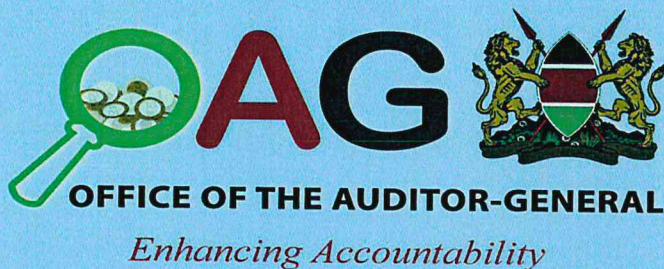


REPUBLIC OF KENYA



REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 01 FEB 2022	DAY: Tuesday
TABLED BY:	LOM
CLERK-AT THE-TABLE:	Gr. Chebet

OF

THE AUDITOR-GENERAL

ON

PARLIAMENTARY CAR LOAN SCHEME
FUND

FOR THE YEAR ENDED
30 JUNE, 2021



PARLIAMENTARY SERVICE COMMISSION
PARLIAMENTARY CARLOAN SCHEME FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2021

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

Table of Content

Page

I.	KEY FUND INFORMATION AND MANAGEMENT	ii
II.	THE LOANS MANAGEMENT COMMITTEE	vi
III.	MANAGEMENT TEAM	viii
IV.	CHAIRPERSON'S REPORT	ix
V.	CORPORATE GOVERNANCE STATEMENT	x
VI.	CORPORATE SOCIAL RESPONSIBILITY STATEMENT	x
VII.	REPORT OF THE PARLIAMENTARY CARLOAN FUND	xii
VIII.	STATEMENT OF THE OFFICER ADMINISTERING FUND'S RESPONSIBILITIES	xiv
IX.	REPORT OF THE AUDITOR GENERAL ON THE PARLIAMENTARY CAR LOAN S. FUND	xv
X.	STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 TH JUNE, 2021 1	
XI.	STATEMENT OF FINANCIAL POSITION AS AT 30 TH JUNE, 2021	2
XII.	STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 TH JUNE, 2021 3	
XIII.	STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 TH JUNE, 2021	4
XIV.	NOTES TO THE FINANCIAL STATEMENTS	6
XV.	PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	9
	APPENDIXES	10
	A) PARLIAMENTARY CAR LOAN S. FUND TRIAL BALANCE	10
	FOR THE YEAR ENDED 30 TH JUNE, 2021	10
	B) PARLIAMENTARY CAR LOAN SCHEME FUND COMMITTEE MEETINGS ATTENDANCE SCHEDULE 11	
	C) GRAPHICAL PRESENTATIONS COMPARING YEAR 2020/2021 AND 2019/2020	13

I. KEY FUND INFORMATION AND MANAGEMENT

i. Background information

The Parliamentary Car Loan Scheme Fund was established in 1999 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 The Public Finance Management Act, 2012 (No. 18 of 2012) has repealed the above Regulations through Legal Notice No. 19 of February 01, 2013 and Legal Notice No. 68 of April 19, 2013 to be the Public Finance Management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, 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

ii. Principal Activities

The principal activity 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.

iii. Vision of the Parliament

Democratic and people centred Parliament.

