

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 17 OCT 2023

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17/10/2023

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BY: **OF**

Hon Kimani Ichunguwa, MP
L.O.M

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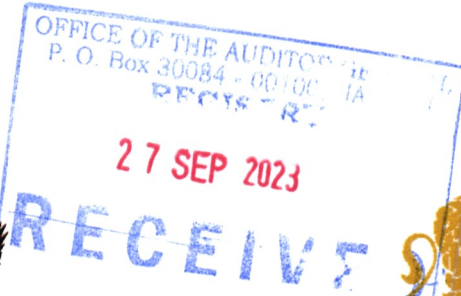
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THE AUDITOR-GENERAL

ON

**ETHICS AND ANTI-CORRUPTION
COMMISSION STAFF HOUSE MORTGAGE
AND CAR LOAN SCHEME**

**FOR THE YEAR ENDED
30 JUNE, 2023**



ETHICS AND ANTI-CORRUPTION COMMISSION

STAFF HOUSE MORTGAGE AND CAR LOAN SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023

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

*Ethics & Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme
Annual Report and Financial Statements for the year ended 30th June 2023*

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1. ABBREVIATIONS, ACRONYMS AND GLOSSARY OF TERMS

A. Abbreviations and Acronyms

EACC	Ethics and Anti-Corruption Commission
CEO	Chief Executive Officer
IPSAS	International Public Sector Accounting Standards
OAG	Office of the Auditor General
PFM	Public Finance Management
PFMA	Public Finance Management Act
PSASB	Public Sector Accounting Standards Board
IPSASB	International Public Sector Accounting Standards Board
SRC	Salaries and Remuneration Commission
CSR	Corporate Social Responsibility

B. Glossary of Terms

Fiduciary management- Members of management entrusted directly with the responsibility and trust for the organisation financial resources.

2. KEY FUND INFORMATION AND MANAGEMENT

a) Background information

Ethics & Anti-Corruption Commission (EACC) Staff House Mortgage and Car Loan Scheme Fund was established and derives its authority and accountability from the provisions under Section 84(1), Section 24 (4) (5) (6) (7) of the PFM Act, 2012 and Section 127 (1) (2) of the PFM (National Government) Regulations, 2015.

The EACC Staff House Mortgage and Car Loan Fund was set in the financial year 2016-2017 as a revolving fund pursuant to the Salaries and Remuneration Commission (SRC) Circular ref No. SRC/ADM/CIR/1/13 Vol. III (128) of 17th December 2014 on Mortgage and Car Loan Schemes for State Officers and other Public Officers of Government of Kenya, with the objective of providing a loan scheme for the purpose of acquisition of motorcar and residential property for staff.

The Fund is wholly owned by Ethics & Anti-Corruption Commission (EACC) and is domiciled in Kenya.

b) Principal Activities

The principal activity of the fund is to provide:

- (i) Mortgage loans to EACC staff for the sole purpose of:
 - a) Purchasing an existing residential property;
 - b) Purchase of land and construction;
 - c) Construction, renovation and/or improvement of existing residential property or existing plot/land;
 - d) Takeover loans on existing mortgages or equity release on existing mortgage property
- (ii) Car loans for acquisition of motor cars for personal use by EACC staff.

The Fund is administered by the EACC Staff Mortgage and Car Loan Advisory Committee. 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 Scheme's Secretariat and the Staff Mortgage and Car Loan Advisory Committee are drawn from the Ethics & Anti-Corruption Commission (EACC) but its management is under the Housing Finance Company and the KCB Bank Limited. The role of the banks is to manage the scheme and provide some administrative services for the fund.

c) The Commission

Ref	Position	Name
1	Chairperson	David Oginde, PhD
2	Commissioner	Dr. Monica Muiru
3	Commissioner	Col. (Rtd) Alfred Mshimba
4	Commissioner	Dr. Cecilia Mutuku
5	Commissioner	John Ogallo
6	Secretary to the Commission	Twalib Mbarak, CBS

d) Key Management

Ref	Position	Name
1	Fund Administrator	Mr. Twalib Mbarak, CBS Secretary/Chief Executive Officer
2	Fund Accountant	CPA Joel I. Mukumu, OGW Director, Finance and Planning
3.	Staff Mortgage and Car Loan Advisory Committee	Mr. David Too, OGW Director, Legal Services & Asset Recovery/ Committee Chairperson
4	Staff Mortgage and Car Loan Advisory Committee	Ms. Ellyjoy G. Bundi, HSC Deputy Director, Human Resource Management/ Secretary
5	Staff Mortgage and Car Loan Advisory Committee	Mr. Abdi A. Mohamud, MBS Deputy Chief Executive Officer/ Member

6	Staff Mortgage and Car Loan Advisory Committee	Mr. Vincent O. Okong'o, ndc, Director, Preventive Services/ Member
7	Staff Mortgage and Car Loan Advisory Committee	Mr. Jackson K. Mue, OGW Director, Field Services & Coordination/ Member
8	Staff Mortgage and Car Loan Advisory Committee	CPA John Lolkoloi, OGW Director, Ethics & Leadership/ Member

e) Fiduciary Oversight Arrangements

Ref	Position	Name
1.	Risk & Audit Committee	Mr. Lawrence Nyalle (Independent Chairperson)
2.	Deputy Director, Internal Audit	Mr. Hassan Kidzuga
3.	Staff Mortgage and Car loan Advisory Committee	Mr. David Too, OGW (Chairperson)
4.	Staff Mortgage and Car loan Advisory Committee	Ms. Ellyjoy G. Bundi, HSC (Secretary)

f) Registered Offices

Integrity Centre
Jakaya Kikwete/Valley Road Junction
P.O. Box 61130-00200
Nairobi, Kenya

g) Fund Contacts

Headquarters, Nairobi
Integrity Centre
Jakaya Kikwete /Valley Road Junction
P. O. Box 61130-00200, Nairobi
Tel: (254) (020) 4997000
Mobile: 0709 781000; 0730 997000
Fax: (020) 2240954

