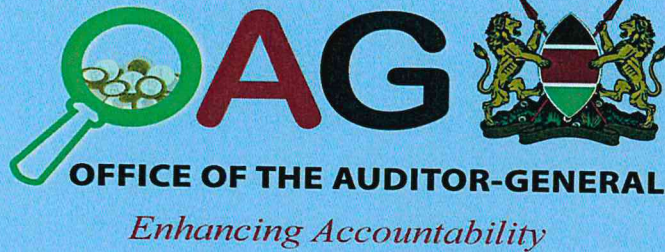


REPUBLIC OF KENYA



	
REPORT	
NATIONAL ASSEMBLY PAPERS LAID	
DATE: 05 APR 2022	DAY: Tues.
TAKEN BY: OF	Lom
CLERK-AT THE-TABLE:	M. WANJIKU RMW

THE AUDITOR-GENERAL

ON

**THE COMMISSION ON ADMINISTRATIVE
JUSTICE MORTGAGE AND CAR LOAN FUND**

**FOR THE THIRTEEN (13) MONTHS
PERIOD ENDED 30 JUNE, 2020**

**THE COMMISSION ON ADMINISTRATIVE JUSTICE
(OFFICE OF THE OMBUDSMAN)**



Hata Mnyonge ana Haki

COMMISSION ON ADMINISTRATIVE JUSTICE

MORTGAGE AND CAR LOAN FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE THIRTEEN (13) MONTHS PERIOD ENDED

30 JUNE, 2020

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



COMMISSION ON ADMINISTRATIVE JUSTICE MORTGAGE & CAR LOAN FUND
Annual Report and Financial Statements
For the thirteen (13) months period ended 30 June, 2020

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1. KEY COMMISSION INFORMATION AND MANAGEMENT

a) Background information

The Commission on Administrative Justice (Office of the Ombudsman) is a Constitutional Commission established under Article 59(4) of the Constitution of Kenya and the Commission on Administrative Justice Act, 2011 which provides for its *modus operandi*, functions and powers. It has powers and privileges as stipulated under Chapter Fifteen of the Constitution.

Vision

A society that upholds administrative justice and access to information.

Mission

To enforce administrative justice and access to information through complaints resolution and public education for efficient and effective service delivery.

b) Principal Activities

The Commission on Administrative Justice Mortgage and Car Loan Fund is established pursuant to Salaries and Remuneration Commission Circulars referenced; SRC/ADM/CIR/1/13 Vol. III (128) of 17th December 2014; SRC/ADM/CIR/1/13 VOL III (130) of 29th January, 2015 and SRC/ADM/CIR/1/13 VOL III (142) of 25th August 2015 all of which set and advised on the establishment of Mortgage and Car loan schemes for both state and other public officers. The Fund is wholly owned by the Commission on Administrative Justice and is domiciled in Kenya. The Commission operationalized the car loan and mortgage scheme through internal guidelines approved by the Commission in 2019.

The fund's objective is to provide loan facility for purchase and development of residential houses; and purchase of motor vehicles for personal use by members of the scheme.

The Fund's principal activity is to administer a mortgage and car loan scheme for members of staff to access loan facilities for purchase and development of residential houses; and purchase of motor vehicles for personal use.

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c) Fund Administration Committee

The fund administration committee members who held office during the financial year ended 30th June 2021 were:

No	Position	Name
1	Chairperson	Mr. Dan Karomo
2	Vice Chairperson	Mr. Micah Nguli
3	Member	Mr. Vincent Chahale
4	Member	Mr. Benard Nyariki
5	Member	Ms. Jennifer Wawuda
6	Member	Mr. Adan Mohamed
7	Secretary	Ms. Christine Omollo

d) Key Management

The key management officers who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No	Position	Name
1	Fund Administrator	Mr. Leonard Ngaluma, MBS
2	Fund Chairperson	Mr. Dan Karomo
3	Fund Secretary	Ms. Christine Omollo

e) Fiduciary Oversight Arrangements

The Commission has put in place an Audit Committee through which it oversees the Secretariat. The Audit Committee is chaired by a member who is not an employee of the Commission with one Commissioner as a member. Members of the Audit Committee who held office during the financial year ended 30th June 2021 for fiduciary oversight were:

