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THE NATIONAL ASSEMBLY
DATE: 14 FEB 2023
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CLERK-AT-THE-TABLE: IMBOFU MWALE

# REPORT OF THE AUDITOR-GENERAL ON PARLIAMENTARY CAR LOAN SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2022




PARLIAMENTARY SERVICE COMMISSION

# PARLIAMENTARY CAR LOAN SCHEME FUND

## ANNUAL REPORT AND FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED
## 30TH JUNE 2022

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## 1. Key Fund information and management

### a) Background information

The Parliamentary Car Loan Scheme Fund was established in1999 through the Legal Notice No. 148, the Exchequer and Audit (Members of National Assembly Car Loan Scheme Fund) Regulation, 1999 with the objective of providing a loan Scheme for the purchase of vehicles by members. This objective clause was amended in 2003 (Gazette Notice No. 139) to also include loans for purchase of vehicle by an employee of the commission on permanent and pensionable terms. The Public Finance Management Act, 2012 (No. 18 of 2012) has repealed the above Regulations through Legal Notice No. 19 of February 01, 2013 and Legal Notice No. 68 of April 19, 2013 to be the Public Finance Management (Parliamentary Car Loan (staff) Scheme Fund Regulation 2013 and Public Finance Management (Parliamentary Car Loan (members) Scheme Fund Regulation 2013 respectively. These Regulations have however also been amended by the Parliamentary Service Commission through the powers conferred by section 24 of Public Finance Management which can be cited as the Public Finance Management (Parliamentary Car Loan (Members) Scheme Fund Amendment) Regulations, 2015, principal regulations further amended in 2020.

The Fund was established with an initial capital of two hundred and fifty million (Ksh.250,000,000.00) paid out of the vote of National Assembly for the year 1999/2000 which was reduced by fifty million (Ksh.50,000,000.00.) However, it has since been raised to one billion four hundred and fifty million (Ksh.1,450,000,000.00) in accordance with the amendments to the enabling Legislation enacted in 2013 amended in 2015 and 2020.

The Fund is administered by the Loan Management Committee chaired by the Vice chairperson of the Parliamentary Service Commission. The Committee is charged with the responsibility of processing of loans from applicants in accordance with laid down regulations, to set up a revolving Fund for the disbursement of loans and supervising the day-to-day operations of the Fund. The Officer Administering the Fund is responsible for the day to day operations

### b) Principal Activities

The principal activity/mission/ mandate of the Fund is to facilitate acquisition of motor vehicles for Members of National Assembly, The Senate and staff of Parliamentary Service Commission by providing a loan Scheme for the purchase, insurance and overhaul by members of the Scheme; and to perform other functions necessary for the welfare of the honourable Members and staff.

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

**Vision of the Parliament**

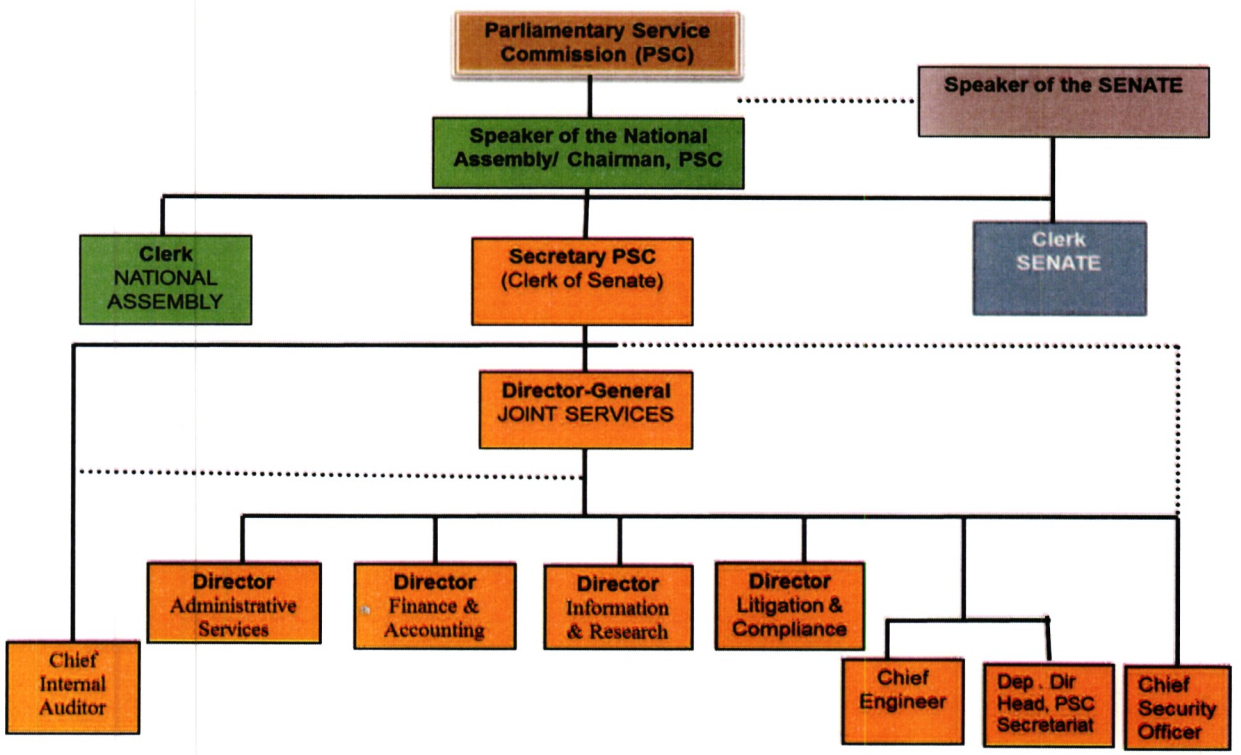
Democratic and people centred Parliament.

**Mission**

To facilitate Members of Parliament to efficiently and effectively discharge their constitutional mandate of representation, legislation and oversight.

**Core Values/Objectives**

- Professionalism
- Impartiality
- Responsiveness
- Integrity and Accountability
- Cooperation and Consultation Inclusiveness



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

The Loans Management Committee Members who served during the year ended 30th June, 2022 were:

| Ref | Position | Name |
|---|---|---|
| 1 | Chairperson Car Loan Fund, Vice chair PSC | Hon. Dr. Naomi Shaban |
| 2 | Member/Chairperson-Members welfare Committee | Hon. Beth W. Mugo |
| 3 | Member/Commissioner, PSC | Hon. Rachel A Amolo |
| 4 | Member/ Chairman-Staff welfare Committee | Hon. Aaron Cheruiyot |
| 5 | Member/ Majority Chief Whip of The National Assembly | Hon. Emmanuel Wangwe |
| 6 | Member/ Majority Chief Whip of The Senate | Hon. Paul K Wamatangi |
| 7 | Member/ Minority Chief Whip of The National Assembly | Hon. Junet Mohamed |
| 8 | Member/ Minority Chief Whip of The Senate | Hon. Mutula Kilonzo Jnr |
| 9 | Member / Clerk of The Senate | Mr. Jeremiah M. Nyegenye |
| 10 | Member /Director General of The Parliamentary Joint Services | Mr. Clement Nyandiere |
| 11 | Member/ Staff-elected representative | Ms. Wanjiru Ndindiri |

**d) Key Management**

The Scheme Fund's day-to-day operations management is under the Clerk of the National Assembly; the Officer Administering the Fund; who designate and appoint such staff as may be necessary to assist in the administration of the Fund.

The Parliamentary Car Loan Scheme Fund's day-to-day management is under the following key officers:

| Ref | Position | Name |
|---|---|---|
| 1 | Clerk National Assembly, the Fund Manager/Administrator | Mr. Michael Sialai |
| 2 | Deputy Clerk (National Assembly) | Mr Jeremiah W. Ndombi |
| 3 | Director Finance and Accounting | Mr Joel Irungu |
| 4 | Deputy Director Finance and Accounting. | Peter A. Meikoki |
| 5 | Principal Clerk Assistant | John Mutega |

**e) Fiduciary Oversight Arrangements**

| Ref | Position | Name |
|---|---|---|
| 1 | Director Internal Audit | Mr. George Arum |
| 2 | Chief Advisor Car Loan Advisory Committee | Mr. Jeremiah W. Ndombi |

**f) Registered Offices**

Parliament Buildings

P.O. Box 41842 – 00100

Parliament Road

Nairobi, KENYA

**g) Fund Contacts**

Telephone: (254) (020) 2221291,

E-mail: clerk@parliament.go.ke,

Website: www.parliament.go.ke

**h) Fund Bankers**

1. Cooperative Bank of Kenya Limited,
   Parliament Road Branch,
   P.O. Box 5772 – 00200,
   Nairobi.
2. Kenya Commercial Bank
   Kipande House Branch
   P.O Box 48400-00100,
   Nairobi.

