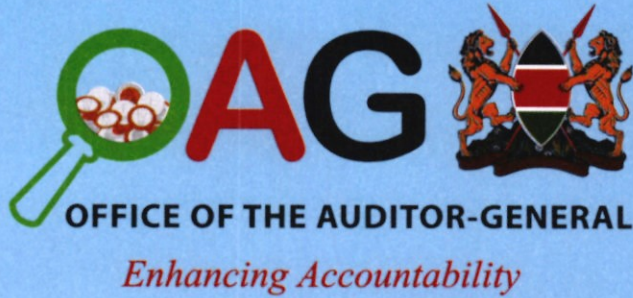


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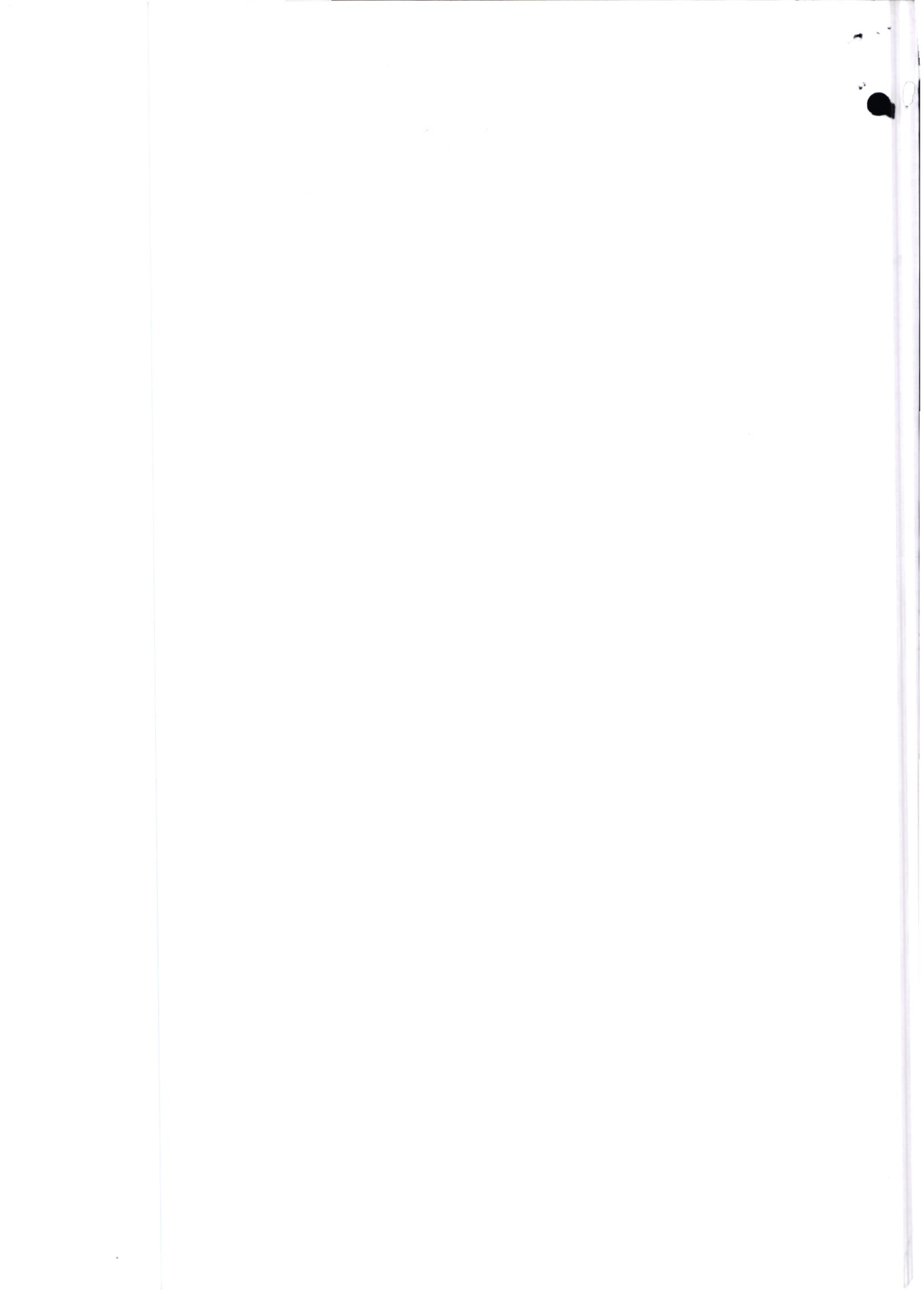
DATE: 06 MAR 2024 WED

TABLED BY: Hon Owen Baya, MP
Deputy majority leader

CLERK AT THE TABLE: Enloys munihi

ON
**THE NATIONAL GOVERNMENT AFFIRMATIVE
ACTION FUND (NGAAF)**

**FOR THE YEAR ENDED
30 JUNE, 2023**





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NGAAF

National Government
Affirmative Action Fund

MINISTRY OF PUBLIC SERVICE, GENDER AND AFFIRMATIVE ACTION

**STATE DEPARTMENT FOR GENDER
NATIONAL GOVERNMENT AFFIRMATIVE ACTION FUND**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

**National Government Affirmative Action Fund
Annual Report and Financial Statements
For the year ended June 30, 2023**

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1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

AAG	Affirmative Action Group
CBK	Central Bank of Kenya
CEO	Chief Executive Officer
DG	Director General
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
NGAAF	National Government Affirmative Action Fund
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PS	Principal Secretary
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SDGs	Sustainable Development Goals
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
SCAC	State Corporation Advisory Committee
WB	World Bank

B: Glossary of Terms

Fiduciary Management - Members of Management directly entrusted with the responsibility of financial resources of the organisation.

Comparative Year - Means the prior period.

2. Key Entity Information and Management

(a) Background information

The National Government Affirmative Action Fund (NGAAF), successor to the Affirmative Action Social Development Fund (AASDF) is a Semi-Autonomous Government Agency (SAGA) in the Ministry of Public Service, Gender and Affirmative Action (Revised Executive Order No 1 of 2023) was enacted through a Legal Notice No. 24 of the Public Finance Management act, 2012 and published on 13th February 2015.

The Fund is governed by the Public Finance Management Act, 2012, the Public Finance Management (National Government Affirmative Action Development Fund), Regulation, 2016. At the National level, the Fund is managed by Board of Directors who are supported by a Secretariat headed by the Chief Executive Officer while at the County level, it has offices in all the forty-seven Counties (47) managed by County Coordinators.

(b) Principal Activities

Provision of grant funds for socio-economic empowerment of affirmative action groups; Women, Youth and Persons with Disability, needy children at the counties in line with the Vision 2030 through the following activities;

- i. Support to women economic empowerment initiatives through provision of funds for table banking, savings and credit cooperative organizations (SACCOS)
- ii. Provision of bursary and scholarships for access of education opportunities among vulnerable groups; school going orphaned, child-headed house-holds and special needs children, out of school vulnerable youth for skill training
- iii. Support of value addition initiatives in agribusiness, cottage industries owned by affirmative action groups
- iv. Promotion of talent development among the youth involved in arts, music and sports
- v. Support to programmes on access to services on gender-based violence through establishment of rescue and counselling centres and support to survivors of Gender based violence
- vi. Sensitization of communities on gender-based violence including, female genital mutilation, child marriages or forced marriages
- vii. Establishment of drugs and substance abuse rehabilitation and counselling centres in conjunction with the relevant Government agencies
- viii. Enterprise training and financial start-ups support to rehabilitated individuals
- ix. Conducting civic education and community sensitization on National Government affirmative action programmes and policies

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(c) Key Management

The National Government Affirmative Action Fund is management under the following key organs:

- i. The Principal Secretary, State Department for Gender and Affirmative Action, Ministry of Public Service Gender and Affirmative Action
- ii. The Board of Directors
- iii. A Secretariat headed by the Chief Executive Officer

(d) Fiduciary Management

The key management personnel who held office during the year ended 30th June, 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Chief Executive Officer	Roy Sasaka Telewa
2	Director Finance & Administration	Magdaline Kipkenei
3	Head of Finance	Serah M. Muchunga
4	Head of Programmes	Jackson Kayaga
5	Head of Communication	Jesse Njuguna
6	Head of Procurement	David Kioko
7	Head of Human Resource	Abdirizak Issa

(e) Fiduciary Oversight Arrangements

1. Audit & Risk Committee

The Audit & Risk Committee's responsibilities include the following:

- i. Provide oversight of the Fund internal audit function
- ii. Evaluate internal and external audit reports and make appropriate recommendations
- iii. Review the levels of compliance with relevant legislative and regulatory requirements
- iv. Conducting periodic internal checks on key processes to ensure compliance with the established procedures, and report to the Board on the findings and recommendations for improvements
- v. To analyse and address the risks associated with the key processes
- vi. To report to the Board of any financial concerns and irregularities
- vii. Overseeing response to audit queries

2. Finance and Administration Committee

The Finance and Administration Sub-Committee is responsible to the Board of Directors for the following:

- i. Reviewing annual budgets schedules prepared by Accounts in line with the PFM Act, 2012 (NGAAF), Regulations, 2016
- ii. Advise on budget appropriation
- iii. Reviewing the secretariat annual procurement plan
- iv. To oversee preparation of financial reports and ensure that reports are accurate and timely
- v. Ensure compliance with PFM Act, 2012
- vi. Ensure prudent utilization of disbursed Funds
- vii. Resource mobilization/fundraising initiatives

3. Parliamentary Oversight Committee

The Parliamentary Oversight Committee is responsible in examining reports from the Auditor General, ensuring transparency and accountability within the entity. Further, the Committee is responsible for reviewing and implementing recommendation from the Investment Committee.

