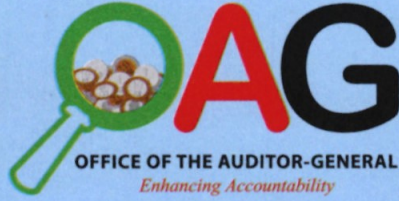


REPUBLIC OF KENYA



**REPORT**  
**OF**  
**THE AUDITOR-GENERAL**  
**ON**  
**NATIONAL INDUSTRIAL TRAINING**  
**AUTHORITY STAFF MORTGAGE AND**  
**CAR LOAN SCHEME**

**FOR THE YEAR ENDED**

**30 JUNE, 2025**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 05 MAR 2026 DAY: Thursday

TABLED BY: Hon. Owen Bonyo MP  
Deputy Leader of Majority Party  
CLERK-AT-TABLE: A. Shikuko



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# **NATIONAL INDUSTRIAL TRAINING AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2025**

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

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## 1. Acronyms and Definition of Key Terms

### A. Acronyms

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
VC	Vice Chancellor
NITA	National Industrial Training Authority

### 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 Fund information and management**

### **a) Background information**

National Industrial Training Authority staff mortgage and car loan scheme is established by and derives its authority and accountability from Industrial Training (Amendment) Act of 2011. The Fund is wholly owned by National Industrial Training Authority (NITA) and is domiciled in Kenya.

National Industrial Training Authority staff mortgage and car loan scheme is established pursuant to Salaries and Remuneration Circulars referenced; SRC/ADM/CIR/1/13 Vol.III (128) of 17th December, 2014, SRC/ADM/CIR/1/13/VOLIII(130) of 29th January, 2015 and SRC/ADM/CIR/1/13 VOL III (142) of 25th August, 2015 all of which set and advised on the establishment of mortgage and car loan schemes for both state and public officers.

### **b) Principal Activities**

The principal activity of the Scheme is to provide staff with loans for car and mortgage so as to facilitate their mobility and acquisition of residential homes.

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

The fund administrator is responsible for the day-to-day operations.

### **c) Board of Trustees/Fund Administration Committee**

<b>SN</b>	<b>Position</b>	<b>Name</b>
1	Chairperson	Theresa K. Wasike (Ms.)
2	Fund Secretary to the Board	Ms. Caroline Kibiwott
3	Manager, Internal Audit	Ms. Teresa Lagat
4	Fund Administrator	Mr. Gerald Kirimi

*The fund is managed by Kenya Commercial Bank*

### **d) Key Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2025 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Chairperson	Theresa K. Wasike (Ms.)
2.	Fund Administrator	Mr. Gerald Kirimi
3.	Fund Accountant	Mr. Julius Ndenge
4.	Fund Secretary to the Board	Ms. Caroline Kibiwott
5.	Manager, Internal Audit	Ms. Teresa Lagat

**Key Fund and Information Management (Continued)**

**e) Fiduciary Oversight Arrangements**

<b>SN</b>	<b>NAME</b>	<b>POSITION</b>
1	Chairperson	Ag. Theresa K. Wasike (Ms.)
2	Fund Administrator	Mr. Gerald Kirimi
3	Fund Secretary to the Board	Ms. Caroline Kibiwott
4	Fund Accountant	Mr. Julius Ndenge
5	Manager, Internal Audit	Ms. Teresa Lagat

**f) Headquarters**

P.O. Box 74494-00200-NAIROBI  
Commercial Street-Industrial Area opposite  
KEMSA  
Nairobi, KENYA

**g) Fund Contacts**

Telephone :( 254) 720-917897/  
(254)-736-290676  
E-mail: [directorgeneral@nita.go.ke](mailto:directorgeneral@nita.go.ke)  
Website: [www.nita.go.ke](http://www.nita.go.ke)

**h) Fund Bankers**

1. Mortgage Scheme-Kenya Commercial Bank
2. Car loan Scheme- Kenya Commercial Bank

**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. The Board of Trustees/ Fund Administration Committee**

<b>SN</b>	<b>Position</b>	<b>Name</b>
1	Fund Administrator	Mr. Gerald Kiriimi
2	Fund Accountant	Mr. Julius Ndenge
3	Fund Secretary to the Board	Ms. Caroline Kibiwott

**4. Management Team**

 <p><b>Theresa K. Wasike</b> M.A in International Relations (KIEV STATE UNIVERISITY)</p>	<p><b>Ag. Director General</b></p>
 <p><b>Gerald Kirimi</b> MSc Science (Finance) BCOM (Finance), CPA(K), SLDP</p>	<p><b>Director, Corporate Services</b></p>
 <p><b>Sammy Maiyo</b> MSc Commerce in Internal Business BBA (HRM) Member Institute of Human Resource Management</p>	<p><b>Manager, Human Resource and Administration</b></p>

 <p><b>Julius M. Ndenge</b> MBA from Kenyatta University BCOM Finance, CPA (K)</p>	<p><b>Manager Accounts</b></p>
 <p><b>Teresa Lagat</b> MBA from University of Nairobi CFE, CPA (K)</p>	<p><b>Manager Internal Audit</b></p>

## **5. Chairman's Report**

The Mortgage & Car Loan Scheme is a Revolving Fund for NITA staff established and administered as provided under Section 24 (6) (7) of the PFM Act, 2012 and section 127 (1) (2) of the PFM (National Government) Regulations, 2015. Further the Fund was established pursuant to SRC Circular Ref. No. SRC/ADM/CIR/1/13 Vol. III (128) dated 17 December, 2014.