iv. Mission

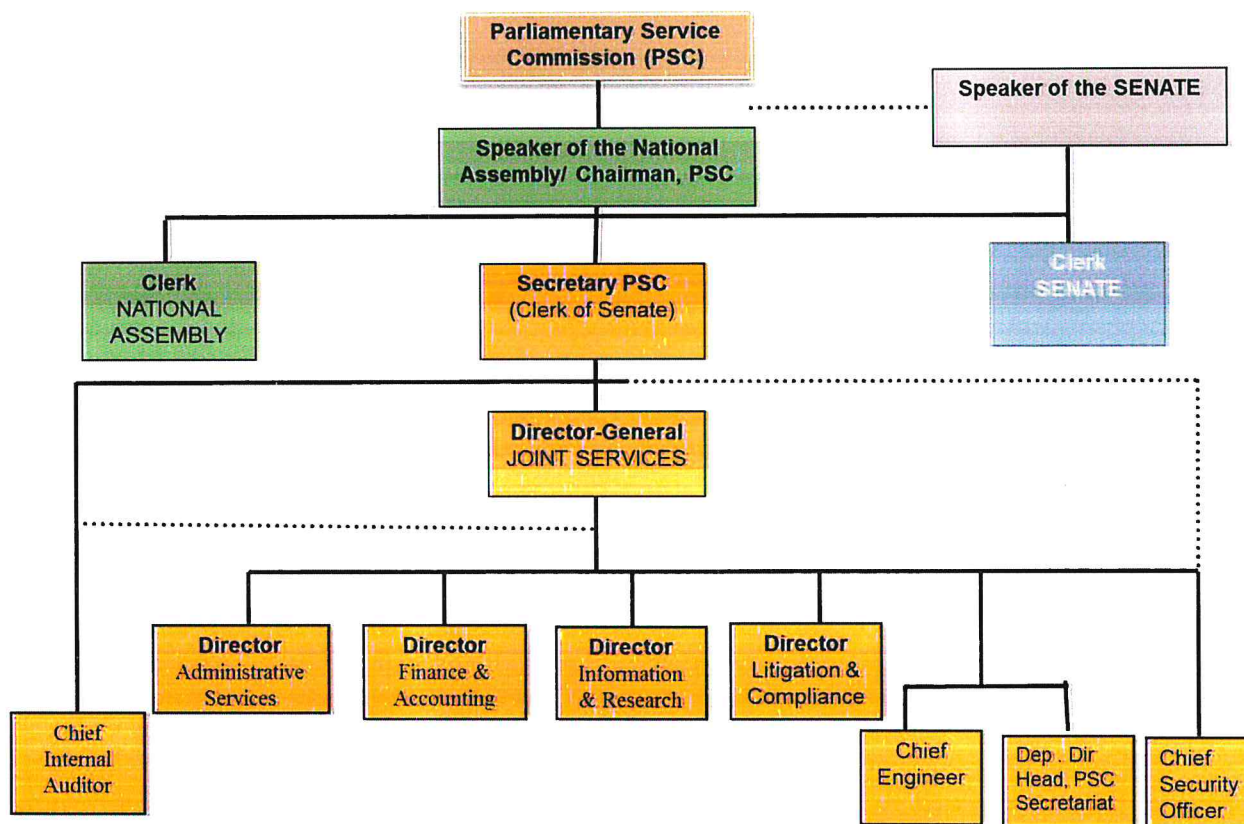
To facilitate Members of Parliament to efficiently and effectively discharge their constitutional mandate of representation, legislation and oversight.

v. Core Values

- Professionalism
- Impartiality

PARLIAMENTARY CARLOAN SCHEME FUND ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE, 2021

- Responsiveness
- Integrity and Accountability
- Cooperation and Consultation Inclusiveness



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:

- | | |
|-------------------------|---|
| - Mr. Michael R. Sialai | Clerk National Assembly and Officer Administering the Fund. |
| - Mr Jeremiah W. Ndombi | Deputy Clerk (National Assembly) |
| - Mr Joel Irungu | Director Finance and Accounting |
| - Mr. Peter A. Meikoki | Deputy Director Finance and Accounting. |
| - Mr. John Mutega | Principal Clerk Assistant |

vii. Fiduciary Management

The Loans Management Committee Members who served during the year ended 30th June, 2021 and who had direct fiducial responsibility were:

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

viii. Headquarters

Parliament Buildings
P.O. Box 41842 – 00100
Parliament Road
Nairobi.

ix. Contacts

Telephone: (254) (020) 2221291,
E-mail: clerk@parliament.go.ke,
Website: www.parliament.go.ke

x. Bankers

a. Cooperative Bank of Kenya Limited,
Parliament Road Branch,
P.O. Box 5772 – 00200,
Nairobi.

b. Kenya Commercial Bank
Kipande House Branch
P.O Box 48400-00100,
Nairobi.

xi. Independent Auditors


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

xii. Principal Legal Adviser

The Director, Litigation & Compliance
Parliament Buildings
P. O. Box 41842 -00100
Nairobi.

