for themselves and their families and to enjoy the benefits of owning a car at very low rates of interest.



Hon. Adan Haji Ali
Board Chairman

6. Report of the Director General

The Energy & Petroleum Regulatory Authority continue to explore various ways of improving staff welfare, being cognisant of the fact that employees are the Authority's greatest asset. A motivated and happy employee usually results in improved productivity. Management has identified the mortgage and car loan scheme as one of the greatest motivators of staff and a significant tool in staff retention.

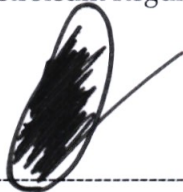
I have the pleasure of presenting the Energy and Petroleum Regulatory Authority Staff Mortgage and Car Loan Scheme Annual Report and Financial Statements for the year ending 30th June 2025. The financial statements comprise of the Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Net Assets, Statement of Cashflow and Statement of Comparison of Budget and Actual Amounts. The Authority ensured prudent financial management of the scheme and financial reporting in line with the Public Finance Management Act, 2012 and the International Public Sector Accounting Standards (IPSAS) resulting in an efficient and effective administration of the scheme.

As at 30th June 2025, the Authority had disbursed a total of Ksh. 519,586,616 to the scheme with the asset base of the scheme growing to Kshs. 531,230,749. Surplus for the year ended 30th June 2025 was Kshs. 487,120. The scheme is operated on a revolving fund basis with principal loan repayment and any surplus generated from operations ploughed back to grow the scheme. Management is hopeful that the scheme will be self-sustaining soon.

The Authority continues to look into innovative ways of ensuring uptake of this product by all employees who are eligible despite the budgetary constraints. The scheme commenced in the financial year 2014/2015 and has witnessed encouraging growth in the uptake of its products. As at 30th June 2025, the Scheme had served a total of one hundred and ten (110) employees who were at various stages of either making applications or already having acquired and servicing loans for various products or having fully repaid the loans. Sixty nine (69) employees had made applications for the mortgage facility while forty one (41) employees had made applications for the car loan facility.

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Annual Report and Financial Statements for the year ended 30th June 2025***

The Authority continues to support the scheme and wish to encourage all eligible employees especially those in the lower cadre to take advantage of the low interest rates offered by the Energy and Petroleum Regulatory Authority Mortgage and Car Loan Scheme.



Mr. Daniel Kiptoo Bargoria

Director General

7. Statement of Performance Against Predetermined Objectives

EPRA Mortgage and Car Loan Scheme has adopted the Authority's Strategic Pillar No. 6- Institutional Capacity and Development and objectives within its Strategic Plan for the FY 2023/2024 - 2027/2028. This Strategic Pillar is relevant to the operations of the Scheme in the context of staff empowerment and motivation.

EPRA develops its annual work plans based on the pillars. Assessment of the Board's performance against its annual work plan is undertaken quarterly.

The objectives of the Scheme are;

- a) Provide loan facilities for purchase and construction of residential houses.
- b) Provide loan facility for purchase of private motor vehicles

The EPRA Mortgage and Car Loan Scheme achieved its performance targets set for the FY 2024/2025 period for the selected strategic pillars, as indicated below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar - Institutional Capacity & Development	c) Provide loan facility for purchase and construction of residential houses.	a) Number of successful mortgage applications.	a) Expedite mortgage applications.	a) There were fourteen (14) applications for mortgage of which ten (10) were successfully disbursed.
	d) Provide loan facility for purchase of private motor vehicles	b) Number of successful car loan applications.	b) Expedite car loan applications.	b) There were eight(8) applications for car loan of which all the eight (8) applications were successfully disbursed.
		c) Allocation of budget for Mortgage and Car Loan Scheme	c) Provide funding and disburse the allocated funds to the Scheme	c) Kshs.50,000,000 was allocated towards the Scheme and the whole amount successfully transferred to the Scheme revolving fund.

8. Corporate Governance Statement

1. Introduction

The Board of Directors acknowledge the need to conduct the business and operations of the Authority with integrity and in accordance with generally accepted corporate practice and internationally developed principles of corporate governance. The Board recognizes corporate governance as an essential element towards achieving the Authority's regulatory mandate provided in both the Energy Act, 2019 and Petroleum Act, 2019. The Board members adhere to good corporate governance by embracing the following principles:

- Observation of high standards of ethical and moral behaviour.
- Act in the best interests of the Authority.
- Ensure fair staff remuneration and promotion
- Promotion of legitimate interests of all stakeholders.
- Ensure that the organization acts as a good corporate citizen.

The Board members will continue to focus their attention on maintaining the highest standards of corporate governance and business ethics in the Authority's operations.

2. Board members

2.1 Board Composition, Appointment and Size

The Board of Directors of the Authority as provided under section 12 of the Energy Act, 2019 consist of the Chairman, the Principal Secretary in the Ministry of Energy or his representative, the Principal Secretary in the Ministry of Petroleum and Mining or his representative, the Principal Secretary in the National Treasury or his representative, one County Executive Committee member or his representative nominated by the Council of County Governors, the Director General and five other members who represent the private sector. The Chairman and the five other independent members are appointed by the President and the Cabinet Secretary respectively. The Chairman (Hon. Adan Haji Ali) is non-executive. The Chairman's term is four years and that of the other Board members is three years, and the respective terms are renewable once for the same duration. The Director General is the Chief Executive Officer of the Authority

appointed by the Cabinet Secretary through competitive selection for a term of three-year renewable once. The Director General is an ex officio member of the Board with no voting rights at the Board meetings.