Email address: eacc@integrity.go.ke

h) Fund Bankers

Kenya Commercial Bank
P.O. Box 69695-00400
Agip House
Nairobi, Kenya

Housing Finance Company
Kenyatta Avenue
P.O. Box 30088 - 00100
Nairobi, Kenya



i) Independent Auditors

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

j) Principal Legal Adviser

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

3. THE COMMISSION

Ref	Commission Members	Details
1.	 <p>David Oginde, PhD Chairperson Doctor of Philosophy in Organisational Leadership from Regent University USA, Master of Arts in Leadership from PAC University, and Bachelor of Architecture from the University of Nairobi.</p>	<p>Chairperson and Independent Commissioner</p> <p>Appointed on 29th April, 2023 and assumed office on the 9th of May, 2023. He is the immediate former Presiding Bishop of Christ Is The Answer Ministries (CITAM), where he led several organisational transformation initiatives placing CITAM as a cutting-edge institution. He is currently the University Council Chairman of the Mama Ngina University College (MNUC). He is also the Chairman of the Evangelical Alliance of Kenya (EAK), and the Vice-Chair of the Association of Evangelicals in Africa (AEA). A renowned and distinguished leader with specialization in leadership and governance. He has published several books and written articles in various leadership journals and is the founder of The Catalead Associates, a leadership development firm and runs the popular Leadership Forum on Hope FM.</p>
2.	 <p>Dr. Monica Muiru Vice-Chairperson Doctor of Philosophy in Business & Management from Egerton University, Master Degree in Accounting and Finance, Bachelor of Commerce Degree in Business Administration from University of Nairobi.</p>	<p>Vice Chairperson and Independent Commissioner.</p> <p>Born in the year 1965; She is a trained, experienced and internationally exposed business professional and academic scholar with many years of experience in accounting, finance and management.</p> <p>Previously served as a lecturer at Egerton University and worked at Kenya Broadcasting Corporation (KBC), East African Standard, Mellon Bank in Pittsburgh USA and Motient Corporation, Reston, Virginia, USA.</p> <p>In addition, a fellow of the Chartered Institute of Marketing, a member of Zonta International and an Associate member of the American Chartered Institute of Accounting.</p>

<p>3.</p>	 <p>Col. (Rtd) Alfred Mshimba Commissioner</p> <p>Master of Business Administration in Strategic Management from the University of Nairobi and a Bachelor’s Degree in Business Administration. He is an expert in logistics and supply chain management.</p>	<p>Independent Commissioner</p> <p>Born in the year 1959 and appointed on 14th December 2021. Col. Mshimba is a retired career military officer with over 30 years’ experience in leadership, administration, human resource management, procurement and diplomacy.</p> <p>In addition, Commissioner Col. (Rtd) Mshimba, has been recognized for his service and was honoured by receiving the Military Observer, United Nations Western Sahara Morocco (MINRUSO) Medal among other accolades.</p>
<p>4.</p>	 <p>Dr. Cecilia Mutuku, CHRP, CPS(K) Commissioner</p> <p>Doctor of Philosophy and Masters in Business Administration, with a specialization in Human Resources Management (HRM), both from The University of Nairobi (UoN). In addition, a Certificate in Quality Management by the International Trade Centre (ITC). A member of the Institute of Human Resources (IHRM), Institute of Certified Secretaries (ICS) and The National Quality Institute (NQI). In addition, a member of the American Society for</p>	<p>Independent Commissioner</p> <p>She is a Human Resource and Governance expert with extensive experience in Policy Development, Leadership, Organizational Behaviour and Reforms, Human Resource Management, Performance Improvement, Culture Change and Quality Management. In addition, a Certified Human Resource Practitioner (CHRP-K) and Certified Company Secretary (CPS-K). Former, Head of Human Resources at the Kenya Bureau of Standards (KEBS) and the Head of the National Quality Institute (NQI-KEBS). Involved in steering the design, development and implementation of the Certification Program for Quality Practitioners in Kenya and has been participating in the KEBS Technical Committees on Quality Management and Quality Assurance and on Human Resources Management. Passionate about excellence and quality especially within the public sector institutions and has been spearheading Training of Anti Bribery Management Systems (ABMS) Standard in various forums.</p>




	Quality (ASQ) and the Kenya Institute of Management (KIM).	
5.	 <p>CPA John Ogallo Commissioner</p> <p>Master of Business Administration (MBA) degree from the University of Sheffield (UK), and Post-Graduate Diploma in Public Financial Management from the University of London. In addition, Certified Public Accountant (CPA-K).</p>	<p>Independent Commissioner</p> <p>He is Public Financial Management (PFM) expert with extensive global experience in Governance and Institutional Building. He has worked for several years at the World Bank in Washington DC; and has expertise in Financial Management and Governance. He has wide experience in financial management for development; and has led teams to provide technical assistance to strengthen institutions of accountability; and undertake fiduciary due diligence, advisory services and analytics. In addition, worked for several years in the private and public sectors in Kenya in various technical and managerial capacities. More so, has undertaken international consultancy assignments, including with the African Development Bank, to strengthen public administration and public finance management systems.</p> <p>Further, credits in knowledge of and professional interest in Corporate Governance and Decentralization and Local Governance. As an ordained Pastor and a strong believer in the principles of fairness, good governance – integrity, commitment to ethical values, respect for the rule of law and a just society.</p>
6.	 <p>Mr. Twalib Mbarak, CBS Secretary/Chief Executive Officer</p>	<p>Secretary to the Commission and Chief Executive Officer</p> <p>Born in 1965; Served as Major at Kenya Armed Defence Forces, Senior Officer at National Intelligence Service (NIS), Kenya Anti-Corruption Commission (KACC) and Kenya Electricity Generating Company (KenGen).</p> <p>Experienced in Security, Intelligence and Investigation Management. He is a Certified</p>



	<p>Master of Arts Degree in Armed Conflict and Peace Studies (University of Nairobi) Bachelor of Arts degree (University of Nairobi)</p>	<p>Security Management Professional from the International Security Management Institute, UK. In Kenya, he founded the Association of Corporate and Industrial Security Professionals (ACISMP) an association directing the corporate security in Kenya.</p>
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4. MANAGEMENT TEAM

	Management	Details
1.	 <p>Mr. Twalib Mbarak, CBS Secretary/Chief Executive Officer</p> <p>Master of Arts in Armed Conflict & Peace Studies Bachelor of Arts (Political Science and Sociology)</p>	<p>Provides strategic, financial and operational leadership, coordinate, and work with the Commissioners and senior leadership team. Involved in managing the day-to-day operations of the Commission.</p>
2.	 <p>Mr. Abdi A. Mohamud, MBS Deputy Chief Executive Officer</p> <p>Master of Science (Security and Risk Management) Bachelor of Laws (LLB)</p>	<p>Supports the Secretary/Chief Executive Officer (CEO) in leading the Commission's executive team, and in managing the day-to-day operations, resources and staff. In addition, provide leadership in policy formulation, implementation, and advisory in investigative role of the Commission. Further, manage directorates functions and activities.</p>
3.		<p>Provide Directorate's leadership in policy formulation, implementation, and advisory on relevant laws. In addition, lead asset recovery related to corruption and overall management of the Directorate's functions and activities.</p>

