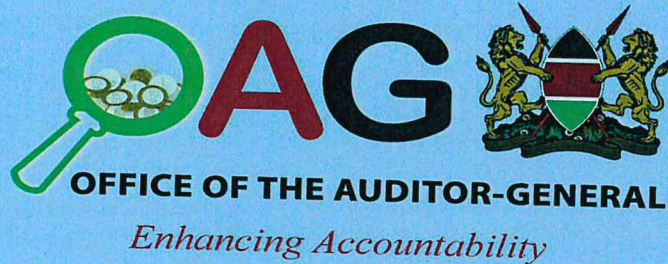


REPUBLIC OF KENYA



REPORT
OF
THE AUDITOR-GENERAL
ON
STATE OFFICERS AND PUBLIC OFFICERS
MOTOR CAR LOAN SCHEME FUND
FOR THE YEAR ENDED
30 JUNE, 2021

THE NATIONAL TREASURY

THE NATIONAL ASSEMBLY	
DATE:	25 MAY 2022 WEDNESDAY
TABLED BY:	MAJORITY WHIP Hon. Emmanuel Wangari
CLEARANCE AND TABLE:	A. Kadhi



**STATE OFFICERS AND PUBLIC OFFICERS MOTOR CAR LOAN
SCHEME FUND**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING

30TH JUNE 2021

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The State Officers and Public Officers Car Loan Scheme Fund was established in 2015, through legal notice no. 195 of 25th September, 2015 under the Public Finance Management Act. This was pursuant to guidelines provided by Salaries and Remuneration Commission on Car Loan benefit for State officers and other Public Servants in December 2014. The Cabinet Secretary, National Treasury is responsible for the general policy and strategic direction of the Fund while the Chief Executive Officer is the administrator of the Fund.

(b) Principal Activities

The Salaries and Remuneration Commission on 17th December 2014 set and advised on the car and House mortgage benefits for all state officers and other public officers in Kenya. The objective and purpose for which the Fund was established is to provide a car loan facility to State Officers and Public Officers of the National government to purchase a motor car.

(c) Key Management

The Fund is administered through the Car Loan Secretariat headed by an Acting Chief Executive Officer under the chairmanship of the Accounting Officer / Principal Secretary of the Ministry for the time being responsible for matters related to Finance. Management of the Fund is overseen by an Advisory Board for the reporting period;

- Advisory Board
- Interim Chief Executive Officer
- Secretariat

(d) Fiduciary Management

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

No.	Designation	Name
1.	Interim Chief Executive Officer.	Mr. Hiram Kahiro
2.	Senior Deputy Secretary	Mr. Godfrey Busolo
3.	Deputy Director, Human Resource and Development	Mr. Kenneth Odhiambo
4.	Assistant Director Investment	Ms. Edna Atisa
5.	Principal Accountant	CPA Patrick Mugo
6.	Principal Internal Auditor	CPA Fenny Onyango
7.	Supply Chain Management Officer	Mr. Kenneth Korir
8.	Principal Finance Officer	CPA Faith kiptis

(e) Fiduciary Oversight Arrangements

To manage the fiduciary risk, the Fund has put in place fiduciary oversight arrangements including setting up committees. The key oversight arrangements include:

Internal Audit Unit

The Fund is supported by the Internal Audit of the National Treasury. The Unit is charged with the responsibility of identifying risks in the management and day to day operations of the Fund through the risk-based audits. The Unit has assigned an officer to the Fund.

Audit Committees

In line with the Public Finance Management Act, the National Treasury has established a Ministerial Audit Committee comprising five members, three of whom are independent. The Committee provides overall oversight and quality assurance including follow up on the effectiveness of implementation of audit recommendations.

Further, the National Treasury established an audit committee comprising officers from all departments of the Ministry, under the chairmanship of the Senior Chief Finance Officer. The Committee reviews and analyses all audit queries and makes recommendations on how to reduce fiduciary risks. In addition, the committee prepares responses to all audit queries for presentation to the relevant committees of parliament. The two Committees also support the Fund being an institution under the National Treasury

Other fiduciary oversight arrangements include the following committees with specific objectives;

Top Management Committee and Other Committee

To monitor the implementation of the Fund's programmes and performance, the Scheme has Top Management comprising of Key technical Officers of the Fund. The Committee receive reports from the functional areas, build consensus on Fund responses to emerging issues, challenges and risks and ensures that the decisions made by the board are implemented in a timely manner. Additionally, the Treasury constituted ad hoc committees to handle specific assignments in the Financial Year 2020/21.

(f) Headquarters

**The National Treasury Building, 6th Floor Room 627,
Harambee Avenue
P.O. Box 30007-00100
NAIROBI**

**State Officers and Public Officers Motor
Car Loan Scheme Fund**
Telephone: (+254) 2718050
Website: www.treasury.go.ke

(g) Bankers

Central Bank of Kenya,
Account Number: 1000239476
Address: Haile Selassie Avenue
Mailing Address: P.O Box 60000-00200, Nairobi, Kenya

Kenya Commercial Bank
Moi Avenue branch
P.O. Box 48400- 00100, Nairobi, Kenya.



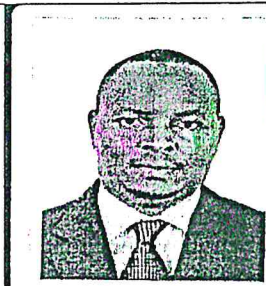

(h) Independent Auditors





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

(i) Principal Legal Adviser






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




2. THE BOARD OF DIRECTORS

S/No	BOARD MEMBER	PROFILES
1	 <p>Julius Muia , PhD, CBS Chairman.</p>	<p>Mr. Julius Muia, PhD, CPA(K), CPS(K), AKIB, ACI Arb is the Principal Secretary, National Treasury. He was born on 10th September 1959 and holds a PhD in Finance. He has over 30 years' experience in both Private and Public Service and currently serving as the Chairman of the Advisory Board.</p>
2	 <p>Amos Gathecha, EBS Board member</p>	<p>Mr. Amos Njoroge Gathecha, EBS, is the Principal Administrative Secretary in the National Treasury. He was born on 15th October, 1964. He holds a Masters of Arts degree in International Studies and a Bachelor's degree in Political Science and Philosophy. Mr. Gathecha is a seasoned administrator with vast experience in Public Sector Management spanning over 30 years.</p>
3	 <p>Mr. Arthur Nduati Board member</p>	<p>Mr. Arthur Nduati is a Senior Chief Finance Officer at the National Treasury. He was born on 12th May, 1976. He is a holder of bachelor of Education Degree and a Master in Business Administration. He is a certified Public Accountant and a member of the Institute of certified Public Accountants of Kenya. He has over 17 years experience in Public Finance Management and has served in various positions in the Public Service.</p>
4	 <p>Mr. Remmy Mulati Board member</p>	<p>Mr. Remmy Mulati is the Deputy Chief Executive Officer, Public Service Commission. He is an alternate to CEO, Public Service Commission. He was born on 19th October, 1958 and has vast experience on Human Resource Management in the Public Service.</p>