No	Position	Name
1	Chairperson	David Mwangi Gichimu
2	Member	Sarah Barasa
3	Member	John O Matagaro
4	Member	Lucy Ndung'u, EBS

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5	Secretary	Amos Musundi
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f) Registered Offices

The Commission on Administrative Justice Mortgage and Car loan fund is domiciled at the West End Towers, along Waiyaki way in West-lands, Nairobi City County.

g) Fund Contacts

West End Towers, 2nd Floor, Waiyaki way

P.O. Box 20414-00200 Nairobi, Kenya

Telephone - +254 -20-2270000/0800221349 (Toll free)

h) Fund Bankers

Cooperative Bank of Kenya Limited

Westlands Branch

P.O Box 66589-00800

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

Harambee Avenue

P.O. Box 40112 City Square 00200

Nairobi, Kenya



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2. STATEMENT OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES

Section 84(2) of the Public Finance Management Act, 2012 requires that in preparing a financial statement for a national public fund, the administrator shall ensure that the report contains information on the financial and non-financial performance of the national public fund.

The key objectives of the Commission on Administrative Justice Mortgage and Car loan fund are to:

- a) Provide loan facility for purchase and development of residential houses.
- b) Provide loan facility for purchase of motor vehicles for personal use.

Progress on attainment of the fund's objectives

For purposes of implementing and cascading the above fund objectives to specific sectors, all the objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into fund outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement:

Below we provide the progress on attaining the stated objectives:

Fund name	Objective	Outcome	Indicator	Performance
CAJ Mortgage and Car loan fund	To provide loan facility for purchase and development of residential houses; and purchase of motor vehicles for personal use	Decent housing for staff and ease of movement to and from work.	No of staff advanced loan facility to purchase residential houses and cars for personal use	In FY 2019/20 two (2) staff members got loans for purchase of a residential house

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3. REPORT BY THE CHAIRPERSON OF THE FUND ADMINISTRATION COMMITTEE

The Commission appreciates the support by the National Treasury towards establishment of the Staff Mortgage and Car Loan Scheme, which was operationalized in 2019. The establishment was timely, resonates well with the government's endeavour to provide affordable housing under the Big Four Agenda. The scheme will go a long way in enabling the government's Big Four Agenda. The Scheme is managed by Co-operative Bank which; as the appointed Fund Manager works closely with the Fund Administration Committee appointed by the Commission Secretary/CEO.

As at 30th June 2020, the funds received from the Exchequer stood at Kshs. 100 million out of which Kshs.21 million had been disbursed and one application were being processed by the Fund Manager.

I take this opportunity to thank the National Treasury for the continued support to fully operationalize the Scheme, by allocating the much needed funds. I also thank the Fund Administrator for the guidance and support, that has made this scheme a dream come true for the staff. Further, I thank the Fund Manager and Administration Committee for their commitment to actualize the Scheme.

Signed: _____

D. M. Karomo

Chairperson, Fund Administration Committee

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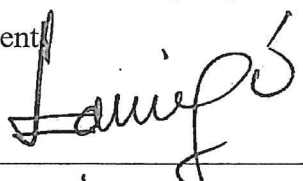
4. REPORT OF THE FUND ADMINISTRATOR

I am pleased to present the financial statements for the year ended 30th June 2021, in compliance with Section 84 (2) of the Public Finance Management Act, 2012. The objective of the Commission on Administrative Justice Mortgage and Car loan fund is to motivate Commission staff by facilitating access to low interest credit facilities to own homes and acquire vehicles to facilitate their transport to work. The Commission has engaged the Cooperative Bank of Kenya to manage the Fund. In the Financial Year 2019/20, two staff members were facilitated to purchase residential houses where a total of Kshs. 21,000,000 was disbursed. It is worthwhile to note that since inception, two staff members have been facilitated, while one other application is at the conveyancing formalities pending disbursement of funds. So far, a total of Kshs. 21, 000,000 been disbursed as at 30th June 2020. It is worthwhile to note that the beneficiaries of the loans scheme will begin to service their loans as scheduled in the 2020/21 financial year.