(f) Entity Headquarters

P.O. Box 48274- 00100
ABSA Plaza House
Loita Street
Nairobi, Kenya

(g) Entity Contacts

Telephone: 020 23000796
E-mail: ceo@ngaaf.go.ke
Website: www.ngaaf.go.ke

(h) Entity Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

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2. Co-operative Bank
Parliament Road Branch
P.O. Box 5772
City Square 00200
Nairobi, Kenya
3. Equity Bank of Kenya
Upper Hill
P.O. Box 75104 - 00200
Nairobi, Kenya
4. Kenya Commercial Bank
Moi Avenue
P.O. Box 48400
GPO 00100
Nairobi, Kenya
5. National Bank of Kenya
Harambee Avenue
P.O. Box 72866
City Square 00200
Nairobi, Kenya

(i) Independent Auditor

Auditor-General
Office of the Auditor General
Anniversary Towers, Monrovia Street
P.O. Box 30084
GPO 00100
Nairobi, Kenya
E-mail: info@oagkenya.go.ke

(j) Principal Legal Adviser

The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya
E-mail: Communications@ag.go.ke

3. The Board of Directors



Rachael Mbula Musyoki, CHRP(K)

Experience: Born in 1974. Over 27 years' experience; 10 years in County Government of Kilifi working in 4 different departments as a county Executive/County Minister including the office of the Governor and Public Service Management, the Department of Health Services, Department of Devolution, Public Service and Disaster Management and the Department of Education and ICT till October 31st 2023. 17 years at the Kenya Ports Authority (KPA), in various positions within Finance Department since 1996 until 2013.

Appointed as a Board Director of Women Enterprise Fund (WEF) via Gazette Notice No. 2384 of 2023, of the Public Finance Management ACT (*No. 18 of 2012*).

Appointed as a Chairperson of the National Government Affirmative Action Fund (NGAAF) via Gazette Notice No. 8239 of 2023, of the Public Finance Management ACT (*No. 18 of 2012*) to replace Mrs. Florence Kalekye Kiriinya

Qualifications: Ongoing PhD on Intergovernmental Relations (Governance), MSc in HR, BBA- HR, Bachelors in Business Administration, Certification on M &E, Certified CHRP (K)



Florence Kalekye Kiriinya

Experience: Born in 1959. Over 35 years' experience in the Office of Auditor General (formerly KENAO) serving in different capacities including audit of various Government Ministries and Departments, managing the Capacity building function of KENAO, Served as Director spearheading Strategy and Operational Planning, Monitoring and Evaluation functions of OAG, and as Director of the Internal Audit among other responsibilities. Worked with the IDI a body corporate of the International Organization of Supreme Audit Institutions (INTOSAI) as a Programme Manager in Norway (2012-2014), charged with a responsibility of developing capacity building audit programmes aimed at improving quality audits and service delivery within the African English-Speaking Supreme Audit Institutions (AFROSAI-E). Managed the Knowledge Sharing

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	<p>Committee (KSC) of African Organisation of Supreme Audit Institutions (AFROSAI) (2015-2019). Appointed as the Chairperson of the Board via Gazette notice Vol. CXXIII No. 206 dated 8th October, 2021 until 15th June 2023 when the Board was revoked via a gazette notice 7704 of 15th June 2023.</p> <p>Qualifications: MSC (Audit Management and Consultancy, University of Central England in Birmingham, UK.</p>
 <p>Robert Oduor Otieno</p>	<p>Experience: Born in 1980. Over 17 years' experience in the Finance. Senior Treasury at Eastern and Southern Africa Trade and Development Bank. He is an Independent Director. He is the Chairperson of the Strategy & Programs Committee and a member of Finance & Administration Committee until 15th June 2023 when the Board was revoked via a gazette notice 7704 of 15th June 2023.</p> <p>Qualifications: Masters of Business Administration, BSC in Actuarial Science.</p>
 <p>Charles Kimutai Chirchir</p>	<p>Experience: Born in 1979. Over seven (7) years' experience as Procurement Officer at Jomo Kenyatta University of Agriculture & Technology (JKUAT). An Independent Director representing Persons Living with Disabilities. The Chairperson of the Finance & Administration Committee and a member of the Conflict Resolution, Dispute & Human Resource Committee until 15th June 2023 when the Board was revoked via a gazette notice 7704 of 15th June 2023.</p> <p>Qualifications: Bachelors Purchasing and Supplies Management from JKUAT.</p>
 <p>Linda Gacheri Kinyua</p>	<p>Experience: Born in 1992. Over 6 years' experience in the Public Sector Parastatals. An Independent Director representing the Youth. The Chairperson to Conflict Resolution, Dispute & Human Resource Committee until 15th June 2023 when the Board was revoked via a gazette notice 7704 of 15th June 2023.</p> <p>Qualifications: Masters in Commerce from Strathmore University, BCom from Nairobi University.</p>

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Benson K. Kimani

Experience: Born in 1965. Over 32 years' experience in Public Service. Represent the Principal Secretary State Department for Planning. He is currently the Director Economic Development Coordination Directorate, State Department for Planning, the National Treasury and Planning and responsible for spearheading intergovernmental development planning and other development initiatives in the State Department for Planning. He was a member of Audit & Risk Committee until his replacement in April 2023 by Director Eliana Shiroko.

Qualifications: Master of Arts Degree in Economic Policy Management from Makerere University, Bachelor of Arts degree (Economics) the University of Nairobi, Certified Project Management Professional (PMP).



Robert Osudi

Experience: Born in 1982. Over 12 years' experience in the Public Service in Finance. Representing the Principal Secretary in the National Treasury. He is the Chairperson of the Audit & Risk Management Committee and a member of Finance & Administration Committee.

Qualifications: Masters of Arts – Economics



Joyce Mugure

Experience: Born in 1984. Over 11 years of experience in the Public Service in Social Development. Representing the Principal Secretary, State Department for Social Protection. A member of the Strategy & Programs Committee and Audit & Risk Management Committee.

Qualification: Masters in Rural Sociology and Community Development (Finalist); Bachelor of Arts (Economics and Sociology).

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 <p>Jackline Nekesa Makokha</p>	<p>Experience: Born in 1979. Over 10 years' experience in the Public Service in Gender and Social Development. Represents the Principal Secretary-Gender. A member of Conflict Resolution, Dispute & Human Resource Committee and Strategy & Programmes Committee.</p> <p>Qualifications: Masters in Gender and Development</p>
 <p>Bendera Wilson Charo</p>	<p>Experience: Born in 1970. Over 20 years' experience in Hotel Industry and Administration and handling overall business operations. Trained in Corporate Governance, Projects Management, and Collaborative Leadership and Monitoring and Evaluation. Currently working as;</p> <ul style="list-style-type: none"> - A Director for Hotel Titanic in Kilifi as well as in Kilifi Development Initiative (KIDIA). - A Patron for a Heart for Change Community Based Organization since 2012. - A Director at Mischell Plaza; a company in charge of building and construction. - A Director and General Manager at Tezo Rock and Smoky Hill Limited. <p>Appointed as a Board member of the National Government Affirmative Action Fund (NGAAF) via Gazette Notice No. 8239 of 2023, of the Public Finance Management ACT (<i>No. 18 of 2012</i>).</p> <p>Qualifications: Bachelor of Science in Hotel and Hospitality Management. Currently undergoing a Masters in Human Resource Management at the Kenya Methodist University.</p>
 <p>Eliana Shiroko</p>	<p>Experience: Born in 1964. Over 33 years' experience in the Public Service. Represent the Principal Secretary State Department for Planning. She is currently the Director Economic Development Coordination Directorate, State Department for Planning, the National Treasury and Planning. A member of Audit & Risk Committee. She replaced Director Benson Kimani.</p> <p>Qualifications: Master and Bachelor Degree in Economics in the University of Nairobi.</p>

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Samson Ogola

Experience: Born in 1984. Over 10 years experience and a seasoned professional with a diverse background in Medical Laboratory Science, Digital Marketing & Communication and Development Studies. Developed analytical skills while working in a busy Medical Laboratories. Also having worked at the Independent Electoral and Boundaries Commission (IEBC) and the Kenya National Bureau of Statistics (KNBS), provided a unique perspective in his roles. He gained valuable experience working on President Ruto's campaign and later within the Deputy President's Communication team. Beyond his professional pursuits, Samson maintains a deep-seated interest in community service and politics.

Appointed as a Board member of the National Government Affirmative Action Fund (NGAAF) via Gazette Notice No. 8239 of 2023, of the Public Finance Management ACT (*No. 18 of 2012*).

Qualifications: A Certified Digital Marketer and Strategist, On-going Bachelor of Arts in Development Studies.



Roy Sasaka Telewa,
OGW|FCIPS|FIHRM|CHRP(K)
Chief Executive Officer

Experience: Born in 1987. Has over 16 years' experience in the Public Service. Previously served in various leadership positions as, CEO National Youth Council, Procurement Manager (KDIC), Deputy Procurement Manager CAK, World Bank and Private Sector.