**i) Independent Auditors**

Auditor-General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**j) Principal Legal Adviser**

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

## 2. The Board of Trustees/ Fund Administration Committee

| | |
|---|---|
|  | **Hon. (Dr.) Naomi N. Shaban, EGH, MP**<br>The Vice Chairperson Parliamentary Service Commission and Chairperson Parliamentary Mortgage Loans Management Committee.<br><br>59year old Dental Surgeon by Profession.<br>Longest serving Woman politician with over 20yrs in politics.<br>Served as a Minister Ministry of Gender, Children and Social Development<br>Served as a Minister of State for Special Programs in the Office of the President. |
|  | **Hon. Aaron Cheruiyot, MP**<br>Member/Commissioner/ Chairman, Parliamentary Service Commission Committee of Staff welfare.<br><br>36years old. Senator Kericho county 2017 to date.<br>Holds Masters in Business Administration<br>Holds Bachelor of Arts degree in Language and Literary Studies, Diploma in Marketing.<br>An excellent communicator, a published writer and a passionate politician.<br>Recipient of distinguished service to community Award. |
|  | **Hon. Sen. Beth W. Mugo, CBS, EGH, MP**<br>Member /Commissioner/Chairperson-Members Welfare Committee.<br><br>The founder and a Trustee of The Beth Mugo Cancer Foundation.<br>Spearheaded the development of the National Cancer Control & Served as Chairperson of the African Parliamentarians and Health Ministers against Breast, Cervical and Prostate Cancer.<br>83years old with over 15yrs in political field and served in different capacities. |
|  | **Hon. Rachel Ameso Amolo**<br>Member/Commissioner Parliamentary Service.<br>Masters in Business Administration, Strategic Management.<br><br>Over 15years in political field<br>Bachelors of Business Administration in Entrepreneurship.<br>Higher Diploma in Business Management.<br>Certified Human Resource Professional (CHRP)<br>2013-2017: Member of Parliament<br>2003 to Date: Managing Director-Fast Trac Group of Companies |

| | |
|---|---|
|  | **Hon. Emmanuel Wangwe, MP**<br>Member/ Majority Chief Whip, National Assembly<br><br>Over 10years in political field.<br>Bachelor of Business Administration, Marketing.<br>Diploma in Credit Management (KASNEB)<br>Diploma in Banking and Finance (KNEC)<br><br>Served as an accountant Manager Fossil Fuels limited.<br>Served in the Departmental Committee on Transport, Public Works & Housing and the committee on Regional Integration. |
|  | **Hon. Sen. Dr. Paul Kimani Wamatangi**<br>Member/ Majority Chief Whip of the Senate.<br><br>66year old holds of Bachelor of Arts Degree in Leadership and Management with over 10 years in politics.<br>Worked as Director at Total Assurance.<br>Worked as Director of Kings Construction. |
|  | **Hon. Junet Sheikh Nuh Mohamed**<br>Member/ Minority Chief Whip of the National Assembly.<br><br>45year old with over 10years in political field.<br>Holds Bachelor's Degree in Business Administration.<br>Diploma in Business Management.<br><br>Served as member of Departmental Committee on Energy, Communication & Information and the Public Accounts Committee |
|  | **Hon. Mutula Kilonzo Jnr**<br>Member/ Minority Chief Whip of The Senate.<br><br>47year old is a Professional Lawyer and a Certified Public Secretary<br>Serves as an Advocate of High court of Kenya.<br>An associate of Chartered Institute of Arbitrators, Kenya |
|  | **Mr. Jeremiah M. Nyegenye, CBS**<br>Member/Clerk of The Senate /Secretary and the Accounting officer Parliamentary Service Commission.<br><br>An advocate of the High court of Kenya.<br>Certified Public Secretary<br>Member of Law society Kenya.<br>Done extensively on Legislative drafting in Kenya and beyond.<br>50year old with over 20years service in public sector. |

| | |
|---|---|
|  | **Mr. Michael R. Sialai, CBS**<br>Member/ Clerk of the National Assembly/ Officer Administering the Parliamentary Car Loan Scheme Funds<br><br>Vice-Chair of the Society of the Clerks-at-the-Table (SOCATT) Africa. He has a long and decorated history in public service and parliamentary affairs.<br>Recently appointed High Commissioner to Namibia.<br>Holds Master of Arts Degree in History and Bachelor of Education Arts<br>60 years old with over 25years service in public sector. |
|  | **Mr. Clement Nyandiere, MBS**<br>Member /The Director General and Accounting officer Parliamentary Joint Services.<br><br>Directly responsible over directorates of Administration Parliamentary Service Commission.<br>Served as lecturer of information systems and Director of the Information Technology Centre (2002 – 2007) and concurrently Dean, Faculty of Information Technology (2003 – 2007) at the Strathmore University.<br>Board member CPST Board of Management.<br>Involved in advising a number of county assemblies in strategic planning and human resources management. He is also involved in Management and ICT consultancy with interests in parliamentary management<br>Member of the Institute of Human Resources Management (IHRM), Kenya Institute of Management (KIM), and the Computer Society of Kenya (CSK) |
|  | **Ms. Wanjiru Ndindiri**<br>Member/ Principal Clerk assistant/Staff-elected representative.<br><br>Holds Masters in Public Administration.<br>Bachelor of Arts Degree in Business Administration<br>Currently serving as a procedural/Chamber clerk National Assembly<br>Age 42yrs with over 13yrs experience in Public service. |

## 3. Management Team

| | |
|---|---|
|  | **Mr. Michael R. Sialai, MBS**<br>The Clerk of the National Assembly and Officer Administering the Parliamentary Car Loan Funds.<br><br>Vice-Chair of the Society of the Clerks-at-the-Table (SOCATT) Africa.<br>He has a long and decorated history in public service and parliamentary affairs.<br>Recently appointed High Commissioner to Namibia.<br>Holds Master of Arts Degree in History and Bachelor of Education Arts.<br>60 years old with over 25years service in public sector. |
|  | **Mr. Jeremiah W. Ndombi**<br>Deputy Clerk, Legal adviser to the Parliamentary Car Loan Scheme Fund.<br>An advocate of the High Court of Kenya.<br>Member of Law society of Kenya.<br>Endowed with extensive experience in legislative drafting in Kenya and beyond.<br>Over 30years service in public sector. |
|  | **Mr. Joel Irungu**<br>Director Finance & Accounting.<br><br>Holds Masters in Business Administration in Finance, Bachelor of Arts and a Diploma in Public Finance<br>Worked in various ministries including the National Treasury<br>Wide experience in Public Finance (over 28yrs)<br>Done extensive work in Budgeting and Public Finance management. |
|  | **CPA. Peter A. Meikoki**<br>Deputy Director Finance and Accounting Services.<br><br>Accountant by Profession and a member of ICPAK.<br>Holds Masters in Business Administration.<br>Over 20yrs experience in Finance and Accounting Field.<br>Chairman Board of Directors, Bunge SACCO.<br>Was among the Pioneering Board Members of Parliamentary Service Commission, Staff Retirement Benefits Scheme, 2008 |
|  | **Mr. John Mutega**<br>Principal Clerk Assistant in the National Assembly.<br><br>Secretary, Parliamentary Car Loan Scheme Funds<br>Holds Master of Arts Degree in Diplomacy and Foreign Policy; Master of Arts Degree in Political Science and Public Administration and Bachelor of Arts Degree in Government and Public Administration.<br>Was the Pioneer clerk for the County Assembly of Kiambu year 2013.<br>Currently Deputy Clerk East African Legislative Assembly.<br>45 years old with over 15years service in public sector. |

## 4. Chairman's Report

It is the dream of most Kenyans to own a Car they can call their own. Buying a car is expensive, so it's important that you get the right car, the best deal and most affordable loan. When borrowing money for a purchase, the choices you make need to be thought out and planned- never impulsive. The Parliamentary Car Loan Scheme operates along the same principle; facilitating Members and staff to acquire Motor Vehicles through the provision of loans. These loans are repayable prior to completion of their tour of duty.