The Board is well composed in terms of diversity in skills, knowledge of business and administrative experience acquired from both private and public sectors that is essential in the effective management of the Authority's operations.

The appointment of the Board members can be terminated in accordance with the provisions of Second schedule of the Energy Act, 2019 or through voluntary resignation.

2.2 Independence and Separation of Roles and Responsibilities

The Board members exercise independent judgment in discharging their duties. The Board sets the strategic plan of the organization, oversees implementation of policies, evaluates the performance and reports to the stakeholders.

The Chairman of the Board is primarily responsible for the activities of the Board and its Committees. The Chairman in consultation with the Director General sets the agenda for Board meetings, chairs the meetings and ensure effective communication to stakeholders. The Chairman acts as the spokesperson for the Authority and is the principal contact for the Director General. The Director-General, who is the Chief Executive of the Authority, is responsible for the day-to-day management of the Authority subject to the Board's direction.

2.3 Board Responsibilities

The Board's responsibility is to promote the long-term success of the organization. The Board provides leadership, strategic direction and exercises effective control of the Authority. The Board members assume collective responsibilities though their duties are discharged through the Board or its Committees

2.4 Board and Committee Meetings

The Energy Act 2019 provides that Board meetings will be held at least four times a year, and not more than four months shall lapse between the date of one meeting and the next meeting. A

***Energy and Petroleum Regulatory Authority Staff Mortgage and Car Loan Scheme
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schedule of dates of the meetings is agreed upon by Board members and set out in the Board Work Plan. Notices regarding the location and the timing of meetings are issued seven days prior to the meetings. The Work Plan is adjusted when deemed necessary by the Board.

The Committees conduct their business within the rules and procedures set by the Board. The matters deliberated by the Committees are consequently presented to the Board by the respective Chairman during the next Board meeting for adoption.

The Committees are designed to ensure the Board runs efficiently and effectively and in a manner that embraces corporate governance. The Committees enable the Board to effectively discharge its responsibility by delving into issues that require greater attention than would be possible during regular Board meetings. The Board has three Committees: Technical, Finance and Administration and Audit and Risk.

2.5 Finance and Administration Committee

The Finance and Administration Committee is responsible for ensuring overall sound financial reporting, establishing internal system of controls, business plans and budgets, procurement, ICT, public relations, administration and staff affairs. As at the end of the financial year, members were Ms. Jennifer Nawoi Lang, or (Chair), Mr. Albert Mwenda, Mr. Gabriel Kaunda Kitumu, Mr. Abdulkarim Mohamed and Director General.

2.6 Audit and Risk Committee

The responsibilities of the Audit and Risk Committee are to; review the financial information of the Authority, monitor the effectiveness of management information and internal control systems, deliberate significant findings arising from both internal and external audits, and review the overall risks facing the Authority.

As at the end of the year the Committee members were Mr. Diba Daudi Huka (Chair), Mr. Albert Mwenda, Mr. Gabriel Kaunda Kitumu, Mr. Antony Gachau Mbutia and Ms. Jane Cheptoo Masai.

2.7 Board Charter and Work Plan

The Authority has formulated a Charter, which defines the role and responsibilities of the board in executing their strategic oversight function of the organization. The board members prepare an annual Work Plan. The Plan sets out the specific activities to be undertaken by the Board members towards fulfilling their mandate.

2.8 Directors Induction and Skills Development

The Authority provides new directors with an effective induction programme in order to familiarize them with their responsibilities as Board members and with general principles of corporate governance. The programme also provides the members with an orientation of the organization, strategic plan, financial status and policies, risk management, compliance programmes and the Code of Conduct and Ethics. The Authority ensures that a competence needs assessment is carried out periodically and an Annual Development Plan prepared to address identified gaps. The Authority ensures that its members are up to date with continuous professional development in their respective professional bodies.

2.9 Board Effectiveness and Evaluation

The Board, its composition and performance evaluation is central to corporate governance. Further, Article 1.12 of Mwongozo requires Boards to undertake performance evaluation. It is in this regard that the Authority under the guidance of a representative of the State Corporation Advisory Committee (SCAC) conducts Board performance evaluation.

The Authority conducts an annual evaluation to appraise its performance. This evaluation is carried out in accordance with the Evaluation Tool. The Board evaluation provides an opportunity for Board members to identify strengths, collective skill gaps and individual areas of improvement. The Authority also reviews the performance of each committee against the set Terms of Reference.

The Evaluation is undertaken at three levels:

- 2.2.1 Peer Review
- 2.2.2 Self-evaluation
- 2.2.3 Board evaluation

The results are analyzed and a mean score rate for each of the levels determined. Through this exercise, the Board identifies areas of strength and weaknesses, and the Board is committed to addressing areas of challenges that are identified.

2.10 Ethical Leadership and Corporate Citizenship

The Board members are required to act in the best interest of Authority and uphold their fiduciary responsibilities and duty of care. This involves not disclosing confidential information, avoiding real and perceived conflicts of interest, and favouring the interests of Authority over other interests. The Directors on appointment are sensitized on the requirements of the Mwongozo Code of Governance and have expressly committed to adhere to it.

