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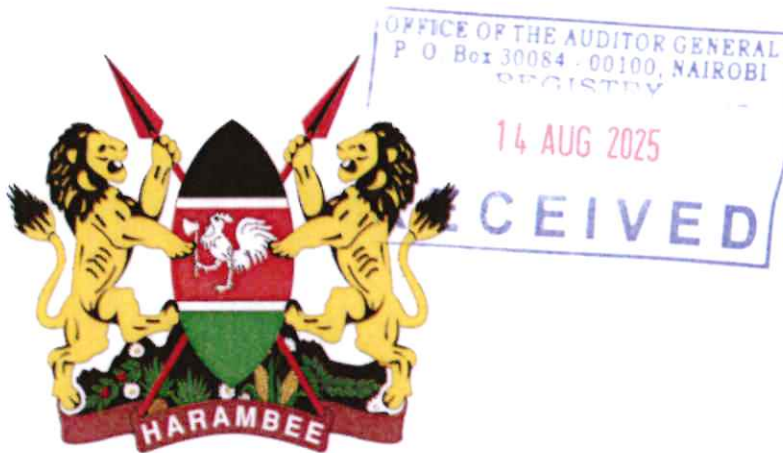
ON

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

FOR THE YEAR ENDED


30 JUNE, 2025

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 24 SEP 2025	DAY: WEDNESDAY
TABLED BY:	THE DEPUTY LEADER OF THE MAJORITY PARTY
CLERK-AT-THE-TABLE:	WILLIS OBIERO



ETHICS AND ANTI-CORRUPTION COMMISSION

STAFF HOUSE MORTGAGE AND CAR LOAN SCHEME

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 24 SEP 2025	
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**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED**

30TH JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A. 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. Definition of Key Terms

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

Comparative Year- Means the prior period.

Accrual Basis- a basis of accounting under which transactions and other events are recognized when they occur (and not only when cash or its equivalent is received or paid). Therefore, the transactions and events are recorded in the accounting records and recognized in the financial statements of the periods to which they relate. The elements recognized under accrual accounting are assets, liabilities, net assets/equity, revenue and expenses.

2. Key Fund Information and Management

a) Background information

Ethics & Anti-Corruption Commission (EACC) Staff House Mortgage and Car Loan Fund was established by 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 established 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 the Government of Kenya, with the objective of providing a loan scheme for the purpose of acquisition of motor car 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(s)
- (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 Fund administrator is responsible for the day-to-day operations of the Scheme assisted by the EACC Staff Mortgage and Car Loan Advisory Committee. The Fund has also engaged professional service providers from the Housing Finance and KCB Bank Limited.

c) The Commission

Ref	Position	Name
1	Chairperson	David Oginde, PhD, FCS
2	Commissioner	Dr. Monica Muiru, PhD, MBS
3	Commissioner	Col. (Rtd) Alfred Mshimba, MBS
4	Commissioner	Dr. Cecilia Mutuku, PhD, CHRP, CPS-K
5	Commissioner	CPA John Ogallo
6	Secretary to the Commission	Mr. Abdi A. Mohamud, MBS

d) Key Management

Ref	Position	Name
1	Fund Administrator	Mr. Abdi A. Mohamud, MBS 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	CHRP(K) Petronilla Katumbi Kyengo (Mrs) Deputy Director, Human Resource Management/ Secretary
6	Staff Mortgage and Car Loan Advisory Committee	Mr. Vincent O. Okong'o, MBS ndc (k), 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	Mr. Paschal Mweu, OGW Director, Investigations/ (Nominated Member)
9	Staff Mortgage and Car Loan Advisory Committee	F 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.	Commissioner	Dr. Monica Muiuru, PhD, MBS
3.	Commissioner	Col. (Rtd) Alfred Mshimba, MBS
4.	Commissioner	Dr. Cecilia Mutuku, PhD, CHRP, CPS-K
5.	Commissioner	CPA John Ogallo
6.	Deputy Director, Internal Audit	Mr. Hassan Kidzuga
7.	Risk & Audit Committee	Mr. John Matagaro (The National Treasury Representative)

f) Registered Offices

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

g) Fund Contacts

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

GPO 00100
Nairobi, Kenya

i) Independent Auditors



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

j) Principal Legal Adviser

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




3. The Commission

Ref	Commission Members	Details
1.	 <p>David Oginde, PhD, FCS 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</p> <p>Born in the year 1959, and joined the Commission in April, 2023. 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, PhD, MBS Vice-Chairperson Doctor of Philosophy in Business and 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</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>She 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>She chairs Support Services Committee.</p>

<p>3.</p>	 <p>Col. (Rtd) Alfred Mshimba, MBS 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 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>He chairs the Enforcement Committee.</p>
<p>4.</p>	 <p>Dr. Cecilia Mutuku, PhD, 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 Quality (ASQ) and the Kenya Institute of Management (KIM).</p>	<p>Independent Commissioner</p> <p>Born in the year 1968 and hold extensive experience in Human Resource and Governance biased in policy development, leadership, organization behaviours and reforms, performance improvement, culture change and quality management.</p> <p>She has held senior position at Kenya Bureau of Standard and National Quality Institute.</p> <p>She is 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> <p>She Chairs the Corruption prevention, Education and Public Engagement Committee.</p>