. The initial seed capital of Kshs.120, 000,000 and Kshs.20, 000,000 for mortgage and car loan respectively.

The Mortgage and Car loan scheme continues to demonstrate strong sustainability, both financially and operationally, in alignment with our long-term employee welfare and institutional development goals. The fund has been structured as a revolving facility, ensuring continuous availability of resources through prudent management, and strategic reinvestment.

By facilitating access to affordable car and housing loans, the fund enhances staff motivation, retention, and productivity contributing to institutional stability.



.....  
**Chairman –Fund Administration Committee**  
**Name: Theresa K.Wasike (Ms.)**

## **6. Report of the Fund Manager/ Administrator**

It is with great pleasure that I present to you the Scheme financial statements for financial year 2024/2025. The financial statements present the financial performance of the fund over the past year. The objective of the NITA mortgage & car loan fund is to motivate staff by facilitating access to low interest credit facilities to own a residential home and acquire vehicles to facilitate their transport to work.

Since inception 23 staff members have been facilitated. So far a total amount of Kshs. 150,212,660 has been disbursed as at 30<sup>th</sup> June 2025 for both mortgage and car loan.

The future of the Scheme looks bright as the Fund expects more funds from the Authority to enable more employees benefit from the facility. In the long run, the Scheme is expected to be self-sustaining whereby, funds received from loan repayments will be adequate to cater for future funding demands

In administering the Fund, NITA maintained adequate financial management controls to ensure compliance and accountability. The measures were aimed at making sure that the funds are utilized prudently and included maintenance of proper accounting records. Further, the accounting statement have been prepared in accordance with the International Public Accounting Standards (IPSAS) and represented in a true and fair view of the state of affairs of the fund for the period under review.

I take this opportunity to express my sincere gratitude and appreciation to the Management Committee for steering the Scheme. I also appreciate the Staff members and all other stakeholders for their support without which the Scheme's objectives wouldn't have been realized. I look forward to seeing more NITA staff members benefit from the Scheme in the coming years as this will go a long way in boosting their morale and job performance.



.....

**Gerald Kirimi**

**ICPAK Member Number: 8725**

**Fund Administrator**

**7. Statement of Performance against Predetermined Objectives**

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the Accounting Officer to include in the financial statement, a statement of the national government Fund's performance against predetermined objectives.

The Fund's performance against predetermined objectives is as outlined below:

<b>Strategic Pillar/Theme/Issues</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
<p><b>Pillar</b></p> <p><b>Employee Welfare Enhancement:</b> Improve quality of life through access to affordable housing and transportation.</p> <p><b>Sustainable Asset Ownership:</b> Promote long-term investment in homes and vehicles</p> <p><b>Staff Productivity:</b> Boost morale and retention through welfare incentives.</p> <p><b>Theme</b></p> <p><b>Affordable Financing:</b> Offer low-interest loans for homes and vehicles.</p> <p><b>Issue</b></p> <p><b>Socioeconomic Barriers:</b> Staff may lack financial literacy or planning skills</p>	<p>The Scheme was established and operationalized with effect from 5<sup>th</sup> August, 2016 to enable employees purchase new or second-hand motor vehicles for enhanced mobility to and from work and better living by owning homes</p>	<p>The available amount for lending is Kshs.62,338,011 as at 30<sup>th</sup> June,2025</p>	<p>Fund uptake</p>	<p><b>Improved Staff Welfare:</b> Enabled employees to own homes and vehicles, enhancing morale, retention, and productivity. Total amount disbursed is Kshs. <b>78,575,058.</b> The applicants for car Loan stand at 5 staff members and Mortgage 21 staff Members.</p>

## **8. Corporate Governance Statement**

The Board of Directors recognizes the importance of applying the highest standards of corporate governance as a key contributor to its long-term success, long term value and prosperity. This promotes balancing the interest of all stakeholders. It provides the framework for attaining the Authority's objectives and ensures sustainability.

The NITA Car and Mortgage Fund Scheme is a revolving fund established pursuant to the Salaries and Remuneration Commission (SRC) Circular Ref. No. SRC/ADM/CIR/1/13 Vol. III (128) dated 17 December, 2014. It's mandate is to provide car and mortgage loans to members of staff.

The fund is committed to ensuring compliance with regulatory and supervisory corporate governance requirements. Essential to the establishment of a corporate governance framework in the fund is a formal governance structure with the management committee. The operations of the fund are governed by the scheme regulations published on 14th April, 2016.

## **9. Management Discussion and Analysis**

*(Under this section, the management gives a report:*

- a. on the operational and financial performance of the Fund during the period, as compared to the industry.*

The initial seed capital was Kshs. 120,000,000 for the mortgage facility and Kshs. 20,000,000 for the car loan facility, respectively. However, there were no additional funds in the year under review.

