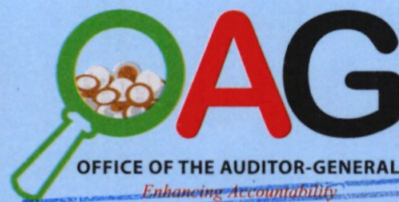


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
Enhancing Accountability



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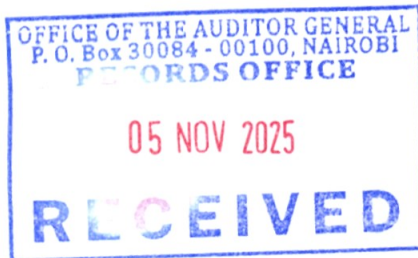
OFFICE OF THE REGISTRAR OF  
POLITICAL PARTIES STAFF  
MORTGAGE AND CAR LOAN SCHEME

FOR THE YEAR ENDED  
30 JUNE, 2025

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P.O. Box 1131-00606  
Sarit Centre, Nairobi.

## OFFICE OF THE REGISTRAR OF POLITICAL PARTIES

### STAFF MORTGAGE AND CAR LOAN SCHEME

### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30<sup>TH</sup> JUNE 2025

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



**The Office of Registrar of Political Parties Mortgage/ Car Loan Scheme  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2025**

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## 1. ACRONYMS AND DEFINITION OF KEY TERMS

### i) Acronyms

CBK	Central Bank of Kenya
CEO	Chief Executive Officer
CSR	Corporate Social Responsibility
DG	Director General
FY	Financial Year
HRM	Human Resource Management
ICPAK	Institute of Certified Public Accountants of Kenya
ICT	Information and Communication Technology
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
MOU	Memorandum of Understanding
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
ORPP	The Office of the Registrar of Political Parties
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

### ii) Definition of Key Terms

<b>Comparative Year</b>	Means the prior period.
<b>Fiduciary Management</b>	Members of Management directly entrusted with the entity's financial resources
<b>Registrar</b>	The Registrar of Political Parties
<b>The Office</b>	Means the Office of the Registrar of Political Parties

## **2. KEY FUND INFORMATION AND MANAGEMENT**

### **a) Background information**

The Office of the Registrar of Political Parties Staff Mortgage and Car Loan Scheme (the Scheme Fund) is established pursuant to the Salaries and Remuneration Commission vide Circular No .SRC/ADM/CIR/1/13.III (128) dated 17th December, 2014. The Office developed the Political Parties (Staff Mortgage and Car Loan Scheme) Regulations, 2017, which were gazetted vide legal notice No. 294 on 29th December, 2017 to guide the implementation of the Scheme. The Fund is wholly owned by the Office of the Registrar of Political Parties (ORPP) and is domiciled in Kenya.

### **b) Principal Activities**

The objective of the Fund is to empower ORPP staff to benefit from Government funded loans, to access mortgage facilities and purchase cars for non-commercial use. It is expected that the scheme will continue to motivate and contribute towards attraction and retention of requisite skills in the Office of the Registrar of Political Parties.

The Fund Administrator is Housing Finance (HF). The Staff Mortgage and Car Loan Committee was established pursuant to Regulation 7 of the Political Parties (Staff Mortgage and Car Loan Scheme) Regulations, 2017. The committee is 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.

The principal activities of the Scheme are to: -

- i) Purchase existing residential property;
- ii) Purchase land and construct residential property;
- iii) Construct, renovate and improve existing residential property;
- iv) Takeover loans on existing mortgages;
- v) Provide equity release;
- vi) Purchase cars; and
- vii) Take-over of existing car loans.

**The Office of Registrar of Political Parties Mortgage/ Car Loan Scheme  
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**c) Key Management**

Table 1: Key Management

Position	Name
Fund Manager/ Administrator	Housing Finance Corporation

**d) Fiduciary Oversight Arrangements**

**i) Internal Audit**

The Staff Mortgage and Car Loan facility is audited by internal audit of ORPP whose reports are tabled to the Audit Committee.

**ii) Staff Mortgage and Car Loan Advisory Committee**

The Staff Mortgage and Car Loan Advisory Committee has a fiduciary responsibility and comprise of the following members: -

Table 2: Staff Mortgage and Car Loan Advisory Committee

S/No.	Name	Designation	Appointment
i)	Joshua Kimulu	Director, Finance, Political Parties Fund and Strategy	Chairperson
ii)	Jane Kamau	Deputy Director, Administration	Vice Chairperson
iii)	Anastacia Kaberere	Deputy Director, Political Parties Capacity Building	Member
iv)	Douglas Wanzala	Deputy Director, Accounting Services	Member/Liaison Officer
v)	Elizabeth Ndwiga	Legal Officer	Member
vi)	Lenard Rotich	ICT Officer	Member
vii)	Jacqueline Kosgei	Assistant Director HRM	Secretary (Up to January 2025)
viii)	Damaris Mwendwa	Deputy Director, HRM	Secretary (From February 2025)
<b>Secretariat</b>			
i)	Elizabeth Wakesho	Senior HRM Officer	Secretariat
ii)	Ruth Kerito	Senior Office Administrator	Secretariat

**The Office of Registrar of Political Parties Mortgage/ Car Loan Scheme**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2025**

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**e) ORPP Headquarters**

P.O. Box 1131 – 00606,  
 Lion Place 4<sup>th</sup> Floor,  
 Karuna Close, Off Waiyaki Way,  
 Westlands, Nairobi, Kenya  
 Telephone: (254) (020) 4022000  
 E-mail: [info@orpp.or.ke](mailto:info@orpp.or.ke)  
 Website: [www.orpp.or.ke](http://www.orpp.or.ke)

**Table 3: Office of the Registrar of Political Parties - Regional offices**

i. <b>Kisumu</b> Re-insurance Plaza 3 <sup>rd</sup> floor Wing B Oginga Odinga Road <a href="mailto:kisumu@orpp.or.ke">kisumu@orpp.or.ke</a> +254(0)204022442	ii. <b>Mombasa</b> Jubilee Building, 2 <sup>nd</sup> Floor Moi Avenue, <a href="mailto:mombasa@orpp.or.ke">mombasa@orpp.or.ke</a> +254(0)204022401	iii. <b>Uasin-Gishu</b> Kerio-Valley Development Authority (KVDA) Plaza 7 <sup>th</sup> floor, Oloo Street <a href="mailto:uasingishu@orpp.or.ke">uasingishu@orpp.or.ke</a> +254(0)204022427
iv. <b>Isiolo</b> County Estate, Isiolo Township Plot No.LR7918/164 <a href="mailto:isiolo@orpp.or.ke">isiolo@orpp.or.ke</a> +254(0)204022411	v. <b>Machakos</b> Mutunguni Plaza 4 <sup>th</sup> Floor Syokimau Avenue <a href="mailto:machakos@orpp.or.ke">machakos@orpp.or.ke</a> +254(0)204022416	vi. <b>Nakuru</b> Assumption Centre 4 <sup>th</sup> Floor Moi Road <a href="mailto:nakuru@orpp.or.ke">nakuru@orpp.or.ke</a> +254(0)204022432
vii. <b>Nyeri</b> Advocates Plaza, Baden Powell Road <a href="mailto:nyeri@orpp.or.ke">nyeri@orpp.or.ke</a> +254(0)204022419	viii. <b>Bungoma</b> Daima Plaza Bungoma – Mumias Road <a href="mailto:bungoma@orpp.or.ke">bungoma@orpp.or.ke</a> +254(0)204022439	ix. <b>Malindi</b> Malindi-Complex Mall Malindi – Garsen Road <a href="mailto:malindi@orpp.or.ke">malindi@orpp.or.ke</a> +254(0)204022403
x. <b>Nyahururu</b> GF Plaza Kenyatta Avenue <a href="mailto:nyahururu@orpp.or.ke">nyahururu@orpp.or.ke</a> +254(0)204022418	xi. <b>Garissa</b> ORPP of the Auditor General Second Floor <a href="mailto:garissa@orpp.or.ke">garissa@orpp.or.ke</a> +254(0)204022408	xii. <b>Kitale</b> One Tanna Towers Fourth Floor <a href="mailto:kitale@orpp.or.ke">kitale@orpp.or.ke</a> +254(0)204022426