PARLIAMENTARY CARLOAN SCHEME FUND ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE, 2021

II. THE LOANS MANAGEMENT COMMITTEE

	<p>Hon. (Dr.) Naomi N. Shaban, EGH, MP</p> <p>Vice Chairperson Parliamentary Service Commission and Chair-person for Parliamentary Car Loans Committee.</p>
	<p>Hon. Aaron Cheruiyot, MP</p> <p>Member/ Chairman-Parliamentary Staff Welfare Committee</p>
	<p>Hon. Beth W. Mugo, EGH, MP</p> <p>Member / Chairperson-Members Welfare Committee.</p>
	<p>Hon. Rachel Ameso Amolo</p> <p>Member/Commissioner Parliamentary Service</p>
	<p>Hon. Emmanuel Wangwe, MP</p> <p>Member/ Majority Chief Whip, National Assembly</p>
	<p>Hon. Sen. Dr. Paul Kimani Wamatangi</p> <p>Member/ Majority Chief Whip of the Senate</p>

	<p>Hon. Junet Sheikh Nuh Mohamed</p> <p>Member/ Minority Chief Whip of The National Assembly.</p>
	<p>Hon. Mutula Kilonzo Jnr</p> <p>Member/ Minority Chief Whip of The Senate.</p>
	<p>Mr. Jeremiah M. Nyegenye, CBS</p> <p>Member/Clerk of The Senate /Secretary and the Accounting officer Parliamentary Service Commission.</p>
	<p>Mr. Michael R. Sialai, EBS</p> <p>Member/ The Fund Administrator/Clerk and the Accounting officer National Assembly.</p>
	<p>Mr. Clement Nyandiere</p> <p>Member /The Director General and Accounting officer Parliamentary Joint Services.</p>
	<p>Ms. Wanjiru Ndindiri</p> <p>Member/ Staff-elected representative.</p>

I. MANAGEMENT TEAM

	<p>Mr. Michael R. Sialai, EBS</p> <p>The Clerk of the National Assembly and Officer Administering the Parliamentary Car Loan Funds.</p>
	<p>Mr. Jeremiah W. Ndombi</p> <p>Deputy Clerk, Legal adviser Car loan Funds</p>
	<p>Mr. Joel Irungu</p> <p>Director Finance & Accounting</p>
	<p>CPA. Peter A. Meikoki</p> <p>Deputy Director Finance and Accounting</p>
	<p>Mr. John Mutega</p> <p>Principal Clerk Assistant National Assembly/Secretary Car loans.</p>

IV. CHAIRPERSON'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, **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 period remaining for 12th Parliamentary term is quite/precisely short with only 13 months remaining to enable a Member to adequately service a reasonable car loan amount. Only two Member of Parliament actually borrowed during the reported period. The reduced loans uptake 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

PARLIAMENTARY CARLOAN SCHEME FUND ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE, 2021 MANAGEMENT DISCUSSIONS 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 2 loans for Honourable Members of Parliament and 26 for Parliamentary Staff all totalling to Ksh.83 million.

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.

However, it is expected that the Fund operations will continue to decline even for the next periods because the current Parliamentary term fast shortening reducing the repayment period for most Members. We are encouraging Members to enhance their repayments even from other sources not only from the payroll. This will ensure timely loan repayment and release of original logbooks to facilitate their discharge and transfer to the owners. Going by the current monthly repayment rates, all the Members of Parliament will have cleared their car loans at the end of the next financial period ie June, 2022

During the period, 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.

V. 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

VI. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

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.

1. Sustainability strategy and profile

PARLIAMENTARY CARLOAN SCHEME FUND ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE, 2021

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.

2. 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.

3. 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 are taken into account including appeals 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 employment. 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)

4. 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

PARLIAMENTARY CARLOAN SCHEME FUND ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE, 2021 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 45 days when exchequer is available.

- 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.

5. 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 Sente to conduct sittings in other parts of the country. 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.

VII. REPORT OF THE PARLIAMENTARY CARLOAN FUND

The Officer Administering Parliamentary Car Loan Scheme Fund submits his report and financial statements for the year ended 30th June, 2021 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.