In administering the Fund, the Commission maintained adequate financial management controls to ensure compliance, transparency and accountability. The measures were aimed at making sure that the funds are utilised prudently and included maintenance of proper accounting records. Further, the financial Statement have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) and represents a true and fair view of the state of affairs of the Fund for the period under review. As the Accounting Officer, I confirm the completeness of the accounting records maintained for the Fund, which have been relied upon, in the preparation of the financial statements.

Finally, I confirm that in preparing the financial statements, I have assessed the Fund's ability to continue as a going concern and nothing has come to my attention to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Signed: _____


Leonard Ngaluma, MBS
Commission Secretary/CEO

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5. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

5.1 SUSTAINABILITY STRATEGY AND PROFILE

The Commission on Administrative Justice (CAJ) is accountable to its stakeholders, in achieving its mandate of tackling maladministration (improper administration) in the public sector and enforcing the implementation of the Access to Information Act, 2016. The Fund Administrator acknowledges the responsibility to the environment and to local communities in which we operate in/co-exist. We embrace responsibility for corporate actions and to encourage a positive impact on the environment and the stakeholders including but not limited to our citizens, employees, partners and existing communities. The Fund Administrator actively encourages all stakeholders to recognise those responsibilities and behave in a responsible manner towards the society.

5.2 ENVIRONMENTAL PERFORMANCE

The Fund Administrator believes that, by nature of its operations we have minimal impact on the environment. However, we acknowledge that there are inevitable environmental impacts associated with our daily operations in general. The Fund aims to minimize any harmful effects and consider the development and implementation of environmental standards to achieve this to be of great importance. As such, we strongly encourage the internationally established 3 Rs: Reduce, Re-use and Recycle.

5.3 EMPLOYEE WELFARE.

The Fund's success is largely dependent on our human capital (people). We recruit, retain, reward and develop the best talent. We recognise the need to inculcate among our employees the culture of being sensitive to matters of safety, security, society and the environment. This ensures that employees act with integrity and responsibility with the people they deal with and the environment they interact with.

We train employees to value each other, provide necessary support systems for people with different needs and have a system in place that encourages acceptance of cultural diversity. Further, we have embrace, uphold gender parity, and have given opportunity to people with

COMMISSION ON ADMINISTRATIVE JUSTICE MORTGAGE & CAR LOAN FUND
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disability and from the minority groups of our society and indeed the commission effort have been recognized with Dial award in two consecutive years.

5.4 MARKET PLACE PRACTICES

The Fund Administrator has deliberately made it easier for wananchi to access information on our website, information available are such as careers openings and list of pre-qualified suppliers awarded tenders/contracts, disposal assets and procurement plans since information is Power! In addition, it is a right for all citizens to be able to receive any information that makes it possible for them to enjoy or protect their rights.

5.5 RESPONSIBLE COMPETITION PRACTICE.

The Fund Administrator takes responsibility of ensuring fair competition practices and adherence to ethical practices including anti-corruption measures and whistle-blower mechanisms. This responsibility is extended to the supply chain and ensure suppliers and other third parties uphold these principles by embracing accountability and transparency in its operations.

5.6 RESPONSIBLE SUPPLY CHAIN AND SUPPLIER RELATIONS

The Fund Administrator takes responsibility of maintaining good business practices. The Fund adheres to good business practices, including ensuring suppliers know and meet expectations of responsible behaviour regarding issues such as fair pricing. We screen them to determine their past conduct and tell them what is expected of them besides honouring contracts once they have delivered their mandate within two weeks and lastly made it a practice to only deal with suppliers who are tax compliance.

5.7 RESPONSIBLE MARKETING AND ADVERTISEMENT

The Fund is socially responsive in marketing practices its taking that encourage a positive impact on all the stakeholders, including employees, community, and citizens.