Qualifications: PhD, MBA, Bachelor of Commerce and Bachelor of Arts Political Science & Communications all from University of Nairobi. Sasaka is a Fellow of the Institute of Human Resource Management (FIHRM) and a Fellow of the Chartered Institute of Supplies and Procurement (FCIPS) and a Certified Human Resource Professionals (CHRP: K). ISO 9001:2015 Standard – lead Auditor's Certification.

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4. Management Team

 <p>Roy Sasaka Telewa, OGW FCIPS FIHRM CHRP(K) Chief Executive Officer</p>	<p>Experience: Chief Executive Officer</p> <p>Qualifications: PhD, MBA, Bachelor of Commerce and Bachelor of Arts Political Science & Communications all from University of Nairobi. Sasaka is a Fellow of the Institute of Human Resource Management (FIHRM) and a Fellow of the Chartered Institute of Supplies and Procurement (FCIPS) and a Certified Human Resource Professionals (CHRP: K). ISO 9001:2015 Standard – lead Auditor’s Certification.</p>
 <p>Magdaline Kipkenei Director Finance & Administration</p>	<p>Responsibility: Director Finance & Administration</p> <p>Qualifications: MA Sociology (Community Development & Project Management), BA Sociology & Political Science</p>
 <p>Jackson Kayaga Programmes Officer</p>	<p>Responsibility: Head of Programs</p> <p>Qualifications: MA in Development Studies, B. Ed (Hons) and CPA finalist.</p>

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Jesse Njuguna
Ag. Communication Officer

Experience: Head of Communication

Qualification: Masters in Environmental Planning and Management, Bachelor of Environmental Studies.



Serah Muchunga
Principal Accountant

Responsibility: Head of Finance & Accounts.

Qualifications: MBA in Finance & Accounting, BBM (Accounting) and CPA (K)



David Kioko
Supply Chain Management Officer

Responsibility: Head Supply Chain Management

Qualifications: Higher National Diploma in Purchasing and Supply Chain Management, Advanced Certificate in Supply Chain Management.



Abdirizak Issa
Principal Human Resource and Management Development Officer

Responsibility: Head of Human Resources.

Qualifications: Bachelor of Arts in Social Science, Higher Diploma in Human Resource Management.

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5. Chairperson's Statement

Introduction

It is my pleasure to present to you 2022/2023 financial statements. It is worth noting that the Board has laid down structures and systems in place to assist in the day to day running of the Fund.

Overall performance

The Fund disbursed 1st and 2nd quarter allocation for FY 2022/2023 to the counties to finance community projects and programs. However, disbursement for 3rd & 4th quarter was received towards the end of the financial year.

Key Activities and Achievements

1. Disbursement of the 1st Quarter, 2nd Quarter & unspent balance allocation amounting to Kshs. 885,920,037.92.
2. Disbursed emergency funds of Kshs. 44,629,135 to thirty-six (36) counties to assist affected populations on emergency response interventions
3. The National Government Affirmative Action Fund was categorized in the financial year 2020/2021. In the financial year 2021/2022 the Board developed HR instrument and submitted to SCAC for approval. The instruments were approved in the financial year 2022/2023.
4. In the financial year 2022/2023, the Board through the Management consolidated responses on prior years audit reports and submitted before the Parliamentary Committee.

The Fund supports the following activities;

1. Promotion of economic empowerment activities through support to Women, Youth and PWDs Groups, table banking, and Women owned SACCOs.
2. Provision of Bursary/Scholarships to vulnerable students, trainees in vocational institutions and children with special needs.
3. Civic education of community leaders and the public on Government programmes and policies.
4. Support to Gender Based Violence prevention through establishment of rescue and counselling centres and provision of legal aid and sensitization programmes.
5. Value additional initiatives; support to market shades for women in business, agribusiness, home industries, enterprise training and development, support to eco-friendly innovations in energy, housing and appropriate technology etc.

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6. Nurturing of talent among the youth in music, art, sports.
7. Prevention of substance abuse through rehabilitation programmes.
8. Emergency Response 2% of the funds are set aside to support emergencies during floods, famine, disease outbreak, fire break outs and destruction of basic infrastructure.

Successes

During the financial year 2022-2023, the Fund disbursed Kshs. 885,920,037.92 to Counties and achieved the following;

- i. Supported vulnerable students through bursaries and scholarships.
- ii. Sensitized community from 47 counties through Civic Education.
- iii. Supported various affirmative action groups through economic empowerment category and through value addition income generating initiatives.
- iv. Distributed tanks of various sizes to various schools, health facilities and community affirmative action groups and construction of water tower and borehole. This is to ensure steady supply of water thus reducing water borne diseases.
- v. Supported a huge number of schools going children who benefited from sanitary pads to guarantee uninterrupted learning.
- vi. Supported community groups with car wash machines, mechanical toolboxes and car diagnostic machines to earn incomes.
- vii. Supported community groups with motorbikes to run boda-boda business to facilitate transport sector and earn income.
- viii. Supported community groups with 100-seater tents and chairs as an income generating activities.
- ix. Supported several groups with market and boda-boda shades for their daily business.
- x. Supported PWDs with wheelchairs, elbow clutches, normal clutches and walking sticks to enhance their movement including when seeking for earning opportunities.
- xi. Supported SMEs with market umbrellas to enhance their businesses during all-weather conditions.
- xii. Supported a few schools with stem revision and locker desks to enhance learning.
- xiii. Facilitated community groups with chips frying machines and sufurias.
- xiv. To ensure sustained food security, the Fund supported AAGs with dairy cows as well as livestock fattening to groups.
- xv. Supported AAGs with sewing, welding, shoe making machines.
- xvi. Support community groups with water pumps, PVC pipes, irrigation kits and suction pipes.
- xvii. Supported talent search with jerseys boots and balls.

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- xviii. Supported local groups with saloon equipment.
- xix. Supported farmers with farm inputs to generate income and ensure food security.
- xx. Supported local community to increase forest cover by providing tree seedlings.
- xxi. Construction of social housing units and purchase of iron sheets for the vulnerable and the old.

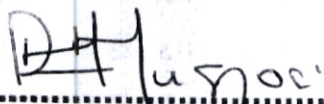
Challenges

During the FY 2022-2023, the Fund has experienced a number of challenges including;

1. Inadequate funds to support operations and management both at the National and at the County offices for staff Personnel Emolument, Office equipment, Office space etc.
2. Inadequate funds to engage requisite staff under the Board as the Fund graduate to full categorization as a State Corporation.
3. Delayed funds from the Exchequer, especially 3rd and 4th Quarter allocation.
4. Non-allocation of recurrent funds for operations purposes.
5. Manual nature of operations which hampers data capture on funded projects.
6. NGAAF Regulations 2016 with some sections not favourable to the targeted population needs.

Future Prospects and Strategy

The Fund's strategy as outlined in the 2019-2023 Strategic Plan is to ensure long term sustainability challenge the management team of the Fund. The Board is composed of Directors with the right balance of mixed skills, experience and competencies required for the achievement of the organization's long-term goals. It also has the goodwill of stakeholders.



.....
Ms Rachael Musyoki, CHRP (K)
Chairperson of the Board

Date: 21/12/2023
.....

6. Report of the Chief Executive Officer

I take delight to present to you highlights of the National Government Affirmative Action Fund's performance and operations for 2022/2023 financial year.

During the financial year 2022/2023, the Fund received exchequer release amounting to Kshs. 2,130,000,000 and a supplementary budget amounting to Kshs. 56, 000,000 to cushion Fund's deficit. The Board disbursed Kshs. 885,920,037.92 to Counties for various activities to support affirmative action groups (Youth, Women and PWDs) for social economic empowerment at county level. The disbursement amount included returned unspent cash by the Counties as at 30 June, 2022.

	Expenditure	Amount (Kshs.)
1	Counties: To finance economic empowerment activities for Affirmative Action Groups	822,922,848
2	Secretariat / Administrative	109,510,144
3	Emergency Interventions	44,629,135
5	Monitoring and Evaluation	3,641,500
	TOTAL	980,703,627

The funds were utilised in achieving the following;

- i. Supported 24,552 vulnerable students through bursaries and scholarships to access education opportunities
- ii. Sensitized community from 47 counties through Civic Education
- iii. 649 affirmative action groups supported through economic empowerment category and 301 groups through value addition income generating initiatives
- iv. Distributed 1,667 water tanks of various sizes (300 tanks of 1,000 litres, 291 tanks of 2,500 litre capacity; 791 tanks of 5,000 litre capacity; 33 tanks of 6,000 litre capacity; 17 tanks of 8,000 litre capacity and 235 tanks of 10,000 litre capacity) to various schools, health facilities and community affirmative action groups. This is to ensure steady supply of water thus reducing water borne diseases.
- v. Supported school going girls with 152,753 packs of sanitary pads to guarantee uninterrupted learning.
- vi. Supported 3 community groups with 3 motorbikes to run boda boda business to facilitate transport sector and earn income
- vii. Supported 219 community groups with 100-seater tents; 81 groups with 50-seater tents; and 9,620 plastic chairs for hire as an income generating activity (ies).
- viii. Supported PWDs with 119 wheelchairs, 19 tri-cycles, 26 crutches, 4 walking sticks, 2 calipers, 1 artificial limb, and 30 white canes to enhance their movement including when seeking for earning opportunities