**f) Fund Bankers**

Housing Finance Corporation  
Koinange Street  
P.O. Box 30088  
City Square 00100  
Nairobi, Kenya

**g) Independent Auditor**




Auditor-General  
Office of The Auditor General  
Anniversary Towers, University Way  
P.O. Box 3008 - 00100  
Nairobi, Kenya

**h) Principal Legal Adviser**

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

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**3. STAFF MORTGAGE AND CAR LOAN ADVISORY COMMITTEE**

 <p><b>CPA Joshua M. Kimulu</b> Director, Finance, Political Parties Fund and Strategy</p>	<p>Mr. Joshua Kimulu is responsible for effective implementation of prudent financial management strategies, policies, standards and procedures in budget planning and preparation, and resource mobilisation. He holds a Master of Science Degree in International Economics and Business from University of Groningen, the Netherlands, a Bachelor of Arts Degree in Economics from Moi University. He is a Certified Public Accountants (CPA K), has a certificate in Strategic Leadership development Programme (SLDP) and a certificate in Senior Management Course (SMC) from Kenya School of Government and a Professional Certificate in International Trade from the University of Adelaide, Australia.</p>
 <p><b>Jane N. Kamau</b> Deputy Director, Administration</p>	<p>Jane Kamau is the head of Administration Department. The Department is responsible for with providing the logistical support for ORPP operations in order to ensure the smooth running of Office activities. She holds a Master of Arts in Linguistics and a Bachelor of Education (BEd), both from the University of Nairobi, and is a member of the Kenya Institute of Management (KIM).</p>
 <p><b>CPA Douglas Wanzala</b> Deputy Director, Accounting Services</p>	<p>Douglas Wanzala is responsible for implementing prudent financial management policies, strategies, standards, procedures in accounting in line with Public Financial Management Act (PFM) and other Treasury Circulars. He holds a Master of Science (Msc) in Finance and Economics, and a Bachelor of Commerce degree (Finance Option) from KCA University. He is a Certified Public Accountant and a Member of the Institute of Certified Public Accountants of Kenya (ICPAK). He has a certificate in Strategic Leadership development Programme (SLDP) and a certificate in Senior Management Course (SMC) from Kenya School of Government.</p>

**The Office of Registrar of Political Parties Mortgage/ Car Loan Scheme  
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	<p>Jacqueline holds a Bachelor of Arts degree in Government and Public Administration, a Higher National Diploma in HRM, a Master of Business Administration (Strategic Management), and has attended various leadership and management courses at the Kenya School of Government. She is a full and active member of the Institute of Human Resource Management (IHRM). Jacqueline is the former Assistant Director HRM. She held the position until January 2025.</p>
<p><b>Jacqueline Kosgei</b> Assistant Director, HRM</p>	<p>She holds a Master's degree in Business Administration (Project Management) Bachelor's Degree in Business Administration (Human Resource Management), and a Diploma in Business Management. She has also attended numerous short courses, key among them the Strategic Leadership Course, Governance and Public Policy, Facilitators Course, 21st Global Leadership course, and Senior Management Course.</p>
	<p>Elizabeth Ndwiga holds a Bachelor of Laws Degree (LLB) from the University of Nairobi, a Post Graduate Diploma from the Kenya School of Law and is a duly admitted Advocate of the High Court of Kenya. She is also currently pursuing a Master of Laws from the University of Nairobi and is a Certified Public Secretary and a member of the Institute of Certified Secretaries of Kenya (ICS).</p>
	<p>Lenard K. Rotich holds a Diploma in Information Technology from Kenya School of Professional Studies and ACCA Part I. He holds a Senior Management Course from Kenya School of Government (KSG).</p>
	
<p><b>Leonard Rotich</b> ICT Officer</p>	

**The Office of Registrar of Political Parties Mortgage/ Car Loan Scheme  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2025**

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**Damaris Mwendwa Ngondi**  
Deputy Director, HRM

Ms. Damaris Mwendwa is the Head of Human Resource Management at the ORPP of the Registrar of Political Parties.

She holds a Master of Business Administration (Human Resource Management) and a Bachelor of Arts degree, both from the University of Nairobi. In addition, she possesses a Diploma in Human Resource Management and is a Certified Human Resource Professional (CHRP-K). She is also a Certified Executive Coach accredited by the Academy of Executive Coaching (UK), a Certified Change Management Practitioner by PROSCI (USA), and a Certified Public Accountant (CPA-K).

#### **4. CHAIRPERSON'S REPORT**

The Office of the Registrar of Political Parties Staff Mortgage and Car Loan Scheme provides staff with an opportunity to acquire/buy/build a home for non-commercial use and purchase non-commercial cars using a mortgage facility and car loan scheme respectively that is affordable and has longer repayment period. The Scheme is set up as a revolving fund and is overseen by the Staff Mortgage and Car Loan Advisory Committee constituted in line with the Political Parties (Mortgage and Car Loan Scheme) Regulations, 2017. The ORPP mortgage facility and Car Loan Scheme is established pursuant to the Salaries & Remuneration Commission (SRC) approval guidelines for State Officers and other public officers to benefit from Government funded loans.

The Scheme was established in the FY2017/18 when the National Treasury provided the first budget allocation of Kshs.65, 000,000 and Kshs.10,100,000 to the Mortgage and Car Loan Scheme respectively. The scheme received an additional budget of Kshs.75,000,000, Kshs.30,024,938 and Kshs.10,875,000 during the FYs 2018/19, 2019/20 and 2020/21 for mortgage respectively. The Scheme also received Kshs.12,000,000 in the FY2018/19 and Kshs.10,000,000 during FY2019/20 for car loan. Cumulatively, the Office has received one hundred eighty million eight hundred ninety-nine thousand nine hundred thirty-eight shillings (Kshs. 180,899,938) and thirty- two million one hundred thousand shillings (Kshs.32,100,000) from the National Treasury since its inception. The Scheme has been in operation for seven (7) years.

The Staff Mortgage Advisory Committee in line with Regulation 10 (2) (a) of the Political Parties (Mortgage and Car Loan Scheme) Regulations, 2017, procured Housing Finance (HF) as the service provider for the Scheme through a competitive process. The Committee in conjunction with the service provider has continued to sensitize staff on the available facilities within the scheme through annual staff meetings, activation programmes and one to one clinics.

In the FY2024/25, the committee processed and disbursed thirteen (13) loans amounting to forty-four million shillings (Kshs.44,000,000). Out of the thirteen (13) loans disbursed, six (6) loans were for car purchase amounting to nine million nine hundred fifty thousand shillings (Kshs.9,950,000) while one (1) loan amounting to four million three hundred thousand shillings (Kshs.4,300,000) was for house purchase, three (3) loans amounting to nine million two hundred and fifty thousand shillings (Kshs.9,250,000) was for plot purchase and three (3) loans amounting to twenty million five hundred thousand shillings (Kshs.20,500,000) was for equity release.

