

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

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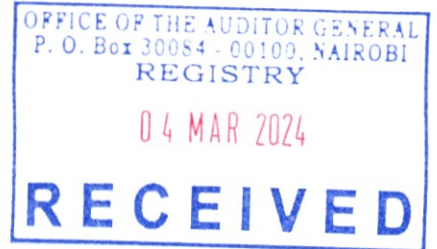
THE AUDITOR-GENERAL

ON

**KENYA INSTITUTE OF CURRICULUM
DEVELOPMENT MORTGAGE & CAR
LOAN SCHEME**

**FOR THE YEAR ENDED
30 JUNE, 2021**

1951



**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
MORTGAGE & CAR LOAN SCHEME**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE, 2021**

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

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1. Key Scheme information and management

a) Background information

Kenya Institute of Curriculum Development Staff Mortgage and Car Loan Scheme is established by and derives its authority and accountability from KICD Act No. 4 of 2013. The Scheme is wholly owned by Kenya Institute of Curriculum Development and is domiciled in Kenya. Pursuant to the Salaries and Remuneration Commission circular no. SRC/ADM/CIR/1/13Vol. III (128) dated 17 December 2014, the Institute operationalized a car loan and mortgage scheme which was approved by the Council in 2017. The Institute developed internal regulations as guided and approved by The National Treasury. An internal Committee was thereafter appointed to oversee the operationalization and implementation of the scheme. An agreement with the Scheme Administrator (Kenya Commercial Bank) was signed on 30th November 2019. The Scheme was operationalised in the financial year 2020/2021.

b) Principal Activities

The principal activity/mandate of the Scheme is to provide staff with loans for car and mortgage so as to facilitate their mobility and acquisition of residential homes. The Scheme is administered by Kenya Commercial Bank Ltd.

There is a Mortgage & Car loan Committee charged with the responsibility of recommending for approval of loans from applicants in accordance with the approved regulations. The scheme is a cash backed scheme, with resources from Kenya Institute of Curriculum Development budgetary process.

c) KICD Mortgage & Car loan Committee

Ref	Position	Name	Designation
1	Chairperson	Dr. Joel Mabonga	Senior Deputy Director (Corporate Services)
2	Vice Chairperson	Emily Sila	Deputy Director (Nacece Resource Centre)
3	Member	Johnson Wachira	Deputy Director (Technical Services))
4	Member	Kennedy Ongaro	Deputy Director (Admin)
5	Member	Grace Ngugi	Deputy Director (Special Programmes)
6	Member	Robai Musilivi	Assistant Director (Legal Services)
7	Member	Jacinta Njenga	Assistant Director (Finance & Accounts)
8	Secretary	Anne Muteti	Assistant Director (Human Resources Management & Development)
9	Secretary	Ann Muiru	Principal Human Resources Management
10	Scheme Manager/Administrator	Kenya Commercial Bank Ltd.	Bank

d) Key Management

Ref	Position	Name
1	Scheme Manager/ Administrator	Kenya Commercial Bank Ltd.

e) Fiduciary Oversight Arrangements

Ref	Position	Name
1	Staff Mortgage and car Loan Committee	As Above
2	Chief Executive Officer	Prof. Charles Ong'ondo

f) Registered Offices

Kenya Institute of Curriculum Development,
P.O. Box 30231-00100,
Desai Road, Off Murang'a Road,
Nairobi, Kenya.

g) Scheme Contacts

Kenya Institute of Curriculum Development,
P.O. Box 30231-00100,
Desai Road, Off Murang'a Road,
Nairobi, Kenya.
E-mail: info@kicd.ac.ke
Website: www.kicd.ac.ke

h) Scheme Bankers

1. Kenya Commercial Bank Ltd.

i) Independent Auditors

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

j) Principal Legal Adviser

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

2. Scheme Administration Committee

Ref	Position	Name	Designation
1	Chairperson	Dr. Joel Mabonga	Senior Deputy Director (Corporate Services)
2	Vice Chairperson	Emily Sila	Deputy Director (Nacece Resource Centre)
3	Member	Johnson Wachira	Deputy Director (Technical Services))
4	Member	Kennedy Ongaro	Deputy Director (Admin)
5	Member	Grace Ngugi	Deputy Director (Special Programmes)
6	Member	Robai Musilivi	Assistant Director (Legal Services)
7	Member	Jacinta Njenga	Assistant Director (Finance & Accounts)
8	Secretary	Anne Muteti	Assistant Director (Human Resources Management & Development)
9	Secretary	Ann Muiru	Principal Human Resources Management
10	Scheme Manager/ Administrator	Kenya Commercial Bank Ltd.	Bank