	<p>Mr. David K. Too, OGW Director, Legal Services & Asset Recovery Master of Business Administration Bachelor of Laws (LLB), Diploma in Law</p>	
4.	 <p>Mr. Vincent O. Okong'o 'ndc' Director, Preventive Services Master of Arts (Economics & Social Studies), Master of Arts in Economic Policy Management Bachelor of Arts (Economics)</p>	<p>Provide Directorate's leadership in policy formulation, implementation and advisory on preventive measures including prevention, public awareness, training, research; and overall management of the Directorate's functions and activities.</p>
5.	 <p>Mr. Jackson K. Mue, OGW Director, Field Services & Coordination Master of Science in ICT Policy and Regulation, Bachelor of Science (Mathematics & Computer Science). Post Graduate Diploma in Computer Science</p>	<p>Provide Directorate's leadership in coordination of Commission functions at regional levels, partnerships, and support the office of Secretary/Chief Executive Officer in general administration and overall management of the Directorate's functions and activities.</p>

<p>6.</p>	 <p>CPA John Lolkoloi, OGW Director, Ethics & Leadership Master of Business Administration (Strategic Management), Bachelor of Commerce (Finance), Certified Public Accountant of Kenya(CPA-K)</p>	<p>Provide Directorate’s leadership in implementation of Leadership and Integrity Act 2012, development of ethical standards and practices in public service and overall management of the Directorate’s functions and activities.</p>
<p>7.</p>	 <p>Mr. Paschal K. Mweu, OGW Director, Investigations Master Degree in Governance & Ethics Bachelor Degree in Philosophy</p>	<p>Provide Directorate’s leadership in policy formulation, implementation and advisory in investigative role of the Commission. Further, manage the directorate’s functions and activities.</p>
<p>8.</p>	 <p>CPA Joel I. Mukumu, OGW Director, Finance and Planning Master of Business Administration (Finance), Bachelor of Commerce - Accounting Option. Certified Public Accountant of Kenya</p>	<p>Provide Directorate’s leadership in implementation of PFM Act 2012, and policy formulation, implementation and coordination of the Finance and Budget functions of the Commission. In addition, lead overall management of the Directorate’s functions and activities.</p>

<p>9.</p>	 <p>Ms. Ellyjoy G. Bundi, HSC Deputy Director, Human Resource Management Master of Business Administration (HRM) Bachelor of Education, Diploma in Human Resources Management</p>	<p>Provide Commission leadership in human capital management and relevant labour laws, implementation of key human resource aspect not limited to succession, development, retention, training, and overall management of the Commission staff related functions and activities.</p>
<p>10.</p>	 <p>Mr. Eddie Odhiambo- Assistant Director, Supply Chain Management Master of Business Administration Bachelor of Science (Statistics & Computer Science), Diploma in Purchasing and Supplies Management Chartered International Procurement Professional</p>	<p>Provide leadership in implementation of Public Procurement and Disposal Act, 2015 and related regulations in supply chain management functions of the commission and overall management and supportive function of the Commission.</p>

5. CHAIRPERSON'S REPORT



The Commission established the Staff House Mortgage and Car Loan Scheme in 2016 as an important tool to motivate, retain and improve their wellbeing. The Scheme was established pursuant to Salaries and Remuneration Commission Guidelines to enable staff acquire residential houses and motor vehicles at favourable interest rates.

The Scheme started with an initial seed capital of Kshs 300 million in 2016 and has grown over the period to the current cash inflows of Kshs 1,733,955,144. The National Treasury has continued to support the Scheme through consistent funding. The loan principal repayment stood at Ksh.400, 021,861 by end of FY 2022/23.

The governance and management of the Scheme is set out in the EACC Staff Mortgage and Car Loan Scheme Policies and Regulations, 2016 (Revised 2019) and as per the guidelines issued by the Salaries and Remuneration Commission. The Policies and Guidelines provides a framework for the prudent management, accountability and transparency in application of the fund.

Finally, the Commission extends its appreciation to the National Treasury for the continued support in allocation of resources to the Fund. We also call upon the Trustees and Service Providers to remain prudent and vigilant in ensuring that the Fund meets its intended objective.

God bless Kenya, God bless you all.

A handwritten signature in blue ink, appearing to be 'D. Oginde', written over a light blue horizontal line.

David Oginde, PhD
CHAIRPERSON OF THE COMMISSION

6. REPORT OF THE FUND ADMINISTRATOR



The Commission presents the Financial Statements of the EACC Staff House Mortgage and Car Loan Scheme for the year ending 30th June 2023. The Scheme is administered pursuant to the Public Finance Management Act, 2012, the Public Financial Regulations, 2015 and reported in line with the International Public Sector Accounting Standards (IPSAS).

In order to ensure good governance and efficiency in the management of the Fund, the Commission has established the Staff Mortgage and Car Loan Advisory Committee to administer the Fund. External professional service providers support the Committee with technical expertise for effective operation of the Fund. As at 30th June 2023, the fund balance stood at Kshs. 1,202,377,405 while the loan repayments have stood at Kshs. 400,021,861.

The Scheme has so far facilitated 150 members of staff with mortgage facilities while 97 employees have been facilitated to acquire motor vehicles. In the year under review, the Fund disbursed Kshs. 60,744,129 and Kshs. 1,600,000 for House Mortgage and car loans respectively.

I encourage the staff of the Commission to take advantage of this competitive facility to improve their welfare and that of their families. As the Fund Administrator, I will continue to work with all the stakeholders including the National Treasury with a view to ensure sustainability of the Fund.

A handwritten signature in black ink, appearing to be 'Twalib Mbarak', written over a horizontal line.

Twalib Mbarak, CBS
SECRETARY TO THE COMMISSION/ FUND ADMINISTRATOR

7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Introduction

Section 81 (2)(f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each national government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key strategic objectives are contained in the EACC 2023-2028 Strategic Plan. However, to achieve the objective of the Salaries and Remuneration Commission (SRC) circular Ref. No: SRC/ADM/CIR/1/13 Vol. III (128) dated 17th December 2014 that initialized the establishment of the fund, the EACC 2023-2028 Strategic Plan incorporated the following as one of its strategic objectives;

To attract and retain a productive and motivated human resource

To realise this strategic objective, the EACC Staff House Mortgage and Car Loan Scheme relied on its strategic objectives to guide activities, policy formulation and work plans and made the following progress and achievements towards its targeted objective during FY 2022/2023.