- b. Fund's key projects or investments decision implemented or ongoing,*

The NITA staff mortgage & car loan Scheme was established in 2016 with the objective of providing loans to the staff for purchase of new or second-hand motor vehicles for enhanced mobility to and from work. This also helps employees access affordable housing, reduces financial stress, improving overall well-being and encourages long-term financial planning and stability.

- c. Number and amount of Loans issued during the period, loans outstanding at end of the period and loans repaid during the period.*

There were no loans issued during the period. Loans outstanding at end of the period amounted to Ksh. 78,575,059.

- d. Fund's compliance with statutory requirements,*

During the reporting period, the Fund remained fully compliant with all applicable statutory and regulatory obligations as outlined under Kenyan law.

- e. Major risks facing the Fund, material arrears in statutory and other financial obligations.*

- ✓ There is low uptake rate and hence the intended purpose is not achieved.
- ✓ There may be socioeconomic Barriers where by Staff may lack financial literacy or planning skills

## **10. Environmental and Sustainability Reporting**

Environmental and Sustainability Responsibility is an integral part of our culture. As a responsible organisation, we respect the interests of our stakeholders including the NITA employees and the wider community and we actively seek opportunities to improve the environment and contribute to the well-being of the communities around us.

As NITA continues to forge ahead, we remain committed to fostering an environment where everyone has the chance to realize their potential, contribute meaningfully, and be an integral part of Kenya's journey towards sustainable progress.

The principal activity of the Scheme is to provide loans to the NITA staff to enable them purchase new or second-hand motor vehicles for enhanced mobility to and from work. The Scheme received funding from the Authority and from interest earned on bank deposits and from loans advanced. The Scheme is a Revolving Fund hence all interests and capital repayments are ploughed back to the Scheme for onward lending to more applicants.

## **11. Report of the Trustees/ Fund Administration Committee**

The Trustees/Fund Administration Committee submit their report together with the financial statements for the year ended June 30, 2025, which show the state of the Scheme's affairs.

### **Principal activities**

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

### **Performance**

The performance of the Fund for the year ended June 30, 2025, is set out on pages 1-5

### **Trustees**

The members of the Board of Trustee / *Administration Committee* who served during the year are shown on page xxx

### **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



.....  
**Theresa K. Wasike (Ms.)**

**Chair of the Board/ Fund Administration Committee**

## **12. Statement of Management's Responsibilities**

Section 84 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a Fund established pursuant to Salaries and Remuneration Circulars referenced;SRC/ADM/CIR/1/13Vol.III(128) of 17th December,2014,SRC/ADM/CIR/1/13/VOLIII(130) of 29th January,2015 and SRC/ADM/CIR/1/13 VOL III (142) of 25th August,2015 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the 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 Fund for and as at the end of the financial year ended on June 30, 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 Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and pursuant to Salaries and Remuneration Circulars referenced;SRC/ADM/CIR/1/13Vol.III(128) of 17th December,2014,SRC/ADM/CIR/1/13/VOLIII(130) of 29th January,2015 and SRC/ADM/CIR/1/13 VOL III (142) of 25th August,2015. The Administrator of the Scheme is of the opinion that the Fund's financial statements give a true and fair view of the state of Scheme's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date.

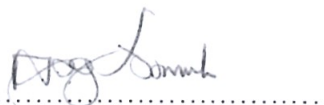
The Administrator further confirm the completeness of the accounting records maintained for the Scheme, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control. In preparing the financial statements, the Administrator of the Scheme has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the 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 \_\_\_\_\_ 2025 and signed on its behalf by:



Name: **Theresa K. Wasike (Ms.)**  
Chairman of the Fund



Name: **Gerald Kirimi**  
ICPAK Member Number: 8725  
Fund Administrator

# REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL INDUSTRIAL TRAINING AUTHORITY STAFF MORTGAGE AND CAR LOAN SCHEME FOR THE YEAR ENDED 30 JUNE, 2025

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### PREAMBLE

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

- A. Report on the 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 the Lawfulness and Effectiveness in 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 the 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 of the Auditor-General 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 National Industrial Training Authority Staff Mortgage and Car Loan Scheme set out on pages 1 to 32, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial

performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Industrial Training 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 SRC Circular Ref. No. SRC/ADM/CIR/1/13 Vol. III (128) dated 17 December, 2014 and Section 24(6)(7) of the Public Finance Management Act, 2012.

### **Basis for Opinion**

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Industrial Training 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.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit section of the report, including in relation to these matters. Accordingly, the audit included the performance of procedures designed to respond to the assessment of the risks of material misstatement of the financial statements. The results of the audit procedures, including the procedures performed to address the matters above, provide the basis for my audit opinion on the accompanying financial statements.

### **Other Matter**

#### **Late Submission of Financial Statements for 2016/2017-2023/2024 Financial Years**

The National Industrial Training Authority Mortgage and Car Loan Scheme submitted the financial statement for the scheme for the years between 2016/2017 and 2023/2024 later than the statutory timelines as stipulated in the Public Audit Act, 2015 and Public Finance Management Act, 2012.