5.8 COMMUNITY ENGAGEMENTS

The members of the Fund contributed towards COVID19 Emergency fund to assist people adversely affected by COVID effects, we have also participated in legal clinics participated in public awareness and legal aid in situation where member of public are not able to meet legal costs

COMMISSION ON ADMINISTRATIVE JUSTICE MORTGAGE & CAR LOAN FUND
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6. 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 pursuant to Circulars referenced; SRC/ADM/CIR/1/13 Vol. III (128) of 17th December 2014; SRC/ADM/CIR/1/13 VOL III (130) of 29th January, 2015 and SRC/ADM/CIR/1/13 VOL III (142) of 25th August 2015 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, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the fund; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the fund; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Administrator of the Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2020, 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.

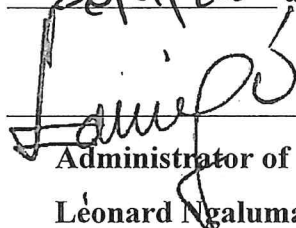
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In preparing the financial statements, the Administrator of the Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

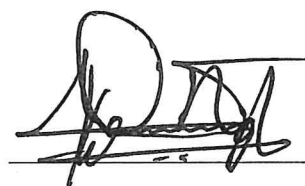
Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund's financial statements were approved by the Fund Administration Committee on 26/01/2022 and signed on its behalf by:



Administrator of the Fund
Léonard Ngaluma, MBS



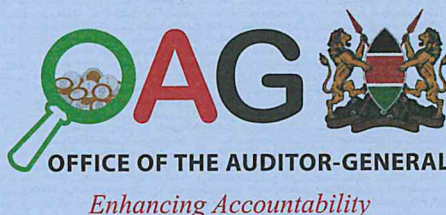
Chairman of the Fund
D. M. Karomo

COMMISSION ON ADMINISTRATIVE JUSTICE MORTGAGE & CAR LOAN FUND
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**7. THE REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL
STATEMENTS OF COMMISSION ON ADMINISTRATIVE JUSTICE
MORTGAGE AND CAR LOAN FUND FOR THE THIRTEEN MONTHS (13)
PERIOD ENDED JUNE 30, 2020**

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON THE COMMISSION ON ADMINISTRATIVE JUSTICE MORTGAGE AND CAR LOAN FUND FOR THE THIRTEEN (13) MONTHS PERIOD ENDED 30 JUNE, 2020

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 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 under 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.

Opinion

I have audited the accompanying financial statements of the Commission on Administrative Justice Mortgage and Car Loan Fund as set out on pages 1 to 25, which comprise the statement of financial position as at 30 June, 2020 and the statement of

Report of the Auditor-General on the Commission on Administrative Justice Mortgage and Car Loan Fund for the thirteen (13) months period ended 30 June, 2020

financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the thirteen months period 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 the Commission on Administrative Justice Mortgage and Car Loan Fund as at 30 June, 2020, and of its financial performance and its cash flows for the thirteen (13) months then ended, in accordance with International 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 Commission on Administrative Justice Mortgage and Car Loan 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.

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the thirteen (13) months period ended 30 June, 2020 reflects funds transferred from the Commission on Administrative Justice and loan disbursements of Kshs.50,000,000 and Kshs.21,000,000, respectively resulting to an un-utilized balance of Kshs.29,000,000 or (58%) of the budget.

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, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else 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

Late Submission of Annual Financial Statements

The financial statements of the Commission on Administrative Justice Mortgage and Car Loan Fund for the thirteen (13) months period ended 30 June, 2020 were submitted for audit on 30 November, 2021, which was fourteen (14) months after the statutory deadline contrary to Section 47(1) of the Public Audit Act, 2015.

The Management was therefore in violation of the law.

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 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 Commissioners

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability 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 liquidate 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.

Commissioners 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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

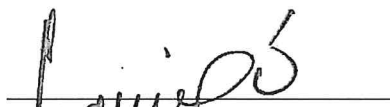
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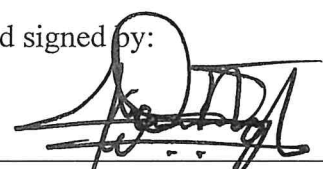
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8. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED JUNE 30, 2020.