Below we provide the progress on attaining the stated objective:

Program	Objective	Outcome	Indicator	Achievements
Control and Management of Public Finances	To attract and retain a productive and motivated human resource	Increased number of staff accessing the staff mortgage and car loan	Percentage of staff retained in EACC and number of staff who accessed the mortgage and car loans	The number of staff who accessed the mortgage and car loans rose from 242 in FY 2021/2022 to 247 staff in FY 2022/2023. This has led to a motivated workforce and retention of staff in EACC.

8. CORPORATE GOVERNANCE STATEMENT

a. The EACC Staff House Mortgage and Car Loan Scheme Fund

The Ethics and Anti-Corruption Commission Staff House Mortgage and Car loan scheme Fund is a revolving fund established pursuant to the Salaries and Remuneration Commission (SRC) circular number SRC/ADM/CIR/1/13 Vol. III (128) dated 17th December 2014 and Section 24 (4)(5)(6)(7) of the Public Finance Management (PFM) Act, 2012 and 127 (1)(2) of the PFM (National Government) Regulations, 2015.

Its mandate is to provide car loans and house mortgage to members of staff. The fund is committed to ensuring compliance with regulatory and supervisory corporate governance requirements. Essential to the establishment of a corporate governance framework in the fund is a formal governance structure with the committee at its apex. The operations of the fund are governed by EACC Staff House Mortgage and Car Loan Scheme Regulations, 2016 (Revised 2019) and PFM Act, 2012, PFM Regulations, SRC Circulars, National Treasury Circulars and any other government legislations.

b. The Fund Management Committee

Section 9 & 10 of the EACC Staff Mortgage Regulations, 2016 (Revised 2019) provides for appointment of a committee and an administrator of the fund. The committee is made up of twelve members including the Chairperson and a Secretary. The committee is responsible for the long-term strategic direction of the fund. The committee exercises leadership, enterprise, integrity and judgment in directing the Fund.

c. Roles and functions of the Fund Administration Committee

The function of the Committee includes receiving and processing applications for loans following the existing terms and conditions of borrowing; liaising with the service provider (financial institution) to set up the revolving Fund for disbursement of loans; forward the successful applications with recommendations to fund managers for processing.

The committee members are provided with full, appropriate and timely information that enables them to maintain full and effective control over the strategic, financial, operational and compliance issues. The day-to-day running of the fund is delegated to the fund administrator but the committee is responsible for establishing and maintaining the fund's system of internal controls for the realization of its mandate.

d. Committee Meetings

The committee meets quarterly or as required in order to monitor the implementation of the fund's strategic objectives and achievement of the targets. The committee also plays an oversight role over all other financial and operational issues.

e. Ethics and conduct as well as governance audit

Internal Control and Risk Management

The committee is responsible for reviewing the effectiveness of the fund's system of internal control which is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against unauthorized use or disposition and the maintenance of proper accounting records and the reliability of financial information used within the business or for publication. These controls are designed to manage rather than eliminate the risk of failure to achieve business objectives due to circumstances which may reasonably be foreseen and can only provide reasonable and not absolute assurance against material misstatement or loss.

Management Team

The management team headed by the Fund Administrator implements the committee decisions and policies through action plans. The team meets regularly to review these action plans to ensure that the committee's objectives are achieved effectively and efficiently.

Auditor

The Auditor General is responsible for the statutory audit of the EACC Staff House Mortgage and Car Loan Scheme Fund in accordance with the provisions of Art. 226 (3) and Art.229 (4) (b) of the Constitution of Kenya, 2010, section 24 (10) (b) and section 84 (3) of the PFM Act, 2012 and section 35 of the Public Audit Act, 2015. The audit issues raised in the FY 2022/2023 were resolved, and the scheme financial statements were reported to present fairly in all material aspects the true financial position of the Scheme. The auditors of the Scheme, thus, issued an unqualified audit opinion.

Statement of Compliance

The Committee confirms that the Fund has, throughout the FY 2022/2023, complied with all statutory and regulatory requirements and has been managed under the principles of good corporate governance.

9. MANAGEMENT DISCUSSION AND ANALYSIS

a) Operational and financial performance of the Fund during the period

The Scheme was introduced seven (7) years ago and has recorded total cash inflows of Kshs 1,733,955,144 as reported in the period under review.

The number of applicants who have shown interest in Mortgage and Car Loan facility has grown over time with the waiting list becoming bigger every day. There are 150 successful applications for mortgage amounting to Kshs. 1,181,502,704 and 97 successful applications for Car Loan amounting to Kshs. 127,696,300 as at the end of the period under review.

Performance for the periods 2015/2016 to 2022/2023

	Mortgage	Car Loan	Total
	Kshs	Kshs	Kshs
Exchequer funding HFC Schemes	520,000,000	200,000,000	720,000,000
Exchequer funding KCB Schemes	527,000,000	38,000,000	565,000,000
Net inter-fund bank transfers	(167,000,000)	(33,000,000)	(200,000,000)
Principal repayments received HFC	219,921,358	106,715,194	326,636,553
Principal repayments received KCB	68,989,758	4,395,550	73,385,308
Interest earned on HFC Schemes	149,929,407	35,450,157	185,379,564
Interest earned on KCB Schemes	62,188,251	1,365,468	63,553,719
Total Inflows	1,381,028,775	352,926,369	1,733,955,144
Loans Issued HFC	706,210,876	116,416,300	822,627,176
Loans Issued KCB	475,291,828	11,280,000	486,571,828
Scheme Administration Cost	120,416,246	8,372,170	128,788,416
Withholding Tax on interest	2,667,489	93,041	2,760,530
Bank Service Charges	4,050	2,865	6,915
Total Outflows	1,304,590,488	136,164,376	1,440,754,864
Net Inflows	76,438,287	216,761,993	293,200,280

Due to increased demand for mortgage and car loan facility, the fund has been facing inadequate resource challenges due to fiscal austerity measure instituted by the government. However, there is a great expectation that in future the scheme will be a self-sustaining revolving fund.

b) Fund's key projects or investments decision implemented or ongoing

The Commission has continued to support the Mortgage and Car Loan schemes for the staff. This is intended to provide affordable housing for the staff while at the same time facilitating the staff to conveniently commute to and from their workplace.

c) Fund's compliance with statutory requirements

The fund complied with all its statutory and tax obligations in the implementation of its mandate. Further, the fund complied with all the necessary laws and regulations applicable in the management of the funds.

d) Risk management activities

The Scheme has put in place risk management framework for risk identification and mitigation. Further it has embedded risk management in all its planning, execution, evaluation and business continuity arrangements.