<p>5.</p>	 <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>Born in the year 1956. 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.</p>
<p>6.</p>	 <p>Mr. Abdi A. Mohamud, MBS Secretary/Chief Executive Officer</p> <p>Master of Science (Security and Risk Management) Bachelor of Laws (LLB), Postgraduate Diploma in Law.</p>	<p>Secretary to the Commission and Chief Executive Officer</p> <p>Born in the year 1966, he served in various management positions, including Deputy Chief Executive Officer and Director Investigation. He is an Advocate of the High Court of Kenya and a seasoned investigator with a wealth of experience spanning over 30 years in the investigation of corruption and other forms of economic crimes.</p> <p>He has undergone extensive training, both locally and internationally, with various distinguished law enforcement agencies.</p> <p>Courtesy of his outstanding contribution to the public service, he was honoured with the Moran of the Order of the Burning Spear (M.B.S.) in December 2016 for his eminent role in the fight against corruption.</p>

4. Management Team

	Management	Details
1.	 <p>Mr. Abdi A. Mohamud, MBS Secretary/Chief Executive Officer</p> <p>Master of Science (Security and Risk Management) Bachelor of Laws (LLB), Postgraduate Diploma in Law.</p>	<p>As the Fund Administrator, he provides strategic, financial and operational leadership, coordinate, and work with the Commissioners and senior leadership team. In addition, he is involved in managing the day-to-day operations of the Fund.</p>
2.	 <p>Mr. Paschal K. Mweu, OGW Director Investigations</p> <p>Master Degree in Governance & Ethics Bachelor Degree in Philosophy</p>	<p>A Member of the EACC Staff Mortgage and Car Loan Advisory Committee, which 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 consider and recommend financial statements of the fund for approval by the fund administrator.</p>
3.	 <p>Mr. David K. Too, OGW Director, Legal Services & Asset Recovery</p> <p>Master of Business Administration Bachelor of Laws (LLB), Diploma in Law</p>	<p>As the Chair Person of the EACC Staff Mortgage and Car Loan Advisory Committee, he provides leadership in policy formulation, implementation, and advisory on relevant laws, as well as coordination of the activities of the committee.</p>

<p>4.</p>	 <p>FCPA 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>A Member of the EACC Staff Mortgage and Car Loan Advisory Committee, which 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 consider and recommend financial statements of the fund for approval by the fund administrator.</p>
<p>5.</p>	 <p>Mr. Vincent O. Okong'o, MBS 'ndc (k) Director, Preventive Services Master of Arts (Economics & Social Studies), Master of Arts in Economic Policy Management Bachelor of Arts (Economics)</p>	<p>A Member of the EACC Staff Mortgage and Car Loan Advisory Committee, which 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 consider and recommend financial statements of the fund for approval by the fund administrator.</p>
<p>6.</p>	 <p>CPA Joel I. Mukumu, OGW Director, Finance and Planning Master of Business Administration (Finance), Bachelor of Commerce (Accounting)</p>	<p>A Member of the EACC Staff Mortgage and Car Loan Advisory Committee, as well as the Fund Accountant. He ensures proper books and records of accounts of the income and expenditure, assets and liabilities of the fund are kept.</p>

	Certified Public Accountant of Kenya (CPA-K)	
7.	 <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>	A Member of the EACC Staff Mortgage and Car Loan Advisory Committee, which 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 consider and recommend financial statements of the fund for approval by the fund administrator.
8.	 <p>CHRP Petronilla Katumbi Kyengo (Mrs) Deputy Director, Human Resource Management MBA Strategic Management and Human Resource Management Bachelor's in Business and Office Management Certified Human Resource Professional CHRP (K) Certified Professional Trainer Higher National Diploma in Human Resource Management.</p>	As the Secretary to the EACC Staff Mortgage and Car Loan Advisory Committee, she provides secretariat support, which includes but not limited to recording of minutes, circulation of agendas and resolution to the committee members.

5. Chairperson's Report



The Commission is committed to continuous enhancement of staff welfare as a critical enabler of staff productivity and institutional performance. In line with this, the Commission has anchored issues of staff welfare as a policy priority under Section 9 of its Corporate Services and Procedure Manual, thereby elevating it from a discretionary initiative to a structured obligation. Consequently, the Commission adopted the Ethics and Anti-Corruption Commission Staff Mortgage and Car Loan Scheme Guidelines, 2019, which has institutionalized access to affordable Mortgage and Car Loans for staff. The objective of the Scheme is to support acquisition and development of residential properties and purchase of motor vehicles for private use by staff.

Complementing the financial support Scheme to staff, the Commission has implemented a results-driven annual performance management system that facilitates staff promotion, re-designation, and internal as well as national commendation programs. These efforts are now being augmented by the Staff Recognition and Awards Policy that is in the final stages of finalisation, a strategic framework designed to institutionalize appreciation through both symbolic and material acknowledgments. The long-term value of these initiatives is to strengthen the Commission's culture of recognition, security, and institutional pride. We firmly believe that this culture will foster a deeply committed and highly motivated workforce, dedicated to executing the Mandate of the Commission.

Moving forward, the Commission remains focused on mobilizing adequate financial resources so as to enhance staff productivity and welfare in line with its strategic objective of improving organizational efficiency and effectiveness in implementing its mandate as envisaged in the 2023-2028 Strategic Plan.

David Oginde, PhD, FCS
Chairperson of the Commission

6. Report of the Fund Administrator



Since the establishment of the EACC Staff Mortgage and Car Loan Scheme in 2016, the Commission has remained steadfast in its commitment to providing sustainable and accessible financial support to its staff for acquisition of residential property and purchase of motor vehicles. Administration and management of the Scheme is fully anchored on legal, policy, and financial framework including the Public Finance Management Act (Cap 412A) and its regulations as well as the International Public Sector Accounting Standards (IPSAS).