**The Office of Registrar of Political Parties Mortgage/ Car Loan Scheme**  
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During the FY2024/25, the mortgage facility earned one million thirty-two thousand five hundred and forty shillings (Kshs.1,032,540) as net interest while the Car loan facility earned seven hundred fifty thousand three hundred seventy-seven shillings (Kshs.750,377) as net interest. In total, the two facilities earned net interest amounting to one million seven hundred eighty-two thousand nine hundred seventeen shillings (Kshs.1,782,917).

The total withholding tax subjected to the interest income earned during the FY2024/25 amounted to three hundred fourteen thousand six hundred and thirty-three shillings (Kshs.314,633) being one hundred eighty-two thousand two hundred thirteen shillings (Kshs.182,213) and one hundred thirty-two thousand four hundred and twenty shillings (Kshs.132,420) for mortgage and car loan scheme respectively.

Cumulatively, from 2018 to 30<sup>th</sup> June 2025, a total of two hundred sixty-six million six hundred seventy-six thousand six hundred twenty-six shillings (Kshs.266,676,626) was disbursed for the mortgage while fourteen million seven hundred ten thousand shillings (Kshs.14,710,000) for the car loan scheme bringing the total disbursements from the scheme since it's operationalization to two hundred eighty-one million three hundred eighty-six thousand six hundred twenty-six shillings (Kshs.281,386,626).

As at 30<sup>th</sup> June, 2025, nine (9) mortgage disbursements amounting to seventy-six million one hundred eight four thousand five hundred shillings (Kshs. 76,184,500) and three (3) car loan disbursement amounting to three million five hundred twenty thousand shillings (Kshs. 3,520,000) had been fully settled.

The Mortgage component has witnessed remarkable performance as the initial capital from the Government has been utilized 100% while the Car Loan has realized 45.97% absorption of the initial capital. As at the closure of the reporting period, across both products, a total of forty-five (45) staff had benefited from the Scheme out of which thirty (30) were females and fifteen (15) males. The male constitutes 33% of the total uptake while the female constitutes 67%. With the enhancement of staff establishment, the committee has noted an increase in the number of applications and the future outlook of the scheme is expected to improve. The Committee and Service provider have continued to offer sensitizations of both the mortgage and car loan facility to the staff as it is a revolving Fund.

**The Office of Registrar of Political Parties Mortgage/ Car Loan Scheme**  
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Based on the increased uptake of loans from the facility and increased staff numbers, it is anticipated that the Fund may be depleted since the Office has not received any additional funding towards the scheme from the National Treasury since the FY2020/21. The Office will endeavor to continue to engage the National Treasury for more resource allocation to the Scheme.



**CPA Joshua M. Kimulu**  
Chairperson, Mortgage and Car Loan Advisory Committee

**The Office of Registrar of Political Parties Mortgage/ Car Loan Scheme  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2025**

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**5. REPORT OF THE FUND MANAGER/ ADMINISTRATOR**

**5.1 Overview**

ORPP Car and Mortgage Scheme was initiated on the 5<sup>th</sup> June, 2018 with HFC as guided by SRC. The scheme was renewed on the 1<sup>st</sup> March, 2024 after the lapse of the previous agreement for a period of 5 years. The objective of the funded scheme is to subsidize/ give preferential rate of 3% to staff of ORPP who want to access mortgage and car loan facilities upon recommendation by the Scheme Committee.

As at 30<sup>th</sup> June 2025, total funds disbursed stood at two hundred eighty-one million three hundred eighty-six thousand six hundred twenty-six shillings (Kshs.281,386,626) across both products with a total of forty-five (45) beneficiaries. The categories of products under the scheme include; Mortgage, plot purchase, buy and build, equity release, construction mortgage and car loan.

Over the period, nine (9) mortgage disbursements amounting to seventy-six million one hundred eight four thousand five hundred shillings (Kshs. 76,184,500) and two (3) car loan disbursement amounting to three million five hundred twenty thousand shillings (Kshs. 3,520,000) have fully been settled.

As at 30<sup>th</sup> June 2025, total active accounts disbursed stood at two hundred and one million six hundred eighty-two thousand one hundred twenty-six shillings (Kshs.201, 682,126) across both products with a total of thirty-three (33) beneficiaries.

Total gross interest earned for the FY2024/25 was one million two hundred fourteen thousand seven hundred fifty-three shillings (Kshs.1,214,753) for the mortgage scheme and eight hundred eighty-two thousand seven hundred ninety-seven shillings (Kshs.882,797) for the car loan scheme.

The Scheme certificate of bank balance for the financial year ended 30<sup>th</sup>June 2025 is as follows:

Table 4: Scheme Bank Balance

Type of account	Title of account	Account number	Balance as at 30/06/2025
Fixed Term Deposit A/c	ORPP mortgage High Interest A/c	2327693401	30,404,523.32
Fixed Term Deposit A/c	ORPP car High Interest A/c	2327693402	29,456,702.35

## **5.2 Successes**

The following are the highlights of the achievements: -

- i) The initiative has benefited forty-five (45) staff so far who have either acquired property or owned a car at an affordable interest rate of 3% through the scheme;
- ii) Given the nature of the revolving fund, repayments continue to create capital movement for others to access and benefit from it;
- iii) The loans advanced so far under the scheme are all performing with zero cases of default; and;
- iv) The administration process to the end user has been seamless right from making the application to disbursement.

## **5.3 Challenges**

The challenges experienced in the course of administering the Scheme includes: -

- i) Notable delays from land offices; and
- ii) Straight purchase finances complete units and not off plan, limiting options for potential employee seeking straight purchase.

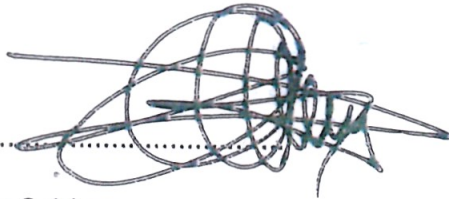
## **5.4 Future Outlook**

In the administrators view, the future outlook will be informed by the following: -

- i) Partnership with reputable developers of affordable housing across the real estate industry by way of MOU to allow present a packaged solution that is practical, realistic and appealing to encourage uptake/ utilization of the facility;
- ii) Quarterly member education including financial literacy;
- iii) Planning sensitization activities around scheme for paradigm shift and increased utilization; and
- iv) Partnership with state department of housing to deliver affordable housing units in the market.

We are confident that the scheme is meeting its primary benefit as prescribed below: -

- i) Facilitating staff to acquire affordable houses;
- ii) Facilitating staff mobility through acquisition of own cars;
- iii) Retaining of the institutions' key resource (Human Resource);
- iv) Branding ORPP as the employer of choice;
- v) Motivating Employees and promoting staff loyalty
- vi) Attracting and retaining the best talent from the labour market;
- vii) Reasonable cost and risk; and
- viii) Cushioning employees from high market rates.



.....  
**George Ochieng**  
Relationship Manager, Schemes  
Housing Finance Corporation

## 6. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

### 6.1 Introduction

The ORPP strategic plan under Key Result Area three recognizes the need to strengthen institutional capacity. The mortgage and Car loan scheme is one of the initiatives towards meeting this strategic goal. In the period under review, the following were the milestones realized under the scheme:

#### 6.1.1 Progress on the attainment of Strategic Objectives of the Scheme

The main objective of the Scheme is to provide access to affordable housing and cars credit facilities.

Cumulatively, from 2018 to 30<sup>th</sup> June 2025, a total of two hundred sixty-six million six hundred seventy-six thousand six hundred twenty-six shillings (Kshs.266,676,626) has been disbursed for the mortgage while fourteen million seven hundred ten thousand shillings (Kshs.14,710,000) for the car loan scheme bringing the total disbursements from the scheme since it's operationalization to two hundred eighty-one million three hundred eighty-six thousand six hundred twenty-six shillings (Kshs.281,386,626).