### **Other Information**

The Management is responsible for the Other Information set out on page i to xvi which comprise of Key Fund Information and Overall Performance, Board of Trustee Information,

Management Team, Chairman's Report, Report of Fund Manager, Statement of Performance Against Predetermined Objectives, Management Discussion and Analysis, Environmental and Sustainability Reporting, and Statement of Fund Management responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the National Industrial Training Authority Mortgage and Car Loan Scheme 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 conclusion thereon.

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

### Conclusion

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

### Basis for Conclusion

#### Loan Interest Rates above Salaries and Remuneration Commission Limits

The statement of financial position reflects car loan and mortgage revolving funds amounting to Kshs.20,000,000 and Kshs.120,000,000, respectively. Review of Part 9 of the Memorandum of Understanding dated 5 August, 2016 between NITA and the financial institution managing the Car Loan and Mortgage Schemes, revealed that the agreement provides for an interest rate of five (5) percent on the loans. This is contrary to Part 6 of the Salaries and Remuneration Commission Circular No. SRC/ADM/CIR/1/13Vol.III (128) dated 17 December, 2014 which approved an interest rate of three (3) percent per annum for the duration of the loan.

In the circumstances, the beneficiaries of the Scheme may not receive the full benefits from the Public Scheme as intended by the Salaries and Remuneration Commission.

The audit was conducted in accordance with ISSAIs 3000 and 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, except for the effect of the matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **Failure to Conduct Internal Audits**

Audit verifications carried out revealed that there have been no internal audits conducted on the National Industrial Training Authority Staff Mortgage and Car Loan Scheme on the financial and non-financial performance between the financial year 2016/2017 when the Fund was established to the current financial year 2024/2025.

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

#### **Responsibilities of the Management and Board of Trustees**

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 National Industrial Training Authority Mortgage and Car Loan Scheme ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

The Management is responsible for overseeing the National Industrial Training Authority Mortgage and Car Loan Scheme financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.


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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**


**01 December, 2025**

*National Industrial Training Authority staff mortgage and Car loan scheme  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2025*


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

	Note	FY 2024/2025	FY 2023/2024
		Kshs.	Kshs.
<b>Revenue from non-exchange transactions</b>			
		0	0
<b>Revenue from exchange transactions</b>			
Interest income-Car & mortgage account	7	170,000	170,466
<b>Total revenue</b>		<b>170,000</b>	170,466
<b>Expenses</b>			
Use of goods and services	10	4,260	2,130
<b>Total expenses</b>		<b>4,260</b>	<b>2,130</b>
<b>Other gains/losses</b>			
<b>Surplus/(deficit) before tax</b>		<b>165,740</b>	<b>168,336</b>
<b>Surplus/ (Deficit) after Tax</b>		<b>165,740</b>	<b>168,336</b>

The financial statements were approved on .....by:

  
.....  
Name: Theresa K. Wasike (Ms.)  
Chairperson of the Board/Fund

  
.....  
Name: Gerald Kirimi  
Fund Administrator  
ICPAK Member Number: 8725

  
.....  
Name: Julius Ndenge  
Fund Accountant  
ICPAK M/No 8325

*National Industrial Training Authority staff mortgage and Car loan scheme  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2025*

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

	Note	FY 2024/2025	FY 2023/2024
		Kshs.	Kshs.
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	16	1,897,110	1,415,766
Loan receivables	17	78,575,058	101,992,261
Receivables from scheme banker	17	62,338,011	38,140,225
Receivable from NITA Revenue account		5,411,004	0
<b>Total Current Assets</b>		<b>148,221,183</b>	<b>141,548,252</b>
<b>Non-current assets</b>			
<b>Total Non-Current Assets</b>		<b>0</b>	<b>0</b>
<b>Total assets (A)</b>		<b>148,221,183</b>	<b>141,548,252</b>
<b>Liabilities</b>			
<b>Total Current Liabilities</b>		<b>0</b>	<b>0</b>
<b>Non- current liabilities</b>			
<b>Total non- current liabilities</b>		<b>0</b>	<b>0</b>
<b>Total liabilities (B)</b>		<b>0</b>	<b>0</b>
<b>Net Assets (A-B)</b>		<b>148,221,183</b>	<b>141,548,252</b>
<b>Represented By:</b>			
Car loan revolving fund	20	20,042,383	19,258,605
Mortgage revolving fund	21	120,870,686	120,873,881
Accumulated surplus/Deficit		1,897,110	1,415,766
NITA-Revenue Account		5,411,004	0
<b>Net Assets</b>		<b>148,221,183</b>	<b>141,548,252</b>

Note: An amount of Ksh. 5,411,004 was credited to the NITA KCB revenue Account No 1102588075 from the FY year 2018-2019, whereas car loan interest account is Ksh. 1,588,615 & mortgage interest account is Ksh. 308,514