The Commission has cumulatively disbursed Kshs. 1,476,404,608, comprising Kshs. 1,325,938,308 in House Mortgage Loans and Kshs. 150,466,300 in Car Loans to its staff as at the end of Financial Year (FY) 2024/2025. These facilities have directly benefited 308 staff members, with 169 benefiting from mortgage loans and 109 from car loans. In FY 2024/2025, the Commission disbursed Kshs. 111,142,357 in mortgage loans and Kshs. 8,680,000 in car loans. The Scheme's overall staff coverage is 40% over the past nine years. The Commission recognizes the remaining 60% as a critical gap, and as such, allocated an additional Kshs. 124 million to the Scheme account in FY 2024/2025 to meet the growing demand.

To ensure efficiency and transparency, the Commission has established a dedicated internal committee that evaluates all loan applications on a rolling basis and issues loans guided by the principle of First-In-First-Out (FIFO). The objective of the Scheme is to provide every staff member with an opportunity to transition from reliance on commercial loans to an affordable and institutionally supported framework for financing acquisition of residential properties and motor vehicles.

The Commission remains fully committed to empowering its staff through this facility, as part of its broader agenda of enhancing employee welfare and institutional productivity and sustainability.

A handwritten signature in black ink, appearing to read 'Abdi A. Mohamud'.

Abdi A. Mohamud, MBS

Fund Administrator & Commission Secretary/CEO

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 2024/2025.

Below is the progress to attaining the stated objective:

Program	Objective	Outcome	Indicator	Achievements
To Improve organizational efficiency and effectiveness	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 260 in FY 2023/2024 to 278 staff in FY 2024/2025. 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 a 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 function of the Fund Advisory Committee

The functions of the Committee include; 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; forwarding 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 compliance requirements, operational, financial, and strategic 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, Conduct and 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, 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 the action plans to ensure that the Fund'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 2023/2024 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 2024/2025, 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, established nine (9) years ago, has cumulatively recorded total cash inflows amounting to Kshs. 2,118,109,305 as at the end of the reporting period. Over time, there has been a steady increase in the number of applicants expressing interest in both the Mortgage and Car Loan facilities, resulting in a continuously growing waiting list. As at the end of the period under review, there were 169 beneficiaries of the mortgage amounting to Kshs. 1,325,938,308, and 109 Car Loan beneficiaries amounting to Kshs. 150,466,300.

Performance for the periods 2015/2016 to 2024/2025

	Mortgage	Car Loan	Total
	Kshs.	Kshs.	Kshs.
Exchequer funding HFC Schemes	505,000,000	200,000,000	705,000,000
Exchequer funding KCB Schemes	504,000,000	-	504,000,000
Net intra-fund bank transfers*	169,500,000	(169,500,000)	-
Sub- Total	1,178,500,000	30,500,000	1,209,000,000
Principal repayments received HFC	310,946,175	116,269,972	427,216,147
Principal repayments received KCB	124,704,506	14,658,665	139,363,171
Interest earned on HFC Schemes	192,660,014	36,710,578	229,370,591
Interest earned on KCB Schemes	108,395,232	4,764,162	113,159,394
Total Inflows	1,915,205,927	202,903,377	2,118,109,305
Loans Issued HFC	792,691,461	116,416,300	909,107,761
Loans Issued KCB	533,246,849	34,050,000	567,297,849
Scheme Administration Cost	173,241,316	9,601,857	182,843,173
Withholding Tax on interest	5,308,652	154,525	5,463,177
Bank Service Charges	6,180	4,395	10,575
Total Outflows	1,504,494,458	160,227,077	1,664,721,535
Net Inflows	410,711,469	42,676,300	453,387,769

*Details of Intra - fund transfers have been shown in Annex II.

The increasing demand for the Mortgage and Car Loan facilities has placed pressure on the Fund's resources. Nevertheless, there is strong optimism that the Scheme is on a progressive path toward becoming a self-sustaining revolving fund in the near future.

b) Fund's key projects or investment decisions implemented or ongoing

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

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 applicable laws and regulations in the management of the financial facilitation and intermediation.

c) 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 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 that 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.
- v) **Liquidity risk**

Liquidity risk is the risk that the Scheme Fund will not be able to meet financial obligations when they fall due. This risk is managed by ensuring that the Scheme Fund is liquid enough to meet its obligations whenever they fall due. This has since been managed over the previous years by ensuring sufficient budget allocations are appropriated to the Scheme Fund and the recoveries are credited to the account on a monthly basis.

vi) **Credit risk**

Credit risk is the possibility of loss resulting from a borrower's failure to repay a loan or meet contractual obligations. The Scheme Fund's exposure to credit risk is low because properties acquired are charged to the bank, and thus, held as security.

The Administrator also mitigates the risk by strictly scrutinising the prevailing financial state of the borrower before processing an application. The loan deductions are also effected through check off for the staff in post whereas the Scheme Fund regulations clearly spell out the criteria for officers who have benefited from the Scheme but are no longer serving the Commission.

vii) **Market and inflationary risks**

Market risk is a risk inherent to the Scheme Fund. The properties in the market are affected by the prevailing economic conditions in the Country. The decrease in the Central Bank of Kenya (CBK) rate from 13 per cent to 9.5 per cent has not significantly reduced properties exposure to inflation risk. Inflationary risk also erodes the purchasing power of the revolving fund.

To mitigate these risks, strategies on how to grow the Fund and raising additional funds are being explored. This includes negotiating with service providers to investing funds in avenues of higher return. The loan limit imposed on individuals so as to enable them purchase their preferred properties will also be reviewed in the event of significant rise in cost of properties.

viii) **Sustainability risk**

The Scheme Fund's main source of income is transfers from EACC. Although the Scheme Fund charges interest on successful applicants at 4%, a rate of 3% is taken up by service provider Banks as administration cost leaving 1% of the interest towards the revolving fund which is minimal. The Scheme Fund is, therefore, faced with sustainability risk in that it may not be able to earn any extra funds in the event that the current unutilised funds are taken up, and thus, cannot be invested.