Description	Note	2019/2020	2018/2019
		KShs	KShs
Revenue from exchange transactions			
Other income	1	6,000	-
			-
Total revenue		6,000	-
Expenses			
Fund administration expenses		-	-
General expenses		-	-
Finance costs		-	-
Total expenses		-	-
Other gains/losses			
Gain/loss on disposal of assets		-	-
Surplus/(deficit) for the period		6,000	-

The notes set out on pages 6 to 23 form an integral part of these Financial Statements. The Fund's financial statements were approved on 26/01/22 and signed by:


 Administrator of the Fund
 Leonard Ngaluma, MBS

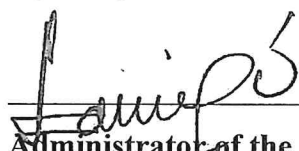

 Chairman of the Fund
 D. M. Karomo


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9. STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020

	Note	2019/2020	2018/2019
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	2	79,006,000	-
Receivables from Non- exchange transactions		-	
		79,006,000	-
Non-current assets			
Long term receivables from exchange transactions	3	21,000,000	-
Property, plant and equipment		-	-
Total assets		100,006,000	-
Liabilities			
Current liabilities			
Provisions		-	-
Non-current liabilities			
Long term portion of borrowings		-	-
Total liabilities		-	-
Net assets		100,006,000	-
Revolving Fund	4	100,000,000	-
Reserves		-	-
Accumulated surplus		6,000	-
Total net assets and liabilities		100,006,000	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Fund's financial statements were approved on 26/01/22 and signed by:


 Administrator of the Fund
 Leonard Ngahuma, MBS


 Chairman of the Fund
 D. M. Karomo

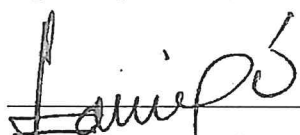



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9. STATEMENT OF CHANGES IN NET ASSETS AS AT JUNE 30, 2020

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
	Kshs	KShs	KShs	KShs
Balance as at 1 June 2019	0	-	-	
Surplus/(deficit) for the period	-	-	6,000	6,000
Funds received during the year	100,000,000	-	-	100,000,000
Revaluation gain	-	-	-	-
Balance as at 30 June 2020	100,000,000	-	6,000	100,006,000

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Fund's financial statements were approved on 26/1/22 and signed by:


 Administrator of the Fund
 Leonard Ngaluma, MBS

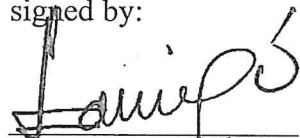

 Chairman of the Fund
 D. M. Karomo

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11. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2020

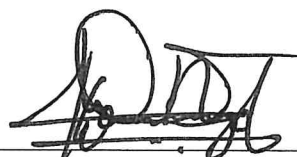
	Note	2019/2020	2018/2019
		KShs	KShs
Cash flows from operating activities			
Surplus from operations		6,000	-
Income from operations			-
Increase of Long term Principal receivables	3	(21,000,000)	-
Net cash flow operating Activities		(20,994,000)	-
Cash flows from investing activities			-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			-
Proceeds from revolving fund receipts		100,000,000	-
Net cash flows used in financing activities		100,000,000	-
Net increase in cash and cash equivalents		79,006,000	-
Cash and cash equivalents at June 1, 2020		0	-
Cash and cash equivalents at 30 June 2021	2	79,006,000	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Fund's financial statements were approved on 26/1/22 and signed by:



Administrator of the Fund

Leonard Ngaluma, MBS



Chairman of the Fund

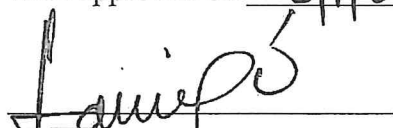
D. M. Karomo

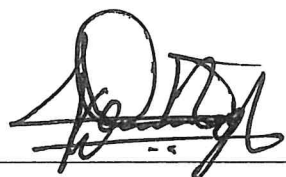
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12. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE PERIOD ENDED JUNE 30, 2020