As at 30<sup>th</sup> June 2025, thirty-five (35) applicants had benefited from the mortgage facility while ten (10) applicants benefited from the Car Loan Scheme. In terms of gender, twenty-five (25) females and ten (10) males benefited from the mortgage scheme while five (5) male and five (5) female benefited from the car loan scheme.

During the period under review, thirteen (13) loans amounting to forty-four million shillings (Kshs. 44,000,000) were processed and disbursed. Out of the thirteen (13) loans disbursed, six (6) was for car purchase amounting to nine million nine hundred fifty thousand shillings (Kshs.9,950,000), one (1) amounting to four million three hundred thousand shillings (Kshs.4,300,000) was for house purchase, three (3) amounting to nine million two hundred and fifty thousand shillings (Kshs.9,250,000) was for plot purchase and three (3) loans amounting to twenty million five hundred thousand shillings (Kshs.20,500,000) was for equity release.

Over the same period, the mortgage facility earned one million thirty-two thousand five hundred and forty shillings only (Kshs.1,032,540) as net interest while the Car loan facility earned seven hundred fifty thousand three hundred seventy-seven shillings (Kshs.750,377) as net interest. In total, the two facilities earned net interest amounting to one million seven hundred eighty-two thousand nine hundred seventeen shillings only (Kshs.1,782,917).

## **7. CORPORATE GOVERNANCE STATEMENT**

### **I. Appointment and Tenure of Committee Members**

The Staff Mortgage and Car Loan Advisory Committee was appointed by the Registrar of Political Parties in accordance with Regulation 7 (1) of the Political Parties (Staff Mortgage and Car Loan Scheme) Regulations, 2017. The Registrar appointed seven (7) members of staff among them a Chairperson, a Vice Chairperson and the Secretary to the committee. The secretariat of the committee is drawn from the Human Resource department. Members of the committee have nominated a liaison officer from amongst themselves. The tenure of the committee is for a period of three (3) years.

### **II. Roles and Functions of the Committee**

Under regulation 10, the committee responsibilities are to: -

- i) Select competitively the service provider for the administration of the scheme;
- ii) Liaise with the service provider to establish a revolving fund for the disbursement of loans;
- iii) Supervise day to day running of the Scheme;
- iv) Process applications for loans in accordance with the existing terms and conditions of borrowing;
- v) Forward the successful applications with recommendations to the service provider for approval among others.
- vi) Identify and credit valuation firms for the purpose of rendering valuation and services; and
- vii) Identify and credit law firms for the purpose of rendering legal services.

### **III. Induction, Training and Development**

The Committee in the course of the period, were sensitized on emerging and topical issues on the Scheme. The Staff were also sensitized on the Scheme through staff meetings, clinics and webinars organized by the Committee.

During the period under review, staff provided valuable feedback to improve the running of the Scheme through survey. Further, the Committee continuously evaluated the performance of the service provider based on feedback from the staff to determine the efficacy in line with contractual responsibilities.

#### **IV. Committee and Members Performance**

During the reporting period, The Mortgage Committee conducted its mandate in line with Mortgage and Car Loan scheme Regulations. The Committee made commendable progress in improving the accessibility and uptake of mortgage and car loan facilities among staff. Several key initiatives were undertaken during the period including:

- i) Conducting a satisfaction survey among ORPP staff. The results of the survey informed areas of improvement in the provision of the service. The results also revealed the need for more sensitization of staff on the mortgage and car loan products as well as the loan acquisition process.
- ii) Organizing a three-day forum of engagement between the staff and the scheme administrator. The forum provided an opportunity to address key concerns and clarify the procedures involved in Recognizing the applying for the loans. At the end of the forum, staff indicated increased understanding of the benefits of the scheme, the options therein and the loan acquisition process.
- iii) Holding a meeting with Scheme Administrator to resolve perceived bottlenecks revealed in the satisfaction survey, for instance, the lengthy loan application and disbursement process and lean panel of service providers. In the meeting, it was agreed that the Scheme Administrator would provide at least five service providers in each panel for applicants' consideration. The resolutions of the meeting led to streamlining of procedures and reduced delays, further encouraging more staff members to take up the products.

Through consistent engagement, strategic negotiations, and effective staff sensitization, the Mortgage Committee has significantly enhanced the performance of the staff loan scheme. These initiatives have not only improved loan uptake but also strengthened the sustainability of the mortgage facility for the benefit of all staff members.

**The Office of Registrar of Political Parties Mortgage/ Car Loan Scheme**  
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**V. Committee Meetings and Attendance**

In the year under review, the Committee held eighteen (18) meetings as indicated below;

Table 5: Committee Meetings and Attendance

S/No.	Date of Meeting	Membership	Percentage
1.	3 <sup>rd</sup> July 2024	5/7	71%
2.	5 <sup>th</sup> July 2024	4/7	57%
3.	12 <sup>th</sup> August 2024	4/7	57%
4.	13 <sup>th</sup> August 2024	4/7	57%
5.	16 <sup>th</sup> September 2024	5/7	71%
6.	19 <sup>th</sup> September 2024	6/7	86%
7.	28 <sup>th</sup> October 2024	6/7	86%
8.	29 <sup>th</sup> October 2024	6/7	86%
9.	2 <sup>nd</sup> November 2024	5/7	71%
10.	9 <sup>th</sup> December 2024	4/7	57%
11.	27 <sup>th</sup> February 2025	6/7	86%
12.	28 <sup>th</sup> February 2025	5/7	71%
13.	1 <sup>st</sup> April 2025	7/7	100%
14.	2 <sup>nd</sup> April 2025	5/7	71%
15.	4 <sup>th</sup> April 2025	6/7	86%
16.	5 <sup>th</sup> May 2025	5/7	71%
17.	16 <sup>th</sup> May 2025	7/7	100%
18.	10 <sup>th</sup> June 2025	4/7	57%

**VI. Succession Plan**

The tenure of the Mortgage and Car Loan advisory committee is three (3) years and the Office has put mechanisms for continuity of the Committee. The initially appointed Committee consisted of members of varied age groups and upon expiry of its term, a new Committee was constituted comprising of former and new members.

**The Office of Registrar of Political Parties Mortgage/ Car Loan Scheme**  
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**VII. Policy to Manage Conflict of Interest**

The Committee members are required to declare their conflict of Interest if they intend to undertake an activity where they have an interest or their participation may make them provide a decision in their favour. The members declare and sign the Conflict-of-Interest register maintained by the Office and the same is documented in the minutes. In its processes, the committee observed principles of conflict of interest as stipulated in Public Officer Ethics Act CAP 185B, Leadership and Integrity Act CAP 185C and ORPP Staff Code of Conduct and Ethics.

**VIII. Committee Remuneration**

The Committee members were not remunerated as they are ORPP staff.

**IX. Ethics and Conduct**

The Committee was guided by the ORPP Staff Code of Conduct and Ethics in the execution of its mandate and decisions arrived by consensus within its governance structure. The Committee was further guided by the provisions of Chapter Six of the Constitution on Leadership and Integrity and Articles 10 and 232 of the Constitution; Leadership and Integrity Act CAP 185C; Public Service (Values and Principles) Act, CAP 185 A; Public Officer Ethics Act, CAP 183; Anti-corruption and Economic Crimes Act, CAP 65; Labour Relations Act, CAP. 233.

**X. Governance Audit**

The internal Audit undertakes the governance audit in line with Public Finance Management Regulation, 2015 and the Global Internal Audit Standards 6.1. It also provides reasonable assurance to the Committee on the state of risks, control and governance. Additionally, the Scheme is audited annually by the Office of the Auditor-General.