Results

The results of the Parliamentary Car Loan Scheme Fund for the reported period ended 30th June, 2021 are set out on page 1 – 4

Management

The Members of the Parliamentary Loan Management Committee who served during the year are shown on page 1. 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 Parliamentary Car Loan Scheme Fund in accordance with the Section 24(3) of 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.

RISK

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 loanee overcommit the 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 that 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.

II. STATEMENT OF THE OFFICER ADMINISTERING FUND'S RESPONSIBILITIES

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 reported year ended on 30th June, 2021. The responsibilities include:

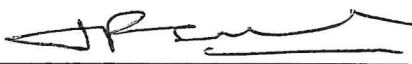
- i. Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- ii. Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund;
- iii. Designing, implementing 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 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, 2020, 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.

Nothing has come to the attention of the Officer Administering the Fund to indicate that the Scheme will not remain as a going concern after the date of this statement.

Approval of the financial statements

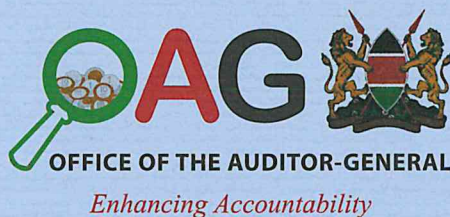
The Parliamentary Car Loan Scheme Fund financial statements were approved by the Officer Administering the Fund on 15th Sep, 2021 and signed on its behalf by:


Name: Mr. Michael R. Sialai, EBS
Clerk of The National Assembly
The Fund Administrator


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

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON PARLIAMENTARY CAR LOAN SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure government achieves value for money and that such funds are applied for 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 control, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution 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

Qualified Opinion

I have audited the accompanying financial statements of the Parliamentary Car Loan Scheme Fund set out on pages 1 to 16, which comprise the statement of financial position, as at 30 June, 2021, and statement of financial of performance, statement of changes in

net assets and statement of cash flows 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, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Parliamentary Car Loan Scheme Fund as at 30 June, 2021, 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 Qualified Opinion

Statement of Comparison of Budget and Actual Amounts

Contrary to the guidelines and template prescribed by the Public Sector Accounting Standards Board for entities reporting under International Public Sector Accounting Standards (IPSAS) Accrual Basis of financial reporting framework, the Fund's financial statements submitted for audit review did not include the statement of comparison of budget and actual amounts. No satisfactory explanation was provided for the omission.

Under the circumstances, the accuracy and completeness of the financial statements for the year ended 30 June, 2021 could not be confirmed.

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 qualified 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 control, 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 control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Parliamentary Car Loan Scheme Fund's ability to sustain 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 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 financial reporting process, reviewing the effectiveness of how the entity 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 Parliamentary Car Loan Scheme 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 control 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

21 January, 2022

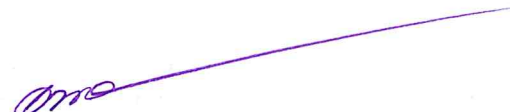
X. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE, 2021

	NOTE	2020/2021 Annual	2019/2020 Annual
	Note		
Revenue			
Interest Earned and received	3	63,929,891	44,979,635
Total revenue		63,929,891	44,979,635
Expenses			
General administrative expenses	4	2,196,484	2,226,524
Total expenses		2,196,484	2,226,524
Surplus for the Period		61,733,407	42,753,111
Surplus Brought Forward		389,870,098	347,116,987
Accumulated Surplus carried Forward		451,603,505	389,870,098

The notes set out on pages 4 to 7 form an integral part of the Annual Financial Statements



Name: Mr. Michael R. Sialai, EBS
Clerk of The National Assembly
The Fund Administrator



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

XI. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2021

		2020/2021 Annual	2019/2020 Annual
	Note		
Assets			
Current assets			
Cash and cash Equivalents	5	1,553,918,988	1,313,523,967
Receivables	6	353,045,247	534,524,329
Total current assets		1,906,964,235	1,848,048,296
Total assets		1,906,964,235	1,848,048,296
Liabilities			
Current liabilities			
Refundable Deposits	7	5,360,730	8,178,198
Total refundable		5,360,730	8,178,198
Non-current liabilities			
Total liabilities		5,360,730	8,178,198
Net Assets		1,901,603,505	1,839,870,098
Capital Fund	8	1,450,000,000	1,450,000,000
Accumulated Surplus		451,603,505	389,870,098
Total Net Assets and Liabilities		1,906,964,235	1,848,048,296