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

The Fund financial statements were approved on \_\_\_\_\_ 2025 and signed by



Name: **Theresa K. Wasike (Ms.)**  
Chairperson of the Board/Fund



Name: **Gerald Kirimi**  
Fund Administrator  
ICPAK Member Number: 8725



Name: **Julius Ndenge**  
Fund Accountant  
ICPAK M/No 8325

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

	<b>Mortgage Fund</b>	<b>Car Loan Fund</b>	<b>Accumulated surplus</b>	<b>Total</b>
	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>
<b>As at 1 July 2024</b>	120,870,686	20,042,383	7,142,374	148,055,443
Surplus/(deficit) for the period	0	0	165,740	165,740
<b>As at 30 June 2025</b>	<b>120,870,686</b>	<b>20,042,383</b>	<b>7,308,114</b>	<b>148,221,183</b>

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

	Note	FY 2024/2025	FY 2023/2024
		Kshs.	Kshs.
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Interest received-Car & mortgage account		170,000	170,466
<b>Total receipts</b>		<b>170,000</b>	<b>170,466</b>
<b>Payments</b>			
Use of goods and services-Bank charges		4,260	2,130
<b>Total payments</b>		<b>4,260</b>	<b>2,130</b>
<b>Net cash flow from operating activities</b>		<b>165,740</b>	<b>168,336</b>
<b>Cash flows from investing activities</b>			
<b>Net cash flows used in investing activities</b>		<b>0</b>	<b>0</b>
<b>Cash flows from financing activities</b>			
<b>Net cash flows used in financing activities</b>		<b>0</b>	<b>0</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>165,740</b>	<b>168,336</b>
Cash and cash equivalents at 1 July ,2024	8	1,731,370	5,348,814
<b>Cash and cash equivalents at 30 June,2025</b>	<b>8</b>	<b>1,897,110</b>	<b>5,517,150</b>

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
	A	b	C=(a+b)	d	e=(c-d)	F=d/c
Budget carryovers from the previous year*	0	0	0	0	0	0
<b>Receipts</b>						
Interest income	170,000	0	170,000	0	170,000	%
Other income	0	0	0	0	0	%
<b>Total Revenue</b>	170,000	0	170,000	0	170,000	%
<b>Expenses</b>						
Use of goods and services	4,260	0	4,260	4,260	0	%
<b>Expenditure</b>	4,260	0	4,260	4,260	0	%
<b>Surplus for the period</b>	<b>165,740</b>	0	<b>165,740</b>	<b>0</b>	<b>0</b>	

**Budget notes**

- Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14
- Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

**19. Notes to the Financial Statements**

**1. General Information**

NITA Scheme is established by and derives its authority and accountability from the Industrial Act. The Fund is wholly owned by the Authority and is domiciled in Kenya. The Fund’s principal activity is to cater for the welfare of the staff.

**2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on accrual basis. 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 Scheme’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 2024.*

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 2024.*

Standard	Effective date and impact:
IPSAS 43: Leases	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:

Discontinued Operations	Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The objective of this standard was to improve measurement guidance across IPSAS by: <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> 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.
IPSAS 48: Transfer Expenses	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.

IPSAS 49: Retirement Benefit Plans	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> 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.
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***iii. Early adoption of standards***

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

#### **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 Fund 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.

##### **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**

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

###### **Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

##### **b. Budget information**

The original budget for FY 2024/2025 was interest for that particular year. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Fund upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund did not record additional appropriations in the FY 2024/2025. The Fund'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. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts as per the statement of financial performance has been presented under section of these financial statements.

**c. Property, plant, and equipment (PPE)**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Fund recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**d. Intangible assets**

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

**e. Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately)* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition

## **f. 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 entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* 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 entity 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 entity'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 particular investments in equity instruments.

#### **Subsequent measurement**

Based on the business model and the cash flow characteristics, the entity 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 entity 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 entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out.

**II. Financial liabilities**

**Classification**

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

**g. Contingent liabilities**

The Fund 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.

**h. 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.

**i. Nature and purpose of reserves**

The Fund creates and maintains reserves in terms of specific requirements. (*Fund to state the reserves maintained and appropriate policies adopted*).

**j. Changes in accounting policies and estimates**

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

**k. Foreign currency transactions**

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

**l. 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 Fund Managers, and Fund Accountant.

**m. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call, and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya (*remove if not applicable*) and at various commercial banks at the end of the financial year.

**n. Comparative figures**

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

**o. Events after the reporting period**

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

**p. Ultimate and Holding Fund**

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

**q. 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.

*(State all judgements, estimates, and assumptions made.)*

**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 Fund. Such changes are reflected in the assumptions when they occur. *(see IPSAS 1.140.)*

**b) Useful lives and residual values**

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

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

Notes to the Financial Statements

6. Transfers from the Parent Ministry/SC/SAGA

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Transfers from Government entities	0	0
Payments by Government entity on behalf of the Fund	0	0
Unconditional Development grants	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

6(b) Transfers from the Parent Ministry/SC/SAGA

Name of the Entity Sending the Grant	Amount recognized to Statement of Financial performance.	Amount recognised in revolving fund.	Total Current FY 2024/2025	comparative FY 2023/2024
	Kshs	Kshs	Kshs	Kshs
Transfers from the Parent Ministry/SC/SAGA	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