The Scheme Fund Advisory Committee is exploring ways in which the Fund can earn extra income to enable sustainability and maintenance of value amidst long term inflation effects.

d) 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 is an integral part of the Commission's culture. As a responsible organization, the Commission respects the interests of its stakeholders – the employees, customers, suppliers and the wider community. The Commission actively seeks opportunities to improve the environment and contribute to the well-being of its stakeholders.

Below is a brief highlight of the Scheme Fund achievements on Corporate Social Responsibility and Sustainability.

a) Sustainability strategy and profile

The Commission's Mortgage and Car Loan Scheme has endeavoured to remain a going concern through effective planning, budgeting and implementation of its activities. The Scheme also ensures continuous training of staff in order to have an informed workforce and bridge knowledge gaps. By so doing, the Commission has been able to remain solvent and able to attract beneficiaries to the Scheme's products.

b) Environmental performance

Care for the environment is one of the Scheme's key responsibilities and an important part of the way in which the Scheme operates. The EACC Scheme does this through automation of its processes to ensure minimal usage of printing paper and the move towards attainment of a paperless institution.

c) Employee welfare

The Commission puts employee welfare at the core of its decisions. To this end, the Commission has made several strides aimed at successful improvement of the employee welfare. It has therefore established the EACC Staff House Mortgage and Car Loan Scheme with a lower interest of 4 per cent, which has enabled employees to purchase their dream homes and motor vehicles at affordable interest rates.

d) Market place practises

The Commission has put efforts to ensure the following:

i. Responsible competition practice.

The EACC Staff House Mortgage and Car Loan Scheme offers its services to all its clients and does not discriminate based on gender, age, persons living with disability, race or religion.

ii. Responsible supply chain and supplier relations

The EACC Staff House Mortgage and Car Loan Scheme ensures all its mortgage and car loan appraisals and award processes are done in a transparent and accountable manner with full adherence to provisions of the law and regulations in place.

iii Responsible marketing and advertisement

The Commission has a website that contains all the information relating to the EACC Staff House Mortgage and Car Loan Scheme and can easily be accessed by the all its staff members.

iv. Product stewardship

The Scheme upholds the rights and fundamental freedoms as outlined in the Bill of Rights contained in Chapter 4 of the Constitution of Kenya 2010.

d) Community engagements

Corporate Social Responsibility (CSR) is an essential component that enables an organization to participate in promoting the environmental, ethical and socio-economic concerns of the communities. During the period under review, The EACC Staff House Mortgage and Car Loan Scheme did not directly participate in community engagements and other CSR activities. However, the Commission (Scheme sponsor) participated in the Judiciary's Green Justice Initiative and encouraged staff to support tree-planting activities, which is part of the National goal of planting 15 billion trees by 2032.

11. Report of the Scheme Administration Committee

The Scheme Administration Committee submits its report together with the audited financial statements for the year ended June 30, 2025 which shows the state of the Fund's affairs.

Principal activities

The principal activity of the fund is to provide financing to the members of staff to;

- (a) Acquire or purchase residential homes,
- (b) Purchase land for home construction,
- (c) Develop or renovate residential property and
- (d) Acquisition of motor cars for private use.

Performance

The performance of the Fund for the year ended June 30, 2025, is set out on pages 1 to 26.

The Commission

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, FCS
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 30th, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the fund, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

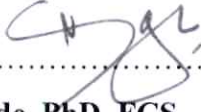
The Administrator of the Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the 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 the Fund's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date.

The Administrator further confirms 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 July 30th 2025 and signed on its behalf by:



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



.....
Abdi A. Mohamud, MBS
Fund Administrator &
Commission Secretary /CEO

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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, 2025

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 the 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, is effective in the use of resources, or that its internal control, 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 26,

Report of the Auditor-General on Ethics and Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme for the year ended 30 June, 2025

which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the 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 Ethics and Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Ethics and Anti-Corruption Commission (EACC Staff Motor Car Loan Scheme) Regulations, 2019, the Ethics and Anti-Corruption Commission (EACC Staff House Mortgage Scheme) Regulations, 2019 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with the International Standards for 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 the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Other Information

The Management is responsible for the other information, set out on pages iii to xxv, which comprise Key Fund Information and Management, Chairperson's Report, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Scheme Administration Committee and the Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Ethics and Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme financial statements, my responsibility is to read the

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

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 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and 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 control, risk management and overall governance.

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

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

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

The Commissioners are responsible for overseeing the Scheme's financial reporting process, reviewing the effectiveness of how the 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

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

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

systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

4 September, 2025

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

Description	Note	2024/25 Kshs.	2023/24 Kshs.
Revenue from exchange transactions			
Interest income on Bank Balance	6	11,212,262	10,311,431
Interest on Individual Staff House Mortgage and Car Loans	7	27,149,182	26,908,066
Total revenue		38,361,444	37,219,497
Expenses			
Finance Costs	8	27,149,182	26,908,066
Bank Service Charges	9	2,130	2,130
Unrecoverable loans written off	10	124,563	-
Total Expenses		27,275,875	26,910,196
Surplus before tax		11,085,568	10,309,301
Taxation	11	1,357,459	1,345,403
Surplus for the period		9,728,109	8,963,898

The notes set out on pages 6 to 25 form integral part of these financial statements.