3. Management Team

Ref	Position	Name
1	Staff Mortgage and car Loan Committee	As Above
2	Chief Executive Officer	Prof. Charles Ong'ondo

4. Chairman's Report

Kenya Institute of Curriculum Development Staff Mortgage and Car Loan Scheme was approved for establishment by the Council in 2017. The main aim was to provide staff with low cost loans so as to acquire residential homes and cars as approved by the Salaries & Remuneration Commission. The Institute developed internal regulations as guided and approved by The National Treasury. An internal Committee was thereafter appointed to oversee the operationalization and implementation of the scheme. An agreement with the Scheme Administrator (Kenya Commercial Bank) was signed on 30th November 2019. The Scheme was operationalised in the financial year 2020/2021.

The Mortgage & Car loan Committee is charged with the responsibility of recommending for approval of loans from applicants in accordance with the approved regulations. The Scheme administrator who is the Kenya Commercial Bank appraises the individual staff loan applications recommended by the Institute and facilitates the acquisition of the assets to the individuals. The scheme is a cash backed scheme, with resources from Kenya Institute of Curriculum Development budgetary process.

Since inception the scheme has awarded Mortgage Loans to one staff member. Three staff members were so far awarded car loans. Staff members welcomed the introduction of the Scheme as they will be able to acquire Mortgage and Car loan facilities at lower cost. Since inception there was low uptake especially for Mortgage loans as staff were clearing prior financial commitments so as to be able to take up the loans.



Emily Sila
Vice Chairperson, Scheme Committee

5. Report of the Chief Executive Officer

Kenya Institute of Curriculum Development Staff Mortgage and Car Loan Scheme was approved for establishment by the Council in 2017 with an aim of providing staff with low cost mortgage & Car loans as required by the Salaries & Remuneration Commission. The Institute developed internal regulations as guided and approved by The National Treasury. An internal Committee was thereafter appointed to oversee the operationalization and implementation of the scheme. An agreement with the Scheme Administrator (Kenya Commercial Bank) was signed on 30th November 2019. The Scheme was operationalised in the financial year 2020/2021.

The scheme is a cash backed scheme, with resources from Kenya Institute of Curriculum Development budgetary process.

Since inception the scheme has awarded Mortgage Loans to one staff member. Three staff members were awarded car loans as at year end. Staff members welcomed the introduction of the Scheme as they will be able to acquire Mortgage and Car loan facilities at lower cost. This will also enhance staff retention and motivation. Since inception there was low uptake especially for Mortgage loans as staff were clearing prior financial commitments so as to be able to take up the loans.



Prof. Charles O. Ong'ondo, PhD, MBS
Chief Executive Officer

6. Statement of Performance against Predetermined Objectives

The Objective of the scheme was to provide staff with low-cost mortgage & Car loans. A Mortgage & Car loan Committee was appointed to oversee the operationalization and implementation of the scheme. An agreement with the Scheme Administrator (Kenya Commercial Bank) was signed on 30th November 2019. The Scheme was operationalised in the financial year 2020/2021.

Since inception the scheme has awarded Mortgage Loans to one staff member while one was at the appraisal stage as at year end. Three staff members were awarded car loans as at year end. Staff members were pleased with the and this will also enhance staff retention and motivation.

7. Corporate Governance Statement

The Mortgage & Car loan Committee is appointed by the Chief Executive Officer. The Committee is charged with the responsibility of recommending for approval of loans from applicants in accordance with the approved regulations. The Scheme administrator who is the Kenya Commercial Bank appraises the individual staff loan applications recommended by the Institute and facilitates the acquisition of the assets to the individuals as per the approved agreement. There is also an internal audit function charged with the responsibility of ensuring adherence to the regulations.

8. Management Discussion and Analysis

The Scheme's initial investment in the financial year 2020/2021 was **Kshs. 50 million**. **Kshs. 30 million** was allocated to Mortgage while **Kshs. 20 million** was allocated to Car loan.

The Scheme is cash backed from the Institute's resources allocated from the budgetary process. The Institute is funded by the exchequer. The allocation of funds follows the normal approval processes. As at end of financial year 2020/2021 the scheme had awarded Mortgage Loans to one staff member and three staff members were awarded car loans. There was low uptake as staff were clearing prior financial obligations.