Both the Board members and employees of the Authority are expected to act honestly and in good faith to create a culture built on principles of integrity, accountability and transparency. The Authority has developed a Code of Conduct and Ethics to guide the Directors and the employees when undertaking their duties. All the Board members and employees sign a declaration of interest form indicating they will disclose any interest that may conflict with the interest of the organization. The Board members declare their interest at every Board or Committee meeting. The Board members and employees declare their wealth status as per the Public Service Commission requirements. The organization maintains a Register of Gifts as per the requirements of the Public Officer Ethics Act, 2003 and this register is continuously updated.

2.11 Succession Plan

Succession planning is an ongoing process of systematically identifying, assessing and developing talent and capacity to ensure continuity in specific positions within the organization. The Plan is designed to identify and prepare candidates for positions that become vacant due to

retirement, resignation or death. The Energy Act requires that the Board members are appointed at different times so that the respective expiry dates of their terms of office falls at different times. The President appoints the Board Chairman while the Cabinet Secretary for Energy and Petroleum is responsible for appointing the Directors.

2.13 Remuneration of the Board of Directors

The remuneration of the Chairman and the other Board members is determined by SCAC as provided in the State Corporations Act. The members are paid taxable sitting allowance. The Chairperson is paid a monthly fee and honoraria and the other members are paid monthly fee. The Board members are entitled to daily subsistence allowances while attending official duties. The members are reimbursed for their transport expenses at the prevailing AA rates. The Board members are also provided with outpatient, inpatient medical and personal accident cover. The Board members are paid by the Authority, and no scheme income is used to pay for Board expenses.

2.14 Compliance with existing laws and regulations

The Scheme through the Authority conducts its business affairs in compliance with all applicable laws, regulations, policies and accepted national and international standards. The Authority is in compliance with the Constitution, the Energy Act 2019, the Petroleum Act 2019, Leadership and Integrity Act, 2012, the Public Officers Ethics Act, 2003, the Public Procurement and Assets Disposals Act, 2015, the Public Finance Management Act, 2012, the Employment Act among other legislation. The Board complies with the requirements of the Mwongozo Code of Governance and has developed a Board Charter that is based on the Mwongozo principles of good governance.

i Court Cases.

The Scheme did not have any court cases as at the end of the reporting period

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ii Board Attendance.

	Board of Directors	Classification	Board Meeting Total No. of Meetings (10)	Finance & Administration Committee - Total No. of Meetings (6)	Audit & Risk Committee - Total No. of Meetings (4)
1.	Hon. Adan Haji Ali	Board Chairman	1/10	N/A	N/A
2.	Mr. George Okeyo Wanga	Board Chairman	2/10	N/A	N/A
3.	Hon. Justice Jackton Boma Ojwang	Board Chairman	4/10	N/A	N/A
4.	Mr. Abdulkarim Mohammed	Rep. MOEP	10/10	6/6	N/A
5.	Mr. Gabriel Kitumu	Rep. MOE	10/10	4/6	4/4
6.	Mr. Albert Mwenda	Rep. National Treasury	0/10	2/6	0/4
7.	Mr. Antony Gachau	Member	10/10	N/A	4/4
8.	Mr. Diba Huka	Member	10/10	N/A	4/4
9.	Ms. Jennipher Nawoi	Member	10/10	6/6	N/A
10.	Ms. Jane Masai	Member	10/10	N/A	4/4
11.	Dr. Jeremiah Obingo	Member	10/10	N/A	N/A
12.	Eng. Martha Nyangwaria	Member	1/10	N/A	N/A
13.	Mr. Daniel Kiptoo Bargoria	Director General	8/10	3/6	N/A

9. Management Discussion and Analysis

Section A

The Scheme's operational and financial performance

The Energy and Petroleum Regulatory Authority (EPRA) is committed to continue supporting the National Government Agenda of providing cheap and affordable housing for its citizens. The Authority has continued to provide resources and support to the mortgage and car loan scheme. The Authority has allocated sufficient resources to the scheme to ensure it is continuously funded with the aim of making it self-sustaining in the long run by ploughing back all funds received into the scheme in a revolving fund model.

The Authority has the responsibility of setting up a revolving fund for the disbursement of loans with the Board of Directors of the Authority providing oversight on the management of the scheme. The Authority's Management has appointed a Staff Mortgage and Car loan Scheme Advisory Committee (SMCAC) charged with the overall supervision of the scheme. KCB Bank is responsible for the day-to-day operations of the scheme. A scheme administration fees is charged by the Bank for offering this service.

The scheme is cash backed and includes a fund for purchase of motor vehicle for EPRA employees who desire. The scheme is administered by KCB bank through a cash backed arrangement. The Human Resource Department is charged with the responsibility of vetting and recommending mortgage and car loan applications before submitting the applications to KCB Bank for processing in accordance with laid down approved regulations and the agreement entered between the Authority and the Bank.

The scheme is in its tenth year of operation having witnessed a steady growth in uptake from the Authority's employees from the initial three (3) employees at inception in 2014/2015 to the current ninety one hundred and ten (110) employees who were at various stages in the scheme as at the end of financial year 2024/2025. Sixty nine (69) and forty one (41) of these employees are in the mortgage and car loan schemes respectively. Additionally, included in the cited numbers, is successful issuance of sixty two (62) mortgage facilities; eight (8) of which have been successfully

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paid back in full. Furthermore, as at the end of the financial year 2024/2025, six (6) mortgage applications were pending disbursement while one (1) mortgage application was at the appraisal stage. On the other hand, the car loan product had witnessed successful issuance of forty one (41) car loans with twenty (20) employees having successfully repaid their loans. To date the scheme has not reported any form of debt distress or default in servicing of the mortgages or car loans advanced to employees.