5	 <p>Eng. Maurice Nabende Board member</p>	<p>Eng. Maurice Nabende is the Chief Mechanical Engineer and Director, K.I.H.B.T at the Ministry of Transport, Infrastructure, Housing and Urban Development. He is the alternate to the Principal Secretary, Ministry of Infrastructure in the Advisory Board. He was born on 21st April, 1964 and has a vast experience on matters relating to mechanical engineering.</p>
6	 <p>Ms. Beatrice Adieri Board member</p>	<p>Ms. Beatrice Adieri is a Senior Deputy Director, Human Resource Management and Development. She is an alternate to the Principal Secretary, State Department for Public Service and Youth Affairs. She was born on 26th March, 1969 and has a vast experience on Human Resource management and Development.</p>
7	 <p>Ms. Ann Gitau, MBS Board member</p>	<p>Mrs. Anne R. Gitau is the Commission Secretary/ Chief Executive Officer, Salaries and Remuneration Commission. She was born on 30th January, 1971. She is a respected Human Resource professional and leader with over ten years comprehensive experience ranging from the private sector to the public sector. She has a Masters Degree in Business Administration from University of Nairobi and a Bachelor of Education Degree from Egerton University.</p>
8	 <p>Mr. Hiram Kahiro Interim CEO</p>	<p>Mr. Hiram M. Kahiro is the Secretary Administration and Interim Chief Executive Officer of the Fund. He was born on 22nd April, 1972. He holds a Masters Degree in Armed Conflict and Peace Studies and has over 25 years work experience in the Public service.</p>

3. KEY MANAGEMENT TEAM

S/No	MANAGEMENT TEAM	PROFILES
1	 <p>Mr. Hiram Kahiro</p>	Interim Chief Executive Officer
2	 <p>CPA Fenny Onyango</p>	Principal Internal Auditor
3	 <p>Mr. Kenneth Odhiambo</p>	Deputy Director, Human Resource Management & Development
4	 <p>Ms. Edna Atisa</p>	Assistant Director, Investment
5	 <p>CPA Faith Kiptis</p>	Senior Finance Officer

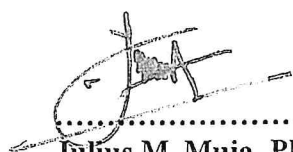
6	 <p>Mr. Kenneth Korir</p>	Procurement Officer
7	 <p>CPA Patrick Mugo</p>	Principal Accountant
8	 <p>Mr Godfrey Busolo</p>	Senior Deputy Secretary

4. CHAIRMAN'S STATEMENT

The State Officers and Public Officers Car Loan Scheme Fund was established in 2015, through legal notice no. 195 of 25th September, 2015 under the Public Finance Management Act. This was pursuant to guidelines provided by Salaries and Remuneration Commission on Car Loan benefit for State officers and other Public Servants in December 2014.

The Cabinet Secretary, National Treasury appointed Secretariat to oversee operationalization of the fund. Towards this end, several activities including appointment of Advisory Board members and development of the procedures and guidelines to facilitate operationalization of the Scheme were undertaken. The Fund is currently operational having successfully implemented the pilot Motor Car Loan Application programme and processed about 100 applications. In the year under review the fund undertook sensitization exercise targeting beneficiaries across the country, efforts which led to increase in uptake of the loan facility.

To enhance service delivery and effectively facilitate the applicants, the Fund plans to automate its operations through development of an online application system which will be rolled out as soon as it is finalized. Additionally, the fund shall continue creating awareness among the beneficiaries.



.....
Julius M. Muia, PhD, CBS

**Chairman, State Officers and Public Officers Motor Car Loan Scheme Fund and
Principal Secretary National Treasury**

5. REPORT OF THE CHIEF EXECUTIVE OFFICER

The State Officers and Public Officers Motor Car Loan Scheme Fund is Government initiative towards enhancing human resource and its productivity. The Scheme is financed by the Government of Kenya. On behalf of the State Officers and Public Officers Motor Car Loan Scheme Fund, I wish to present the annual report and financial Statements for the year ended 30th June 2021.

During the period under review, the Fund undertook various activities towards achieving the objectives and purpose for which it was established. Notably, the Fund processed and issued about 100 motor car loans most of which were processed in the plan period. Sensitization exercises were undertaken all counties except Northern and Nairobi regions which are planned for in the FY 2021/2022. These efforts contribute to the increase in uptake of the loan facility.

Recognizing the critical role of staff in the effective implementation of the funds mandate, the Fund built capacity of Board members and staff by sponsoring them for short courses aimed at improving knowledge and skills. Information, Education and Communication materials were developed to aid awareness creation efforts.

The success of the Scheme was due to the support accorded to the Secretariat by the Management of the National Treasury during the Financial Year under focus. We look forward to the continued support from all the stakeholders as we strive to roll out the Motor Car Loan Scheme.

.....
Hiram Kahiro
Interim Chief Executive Officer
& Administrator of the Fund

6. STATEMENT OF STATE OFFICERS AND PUBLIC OFFICERS CAR LOAN SCHEME FUND PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/2021

The Fund is in the process of developing a strategic plan. However, a workplan was developed and approved by the Board to guide the funds activities for the period ending 30th June 2021. All the activities set out in the plan were implemented.