The financial statements on pages 1 to 5 were approved on July 30th 2025 and signed by:



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



.....
Abdi A. Mohamud, MBS
Fund Administrator &
Commission Secretary /CEO



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

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

Description	Note	2024/25	2023/24
		Kshs.	Kshs.
Assets			
Current assets			
Cash and cash equivalents	12	453,387,769	351,655,832
Receivables from exchange transaction	13	74,974,662	70,518,149
Total Current Assets		528,362,431	422,173,981
Non-current assets			
Receivables from exchange transaction	13	834,726,065	798,136,677
		834,726,065	798,136,677
Total assets		1,363,088,496	1,220,310,658
Liabilities		-	-
Net Asset		1,363,088,496	1,220,310,658
Represented by			
Accumulated surplus (<i>deficit</i>)	14	126,845,432	117,117,323
Mortgage and Car loan revolving fund	14	1,236,243,064	1,103,193,335
Total net assets		1,363,088,496	1,220,310,658

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 July 30th 2025 and signed by:



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



.....
Abdi A. Mohamud, MBS
Fund Administrator &
Commission Secretary /CEO



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

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

Description	Note	Mortgage Fund	Car Loan Fund	Accumulated Surplus	Total
		Kshs	Kshs	Kshs.	Kshs.
Balance as at 1 July 2023		1,028,988,444	65,235,536	108,153,426	1,202,377,406
Surplus for the period		-	-	8,963,897	8,963,897
Transfers from EACC	14	-	-	-	-
Interest capitalized	7	8,751,868	217,487		8,969,355
Balance as at 1 July 2023		1,037,740,312	65,453,023	117,117,323	1,220,310,658
Balance as at 1 July 2024		1,037,740,312	65,453,023	117,117,323	1,220,310,658
Surplus for the period				9,728,109	9,728,109
Transfers from EACC	14	124,000,000			124,000,000
Interest capitalized	7	8,855,889	193,840		9,049,729
As at 30 June 2025		1,170,596,201	65,646,863	126,845,432	1,363,088,496

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

Description	Note	2024/25	2023/24
		Kshs.	Kshs.
Cash flows from operating activities			
Receipts			
Interest income on Bank Balance	6	11,212,262	10,311,431
Interest on Individual Staff Mortgage and Car Loans	7	27,149,182	26,908,066
Total receipts		38,361,444	37,219,497
Payments			
Finance Costs	8	27,149,182	26,908,066
Bank Service Charges	9	2,130	2,130
Unrecoverable loans written off	11	124,563	-
Taxation	10	1,357,459	1,345,403
Total payments		28,633,334	28,255,599
Net cash flow from operating activities		9,728,109	8,963,898
Cash flows from investing activities			
Proceeds from Staff Mortgage principal repayments		70,624,057	76,115,508
Staff Mortgage disbursements paid out		(111,142,357)	(33,293,248)
Proceeds from Staff Car Loan principal repayments		8,152,399	11,790,040
Staff Car Loan disbursements paid out		(8,680,000)	(14,090,000)
Net cash flows used in investing activities		41,045,900	40,522,300
Cash flows from financing activities			
Interest capitalized	7	9,049,729	8,969,355
Funds received from EACC	14	124,000,000	-
Net cash flows used in financing activities		133,049,729	8,969,355
Net increase/(decrease) in cash and cash equivalents		101,731,937	58,455,552
Cash and cash equivalents at 1 July	12	351,655,832	293,200,280
Cash and cash equivalents at 30 June 2025		453,387,769	351,655,832

*Ethics & Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme
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18. Statement of Comparison of Budget and Actual Amounts for the year ended 30th June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
	A	B	C=(A+B)	D	E=(C-D)	F= D/C
Revenue						
Interest on Bank Balance	10,311,431	-	10,311,431	11,212,262	(900,831)	109%
Interest on Staff Mortgage & Car Loans	26,908,066	-	26,908,066	27,149,182	(244,116)	101%
Total Revenue	37,219,497	-	37,219,497	38,361,444	(1,141,948)	
Expenditure						
Finance Costs	26,908,066	-	26,908,066	27,149,183	(241,117)	101%
Bank Service Charges	2,130	-	2,130	2,130	-	100%
Taxation	1,345,403	-	1,345,403	1,357,459	(12,056)	101%
Loans Written off	-	-	-	124,562	(124,562)	
Total Expenditure	28,255,599	-	28,255,599	28,633,334	(377,735)	101%
Surplus for the period	8,963,898	-	8,963,898	9,728,109	(764,213)	

*Ethics & Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme
Annual Report and Financial Statements for the year ended 30th June 2025*

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	9,728,109
1	Proceeds from Staff Mortgage principal repayments	70,624,057
2	Staff Mortgage disbursements	(111,142,358)
3	Proceeds from Staff car loan principal repayments	8,152,399
4	Staff Car Loan disbursements	(8,680,000)
5	Interest Capitalized on mortgage funds	8,855,889
6	Interest Capitalized on car loan funds	193,840
7	Transfer to Mortgage Scheme from EACC	124,000,000
8	Cash and Cash equivalents at 1 July 2024	351,655,832
	Closing Cash and Cash Equivalent as per the statement of Cash flows	453,387,769

19. Notes to the Financial Statements

1. General Information

The Ethics and Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme Fund is established 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. 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.

The financial statements are prepared assuming that the EACC Staff House Mortgage and Car Loan Scheme is a going concern and will continue in operation and meet its statutory obligations in the foreseeable future.

3. Adoption of New and Revised Standards

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

There are no new standards effective in the Financial Year.