Before advancing the loan to our clients we apply the **Five Cs** of Credit: **Character** of the borrower-will s/he be able to service the loan, **Capacity** by looking into the income versus the loan amount and the loan amortization period (usually within sixty months), **Collateral** which is the Payslip on which we apply our loans as first charge and then the **condition** onto which we only ensure borrowers only purchase vehicles solely for personal use and not for business and the loans have to be insured against life and the motor vehicles be comprehensively covered. And then the **Capital** onto which we consider to be the down payment/deposit one makes to the seller of the vehicle as commitment.

The Car Loan Fund facility is the result of collaboration between the National Treasury and the Parliamentary Service Commission. The Scheme is set up as a revolving Fund. The National Treasury provided the initial seed capital for the Funds one Billion, four hundred and fifty Million (ksh.1.45billion), while the Parliamentary Service Commission provides the governance and management capabilities to run the Fund. The Salaries and Remuneration Commission is responsible for setting the maximum loan entitlement for Members of Parliament. During the period under review the Salaries and Remuneration Commission retained the maximum Car Loan entitlement at Kshs.7million.

The loans uptake by the Members of Parliament has drastically reduced during the period under review. This is because the 12th Parliamentary term is almost coming to an end hence no adequate time is available for an Honourable Member of Parliament to service a reasonable Car Loan amount. During the period under review the Fund was able to process and pay 31 loans to the Parliamentary staff. The reduced loans uptake by the Honourable Members has led to the Fund having more cash available hence the investment on short term deposits. This is expected to continue until the end of the 12th Parliamentary term and early beginning of the 13th Parliamentary term.

It is anticipated that the provision of this facility shall encourage Members and staff of Parliament to continue undertaking their duties and responsibilities with zeal and true Kenyan patriotism.

**HON. DR. NAOMI NAMSI SHABAN, EGH, MP**
**CHAIRPERSON, LOANS' MANAGEMENT COMMITTEE**

## 5. Report of the Fund Administrator

Section 24(3) of the Public Finance Management Act, 2012 requires the Officer Administering Fund to prepare financial statements in respect of the Parliamentary Car Loan Scheme Fund, which give a true and fair view of the state of affairs of the Fund at the end of the financial year/period and the operating results of the Fund for that year/period. The Officer Administering the Fund is also required to ensure that the Fund keeps proper accounting records which disclose with reasonable accuracy the financial position of the Fund. The Officer Administering Fund is also responsible for safeguarding the assets of the Fund.

The Officer Administering the Fund is responsible for the preparation and presentation of the Parliamentary Car Loan Scheme Fund financial statements, which give a true and fair view of the state of affairs of the Scheme for the year ended on 30th June,2022. The responsibilities include:

a) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
b) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund;
c) 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;
d) Safeguarding the assets of the Fund;
e) Selecting and applying appropriate accounting policies; and
f) Making accounting estimates that are reasonable in the circumstances.

The Officer Administering the Fund accept responsibility for the Scheme 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. The Officer Administering Funds is of the opinion that the Scheme's Annual financial statements give a true and fair view of the state of Fund transactions during the year ended 30th June, 2022 and of the Scheme financial position as at that date. The Officer Administering the Fund further confirm the completeness of the accounting records maintained for the Scheme, which have been relied upon in the preparation of the Scheme financial statements as well as the adequacy of the systems of internal financial control.

During the period under review the Fund was able to process and pay 31 loans to the Parliamentary staff. The reduced loans uptake by the Honourable Members has led to the Fund having more cash available hence the investment on short term deposits. This is expected to continue until the end of the 12th Parliamentary term and early beginning of the 13th Parliamentary term.

The Fund has keen interest on the monthly payroll loan recoveries and ensures the Fund is among the first charge items. Clients are also encouraged to enhance repayments from other sources of income. All Car Loans advanced to honourable members of the 12th Parliament are expected to be fully recovered within the parliamentary term last pay day being 8th Aug, 2022. Loans advanced to staff of the commission are expected to be repaid within 60 months depending on the loan payment date.

Fixed deposits interest receivables are credited to the Fund accounts on time whenever the deposit matures. All loans are insured against life and m/vehicles comprehensively covered. In cases where concerned individuals can't afford to pay for a comprehensive cover of the loan vehicle, the Fund pays on his/her account and recoveries are made from the individuals' payslip.

Nothing has come to the attention of the Officer Administering the Fund to indicate that the Parliamentary Car Loan Scheme Fund will not remain a going concern for at least the next twelve months from the date of this statement.

The Funds **aged debtor report** appears as shown in attached **Annex III page 21**

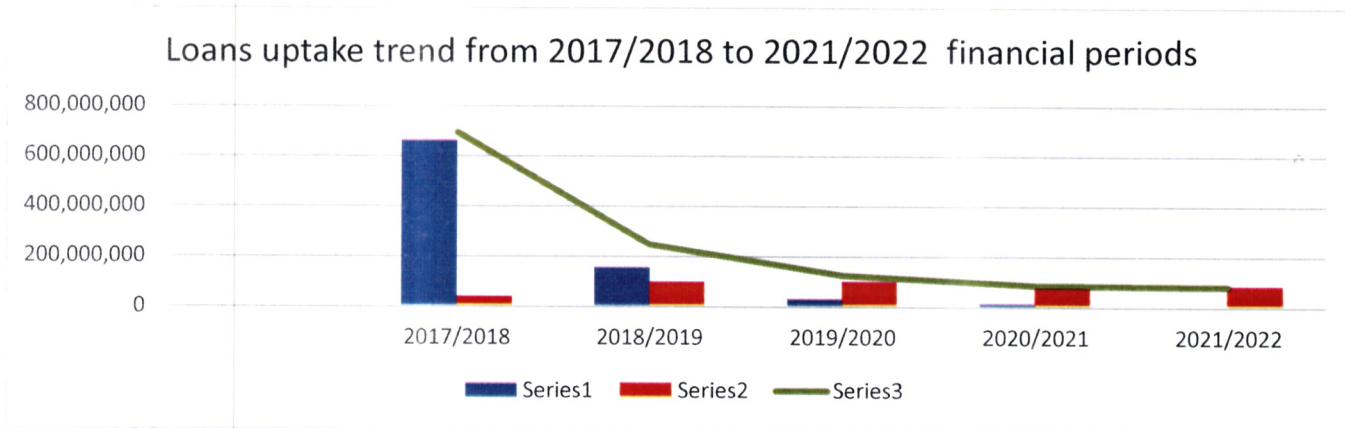
**SAMUEL J. NJOROGE**

**CLERK OF THE NATIONAL ASSEMBLY, THE FUND ADMINISTRATOR**

## 6. Statement of Performance Against Predetermined Objectives

The Fund was hopeful of achieving at least 75% loans uptake by the honorable members of the 12th Parliament however this wasn't achieved since majority did not apply for the Car Loans. This was because the Parliament was generous enough to facilitate the Honorable Members of Parliament with Car grands. The Fund only achieved less than 30% loans uptake by the honorable members of the 12th Parliament being 115 loans.

The Staff have continued to access loans as per job scale which is repayable within a maximum of 5 years or lesser depending on period remaining to retirement. Loan applications and processing for the staff has remained averagely constant since staff are permanent employee of the commission unlike the Honourable Members who only have the Parliamentary term of 60 months to clear their loans. This means the Honourable Member Loans are assessed based on months remaining up-to the end of a Parliamentary term




The graph shows declined loans up take towards the end of the Parliamentary term by the Honourable Members of Parliament with zero applications during the period under review. The decline is due to shorter loan repayment period as the 12th parliamentary term is almost coming to an end. This decline in the loans uptake resulted to the fund having more cash which was invested in fixed deposits to earn some interest income for the Fund.

**Parliamentary Car Loan Fund Strategic Pillars**

The Parliamentary Car Loan Scheme Fund has two main strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2021- FY 2023. These strategic pillars/ themes/ issues are:

Pillar /theme/issue 1: Provision of a modern and secure working environment

Pillar/theme/issue 2: Excellence in Service Delivery.