OBJECTIVE	ACTIVITY	EXPECTED OUTPUT	PERFORMANCE INDICATOR(S)	TARGET/ OUTCOME
Effectiveness and Efficiency in Service Delivery.	Development of Job Descriptions	Job descriptions.	Job Description Report	Strong internal controls and governance processes and separation of roles.
	Implementation of Enterprise Resource Program (ERP)	Automated processing of applications.	ERP System	Enhanced efficiency and accountability.
	Development of a strategic Plan	Strategic Plan	Strategic Plan report	Efficiency in service delivery
	Capacity Building for Board members and staff	Enhanced skills, knowledge and Performance.	Advisory Board Directors and secretariat trained	Enhanced effectiveness and efficiency in service delivery.
	Procurement of Various Goods and Services.	Adequate supply of goods and services.	Goods and Services procured timely	Better service delivery
	Sensitization of Civil Servants and State officers.	Awareness created in State Officers and Public Officer.	Number of officers sensitized.	Increase in number of loan applications
	Board activities	Board Minutes and reports.	No. of Board Meetings and activities undertaken	Board Recommendations/ resolutions.
	Processing of Loan Application Forms.	Loan Approvals	No. of Loan Applications processed	Loans Issued.
	Development of Financial Statements	Compliance with the PFM reporting requirements	Final Accounts/ Statement and quarterly financial reports	Transparency and accountability
	Review of the internal control environment.	Report on Findings and recommendations on the internal controls	Management and Audit Review Reports.	Effective management of the Scheme through reduction in audit queries.

7. CORPORATE GOVERNANCE STATEMENT

In period under review the Board developed a board almanac to guide the board operations and activities. The board held eighteen (18) meetings and developed a board charter to govern the conduct of meetings. The Board members are appointed by the Cabinet Secretary National Treasury upon nomination by the respective institutions represented in the Board.

The roles and responsibilities of the board as provided for in the regulations include;

- (a) Process and approve loans in accordance with the existing terms and conditions of borrowing;
- (b) Liaise with the financial institution to set up a Fund for the disbursement of the loans; Establishment and composition of the Advisory Board.
- (c) Oversee the management of the Fund;
- (d) Monitor and evaluate the performance of the Fund;
- (e) Approve annual work programmes and procurement plans for the Fund;
- (f) Recommend the investment of any surplus funds not immediately required in securities approved by the National Treasury, for the purposes of realizing the objects and purpose for which the Fund is established;
- (g) Cause to be kept all proper books and records of accounts; the income, expenditure, assets and liabilities of the Fund;
- (h) Receive any gifts, donations, grants or endowments made to the Fund;
- i) Consider and recommend approval of the financial statements to the officer administering the Fund; recommend as when required the procurement of a financial institution to administer the Fund on its behalf
- (k) Perform any other functions that are ancillary to the objects and purpose for which the Fund is established; and
- (l) Determine its own procedures for conducting its business.

8. MANAGEMENT DISCUSSION AND ANALYSIS

The State Officers and Public Officers Motor Car Loan Scheme Fund processed various motor car loan applications in the period under focus.

The Fund complied with the Statutory requirements of submitting quarterly financial Statements to the National Treasury. With regard to risks, the fund does not foresee any major risk that is likely to affect its operations in the short or long term. However, it is noted that the challenge of uptake by the beneficiaries arising from many factors such as lack of awareness is likely to affect the uptake. To surmount the challenge, the Fund undertook sensitization exercise targeting the beneficiaries.

The sensitization exercise will be undertaken in the FY 2021/22 as well to improve uptake.

9. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2021, which show the state of the State Officers and Public Officers Motor Car Loan Scheme Fund affairs.

i) Principal activities

The principal activities of the entity are to provide Motor Car Loan to State Officers and Public Officers.

ii) Results

The results of the entity for the year ended June 30, 2021, are set out on pages 15-19

iii) Directors

The members of the Board of Directors who served during the year are shown on page 4.

iv) Auditors

The Auditor General is responsible for the statutory audit of the State Officers and Public Officers Motor Car Loan Scheme Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.



Hiram Kahiro
Interim Chief Executive Officer
& Administrator of the Fund

10. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and Section 116 (7) of the Public Finance Management Act, 2012 require the Directors to prepare financial statements in respect of that Fund, which give a true and fair view of the state of affairs of the State Officers and Public Officers Motor Car Loan Scheme Fund at the end of the financial year/period and the operating results of the Fund for that year/period. The Directors are also required to ensure that the Fund keeps proper accounting records which disclose with reasonable accuracy the financial position of the Fund. The Directors are also responsible for safeguarding the assets of the State Officers and Public Officer Motor Car Loan Scheme Fund.

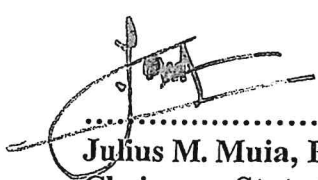
The Directors are responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year (2020/2021) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (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 Directors accept responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Section 116 (7) of the Public Finance Management Act, 2012. The Directors are 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, 2021, and of the Fund's financial position as at that date. The Directors 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.

Nothing has come to the attention of the Directors 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

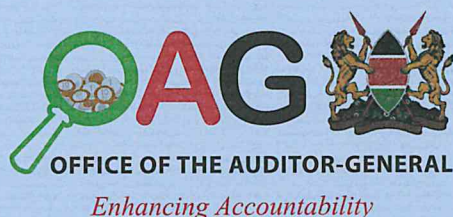
The Fund's financial statements were approved by the Board on 16th September, 2021 and signed on its behalf by:


.....
Julius M. Muia, PhD, CBS
Chairman, State Officers and Public Officers
Motor Car Loan Scheme Fund and
Principal Secretary National Treasury


.....
Hiram Kahiro
Interim Chief Executive Officer
& Administrator of the Fund

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 STATE OFFICERS AND PUBLIC OFFICERS MOTOR CAR LOAN SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2021 – THE NATIONAL TREASURY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of State Officers and Public Officers Motor Car Loan Scheme Fund set out on pages 15 to 29 which comprise of the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the State Officers and Public Officers Motor Car Loan Scheme Fund as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with the 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 State Officers and Public Officers Motor Car Loan Scheme Fund Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Low Uptake of Loans by State Officers and Public Officers

I draw your attention to Part I (a) in the background information in the financial statements which discloses that the State Officers and Public Officers Motor Car Loan Scheme Fund was established in 2015 through Legal Notice No.195 of 25 September, 2015 and pursuant to guidelines provided by Salaries and Remuneration Commission on Car Loan benefit for State Officers and Other Public Officers in December, 2014. The Fund Management has, however, not undertaken any significant activities since then. Although the Secretariat of the Fund had processed sixty-six (66) applications for loans totaling to Kshs.141,313,804, the performance of the Fund still remains relatively low at 3.81% (2020: 1.15%) in comparison to the cash and cash equivalents amount of Kshs.3,704,618,796 held in the Fund's bank accounts as at 30 June, 2021.