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases.</p> <p>The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions.</p> <p>This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>This Standard has no impact 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> <ul style="list-style-type: none"> • 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: • 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>This Standard has no impact to the current financial report of the Scheme.</p>
IPSAS 45: Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement.</p> <p>Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples.</p> <p>The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>This Standard has no impact to the current financial report of the Scheme.</p>
IPSAS 46:	<i>Applicable 1st January 2025</i>

***Ethics & Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme
Annual Report and Financial Statements for the year ended 30th June 2025***

Measurement	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>This Standard has no impact to the current financial report of the Scheme.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>This Standard has no impact to the current financial report of the Scheme.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>This Standard has no impact to the current financial report of the Scheme.</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>This Standard has no impact 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 2024/25.

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 2024/25 was approved on 20th June 2024. 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.

Significant Accounting Policies (Continued)

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 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

Significant Accounting Policies (Continued)

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.

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

Significant Accounting Policies (Continued)

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.

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 House Mortgage and Car Loan Scheme is a Fund under the sponsorship of the Ethics and Anti-Corruption Commission which is a Constitutional Commission established section 3 of the EACC Act 2011 and pursuant to Article 79 of the Constitution of Kenya.

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.

Notes to the Financial Statements

6. Interest income on Bank Balance

Description	2024/25	2023/24
	Kshs.	Kshs.
Interest on Mortgage Bank Account HFC	2,456,242	2,365,289
Interest on Mortgage Bank Account KCB	7,251,782	6,430,846
Interest on Car Loan Bank Account KCB	465,230	481,013
Interest on Car Loan Bank Account HFC	1,039,008	1,034,283
Total Interest Income	11,212,262	10,311,431

The Interest Income of **Kshs 11,212,262** 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

(a) Interest Capitalized on Mortgage and Car Loan.

Description	2024/25	2023/24
	Kshs.	Kshs.
4% Interest on Staff Mortgage at HFC Bank	19,083,788	18,822,883
4% Interest on Staff Mortgage at KCB Bank	16,339,765	16,184,588
	35,423,553	35,007,471
3% Commission to Service Provider HFC Mortgage	(14,312,841)	(14,117,163)
3% Commission to Service Provider KCB Mortgage	(12,254,823)	(12,138,441)
Interest capitalized on mortgage funds	8,855,889	8,751,868
4% Interest on Car Loan at HFC Bank	82,273	237,630
4% Interest Car Loan at KCB Bank	693,085	632,319
	775,358	869,950
3% Commission to Service Provider HFC Car Loans	(61,705)	(178,223)
3% Commission to Service Provider KCB Car Loans	(519,814)	(474,239)
Interest capitalized on car loan funds	193,840	217,487
Total Interest Income Capitalized	9,049,729	8,969,355

Notes to the Financial Statements (continued.....)

(b) Interest on Individuals Staff House Mortgage and Car Loans

Description	2024/25	2023/24
	Kshs.	Kshs.
4% Interest on Staff Mortgage at HFC Bank	19,083,788	18,822,883
4% Interest on Staff Mortgage at KCB Bank	16,339,765	16,184,588
4% Interest on Car Loan at HFC Bank	82,273	237,630
4% Interest Car Loan at KCB Bank	693,085	632,319
	36,198,911	35,877,421
Interest Income capitalized	(9,049,729)	(8,969,355)
Total Interest Income	27,149,182	26,908,066

The EACC Staff House Mortgage and Car Loan Scheme Fund charges an interest rate of 4% to its members which 1% above the recommended rates by the Salaries and remuneration Commission. This is aimed at ploughing back the 1% interest into the Fund, which operates as a revolving fund.

8. Finance Costs

Description	2024/25	2023/24
	Kshs.	Kshs.
3% Commission to Service Provider HFC Mortgage	14,312,841	14,117,163
3% Commission to Service Provider KCB Mortgage	12,254,823	12,138,441
3% Commission to Service Provider HFC Car loan	61,705	178,223
3% Commission to Service Provider KCB Car loan	519,814	474,239
Total	27,149,182	26,908,006

9. Bank Service Charges

Description	2024/25	2023/24
	Kshs.	Kshs.
Mortgage Bank accounts at HFC	-	-
Mortgage Bank accounts at KCB	1,065	1,065
Car Loan Bank accounts at HFC	-	-
Car Loan Bank accounts at KCB	1,065	1,065
Total	2,130	2,130

Notes to the Financial Statements (continued.....)

10. Unrecoverable loans written off

Description	2024/25	2023/24
	Kshs.	Kshs.
Car Loan Scheme at HFC Bank	124,562	-
Total	124,562	-

Unrecoverable loans written off relate to net car loan balance due from a former staff who passed on in December 2017. This net balance was after the amount realised on repossession and disposal of the said motor vehicle by the service provider bank.

11. Taxation (Withholding Tax on Interest Income)

Description	2024/25	2023/24
	Kshs.	Kshs.
Staff Mortgage 1% Interest at HFC Bank	715,642	705,858
Staff Mortgage 1% Interest at KCB Bank	612,741	606,922
Car Loan 1% Interest at HFC Bank	3,085	8,911
Car Loan 1% Interest at KCB Bank	25,991	23,712
Total	1,357,459	1,345,403

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 1,357,459 relates to the 1% interest income received.