The Financial Statements set out on pages 1 to 4 were signed on behalf of the Management by:



Name: Mr. Michael R. Sialai, EBS
Clerk of The National Assembly
The Fund Administrator



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

XII.**PARLIAMENTARY CARLOAN SCHEME FUND ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE, 2021
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE, 2021**

	Capital Fund Ksh.	Accumulated Surplus Ksh.	Total Ksh.
Balance as at 30th June,2019	1,450,000,000	347,116,987	1,797,116,987
Surplus/(Deficit) for the year		42,753,111	42,753,111
Balance as at 30th June,2020	1,450,000,000	389,870,098	1,839,870,098
Surplus/(Deficit) for the year ended 30 th June, 2021		61,733,407	61,733,407
Balance as at 30th June, 2021	1,450,000,000	451,603,505	1,901,603,505

XIII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2021

		2020/2021 Annual	2019/2020 Annual
	Note		
Cash flows from operating activities			
Receipts			
Interest Income	3	63,929,891	44,979,635
Payments			
General administrative Expenses	4	2,196,484	2,226,524
Net cash flows from operating activities		61,733,407	42,753,111
Cash flows from investing activities			
(Increase)/Decrease in Accounts receivable		181,479,082	145,671,206
Increase/(Decrease) in Accounts payable		(2,817,468)	198,275
Net cash flows used in investing activities		178,661,614	145,869,481
Cash flows from financing activities			
Net cash flows used in financing activities			
Net increase/(decrease) in cash and cash equivalents		240,395,021	188,622,592
Cash and cash equivalents as at beginning of the year		1,313,523,967	1,124,901,375
Cash and cash equivalents as at end of the year		1,553,918,988	1,313,523,967

Detailed analysis of the cash and cash equivalents

		2020-2021	2019-2020
Financial Institution	Account number	Annual	Audited
a) Current account			
Co-operative Bank of Kenya	01136 2002 4800	121,259,919	455,452,130
Co-operative Bank of Kenya	01136 2002 4801	28,032,207	35,204,728
Sub- total		149,292,126	490,656,858
b) On - call deposits			
Co-operative Bank of Kenya		-	-
Kenya Commercial bank		-	-
Sub- total		-	-
c) Fixed deposits account			
Co-operative Bank of Kenya	011322 0024 4813	535,776,056	518,111,986
Co-operative Bank of Kenya	011362 0024 4800	550,000,000	
Kenya Commercial Bank	12695 61251	318,850,806	304,755,123
Sub- total		1,404,626,862	822,867,109
Grand total		1,553,918,988	1,313,523,967

- The bulk of the cash at bank was held at Co-operative Bank of Kenya (79.5%) the Funds main banker and Kenya Commercial Bank (20.5%).
- The average effective interest rate on the fixed deposits as at the time of investment (Feb and June, 2021) was 7.5% and 7.7% for 6 months and 12 months respectively.
- The fixed deposits at Co-operative Bank are for 6 and 12 months at 8.35% and 9.5% maturing on 5th Aug, 2021 and 15th Jun, 2022 respectively while at KCB is for 6 months starting 11th Feb, 2021 and matures on 11th Aug, 2021 at 7.25%

Account details

Bank: Cooperative Bank of Kenya
Account name: National Assembly car loan S. F
Branch: Parliament Road

Bank: Kenya Commercial Bank
Account name: Parliamentary Mortgage and Car Loan scheme Funds
Branch: Kipande House

XIV. NOTES TO THE FINANCIAL STATEMENTS

1. Statement of compliance and basis of preparation – IPSAS 1

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings (Ksh.), which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards. The cash flow statement is prepared using the direct method.

2. Summary of significant accounting policies

a) Revenue recognition

Interest income

Interest from loans is recognised when earned to determine interest income of the financial period. The Fund earned Ksh.12,489,725 interest from loans being serviced by both Members and staff and ksh 51,440,166 from fixed deposits totalling to Ksh.63,929,891.

b) Budget information – IPSAS 24

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the entity. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation.