In the circumstances, the objective and purpose for which the Fund was established may not be achieved and the value for money of the idle money has not been realised as the amount could have been invested on income generating securities.

My opinion is not modified in respect to the above matter.

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 reflects final receipts budget and actual on comparable basis of Kshs.15,100,000 and Kshs.15,152,408 respectively resulting to an over-funding of Kshs.52,408 of the budget. Similarly, the Fund expended Kshs.40,135,656 against an approved budget of Kshs.69,104,520 resulting to an under-expenditure of Kshs.29,768,864 or 42.6% of the budget.

The underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

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 overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 the Advisory Board

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 overall governance.

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

The Advisory Board is responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of 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

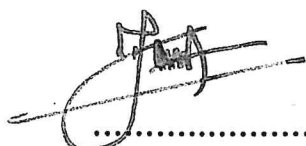
01 April, 2022

Report of the Auditor-General on State Officers and Public Officers Motor Car Loan Scheme Fund for the year ended 30 June, 2021 – The National Treasury

12. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Revenue from exchange transactions			
Rendering of services- application fees	1	66,001.00	29,000.00
Finance income –Bank interest	2	15,086,406.00	24,031,332.00
Other income			
Total revenue		15,152,408.00	24,060,332.00
Expenses			
Use of goods and services	3	(18,055,275.00)	(652,275.00)
Remuneration of directors	4	(1,980,000.00)	
Depreciation	5	(1,005,019.00)	
Total expenses		(21,040,294.00)	(652,275.00)
Surplus before tax		(5,887,886.00)	23,408,057.00
Taxation			
Surplus/(deficit) for the period/year		(5,887,886.00)	23,408,057.00

Signed on behalf of the Board of Directors by:



.....
Julius M. Muia, PhD, CBS
Chairman, State Officers & Public Officers
Motor Car Loan Scheme Fund &



.....
Hiram Kahiro
Interim CEO
& Administrator of the fund

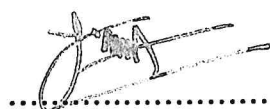


.....
CPA Patrick Mugo
Head of Accounting Unit
ICPAK No.18704


13. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	6	3,704,618,616.00	3,826,841,308.00
Total Current Assets		3,704,618,616.00	3,826,841,308.00
Non-Current Assets			
Property, Plant and equipment	7	19,095,362.00	0
Investments- Loanees	8	141,313,804.00	44,074,359.00
Total Non- Current Assets		160,409,165.00	44,074,359.00
Total Assets		3,865,027,781.00	3,870,915,667.00
Net assets			
Reserves		3,865,027,781.00	3,870,915,667.00
Total Net Assets and Liabilities		3,865,027,781.00	3,870,915,667.00


Signed on behalf of the Board of Directors by:



 Julius M. Muia, PhD, CBS
 Chairman, State Officers & Public Officers
 Motor Car Loan Scheme Fund &



 Hiram Kahiro
 Interim CEO
 & Administrator of the fund

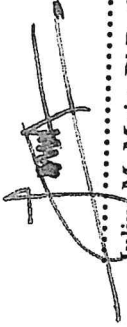



 CPA Patrick Mugo
 Head of Accounting Unit
 ICPAK No.18704


14. STATEMENT OF CHANGES IN NET ASSETS-FOR THE YEAR ENDED 30 JUNE 2021

	notes	Retained earnings	Capital/ Development Grants/Fund	Total
As at July 1, 2019		3,847,507,610.00		3,847,507,610.00
Surplus/ Deficit for the year		23,408,057.00		23,408,057.00
Capital/Development grants received during the year				
As at June 30, 2020		3,870,915,667.00		3,870,915,667.00
As at July 1, 2020		3,870,915,667.00		3,870,915,667.00
Issue of new share capital				
Surplus/ deficit for the year		(5,887,886.00)		(5,887,886.00)
Capital/Development grants received during the year				
As at June 30, 2021		3,865,027,781.00		3,865,027,781.00

Signed on behalf of the Board of Directors by:


 Julius M. Muia, PhD, CBS
 Chairman, State Officers & Public Officers
 Motor Car Loan Scheme Fund &


 Hiram Kahiro
 Interim CEO
 & Administrator of the fund


 CPA Patrick Mugo
 Head of Accounting Unit
 ICPAK No.18704

15. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

		2020-2021	2019-2020
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities			
Rendering of services	1	66,001.00	29,000.00
Total Receipts		66,001.00	29,000.00
Payments			
Use of goods and services	3	(18,055,275.00)	(652,275.00)
Remuneration of directors	4	(1,980,000.00)	0
Total Payments		(20,035,275.00)	(652,275.00)
Net cash flows from/(used in) operating activities		(19,969,274.00)	(652,275.00)
Cash flows from investing activities.			
Purchase of property, plant, equipment	7	(20,100,381.00)	0
Decrease/(Increase) in non-current receivables		(97,239,445.00)	(44,074,539.00)
Net cash flows from/(used in) investing activities		(117,339,826.00)	(44,074,539.00)
Cash flows from financing activities			
Proceeds from borrowings		15,086,408.00	24,031,332.00
Repayment of borrowings			
Increase in capital funds			
Net cash flows from /(used in) financing activities		15,086,407.00	24,031,332.00
Net increase/(decrease) in cash and cash equivalents		(122,222,692.00)	(20,666,482.00)
Cash and cash equivalents at 1 JULY		3,826,841,308.00	3,847,507,790.00
Cash and cash equivalents at 30 JUNE		3,704,618,616.00	3,826,841,308.00

Signed on behalf of the Board of Directors by:



Julius M. Muia, PhD, CBS
Chairman, State Officers & Public Officers
Motor Car Loan Scheme Fund &