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- ix. Supported 4,790 SMEs with market umbrellas, 150 canvass shades, 300 canvass market booths to enhance their businesses during all-weather conditions
- x. To ensure sustained food security and income generating activities, the Fund supported AAGs with 1,378 goats and sheep, 9 animal feed mixers. Further, the Fund supported SMEs with irrigation equipment including 100 PVC pipes, 22 water pumps and 22 suction pipes and 1 irrigation kit.
- xi. Supported farmers to ensure food security with 3,486 bags of fertilizer, 3,953 bags of maize seeds, 1000 bags of coffee seeds, 4,200 farmers with (maize seeds, fertilizer and top-dressing fertilizers)
- xii. Supported AAGs with 131 sewing machines and 19 welding machines to carry out businesses to earn them income.
- xiii. Supported the elderly households with various items to enhance their living conditions. This includes supporting such households living under dilapidated conditions with 200 iron sheets to rebuild their houses, 1,270 blankets to afford them with warmth during cold conditions.
- xiv. Supported the vulnerable community members and elderly towards construction of 12 social housing units in the society to provide shelter.
- xv. Construction of 2 market shades and 4 Boda-boda shade to enhance their businesses during all-weather conditions
- xvi. Supported schools with revision books/materials and other equipment; 1,400 stem-revision books and 550 locker desks to guarantee conducive learning environment.
- xvii. Supported AAGs in talent search by facilitating sports tournaments and purchasing sports uniforms and equipment (681 sports uniforms, 601 boots, 240 balls) to ensure the youth are engaged.
- xviii. Supported AAGs with 110 chips-frying machines, 50 sufurias to boost their hotel related businesses.
- xix. Enhanced environmental conservation by supporting AAGs with 32,061 fruit tree seedlings and 18,860 tree seedlings to mitigate on climate change.
- xx. To ensure sustainability of small-scale business, SMEs were supported with 17 sets of saloon equipment.
- xxi. Purchase and modification of 2 (40 feet) containers to the groups to help small businesses.
- xxii. Support AAGs groups in slum areas with 1,850 jiko okoa, to reduce over-dependence on firewood and kerosene while conserving the environment.
- xxiii. Support SMEs with 138 car wash machines, 25 mechanical tool boxes, 25 car diagnostic machines and 8 shoe making machines to boost their businesses.

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Challenges

During FY 2022-2023, the Fund has experienced a number of challenges;

i. Inadequate funds

Inadequate funds for administrative functions these including; salaries, inadequate staff, motor vehicle maintenance and fuel and other office operations. None allocation of recurrent funds for operations purposes.

ii. Inadequate staffing

The Fund has inadequate staff both at the Secretariat and in the counties due to inadequate funding. The Board has tried to address the challenges through requesting for more funding from The National Treasury and seeking for support from development partners and other stakeholders.

iii. Inadequate office space and equipment

The National Secretariat is currently housed in Absa Plaza 16th floor while most County officers are currently accommodated at the County Commissioners' offices which are not fully equipped while a few are hosted in the Women Representatives' offices.

.....
Roy Sasaka Telewa, OGW | FCIPS | FIHRM | CHRP (K)

Chief Executive Officer

Date: 21/2/2023

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**7. Statement of National Government Affirmative Action Fund Performance
against Predetermined objectives for financial year 2022/2023**

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

The National Government Affirmative Action Fund has 5 Strategic Pillars and Objectives within its Strategic Plan for the FY 2018/2019-2022/2023. These strategic pillars are as follows:

- Pillar 1: Economic Empowerment
- Pillar 2: Socio-Cultural Development
- Pillar 3: Institutional & Capacity Development
- Pillar 4: Resource Mobilization
- Pillar 5: Tracking & Reporting on Implementation of NGAAF programmes

NGAAF develops its annual work plans based on the above 5 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Organization did not achieve its performance targets set for the FY 2022/2023 period for its five strategic pillars due to delayed exchequer receipt. The achievements are as indicated in the diagram below:

Strategic Pillar	Objective	Activities	Key Performance Indicators	Achievements
Pillar 1: Economic Empowerment	To Increase income for Affirmative Action Groups	Support table banking activities for AAGs	Amount disbursed. Number of groups funded	Disbursed: Ksh: 94,224,868.28 PC Target: Ksh: 387,660,000.00 Groups Funded: 649 PC Targeted groups: 2,500
		Strengthen capacity of AAGs and PWDs for ease of access to funds and other services		Ensure that GBV centres, Rescue and Rehabilitation centers, IT centres and all other construction by NGAAF are friendly to PWDs. This includes construction of ramp. Partnered with various government & non-governmental stake holders.
		Promote Value Addition Initiatives	Number of Groups supported for value addition supported	PC targeted: 553 groups Number of groups supported: 301 F: 8,400 M: 3,589 PWD:383
	To improve uptake of Government programmes and policies	Civic Education & Community Sensitization	Number of people reached during civic education programmes	No. of citizen reached during civic education Achieved: 73,329 PC Target: 161,100

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Pillar 2: Socio-Cultural Development	To Promote Social Rights for Affirmative Action Groups	Provide advocacy on social rights & participation of AAGs	Number of persons sensitized	Reached out through civic education forums
		Support Elderly Persons as per the Fund Access Guidelines	Number of Elderly reached out	Blankets bought for elderly persons in Migori County Supported elderly persons in construction of 12 housing units (2 rooms) to reconstruct their dilapidated houses in Kitui County
	To enhance access to services for survivors of GBV, FGM, child or forced marriages	Increase number of GBV & Recovery centres & make them operational	Commence access to construction of Gender rescue centre in Taita Taveta, GBV centre in Mombasa and Nairobi Counties	Commenced construction of Rescue centres at Taita Taveta, Mombasa and Nairobi counties
		Facilitate survivors of GBV to access services		Working with various stakeholders' including Chiefs and Assistant Chiefs to sensitize the community about the centres for ease of accessibility by the survivors.
	To enhance access to services for the control of drugs & substance abuse	Establish rehabilitation & Counselling centres and make them operational	Construction & operationalization of Alcohol & Drug abuse rehabilitation centre in Nandi County	Nandi Drugs and Substance Abuse and Rehabilitation centre fully constructed. Awaiting equipping and operationalization
			Operationalize of the rehabilitation & counselling centre in Turkana	Working with stakeholders to operationalize the centre
To identify and develop talents among affirmative action groups	Provision of sporting equipment		Kilifi county purchased 100 balls for the teams (50foot balls and 25 balls each for volleyball and netballs) Nyeri county purchased 100 balls; 50 each for foot balls and volleyballs Isiolo county purchased 2 balls for football teams, 11 pairs of sports boots and 11 pairs of sports uniforms Tana River county purchased 20 pairs of sports socks; 80 pairs of sports uniforms and 1 trophy	

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				Wajir county purchased 38 balls for football, 590 pairs of sports boots, 590 pairs of sports uniforms and 152 nets for use by teams
		Supporting Tournaments		The following counties held sports tournaments; Embu, Makueni, Mandera, Nyandarua, Nyeri, Tana River and West Pokot. This was meant to give opportunities to the AAGs to exploit their talents development
	To increase access to education opportunities for affirmative action groups	Provision of bursaries and scholarships	52,500 needy students targeted	24,552 students benefited (Female=13,510; Male=9,821 and PWD=1,221)
Pillar 3: Institutional & Capacity Development	To strengthen Internal Corporate governance systems	Ensure compliance with laws, regulations, national values and principles of good governance	Induction report	An online induction conducted on 16 th January 2023 on all County Coordinators (Gender Officers)
		Develop corporate communication strategy	Responding to queries raised via the email contacts provided for at the NGAAF website	Use of twitter account Use of facebook account Use of WhatsApp
		Develop & implement (Standard operating Procedures. SOPs)		Standard Operating Procedures developed
	Strengthen Human Capital	Formulate Human Resource Policies		Finalized the development of Human Resource Management Policies for the Fund which were approved by SCAC
		Ensure Optimal Human Resource		Requested for the posting of more staff at NGAAF to act as County Coordinators
		Enhance Staff Training & Development		Supported officers to participate during professional bodies workshop
Pillar 4: Resource Mobilization	To supplement the share of Revenue	Establish partnerships, Engagements & Linkages with	Partnership agreement	Maintained partnership with Equity Bank, Cooperative Bank and Groots (Kenya)

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		development partners and the private sector		
Pillar 5: Tracking & Reporting on Implementation of NGAAF programmes	Strengthen tracking of Implementation of policies, plans & Budgets.	Establish, a monitoring evaluation & Reporting system	M&E Report	Elaborate M & E undertaken in the following counties among others: Mombasa, Kisii, Kisumu, Nakuru, Nandi, and Nairobi. Shortage of staff and exigencies of duties hindered more counties being included.
		Provide timely and reliable information for evidence-based decision making		Reports escalated to the Board in a timely manner

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8. Corporate Governance Statement

The Board of National Government Affirmative Action Fund is committed to ensuring that the Fund operates with professionalism and integrity and maintains high standards of Corporate Governance in carrying out its mandate. The Board embarks on ensuring that the Fund complies with the guidelines on Corporate Governance practices as it is a requirement for public officers.