9. Environmental and Sustainability reporting

Over the years, KICD has endeavoured to partner with its stakeholders to champion a cause that is likely to have a positive impact on society. During the 2020/2021 Financial Year, in giving back to society, the Institute participated in a tree planting exercise in response to a Presidential directive on 'National Strategy for Achieving and Maintaining over 10% Tree Cover by 2022,' which was issued on January 5, 2019.

10. Report of The Scheme Administration Committee

The Institute/Scheme Administration Committee submit their report together with the financial statements for the year ended June 30, 2021, which show the state of the Scheme affairs. Financial Statements are as shown below.

Principal activities

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

Performance

The performance of the Scheme for the year ended June 30, 2021, is set out on page 1

Committee

The members of the Mortgage & Car loan Committee who served during the year are shown on above on the key Scheme information and management page.

Auditors

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



Prof. Charles O. Ong'ondo, PhD, MBS
Chief Executive Officer
Kenya Institute of Curriculum Development

Date: 29/2/2024

11. Statement of Management's Responsibilities

The Management of the Scheme is responsible for the preparation and presentation of the Scheme's financial statements, which give a true and fair view of the state of affairs of the Scheme for and as at the end of the financial year ended on June 30, 2021.

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 management accepts responsibility for the Scheme's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The management of the Scheme is of the opinion that the Scheme's financial statements give a true and fair view of the state of Scheme's transactions during the financial year ended June 30, 2021, and of the Scheme's financial position as at 30th June 2021. The management further confirm the completeness of the accounting records maintained for the Scheme, which have been relied upon in the preparation of the Scheme's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the management of the Scheme has assessed the Scheme'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 management 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



PROF. CHARLES O. ONGÓNDÓ, PhD, MBS
CHIEF EXECUTIVE OFFICER



EMILY SILA
VICE CHAIRPERSON

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON KENYA INSTITUTE OF CURRICULUM DEVELOPMENT MORTGAGE & CAR LOAN SCHEME FOR THE YEAR ENDED 30 JUNE, 2021

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 the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, 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 Kenya Institute of Curriculum Development Mortgage & Car Loan Scheme set out on pages 1 to 14, which comprise of

Report of the Auditor-General on Kenya Institute of Curriculum Development Mortgage & Car Loan Scheme for the year ended 30 June, 2021

the statement of financial position as at 30 June, 2021, 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 Kenya Institute of Curriculum Development Mortgage & Car Loan Scheme as at 30 June, 2021, 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 Kenya Institute of Curriculum Development Act, 2013 and Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Institute of Curriculum Development Mortgage & 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 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards- Accrual Basis and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and 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 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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. 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 and weakness 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 controls 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 controls 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 controls may not prevent or detect misstatements and instances of noncompliance. 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 Scheme's 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 controls.

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

I also provide 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.


 FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


18 March, 2024

13. Statement of Financial Performance for the year ended 30th June 2021.

Description	Note	2020/21 Kshs.
Revenue from exchange transactions		
Interest income	5	207,176
Total income		207,176
Expenses		
Bank charges	6	(504)
Total expenses		(504)
Surplus		206,672

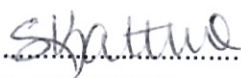
The notes set out on pages 9 to 10 form an integral part of these Financial Statements

The financial statements were approved on by:



.....
PROF. CHARLES ONGÓNDO, PhD, MBS
CHIEF EXECUTIVE OFFICER

Date 29/2/2024



.....
DR. SOLOMON KATHUO
HEAD OF FINANCE &
ACCOUNTS

Date 29/2/2024




.....
EMILY SILA
VICE CHAIRPERSON

Date 29/2/2024


14. Statement of Financial Position as at 30th June 2021

Description	Note	2020/21 Kshs.
Assets		
Current assets		
Cash and cash equivalents	7	37,356,622
Receivables from exchange transactions	8	12,850,050
Total Current Assets		50,206,672
Total assets		50,206,672
Liabilities		
Trade and other payables		-
Total liabilities		-
Total Net assets		50,206,672
Car loan Initial Investment	10	20,000,000
Mortgage Initial Investment	10	30,000,000
Accumulated surplus (<i>Reserves</i>)	9	206,672
Total net assets and liabilities		50,206,672


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Scheme financial statements were signed by:


.....
PROF. CHARLES ONGÓNDO, PhD, MBS
CHIEF EXECUTIVE OFFICER

Date 29/2/2024


.....
DR. SOLOMON KATHUO
HEAD OF FINANCE & ACCOUNTS

Date 29/2/2024


.....
EMILY SILA
VICE CHAIRPERSON

Date 29/2/2024

15. Statement of Changes in Net Assets for the year ended 30th June 2021

Description	Mortgage Scheme	Car Loan Scheme	Accumulated surplus	Total
	Kshs.	Kshs.	Kshs.	Kshs.
As at 1 July 2020	-	-	-	-
Surplus for the period	-	-	206,672	206,672
Schemes received during the year	30,000,000	20,000,000	-	50,000,000
As at 30 June 2021	30,000,000	20,000,000	206,672	50,206,672

(Revenue Reserves are from accumulated surplus.)



.....
PROF. CHARLES ONGÓNDO, PhD, MBS
CHIEF EXECUTIVE OFFICER

Date 29/2/2024



.....
DR. SOLOMON KATHUO
HEAD OF FINANCE &
ACCOUNTS

Date 29/2/2024



.....
EMILY SILA
VICE CHAIRPERSON

Date 29/2/2024

16. Statement of Cash Flows for the year ended 30th June 2021

Description	Note	2020/21 Kshs.
Cash flows from operating activities		
Receipts		
Interest received	5	207,176
Total receipts		207,176
Payments		
Bank charges	6	(504)
Total payments		(504)
Net cash flow from operating activities		206,672
Cash flows from financing activities		
Initial Scheme investment	10	50,000,000
(Increase)/Decrease in Loan receivable	8	(12,850,050)
Net cash flows used in financing activities		37,149,950
Net increase/(decrease) in cash and cash equivalents		37,356,622
Opening Cash and cash equivalents		-
Closing Cash and cash equivalents	7	37,356,622



.....
PROF. CHARLES ONGÓNDO, PhD, MBS
CHIEF EXECUTIVE OFFICER

Date 29/2/2024



.....
DR. SOLOMON KATHUO
HEAD OF FINANCE &
ACCOUNTS

Date 29/2/2024



.....
EMILY SILA
VICE CHAIRPERSON

Date 29/2/2024

17. Statement of Comparison of Budget and Actual amounts for the year ended 30th June 2021

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
Revenue	A	b	C=(a+b)	d	e=(c-d)	F=d/c
Transfers from KICD budget	100,000,000	(50,000,000)	50,000,000	50,000,000	0	100
Interest Earned	250,000	-	250,000	207,176	42,824	83
Total Revenue	100,250,000	(50,000,000)	50,250,000	50,207,176	42,824	100
Bank charges	2,000	-	2,000	504	1,496	25
Mortgage & Car loan transfers	100,000,000	(50,000,000)	50,000,000	50,000,000	0	100
Total Expenditure	100,002,000	(50,000,000)	50,002,000	50,000,504	1,496	100
Surplus	248,000	-	248,000	206,672	41,328	83
Totals	100,250,000	(50,000,000)	50,250,000	50,207,176	42,824	100

Charles Ongondo

PROF. CHARLES ONGÓNDO, PhD, MBS
CHIEF EXECUTIVE OFFICER

Date: *29/2/2024*

Solomon Kathuo

DR. SOLOMON KATHUO
HEAD OF FINANCE & ACCOUNTS

Date: *29/2/2024*

Emily Sila

EMILY SILA
VICE CHAIRPERSON

Date: *29/2/2024*

Budget notes

- The Mortgage & Car loan uptake was initially low as staff were making arrangements to clear financial commitments so as to be able to access the Mortgage & Car loans.
- The Mortgage and Car loan scheme is financed through the Institute's budgetary process.

18. Notes to the Financial Statements

1. General Information

KICD Staff Mortgage & Car Loan Scheme is established by and derives its authority and accountability from KICD Act. The Scheme is wholly owned by the Institute and is domiciled in Kenya. The scheme was established to cater for the welfare of the staff.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on accrual basis. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency.

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

3. Adoption of New and Revised Standards

The scheme did not adopt any new or amended standards in financial year 2020/2021.

4. Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Transfers to the Mortgage and Car loan scheme accounts follow the Institute's budgetary process and approvals.

ii) Revenue from exchange transactions

Interest income

Interest income is accrued when earned in the period which it is earned. Revenue constitutes all income accruing to the scheme in the form of interest on unutilised funds.

b. Budget information

The original budget and revised budgets for FY 2020/2021 were approved by the Council. The financial statements are prepared on accrual basis whereas the budget is prepared on a cash basis. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is presented.