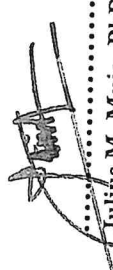
Hiram Kahiro
Interim CEO
& Administrator of the fund




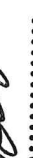
CPA Patrick Mugo
Head of Accounting Unit
ICPAK No.18704

16. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue	A	b	C=(a+b)	d	e=(c-d)	F=d/c
Interest income	15,000,000.00	0.00	15,000,000.00	15,086,407.00	(86,407.00)	100%
Other income- Application fees	100,000.00	0.00	100,000.00	66,001.00	33,999.00	66%
Total income	15,100,000.00		15,100,000.00	15,152,408.00	(52,408.00)	100%
Expenses						
Use of goods and services	17,974,000.00	0.00	17,974,000.00	16,600,905.00	1,373,095.00	92%
Consumables	12,500,000.00	0.00	12,500,000.00	1,454,370.00	11,045,630.00	11%
Remuneration of directors	12,160,520.00	0.00	12,160,520.00	1,980,000.00	10,180,520.00	16%
Purchase of Motor Vehicles	25,000,000.00	0.00	25,000,000.00	20,100,381.00	4,899,619.00	80%
Repairs and maintenance	2,270,000.00	0.00	2,270,000.00	0.00	2,270,000.00	0%
Total expenditure	69,904,520.00	0.00	69,904,520.00	40,135,656.00		57%
Surplus for the period	(54,804,520.00)		(54,804,520.00)	(24,983,248.00)		

.....

Julius M. Muia, PhD, CBS
 Chairman, State Officers & Public Officers
 Motor Car Loan Scheme Fund &

.....

Hiram Kahiro
 Interim CEO
 & Administrator of the fund

.....

CPA Patrick Mugo
 Head of Accounting Unit
 ICPAK No.18704

17. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the State Officers and Public Officers Car Loan Scheme Fund accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in the Notes to the financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the State Officers and Public Officers Car Loan Scheme Fund.

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

i) Early adoption of standards

The State Officers and Public Officers Car Loan Scheme Fund did not early – adopt any new or amended standards in year 2020/2021.

ii) Revenue recognition

The State Officers and Public Officers Car Loan Scheme Fund recognizes revenues when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

iii) 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.

iv) Budget information

The original budget for FY 2020-2021 was approved by the Board of Directors on

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 19 of these financial statements.

v) 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. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

vi) Financial instruments -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.

vii) 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. After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

viii) Provisions

Provisions are recognized when the State Officers and Public Officers Car Loan Scheme 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 State Officers and Public Officers Car Loan Scheme Fund expect 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.

ix) Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

x) 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 Central Bank of Kenya and at KCB bank at the end of the financial year. For the purposes of these financial statements, cash and cash

equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

xi) Comparative figures

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

xii) Subsequent events

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

18. NOTES TO THE FINANCIAL STATEMENTS

1. Rendering Of Services

Description	2020-2021	2019-2020
	KShs	KShs
Application fees	66,001.00	29,000.00
Total revenue from the rendering of services	66,001.00	29,000.00

Application fee relate to amount charged for loan processing at a rate of Kshs. 1000.00 per application.

2. Finance Income

Description	2020-2021	2019-2020
	KShs	KShs
Cash investments and fixed deposits	15,086,407.00	24,031,332.00
Total finance income	15,086,407.00	24,031,332.00

This amount was earned from investment in KCB Bank on-call deposits.

3. Use of Goods and Services

Description	2020-2021	2019-2020
	KShs	KShs
Bank charges	6,205.00	2,275.00
Consumables	1,474,370.00	
Travel, accommodation, subsistence and other allowances	16,574,700.00	
Other general expenses		650,000.00
Total	18,055,275.00	652,275.00

Travel, subsistence and other allowances were paid to staff that travelled to various counties in an effort to promote and sensitise State officers and Public officers of the existence of the Fund and the benefits of the Scheme.

4. Board Expenses

Description	2020-2021	2019-2020
	KShs	KShs
Chairman/Directors' Honoraria	0.00	0.00
Sitting allowances	1,980,000.00	0.00
Total	1,980,000.00	0.00

The board was paid taxable sitting allowances as guided by Salaries and Remuneration commission. No Chairman/Directors' Honoraria and /or any other allowances y was paid during the year.

5. Depreciation and Amortization Expense

Description	2020-2021	2019-2020
	KShs	KShs
Property, plant and equipment	1,005,019.00	
Intangible assets	0.00	
Investment property carried at cost	0.00	
Total depreciation and amortization	1,005,019.00	0.00

Depreciation is computed based on the Reducing balance method at a rate of 5% p.a and computed for a whole year during the year of acquisition of the asset.

Financial institution	Account number	2020-2021	2019-2020
		KShs	KShs
a) Current account			
b)			
Central Bank of Kenya	1000239476	3,472,500,000.00	3,472,500,000.00
Kenya Commercial Bank	1248076427	0.00	0.00
Kenya Commercial Bank	1248074149	56,629,868.00	97,874,873.00
c) On - call deposits			
Kenya Commercial Bank	1248072421	0.00	0.00
Kenya Commercial Bank	1248069579	1,000.00	1,000.00
d) Fixed deposits account			
Kenya Commercial Bank		175,487,748.00	256,465,435.00
Grand total		3,704,618,6163.00	3,826,841,308.00

6. Detailed Analysis of the Cash and Cash Equivalents

7. Property, Plant and Equipment

	Motor vehicles	Total
Cost	Shs	Shs
As at 1July 2019	0.00	0.00
Additions		
Disposals		
Transfers/adjustments		
As at 30th June 2020	0.00	0.00
Additions	20,100,381.00	20,100,381.00
Disposals	0.00	0.00
Transfer/adjustments	0.00	0.00
As at 30th June 2021	20,100,381.00	20,100,381.00
Depreciation and impairment		
At 1July 2019		
Depreciation	(1,005,019.00)	(1,005,019.00)
Impairment		
Transfers/ Adjustments		
As at 30 June 2021	19,095,362.00	19,095,362.00