During this period, the Fund continued to ensure adherence to the following principles:

- i) Timely preparation of accurate financial statements and project reports both performance and financial reports
- ii) Effective processes and systems of risk management and internal controls are in place
- iii) Maintains an effective and efficient system of internal controls
- iv) Procurement process is cost effective and delivers the value for money
- v) Ensures that books of accounts are prepared on timely basis
- vi) Delegates to management the responsibility to implement risk management plan
- vii) Delegates to management the responsibility of designing, implementing and monitoring effectiveness of internal control systems
- viii) Ensures that the chairperson of audit committee is an independent Board member
- ix) Ensures that at least one member of the audit committee has relevant qualifications and expertise in audit, financial management or accounting.
- x) Ensures that the internal audit function reports to the Audit committee on regular basis

Board of Management

The Board is responsible for overall management and long-term strategy of the Fund, ensures compliance with statutory requirements and fulfilling the Funds' responsibilities to stakeholders. The role of the Board is to approve disbursement of funds to the counties, receive, review and approve projects proposals for funding from counties, oversee the management of the Fund, receive, review and approve reports of the Fund.

The Board of Management as stipulated in the NGAAF Regulations, 2016 consists of four (4) independent members and four (4) alternate members representing Principal Secretary responsible for matters relating to Gender, Social Security Services, the National Treasury and Planning. They are appointed as per guidelines provided in the Legal notice No. 52 of 2016.

The roles of the Chairperson and the Chief Executive Officer are clearly separated as set out in *Mwongozo*. The Chairperson provide overall leadership to the Board, leads in setting the agenda for Board meetings, guide Board's decision-making process and encourage Board members to participate fully in Boards deliberations. Monitor the performance of the CEO and maintain close, but independent working relationship with the CEO while ensuring appropriate balance of power between the CEO and the Board. The Chairperson is the spokesperson for the Board and is the principal contact for the CEO.

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The day-to-day management of the business and implementation of policy decisions approved by the Board is the responsibility of the Chief Executive Officer who is also the secretary to the Board and is in charge of the Secretariat.

The Board members are provided with complete and timely information to allow them ample time for appropriate review for discussions in meetings, thereby discharging their responsibilities effectively and efficiently. The Board members are encouraged to develop knowledge of the operations of the Fund by taking part in various activities organized including field visits, monitoring and evaluation and regular trainings.

In order to discharge its mandate and responsibilities effectively, the Board has established and delegated certain tasks to its committees with specific terms of reference. The Board has appointed the committees of the Board with requisite skills and competencies to discharge allocated responsibilities. There are four standing committees of the Board each with clear terms of reference. These are:

1. Audit and Risk Committee
2. Finance and Administration Committee
3. Strategy and Programmes Committee
4. Conflict Resolution, Dispute & Human Resource Committee

The Board and its sub-committee meetings are held as per Board calendar and as dictated by other emerging urgent agenda. During the year the Board held three (3) meetings, Board Evaluation one (1), three (3) special meeting, Finance and Administration committee three (3) meeting, Strategy and Programs Committee held three (3) meetings, Audit and Risk Management committee one (1) meeting while Conflict Resolution, Dispute & Human Resource committee held two (2) meeting. Further, the Board held two (2) consultative meeting with the Women Representative and two (2) adhoc meetings for Chairpersons of the committees to ensure disbursement of funds is done immediately after the vetting. The Board adhoc were necessitated by approval of proposals from the programmes committee to allow disbursements of funds. All these meetings enabled smooth operations of the management and discharge of the Funds Mandate.

However, the Board remains collectively responsible for the decisions and actions taken by any committee. A committee only performs the task delegated to it by the Board and should not exceed the authority or powers of the Board.

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Board expenses

The board expenses are as disclosed in the Financial Statements. The allowances paid are sitting allowances, accommodation/daily subsistence and transport allowances for attending Board meeting and on official duties, per diem on domestic/local travel and lunch allowance where it is not provided while on official duties in line with Government Circulars and net of tax where applicable. The terms of employment of the Chief Executive Officer are clearly defined in the employment contract.

Accountability, audit and stakeholder relations

The Board recognizes its responsibility to present a balanced and understandable assessment of the Fund's financial position and prospects. The Funds financial statements are prepared in accordance with International Public Sector Accounting Standards (IPSAS) and the requirements of the Public Finance Management Act-2012 and audited in accordance with International Auditing Standards (IAS). The Board members recognize and have confirmed their responsibility over the Financial Statements and have provided information in this report that they consider useful to stakeholders.

Communication with Stakeholders

The Fund disbursed allocation for 2 quarters in the financial year 2022/2023 to all counties. It has been maintaining a website, www.ngaaf.go.ke which gives general information about the Fund and various activities undertaken. It has been updated accordingly to provide information to the public. The Fund has a twitter handle **@NGAAF_KE** and a Facebook account **ngaafkenya** whose intention is to capture the participation of the youth thorough the social media platforms.

The Fund actively participates in joint establishment with other Funds and departments within the Ministry and Huduma Centre, to further its mandate to different communities in a more defined and organized platform. In addition, the Fund actively participates in County activities like value addition initiatives, civic education, Bursaries and scholarships. Further, requests for information through other quarters are considered and acted upon as they are received and appropriate disclosure provided.

Board Charter

Good corporate governance is regarded as critical to the success of the business of the Board. The Board is unreservedly committed to applying the fundamental principles of good governance including but not limited to; Integrity, Equity and Fairness, Innovativeness, Gender Equality, Transparency and Accountability, Integrity, Dignity and Self-reliance.

This charter is anchored on *Mwongozo*; the code of governance for state corporations issued by the State Corporations Advisory Committee.

The main objective of the charter is;

- i. To define the governance parameters within which the Board shall operate;
- ii. To set out specific responsibilities to be discharged by the Board members collectively;

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- iii. To ascertain roles and responsibilities incumbent upon Board members as individuals;
- iv. To facilitate the full and free exercise of Board members' abilities and enhance effectiveness in their contributions that is consistent with standards of independent judgement, ethics and integrity expected of them.

Conflict of interest

Board members are required to maintain integrity and declare any conflict of interest on any matter relating to the Fund. A disclosure of an interest made shall be recorded in the minutes of the meeting at which the disclosure is made.

Boards Induction and Skills Development

The Board members undertook comprehensive skill development training from ICPAK to ensure effective and efficient contribution in implementation of the Funds activities.

All Board members are expected to receive continuous skills development to enhance and refresh their knowledge and skills, which will add to their credibility and effectiveness in the discharge of their responsibilities. The Board shall continue to provide necessary resources for implementing training programmes in future.

Board Members' Remuneration

Board members were paid sitting allowances, accommodation/daily subsistence and transport allowances for attending Board meeting and on official duties, per diem on domestic/local travel and lunch allowance where lunch in kind was not provided while on official duties in line with Government Circulars while the Chairperson was paid monthly honoraria in line with Government Circulars.

Board Performance

The Board is expected to perform an annual evaluation to appraise its performance. This evaluation is carried out in accordance with Board evaluation tools through SCAC. This provides an opportunity to identify strengths collective skills gaps and individual areas of improvement. Performance of each committee is also reviewed against agreed terms of reference. The Board also evaluates the performance of the Chairperson and the CEO.

Board and Management Succession

The term of Board was renewed in September, 2021 and this guaranteed continuity of operations of the Fund. However, the Board was disbanded via a gazette notice no. 7704 of 15th June 2023. Further, the Fund advertised and recruited for the position of the CEO in the financial year 2022-2023.

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9. Management Discussion and Analysis

The Mandate of the Fund;

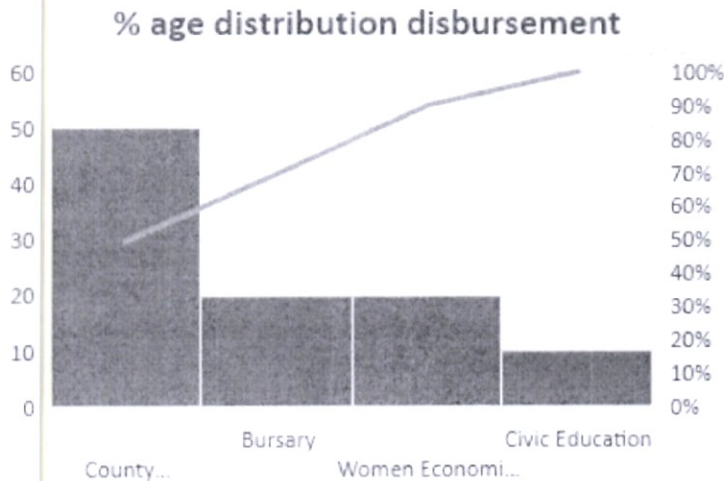
- i. Enhancement of access to financial facilities for affirmative action groups and the amount allocated to this objective shall not exceed twenty (20%) of the total Fund receipts;
- ii. Support of value addition initiatives by the affirmative action groups;
- iii. Socio-cultural development and nurturing of talent for the affirmative action groups including promotion of the arts, music and sports;
- iv. Enhanced access to services for survivors of gender-based violence, female genital mutilation, child marriages or forced marriages through the establishment of rescue centers and legal aid centers and other similar facilities;
- v. Support of affirmative action groups through bursaries and scholarships to access education opportunities. The amount allocated to this objective shall not exceed twenty (20%) of the annual total allocations of the Fund;
- vi. Establishment of drug and substance abuse rehabilitation and counseling centers in conjunction with the relevant Government agencies;
- vii. Conducting civic education and community sensitization on National Government Affirmative Action programmes and policies such as the 30% procurement reservation for women, youth and persons with disabilities, existence of other social economic empowerment opportunities such as Uwezo Fund and Youth Enterprise Development Fund and Women Enterprise Development Fund. The amount allocated to this objective shall not exceed ten (10%) of the annual allocation of the Fund.