12. Cash and cash equivalents

Description	2024/25	2023/24
	Kshs.	Kshs.
HFC Staff Mortgage Bank Account	181,638,638	135,108,336
KCB Staff Mortgage Bank Account	249,072,831	167,386,970
HFC Car Loan Bank Account	933,867	25,903,574
KCB Car Loan Bank Account	21,742,433	23,256,953
Total Cash and Cash equivalents	453,387,769	351,655,832

*Ethics & Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme
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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:

		2024/25	2023/24
Financial Institution	Account number	Kshs.	Kshs.
Mortgage and Car Loan Fund			
KCB Bank Limited	MM1823230468	154,769,961	160,405,488
KCB Bank Limited	MM2035HC6PL	18,973,002	21,188,592
Housing Finance Company	2025883401-0	933,867	25,903,574
Housing Finance Company	2025883104-0	181,638,638	135,108,336
Sub- Total		356,315,468	342,605,989
Current Account			
KCB Bank Limited	1233945564	2,769,431	2,068,361
KCB Bank Limited	1233948172	94,302,870	6,981,482
Sub- Total		97,072,301	9,049,843
Grand Total		453,387,769	351,655,832

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.

13. Receivables from exchange transactions

Description	2024/25	2023/24
	Kshs.	Kshs.
Current Receivables		
Short term receivables from staff House Mortgage	68,544,788	63,173,322
Short term receivables from staff Car Mortgage	6,429,874	7,344,827
Total Current Receivables	74,974,662	70,518,149
Non-Current Receivables		
Long term receivables from staff House Mortgage	821,742,839	786,596,004
Long term receivables from staff Car Mortgage	12,983,227	11,540,673
Total Non- Current Receivables	834,726,066	798,136,677
Total Receivables	909,700,728	868,654,826

Ageing analysis (receivable from exchange transactions)	2024/25	% of total	2023/24	% of total
Less than 1 year	74,842,113	8%	70,518,149	8%
Between 1-2 years	149,684,226	16%	141,036,298	16%
Between 2-3 years	224,526,339	24%	211,554,447	24%
Over 3 years	460,648,050	52%	445,545,932	52%
Total	909,700,728	100%	868,654,826	100%

14. Mortgage and Car Revolving Fund

Description	2024/25	2023/24
	Kshs.	Kshs.
Revolving fund as at 01 July	1,103,193,335	1,094,223,980
Transfer into Mortgage Revolving fund	124,000,000	-
Interest capitalised on mortgage loans	8,855,889	8,751,868
Transfer into Car Loan Revolving fund	-	-
Interest capitalised on car loans	193,840	217,487
	1,236,243,064	1,103,193,335
Accumulated surplus (<i>Reserves</i>)	126,845,433	117,117,323
Total funds as at 30 June	1,363,088,497	1,220,310,658

15. Net cash flow from operating activities

Description	2024/25	2023/24
	Kshs.	Kshs.
Surplus for the year	9,728,109	8,963,897
Adjusted for:		
Withholding tax on interest income		-
	9,728,109	8,963,897
Working capital adjustments		
Increase in receivables		-
Net cash flow from operating activities	9,728,109	8,963,897

16. Financial risk management

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

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

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

a) Credit risk

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

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

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

Description	Total amount Kshs.	Fully performing Kshs.	Past due Kshs.	Impaired Kshs.
At 30 June 2025				
Receivables from Car Loans and Mortgages	909,700,728	909,700,728	-	-
Bank Balances	453,387,769	453,387,769	-	-
Total	1,363,088,497	1,363,088,497	-	-
At 30 June 2024				
Receivables from Car Loans and Mortgages	868,654,826	868,654,826	-	-
Bank Balances	351,655,832	351,655,832	-	-
Total	1,220,310,658	1,220,310,658	-	-

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 Commission 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 Accountant 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 and are regulated by Central Bank of Kenya (CBK).

Notes to the Financial Statements (continued.....)

Sensitivity analysis

The main focus of sensitivity analysis is to determine the one variable that has the highest level of risk. 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. 1,141,947 (FY 2023/2024: Kshs. 37,219,497).

A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs. 486,405 (2023/2024; Kshs. 448,195). (Kshs 8,963,698 x 5%)

An increase/decrease current floating interest rates by one percentage would not negatively affect the funds income. Consequently, an increase/decrease of 5% would not negatively impact on profit before tax.

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	2024/25	2023/24
	Kshs.	Kshs.
Revolving fund as at 01 July	1,103,193,355	1,094,223,980
Mortgage and Car Loan Revolving fund	133,049,729	8,969,355
	1,236,243,064	1,103,193,335
Accumulated surplus (<i>Reserves</i>)	126,845,433	117,117,323
Total funds	1,363,088,497	1,202,310,658
Cash and bank balances	453,387,769	351,655,832
Receivables from Car Loans and Mortgages	909,700,728	868,654,826
Net Asset	1,363,088,497	1,202,310,658
Equity Ratio	100%	100%

The equity ratio is greater than 50% which minimises the Funds overall financial risk exposure.

17. 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 Scheme Fund is related to the following entities:

- a) The National Treasury – provides funding for the Scheme
- b) Ethics & Anti-Corruption Commission – *offers prudent management and oversight to the scheme*
- c) Staff Mortgage and Car Loan Advisory Committee – *offers oversight to operation of the Scheme; and*
- d) Key management team – *ensures prudent management of the Scheme's resources.*

b) Related party transactions

i. Transfers from related parties

Description	2024/25	2023/24
	Kshs.	Kshs.
Transfers from Ethics and Anti-Corruption Commission	124,000,000	-

ii. Key Management Remuneration

The members of the Commission and the Staff Mortgage and Car Loan Advisory Committee do not draw any form of remuneration from the Fund.

18. Events after the reporting period

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

19. Ultimate and Holding Fund

The EACC Staff House Mortgage and Car Loan Scheme is a fund under the sponsorship of the Ethics and Anti-Corruption Commission.