8. Investments- Loanees

SOPOCLS LOAN DISMBURSEMENTS AS AT 30.06.2021					
DATE	P/No.	Age	Terms of Employment	BENEFICIARY	AMOUNT DISBURSED
01/07/2020				ALICE W KAGUONGO	954,724.00
01/07/2020				WILLIAM A AKWIMBI	1,016,574.00
25/08/2020				CATHERINE K MWENDWA	2,070,386.00
28/08/2020				PHOEBE MAKUNGU	2,053,480.00
15/07/2020				SHEILLA J MAMMET	1,009,945.00
08/08/2020				TIMOTHY M NZIOKA	1,368,050.00
02/09/2020				JULIUS M MUIA	5,049,723.00
01/07/2020				MUNYEMBO MWACHALLA	3,368,719.50
14/08/2020				ISAIAH K BYEGON	2,033,149.00
13/10/2020				RAEL J ROTICH	874,254.00
27/10/2020				JUDITH A CHIMAU	1,524,861.00
28/01/2020				JOHN N KIMANI	4,039,778.00
12/10/2020				ANN W NJAGI	1,084,644.00
13/10/2020				ARTHUR C NDUATI	2,083,977.00
15/10/2020				ROBINSON K KIARII	670,939.00
17/11/2020				PAYUL K SONGOK	792,928.00
18/11/2020				LAWRENCE W KAMAU	3,049,723.00
01/12/2020				LOISE K BOSIRE	1,677,845.00
08/12/2020				EDWIN N JOHN	2,033,149.00
11/12/2020				AMOS K GATHECHA	3,288,604.00
17/12/2020				JOSEPH M KAGIRI	1,250,875.00
22/12/2020				LABAN M THIGA	2,948,065.00
23/12/2020				LIVINGSTONE O BUMBE	2,439,778.00
24/12/2020				EVAN N KARIUKI	711,602.00
18/11/2020				FREDRICK M WAWERU	1,372,375.00
22/12/2020				ROBERT O SUDI	2,344,121.00
05/01/2021				LIVINGSTON OMCHERE	2,486,176.00
05/01/2021				EVAN N KARIUKI	700,000.00
25/01/2021				KENNEDY O OJWANG	1,300,000.00
31/01/2021				LABAN M THIGA	2,900,000.00
22/01/2021				SAMWEL E KONA	4,050,000.00
21/01/2021				MARGARET W MBUGUA	2,250,000.00
20/01/2021				MARK G MUNYEKI	3,000,000.00
26/03/2021				DENIS O OSINYO	3,000,000.00
30/03/2021				JANE K KOLI	3,000,000.00

21/04/2021				ALFONSO MUNALI	3,246,000.00
07/05/2021				ESTHER W NGERU	1,100,000.00
23/04/2021				CAROLINE M MUSYIMI	1,000,000.00
24/05/2021				JOSEPH K ROTICH	4,000,000.00
25/05/2021				JULIUS N KARIUKI	4,000,000.00
13/05/2021				CAROLINE W MUNGA	2,300,000.00
11/05/2021				DORCAS N NJOROGI	2,250,000.00
02/06/2021				PRISCA WAMBUI	1,400,000.00
08/06/2021				EDDAH W KAHINDO	485,000.00
03/06/2021				FELIX NDONYE	1,280,000.00
22/06/2021				WESLEY W OCHAKO	680,000.00
16/06/2021				ALFET HADULU	1,700,000.00
24/09/2019	1995012733	49	P & P	DANIEL MUTISO	2,287,292.00
20/09/2019	20009112896	48	P & P	LYFORD M NANDI	2,643,093.00
16/09/2019	1994055974	51	P & P	NORA N MUTINDI	1,923,218.00
23/05/2019	2011238974	61	Contract	AGNES ODHIAMBO	8,150,970.00
24/07/2019	1982119819	57	P & P	ROSE W MATUA	1,912,596.00
11/04/2019	1991003716	54	P & P	LENITY K KATHENYA	2,112,751.00
30/10/2019	2017111230	36	P & P	DAVID A NYANGAU	1,317,237.00
21/11/2019	2019000218	50	Contract	ANREW N MURIUKI	3,044,750.00
17/09/2019	2018100839	43	Contract	CHARLES M HINGA	8,106,075.00
14/02/2020	1992025737	53	P & P	ISAAC M NDEGE	823,425.00
22/12/2019	2010017774	47	P & P	PETER M GATHIRIMU	660,773.00
19/03/2020	1985021887	58	Contract	PATRICK S WAMOTO	3,709,488.00
13/02/2020	1991015852	56	P & P	EUNICE C CHEPKWONY	3,049,723.00
21/02/2020	1997098298	46	P & P	JANE W NJUGUNA	1,931,491.00
31/01/2020	2007046609	36	P & P	MILDRED A SHIKUKU	1,486,740.00
03/04/2020	1996051633	44	P & P	LUCY W. MBAE	914,917.00
Total					141,313,983.50
				Figure in the FS	141,313,803.50
				Variance	180.00

Balance B/F	44,074,359.00
1st quarter	18,924,750.00
2nd quarter	32,187,518.00
3rd quarter	22,686,176.00
4th quarter	23,441,000.00
Balance C/FWD	141,313,803.00

9. Events after the Reporting Period

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

APPENDIX

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR 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)
127. Low Fund performance	The performance of the fund was relatively low In comparison to the cash and cash equivalents held in the bank as at 30 th June 2020	1. The fund has sensitized the intended beneficiaries which has seen the uptake of loans rise from kshs.44,074,539.00 reported in 2019/2020 to Kshs141,313,983.50. 2. the fund has sought authority to invest kshs.2 billion on interest earning treasury Bills and Bonds	Partially resolved	30 th June 2022

.....
Hiram Kahi
 Interim Chief Executive Officer
 & Administrator of the Fund

APPENDIX II: TRIAL BALANCE

Description	Kshs.	Kshs.
Application fee	66,001.00	
Interest income	15,086,407.00	
Goods and services		18,055,275.00
Directors remuneration		1,980,000.00
Cash and cash equivalents	3,704,618,616.00	
Asset register	19,095,362.00	
depreciation		1,005,019.00
Loanees	141,313,804.00	
Accumulated reserves b/d		3,865,027,781.00
Deficit for the year	5,887,886.00	
	3,886,068,075.00	3,886,068,075.00

APPENDIX III: CERTIFICATES OF BALANCES

A/C NO. 1248074149-STATE OFFICERS & PUBLIC OFFICERS MCL SCHEME FUND- REC

REPUBLIC OF KENYA

Date: 17/07/2021

Report of the Board of Survey on the Cash and Bank Balances of MCL SCHEME FUND as at the close of business on 30/6/2021

The Board consisting of - (Names and official titles)

CHAIRPERSON:..... GEOFFREY CHEGE

MEMBER: JOSEPH CHEGE

MEMBER :..... BEATRICE JUMA

Assembled at the office of MCL SCHEME FUND at 8.00 AM on 01/07/2021,

And the following cash was produced: -

Notes Ksh. Nil

Silver Ksh. Nil

Cheques (as per details on reverse) Ksh Nil

It was observed that cheques amounting to Ksh Nil

Had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes.