The table below indicates distribution of allocation in each funding category

S/No.	Category	%	Amount (Kshs.)
1	County/Constituency	50	920,692,500.00
2	Bursary	20	368,277,000.00
2	Women Economic Empowerment	20	368,277,000.00
4	Civic Education	10	184,138,500.00

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The chart below indicates percentage funding distribution for various categories



On Institutional Strengthening the following was achieved;

- i. During the year the Internal Auditors from Gender carried out audit in 5 Counties.
- ii. Finalization of evaluation exercise for the E-Board & Integrated Financial and Programme Management Information System.
- iii. Enhancement of corporate image by adoption of corporate colours and rebranding
- iv. Enhancement of internal controls and systems in procurement and finance departments
- v. Enhancement of performance management
- vi. Improved working conditions

Major Risks Facing the Fund

This entails undertaking mitigation measures through compliance to mitigate threats and involving people to follow the set procedures and use of relevant tools in order to ensure conformity with risk management policies. To ensure the organization is cushioned against risks, the following risks and strategies have been identified:

1. Negative cultural and social beliefs that hinder some communities from accessing the funds. This is mostly experienced in Muslim dominated counties. The Fund has enhanced civic education.
2. Challenges in operationalizing some of the Section(s) in NGAAF Regulations, 2016 which created the Fund. There is need to involve stakeholders in reviewing some of the articles in the Regulations.
3. High rate of staff turnover. There is need for the Board to secure its already existing workforce by ensuring better terms of employment.

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4. Challenges in securing Personnel Emolument. NGAAF has not been able to secure expenditure for PE for County Coordinators and staff.
5. The Fund operational costs are capped at 5% which is insufficient to run the entity effectively. Therefore, there is need to review Regulations 15 (5).

10. Environmental and Sustainability Reporting

The National Government Affirmative Action Fund exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on 5 pillars: putting the customer/citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

(i) Sustainability strategy and profile

The Government of Kenya is committed to the attainment of the United Nations Sustainable Developments Goals (SDGs) as agreed upon by the international community in September, 2015. SDGs are universal and they address the economic, social and environmental dimensions of sustainable development in a comprehensive and integrated manner. The SDGs incorporate experience gained from the Millennium Development Goals (MDGs) and include additional dimensions on sustainability. The mandate of NGAAF has a direct corresponding relationship with 8 sustainable development goals. In its strategy implementation, NGAAF has put in place programmes and activities which make the Fund a significant player in implementing the 8 SDGs. However, since the 17 SDGs are inter-linked, the Fund's key to achieving 8 implies that all SDGs are achieved.

(ii) Environmental performance

Environmental policy as outlined in the strategic plan is captured under the social pillar which focuses on Environmental conservation and management activities. It also lays emphasis on emerging environmental challenges such a climate change and e-waste. This comes along with it the preference for green products and services. This in terms leads to the importance of increasing public private partnership as a strategic response.

NGAAF sees this as potential business opportunity for affirmative groups. In this context, the AAGs are sensitized on the opportunities e.g carbon credit trading through afforestation activities, and also provides such groups with appropriate capacity and facilities.

NGAAF is leveraged on Strategic partnership to ensure it is continuously meeting its mandate. Some of NGAAF strategic partners includes, Cooperative Bank, Equity Bank and Groots among others.

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Environmental conservation through planting of trees at Ol'Kalou Primary School in Nyandarua County. Students and pupils were given an opportunity to carry out the exercise and nurture the trees to maturity



Rebecca Ekitela and Rose Esinyen from Lobokat ward in Turkana South, Turkana County benefitting from electric sewing machine to support their tailoring business

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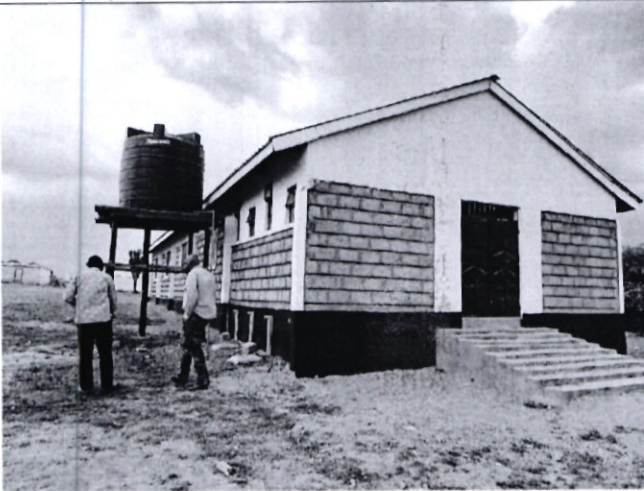


Section of Taita Taveta Bura Child Rescue Centre (Administration block) at Mwatate Sub-County, Taita Taveta County



Front section of the Safe House for NGAAF in Nairobi County. The structure awaits roofing (some roofing materials on site), finishes, mechanical and electrical and civil works

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Girls' dormitory at Kisima Mixed Girls School in Samburu County. Taken during visit by the Samburu County Internal auditors, NGAAF staff and the contractor.

Employee Welfare

The Public Service Commission policies of hiring staff are taken into account based on the core values of tenets of equity, gender equality, dignity, integrity, innovativeness and self-reliance. NGAAF is guided by its strategic plan where it has captured issues of staff welfare. In particular, the following have been encapsulated in staff welfare. Defined career progression, healthy, safe and secure working environment, training and development opportunities for staff, welfare and equity as well as fair remuneration. NGAAF has endeavoured to ensure that all staff operate from Government premises whose safety meet the thresholds required by the Occupational Safety & Health Act (OSHA of 2007).

Market place practices

The Organization channels National Government Support to affirmative action groups for free. The beneficiary groups are not expected to pay any fee or inducements in order to receive such support. No staff is expected to receive rewards from the beneficiary groups for executing his/her mandate. The support is based on the constituencies where each constituency receives a similar allocation across the country without discrimination. The organization cooperates with other agencies working towards empowerment of affirmative action groups. These include: Women Enterprise Fund, Youth Enterprise Development Fund, Hustler Fund and Uwezo Fund. The Fund envisages and advocates for synergies across other existing funds in advancing the affirmative action and as well for greater reach and impact. To this end, the Fund champions for a harmonious working relationship to enhance the complimentary role of this funds since NGAAF support is a grant unlike the other funds where funds ought to be repaid.

The organization has a Supply Chain Management department that handles procurement function and activities. The Fund undertakes procurement function in compliance and in accordance to guidelines and policies on implementation of the Public Procurement and Asset Disposal Act (2015), Public Procurement and Asset Disposal Regulations, 2020 and other relevant Statutes. It undertakes inventory management, oversees the implementation of

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e-procurement and participates in negotiations on framework agreements and consortium buying. It also follows government policy on reserving 30% of all its procurement for entities owned by women, PWDs and youth. In addition, the organization has set aside 40 % of its procurement budget to promote local content.

Construction to completion of market sheds in some counties has facilitated serene and conducive working environment for businesses to thrive. The AAGs are able to work for long hours and during all-weather conditions without any interruption when either too sunny or rainy



Constructed market sheds in Kisii County at Nyacheki and Tabaka, The markets have 100 stalls each where business persons will be keeping their wares

Community Engagement

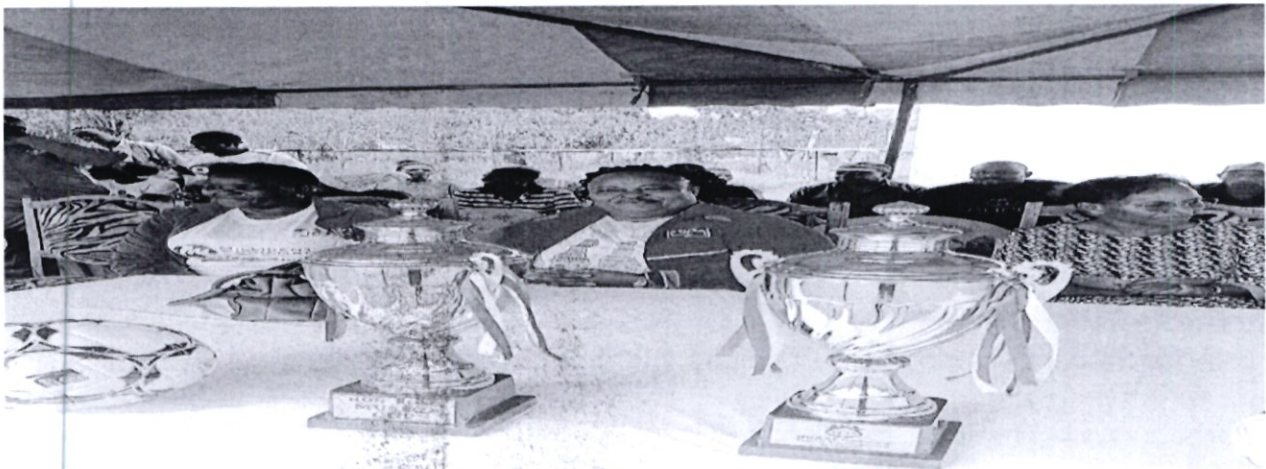
The organization engages with the community through its nature of mandate. The Affirmative Action Fund was established to provide financial support to affirmative action groups for socio-economic development through legal notice No. 52 of the Public Finance Management Act (No.18 of 2012) led to the birth of NGAAF Regulations,

It provides bursaries/scholarships to needy students across all the counties in each quarterly disbursement. It also provides communities with opportunities for nurturing youth talents and sports. The organization has also undertaken a lot of initiatives providing sanitary pads to school going girls, provision of market umbrellas and conducting civic education programmes to inform the public of the Fund's mandate. Further, it has engaged in planting of trees in partnership with other stakeholders.