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c	d	e=c-d	f=d/c %
	2020	2020	2020	2020	2020	2020
	Kshs	Kshs	Kshs	Kshs	Kshs	
RECEIPTS						
Funds transferred from CAJ during the year	50,000,000	-	50,000,000	50,000,000	0	100%
Loan application Incomes	6,000	-	6,000	6,000	0	100%
TOTAL RECEIPTS	50,006,000	-	50,006,000	50,006,000	0	100%
PAYMENTS						
Loan Disbursement	50,000,000	-	50,000,000	21,000,000	0	42%
General Expenses	6,000		6,000	0	6000	
TOTAL EXPENDITURE	50,006,000		50,006,000	21,000,000	0	42%
Un-utilized	-	-	29,000,000	29,000,000	0	58%
Surplus for the period			0	6,000	0	100%

The Commissions on Administrative Justice Mortgage and car loan fund financial statements were approved on 26/1/22 and signed by:


 Administrator of the Fund
 Leonard Ngaluma, MBS


 Chairman of the Fund
 D. M. Karomo

13. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of compliance and basis of preparation

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, 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 on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

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2. Adoption of new and revised standards

a) Relevant new standards and amendments to published standards not yet effective for the period June 1, 2019 to June 30, 2020

Standard/ Amendments : Applicable: 1 st January 2021:	Impact
a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks	There was no impact of the amendment to IPSAS 13 with respect to the current financial report
b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved	There was no impact of the amendment to IPSAS 13 and IPSAS 17 with respect to the current financial report as the Commission on Administrative Justice mortgage & Car Loan Fund did not apply any of the transitional provisions in the FY 2020/2021
c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.	There was no impact of the amendment to IPSAS 21 and IPSAS 26 with respect to the current financial report as the Commission on Administrative Justice mortgage & Car Loan Fund does not have Non-Cash Generating Assets and neither did it have impaired cash generating assets.

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<p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard</p>	<p><i>Document the impact if the fund is reporting for the first time on accrual/ Otherwise indicate that there was no impact</i></p>
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b) New and amended standards and interpretations in issue but not yet effective in the period June 1, 2019 to June 30, 2020

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2022: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Commission on Administrative Justice mortgage & Car Loan Fund's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Commission on Administrative Justice mortgage &

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Standard	Effective date and impact:
	<p>Car Loan Fund's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</p> <p><i>(State the impact of the standard to the Commission on Administrative Justice mortgage & Car Loan Fund if relevant)</i></p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Commission on Administrative Justice mortgage & Car Loan Fund provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Commission on Administrative Justice mortgage & Car Loan Fund;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Commission on Administrative Justice mortgage & Car Loan Fund's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p>

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Standard	Effective date and impact:
	<p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

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c) Early adoption of standards

The Commission on Administrative Justice mortgage & Car Loan Fund did not early – adopt any new or amended standards in year 2020.

3. 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 Commission on Administrative Justice mortgage & Car Loan 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 each period.

4. Property, plant and equipment

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 Commission on Administrative Justice mortgage & Car Loan 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.

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2. 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.

3. Financial instruments

a) 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. Classification of the financial assets is done at initial recognition.

Loans and receivables

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

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Commission on Administrative Justice mortgage & Car Loan 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, less impairment. Amortized cost is calculated by taking into

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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 Commission on Administrative Justice mortgage & Car Loan Fund assesses at each reporting date whether there is objective evidence that a financial asset or a Commission on Administrative Justice mortgage & Car Loan Fund of financial assets is impaired. A financial asset or a Commission on Administrative Justice mortgage & Car Loan Fund of financial assets 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 financial asset or the Commission on Administrative Justice mortgage & Car Loan Fund of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or a Commission on Administrative Justice mortgage & Car Loan Fund of debtors 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)

b) 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 Commission on Administrative Justice mortgage & Car Loan 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.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus

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or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

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.

4. Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

5. Provisions

Provisions are recognized when the Commission on Administrative Justice mortgage & Car Loan Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Commission on Administrative Justice mortgage & Car Loan Fund expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The Commission on Administrative Justice mortgage & Car Loan 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.