The Cash Book reflected the following balances as at the close of business on 30/06/2021

Cash on hand.....Ksh- Nil

Bank Balance.....Ksh- 57,805,218.06

Total.....Ksh. 57,805,218.06

The Bank certificate of Balance showed a sum of Ksh., 56,629,868.06

Standing to the credit of the account on 30/06/2021.

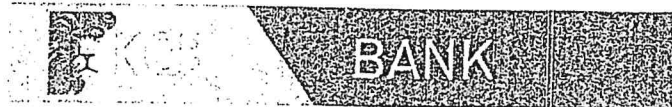
The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

Date 01/07/2021

Date

Chairperson

Members of the Board



Kencom House,
Moi Avenue,
P.O. Box 48400 - 00100,
Nairobi, Kenya.
Tel: +254 20 3270000,
2852000, 2851000
Mobile: +254 711012000/
734 108200

1218 CA 41 BRANCHES
CERTIFICATE OF BALANCE

Limited
in Kenya)

KCB Bank
(Incorporated

CERT2122574693

KCB MOI AVENUE

13 AUG 2021

Certified that the balance at the CREDIT Of STATE
OFFICERS MCL -RECURRENT AC

A/C 1248074149

at the close of business on 30 JUN 2021 Was KES

FIFTY SIX MILLION SIX HUNDRED AND TWENTY NINE THOUSAND EIGHT
HUNDRED AND SIXTY EIGHT CENTS SIX

KES 56,629,868.06

Examined by

For: KCB BANK KENYA LTD.

Pro. Manager.
CORPORATE SERVICES MOI AVE.
Manager Service Quality & Compliance

For: KCB BANK KENYA LTD.

Pro. Manager.
CORPORATE SERVICES MOI AVE.
Branch Manager

www.kcbgroup.com

KCB Bank Kenya Limited

Directors: L. M. Njiru (Chairman); J. N. Oigara; T. D. Ipomai; C.S. - National Treasury; S. K. Rono;
Ms. N. Onyango; Mrs. C. Okongo; J. W. Muigai; Mrs. A. O. Eriksson; Ms. E. Nvala; S. Makame

A/C NO. 1248074149-STATE OFFICERS & PUBLIC OFFICERS MCL SCHEME FUND- DEP

REPUBLIC OF KENYA

Date: 17/07/2021

Report of the Board of Survey on the Cash and Bank Balances of MCL SCHEME FUND as at the close of business on 30/6/2021

The Board consisting of - (Names and official titles)

CHAIRPERSON:..... GEOFFREY CHEGE

MEMBER: JOSEPH CHEGE

MEMBER :..... BEATRICE JUMA

Assembled at the office of MCL SCHEME FUND at 8.00 AM on 01/07/2021,

And the following cash was produced: -

Notes Ksh. Nil

Silver Ksh. Nil

Cheques (as per details on reverse) Ksh Nil

It was observed that cheques amounting to Ksh Nil

Had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes.

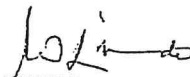
The Cash Book reflected the following balances as at the close of business on 30/06/2021

Cash on hand.....Ksh- Nil

Bank Balance.....Ksh- 155,259,482.08Total.....Ksh. 155,259,482.08The Bank certificate of Balance showed a sum of Ksh.. 1,000.00

Standing to the credit of the account on 30/06/2021.

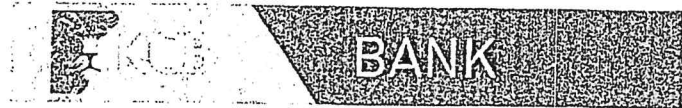
The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

Date 01/07/2021

Chairperson



Members of the Board



Kencom House,
Moi Avenue,
P.O. Box 48400 - 00100,
Nairobi, Kenya.
Tel: +254 20 3270000,
2852000, 2851000
Mobile: +254 711012000/
734 108200

1218 CA 41 BRANCHES
CERTIFICATE OF BALANCE

Limited
in Kenya)

KCB Bank
(Incorporated

CERT2122574690

KCB MOI AVENUE

13 AUG 2021

Certified that the balance at the CREDIT Of STATE
OFFICERS MCL - FUND DEPOSIT

A/C 1248069579

at the close of business on 30 JUN 2021 Was KES

ONE THOUSAND

KES 1,000.00

Examined by

For: KCB BANK KENYA LTD.

[Signature] Pro. Manager.
CORPORATE SERVICES MOI AVE.

Manager Service Quality & Compliance

For: KCB BANK KENYA LTD.

[Signature] Pro. Manager.
CORPORATE SERVICES MOI AVE.
Branch Manager

www.kcbgroup.com

KCB Bank Kenya Limited

Directors: L. M. Njiru (Chairman); J. N. Oigara; T. D. Ipomai; C.S. - National Treasury; S. K. Rono;
Ms. N. Onyango; Mrs. C. Okongo; J. W. Muigai; Mrs. A. O. Eriksson; Ms. E. Nyala; S. Makome

A/C NO. 1000239476-STATE OFFICERS & PUBLIC OFFICERS MCL SCHEME FUND- CBK

REPUBLIC OF KENYA

Date: 17/07/2021

Report of the Board of Survey on the Cash and Bank Balances of MCL SCHEME FUND as at the close of business on 30/6/2021

The Board consisting of - (Names and official titles)

CHAIRPERSON:..... GEOFFREY CHEGE

MEMBER: JOSEPH CHEGE

MEMBER : BEATRICE JUMA

Assembled at the office of MCL SCHEME FUND at 8.00 AM on 01/07/2021,

And the following cash was produced: -

Notes Ksh. Nil

Silver Ksh. Nil

Cheques (as per details on reverse) Ksh Nil

It was observed that cheques amounting to Ksh Nil

Had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes.