The scheme provides mortgage and car loan facilities at an interest rate of 3%. As at 30th June 2025 the Authority had disbursed a total of Ksh. 519,586,616 (Ksh.480,086,616 for mortgage and Kshs.39,500,000 for car loan respectively). As at the end of the year, the scheme had Ksh.496,795,042 (Kshs. 470,749,971 for mortgage and Kshs.26,045,071 for car loan respectively) outstanding on loans advanced. The scheme held a revenue reserve of Kshs. 11,644,133 as at the end of the year with a total asset base of Kshs.531,230,749. Surplus of Ksh.487,120 was realized for the period ended 30th June 2025. Surplus generated from the fund is ploughed back to the scheme to grow the fund.

Due to recent additional recruitments of new employees by the Authority, a surge in interest by employees to acquire the scheme products has seen a significant increase in demand. Due to budgetary constraints, the scheme has not been able to respond adequately to employee needs. As a result, a waiting queue of employees seeking products of the scheme has continued to grow.

As at 30th of June 2025, there were twenty-eight (28) mortgage applications valued at Kenya Shillings Three Hundred and Fifty Million (Ksh.350,000,000) and twenty (20) car loan applications valued at Kenya Shillings Thirty Nine Million, One Hundred Thousand (Kshs. 39,100,000) queued pending submission to the bank due to unavailability of sufficient funds.

The Authority will endeavour to provide more funding to ensure all employees interested in purchasing residential houses or personal motor vehicles are facilitated. It is expected that the fund will be self-sustaining in the near future. The Authority reiterates its commitment to support the scheme and encourages employees to take advantage of these facilities to improve their standard of living.

Section B

Scheme's compliance with statutory requirements

The Scheme is managed by the Authority which conducts its business affairs in compliance with all applicable laws, regulations, policies and accepted national and international standards. The Authority is in compliance with the Constitution, the Energy Act 2019, the Petroleum Act 2019, Leadership and Integrity Act, 2012, the Public Officers Ethics Act, 2003, the Public Procurement and Assets Disposals Act, 2015, the Public Finance Management Act, 2012, the Employment Act among other legislation. The Board complies with the requirements of the Mwongozo Code of Governance and has developed a Board Charter that is based on the Mwongozo principles of good governance.

The Scheme does not have any court cases nor are there any contingent liabilities.

Section C

Key projects and investment decisions the entity is planning/implementing.

The scheme's primary purpose is to provide mortgage and car loan facilities to its staff and does not engage in any other projects or investments.

Section D

Major risks facing the entity

The Scheme is cash backed and does not incur any liabilities other than for the scheme administration fees which is paid out of the loan repayments. The scheme does not foresee any major risks of concern.

Section E

Material arrears in statutory/financial obligations

The scheme does not have any arrears in statutory/financial obligations

Section F

The scheme does not have any financial probity or serious governance issues that has been brought to the attention of management.

10. Environmental and Sustainability Reporting

The Scheme does not have a secretariat and does not undertake any other activities other than disbursement and recovery of loans to the Authority's employees. However, the houses and cars acquired by the Scheme funds are expected to be compliant with all environmental laws, regulations and standards.

11. Report of Board

The Board submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Scheme's affairs.

Principal activities

The principal activity of the scheme is to provide low interest mortgage and car loan facilities to the employees of the Energy & Petroleum Regulatory Authority.

Performance

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

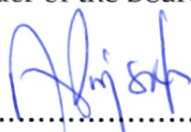
Board

The members of the Board who served during the year are shown on page v.

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



.....
Hon. Adan Haji Ali

Chair of the Board

12. Statement of Management's Responsibilities

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

The Administrator of the Scheme is responsible for the preparation and presentation of the Scheme's financial statements, which give a true and fair view of the state of affairs of the Scheme for and as at the end of the quarter ended on 30th June 2025. 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 Scheme accepts responsibility for the Scheme's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Administrator of the Scheme is of the opinion that the Scheme's financial statements give a true and fair view of the state of Scheme's transactions for the period ended 30th June 2025, and of the Scheme's financial position as at that date.

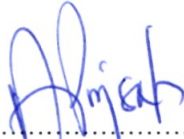
The Administrator further confirm the completeness of the accounting records maintained for the Scheme, which have been relied upon in the preparation of the Scheme's financial statements as well as the adequacy of the systems of internal financial control. In preparing the financial statements, the Administrator of the Scheme has assessed the Scheme's ability to continue as a going concern.