The Parliamentary Car Loan Scheme Fund develops its annual work plans based on the above 2 pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Parliamentary Car Loan Scheme Fund achieved its performance targets set for the FY 2021/2022 period for its 2 strategic pillars, as indicated in the diagram below:

| Strategic Pillar/Theme/Issues | Objective | Key Performance Indicators | Activities | Achievements |
|---|---|---|---|---|
| Pillar/ theme/ issue 1: Provision of a Modern and secure working environment | To gain confidentiality of clients as they seek financial advice on matters Car Loan.<br>To ensure safety of charge Logbooks and personal loan files | Efficiently served clients<br><br>Document safety | The Fund Administrator to Liaise with the office of Director General for allocation of a more spacious office. | Fund office was issued with additional fire prove safes for the safe custody of charge documents The office of DG has promised the Fund a more spacious office, based on availability. |
| Pillar/ theme/ issue 2: Excellence in Service Delivery | To develop the capacity and capability of Car Loan Fund office as an office of excellence in Service delivery<br>To enhance human resource/strengthen staff capacity | Improvement in service delivery | Fund administrator ensures regular staff trainings<br>The DFA ensures more officers are deployed to the Fund office since the fund serves many clients and fewer staffers will manage the office. | Adequate trainings of the officers by National Treasury especially on matters reporting.<br><br>Staffers attend ICPAK workshops and seminars to acquire more skills through trainings |

## 7. Corporate Governance Statement

The Parliamentary Service Commission has yet to develop a policy on corporate governance statement which the Parliamentary Car Loan Fund can adopt and implement.

In accordance with the laid down regulations, the administration committee members retire by vacation of office through dissolution of Parliament and constitution of members of Parliamentary Service Commission after an election, while staff representative is by virtue of office held and election by staff members when need arises.

The meetings of the committee shall be convened by the chairperson or in the absence of the chairperson, by a member designated by the chairperson and shall be convened at such times as may be necessary for the discharge of the committee's functions. During the period under review there were only two committee meetings held. The quorum for the meetings of the committee is the chairperson and any other two members.

The committee may from time to time approve trainings for the officers administering the Fund at the request of the Fund administrator. These training may include benchmarking with other such Funds aimed at improving the Scheme Funds administration.

The Loans Committee Members are paid based on sittings at the rate applicable to other parliamentary committees.

## The Parliamentary Car Loan Scheme Fund adheres to the following office Service Charter

| No. | Service Rendered | Requirements to obtain Services | Time line |
|---|---|---|---|
| 1 | Written correspondence | Client written enquiry | Maximum of 3 working days depending on the correspondence |
| 2 | Telephone enquiry | Client telephone enquiry | Maximum of 7hrs from time of the enquiry |
| 3 | E-mail enquiry | Client email enquiry | Maximum of 12hrs from time of enquiry |
| 4 | Loan application feed back | Client submitting documents as per the check list | Maximum 20min required to verify the documents |
| 5 | Loan Disbursement | Perfected Legal documents | within maximum of 2days after legal office verified the charge and submits file to the mortgage office. |
| 6 | Insurance for loans paid | Loans processed/paid out | Fund to notify insurance company the same day the loan is paid |
| 7 | Loan repayment | Client loan paid out | Instruct HR to effect deductions immediately. |
| 8 | Access to loan statement | Clients request | Process instantly |
| 9 | Access original Logbook after client clears the loan repayment | Client request | Maximum of 12 working hrs. |
| 10 | Quarterly financial reports and statements | End of every quarter in accordance with international Public sector accounting Standards | By 15th of the month following end of the quarter. |
| 11 | Annual financial reports and statements | End of every Financial year 30th June, in accordance with International Public | By 15th of the September Annually |

| | | | |
|---|---|---|---|
| | | Sector Accounting Standards | |
| 12 | Response to audit queries | OAG review of the financial Reports and Statements. | Within the time frames issued by the OAG |

**Parliamentary Car Loan Fund Succession plan**

The Fund Administrator in liaison with the Directorate of Finance and Accounting Leadership identifies Staffers who can be great loan officers and who seems well suited to run the Fund office, officers who can work under pressure and deliver effectively. These officers usually undergo on job training to become better credit officers. The Administrator also ensures that the officers acquire the required skills through education and training. Not only does this keep officers engaged and more productive but also ensures that there are people who've been prepared to step into a role instead of being thrown in it in the event of an unexpected emergency.

This is attainable when the officer who have manned the Fund office for longer periods work alongside their successor for a period of time to transfer institutional knowledge. Again, the Fund regulations are always applicable as guidance to better manage the Fund.

The fund administrator has always ensured that the staffers through the DFA and the National Treasury get adequate trainings via workshops and seminars.

The Fund Management also benchmark for best practices from other similar Funds aimed at bettering the Parliamentary Mortgage Scheme Fund operations.

## 8. Management Discussion and Analysis

Parliamentary Car Loan Scheme activities are to facilitate acquisition of motor vehicles for Members of National Assembly, The Senate and staff of Parliamentary Service Commission by providing a loan Scheme for the purchase, insurance and overhaul by members of the Scheme; and to perform other functions necessary for the welfare of the Honourable Members and staff. During the reported year, the Fund was able to approve and fully process 31 loans for Parliamentary Staff totalling to Ksh.73million. There were no loan applications from Members of Parliament. Insurances for the same period amounted to ksh.6million

During the period under review, the Funds activities included application for Car Loans, approval and disbursement of the loans. Both the Members of Parliament and Parliamentary staff have utilised the facility. Majority of newly recruited staff have since taken up keen interest to accessing the loans taking advantage of the revised maximum repayment period of five years at three percent reducing interest rate and maximum loan of ksh.7million and ksh.8 million for the Members and Speakers of the Houses respectively.

The Fund operationalizes while in compliance with the Public Finance Management (PFM) Act, 2012, Parliamentary Car Loan (staff and members) Regulations 2013, section 18, the amended Car Loan (Members) Scheme Fund Regulations 2015 and further amendments of 2020.

However, it is expected that the Fund operations will continue to intensify for the next periods when the new 13th Parliamentary term begins. For the time being we continue to release the logbooks to individuals who have so far cleared their loans especially Honourable members and facilitate their discharge and transfer to the owners. Enhanced monthly repayments have ensured that all honourable members will clear their loans by the end of the 12th Parliamentary term.

During the year, the Fund did not receive any additional capital from the Parliamentary Service Commission voted provision thus paid-up capital remained at ksh.1.45 billion. The fixed deposits accrued interests and full loans repayment has ensured availability of cash for Members during the early Parliamentary term as the first two years are always crucial for Members of Parliament to access loans early to enable them have longer repayment period within their monthly pay slips as the only main source of income. However, the Fund also encourages clients to enhanced loan repayments from other sources.

The Fund's activities expose it to a variety of financial risks including credit and market risks. The Funds overall risk management focuses on and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund has in place policies to ensure that loans are only extended to Honourable Members and Parliamentary Staff based on the regulations and their assessed ability to service the same.

**(i) Credit risk**

The Fund has exposure to credit risk which is the risk that the client (Member of Parliament or Staff of the Parliamentary Service Commission) will be unable to pay amounts in full when due. This is occasioned when the Fund debtor overcommits his/her payslip after the loan has been processed.

However, this risk is mitigated by ensuring that the Fund gets the first charge at the pay-point and also by encouraging loan repayments even from other sources other than payroll only. This ensures timely loan repayment and discharge of the logbooks and release to the owners.

In addition, the loans are insured/covered for group life assurance and vehicles comprehensively insured to mitigate against any loss of the Scheme Fund.

**(ii) Market risk**

Market risk is the risk arising from changes in the market such as interest rate. The Fund objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return in the case of the short-term deposits.

The Fund's key management appointees are responsible for the development of detailed risk management policies as far as short- term deposit investments are concerned and the Fund has only invested with the three tier banks which offer favourable interest rates to minimise this risk.

**(iii) Finance capability risk**

There is a risk that the Fund will not be able to accommodate its clientele satisfactorily if the management doesn't put in place measures to ensure the Funds growth. This is because the Parliament has been expanding since the initiation of the Fund. There have been introduction of the Senate and creation of Women Representatives whom the positions weren't there before, more Parliamentary staff have been employed but the Fund Capital still being retained at ksh.1.45billion.