Some of the key risks facing the scheme fund include

- i) **Strategic Risks:** These are risks that affect the ability to carry out the long-term goals and objectives of the fund due to inadequate funding.
- ii) **Compliance Risks:** These are risks associated with non-compliance with applicable laws and regulations could result in litigation and conflict of interest.
- iii) **Financial Risks:** The risk of financial loss that may include ineffectiveness of internal controls, inadequate funding, inability to service the loans and delay in financial reporting due to reliance on third party financial information. The delayed funding may also result in the Commission's inability to fund all the applications hence delay in issuing loans and acquisition of the properties.
- iv) **Operational Risk:** The risk of direct or indirect loss or inability to provide core services especially to mortgage and car loan applicants, resulting from inadequate or failed financial processes, resources and systems.

e) Financial Probity and Governance

To obtain assurance on compliance and prudence in the management of the fund finances, the Scheme prepares the financial statements for the Mortgage and Car loan funds, which are subjected to both internal and external audit. The audit findings and recommendations enable the Scheme to strengthen the fund operational and financial systems.

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Environmental and Sustainability reporting corporate social responsibility is an integral part of the Commission culture. As a responsible organization, the Commission respects the interests of its stakeholders – our employees, customers, suppliers and the wider community. We actively seek opportunities to improve the environment and contribute to the well-being of our communities. During the Financial Year 2022/2023, the Fund did not carry out any CSR. However, the Committee is looking forward to getting involved more in CSR activities in future.

11. REPORT OF THE FUND ADMINISTRATION COMMITTEE

The Fund Administration Committee submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the Fund affairs.

Principal activities

The principal activity of the fund is to provide financing to the members of staff to purchase, develop or renovate residential property and acquisition of motor cars for private use.

Performance

The performance of the Fund for the year ended June 30, 2023, is set out on pages 1 to 23.

The Fund Administration Committee

The members of the Commission who served during the year are shown on pages vii to x.

Auditors

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

By Order of the Commission



.....
David Oginde, PhD
Chairperson of the Commission

12. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

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

The Administrator of the Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the fund, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) Safeguarding the assets of the fund; (v) Selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

The Administrator of the Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2023, and of the Fund's financial position as at that date.

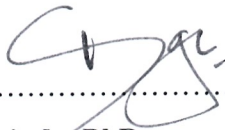
The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

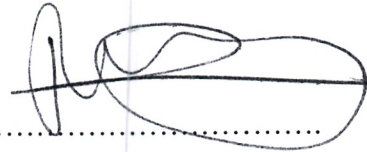
Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the Financial Statements

The Fund's financial statements were approved by the Commission on 25th September 2023 and signed on its behalf by:



.....
David Oginde, PhD
Chairperson of the Commission



.....
Twalib Mbarak, CBS
Fund Administrator /
Secretary to the Commission

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON ETHICS AND ANTI-CORRUPTION COMMISSION STAFF HOUSE MORTGAGE AND CAR LOAN SCHEME FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Ethics and Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme as set out on pages 1 to 25,

Report of the Auditor-General on Ethics and Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme for the year ended 30 June, 2023

which comprise the statement of financial position as at 30 June, 2023 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 summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ethics And Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme as at 30 June, 2023, 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 Ethics and Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme Regulations, 2016 (Revised 2019) and 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 Ethics and Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON 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 processes and systems of internal controls, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and The Commissioners

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 such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Scheme's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Scheme or 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Scheme to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Scheme to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide the Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

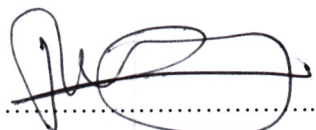
06 October, 2023

**14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH
JUNE 2023**

Description	Note	2022/23 Kshs.	2021/22 Kshs.
Revenue from exchange transactions			
Interest income on Bank Balance	6	7,996,688	4,989,878
Interest on Individuals Staff House Mortgage and Car Loans	7	36,895,922	36,712,479
Total revenue		44,892,610	41,702,357
Expenses			
Commission paid to Service Providers	8	27,671,942	27,534,359
Withholding Tax on Interest Income	9	1,383,598	1,376,718
Bank Service Charges	10	-	2,130
Total expenses		29,055,540	28,913,207
Surplus for the period		15,837,070	12,789,150

The notes set out on pages 7 to 24 form integral part of these financial statements.

The financial statements on pages 1 to 5 were approved on 25th September 2023 by:



Twalib Mbarak, CBS
Fund Administrator /
Secretary to the Commission



CPA Joel I. Mukumu, OGW
Fund Accountant /
Director, Finance & Planning
ICPAK M/No. 5917



David Oginde, PhD
Chairperson of the Commission

15. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2023

Description	Note	2022/23	2021/22
		Kshs.	Kshs.
Assets			
Current assets			
Cash and cash equivalents	11	293,200,280	252,856,967
Short term receivables from Staff House Mortgage	12	60,460,926	59,349,427
Short term receivables from Staff Car Mortgage	12	9,316,942	12,973,217
Total Current Assets		362,978,148	325,179,611
Non-current assets			
Long term receivables from staff House Mortgage	12	832,130,810	845,371,903
Long term receivables from staff Car Mortgage	12	7,268,447	15,988,817
		839,399,257	861,360,720
Total assets		1,202,377,405	1,186,540,331
Net assets			
Accumulated surplus (<i>Reserves</i>)	13	117,377,405	101,540,331
Mortgage and Car loan revolving fund	13	1,085,000,000	1,085,000,000
Total net assets		1,202,377,405	1,186,540,331

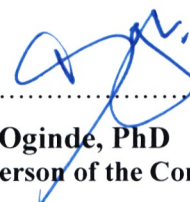
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Fund financial statements were approved on 25th September 2023 and signed by:



Twalib Mbarak, CBS
Fund Administrator /
Secretary to the Commission



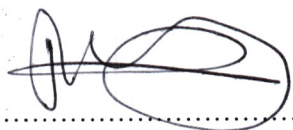
CPA Joel I. Mukumu, OGW
Fund Accountant /
Director, Finance & Planning
ICPAK M/No. 5917



David Oginde, PhD
Chairperson of the Commission

16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE 2023

Description	Note	Mortgage Fund Kshs	Car Loan Fund Kshs	Accumulated Surplus Kshs.	Total Kshs.
As at 1 July 2021		920,000,000	65,000,000	88,751,185	1,073,751,185
Surplus for the period		-	-	12,789,150	12,789,150
Transfers from EACC	15	100,000,000	-	-	100,000,000
As at 30 June 2022		1,020,000,000	65,000,000	101,540,335	1,186,540,335
Balance as at 1 July 2022		1,020,000,000	65,000,000	101,540,335	1,186,540,335
Surplus for the period				15,837,070	15,837,070
Transfers from EACC	15				
As at 30 June 2023		1,020,000,000	65,000,000	117,377,405	1,202,377,405