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

Approval of the financial statements

The Fund's financial statements were approved by the Board on 25th August, 2025 and signed on its behalf by:



.....
Name: Hon. Adan Haji Ali
Chairman of the Board



.....
Name: Daniel Kiptoo Bargarora
Director General

REPUBLIC OF KENYA



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Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON ENERGY AND PETROLEUM REGULATORY AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

The three parts of the report are aimed at addressing the 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 Energy and Petroleum Regulatory Authority Staff Mortgage and Car Loan Scheme set out on pages 1 to 28, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of 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 Energy and Petroleum Regulatory Authority Staff Mortgage and Car Loan Scheme as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional 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 Matter

Unresolved Prior Year Matters

In the prior years' audit report, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources and Report on the Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Project in 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Lack of Budget for Interest Income and Administration Costs
2	2023/2024	Unpaid interest on Loan Deposits
3	2023/2024	Inconsistencies in Scheme Contract Agreement
4	2023/2024	Payment of Construction Loans to Staff Accounts

Other Information

Management is responsible for the Other Information set out on page iii to xxxviii which comprise of Key Scheme Information and Management, Board Members, Management Team, Chairman's Report, Report of the Director General, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board, and the Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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 effect of the matters 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

1. Lack of Budget for Interest Income and Administration Costs

The statement of comparison of budget and actual amount reflects final revenue and expenses of Kshs.13,428,165 and Kshs.12,372,101, respectively. However, there was no approved budget for interest income and Scheme administration costs, which recorded

actual amounts of Kshs.12,897,530 and Kshs.12,410,554 respectively. This was contrary to Section 149(2)(h) of the Public Finance Management Act, 2012, which requires the Accounting Officer to prepare estimates of expenditure of the entity in conformity with the strategic plan.

In the circumstances, Management was in breach of law.

2. Unfavorable Scheme Agreements Terms

The operational and administrative activities of the Scheme were undertaken by a Scheme Administrator contracted by the Energy and Petroleum Regulatory Authority (EPRA). Review of a Car Loan Agreement and a Special Housing Scheme Agreement entered between EPRA and the Scheme Administrator revealed that the Fund was required to maintain a lien deposit account with an amount equivalent to the sum disbursed in mortgage and car loans to be transferred from funds held in the deposits account. However, no interest was to be earned on the amount deposited in the lien account. This requirement limits the availability of funds for additional loans to beneficiaries and prevents the Fund from generating additional cash on funds held at the lien account which attracts no interest.

In the circumstances, the effectiveness of the Scheme's sustainability and its ability to achieve value for beneficiaries could not be confirmed.

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, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 December, 2025

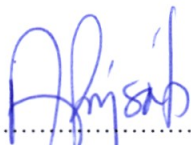
**Energy and Petroleum Regulatory Authority Staff Mortgage and Car Loan Scheme
Annual Report and Financial Statements for the year ended 30th June 2025**

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


Description	Note	2024/2025	2023/2024
		Kshs.	Kshs.
Revenue from exchange transactions			
Interest from bank balances (unutilized funds)	6	488,185	1,057,129
Interest from mortgage and car loan	6	12,409,345	11,246,396
Total revenue		12,897,530	12,303,525
Expenses			
Use of goods and services	7	12,410,410	11,248,525
Total expenses		12,410,410	11,248,525
Surplus/Deficit		487,120	1,055,000

(The notes set out on pages 7 to 23 form an integral part of these Financial Statements).

The financial statements were approved on ^{25th August, 2025} by:


 Name: Hon. Adan Haji Ali
 Chairperson of the Board


 Name: Daniel Kiptoo
 Bargoria
 Director General


 Name: Muznah Sisiwa
 DDF&A
 ICPAK M/No: 21186

**Energy and Petroleum Regulatory Authority Staff Mortgage and Car Loan Scheme
Annual Report and Financial Statements for the year ended 30th June 2025**

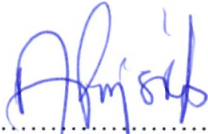
15. Statement of Financial Position as at 30th June 2025

Description			
Assets			
Current assets			
Cash and cash equivalents	8	34,435,707	27,799,231
Receivables from exchange transactions	9	40,048,388	39,820,932
Total Current Assets		74,484,095	67,620,163
Non-current assets			
Receivables from exchange transactions	9	456,746,654	413,123,466
Total Non- Current Assets		456,746,654	413,123,466
Total assets		531,230,749	480,743,629
Liabilities			
Current Liabilities			
Trade and other payables	10	-	-
Total Current Liabilities			
Non-Current Liabilities			
Trade and other payables	10	-	-
Total non-current liabilities			
Total liabilities			
Net assets		531,230,749	480,743,629
Represented By:			
Car loan revolving fund		39,500,000	26,500,000
Mortgage revolving fund		480,086,616	443,086,616
Accumulated surplus (<i>Reserves</i>)		11,644,133	11,157,013
Net assets		531,230,749	480,743,629

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

***Energy and Petroleum Regulatory Authority Staff Mortgage and Car Loan Scheme
Annual Report and Financial Statements for the year ended 30th June 2025***

The Scheme financial statements were approved on 25th August 2025 and signed by:



.....
Name: Hon. Adan Haji Ali
Chairperson of the Board



.....
Name: Daniel Kiptoo
Bargoria
Director General



.....
Name: Muznah Sisiwa
DDF&A
ICPAK M/No: 21186

**Energy and Petroleum Regulatory Authority Staff Mortgage and Car Loan Scheme
Annual Report and Financial Statements for the year ended 30th June 2025**

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

	Mortgage Fund KShs	Car Loan Fund KShs	Accumulated surplus KShs	Total KShs
Balance as at 1 July 2023	423,086,616	26,500,000	10,102,013	459,688,629
Surplus/(deficit) for the period	-	-	1,055,000	1,055,000
Funds received during the year	20,000,000	-	-	20,000,000
As at 30th June 2024	443,086,616	26,500,000	11,157,013	480,743,629
Balance as at 1 July 2024	443,086,616	26,500,000	11,157,013	480,743,629
Surplus/(deficit) for the period	-	-	487,120	487,120
Funds received during the year	37,000,000	13,000,000	-	50,000,000
As at 30th June 2025	480,086,616	39,500,000	11,644,133	531,230,749