With reduced loans uptake by the Members of Parliament, the Fund has invested the excess cash in fixed short-term deposits aimed at earning the Fund additional income hence expanding and accommodating more clients. This ensures avoidance of idle capital and as well ensure cash is available especially during the start of the next Parliamentary term, the time we anticipate high loans uptake by the incoming Members of the 13th Parliament.

## 9. Environmental and Sustainability reporting

The Parliamentary Service Commission is a corporate citizen that endeavours to ensure that its operations impact positively to its stakeholders and the general citizenry of Kenya. The National Assembly exists to provide essential services to the Parliament of Kenya thereby directly impacting on the quality of leadership in terms of representation, oversight and legislation which in turn impacts on all Kenyans. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on Parliamentary Service Commissions Strategic Pillars: putting the customer/Citizen first, delivering relevant goods and Services, and improving operational excellence.

### (i) Sustainability strategy and profile

The Parliamentary Service Commission has made key efforts and achievements towards sustainability including adopting a policy (the strategic plan) which envisions a green Parliament. To this end the Commission has procured a paperless solution which has to a great extent minimised the use of paper in daily operations. It is also envisioned that all buildings shall use green energy solutions. The Multi storey office block under construction is one of such projects that incorporate green energy solutions. Sustainability solutions though cost effective in the long term require resources to install and in the prevailing macroeconomic environment may seem to be costly to the institution in the procurement process.

### (ii) Environmental performance

The Parliamentary Service Commission is a public entity guided by provisions of the laws of Kenya. Therefore, the environmental policy is anchored on the laws of Kenya and the strategic plan. The strategic plan is the policy tool relied on to guide the organisation on environmental policy. Other than that, the Parliamentary Service Commission is mainly a consumer of various items for use including those of an ICT nature which may not be biodegradable. Our ICT policy provides for proper waste management for radioactive or electronic waste shall be disposed of only to persons licensed to handle the respective waste under section 88 of the Environmental Management and Coordination Act, 1999.

### (iii) Employee welfare

The Parliamentary Service Commission is in the process of adopting its HR manual which comprises of all HR policies which guide on the hiring process. In the hiring of persons, the institution takes into consideration the constitutional principles of gender inclusivity and ethnic balance. The Commission has

procured an online recruitment system which has an instant feedback mechanism and therefore the suggestions of stakeholders taken to account including appeal mechanism for when the candidates are of view that they have been failed unfairly.

There is established Human Resource Development unit which assists in the identification of training needs and seats in the training Committee as the secretariat to advice on training and development matters. The Commission has a training policy that ensures that every officer is trained bi-annually to improve on their skills and that staffers attain the required CPD hours as required by their respective professional bodies. Our Schemes of service ensure career growth through the employee tour. The Schemes of Service are reviewed as and when required for the development of officers within the service. The Human resource development unit has developed an appraisal tool by which the staff are appraised yearly.

There is a policy on safety and compliance with occupational safety and Health Act of 2007, (OSHA and a Committee charged with the responsibility of ensuring compliance with the Act)

**(iv) Market place practice**

Responsible competition practice.

a) The Parliamentary Service Commission is guided by laws of Kenya on corruption matters. The Commission works regularly with the Ethics and Anti-Corruption Commission to develop policies which work towards the realization of a corruption free society. In the procurement process which competition is required to be fair and free of corruption and bribery, the Commission has sensitised the employees through trainings on the provisions of the procurement law in relation to corruption. On the part of the contractors/suppliers, the tender documents require filling of an anti-corruption form for all participants in a tender.

b) For every contract, the accounting officer appoints a contract administrator or contract implementation team for complex and specialised contracts. The purpose of this is to ensure that the contract is performed as intended and to ensure that payments are raised and honoured when due. It is the responsibility of the administrator to ensure that the procuring entity meets all its payment and other obligations on time and in accordance with the contract. Once an invoice is raised the Commission ensures that the same is processed within shortest time possible based on the availability of the Funds.

c) The Commission advertises through the papers and its website, this ensures wide coverage and fairness in access to information

d) The Parliamentary Service Commission ensures that its services are easily accessible to the public by ensuring that the departments have a service charter.

**Community Engagements**

The Commission engages citizenry through its citizen engagements programmes like a Parliamentary week whereby citizens are allowed within the precincts of Parliament to learn the workings of the various departments of the Commission. It also facilitates the houses of Parliament in community engagement including participation in EALA games, facilitating the Senate to conduct sittings in the county assemblies. As well, the Wellness committee puts emphasis on health programs not only to the Members and staff of Parliament but to the whole of the country. This ensures a healthy country since wellness programs are successful in helping workers make positive health changes due to severe factors such as convenience, environment support and co-worker or social acceptance.

## 10. Report of The Trustees/ Fund Administration Committee

The Officer Administering Parliamentary Car Loan Scheme Fund submits his report and financial statements for the year ended 30th June, 2022 which show the state of the Fund affairs.

### Principal activities

The principal activities of the Parliamentary Car Loan Scheme Fund continue to be provision of a loan Scheme for the purchase of motor vehicles by members of the Scheme as per the objective and purpose of the Scheme.

### Performance

The performance of the Fund for the year ended June 30, 2022, is set out on page 1-4.

### Trustees

The Members of the Parliamentary Car Loan Management Committee who served during the year are shown on page (viii), (ix) and (x). In accordance with the laid down regulations, the committee members retire by vacation of office through dissolution of Parliament and constitution of members of Parliamentary Service Commission after an election, while staff representative is by virtue of office held and election by staff members when need arises.

### 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.

**11. 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 in 1999 through the Legal Notice No. 148, the Exchequer and Audit (Members of National Assembly Car Loan Scheme Fund) Regulation, 1999 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2022. 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 and the Public Finance Management (Parliamentary Car Loan (staff) Scheme Fund Regulation 2013 and Public Finance Management (Parliamentary Car Loan (members) Scheme Fund Regulation 2013 respectively. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2022, and of the Fund's financial position as at that date.

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

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

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

**Approval of the financial statements**

The Parliamentary Car Loan Scheme Fund's financial statements were approved by the officer administering the Fund on 30th September, 2022 and signed:

**Name: Mr. Samuel J Njoroge**
Clerk of The National Assembly
The Fund Administrator

**Name: Mr. Peter A. Meikoki**
Deputy Director Finance and Accounting
ICPAK No. 4339

# REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

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

## REPORT OF THE AUDITOR-GENERAL ON PARLIAMENTARY CAR LOAN SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.

B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

## REPORT ON THE FINANCIAL STATEMENTS

### Opinion

I have audited the accompanying financial statements of Parliamentary Car Loan Scheme Fund set out on pages 1 to 19, which comprise of the statement of financial position, as at 30 June, 2022, and the statement of financial of 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 Parliamentary Car Loan Scheme Fund as at 30 June, 2022 , and its financial performance and its cash flows for the year then ended, in accordance with Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

### Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Parliamentary Car Loan Scheme Fund Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key Audit Matters

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

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

### Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

## Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

## Conclusion

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

## Basis for Conclusion

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

## Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

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

**Nairobi**

**10 January, 2023**

## 13. Statement of Financial Performance for the year ended 30th June 2022.

| Description | Note | 2021/22 | 2020/21 |
|---|---|---|---|
| | | Kshs. | Kshs. |
| **Revenue from exchange transactions** | | | |
| Interest income | 5 | 111,191,901 | 63,929,891 |
| **Total revenue** | | **111,191,901** | **63,929,891** |
| **Expenses** | | | |
| Use of goods and services | 6 | 2,181,568 | 2,196,484 |
| **Total expenses** | | **2,181,568** | **2,196,484** |
| **Surplus for the period** | | **109,010,333** | **61,733,407** |

*The notes set out on pages 7 to 15 form an integral part of these Annual Financial Statements*

The financial statements were approved on 30th September, 2022 by:

**Mr. Samuel J Njoroge**
Clerk of The National Assembly
The Fund Administrator

**Mr. Peter A. Meikoki**
D/Director Finance and Accounting
ICPAK No. 4339

**Hon. Dr. Naomi Shaban**
Vice chairperson PSC
Chairperson of the Fund

## 14. Statement of Financial Position as at 30th June 2022

| Description | Note | 2021/22 | 2020/21 |
|---|---|---|---|
| | | Kshs. | Kshs. |
| **Assets** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 7 | 1,787,481,014 | 1,553,918,988 |
| Receivables | 8 | 229,012,809 | 353,045,247 |
| Total Current Assets | | **2,016,493,823** | **1,906,964,235** |
| | | | |
| **Total assets** | | **2,016,493,823** | **1,906,964,235** |
| **Liabilities** | | | |
| Trade and other payables (Refundable deposits) | 9 | 5,879,985 | 5,360,730 |
| Total Current Liabilities | | 5,879,985 | 5,360,730 |
| **Total liabilities** | | **5,879,985** | **5,360,730** |
| | | | |
| **Net assets** | | | |
| Car Loan revolving Fund /Fund capital | | 1,450,000,000 | 1,450,000,000 |
| Accumulated surplus | | 560,613,838 | 451,603,505 |
| **Total net assets and liabilities** | | **2,016,493,823** | **1,906,964,235** |

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 30th September, 2022 and signed by:

**Mr. Samuel J Njoroge**
Clerk of The National Assembly
The Fund Administrator

**Mr. Peter A. Meikoki**
D/Director Finance and Accounting
ICPAK No. 4339

**Hon. Dr. Naomi Shaban**
Vice chairperson PSC
Chairperson of the Fund

## 15. Statement of Changes in Net Assets for the year ended 30th June 2022

| Description | Car Loan Fund | Accumulated surplus | Total |
|---|---|---|---|
| | Kshs. | Kshs. | Kshs. |
| | | | |
| **As at 1 July 2020** | **1,450,000,000** | **389,870,098** | **1,839,870,098** |
| Surplus/(*deficit*) for the period | | 61,733,407 | 61,733,407 |
| **As at 30 June 2021** | **1,450,000,000** | **451,603,505** | **1,901,603,505** |
| | | | |
| **Balance as at 1 July 2021** | **1,450,000,000** | **451,603,505** | **1,901,603,505** |
| Surplus/(*deficit)* for the period | | 109,010,333 | 109,010,333 |
| **As at 30 June 2022** | **1,450,000,000** | **560,613,838** | **2,010,613,838** |

**Mr. Samuel J Njoroge**
Clerk of The National Assembly
The Fund Administrator

**Mr. Peter A. Meikoki**
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Vice chairperson PSC
Chairperson of the Fund

## 16. Statement of Cash Flows for the year ended 30th June 2022

| Description | Note | 2021/22 Kshs. | 2020/21 Kshs. |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Receipts** | | | |
| Interest received | 5 | 111,191,901 | 63,929,891 |
| **Total receipts** | | **111,191,901** | **63,929,891** |
| **Payments** | | | |
| Use of goods and services | 6 | 2,181,568 | 2,196,484 |
| **Total payments** | | **2,181,568** | 2,196,484 |
| **Net cash flow from operating activities** | | **109,010,333** | **61,733,407** |
| | | | |
| **Cash flows from investing activities** | | | |
| (Increase)/Decrease in Accounts receivable | 8 | 124,032,438 | 181,479,082 |
| Increase/(Decrease) in Accounts payable | | 519,255 | (2,817,468) |
| **Net cash flows used in investing activities** | | **124,551,693** | **178,661,614** |
| | | | |
| **Net increase/(decrease) in cash and cash equivalents** | | **233 562 026** | **240 395 021** |
| Cash and cash equivalents at 1 July 2021 | 7 | 1 553 918 988 | 1 313 523 967 |
| **Cash and cash equivalents at 30 June 2022** | 7 | **1,787,481,014** | **1,553,918,988** |

**Mr. Samuel J Njoroge**
Clerk of The National Assembly
The Fund Administrator

**Mr. Peter A. Meikoki**
D/Director Finance and Accounting
ICPAK No. 4339

**Hon. Dr. Naomi Shaban**
Vice chairperson PSC
Chairperson of the Fund

## 17. Statement of Comparison of Budget and Actual amounts for the year ended 30th June 2022

| 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 from loan repayments | 4,163,242 | | 4,163,242 | 6,407,415 | (2,244,173) | 154 |
| Fixed deposits Interest income | 102,880,332 | | 102,880,332 | 104,784,486 | (1,904,154) | 102 |
| **Total Revenue** | **107,043,574** | | **107,043,574** | **111,191,901** | **(4,148,327)** | **104** |
| | | | | | | |
| **Expenses/use of goods and services** | | | | | | |
| Fund administration expenses | 1,800,000 | | 1,800,000 | 1,800,000 | | 100 |
| Committee sitting allowance | 116,250 | | 116,250 | 135,000 | (18,750) | 116 |
| Bank charges | 32,992 | | 32,992 | 50,568 | (17,576) | 153 |
| System maintenance | 98,000 | | 98,000 | 196,000 | (98,000) | 200 |
| **Total expenditure** | **2,047,242** | | **2,047,242** | **2,181,568** | **(134,326)** | **100** |
| | | | | | | |
| **Surplus for the period** | **104,996,332** | | **104,996,332** | **109,010,333** | **(4,282,653)** | **104** |

**Mr. Samuel J Njoroge**
Clerk of The National Assembly
The Fund Administrator

**Mr. Peter A. Meikoki**
D/Director Finance and Accounting
ICPAK No. 4339

**Hon. Dr. Naomi Shaban**
Vice chairperson PSC
Chairperson of the Fund

**Explanations**

**As per IPSAS 24.14** it's a requirement for the Fund administrator to provide explanations where the difference between the actual and budgeted amounts are 10% over/under.

Interest from loan repayments was expected to be a third of the last financial years actual income since most honorable members of Parliament have fully serviced their loans. However, more staff applied for the loans which resulted to more interest being realized than what the Fund had actually projected.

The bank charges for the Fund had been estimated to be about 50% of the previous year's charge. However, there were more bank transactions which lead to the charge being higher than had anticipated. This is because there were many Car Loans processed during the period under review. Most of these loan applications the Fund processed were applications from the new staff who have since been confirmed to permanent and pensionable terms of the commission's employment.

From our statement of comparison of budget and actual amounts for the year ended 30th June, 2022 system maintenance cost surpassed the estimated amount by 100%. This was due to the loans system upgrade charge which pushed this particular expense almost double the normal annual charge.

The Fund had projected payment of committee sitting allowances at 50% of the previous periods amount. However, the committee had few sittings than expected. This is because there was a challenge in getting a quorum since majority of the members were busy in the fields doing campaigns.

## 18. Notes to the Financial Statements

### 1. General Information

Parliamentary Car Loan Fund is established by and derives its authority and accountability from The Public Finance Management Act, 2012 (No. 18 of 2012). The Fund is wholly owned by the Government of Kenya and is domiciled in Kenya. The Fund's principal activity is to facilitate acquisition of motor vehicles for Members of National Assembly, The Senate and staff of Parliamentary Service Commission by providing a loan Scheme for the purchase, insurance and overhaul by members of the Scheme; and to perform other functions necessary for the welfare of the honourable Members and staff.

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

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Fund *'s* accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Fund.*

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

***Notes to the Financial Statements (Continued)***

*i.* **New and amended standards and interpretations in issue but not yet effective in the year ended 30th June 2022.**

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

*ii.* **Early adoption of standards**

The Fund did not early – adopt any new or amended standards in the year 2021/22.

**3. 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 2021/22 was approved in June 2021. 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 did not receive/record any additional appropriations of the FY 2021/2022 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 made for differences in the formats and classification Schemes adopted for the presentation of the financial statements and the approved budget.

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

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

**d. Intangible assets**

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

**e. 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 to account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

***Held-to-maturity***

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

***Impairment of financial assets***

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a Fund of financial assets is impaired. Management then follows the procedure required by Regulation 145 of the PFM Act. 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.

**f. 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.

**g. Contingent assets**

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

**h. Nature and purpose of reserves**

The Fund creates and maintains reserves in terms of specific requirements

**i. 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.

**j. Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date.

Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

**k. Related parties**

The Fund regards a related party as a person or entity with the ability to exert control individually or jointly, or to exercise significant influence over the Fund, or vice versa. Members of key management are regarded as related parties and comprise the Directors/ Trustee, the Fund Managers, and Fund Accountant.

**l. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call, and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the at various commercial banks at the end of the financial year. The Fund has accounts with Kenya Commercial Bank and Co-operative bank of Kenya.