**XI. Communication Policy**

The Committee was guided by the Communication Policy to undertake its communication and publicity initiatives. It utilized the policy in publicizing and sensitization of its activities in the ORPP bulletins, adhering to established corporate styles in its documentation including its correspondences to internal and external publics. The records and data were also maintained and disclosed in compliance with access to information and data protection requirements.

**The Office of Registrar of Political Parties Mortgage/ Car Loan Scheme**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2025**

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**XII. Terms of Reference of Committee**

The Committee's Terms of Reference were: -

- i) select competitively the Service Provider for the administration of the Scheme on behalf of the Office;
- ii) liaise with the Service Provider to set up a revolving Fund for the disbursement of loan;
- iii) supervise the day-to-day running of the Scheme;
- iv) process applications for loans in accordance with the existing terms and conditions of borrowing;
- v) forward the successful applications with recommendations to the Service Provider for approval;
- vi) identify and credit valuation firms for the purpose of rendering valuation and services; and
- vii) identify and credit law firms for the purpose of rendering legal services.

**XIII. Laws and Policy on Related Party Transactions**

The Committee made reference to all the relevant laws and regulations policies and guidelines which included the Constitution, Public Finance and Management Act CAP 412A, Political Parties (Staff Mortgage and Car Loan Scheme) Regulations 2017, Public Procurement and Asset Disposal Act CAP 412C and ORPP Human Resources Policy and Procedures Manual among others to guide its operations.

## **8. MANAGEMENT DISCUSSION AND ANALYSIS**

### **I. Operation and Financial Performance of the Scheme**

The ORPP Staff Mortgage and Car Loan Scheme provides staff of the Office of the Registrar of Political Parties (ORPP) with an opportunity to buy or build a house or improve residential property using a mortgage or buy a private car using a loan that is affordable. The loanees are required to take life assurance and insurance cover against the acquired asset.

Since inception, the scheme has received from the National Treasury a total of Kenya shillings two hundred twelve million, nine hundred ninety-nine thousand nine hundred thirty-eight (Ksh.212,999,938), mortgage being Kenya shillings one hundred eighty million eight hundred ninety-nine thousand nine hundred thirty-eight (Kshs.180,899,938) and Car Loan Kenya shillings thirty-two million one hundred thousand (Kshs.32,100,000).

### **II. Loans Scheme Performance**

Cumulatively, from inception to 30<sup>th</sup> June 2025, a total of two hundred sixty-six million six hundred seventy-six thousand six hundred twenty-six shillings (Kshs.266,676,626) has been disbursed for the mortgage while fourteen million seven hundred ten thousand shillings (Kshs.14,710,000) for the car loan scheme bringing the total disbursements from the scheme since its operationalization to two hundred eighty-one million three hundred eighty-six thousand six hundred twenty-six shillings (Kshs.281,386,626).

As at 30<sup>th</sup> June 2025, thirty-five (35) applicants had benefited from the mortgage facility while ten (10) applicants had benefited from the Car Loan Scheme. In terms of gender, twenty-five (25) females and ten (10) males have benefited from the mortgage scheme while five (5) male and five (5) female have benefited from the car loan scheme. In regards to repayment, all the loans are performing. The table 6 and bar chart below shows the disaggregated data loan disbursements by gender:

**The Office of Registrar of Political Parties Mortgage/ Car Loan Scheme  
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Table 6: Loan Scheme Performance

Description	Male	Female	Total
Car	5	5	10
Mortgage	10	25	35
<b>Total</b>	<b>15</b>	<b>30</b>	<b>45</b>

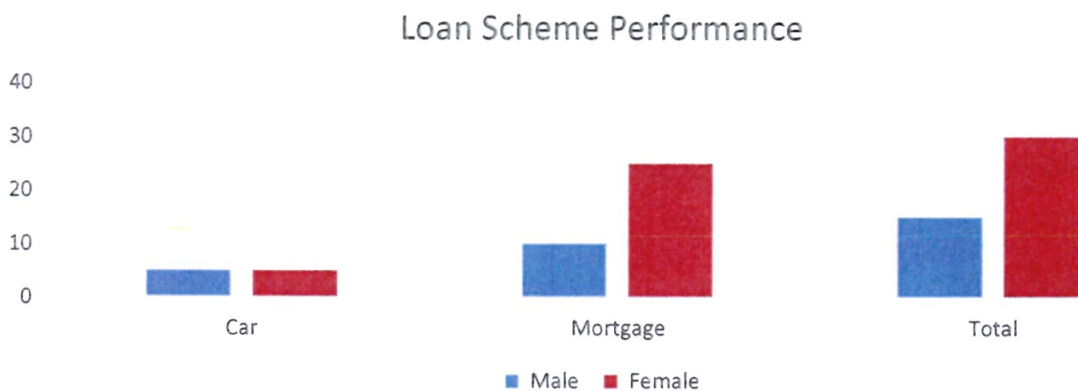


Fig. 1: Loans disbursement by Gender

The Mortgage Loan repayment during the year under review totalled to Kenya shillings twenty-eight million six hundred ninety-six thousand, two hundred thirty-five (Kshs.28, 696,235), and Car Loan repayment during the year under review totalled to Kenya shillings one million seven hundred and fifty-six thousand, three hundred and twenty-two (Kshs.1, 756,322).

Staff Mortgage scheme earned gross interest income of Kenya shillings one million two hundred fourteen thousand seven hundred fifty-three shillings (Kshs.1,214,753) for the mortgage scheme and eight hundred eighty-two thousand seven hundred ninety-seven shillings (Kshs.882,797) for the car scheme.

From the foregoing, it is clear that the fund is growing through the interest earned by the unutilized balance in the account. As at the 30<sup>th</sup> June 2025, the Mortgage scheme bank balance stood at Kenya shillings thirty million, four hundred and four thousand five hundred twenty-three only (Kshs.30,404,523), and the Car Loan Scheme had a bank balance Kenya shilling twenty-nine million, four hundred fifty-six thousand seven hundred and two only (Kshs.29,456,702).

**The Office of Registrar of Political Parties Mortgage/ Car Loan Scheme**  
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As at 30<sup>th</sup> June, 2025, the beneficiaries stood at 45 staff as compared to 32 staff as at 30 June, 2024 signifying forty-one percent (41%) growth. It is expected that the scheme will grow in the subsequent financial periods in view of increased number of staff. Further, staff sensitization on the benefits accruing from obtaining funds from the scheme instead of other financial institutions whose rate of interest is high and the long loan repayment period is expected to improve uptake.

**III. Compliance with Statutory Requirements**

The Scheme operation has complied with all relevant statutes which include, Public Finance and Management Act CAP. 412A, Political Parties (Staff Mortgage and Car Loan Scheme) Regulation 2017 and Public Procurement and Asset Disposal Act CAP. 412C among others.

**IV. Major Risks Facing the Scheme**

Major risks facing the Scheme include the change of laws, fraud, inadequate funding by The National Treasury, credit risk in case of job loss and introduction of new statutory deductions.

## **9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

### **I. Sustainability Strategy and Profile**

As part of its broader sustainability strategy, ORPP recognizes that the welfare of its staff is central to institutional stability, performance, and long-term resilience. In alignment with national public service human resource guidelines and the Sustainable Development Goals (SDG 8 – Decent Work and Economic Growth), the Office continued to implement the Car Loan and Mortgage Scheme to enhance staff financial security and quality of life.