Significant Accounting Policies (Continued)

c. Nature and purpose of reserves

The scheme accumulated reserves are mainly from the accumulated surplus over the years.

d. Related parties

The scheme 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 Scheme, or vice versa. Members of key management are regarded as related parties and comprise the Director, the Scheme Managers, and Scheme committee.

e. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and unutilised 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 Kenya Commercial Bank at the end of the financial year.

f. Comparative figures

This being the first year of operation, comparative figures for the previous financial year have not been included.

g. Events after the reporting period

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

h. Currency

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

Notes to the Financial Statements

5. Interest income

Description	2020/21
	Kshs.
Interest Income on unutilized Scheme deposits	207,176
Total Interest Income	207,176

6. Finance costs

Description	2020/21
	Kshs.
Bank charges	504
Total	504

7. Cash & Cash Equivalent

Financial Institution	Account number	2020/21
		Kshs.'
Mortgage and Car Loan Scheme		
Kenya Commercial Bank Ltd— Mortgage Current Account	1281008311	84,632
Kenya Commercial Bank Ltd- Mortgage unutilised Account	1281008311	21,000,000
Kenya Commercial Bank Ltd- Car loan unutilised Account	1281008753	16,149,950
Kenya Commercial Bank Ltd- Car loan Current Account	1281008753	122,040
Total		37,356,622

8. Receivables from exchange transactions

Description	2020/21
	Kshs.
Current Receivables	
Mortgage loan balances as at 30.06.21	9,000,000
Car loan balances as at 30.06.21	3,850,050
Total Receivables From Exchange Transactions	12,850,050

Notes to the Financial Statements continued

9. Accumulated Surplus

Description	2020/21
	Kshs.
Surplus/(Deficit) for the year	206,672
Total Accumulated Surplus	206,672

10. Initial Scheme Investment

Description	2020/21
	Kshs.
Car loan Initial Investment	20,000,000
Mortgage Initial Investment	30,000,000
Total	50,000,000

Other Disclosures

11. Financial risk management

The Scheme's activities expose it to a variety of financial risks including credit and liquidity risks. The Scheme does not hedge any risks and has in place policies to ensure that credit is only extended to borrowers with an established credit history. The Scheme's financial risk management objectives and policies are detailed below:

a) Credit risk

The Scheme has exposure to credit risk, which is the risk that a borrower will be unable to repay the loan. The Scheme's credit risk is low since the acquired assets are charged to the bank and also act as security to the loan. The administrator reduces this risk by keenly appraising the borrower before processing the loan. The carrying amount of financial assets recorded in the financial statements representing the Scheme's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs.	Fully performing Kshs.	Past due Kshs.	Impaired Kshs.
At 30 June 2021				
Receivables From Exchange Transactions- Car loans and mortgages	12,850,050	12,850,050	-	-
Bank Balances	37,356,622	37,356,622	-	-
Total	50,206,672	50,206,672	-	-

The customers under the fully performing category are paying their debts . The credit risk associated with these receivables is minimal.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Scheme Administrator, who has built an appropriate liquidity risk management framework for the management of the Scheme's short, medium, and long-term funding and liquidity management requirements.

c) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the Scheme on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. There has been no change to the Scheme's exposure to market risks or the manner in which it manages and measures the risk.

d) Interest rate risk

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

Management of interest rate risk

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

e) Capital risk management

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

Kenya Institute of Curriculum Development Staff Mortgage & Car Loan Scheme
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Description	2020/21
	Kshs.
Revolving Scheme	50,000,000
Accumulated surplus (<i>Reserves</i>)	206,672
Total Schemes	50,206,672
Less: cash and bank balances	(37,356,622)
Net debt/(excess cash and cash equivalents)	12,850,050

Other Disclosures Continued

12. Related party balances

a) Nature of related party relationships

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

- a) National government Scheme
- b) Key management;
- c) Scheme Committee
- d) Scheme Administrator

b) Related party transactions

i. Transfers from related parties

Description	2020/21
	Kshs.'
Transfers from related parties	-

ii. Key management remuneration

Description	2020/21
	Kshs.
Board of Trustees	-
Key Management Compensation	-
Total	-

13. Annexes

Annex I: Progress on Follow Up Of Prior Year Auditor’s Recommendations

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

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



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Date.....29/2/2024

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