Twalib Mbarak, CBS
Fund Administrator /
Secretary to the Commission



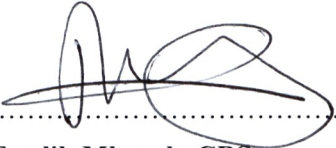
CPA Joel I. Mukumu, OGW
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ICPAK M/No. 5917




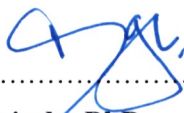
David Oginde, PhD
Chairperson of the Commission

17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2023

Description	Note	2022/23 Kshs.	2021/22 Kshs.
Cash flows from operating activities			
Receipts			
Interest income on Bank Balance	6	7,996,688	4,989,878
Interest on Individuals Staff Mortgage and Car Loans	7	36,895,922	36,712,479
Total receipts		44,892,610	41,702,357
Payments			
Commission paid to Service Providers	8	27,671,942	27,534,359
Withholding Tax on Interest Income	9	1,383,598	1,376,718
Bank Service Charges	10	-	2,130
Total payments		29,055,540	28,913,207
Net cash flow from operating activities		15,837,070	12,789,150
Cash flows from investing activities			
Increase in short-term receivables Staff Mortgage & car loans	12	2,544,776	134,120
Increase in long-term receivables Staff Mortgage & car loans	12	21,961,463	7,348,034
Net cash flows used in investing activities		24,506,239	7,482,154
Cash flows from financing activities			
Receipts into the mortgage revolving fund	13	-	100,000,000
Receipts into the car loan revolving fund	13	-	-
Net cash flows used in financing activities		-	100,000,000
Net increase/(decrease) in cash and cash equivalents		40,343,312	120,271,303
Cash and cash equivalents at 1 July 2022	11	252,856,968	132,585,664
Cash and cash equivalents at 30 June 2023		293,200,280	252,856,967


Twalib Mbarak, CBS
Fund Administrator /
Secretary to the Commission


CPA Joel I. Mukumu
Fund Accountant /
Director, Finance & Planning
ICPAK M/No. 5917


David Oginde, PhD
Chairperson of the Commission

*Ethics & Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme
Annual Report and Financial Statements for the year ended 30th June 2023*

18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2023

Description	Original budget Kshs. A	Adjustments Kshs. B	Final budget Kshs. C=(A+B)	Actual on comparable basis Kshs. D	Performance difference Kshs. E=(C-D)	% of utilization F= D/C
Revenue						
Interest on Bank Balance	4,989,878		4,989,878	7,996,688	(3,006,810)	160%
Interest on Staff Mortgage & Car Loans	36,712,479		36,712,479	36,895,922	(183,443)	100%
Total Revenue	41,702,357		41,702,357	44,892,610	(3,190,253)	
Expenditure						
Commission paid to service providers	27,534,359		27,534,359	27,671,942	(137,583)	100%
Withholding Tax on Interest Income	1,376,718		1,376,718	1,383,598	(6,880)	100%
Bank Service Charges	2,130		2,130	-	2,130	0%
Total Expenditure	28,913,207		28,913,207	29,055,540	(142,333)	100%
Surplus for the period	12,789,150		12,789,150	15,837,070	(3,047,920)	124%

Note:

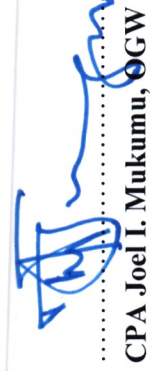
Revenue: This was attained due to higher interest realized on bank balances than anticipated

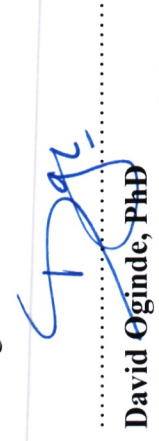
Expenditure: Slightly higher amounts were incurred on commission to service providers than budgeted

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Twalib Mbarak, CBS
Fund Administrator /

Secretary to the Commission

.....

CPA Joel I. Mukumu, CGW
Fund Accountant / Director, Finance & Planning
ICPAK M/No. 5917

.....

David Oginge, PhD
Chairperson of the Commission

19. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Ethics and Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme Fund is established by and derives its authority and accountability from the Public Finance Management Act (PFMA) 2012. The Fund is wholly owned by the Ethics & Anti-Corruption Commission (EACC) and is domiciled in Kenya. The Fund's principal activity is to provide financing to the members of staff to purchase, develop or renovate residential property and acquisition of motor car for private use.

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 (**Kshs**), which is the functional and reporting currency of the Fund.

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

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2023

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30th June 2023.

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of the Fund’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between the Fund’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>The standard has no impact on the EACC Staff House Mortgage and Car Loan Scheme Fund.</p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Fund provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Fund; (b) The key features of the operation of those social benefit schemes; and

Standard	Effective date and impact:
	<p>(c) The impact of such social benefits provided on the Fund's financial performance, financial position and cash flows.</p> <p>The standard has no impact on the EACC Staff House Mortgage and Car Loan Scheme Fund.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p>The amendment has no impact on the EACC Staff House Mortgage and Car Loan Scheme Fund.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • <i>IPSAS 29: Financial instruments: Recognition and Measurement</i> <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>

Standard	Effective date and impact:
	There was no impact of the Standard to the current financial report of the Scheme.
IPSAS 43	<p><i>Applicable 1st January 2025</i></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 cash flows of the Fund.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>There was no impact of the Standard to the current financial report of the Scheme.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></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>There was no impact of the Standard to the current financial report of the Scheme.</p>

iii. Early adoption of standards

The Fund did not early – adopt any new or amended standards in the year 2022/23

4. Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

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. Budget information

The original budget for FY 2022/23 was approved on 22nd July 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Fund upon receiving the respective approvals in order to conclude the final budget.

The Fund's budget is prepared on a different basis from the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis.

The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also

Significant Accounting Policies (Continued)

made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts as per the statement of financial performance has been presented under page 5 of these financial statements.

c. Financial instruments

1) Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Fund has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, with less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a Fund of financial assets is impaired. Management then follows the procedure

Significant Accounting Policies (Continued)

required by Regulation 145 of the PFM Act, 2012. A financial asset of the Fund is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (*an incurred 'loss event'*) and that loss event has an impact on the estimated future cash flows of the Fund that can be reliably estimated. Evidence of impairment may include the following indicators:

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

2) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Fund determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

d. Contingent liabilities

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

e. Contingent assets

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

Significant Accounting Policies (Continued)

f. 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.