The Office has made efforts to ensure sustainability measures of the scheme through the Staff Mortgage and Car Loan Advisory Committee. Some of the sustainability measures employed to ensure effective management of the Scheme were; adherence to provision of the Political Parties (Mortgage and Car Loan) Regulations, 2017 and other policies and procedures applicable to the scheme.

Other actions implemented in the administration of the Scheme included; ensuring perpetuity in the constitution of the Committee, having in place duly executed contracts in services rendered and gave recommendations for the Schemes regulatory framework based on experiences and feedback received.

### **II. Environmental Performance**

In line with global requirements to mitigate carbon emissions, the Committee required all the applicants to observe government's set age limit in financing purchase of cars. Going forward, ORPP aims to enhance the Management of the Scheme through digital application and tracking system.

### **III. Employee Welfare**

The ORPP developed various HR Policy documents to ensure objectivity, fairness and parity of treatment in management of its employees. Further the Human Resource Policy and Procedure Manual, 2024, outlines staff benefits including mortgage and car loan facilities. In the period under review, recruited staff, as part of welfare programme, were entitled to the Scheme benefits subject to the requirements.

The Committee spearheaded capacity building of members of the scheme. In the period under review, new members of staff were sensitized during the induction with involvement of the contracted Fund administrator. Further, the Office sensitized staff on the Scheme through ORPP monthly bulletin and promoted open communication and continuous sensitization of staff to enhance their understanding of the products available under the scheme and their roles and obligations in the application process.

#### **IV. Market Place Practices**

##### **a) Responsible competition practices**

In the period under review, the Committee negotiated the renewal of the Contract with the Scheme Administrator in adherence with the Public Procurement guidelines. The renewal was based on staff feedback and the outcome of the overall evaluation of performance of the Scheme.

##### **b) Responsible Supply Chain and Supplier Relations**

The Scheme maintained transparent and accountable relationship with the service provider. It ensured that application requests were processed in line with contractual obligations and follow ups done accordingly. It also ensured action on feedback received.

The few concerns raised by staff were related to; delayed processing and disbursement of loans by the Scheme Administrator, notable delays from Ministry of Lands and high fees charged by service providers such as lawyers and valuers. One other significant challenge faced by staff members who were servicing mortgage loans was lack of the implementation of mortgage interest tax relief benefits. Despite being entitled to mortgage interest tax relief benefits, many staff continued paying the full monthly mortgage instalment without enjoying expected tax relief as per the Fourth Schedule of the Income Tax Act CAP 470. Some of these concerns were amicably addressed through consultations and discussions with HF to address the concerns and adhere to the provisions of the Contract. Following the consultations, the Scheme Administrator provided an expanded pool of valuers and lawyers from whom applicants could engage and negotiate for fair pricing.

##### **c) Product stewardship or Awareness creation**

The Scheme adhered to the principles of Data Protection Act CAP 411C such as data minimization, purpose limitation and accuracy in the processing, maintenance and disposal of personal information and data related to the activities of the Scheme.

#### **V. Corporate Social Responsibility/ Community Engagements**

The Scheme continued to implement its Corporate Social Responsibility (CSR) initiative in line with the ORPP's *Corporate Social Policy and Strategy, 2019*. The policy outlined education, sports, environmental conservation and humanitarian intervention as its four (4) focus areas.

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In the year under review, ORPP carried out forums for information sharing and engagement through exhibitions, trade fairs, public baraza, official social media, print and electronic media and radio stations.

The Scheme continued to implement the CSR project (the Adopt, Education and Mentor- AdEM) of sponsoring adopted needy student, currently in form three in Kiambu High School through staff voluntary contributions and mentorship. Moreover, an ORPP team visited the sponsored student at their home to enhance the holistic approach towards implementing the AdEM programme.



Figure 1 The ORPP team shares assorted items to the sponsored student family at their home in Nguirubi, Kiriri in Ndeiya ward, Kiambu County

Additionally, the Scheme engaged Kenya Forest Services (KFS) and established modalities for the implementation of the “Adopt a Forest” Government directive, which the Scheme has prioritized as part of its subsequent CSR programmes.

**The Office of Registrar of Political Parties Mortgage/ Car Loan Scheme**  
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**10. REPORT OF THE SCHEME ADMINISTRATION COMMITTEE**

The Salaries and Remuneration Commission vide Circular No .SRC/ADM/CIR/1/13.III (128) dated 17th December, 2014 granted approval for all Public Service Institutions to establish Staff Mortgage and Car Loan Scheme. In line with this provision, the Office of the Registrar of Political Parties established a Staff Mortgage and Car Loan Scheme. To guide the implementation of the Scheme, the Office developed and gazetted Staff Mortgage and Car Loan Scheme Regulations on 29th December, 2017. The Registrar in accordance with Regulation 7 (1) the established the Staff Mortgage and Car Loan Advisory Committee on 30th April 2018 for a period of three (3) years to manage and administer the scheme. Since then, subsequent committees are appointed after every three years.

The Committee developed necessary documentation for use in the Mortgage and Car Loan application process. The Mortgage and Car Loan facility offer the ORPP staff an opportunity to buy or build a house/or improve residential property using a mortgage that is affordable or buy a private car using a loan that is affordable. Since inception, the scheme has received from the government a total of two hundred and twelve million, nine hundred and ninety-nine thousand nine hundred thirty-eight shillings (Ksh.212,999,938) as seed capital out of which one hundred eighty million eight hundred and ninety-nine thousand nine hundred thirty-eight shillings (Kshs.180,899,938) was for house mortgage and thirty-two million one hundred thousand (Kshs. 32,100,000) for car loan.

The Scheme has since 2018 to 30<sup>th</sup> June 2025, disbursed a total of two hundred sixty-six million six hundred seventy-six thousand six hundred twenty-six shillings (Kshs.266,676,626) has been disbursed for the mortgage while fourteen million seven hundred ten thousand shillings (Kshs.14,710,000) for the car loan scheme bringing the total disbursements from the scheme since it's operationalization to two hundred eighty-one million three hundred eighty-six thousand six hundred twenty-six shillings (Kshs.281,386,626). In regards to repayment, all the loans are performing.

The Mortgage Loan repayment during the year under review amounted to Kenya shillings twenty-eighty million six hundred ninety-six thousand, two hundred thirty-five (Kshs.28, 696,235), and Car Loan repayment during the year under review amounted to Kenya shillings one million seven hundred and fifty-six thousand, three hundred and twenty-two (Kshs.1, 756,322).

Staff Mortgage Scheme earned gross interest income of Kenya shillings one million two hundred fourteen thousand seven hundred fifty-three shillings (Kshs.1,214,753) and eight hundred eighty-two thousand seven hundred ninety-seven shillings (Kshs.882,797) for the car scheme.

**The Office of Registrar of Political Parties Mortgage/ Car Loan Scheme**  
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The Mortgage Scheme bank balance stood at Kenya shillings thirty million, four hundred and four thousand five hundred twenty-three only (Kshs.30,404,523), and the Car Loan Scheme had a bank balance Kenya shilling twenty-nine million, four hundred fifty-six thousand seven hundred and two only (Kshs.29,456,702).

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 CAP 412B.

By Order of the Committee,



**CPA Joshua M. Kimulu**  
Chairperson, Mortgage and Car Loan Advisory Committee

**The Office of Registrar of Political Parties Mortgage/ Car Loan Scheme**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2025**

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**11. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES**

Section 84 (1) of the Public Finance Management Act CAP. 412A requires that, at the end of each financial year, the Registrar of Political Parties shall prepare financial statements in respect of the office. Section 81 (3) requires the financial statements so prepared to be in a form that complies with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Registrar is the Accounting Officer for the Office of the Registrar of Political Parties and is responsible for the preparation and presentation of the 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 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 Scheme;
- 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 Scheme;
- v) selecting and applying appropriate accounting policies; and
- vi) making accounting estimates that are reasonable in the circumstances.