20. Currency

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

*Ethics & Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme
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21. Scheme Accountability Statement as at 30th June 2025

	Staff Mortgage Scheme Interest	Staff Mortgage Scheme	Car Loan Scheme Interest	Car Loan Scheme	Total
Scheme Funding:	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Opening Balance 01.07.2024		1,125,263,433		95,047,225	1,202,377,405
Funding for the year		124,000,000		-	-
Interest capitalized		8,855,889		193,840	8,969,355
Total Funding		1,258,119,322		95,241,065	1,211,346,760
Interest					
Interest earned on Bank Balance HFC		2,456,242		465,230	2,921,472
Interest earned on Bank Balance KCB		7,251,782		1,039,008	8,290,790
4% interest on Loans issued (net capitalized amount)	26,567,664		(581,519)		
Less:3% Administration fees	(26,567,664)		(581,519)		
Withholding Tax on Interest Income		(1,328,383)		(29,076)	(1,357,459)
Bank Service Charges		(1065)		(1,065)	(2130)
Unrecoverable Loans written off				(124,562)	(124,562)
Total Net Interest		8,378,576		1,349,535	9,728,111
Total Fund		1,266,497,898		96,590,599	1,363,088,498
Total Loans Issued KCB Bank	(533,246,849)		(34,050,000)		
Total Principal Repaid KCB Bank	124,704,506	(408,542,343)	8,678,408	(16,691,592)	(427,933,678)
Total Loans Issued HFC Bank	(792,691,461)		(116,416,300)		
Total Principal Repaid HFC Bank	310,946,175	(481,745,286)	116,394,534	(21,766)	(481,767,051)
Total Fund Balance 30.06.2025		376,210,270		77,177,499	453,387,769

22. Annexes

Annex I: 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 2023/24.



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Abdi A. Mohamud, MBS
Fund Administrator & Commission Secretary / CEO

*Ethics & Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme
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Annex II: Intra Fund Transfers as at 30th June 2025

Financial Year	Description	Mortgage Scheme HFC Kshs.	Mortgage Scheme KCB Kshs.	Car Loan Scheme HFC Kshs.	Car Loan Scheme KCB Kshs.	Total Kshs.
2017-2018	Transfers from HFC Car Loan Scheme to HFC Mortgage Scheme	100,000,000		(100,000,000)		-
2020-2021	Transfers from HFC Mortgage Scheme to KCB Mortgage Scheme	(60,000,000)	60,000,000			-
2020-2021	Transfers from HFC Car Loan Scheme to KCB Mortgage Scheme		27,000,000	(27,000,000)		-
2020-2021	Transfers from KCB Car Loan Scheme to KCB Mortgage Scheme		15,000,000		(15,000,000)	-
2020-2021	Transfers from HFC Car Loan Scheme to KCB Car Loan Scheme			(28,000,000)	28,000,000	
2022-2023	Transfers from HFC Car Loan Scheme to KCB Car Loan Scheme			(25,000,000)	25,000,000	-
2024-2025	Transfers from HFC Car Loan Scheme to HFC Mortgage Scheme	27,500,000		(27,500,000)		
		67,500,000	102,000,000	(207,500,000)	38,000,000	-

Annex III: Statement of Scheme Performance

The Scheme recorded fourteen (14) successful applications for Mortgage amounting to Kshs. 111,142,357 and four (4) for Car Loan amounting to Kshs. 8,680,000 as at the end of the period under review compared with five (5) successful applications for Mortgage and eight (8) successful applications for Car loan in the previous financial year as analysed below.

(i) Comparative Scheme Performance				
Scheme	2024-2025		2023-2024	
	Number of successful applicants	Amount	Number of successful applicants	Amount
	No.	Kshs.	No.	Kshs.
Staff Mortgage	14	111,142,357	5	33,293,248
Staff Car Loan	4	8,680,000	8	14,090,000
	18	119,822,357	13	47,383,248

(ii) Cumulative Scheme Performance since inception		
Scheme	Number of successful applicants	Amount
	No.	Kshs.
Staff Mortgage	169	1,325,938,308
Staff Car Loan	109	150,466,300
Total	278	1,476,404,608

*Ethics & Anti-Corruption Commission Staff House Mortgage and Car Loan Scheme
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Annex IV: Cumulative Scheme Loan Issuances from year 2016 to 2025

FY		Mortgage HFC	Mortgage KCB	Car loan HFC	Car loan KCB	Total
2016-2017	No of applicants	28	-	24	-	52
	Loan Disbursed (Kshs)	247,230,562	-	36,531,800	-	283,762,362
2017-2018	No of applicants	24	-	19	-	43
	Loan Disbursed (Kshs)	170,300,379	-	19,761,000	-	190,061,379
2018-2019	No of applicants	21	2	25	-	48
	Loan Disbursed (Kshs)	162,940,172	13,467,257	32,648,500	-	209,055,929
2019-2020	No of applicants	9	13	17	-	39
	Loan Disbursed (Kshs)	70,564,972	72,448,230	22,017,000	-	165,030,202
2020-2021	No of 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 applicants	3	6	-	1	10
	Loan Disbursed (Kshs)	24,452,629	58,009,404	-	2,000,000	84,462,033
2022-2023	No of applicants	2	2	-	1	5
	Loan Disbursed (Kshs)	23,689,429	37,054,700	-	1,600,000	62,344,129
2023-2024	No of applicants	2	3	-	8	13
	Loan Disbursed (Kshs)	11,838,227	21,455,021	-	14,090,000	47,383,248
2024-2025	No of applicants	9	5	-	4	18
	Loan Disbursed (Kshs)	74,642,357	36,500,000	-	8,680,000	119,822,357