7. Interest income

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Interest Income from Car Loans	170,000	169,401
<b>Total Interest Income</b>	<b>170,000</b>	<b>169,401</b>

8. Other income

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Insurance recoveries	0	0
Income from Sale of Tender documents	0	0
Bad debts recovered	0	0
Miscellaneous income ( <i>Specify</i> )*	0	0
<b>Total Other income</b>	<b>0</b>	<b>0</b>

### 9. Employee Costs

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Salaries and Wages	0	0
Staff Gratuity	0	0
Staff Training expenses	0	0
Social Security Contribution	0	0
Other ( <i>Specify</i> )	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

### 10. Use of Goods and Services

	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Bank charges	4,260	2,130
<b>Total</b>	<b>4,260</b>	<b>2,130</b>

### 11. Depreciation and Amortization Expense

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Property Plant and Equipment	0	0
Intangible assets	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

### 12. Finance costs

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Interest on Bank Overdrafts	0	0
Interest on Loans from Banks	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

### 13. Gain/(loss) on disposal of assets

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Property, Plant, and Equipment	0	0
Intangible Assets	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**14. Gain/ (loss) on Fair Value Investments**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Investments at Fair Value- Equity investments	0	0
Fair value – Investment property	0	0
Fair value- other financial assets (specify)	0	0
<b>Total Gain</b>	<b>0</b>	<b>0</b>

**15. Taxation**

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
Income tax charge	0	0
Tax Charged on Interest Income	0	0
<b>Income Tax expense</b>	<b>0</b>	<b>0</b>

**16. Cash and cash equivalents**

Description	FY 2024/2025	FY 2023/2024
	Kshs.	Kshs.
NITA Car Loan/ Mortgage Account/NITA-Revenue account	1,897,110	1,731,370
<b>Total Cash and Cash equivalents</b>	<b>1,897,110</b>	<b>1,731,370</b>

**16 a) Detailed analysis of the cash and cash equivalents**

Financial Institution	Account number	FY 2024/2025	FY 2023/2024
		Kshs.	Kshs.
<b>Mortgage and Car Loan Fund</b>			
Kenya Commercial Bank Account-Car	1206410248	1,588,616	1,420,746
Kenya Commercial Bank Account-Mortgage	1206410337	308,494	310,624.30
<b>Grand Total</b>		<b>1,897,110</b>	<b>1,731,370</b>

*National Industrial Training Authority staff mortgage and Car loan scheme  
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**17. Receivables from exchange transactions**

Description	FY 2024/2025		FY 2023/2024	
	Kshs.		Kshs.	
<b>Current Receivables</b>				
Loan receivables -Staff	78,575,058		101,992,261	
Receivables from scheme banker	62,338,011		38,140,225	
Receivables from NITA Revenue account	5,411,004		4,964,296	
<b>Total Receivables</b>	<b>146,324,073</b>		<b>145,096,782</b>	

**18. Receivables from Non-Exchange transactions**

Description	FY 2024/2025		FY 2023/2024	
	Kshs.		Kshs.	
Transfers From Government Entities/SC	0		0	
Transfer From Xxx Fund	0		0	
<b>Total Receivables</b>	<b>0</b>		<b>0</b>	
<b>Ageing analysis (receivable from non-exchange transactions)</b>	<b>Current FY</b>	<b>%of total</b>	<b>Comparative FY</b>	<b>%of total</b>
Less than 1 year	78,575,059	%	101,992,261	%
Between 1-2 years	0	%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
<b>Total (tie to totals above)</b>	<b>78,575,059</b>	<b>%</b>	<b>101,992,261</b>	<b>%</b>

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19. Prepayments

Description	FY 2024/2025		FY 2023/2024	
	Kshs.		Kshs.	
Insurance		0		0
Rent		0		0
Water		0		0
Internet		0		0
Others Specify		0		0
<b>Total</b>		<b>0</b>		<b>0</b>

20. Revolving account

Car loan revolving fund		20,042,383		19,258,605
<b>TOTALS</b>		<b>20,042,383</b>		<b>19,258,605</b>

21.

Mortgage revolving fund		120,870,686		120,873,881
<b>TOTALS</b>		<b>120,870,686</b>		<b>120,873,881</b>

22. Inventory

Description	FY 2024/2025		FY 2023/2024	
	Kshs.		Kshs.	
Consumables		0		0
Other (specify)		0		0
<b>Total</b>		<b>0</b>		<b>0</b>

**Detailed Disclosure on Inventories**

	<i>FY 2024/2025</i>	<i>FY 2023/2024</i>
<b>Opening balance</b>	0	0
Additional Inventory in the year	0	0
Inventory expensed in the year	0	0
Write-downs in the year	0	0
Others specify	0	0
<b>Closing balance</b>	<b>0</b>	<b>0</b>

**23. Investments in financial assets**

<b>Description</b>	<i>FY 2024/2025</i>	<i>FY 2023/2024</i>
	<b>Kshs</b>	<b>Kshs</b>
<b>a. Investment in Treasury bills and bonds</b>		
Financial institution		
CBK	0	0
CBK	0	0
Sub- total	0	0
<b>b. Investment with Financial Institutions/ Banks</b>	0	0
Bank x	0	0
Bank y	0	0
Sub- total	0	0
<b>c. Equity investments (specify)</b>	0	0
Equity/ shares in Entity xxx	0	0
Sub- total	0	0
<b>Grand total</b>	<b>0</b>	<b>0</b>