IPSAS-3: Accounting Policies, Changes in Accounting Estimates and Errors is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors.

The standard requires compliance with any specific international financial reporting standard applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis.

Prior period errors are omissions from, and misstatements in, an entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that was available and could reasonably be expected to have been obtained and taken into account in preparing those statements. Such errors result from mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

g. Foreign currency transactions

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

Significant Accounting Policies (Continued)

h. 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 Commission, the Directors, the Fund Managers, and Fund Accountant.

i. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call, and liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Housing Finance Company and KCB Bank Ltd at the end of the financial year.

j. Comparative figures

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

k. Events after the reporting period

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

l. Ultimate and Holding Fund

The EACC Staff Mortgage and Car Loan Scheme Fund is established pursuant to the Salaries and Remuneration Commission (SRC) circular number SRC/ADM/CIR/1/13 Vol. III (128) dated 17th December 2014 and Section 24 (4)(5)(6)(7) of the Public Finance Management (PFM) Act 2012 and 127 (1)(2) of the PFM (National Government).

Its ultimate parent is the Ethics and Anti-Corruption Commission.

m. Currency

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

Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

6. Interest income on Bank Balance

Description	2022/23	2021/22
	Kshs.	Kshs.
Interest on Mortgage Bank Account HFC	1,394,006	1,794,079
Interest on Mortgage Bank Account KCB	5,945,764	2,363,473
Interest on Car Loan Bank Account KCB	386,135	589,065
Interest on Car Loan Bank Account HFC	270,783	243,261
Total Interest Income	7,996,688	4,989,878

The Interest Income of **Kshs 7,996,688** relates to the total interest earned on the capital sum deposited in the Free Fund (High Interest) Account at an annualized 91-day Treasury Bill Rate minus 1%.

7. Interest on Individuals Staff House Mortgage and Car Loans

Description	2022/23	2021/22
	Kshs.	Kshs.
Individual Staff Mortgage 4% Interest at HFC	19,919,440	20,254,873
Individual Staff Mortgage 4% Interest at KCB	16,034,337	14,924,381
Individual Car Loan 4% Interest at HFC	634,157	1,219,036
Individual Car Loan 4% Interest at KCB	307,988	314,189
Total Interest Income	36,895,922	36,712,479

8. Commission paid to Service Providers

Description	2022/23	2021/22
	Kshs.	Kshs.
3% Commission to Service Provider HFC Mortgage	14,939,580	15,191,154
3% Commission to Service Provider KCB Mortgage	12,025,753	11,193,286
3% Commission to Service Provider HFC Car loan	475,618	914,277
3% Commission to Service Provider HFC Car loan	230,991	235,642
Total	27,671,942	27,534,359

9. Withholding Tax on Interest Income

Description	2022/23	2021/22
	Kshs.	Kshs.
Staff Mortgage 1% Interest at HFC	746,979	759,558
Staff Mortgage 1% Interest at KCB	601,288	559,664
Car Loan 1% Interest at HFC	23,781	45,714
Car Loan 1% Interest at KCB	11,550	11,782
Total	1,383,598	1,376,718

The scheme charges an interest of 4% on loans issued out which a share of 1 % is credited back to the scheme for growth of the fund. The withholding tax of Kshs 1,383,598 relates to the 1% interest income received.

10. Bank Service Charges

Description	2022/23	2021/22
	Kshs.	Kshs.
Mortgage Bank accounts	-	1,065
Car Loan Bank accounts	-	1,065
Total	-	2,130

11. Cash and cash equivalents

Description	2022/23	2021/22
	Kshs.	Kshs.
HFC Staff Mortgage Bank Account	91,717,106	66,509,886
KCB Staff Mortgage Bank Account	151,721,181	149,818,709
KCB Car Loan Bank Account	17,865,484	5,999,636
HFC Car Loan Bank Account	31,896,509	30,528,736
Total Cash and Cash equivalents	293,200,280	252,856,967

Detailed analysis of the cash and cash equivalents in banks approved by The National Treasury in line with Section 28 of the PFM Act ,2012 are as follows:

		2022/23	2021/22
Financial Institution	Account number	Kshs.	Kshs.
Mortgage and Car Loan Fund			
KCB Bank Limited	MM1823230468	149,324,032	148,433,540
KCB Bank Limited	MM2035HC6PL	31,793,652	5,921,551
Housing Finance Company	2025883401-0	17,865,484	30,528,736
Housing Finance Company	2025883104-0	91,717,106	66,509,885
Sub- Total		290,700,274	251,393,712
Current Account			
KCB Bank Limited	1233945564	2,397,149	78,085
KCB Bank Limited	1233948172	102,857	1,385,170
Sub- Total		2,500,006	1,463,255
Grand Total		293,200,280	252,856,967

The scheme back-up accounts held at Housing finance for both Mortgage loans and Car loans hold funds that are disbursed to the beneficiaries less principal recoveries. It shall thus at all times have a balance equivalent to the total aggregate disbursed loans less principal recoveries. The back-up account does not earn interest.

12. Mortgage and Car Loan Receivables

Description	2022/23	2021/22
	Kshs.	Kshs.
Current Receivables		
Short term receivables from staff House Mortgage	60,460,926	59,349,427
Short term receivables from staff Car Mortgage	9,316,942	12,973,217
Total Current Receivables	69,777,867	72,322,644
Non-Current Receivables		
Long term receivables from staff House Mortgage	832,130,810	845,371,903
Long term receivables from staff Car Mortgage	7,268,447	15,988,817
Total Non- Current Receivables	839,399,257	861,360,720
Total Receivables	909,177,124	933,683,364

Ageing analysis (receivable from exchange transactions)	2022/23	% of total	2021/22	% of total
Less than 1 year	69,777,867	8%	72,322,644	8%
Between 1-2 years	139,555,735	15%	144,645,288	15%

Between 2-3 years	209,333,602	23%	216,967,932	23%
Over 3 years	490,509,920	54%	499,747,500	54%
Total	909,177,124	100%	933,683,364	100%

13. Mortgage and Car Revolving Fund

Description	2022/23	2021/22
	Kshs.	Kshs.
Revolving fund as at 01 July	1,085,000,000	985,000,000
Mortgage Revolving fund	-	100,000,000
Car Loan Revolving fund	-	-
	1,085,000,000	1,085,000,000
Accumulated surplus (<i>Reserves</i>)	117,377,405	101,540,331
Total funds as at 30 June	1,202,377,405	1,186,540,331

14. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

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

the Fund's management based on prior experience and their assessment of the current economic environment.