*Energy and Petroleum Regulatory Authority Staff Mortgage and Car Loan Scheme
Annual Report and Financial Statements for the year ended 30th June 2025*

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

Description	Note	2024/2025 Kshs.	2023/2024 Kshs.
Cash flows from operating activities			
Receipts			
Interest from bank balances (unutilized funds)		488,185	1,057,129
Interest from mortgage and car loan		12,409,345	11,246,396
Total receipts		12,897,530	12,303,525
Payments			
Use of goods and services		(12,410,554)	(11,248,525)
Total payments		(12,410,554)	(11,248,525)
Net cash flow from/ (used in) operating activities	11	487,120	1,055,000
Cash flows from investing activities			
Proceeds from loan principal repayments		50,684,680	17,780,881
Principal released from unsuccessful disbursements		41,222,411	
Principal 27Loan disbursements paid out		(135,757,735)	(54,300,000)
Net cash flows from/ (used in) investing activities		(43,850,644)	(36,519,119)
Cash flows from financing activities			
Receipts into the mortgage revolving fund		37,000,000	20,000,000
Receipts into the car loan revolving fund		13,000,000	-
Net cash flows from (used in) financing activities		50,000,000	20,000,000
Net increase/(decrease) in cash and cash equivalents		6,636,476	(15,464,119)
Cash and cash equivalents as at 1 July 2024		27,799,231	43,263,350
Cash and cash equivalents at period ended 30th June 2025	8	34,435,707	27,799,231

*Energy and Petroleum Regulatory Authority Staff Mortgage and Car Loan Scheme
Annual Report and Financial Statements for the year ended 30th June 2025*

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

Description	Original budget	Adjustments	Final budget	Actual Cumulative to date	% of utilization
	Kshs. A	Kshs. b	Kshs. C=(a+b)	Kshs. d	E=d/c
Revenue					
Interest from bank balances (unutilized funds)	1,057,129	-	1,057,129	488,185	46.2%
Interest from mortgage & car loan	12,371,036	-	12,371,036	12,409,489	100.3%
Total Revenue	13,428,165	-	13,428,165	12,897,530	96.1%
Expenses					
Use of goods and services	12,372,101	-	12,372,101	12,410,554	100.3%
Expenditure	12,372,101	-	12,372,101	12,410,554	100.3%
Surplus for the period	1,056,064	-	1,056,064	487,120	

*Interest from bank balances (unutilized funds) is below budget due to an unanticipated sharp increase in loan applications and disbursement of funds to loan applicants resulting in low bank balance.

Reconciliation table

	Total
Actual amounts on a comparable basis presented in the budget and actual comparative statement	487,120
Net movement of principle loans	(43,850,644)
Cash injection to the revolving fund	50,000,000
Opening cash balance	27,799,231
Closing Cash and Cash Equivalent as per the statement of Cash flows	34,435,707

19. Notes to the Financial Statements

1. General Information

The Energy and Petroleum Regulatory Authority Staff Mortgage and Car Loan Scheme is established by the Energy and Petroleum Regulatory Authority (EPRA), a state corporation that derives its authority and accountability from the Energy Act 2019. The scheme is wholly owned by the Authority and is domiciled in Kenya. The scheme's principal activity is the provision of Mortgage and car loan facilities to the employees of the Authority.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of 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 Fund's accounting policies. The financial 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 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of new and revised Standards

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

There are no new standards effective in the FY.

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

Standard	Effective date and impact
IPSAS 47: Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. <i>The standard has no impact to the Scheme</i>
IPSAS 48: Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. <i>The standard has no impact to the Scheme</i>
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> 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. <i>The standard has no impact to the Scheme</i>

- iii. Early adoption of standards*

The Entity did not early – adopt any new or amended standards in the financial year.

4. 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 Scheme and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds. The scheme did not have transfers from other government entities other than capital injection from the Authority.

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 for each period.

Dividends

The Scheme did not receive any dividend income during the financial year.

Rental income

The Scheme does not have any investment properties.

b. Budget information

The original budget for FY 2024/25 was approved on 28th June 2024. No subsequent revisions or additional appropriations were made to the approved budget. The Scheme's budget is prepared on a different basis from 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)

The Scheme does not have any property, plant and equipment (PPE).

d. Intangible assets

The Scheme does not have any intangible assets.

e. Investment property

The Scheme does not have any investment property.

Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new

impairment model for financial assets. The Scheme does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Scheme's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

I. Financial assets

Classification of financial assets

The Scheme classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the Scheme's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the Scheme classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Impairment

The Scheme assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Scheme recognizes a loss allowance for such losses at each reporting date.