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Talent development through football tournament in Makueni County. Hon. County Member of Parliament (Hon. Rose Museo) gracing the occasion at Kikumini grounds, Nguu Masumba Ward



Display of trophies to be awarded to the winning team from football tournament in Makueni County



Civic education forum where community members are attentively listening on how to access NGAAF funds in Lamu County

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Issuance of NGAAF support through bursaries and scholarships to needy students in Taita Taveta County



Issuance of cheques to groups in Lamu County



Issuance of bursary and scholarship cheques in Nairobi County

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11. Report of the Directors

The Directors submitted their report together with audited financial statements for the year ended June, 2023 which show the state of the National Government Affirmative Action Fund Affairs.

i) Principal activities

The principal activity of the National Government Affirmative Action Fund is to enhance access to financial facilities for Affirmative Action Groups (AAG's) through support to:

- a) Women Economic Empowerment;
- b) Value Addition Initiatives by AAGs;
- c) Socio-cultural development and nurturing of talent for AAGs including promotion of arts music and sports;
- d) Survivors of gender-based violence, female genital mutilation, child marriages or forced marriages through establishment of rescue centres, legal aid centers and other similar facilities;
- e) Provision of bursaries and scholarships to access training and educational opportunities;
- f) Rehabilitation and rescue, counseling centres in conjunction with the relevant government agencies to address drug and substance abuse and
- g) Civic education and community sensitized on National Government Affirmative Action Programmes and policies.

ii) Results

The results of the entity for the year ended June 30, 2023 are set out on page 1

iii) Directors

The members of the Board of Directors who served during the year are shown on pages viii to xii.

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iv) Auditors

The Auditor-General is responsible for the statutory audit of the National Government Affirmative Action Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board


.....
Roy Sasaka Telewa, OGW/FCIPS/FIHRM/ICHRP(K)
Chief Executive Officer

Date: 21/12/2023.....

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12. Statement of Directors' Responsibilities

Section 81(1) of the Public Finance Management Act, 2012 requires that at the end of the financial year, the Accounting Officer for a national government entity shall prepare financial statements in respect of the National Government Affirmative Action Fund, which give a true and fair view of the state of affairs of the entity at the end of financial year and the operating results of the entity for the year. The Directors are also required to ensure that National Government Affirmative Action Fund keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The Directors are also responsible for safeguarding the assets of the National Government Affirmative Action Fund.

Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Directors are responsible for the preparation and presentation of the National Government Affirmative Action Fund (NGAAF) financial statements, which give a true and fair view of the state of affairs of NGAAF for the year ended on June, 2023.

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 mis-statements, whether due to error or fraud
- iv. Safeguarding the assets of the National Government Affirmative Action Fund
- v. Selecting and applying appropriate accounting policies; and
- vi. Making accounting estimates that are reasonable in the circumstances.

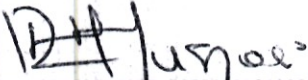
The Directors accept responsibility for the NGAAF's Financial Statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Directors are of the opinion that the NGAAF's Financial Statements give a true and fair view of the state of NGAAF's Financial Position as at that date. The Directors further confirms the completeness of the accounting records maintained for the NGAAF, which have been relied upon in the preparation of the NGAAF Financial Statements as well as the adequacy of the systems of internal financial control.

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


Approval of the Annual Financial Statements

The National Government Affirmative Action Fund Financial Statements were approved by the Board on 21/12/ 2023 and signed on its behalf by:



.....
**Ms Rachael Musyoki, CHRP(K)
Chairperson of the Board**

Date: 21/12/2023
.....



.....
**Roy Sasaka Telewa, OGWIFCIPSIFIHRMICHRP (K)
Chief Executive Officer**

Date: 21/12/23
.....

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON THE NATIONAL GOVERNMENT AFFIRMATIVE ACTION FUND (NGAAF) FOR THE YEAR ENDED 30 JUNE, 2023

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 the 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

Qualified Opinion

I have audited the accompanying financial statements of National Government Affirmative Action Fund set out on pages 1 to 26, which comprise of the statement of financial position

Report of the Auditor-General on The National Government Affirmative Action Fund (NGAAF) for the year ended 30 June, 2023

as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Affirmative Action Fund as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Misstatement of Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.188,863,723 and as disclosed in Note 19 to the financial statements. However, review of the fixed asset register and underlying records revealed that the property, plant and equipment balance comprised of motor vehicles, furniture and fittings, computers and other assets at cost values without commensurate depreciation charge for use of the assets. This was contrary to Paragraph 49 of the International Public Sector Accounting Standard (IPSAS) 17 on property, plant and equipment which provides for revaluation of property, plant and equipment every three to five years. Further, the assets have not been revalued or depreciation charged to reflect the carrying amount of the property, plant and equipment.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.188,863,723 could not be confirmed.

2. Inaccuracies in Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.1,804,347,961 which includes balances in County Offices of Kshs.68,150,869 as disclosed in Note 17 to the financial statements. However, review of the bank reconciliation statements revealed that, included in the reconciling items described as unrepresented cheques as at 30 June, 2023 were stale cheques amounting to Kshs.1,112,267 issued by NGAAF Offices in Kisii County. Further, the bank reconciliation statement for NGAAF Machakos County had long outstanding payments in the cashbook, not in the bank statement (unrepresented cheques) totalling Kshs.7,669,664, out of which, Kshs.3,455,243 relates to stale cheques issued in October, 2020.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.1,804,347,961 could not be confirmed.

3. Inaccuracies in Payables Balance

The statement of financial position reflects payables balance of Kshs.823,700 as disclosed in Note 16 of the financial statements. However, the balance excludes payables' balance of Kshs.12,412,467 owed to suppliers in Kisii County indicated under the supplementary disclosure Note 16 to the financial statements. Further, the Management did not provide a satisfactory explanation for the failure to settle the bills during the year they occurred.

In the circumstances, the accuracy and completeness of the payables balance of Kshs.823,700 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects the final receipt budget and actual on a comparable basis of Kshs.2,186,000,000 and Kshs.2,186,764,178 respectively resulting in an overfunding of Kshs.764,178. Similarly, the Fund spent an amount of Kshs.980,703,627 against an approved budget of Kshs.2,240,822,627 resulting in an under-expenditure of Kshs.1,260,119,000 or 56 % of the budget.

The overfunding and the under-expenditure affected the planned activities of the Fund and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this 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

Unresolved Prior Year Matters

In the audit report of the previous year, several paragraphs were raised. Although, the Management has indicated that some of the issues have been resolved under progress

on follow up of auditor's recommendation section of the financial statements, the matters remained unresolved as at 30 June, 2023. □

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 matters 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

1.0 Irregular Purchase of Umbrellas

The statement of financial performance reflects transfers to other Government units - Counties expenditure of Kshs.822,922,848, as disclosed in Note 8 to the financial statements. The funds were disbursed to Counties on quarterly basis for various projects based on Board approved projects and NGAAF Fund Access Guidelines, 2021. Review of Approved Second Quarter of 2022-2023 Ref: MPSGAA/SDGAA/NGAAF/7 of 30 March, 2023 for Countywide projects, No. 3 indicated that the Board approved for Nakuru County to buy nine hundred and twenty (920) umbrellas at a total cost of Kshs.3,628,480. However, according to the NGAAF Fund Access Guidelines, 2021, each County is allowed to buy a maximum of two hundred (200) umbrellas only. No explanation was provided for purchase of the excess 720 umbrellas worth Kshs.2,839,680. Further, Kilifi and Mombasa Counties exceeded the limit of 200 umbrellas set out in the Guidelines by one hundred twenty (120) and three hundred and fifty (350) resulting in an irregular over-expenditure cost of Kshs.1,000,000 and Kshs.1,718,250 respectively.

In the circumstances, the propriety of the expenditure totalling Kshs.5,557,930 could not be confirmed and the Management was in breach of the NGAAF Fund Access Guidelines on the funds.

2.0 Failure to Implement E-Procurement Processes

During the year under review, the Fund carried out procurement of goods and services outside the e-Procurement Module. This was contrary to Regulation 49(2) of the Public Procurement and Asset Disposal Regulations, 2020 which states that the conduct of e-procurement procedures for the supply of goods, works and services shall be carried out by a procuring entity using an e-procurement system which is integrated to the State portal. Further, Executive Order No. 2 of 2018 iv (b) which directed all accounting officers to ensure that beginning 1 January, 2019, all Public Procuring Entities shall undertake all their procurements through the e-Procurement Module on IFMIS. The NGAAF Management also did not publicize all ongoing contracts entered into contrary to Executive Order No. 2 of 2018 (f) which required all public procuring entities to publish all

ongoing contracts entered into before finalization of expected works, suppliers or services pending completion and final payments.

In the circumstances, Management was in breach of the law and government policy on e-procurement.