**m. Comparative figures**

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

**n. Events after the reporting period**

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

**o. Ultimate and Holding Fund**

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

**p. Currency**

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

**Significant Accounting Policies (Continued)**

**4. 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.

**a) Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur. *(IPSAS 1.140.)*

**b) Useful lives and residual values**

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

i) The condition of the asset is based on the assessment of experts employed by the Fund

ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes

iii)The nature of the processes in which the asset is deployed

iv)Availability of Funding to replace the asset

v) Changes in the market in relation to the asset

**Notes to the Financial Statements**

**5. Interest Income.**

| *Description* | *2021/22* | *2020/21* |
|---|---|---|
| | *Kshs.* | *Kshs.* |
| Interest from loans repayments | 6,407,415 | 12,489,725 |
| F/Deposits interest | 104,784,486 | 51,440,166 |
| **Total Interest income** | **111,191,901** | **63,929,891** |

**6. Use of goods and services**

| *Description* | *2021/22* | *2020/21* |
|---|---|---|
| | *Kshs.* | *Kshs.* |
| Administrative Allowances | 1,800,000 | 1,800,000 |
| Bank charges | 50,568 | 65,984 |
| Committee sitting allowances | 135000 | 232,500 |
| System maintenance cost | 196,000 | 98,000 |
| **Total Fund expenses** | **2,181,568** | **2,196,484** |

**7. a) Cash and cash equivalents**

| Description | 2021/22 | 2020/21 |
|---|---|---|
| | Kshs. | Kshs. |
| Fixed Deposit Accounts | 864,370,702 | 1,404,626,862 |
| Current Account | 923,110,312 | 149,292,126 |
| **Total Cash and Cash equivalents** | **1,787,481,014** | **1,553,918,988** |

**7. b) Detailed analysis of the cash and cash equivalents in banks.**

| | | 2021/22 | 2020/21 |
|---|---|---|---|
| Financial Institution | Account number | Kshs. | Kshs. |
| **Fixed Deposit Accounts** | | | |
| Co-operative Bank of Kenya | 011322 0024 4813 | 535,776,056 | 535,776,056 |
| Co-operative Bank of Kenya | 011362 0024 4800 | | 550,000,000 |
| Kenya Commercial Bank | 12695 61251 | 328,594,646 | 318,850,806 |
| **Sub- Total** | | **864,370,702** | **1,404,626,862** |
| | | | |
| **Current Account** | | | |
| Co-operative Bank of Kenya | 01136 2002 4800 | 895,989,603 | 121,259,919 |
| Co-operative Bank of Kenya | 01136 2002 4801 | 27,120,709 | 28,032,207 |
| **Sub- Total** | | **923,110,312** | **149,292,126** |
| | | | |
| **Grand Total** | | **1,787,481,014** | **1,553,918,988** |

- The bulk of the cash at bank was held at Co-operative Bank of Kenya (81.6%) the Funds main banker and Kenya Commercial Bank (18.4%).

- The average effective interest rate on the fixed deposits as at the time of investment (June and Aug, 2021) was 7.7% and 7.1% for 12 months respectively.

- Both the fixed deposits at Co-operative Bank and KCB are for 12 months at 8.75% and matures on 15th Aug, 2022. However, the 2nd fixed deposit with Co-operative bank is at 9.5% and matured on 15th June, 2022.

Account details

Bank: Cooperative Bank of Kenya
Account name: National Assembly Car Loan S. F
Branch: Parliament Road

Bank: Kenya Commercial Bank
Account name: National Assembly Car Loan Fund
Branch: Kipande House

## 8. Receivables from exchange Transactions

| *Description* | *2021/22* | *2020/21* |
|---|---|---|
| | *Kshs.* | *Kshs.* |
| Outstanding loans advanced end of the period | 172,827,233 | 328,630,737 |
| F/Deposits interest receivable | 56,185,576 | 24,414,510 |
| **Total current receivables** | **229,012,809** | **353,045,247** |

## 9. Refundable deposits from customers/ fund payables/ pre-payments

| *Description* | *2021/22* | *2020/21* |
|---|---|---|
| | *Kshs.* | *Kshs.* |
| Fund Contributions | 2,097,300 | 1,152,270 |
| Fund creditors Staff | 2,217,697 | 795,405 |
| Fund Creditors Hon. Members | 1,429,988 | 3,413,055 |
| Committee Sitting allowance in arrears | 135,000 | |
| **Total refundables** | **5,879,985** | **5,360,730** |

**Other Disclosures**

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

**b) Liquidity risk management**

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

**c) Market risk**

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

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

exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

**d) Interest rate risk**

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

***Management of interest rate risk***

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

**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 | 2021/22 | 2020/21 |
|---|---|---|
| | Kshs. | Kshs. |
| Revolving Fund | 1,450,000,000 | 1,450,000,000 |
| Accumulated surplus | 560,613,838 | 451,603,505 |
| **Total Funds** | **2,010,613,838** | **1,901,603,505** |
| | | |
| Less: cash and bank balances | 1,787,481,014 | 1,553,918,988 |
| Net debt/(excess cash and cash equivalents) | 223,267,824 | 347,684,517 |
| **Gearing** | 11% | 18% |

## 11. Related party balances

### a) Nature of related party relationships

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

a) National government Fund

b) Key management;

c) Board of Trustees/Committee; etc

### b) Related party transactions

#### i. Key management remuneration

| Description | 2021/22 | 2020/21 |
|---|---|---|
| | Kshs. | Kshs. |
| Board of Trustees | 135,000 | 232,500 |
| Key Management Compensation | 1,800,000 | 1,800,000 |
| **Total** | **1,935,000** | **2,032,500** |

## 12. Annexes

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

The financial statements for the financial year 2020/2021 were submitted to the Office of the Auditor review done and a qualified audit report issued

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: *(Resolved / Not Resolved)* | Timeframe: *(Put a date when you expect the issue to be resolved)* |
|---|---|---|---|---|
| 2020/2021 | Contrary to the guidelines and template prescribed by the Public sector Accounting Standards Board, the Funds financial statements submitted for audit review did not include the statement of comparison budget and actual amounts. | The Fund has in the subsequent Reports (both quarterly and annual Report and Financial Statements) included the statement of comparison budget and actual amounts as required in the reporting template and as guided by the OAG. | The fund is yet to appear at the PAC to resolve this issue | Relative. Until the Management appears to the PAC. |

**Annex II: Parliamentary Car Loan Fund trial balance for the year ended 30th June, 2022.**

| Particulars | Dr | Cr |
|---|---|---|
| | Ksh. | Ksh. |
| **Interest Income** | | |
| Interest from Loan repayments | | 6,407,415 |
| Interest from F/Deposits | | 104,784,486 |
| **Use of goods and services** | | |
| Administrative Allowances | 1,800,000 | |
| Bank charges | 50,568 | |
| Committee allowances | 135,000 | |
| System maintenance cost | 196,000 | |
| **cash and cash equivalent** | | |
| Fixed Deposits KCB | 328,594,646 | |
| Fixed Deposits Co-operative bank | 535,776,056 | |
| Current account '01136 20024 4800 | 895,989,603 | |
| Current account '01136 20024 4801 | 27,120,709 | |
| **Fund prepayments** | | |
| Contributions | | 2,097,300 |
| Creditors -Staff | | 2,217,697 |
| Committee allowances payable | | 135,000 |
| Creditors -Hon. Members | | 1,429,988 |
| **Fund Receivables** | | |
| Outstanding loans advanced end of period | 172,827,233 | |
| F/Deposits Interest receivable | 56,185,576 | |
| Revolving Fund/Seed Capital | | 1,450,000,000 |
| Accumulated Surplus bf | | 451,603,505 |
| | | |
| | **2,018,675,391** | **2,018,675,391** |