The Fund budgeting is done through the Parliamentary Service Commission vote and Funds paid directly to Fund account for disbursement as loans to Members and staff of the Commission. The capital enhancement is to be done on need basis. When this arises, it is to be factored in subsequent budget circles.

c) Loans and receivables

Car loans advanced to Honourable Members are recovered within the remaining period of their Parliamentary term while to staff members are recovered within the remaining period to retirement and a maximum of sixty months, whichever is lower at an interest rate of 3% per annum at a reducing balance. The Fund had outstanding loans amounting to Ksh.328,630,737 for both Members of Parliament. Fixed deposits interest receivable as at 30th June, 2021 was Ksh.24,414,510

d) Creditors

The Fund had an amount of Ksh.5,360,730 at the end of the quarter being contributions towards car purchase deposit, repayment or refundable to the Members or staff.

e) Provisions – IPSAS 19

The Fund has not made any provisions on loans issued since the motor vehicles are jointly registered with Parliamentary Service Commission, comprehensively insured and covered for with group life assurance. There is strict observance of monthly repayments within the payslip with minimal default rates to ensure full repayments as scheduled.

f) Nature and purpose of reserves

The surplus for the year is maintained as a revolving reserve to build up the Fund for future capitalisation. This minimizes need for additional capital.

g) Changes in accounting policies and estimates – IPSAS 3

The Fund recognizes and adopts the current accrual basis of accounting method under IPSAS to comply with the new requirement.

h) 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 various Commercial Banks at the end of the reporting period.

The Fund had Ksh.149,292,126 held in the bank accounts and ksh.1,404,626,862 short term deposits. This brings total cash and cash equivalents to Ksh.1,553,918,988.

i) Comparative figures

Where necessary comparative figures for submitted annual report and statements for the year 2019/2020 have been amended or reconfigured to conform to the required changes in presentation.

j) 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. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to the market changes or circumstances arising beyond the control of the entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

k) Significant judgments and sources of estimation uncertainty – IPSAS 1

The preparation of the Fund's financial statements is in conformity with IPSAS in reporting amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period.

l) Subsequent events – IPSAS 14

There have been no events subsequent to the year end with a significant impact on the financial statements as at 30th June, 2021.

m) Fund account

The authorized capital was retained at ksh.1.45 billion during the reported period to cater for the current Parliamentary term for National Assembly, the Senate and staff of the Commission.

	Note	2020/2021 Annual	2019/2020 Annual
<u>Finance income</u>	3		
Interest from loans issued		12,489,725	17,378,429
F/Deposits interest-earned		51,440,166	27,601,206
Total finance income		63,929,891	44,979,635
<u>General expenses</u>	4		
Administrative Allowances		1,800,000	1,755,000
Bank charges		65,984	51,524
Committee sitting allowances		232,500	420,000
System maintenance cost		98,000	-
Total General administrative Expenses		2,196,484	2,226,524
<u>Cash and cash equivalents</u>	5		
Cash held at bank-Cooperative Bank of Kenya		149,292,126	490,656,858
Short term deposits Coop bank		1,085,776,056	518,111,986
Short term deposits KCB		318,850,806	304,755,123
Total cash and cash equivalents		1,553,918,988	1,313,523,967
<u>Receivables</u>	6		
Current receivables			
Outstanding loans advanced end of the period		328,630,737	529,790,232
F/Deposits interest receivable		24,414,510	4,734,097
Total current receivables		353,045,247	534,524,329
Refundable deposits from customers	7		
Deposits		5,360,730	8,178,198
Total deposits		5,360,730	8,178,198
<u>Fund Account</u>			
Capital Fund/ Seed Capital	8	1,450,000,000	1,450,000,000
Paid up capital/Seed Capital		1,450,000,000	1,450,000,000

XV. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The financial statements for the financial year 2019/2020 were submitted to the Office of the Auditor General for review audit completed and unqualified Certificate issued



Name: Mr. Michael R. Sialai, EBS
Clerk of The National Assembly
The Fund Administrator