**d. Movement of Equity Investments**

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Impairment allowance/ provision	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
At the beginning of the year	0	0
Purchase of investments in the year	0	0
Sale of investments during the year	0	0
Gain/(loss) in fair value of investments through surplus or deficit	0	0
At the end of the year	0	0

**e) Shareholding in other entities**

*For investments in equity share listed under note 21 above, list down the equity investments under the following categories*

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	Current year Kshs	Prior year Kshs
Entity A	0	0	0	0	0	0
Entity B	0	0	0	0	0	0
Entity C	0	0	0	0	0	0
	0	0	0	0	0	0

**24. Property, Plant, and Equipment**

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.		Kshs.	Kshs.
<b>Cost</b>								
At 1, July 20xx (Previous FY)	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0
Disposals	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Transfers/adjustments	0	0	0	0	0	0	0	0
Revaluation Adjustments	0	0	0	0	0	0	0	0

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Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.		Kshs.	Kshs.
<b>At 30<sup>th</sup> June 20xx (Previous FY)</b>	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
<b>At 1<sup>st</sup> July 20xx (Current FY)</b>	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0
Disposals	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Transfer/adjustments		0		0		(0)	(0)	-
Revaluation Adjustments	0	0	0	0	0			
<b>At 30<sup>th</sup> June 20xx (Current FY)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Depreciation and impairment</b>								
<b>At 1 July 20xx (Previous FY)</b>	-	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	(0)		<b>0</b>
Depreciation for the year	-	0	0	0	0	(0)		<b>0</b>
Disposals	-	(0)	(0)	(0)	(0)	(0)		(0)
Impairment	-	(0)	(0)	(0)	(0)	(0)		(0)
<b>At 30<sup>th</sup> June 20xx (Previous FY)</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>		<b>0</b>
<b>At July 20xx (Current FY)</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	(0)		<b>0</b>
Depreciation	-	0	0	0	0	(0)		<b>0</b>
Disposals	-	(0)	(0)	(0)	(0)	(0)		(0)
Impairment	-	(0)	(0)	(0)	(0)	(0)		(0)
Transfer/adjustment	-	<b>0</b>	-	<b>0</b>	-	(0)	(0)	(0)
<b>At 30<sup>th</sup> June 20xx (Current FY)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net book values</b>								

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Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
At 30 <sup>th</sup> June 20xx (Previous FY)	0	0	0	0	0	0	0	0
At 30 <sup>th</sup> June 20xx (Current FY)	0	0	0	0	0	0	0	0

25. Intangible assets

Description	FY 2024/2025		FY 2023/2024	
	Kshs.		Kshs.	
<b>Cost</b>				
At beginning of the year		0		0
Additions		0		0
Disposal		(0)		(0)
<b>At end of the year</b>		<b>0</b>		<b>0</b>
<b>Amortization and impairment</b>				
At beginning of the year		0		0
Amortization		0		0
At end of the year		0		0
Impairment loss		0		0
At end of the year		0		0
<b>Net book value</b>		<b>0</b>		<b>0</b>

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in

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fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

**26. Investment Property**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
At beginning of the year	0	0
Additions	0	0
Disposal during the year	(0)	(0)
Depreciation	(0)	(0)
Impairment	(0)	(0)
Gain/(loss) in fair value (if fair value is elected)	0	0
<b>At end of the year</b>	<b>0</b>	<b>0</b>

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

**27. Trade and other payables**

Description	FY 2024/2025		FY 2023/2024	
	Kshs.		Kshs.	
Trade payables	0		0	
Other payables	0		0	
<b>Total trade and other payables</b>	<b>0</b>		<b>0</b>	
Ageing analysis: (Trade and other payables)	Current FY	% of total	Comparative FY	% of total

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Under one year	0	%	0	%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
<b>Total</b>	<b>0</b>	<b>%</b>	<b>0</b>	<b>%</b>

**28. Refundable Deposits and Prepayments from Customers**

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
Customer deposits	0		0	
Prepayments	0		0	
Other deposits	0		0	
<b>Total deposits</b>	<b>0</b>		<b>0</b>	
<b>Ageing analysis: (Refundable deposits)</b>	<b>FY 2024/2025</b>	<b>% of the Total</b>	<b>FY 2023/2024</b>	<b>% of the Total</b>
<b>Under one year</b>	0	%	0	%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
<b>Total</b>	<b>0</b>		<b>0</b>	

**29. Borrowings**

	FY 2024/2025	FY 2023/2024
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<b>Borrowings</b>	<b>Kshs</b>	<b>Kshs</b>
Kenya Shilling Loan From KCB	0	0
Kenya Shilling Loan from Barclays Bank	0	0
Kenya Shilling Loan from Consolidated Bank	0	0
Loans from other government institutions	0	0
Other loans (specify)	0	0
<b>Total Balance at End Of The Year</b>	<b>0</b>	<b>0</b>