**Annex III: Parliamentary Car Loan aged debtor report.**

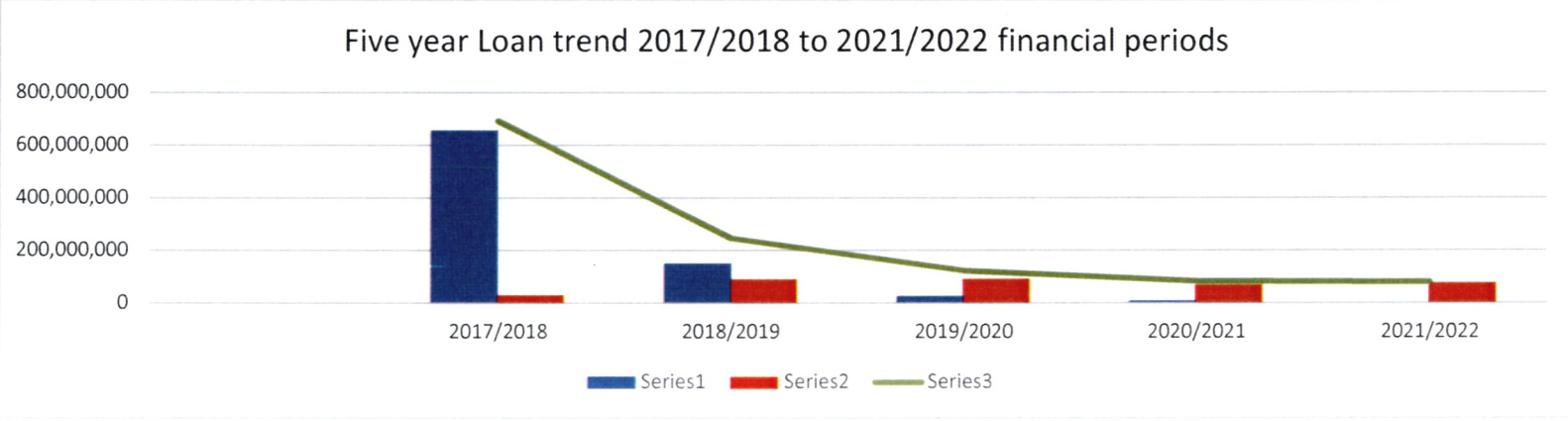
| Description | Less than 1 month | Between 1-3 months | Over 5 months | Total |
|---|---|---|---|---|
| | Kshs. | Kshs. | Kshs. | Kshs. |
| **At 30 June 2022** | | | | |
| Loan Receivables | 172,827,233 | | | 172,827,233 |
| F/deposits interest Receivables | | 56,185,576 | | 56,185,576 |
| **Total** | **172,827,233** | **56,185,576** | | **229,012,809** |
| **At 30 June 2021** | | | | |
| Loan Receivables | 328,630,737 | | | 328,630,737 |
| F/deposits interest Receivables | | 24,414,510 | | 24,414,510 |
| **Total** | **328,630,737** | **24,414,510** | | **353,045,247** |

## Annex IV: Parliamentary Car Loan committee attendance schedule for the year ended 30th June, 2022

| | MEETING HELD ON DATES (2021/2022) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 25/JAN/2022 | | | | | | | | | | TOTAL SITTINGS ATTENDED |
| MEMBER | Hon. Members loan Meeting | Staff Members lon Meeting | Hon. Members loan Meeting | Staff Members loan Meeting | Hon. Members loan Meeting | Staff Members loan Meeting | Hon. Members loan Meeting | Staff Members loan Meeting | Hon. Members loan Meeting | Staff Members loan Meeting | |
| Hon. Dr. Naomi shaban | ✓ | ✓ | | | | | | | | | 2 |
| Hon. Sen.Aaron Cheruiyot | ✓ | ✓ | | | | | | | | | 2 |
| Hon. Samuel Chepkonga | ✓ | ✓ | | | | | | | | | 2 |
| Hon. Rachel Ameso | ✓ | ✓ | | | | | | | | | 2 |
| Hon. Beth Mugo | ✓ | ✓ | | | | | | | | | 2 |
| Hon. Emmanuel Wangwe | | | | | | | | | | | |
| Hon. Junet Nur | | | | | | | | | | | |
| Hon. Paul K Wamatangi | | | | | | | | | | | |
| Hon. Mutula Kilonzo | | | | | | | | | | | |
| Mr. Jeremiah Nyegenye | ✓ | ✓ | | | | | | | | | 2 |
| Mr. Clement Nyandiere | ✓ | ✓ | | | | | | | | | 2 |
| Ms. Wanjiru Ndindiri | ✓ | ✓ | | | | | | | | | 2 |

**Annex V: Parliamentary Car Loans paid: 5-year trend graph showing honourable Members and staff loans processed**

| Loan category / period | 2017/2018 | 2018/2019 | 2019/2020 | 2020/2021 | 2021/2022 |
|---|---|---|---|---|---|
| Hon. members | 658,221,608 | 152,031,292 | 27,892,390 | 9,671,136 | 628,264 |
| Staff | 33,708,347 | 93,514,878 | 94,720,048 | 73,398,253 | 78,992,846 |
| | 691,929,955 | 245,546,170 | 122,612,438 | 83,069,389 | 79,621,110 |

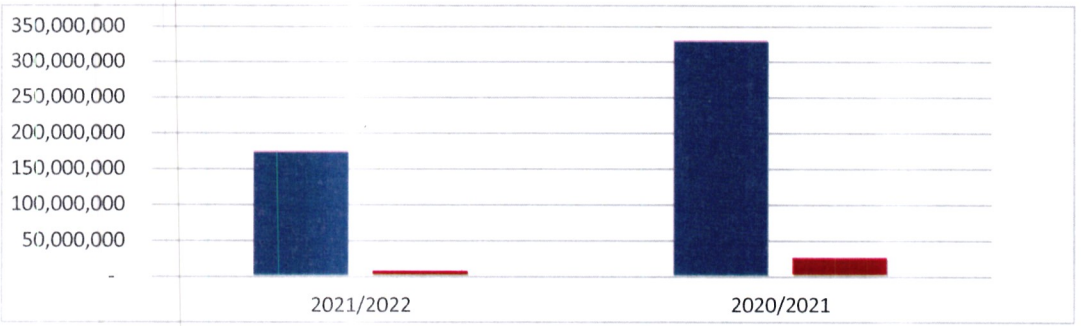



**key**

| | |
|---|---|
| | **Hon. Members of Parliament** |
| | **Parliamentary Staff** |

**Annex VI: Parliamentary Car Loan Receivables per period.**

| Category /period | 2021/2022 | 2020/2021 |
|---|---|---|
| Loan receivable | 172,827,233 | 328,630,737 |
| F/deposits interest receivable | 56,185,576 | 24,414,510 |
| | 229,012,809 | 353,045,247 |

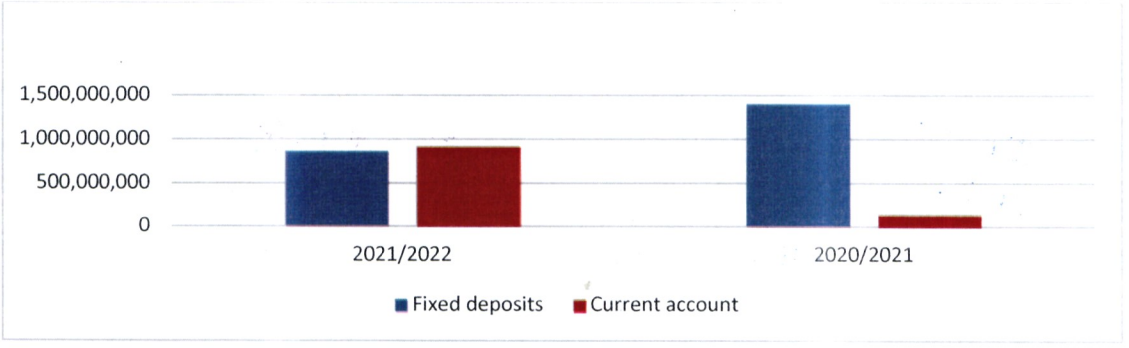



**key**

| | |
|---|---|
| | **Loan receivable** |
| | **F/deposit Interest receivable** |

**Annex VII: Parliamentary Car Loan cash and cash analysis (current account & fixed deposit)**

| Category / period | 2021/2022 | 2020/2021 |
|---|---|---|
| Fixed deposits | 864,370,702 | 1,404,626,862 |
| Current account | 923,110,312 | 149,292,126 |
| | 1,787,481,014 | 1,553,918,988 |




**Annex VIII: Parliamentary Car Loan Fixed deposits analysis (Co-op Bank & KCB)**

| Bank / period | 2021/2022 | 2020/2021 |
|---|---|---|
| Co-op Bank | 535,776,056 | 1,085,776,056 |
| KCB | 328,594,646 | 318,850,806 |
| | 864,370,702 | 1,404,626,862 |