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

APPENDIXES

**A) PARLIAMENTARY CAR LOAN S. FUND TRIAL BALANCE
FOR THE YEAR ENDED 30TH JUNE, 2021**

PARTICULARS		DR	CR
Cash-Current Account	5	1,553,918,988	
Fund Receivables	6	353,045,247	
Fund Payables	7		5,360,730
General Operation Expenses	4	2,196,484	
Interest Received	3		63,929,891
Accumulated Surplus b/forward.			389,870,098
Fund Capital	8		1,450,000,000
TOTALS		1,909,160,719	1,909,160,719



Name: Mr. Michael R. Sialai, EBS
Clerk of The National Assembly
The Fund Administrator



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

B) PARLIAMENTARY CAR LOAN SCHEME FUND COMMITTEE MEETINGS ATTENDANCE SCHEDULE

	MEETING HELD ON DATES (2019/2020)														
MEMBER	30 TH JULY, 2019		12 TH SEP, 2019		6 TH NOV, 2019		27 TH FEB, 2020		28 TH MAY, 2020		TOTAL SITTINGS ATTENDED				
	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. Members loan Meeting	Staff Members loan Meeting					
Hon. Dr. Naomi shaban	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10				
Hon. Sen.Aaron Cheruiyot		✓		✓		✓		✓		✓	5				
Hon. Beth Mugo					✓		✓				2				
Hon. Lonar Mumelo	✓		✓		✓	✓	✓				5				
Hon. Samuel Chepkonga	✓				✓		✓		✓		4				
Hon. Benjamin Washiali	✓		✓		✓						3				
Hon. Junet Nur											-				
Hon. Sen Susan Kihika					✓						1				
Hon. Mutula Kilonzo			✓						✓		2				
Mr. Jeremiah Nyegenye	✓				✓		✓	✓	✓	✓	7				
Mr. Clement Nyandiere		✓		✓		✓				✓	5				
MS. Wanjiru Ndindiri		✓		✓		✓		✓		✓	5				

PARLIAMENTARY CARLOAN SCHEME FUND ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE, 2021

	MEETING HELD ON DATES (2020/2021)										
	13 TH AUG, 2020		21 ST OCT, 2020		16 TH DEC, 2020		29 TH APR, 2021			TOTAL SITTINGS ATTENDED	
MEMBER	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. Members loan Meeting	Staff Members loan Meeting	
Hon. Dr. Naomi shaban	✓		✓	✓	✓	✓	✓	✓		7	
Hon. Sen.Aaron Cheruiyot				✓				✓		2	
Hon. Samuel Chepkonga	✓		✓	✓	✓	✓	✓	✓		7	
Hon. Rachel Ameso	✓				✓	✓	✓	✓		5	
Hon. Beth Mugo	✓		✓				✓			3	
Hon. Emmanuel Wangwe											
Hon. Junet Nur											
Hon. Paul K Wamatangi											
Hon. Mutula Kilonzo	✓									1	
Mr. Jeremiah Nyegenye	✓		✓	✓			✓	✓		5	
Mr. Clement Nyandiere				✓		✓		✓		3	
Ms. Wanjiru Ndindiri				✓		✓	✓	✓		3	

PARLIAMENTARY CARLOAN SCHEME FUND ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE, 2021

C) GRAPHICAL PRESENTATIONS COMPARING YEAR 2020/2021 AND 2019/2020

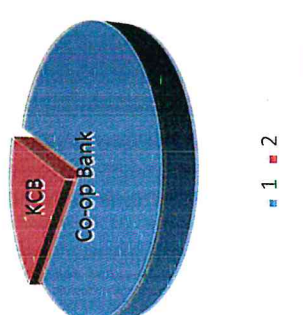
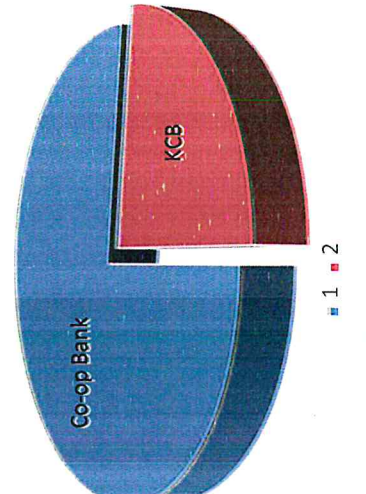
a. Finance Income (Note 3)