<b>Description</b>	<i>FY 2024/2025</i>	<i>FY 2023/2024</i>
	<b>Kshs</b>	<b>Kshs</b>
Short Term Borrowings (Current Portion)	0	0
Long Term Borrowings	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

*(NB: the total of this statement should tie to note 26 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed). Borrowings should be measured at amortised cost as per IPSAS 41*

**30. Net cash flows from operating activities**

<b>Description</b>	<i>FY 2024/2025</i>	<i>FY 2023/2024</i>
	<b>Kshs.</b>	<b>Kshs.</b>
<b>Surplus/ (deficit) for the year before tax</b>	165,740	1,031,248
<b>Adjusted for:</b>		
Depreciation	0	0
Amortisation	0	0
Gains/ losses on disposal of assets	(0)	(0)
Interest income	(0)	(0)
Finance cost	0	0
<b>Working capital adjustments</b>		
Increase in inventory	(0)	(0)

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Increase in receivables	(0)	(0)
Increase in payables	0	0
<b>Net cash flow from operating activities</b>	<b>165,740</b>	<b>1,031,248</b>

*(The total of this statement should tie to the cash flow section on net cash flows from operating activities)*

**31. Financial risk management**

The Fund’s activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund’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 Fund 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 Fund’s financial risk management objectives and policies are detailed below:

**a) Credit risk**

The Fund 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 trade and other receivables and available-for-sale financial investments.

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, estimated by the Fund’s management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the Fund’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				

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Receivables From Exchange Transactions-Car loans and mortgages	0	0	0	0
Receivables From Non-Exchange Transactions	0	0	0	0
Bank Balances	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	0	0	0	0
<b>At 30 June 2025</b>	0	0	0	0
Receivables From Exchange Transactions- Car loans and mortgages	78,575,059	78,575,059	0	0
Receivables From Non-Exchange Transactions	0	0	0	0
Receivables From Exchange Transactions- Banker	62,338,011	62,338,011		
Receivables From Exchange Transactions-NITA Revenue account	5,411,004	5,411,004		
Bank Balances	1,897,110	1,897,110	0	0
<b>Total</b>	<b>148,221,184</b>	<b>148,221,184</b>	<b>0</b>	<b>0</b>

*(NB: The totals column should tie to the individual elements of credit risk disclosed in the Fund's statement of financial position).*

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 Fund has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Fund has significant concentration of credit risk on amounts due from xxx. The board of trustees sets the Fund'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 Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the Fund's short, medium, and long-term funding and liquidity management requirements. The Fund manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs.	Kshs.	Kshs.	Kshs.
<b>At 30 June 2025</b>				
Trade Payables	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At 30 June 2025</b>				
Trade Payables	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**c) Market risk**

The board has put in place an internal audit function to assist it in assessing the risk faced by the Fund 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 Fund's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Fund's Finance Department is responsible for the development of detailed risk management policies (*subject to review and approval by the Audit and Risk Management Committee*) and for the day-to-day implementation of those policies.

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

**d) Interest rate risk**

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Interest rate risk is the risk that the Fund's financial condition may be adversely affected as a result of changes in interest rate levels. The Fund's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund'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 Fund 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. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs. xxx (20xx: Kshs. xxx ). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs. xxx (20xx-- Kshs. xxx)

**e) Capital risk management.**

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

<b>Description</b>	<b>FY 2024/2025</b>	<b>FY 2023/2024</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Revolving fund	140,913,069	140,132,486
Accumulated surplus ( <i>Reserves</i> )	7,308,115	6,380,062
<b>Total funds</b>	<b>148,221,184</b>	<b>146,512,548</b>
Less: cash and bank balances	(0)	(0)
Net debt/(excess cash and cash equivalents)	0	0
<b>Gearing</b>	<b>0%</b>	<b>0%</b>

**32. Related party balances**

**a) Nature of related party relationships**

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

- a) National government Fund
- b) Key management;
- c) Board of Trustees/Committee; etc.

**b) Related party transactions**

- i. Transfers from related parties

Description	<i>FY 2024/2025</i>	<i>FY 2023/2024</i>
	<b>Kshs.</b>	<b>Kshs.</b>
Transfers from related parties	0	0

- i. Key management remuneration

Description	<i>FY 2024/2025</i>	<i>FY 2023/2024</i>
	<b>Kshs.</b>	<b>Kshs.</b>
Board of Trustees	0	0
Key Management Compensation	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**33. Events after the Reporting Period**

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

**34. Ultimate And Holding Entity**

The Entity is a Fund under the sponsorship of NITA entity which is a SAGA

**35. 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.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from the final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Fund responsible for implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to the National Treasury.

Fund Manager/Accounting Officer (enter title of head of Fund)

**Date**.....



**Annex III: Reporting of Climate Relevant Expenditures**

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementin g Partners
				Q 1	Q 2	Q 3	Q 4		

**Annex IV: Reporting on Disaster Management Expenditure**

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Program me	Sub-program me	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expend iture item	Amount (Kshs.)	Comme nts