Contingent assets

The Commission on Administrative Justice mortgage & Car Loan 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 Commission on Administrative Justice mortgage & Car Loan Fund in the notes

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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.

6. Changes in accounting policies and estimates

The Commission on Administrative Justice mortgage & Car Loan 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.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

7. Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

8. Related parties

The Commission on Administrative Justice mortgage & Car Loan Fund regards a related party as a person with the ability to exert control individually or jointly, or to exercise significant influence over the Commission on Administrative Justice mortgage & Car Loan Fund, or vice versa. Members of key management are regarded as related parties and comprise the directors/ Trustee, the Fund Managers and Fund Accountant.

For purposes of these financial statements of Commission on Administrative Justice mortgage & Car Loan Fund, there were no related party activities/transactions in the reporting period.

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9. 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 Cooperative Bank of Kenya at the end of the financial year.

10. Comparative figures

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

11. Events after the reporting period

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

12. Currency

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

13. Significant judgments and sources of estimation uncertainty

The preparation of the Commission on Administrative Justice mortgage & Car Loan 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. The Commission on Administrative Justice mortgage & Car Loan Fund based its assumptions and

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estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Commission on Administrative Justice mortgage & Car Loan 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. The condition of the asset based on the assessment of experts employed by the Commission on Administrative Justice mortgage & Car Loan Fund. The nature of the asset, its susceptibility and adaptability to changes in technology and processes. The nature of the processes in which the asset is deployed. Availability of funding to replace the asset. Changes in the market in relation to the asset

14. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

a) Credit risk

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

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



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the statement of financial position are net of allowances for doubtful receivables, estimated by the Commission on Administrative Justice mortgage & Car Loan Fund's management based on prior experience and their assessment of the current economic environment.

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

	Total amount KShs	Fully performing KShs	Past due KShs	Impaired KShs
At 30 June 2020				
Receivables from exchange transactions	21,000,000	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	79,006,000	-	-	-
Total	100,006,000	-	-	-

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Commission on Administrative Justice mortgage & Car Loan Fund has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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

b) Market risk

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

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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 Commission on Administrative Justice mortgage & Car Loan 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 Audit and Risk Management Committee) and for the day to day implementation of those policies.

There has been no change to the Commission on Administrative Justice mortgage & Car Loan Fund's exposure to market risks or the manner in which it manages and measures the risk.

c) Foreign currency risk

The Commission on Administrative Justice mortgage & Car Loan Fund has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The carrying amount of the Commission on Administrative Justice mortgage & Car Loan Fund's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

		Other currencies	Total
	KShs	KShs	KShs
At 30 June 2020			
Cash	79,006,000	-	79,006,000
Debtors/ receivables	21,000,000		21,000,000
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-

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d) Interest rate risk

Interest rate risk is the risk that the Commission on Administrative Justice mortgage & Car Loan Fund's financial condition may be adversely affected as a result of changes in interest rate levels. The Commission on Administrative Justice mortgage & Car Loan 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 Commission on Administrative Justice mortgage & Car Loan Fund capital structure comprises of the following funds

	2019/2020	2018/2019
	KShs	KShs
Revaluation reserve	-	-
Revolving fund	100,000,000	-
Accumulated surplus	6,000	-
Total funds	100,006,000	-
Total borrowings	-	-
Less: cash and bank balances	(79,006,000)	-
Net debt/(excess cash and cash equivalents)	21,000,000	-
Gearing	0%	-

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NOTES TO FINANCIAL STATEMENTS

1. Other income

Description	2019/2020	2018/2019
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender documents	-	-
Miscellaneous income (specify) – Income from loan applications	6,000	-
Total other income	6,000	-

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified).