The Registrar accepts responsibility for the 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 CAP. 412A, the Salaries and Remuneration Commission vide Circular No .SRC/ADM/CIR/1/13.III (128) dated 17<sup>th</sup> December, 2014 and the Political Parties (Staff Mortgage and Car Loan Scheme) Regulations, 2017, which was gazetted vide legal notice No. 294 on 29th December 2017. The Registrar is of the opinion that the 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 Scheme's financial position as at that date.

**The Office of Registrar of Political Parties Mortgage/ Car Loan Scheme**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2025**

The Registrar further confirm the completeness of the accounting records maintained for the Scheme, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control. In preparing the financial statements, the Registrar has assessed the Scheme's ability to continue as a going concern. The financial statements have been prepared on accrual basis. Nothing has come to the attention of the Registrar 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 Office of the Registrar of Political Parties' financial statements were approved and signed by the Registrar on 29/9/ 2025.



**CPA Joshua Kimulu**  
Chairperson of the Committee



**Sophia Sitati**  
Ag. Registrar of Political Parties/CEO

# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
Email: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of Office of the Registrar of Political Parties Staff Mortgage and Car Loan Scheme set out on pages 1 to 18, which comprise

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*Report of the Auditor-General on Office of the Registrar of Political Parties Staff Mortgage and Car Loan Scheme for the year ended 30 June, 2025*

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 Office of the Registrar of Political Parties 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 Office of the Registrar of Political Parties 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 Information**

The Management is responsible for the Other Information set out on pages iii to xxxi, which comprise of Key Fund Information and Management, Chairperson's Report, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Scheme Administration Committee, 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, I confirm that nothing 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**

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 the Management and the Advisory Committee**

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

In preparing the financial statements, Management is responsible for assessing the 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.

The Advisory Committee is 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 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 based on these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether in all material respects, the activities, financial transactions and information reflected in the financial statements follow the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment 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 audit report.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

6 November, 2025

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**13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2025.**

	Note	2024/2025	2023/2024
		Kshs.	Kshs.
<b>Revenue from non-exchange transactions</b>			
Transfers from Registrar of Political Parties- Recurrent	6	-	-
<b>Revenue from exchange transactions</b>			
Interest income on free funds	7	2,097,550	2,806,270
Interest income from loans	7	5,282,599	
<b>Total revenue</b>		<b>7,380,149</b>	<b>2,806,270</b>
<b>Expenses</b>			
Employee costs		-	-
Use of goods and services	8	5,282,599	-
Depreciation and amortization expense		-	-
Finance costs		-	-
<b>Total expenses</b>		<b>5,282,599</b>	<b>-</b>
<b>Other gains/losses</b>			
Gain/loss on disposal of assets		-	-
Gain /Loss on fair value of investments		-	-
<b>Surplus/(deficit) before tax</b>		<b>2,097,550</b>	<b>2,806,270</b>
Taxation	9	(314,633)	(420,941)
<b>Surplus/ (Deficit) after Tax</b>		<b>1,782,917</b>	<b>2,385,329</b>

The financial statements were approved on 29/9/2025 by:



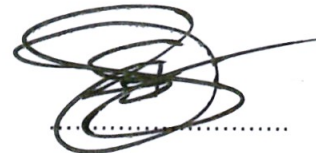
**Sophia Sitati**

Ag. Registrar of Political Parties/CEO



**CPA Joshua Kimulu**

Chairperson of the Committee



**CPA Douglas Wanzala**

Deputy Director, Accounting Services

ICPAK M/No. 10692

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**14. STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE 2025**

	Note	2024/2025	2023/2024
		Kshs.	Kshs.
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	74,240,732	86,005,258
Receivables from exchange transactions			
<b>Total Current Assets</b>		<b>74,240,732</b>	<b>86,005,258</b>
<b>Non-current assets</b>			
Receivables from exchange transactions	11	169,968,034	156,220,591
<b>Total Non-Current Assets</b>		<b>-</b>	<b>-</b>
<b>Total assets (A)</b>		<b>244,008,766</b>	<b>242,225,849</b>
<b>Liabilities</b>			
Trade and other payables	-	-	-
<b>Total liabilities (B)</b>		<b>-</b>	<b>-</b>
<b>Net Assets (A-B)</b>		<b>244,008,766</b>	<b>242,225,849</b>
<b>Represented By:</b>			
Car loan revolving fund		32,100,000	32,100,000
Mortgage revolving fund		180,899,938	180,899,938
Accumulated surplus/Deficit		31,008,828	29,225,911
<b>Net Assets</b>		<b>244,008,766</b>	<b>242,225,849</b>

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

The financial statements were approved on 29/9/ 2025 and signed by:

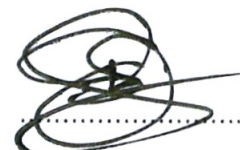


Sophia Sitati

Aq. Registrar of Political Parties/ CEO Chairperson of the Committee



CPA Joshua Kimulu



CPA Douglas Wanzala

Deputy Director, Accounting Services

ICPAK M/No. 10692

15. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025

	Mortgage Fund	Car Loan Fund	Accumulated surplus	Total
	Kshs.	Kshs.	Kshs.	Kshs.
<b>As at 1 July 2023</b>	180,899,938	32,100,000	26,840,582	239,840,520
Surplus	-	-	2,285,329	2,385,329
Funds received during the year	-	-	-	-
Transfers	-	-	-	-
<b>As at 30 June 2024</b>	180,899,938	32,100,000	29,225,911	242,225,849
<b>Balance as at 1 July 2024</b>	180,899,938	32,100,000	29,225,911	242,225,849
Surplus	-	-	1,782,917	1,782,917
Funds received during the year	-	-	-	-
Transfers	-	-	-	-
<b>As at 30 June 2025</b>	180,899,938	32,100,000	31,008,828	244,008,766

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**16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025**

	Note	2024/2025	2023/2024
		Kshs.	Kshs.
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from Parent Ministry/ SC/SAGA		-	-
Net Interest received		1,782,917	2,385,329
Other income		-	-
<b>Total receipts</b>		<b>1,782,917</b>	<b>2,385,329</b>
<b>Payments</b>			
Employee costs		-	-
Use of goods and services		-	-
Finance cost		-	-
<b>Total payments</b>		<b>-</b>	<b>-</b>
<b>Net cash flow from operating activities</b>	12	<b>1,782,917</b>	<b>2,385,329</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE and intangible assets		-	-
Proceeds from sale of PPE		-	-
Proceeds from loan principal repayments		30,452,557	28,638,085
Loan disbursements paid out		(44,000,000)	(85,129,824)
<b>Net cash flows used in investing activities</b>		<b>(13,547,443)</b>	<b>(56,491,739)</b>
<b>Cash flows from financing activities</b>			
Receipts into the mortgage revolving fund		-	-
Receipts into the car loan revolving fund		-	-
<b>Net cash flows used in financing activities</b>			
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(11,764,526)</b>	<b>(54,106,410)</b>
Cash and cash equivalents at 1 July 2024	10	86,005,258	140,111,668
<b>Cash and cash equivalents at 30 June 2025</b>	10	<b>74,240,732</b>	<b>86,005,258</b>

17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> 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
<b>Budget carryovers from the previous year*</b>	-	-	-	-	-	-
<b>Receipts</b>						
Transfers from other Parent Ministry/ SC/SAGA	-	-	-	-	-	-
Net Interest income	-	-	-	1,782,917	-	-
Other income	-	-	-	-	-	-
<b>Total Revenue</b>	-	-	-	<b>1,782,917</b>	-	-
<b>Expenses</b>						
Employee cost	-	-	-	-	-	-
Use of goods and services	-	-	-	-	-	-
Finance cost	-	-	-	-	-	-
<b>Expenditure</b>	-	-	-	-	-	-
<b>Surplus for the period</b>	-	-	-	<b>1,782,917</b>		
<b>Capital Expenditure</b>	-	-	-	-	-	-

## **18. NOTES TO THE FINANCIAL STATEMENTS**

### **1. General Information**

The ORPP Staff Mortgage and Car Loan Scheme is established by and derives its authority and accountability from Political Parties (Staff Mortgage and Car Loan Scheme) Regulations, 2017, which were gazetted vide legal notice No. 294 on December 29<sup>th</sup> 2017. The Fund is wholly owned by the Government of Kenya and is domiciled in Kenya. The Fund's principal activity is to offer affordable mortgage facility and car loans to staff.