II. Financial liabilities

Classification

The Scheme classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

f. Contingent liabilities

The Scheme 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. The Scheme did not have any contingent liabilities as at the end of the financial year.

g. Contingent assets

The Fund 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 Fund 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. The Scheme did not have any contingent assets as at the end of the financial year.

h. Nature and purpose of reserves

The Scheme creates and maintains reserves in terms of specific requirements. The Scheme operates a revolving fund where accumulated surplus are ploughed back into the Scheme.

i. Changes in accounting policies and estimates

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

j. Foreign currency transactions

The Scheme does not have or trade in foreign currency.

k. Related parties

The Fund regards a related party as a person or entity with the ability to exert control individually or jointly, or to exercise significant influence over the Fund, or vice versa. Members of key management are regarded as related parties and

comprise the Directors/ Trustee, the Scheme Managers, and Scheme Accountant. The Scheme does not remunerate any of its related parties other than the Scheme Administrator (KCB Bank) who is paid Scheme administration fees.

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 KCB Bank 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 where applicable.

n. Events after the reporting period

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

o. Ultimate and Holding Fund

The Scheme is established by the Energy and Petroleum Regulatory Authority. Its ultimate parent is the Authority.

p. Currency

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

5. Significant judgments and sources of estimation uncertainty

The preparation of the Fund's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

a) Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Scheme. Such changes are reflected in the assumptions when they occur.

b) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

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

*Energy and Petroleum Regulatory Authority Staff Mortgage and Car Loan Scheme
Annual Report and Financial Statements for the year ended 30th June 2025*

Notes to the Financial Statements

6. Interest income

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Interest from bank balances (unutilized funds)	488,185	1,057,129
Interest Income from Mortgage Loans	11,723,908	10,681,053
Interest Income from Car Loans	685,437	565,343
Total Revenue/Interest Income	12,897,530	12,303,525

7. Use of Goods and Services

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Mortgage Scheme administration fees	11,723,908	10,681,053
Car Loan Scheme administration fees	685,437	565,343
Bank Charges	1,065	2,130
Total	12,410,410	11,248,525

8. Cash and cash equivalents

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Mortgage Account	20,889,103	19,665,707
Car Loan Account	13,546,604	8,133,524
Total	34,435,707	27,799,231

8 a) Detailed analysis of the cash and cash equivalents

Financial Institution	Account number	2024/2025	2023/2024
		Kshs.	Kshs.
Mortgage and Car Loan Scheme			
Mortgage- KCB Bank Account	1159138850	20,889,103	19,665,707
Car Loan- KCB Bank	1120521726	13,546,604	8,133,524
Grand Total		34,435,707	27,799,231

9. Receivables from exchange transactions

Description	2024/2025		2023/2024	
	Kshs.		Kshs.	
Current Receivables				
Receivable on Mortgage		30,505,788		32,107,673
Receivable on Car Loan		9,542,600		7,713,259
Total Current Receivables		40,048,388		39,820,932
Non-Current Receivables				
Receivable on Mortgage		440,244,183		402,378,573
Receivable on Car Loan		16,502,471		10,744,893
Total Non- Current Receivables		456,746,654		413,123,466
Total Receivables		496,795,042		452,944,398
Ageing analysis (receivable from exchange transactions)	2024/2025	%of total	2023/2024	%of total
Less than 1 year	40,048,388	8%	39,820,932	9%
Over 1 years	456,746,654	92%	413,123,466	91%
Total	496,795,042	100%	452,944,398	100%

10. Trade and other payables

Description	2024/2025		2023/2024	
	Kshs.		Kshs.	
Trade payables		-		-
Other payables		-		-
Total trade and other payables		-		-
Ageing analysis: (Trade and other payables)	Current FY	% of total	Comparative FY	% of total
Under one year	-	%	-	%
Over 1 years	-	%	-	%
Total	-	%	-	%

11. Net cash flows from operating activities

Description	2024/2025 Kshs.	2023/2024 Kshs.
Surplus/ (deficit) for the period	487,120	1,055,000
Interest income	12,897,530	12,303,525
Working capital adjustments		
Increase in receivables	(12,897,530)	(12,303,525)
Net cash flow from operating activities	487,120	1,055,000

12. Financial risk management

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

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

a) Credit risk

The Scheme has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as receivables from advanced loans.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables where applicable, estimated by the Scheme's management based on prior experience and their assessment of the current economic environment.

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The carrying amount of financial assets recorded in the financial statements representing the Scheme's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs.	Fully performing Kshs.	Past due Kshs.	Impaired Kshs.
At 30 June 2025				
Receivables From Exchange Transactions-Car loans and mortgages	496,795,042	496,795,042	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	34,435,707	34,435,707	-	-
Total	531,230,749	531,230,749	-	-
At 30 June 2024				
Receivables From Exchange Transactions- Car loans and mortgages	452,944,398	452,944,398	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	27,799,231	27,799,231	-	-
Total	480,743,629	480,743,629	-	-

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Scheme has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Scheme's Administrator, who has built an appropriate liquidity risk management framework

for the management of the Scheme's short, medium, and long-term funding and liquidity management requirements. The Scheme manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The scheme does not have any cash flows payable under non-derivative financial liabilities.

c) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Scheme's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Board.

There has been no change to the Scheme's exposure to market risks or the manner in which it manages and measures the risk.

d) Interest rate risk

Interest rate risk is the risk that the Scheme's financial condition may be adversely affected as a result of changes in interest rate levels. The Scheme's interest rate risk arises from bank deposits. This exposes the Scheme to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Scheme's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The Scheme analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. Given that bank deposit is not the primary goal of management, part of the interest rate risk mitigation strategy is to ensure the bank balance is at a minimum possible and that all the money held is disbursed to reduce the risk of exposure of the bank balances.

e) Capital risk management.