Schedule of miscellaneous income from loan applications

S/No.	NAME	2019/2020	2018/2019
	Description	KShs	KShs
1	Amos Musundi Anthony	1,000.00	-
2	Moses Mnawe	1,000.00	-
3	Jeniffer Amisi	1,000.00	-
4	Simon Nzioka	1,000.00	-
5	Christine Omollo	1,000.00	-
6	Joyce Wandia	1,000.00	-
	TOTAL	6,000.00	-

2. Cash and cash equivalents

Description	2019/2020	2018/2019
	KShs	KShs
Mortgage and Car Loan account- Co-operative Bank of Kenya 01141588083600	79,006,000	-
Total cash and cash equivalents	79,006,000	-

Detailed analysis of the cash and cash equivalents are as follows:

		2019/2020	2018/2019
Financial institution	Account number	KShs	KShs
a) Current account			
Co-operative Bank- A/c No. 01141588083600		79,006,000	-
Grand total		79,006,000	-



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Cash generated from operations:

	2019/2020	2018/2019
	KShs	KShs
Surplus/ (deficit) for the year before tax	6,000	-
Adjusted for:		
Depreciation	-	-
Amortisation	-	-
Gains/ losses on disposal of assets	-	-
Interest income	-	-
Finance cost	-	-
Working Capital adjustments		
Increase in inventory	-	-
Increase in receivables	-	-
Increase in payables	-	-
Net cash flow from operating activities	6,000	-

3. Long term Receivables from exchange transactions

	2019/2020	2018/2019
Description	KShs	KShs
SIMON NZIOKA	6,400,000	-
CHRISTINE OMOLLO	14,600,000	-
TOTAL	21,000,000	-

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4. Revolving Fund

Revolving Fund	Amount
	KShs
Balance as at 1 July 2019	0
Surplus/(deficit) for the period	-
Funds transferred from CAJ during the year	100,000,000
Balance as at 30 June 2020	100,000,000

5. Schedule of Loan Disbursements Paid out

	2019/2020	2018/2019
Description	KShs	KShs
SIMON NZIOKA	6,400,000	-
CHRISTINE OMOLLO	14,600,000	-
TOTAL	21,000,000	-

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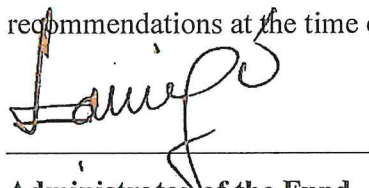
PROGRESS ON FOLLOW UP OF PRIOR YEARS AUDITOR'S RECOMMENDATIONS

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

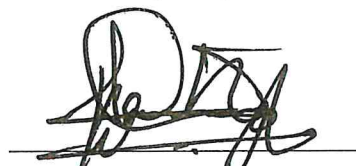
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Note:

This is the first set of financial statements for the fund and therefore no prior year auditor's recommendations at the time of submitting the report.



Administrator of the Fund
Leonard Ngaluma, MBS



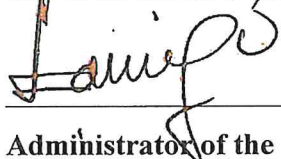
Chairperson of the Fund
D. M. Karomo

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11. APPENDIX I: INTER-ENTITY TRANSFERS

Commission on Administrative Justice Mortgage and Car loan Fund				
Break down of Transfers from CAJ Recurrent account to the Fund				
	FY 2019/2020			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Amount (KShs)</u>
a.	Recurrent Grants		<u>2019/2020</u>	<u>2018/2019</u>
		-	-	-
		-	-	-
		Total	-	-
b.	Development Grants	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Amount (KShs)</u>
			<u>2019/2020</u>	<u>2018/2019</u>
		-	-	-
		-	-	-
		Total	-	-
c.	Direct Payments	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Amount (KShs)</u>
			<u>2019/2020</u>	<u>2018/2019</u>
1		14/06/2019	-	40,000,000
2		30/06/2019	-	10,000,000
3		16/09/2019	10,000,000	-
4		17/10/2019	2,500,000	-
5		29/10/2019	2,500,000	-
6		29/10/2019	10,000,000	-
7		31/01/2020	10,000,000	-
8		19/05/2020	2,500,000	-
9		17/06/2020	2,500,000	-
10		17/06/2020	10,000,000	-
		Total	50,000,000	50,000,000

The above amounts have been communicated and reconciled.


 Administrator of the Fund
 Leonard Ngaluma, MBS


 Chairperson of the Fund
 Dan Karomo