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

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

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43: Leases	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>No impact</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>No impact</p>
IPSAS 45: Property Plant and Equipment	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded 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</p>

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	<p>illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>No impact</p>
IPSAS 46: Measurement	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <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> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>No impact</p>
IPSAS 47: Revenue	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>No impact</p>
IPSAS 48: Transfer Expenses	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>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.</p> <p>No impact</p>

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<p>IPSAS 49: Retirement Benefit Plans</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>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.</p> <p>No impact</p>
<p>IPSAS 50: Exploration For &amp; Evaluation of Mineral Resources</p>	<p><b>Applicable 1<sup>st</sup> January 2027</b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> <li>i) Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii) Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii) Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul> <p>No impact</p>

**4. Early adoption of standards**

The Entity did not early – adopt any new or amended standards in the financial year 2024/25.

**5. 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

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position and realized 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.

**b. 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.

**c. 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.

**d. 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.

**e. 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 Housing Finance Corporation at the end of the financial year.

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**f. Comparative figures**

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

**g. Events after the reporting period**

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

**h. Ultimate and Holding Fund**

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

**i. Currency**

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

**j. 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.

**k. 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.

**l. 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

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6. Transfers from the Parent Ministry/SC/SAGA

Description	2024/25	2023/24
	Kshs.	Kshs.
Transfers from the office of the Registrar of Political Parties – Recurrent Account	-	-
<b>Total</b>	-	-

*During the Financial Year 2024/2025 there was no transfer*

7. Interest income

Description	2024/25	2023/24
	Kshs.	Kshs.
Interest Income from Mortgage Loans	5,092,676	
Interest Income from Car Loans	189,923	
Interest Income on Free Funds-Mortgage Scheme	1,214,753	1,933,763
Interest Income on Free Funds -Car Loan Scheme	882,797	872,507
<b>Total Interest Income</b>	<b>7,380,149</b>	<b>2,806,270</b>

*Interest earned from loans at a rate of 3% per annum is used to offset the administration costs of the Scheme.*

8. Use of Goods and Services

Description	2024/25	2023/24
	Kshs.	Kshs.
Administration Costs-Mortgage Scheme	5,092,676	
Administration Costs -Car Loan Scheme	189,923	
<b>Total</b>	<b>5,282,599</b>	

9. Taxation

Description	2024/25	2023/24
	Kshs.	Kshs.
Tax Charged on Interest Income	314,633	420,941
<b>Income Tax expense</b>	<b>314,633</b>	<b>420,941</b>

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**10. Cash and Cash Equivalents**

Description	2024/25	2023/24
	Kshs.	Kshs.
ORPP Mortgage Scheme Account	44,623,149	48,944,374
ORPP Car Loan Scheme Account	29,617,583	37,060,884
<b>Total Cash and Cash equivalents</b>	<b>74,240,732</b>	<b>86,005,258</b>

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

Financial Institution	Account number	2024/25	2023/24
		Kshs.	Kshs.
<b>Mortgage and Car Loan Fund</b>			
Fixed Deposit Accounts- Mortgage	23276933401	30,404,523	46,377,818
Fixed Deposit Accounts- Car loan	23276933402	29,456,702	36,623,065
Cash on Transit - Mortgage		14,218,626	437,819
Cash on Transit – Car Loan		160,881	2,566,556
<b>Grand Total</b>		<b>74,240,732</b>	<b>86,005,258</b>

**11. Receivables from exchange transactions**

Description	2024/25	2023/24
	Kshs.	Kshs.
Balance B/F	156,220,591	99,728,852
Car Loan/ Mortgage Loan Disbursements	44,000,000	85,129,824
Car Loan/ Mortgage Loan Repayments	(30,452,557)	(28,638,085)
<b>Total Receivables</b>	<b>169,768,034</b>	<b>156,220,591</b>

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

Description	2024/25	2023/24
	Kshs.	Kshs.
Surplus/ (deficit) for the year before tax	2,097,550	2,806,270
<b>Adjusted for:</b>		
Depreciation	-	-
Amortisation	-	-
Gains/ losses on disposal of assets	-	-
Interest income	-	-
Finance cost	314,633	420,941
<b>Working capital adjustments</b>		
Increase in inventory	-	-
Increase in receivables	-	-
Increase in payables	-	-
<b>Net cash flow from operating activities</b>	<b>1,782,917</b>	<b>2,385,329</b>

**13. 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 minimize 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:

**i) 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.

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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.
<b>At 30 June 2024</b>	
Receivables From Exchange Transactions- Car loans and mortgages	156,220,591
Receivables From Non-Exchange Transactions	-
Bank Balances	83,000,883
<b>Total</b>	<b>239,221,474</b>
<b>At 30 June 2025</b>	
Receivables From Exchange Transactions- Car loans and mortgages	169,768,034
Receivables From Non-Exchange Transactions	-
Bank Balances	59,861,225
<b>Total</b>	<b>229,629,259</b>

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.

**ii) 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.

**iii) 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 optimizing 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.

**iv) Interest Rate Risk**

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 endeavored to bank with institutions that offer favorable 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.

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**v) 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:

Description	2024/25	2023/24
	Kshs.	Kshs.
Revolving fund	212,999,938	212,999,938
Accumulated surplus ( <i>Reserves</i> )	31,008,828	29,225,911
<b>Total funds</b>	<b>244,008,766</b>	<b>242,225,849</b>
Less: cash and bank balances	(59,861,225)	(83,000,883)
Net debt/ (excess cash and cash equivalents)	184,147,541	159,224,966
<b>Gearing</b>	<b>75%</b>	<b>66%</b>

**14. Related Party Balances**

a) ORPP Staff Mortgage and Car Loan Scheme is related to: -

- i. The National Treasury (National Government);
- ii. Office of the Registrar of Political Parties (ORPP) (Includes key management);
- iii. ORPP Staff Mortgage and Car Loan Scheme Advisory Committee.

b) Related Party Transactions

- i. Transfer from Related Parties

During the financial year 2024/25, the ORPP Staff Mortgage and Car Loan Scheme was not allocated any funds from the National Treasury.

- ii. Key Management

The ORPP Staff Mortgage and Car Loan Scheme Committee is drawn from various departments of ORPP. The Committee is advisory and did not receive any form of remuneration in the financial year 2024/25.

**15. Events after the Reporting Period**

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

**16. Currency**

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

The Office of Registrar of Political Parties Mortgage/ Car Loan Scheme  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2025

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19. ANNEXES

Annex I: Progress on Follow-Up of Prior Year Auditor's Recommendations

There were no key audit matters to report in the audit report for the period FY 2023/2024.



Sophia Sitati

Ag. Registrar of Political Parties/CEO

Date: 29/9/2025