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

Description	Total amount Kshs.	Fully performing Kshs.	Past due Kshs.	Impaired Kshs.
At 30 June 2023				
Receivables from Car Loans and Mortgages	909,177,125	909,177,125	-	-
Bank Balances	293,200,280	293,200,280	-	-
Total	1,202,377,405	1,202,377,405	-	-
At 30 June 2022				
Receivables from Car Loans and Mortgages	933,683,364	933,683,364	-	-
Bank Balances	252,856,967	252,856,967	-	-
Total	1,186,540,331	1,186,540,331	-	-

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Fund has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Fund has significant concentration of credit risk on amounts due from staff loan beneficiaries.

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

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the Fund's short, medium, and long-term funding and liquidity management requirements. The Fund manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

c) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates, which will affect the Fund's income or the value of its holding of financial instruments.

The objective of market risk management is to manage and control of market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

d) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs. 142,333 (2022: Kshs. 28,913,207).

A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs. 1,445,660 (2023- Kshs. 29,055,540) = (Last year revenue) x (1+5%)

e) Capital risk management

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

Description	2022/23	2021/22
	Kshs.	Kshs.
Revolving fund as at 01 July	1,085,000,000	985,000,000
Mortgage Revolving fund	-	100,000,000
Car Loan Revolving fund	-	-
	1,085,000,000	1,085,000,000
Accumulated surplus (<i>Reserves</i>)	117,377,405	101,540,331
Total funds	1,202,377,405	1,186,540,331
Less: Cash and bank balances	(293,200,280)	(252,856,967)
Net debt/(excess cash and cash equivalents)	909,177,124	933,683,364
Gearing	76%	79%

15. Related party

a) Nature of related party relationship

Entities and other parties related to the Fund include those parties who can exercise control or exercise significant influence over its operating and financial decisions. Related parties have management personnel and their associates. The fund/scheme is related to the following entities:

- a) The National Treasury
- b) Ethics & Anti-Corruption Commission
- c) Staff Mortgage and Car Loan Advisory Committee; and
- d) Key management personnel

b) Related party transactions

i. Transfers from related parties

Description	2022/23	2021/22
	Kshs.	Kshs.
Transfers from EACC	-	100,000,000

*Ethics & Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme
Annual Report and Financial Statements for the year ended 30th June 2023*

20. SCHEME ACCOUNTABILITY STATEMENT AS AT 30TH JUNE 2023

	House Mortgage Scheme Interest Kshs.	House Mortgage Scheme Kshs.	Car Loan Scheme Interest Kshs.	Car Loan Scheme Kshs.	Total Kshs.
Scheme Funding:					
Opening Balance 01.07.2022		1,094,049,326		92,491,007	1,186,540,333
Funding for the year		-		-	-
Total Principal Funding		1,094,049,326		92,491,007	1,186,540,333
Interest					
Interest earned on Bank Balance HFC		1,394,006		386,135	1,780,141
Interest earned on Bank Balance KCB		5,945,764		270,783	6,216,547
Interest earned;4% on Loans Issued	35,953,77		942,145		
Less:3% Administration fees	(26,965,333)		(706,609)	235,536	9,223,981
Withholding Tax on Interest Income		(1,348,267)		(35,330)	(1,383,597)
Bank Service Charges		-		-	-
Total net Interest		14,979,948		857,124	15,829,120
Total Fund		1,109,029,274		93,348,131	1,202,377,405
Total Loans Issued KCB Bank	(475,291,828)		(11,280,000)		
Total Principal Repaid KCB Bank	68,989,758	(406,302,070)	4,395,550	(6,884,450)	(413,158,520)
Total Loans Issued HFC Bank	(706,210,876)		(116,416,300)		
Total Principal Repaid HFC Bank	219,921,210	(486,289,666)	106,715,362	(9,700,938)	(495,990,604)
Total Fund Balance 30.06.2023		216,437,538		76,762,743	293,200,280

21. ANNEXES

Annex I: Statement of Scheme Performance

The Scheme recorded four (4) successful applications for Mortgage amounting to Kshs. 60,744,129 and only one (1) for Car Loan amounting to Kshs. 1,600,000 as at the end of the period under review compared with nine (9) successful applications for Mortgage and one (1) successful applications for Car loan in the previous financial year as analysed below.

Comparative Scheme Performance				
	2022-2023		2021-2022	
Scheme	Number of successful applicants	Amount	Number of successful applicants	Amount
	No.	Kshs.	No.	Kshs.
Staff Mortgage	4	60,744,129	9	82,462,033
Staff Car Loan	1	1,600,000	1	2,000,000
	5	62,344,129	10	84,462,033

Annex II: Cumulative Scheme performance in the last seven (7) years

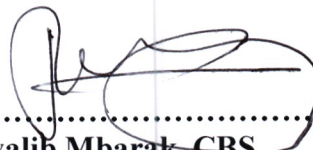
FY		Mortgage HFC	Mortgage KCB	Car loan HFC	Car loan KCB	Total
2016- 2017	No of successful applicants	28	-	24	-	52
	Loan Disbursed (Kshs)	247,230,562	-	36,531,800	-	283,762,362
2017- 2018	No of successful applicants	24	-	19	-	43
	Loan Disbursed (Kshs)	170,300,379	-	19,761,000	-	190,061,379
2018- 2019	No of successful applicants	21	2	25	-	48
	Loan Disbursed (Kshs)	162,940,172	13,467,257	32,648,500	-	209,055,929
2019- 2020	No of successful applicants	9	13	17	-	39
	Loan Disbursed (Kshs)	70,564,972	72,448,230	22,017,000	-	165,030,202
2020- 2021	No of successful applicants	2	40	5	5	52
	Loan Disbursed (Kshs)	7,032,733	294,312,237	5,458,000	7,680,000	314,482,970
2021- 2022	No of successful applicants	3	6	-	1	10
	Loan Disbursed (Kshs)	24,452,629	58,009,404	-	2,000,000	84,462,033
2022- 2023	No of successful applicants	2	2	-	1	5
	Loan Disbursed (Kshs)	23,689,429	37,054,700	-	1,600,000	62,344,129

Annex III: Progress on follow up of prior year Auditor's recommendations

The Scheme did not have any Audit follow up issues for the previous Audited Financial Year 2021/22.



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David Oginde, PhD
Chairperson of the Commission



.....
Twalib Mbarak, CBS
**Secretary to the Commission/
Fund Administrator**