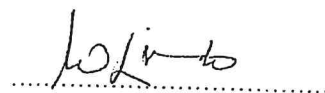
The Cash Book reflected the following balances as at the close of business on 30/06/2021

Cash on hand.....Ksh- Nil

Bank Balance.....Ksh- 3,472,500,000.00Total.....Ksh. 3,472,500,000.00The Bank certificate of Balance showed a sum of Ksh.. 3,472,500,000.00

Standing to the credit of the account on 30/06/2021.

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

Date. 01/07/2021

Chairperson



Members of the Board

BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

Haile Selassie Avenue
P.O. Box 60000 - 00200 Nairobi, Kenya
Telephone: 2860000, Fax: 340192

August 12, 2021

CERTIFICATE OF BALANCES

Customer: 120373 – THE NATIONAL TREASURY

Balance Date: 30 JUN 2021

Account No	Account Name	Currency	Balance
1000239476	THE STATE OFFICERS & PUBLIC OFFICERS CAR LOAN SCHEME FUND	KES	3,472,500,000.00

Sophie Langat (Mrs)
Authorised Signatory
Banking Services Division

Joyce Nasieku (Ms)
Authorised Signatory
Banking Services Division

APPENDIX IV: SCHEDULE OF LOAN BENEFICIARIES.

LOAN DISMBURSEMENT
DATE BENEFICIARY

DATE	BENEFICIARY	P/NO	AGE	TERMS	AMOUNT
01-07-20	ALICE W KAGUONGO	1990008933	58	P & P	954,724.00
01-07-20	WILLIAM A AKWIMBI	1994000440	62	P & P	1,016,574.00
25-08-20	CATHERINE K MWENDWA	1988133497	56	P & P	2,070,386.00
28-08-20	PHOEBE MAKUNGU	1994072405	51	P & P	2,053,480.00
15-07-20	SHEILLA J MAMMET	2016000147	31	P & P	1,009,945.00
08-08-20	TIMOTHY M NZIOKA	1993057290	47	P & P	1,368,050.00
02-09-20	JULIUS M MUIA	2008087797	60	Contract	5,049,723.00
01-07-20	MUNYEMBO MWACHALLA	700113692	56	P & P	3,368,719.50
14-08-20	ISAIAH K BYEGON	2005003833	44	P & P	2,033,149.00
					18,924,750.50
					18,924,750.50

13-10-20	RAEL J ROTICH	1991062508	54	P & P	874,254.00
27-10-20	JUDITH A CHIMAU	2011214914	40	P & P	1,524,861.00
28-01-20	JOHN N KIMANI	1979016086	62	Contract	4,039,778.00
12-10-20	ANN W NJAGI	1995087695	47	P & P	1,084,644.00
13-10-20	ARTHUR C NDUATI	2004019996	44	P & P	2,083,977.00
15-10-20	ROBINSON K KIARII	2002077538	47	P & P	670,939.00
17-11-20	PAYUL K SONGOK	2001021871	46	P & P	792,928.00
18-11-20	LAWRENCE W KAMAU	2003001958	47	P & P	3,049,723.00
01-12-20	LOISE K BOSIRE	1996000399	49	P & P	1,677,845.00
08-12-20	EDWIN N JOHN	1995012856	54	P & P	2,033,149.00
11-12-20	AMOS K GATHECHA	1990026232	56	P & P	3,288,604.00
17-12-20	JOSEPH M KAGIRI	2009112286	53	P & P	1,250,875.00
22-12-20	LABAN M THIGA	2000002905	46	P & P	2,948,065.00
23-12-20	LIVINGSTONE O BUMBE	1990429428	54	P & P	2,439,778.00
24-12-20	EVAN N KARIUKI	2000814134	38	P & P	711,602.00
18-11-20	FREDRICK M WAWERU	2007137117	44	P & P	1,372,375.00
22-12-20	ROBERT O SUDI	2010055382	38	P & P	2,344,121.00
					32,187,518.00
					32,187,518.00

05-01-21	LIVINGSTON OMCHERE	1994029428	54	P & P	2,486,176.00
05-01-21	EVAN N KARIUKI	2008014134	38	P & P	700,000.00
25-01-21	KENNEDY O OJWANG	1997014171	47	P & P	1,300,000.00
31-01-21	LABAN M THIGA	2000002905	46	P & P	2,900,000.00
22-01-21	SAMWEL E KONA	2019034690	51	Contract	4,050,000.00
21-01-21	MARGARET W MBUGUA	2003043332	51	P & P	2,250,000.00
20-01-21	MARK G MUNYEKI	2004000971	45	P & P	3,000,000.00
26-03-21	DENIS O OSINYO	2005062625	44	P & P	3,000,000.00
30-03-21	JANE K KOLI	2009046346	37	P & P	3,000,000.00
					22,686,176.00
					22,686,176.00

21-04-21 ALFONSO MUNALI	1997074692	55	P & P	3,246,000.00	
07-05-21 ESTHER W NGERU	1986038170	59	P & P	1,100,000.00	
23-04-21 CAROLINE M MUSYIMI	2015240190	30	P & P	1,000,000.00	
24-05-21 JOSEPH K ROTICH	1991043910	57	P & P	4,000,000.00	
25-05-21 JULIUS N KARIUKI	1991074995	51	P & P	4,000,000.00	
13-05-21 CAROLINE W MUNGA	2010000583	35	Contract	2,300,000.00	
11-05-21 DORCAS N NJORGE	1993076197	51	P & P	2,250,000.00	
02-06-21 PRISCA WAMBUI	2011214907	40	P & P	1,400,000.00	
08-06-21 EDDAH W KAHINDO	2011016446	43	P & P	485,000.00	
03-06-21 FELIX NDONYE	2017105058	33	P & P	1,280,000.00	
22-06-21 WESLEY W OCHAKO				680,000.00	
16-06-21 ALFET HADULU	2003043992	42	P & P	1,700,000.00	
				23,441,000.00	23,441,000.00
					97,239,444.50
BALANCE BFWD					44,074,359.00
					141,313,803.50