	Interest type	2020/2021	(%)	2019/2020	(%)
1	Interest from Loan repayments	12,489,725	20	17,378,429	39
2	Interest from Fixed Deposits	51,440,166	80	27,601,206	61
	Total	63,929,891	100	44,979,635	100

<p style="text-align: center;">Pie chart Finance income 2020/2021</p> <p>This pie chart illustrates the composition of Finance Income for the year 2020/2021. The chart is divided into two segments: a large red segment representing 'F/deposits' at 80% (labeled '1' in the legend), and a smaller blue segment representing 'Loan repayments' at 20% (labeled '2' in the legend).</p>	<p style="text-align: center;">Pie chart Finance income 2019/2020</p> <p>This pie chart illustrates the composition of Finance Income for the year 2019/2020. The chart is divided into two segments: a large red segment representing 'F/Deposits' at 61% (labeled '1' in the legend), and a smaller blue segment representing 'Loan repayments' at 39% (labeled '2' in the legend).</p>
---	---

During the period under review 2020/2021, Interest from loan repayments slightly declined by 19% and interest received from fixed deposits increased by the same rate. This is because a few Members of Parliament cleared loans which led to the more cash available being invested in Fixed deposits and as well the matured deposits being rolled over again together with the interest earned as compared 2019/2020.

b. Cash and Cash Equivalent held in Commercial Banks (Note 5).

	Bank where cash is held	2020/2021	(%)	2019/2020	(%)
1	Co-operative bank of Kenya	1,235,068,182	79	1,008,768,844	77
2	KCB	318,850,806	21	304,755,123	23
	Total	1,553,918,988	100	1,313,523,967	100
<div> <p>pie chart cash and cash equivalent as held in banks 2020/2021</p>  </div> <div> <p>Pie chart cash and cash equivalent as held in banks 2019/2020</p>  </div>					

During the period under review bulk of the cash at bank was held at Co-operative Bank of Kenya at 79% the Funds main banker. Kenya Commercial Bank held 21% of our cash as at 30th June, 2021. During the previous period, 2019/2020 Co-operative and KCB held 77% and 23% of the Fund cash respectively. 88% of cash held in Co-op bank is Fixed deposits and 12% is cash account while in KCB 100% is Fixed deposit.

PARLIAMENTARY CARLOAN SCHEME FUND ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE, 2021

c. Receivables

Receivables	2020/2021	(%)	2019/2020	(%)
1 Loan Receivables	328,630,737	93	529,790,232	99
2 Fixed Deposits Interest Receivable	24,414,510	7	4,734,097	1
Total	353,045,247	100	534,524,329	100

car loan Fund Receivables 2020/2021

Category	Value
1	328,630,737
2	24,414,510

Car loan Receivables 2019/2020

Category	Value
1	529,790,232
2	4,734,097

During the period under review, there has been a significant reduction of the loan receivables. This is because as the 12th Parliament is nearing to end, most members of Parliament are almost clearing up their loans.

[Signature]

Name: Mr. Michael R. Sialai, EBS
Clerk of The National Assembly
The Fund Administrator

[Signature]

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

d. Loans Applied and Processed (Loans Trend for a Period of 5yrs from 2016/2017-2020/2021)

	DEBTORS CATEGORY	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
1	HON. MEMBERS OF PARLIAMENT	9,710,339	658,221,608	152,031,292	27,892,390	9,671,136
2	STAFF MEMBERS	62,981,718	33,708,347	93,514,878	94,720,048	73,398,253
	TOTALS	72,692,057	691,929,955	245,546,170	122,612,438	83,069,389

Graphical presentation on Loans uptake 2016 - 2021



The graph shows a declined loans uptake especially by the hon members from the financial year 2017/2018 towards the year 2020/2021. The declined loans uptake is due to the short period remaining for the 12th Parliamentary term. This decline has led to more floating cash available in the Fund account hence increased investments in the Fixed deposits. This trend is expected till the end of the 12th Parliament and early beginning of the 13th Parliamentary term. Majority of Hon. Members of Parliament applied for Car loan during the 2nd year of the 12th Parliament 2017/18.