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

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Revolving fund	519,586,616	469,586,616
Accumulated surplus (<i>Reserves</i>)	11,644,133	11,157,013
Total funds	531,230,749	480,743,629
Less: cash and bank balances	(33,941,450)	(27,799,231)
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-	-

13. Related party balances

a) Nature of related party relationships

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

- a) Energy and Petroleum Regulatory Authority
- b) Board members

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- c) Key management of the Authority
- d) Staff Mortgage and Car Loan Advisory Committee

b) Related party transactions

i. Transfers from related parties

Description	2024/2025 Kshs.	2023/2024 Kshs.
Transfers from Energy and Petroleum Regulatory Authority	50,000,000	20,000,000

ii. Key management remuneration

Description	2024/2025 Kshs.	2023/2024 Kshs.
Board members*	-	-
Key Management Compensation*	-	-
Staff Mortgage and Car Loan Advisory Committee*	-	-
Total	-	-

*The Scheme does not remunerate Board members, key management and the Staff Mortgage and Car Loan Advisory Committee.

14. Events after the Reporting Period

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

15. Ultimate and Holding Entity

The Energy and Petroleum Regulatory Authority Mortgage and Car Loan Scheme is a Scheme under the sponsorship of the Energy and Petroleum Regulatory Authority which is a State Corporation.

16. Currency

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

20. Annexes

Annex I: Progress on Follow-Up of prior year auditor’s Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Report on the lawfulness and effectiveness in the use of public funds 1. Lack of budget on interest and administration cost	Lack of budget for interest income and administration cost	Management has noted the audit observation and included the interest income and administration cost in the current financial year	The Authority has addressed the issue. Awaiting confirmation from the National Assembly for concurrence.	Awaiting confirmation of the date to appear before the National Assembly
Report on the lawfulness and effectiveness in the use of public funds 2. Unpaid interest on the loan deposits	No interest was received from the bank on car loan deposits contrary to clause 22(b) of the car loan agreement dated 29 th Many 2014	Part 2 of the second addendum signed on 29th August 2022 amended clause 22(b) referred herein due to reduction of interest rate on the loan from 5% to 3%. Subsequently there is no provision for interest payment to the scheme by the	The EPRA has addressed the issue. Awaiting confirmation from the National Assembly on concurrence.	Awaiting confirmation of the date to appear before the National Assembly

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
		bank as amended in the second schedule and hence management has not breached any terms of this contract.		
<p>Report on the lawfulness and effectiveness in the use of public funds</p> <p>3. Inconsistencies in Scheme Contract Agreements</p>	<p>The agreement provides for a 3% administration fee on mortgage and car loans payable to the Scheme administrator which is equivalent to the interest paid on the loans. However, the same interest is used to cover administrative costs of the financial institution thus insufficient to meet both costs. Additionally, the financing</p>	<p>The basis for charging administration fees of 3% is premised on the second addendum Part 1 as agreed between the parties. This mode of payment of administration fees from the interest paid on loans only, protects the Authority from incurring additional costs in the event that there is a low uptake of the loan facilities such that administrative costs are only confined to the interests generated on the loans advanced. This limits the Scheme administration expenses to interest paid on loans only. Regarding appraisal</p>	<p>The EPRA has addressed the issue. Awaiting confirmation from the National Assembly on concurrence.</p>	<p>Awaiting confirmation of the date to appear before the National Assembly</p>

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	institution charges the borrower an appraisal fee of 0.5% and 1% on car and mortgage loan respectively and a monthly ledger fee of Kshs.350. The additional charges resulted in increasing the cost of the loans.	fees, this is a standard charge for all loan facilities in the financial market.		
<p>Report on the effectiveness of internal controls, risk management and governance</p> <p>1.Payment of construction loan to staff accounts</p>	This practice increases the risk that the funds may not be utilized for the intended construction purposes, exposing the scheme to potential financial losses or the misuse of funds for	<p>For construction contracts, funds are advanced in tranches. The Scheme administrator routinely review and verify progress of project before advancing any additional funds for the next stage of construction. Management has however noted the</p>	<p>The EPRA has addressed the issue. Awaiting confirmation from the National Assembly on concurrence.</p>	<p>Awaiting confirmation of the date to appear before the National Assembly</p>

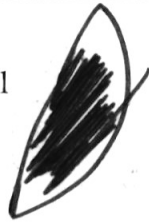
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
	unintended purposes.	audit recommendations and will work to improve processes and controls governing construction loans.		
<p>Report on the effectiveness of internal controls, risk management and governance</p> <p>2.Lack of risk management policy</p>	<p>The Regulation requires the Accounting Officer of a National Government entity to develop risk management strategies which include fraud prevention mechanisms that builds robust business operations.</p>	<p>The Mortgage and Car Loan Scheme is not a separate entity from the Authority and is guided by all the overriding rules and guidelines in the operations of the Authority, specifically the Authority's Strategic Plan and the Risk Management Framework. The Scheme is therefore subordinate to the Risk Management framework of the Authority. Nevertheless, the Authority has included specific aspects of risk management to its policy framework as</p>	<p>The EPRA has addressed the issue. Awaiting confirmation from the National Assembly on concurrence.</p>	<p>Awaiting confirmation of the date to appear before the National Assembly</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframes (Put a date when you expect the issue to be resolved)
		recommended by the auditor		

Director General



Date: 25th August, 2025