3.0 Non-Adherence to NGAAF Policies and Fund Access Guidelines

Review of Fund records provided revealed that the Fund did not update the registered list of suppliers during the year under review. This was contrary to Paragraph 57 of the NGAAF Fund Access Guidelines, 2021, which states that the procuring entity shall maintain and update the list of registered suppliers in categories of goods, works and services according to its procurement needs. Further, the NGAAF County Offices did not provide reports on pending payments to NGAAF headquarters for the financial year ending 30 June, 2023. In addition, the Management did not operationalize completed Rescue and Counselling Centers in various Counties.

In the circumstances, the Fund Management was in breach of the law.

4.0 Non-Compliance with Gender Rule in Employment

During the year under review, the total number of employees of the Fund was eighty (80), out of whom sixty-four (64) or 80% of the total number were of male gender. This was contrary to the Public Service Commission Human Resource Policies and Procedures Manual, 2016 which provides that the Government will endeavor to have a balanced civil service by ensuring that not more than two-thirds (2/3) of the positions in the establishment are filled by either gender.

In the circumstances, Management was in breach of the law.

5.0 Irregularities in Recruitment of NGAAF County Coordinators

During the year under review, the Fund recruited forty-five (45) County Coordinators to fill vacant positions on a three-year contract effective 1 July, 2023. However, the following anomalies were noted:

5.1 Lack of an updated Human Resource Plan and Human Resource Management Advisory Committee (HRMAC)

The National Government Affirmative Action Fund had not updated Human Resource Plan contrary to Paragraph 2.15.1 of the NGAAF Human Resource Policy and Procedure manual which states that, the CEO shall ensure the development of a Human Resource plan based on comprehensive job analysis, which shall be reviewed every year to address emerging issues and needs. Further, the CEO did not constitute a Human Resource Management Advisory Committee (HRMAC) for the Fund. This was contrary to Paragraph 2.14.1 of the NGAAF Human Resource Policy and Procedure manual which states that, the CEO shall constitute a Human Resource Management Advisory Committee (HRMAC). The Committee's advisory services include management of the recruitment process, constituting the interview panel, the appointment of their

representatives to the interview panel and compiling reports among other functions. As a result, the recruitment process was in breach of the NGAAF policies.

5.2 Lack of Board's Approval of the List of Selected Candidates for Interview

The Shortlisting Committee's terms of reference required the Committee to prepare and submit a shortlisting report to the Chief Executive Officer for the Board's adoption. Although the Committee prepared and submitted a shortlisting report to the Chief Executive Officer through Internal Memo MPSGAA/SDGAA/NGAAF/2 dated 26 May, 2023 containing 235 candidates shortlisted, the report was not signed by the Shortlisting Committee members to confirm ownership and authenticity of the shortlisted candidates. Further, no Board meeting minutes were provided for audit review indicating that the shortlist was adopted or ratified by the Board.

5.3 Failure to Declare Conflict of Interest

There was no documentary evidence indicating that the Shortlisting and Interviewing Committees signed a declaration whether members of the Shortlisting and Selection Committees or the interview panels had any conflict of interest in the recruitment process. This was contrary to Paragraph 2.16.3 of the NGAAF Human Resource Policy & Procedure manual 2023. In the absence of the declaration, the integrity of the process may have been compromised.

5.4 Irregular Participation of an Intern in the Interview and Selection Panel

Review of the interview score sheets revealed that the interview panel included a human resource intern. The intern was not appointed as a member of the Interviewing and Selection Committee but participated in the interview process as a panelist, awarded scores and signed the interview score sheets. It was also not explained why the intern or junior staff could interview a person for a higher position than the interviewer.

5.5 Irregularities in Ranking and Selection of Candidates

Re-computation of the average scores recorded in the interview report from the score sheets reflected errors as tabulated below;

	County	Applicant	Interview Report Average	Recomputed Average
1	Mombasa	A	55.8	53.3
2	Tana River	B	60.3	47.8
3	Samburu	C	26.8	33.5
4	Siaya	D	53.4	50.5

As indicated above, in the interview report for the candidate 2 who applied to be County Coordinator-Tana River County, had scored an average of 47.8, re-computed from the score sheets. However, during the ranking, the applicant was awarded an average of 60.3 marks making him rank number 1 and was subsequently appointed as the County Coordinator for Tana River County. Had the anomaly not occurred, the second-ranked applicant who had 56.6 marks would have been top-ranked applicant and therefore appointed instead of the person picked by the Selection Committee.

Further, a scrutiny of the interview and selection report revealed instances of biased hiring practices. In Homabay County, candidate 2 was chosen instead of the best-ranked candidate without justification on why the best-rank candidate was not recommended for appointment. Evaluation of the score sheets revealed the following ranking and selection:

Candidate	Average Score (%)	Ranking by Selection Panel
A	67	1
B	62	2
C	60.25	3
D	47.5	4
E	30.25	5

5.6 Failure to Fill Vacant Positions

Records indicated that the advertisement called for interested candidates to fill the forty-seven (47) vacant positions for all the Counties in Kenya. Management, however, did not conduct interviews for Isiolo County. In addition, the Management discarded the interview scoring for Nyeri County and retained Gender officers from the State Department for Gender who were serving in the positions.

The selection committee recorded the interview scores and ranking for Nyeri County as follows:

Candidate	Scores	Ranking
A	68.5	1
B	60.5	2
C	45	3
D	30.75	4
E	30.25	5

Records indicated that the successful candidate for Makueni County was rejected by the County Patron in writing and stated her preferred candidate who was ranked second and subsequently appointed as the County Coordinator. This was contrary to the provisions of the Human Resource Policy and Procedure Manual, which states that staff are recruited based on merit after undergoing a recruitment exercise and not based on personal preferences.

5.7 Failure to Sign Report

Four interviewing panel members and the secretary to the Committee signed the panel report, while one member did not sign the report. This was contrary to Paragraph 2.17.5 of the NGAAF Human Resource Policy and Procedure manual 2023, which provides that the panel members shall sign the report and the secretary of the committee shall submit the report to the CEO within twenty-one (21) working days from the last date of the

interview. No justification or dissenting opinion by the member was provided for confirmation.

5.8 Failure to Recruit Persons Living with Disabilities

Analysis of the long list of applicants for the County Coordinator position indicates that twenty-seven (27) persons living with disabilities applied for the job, out of which, the shortlisting panel picked only four who were shortlisted for the interview but none were appointed. A review of interview scores revealed that the candidate for Homabay County scored 60.25% and met the pass mark of 60%. However, the Committee did not recommend the candidate to be considered for appointment. This was contrary to Article 54(2), which states that the State shall ensure the progressive implementation of the principle that at least five percent of the members of the public in elective and appointive bodies are persons with disabilities. Further, Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 provides that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment shall have more than one-third of its staff from the same ethnic community.

5.9 Anomalies in Appointment and Deployment of County Coordinators

During the year under review, the Fund did in appointment and deployment of the County Coordinators. However, the report of the interview for the County Coordinators was signed on 20 July, 2023 by the interview and selection panelist and subsequently, the candidates recommended for appointment were issued with offer of appointment letters on 27 July, 2023. However, the Board did not ratify the appointments.

Further, no offer of appointment letters were issued to the candidates selected for the Nakuru and Wajir counties. Further, no appointment letters or contracts were issued and kept in the candidates' files. This was contrary to Paragraph 2.22.2 of the NGAAF Human Resource Policy and Procedure Manual 2023 which states that the employee will be required to acknowledge the letter of appointment and append his signature before or on the date of engagement. A copy of the letter shall be placed in the personal file.

In addition, background checks for the appointed County Coordinators were not performed. This was contrary to Paragraph 2.17.3 of the NGAAF Human Resource Policy and Procedure Manual 2023 which states that the Fund shall conduct background checks for candidates to be recruited

In the circumstances, Management was in breach of the law and the regularity of the recruitment of County Coordinators, could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON 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, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Corporate Governance and Risk Management

Review of the Fund internal controls, governance and risk management strategies revealed the following weaknesses:

- (i) The Board Performance evaluation was not submitted to the State Corporations Advisory Committee (SCAC).
- (ii) The Fund Board and Management did not to implement some of the strategic proposals in the NGAAF Strategic Plan 2018/2019 to 2022/2023.
- (iii) The Audit Committee met only once instead of the recommended four times during the year under review contrary to Section 179(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Audit Committee shall meet at least once every three months.
- (iv) The Fund did not have Approved instruments to guide its operations such as an Approved Communication Policy, Staff Welfare Policy, Approved ICT Policy and Asset Management Policy.
- (v) The Fund did not have structures and guidelines for management of Fund activities and assets during transition period when there is change of County patrons or County coordinators leading inefficiencies in fund operations and assets are prone to misuse.

In the circumstances, the effectiveness of the internal controls, risk management and overall governance at the Fund could not be confirmed.

2. Failure to Automate Fund Operations

Review of the Fund operations revealed that the Fund uses manual systems to prepare its financial records in the form of spreadsheets instead of an Enterprise Resource Planning (ERP) system approved by the National Treasury. The manual system requires human intervention and is prone to errors and fraud.

In the circumstances, the effectiveness of the internal controls, risk management and overall governance at the Fund could not be confirmed.

3. Lack of Agreements on Storage of Goods at the Counties

Review of mechanisms put in place by the Fund Management to safeguard assets from loss or misuse, it was noted that most of the NGAAF county offices were using privately owned facilities instead of public facilities for storage of assets such as tanks, tents, mattresses and car wash machines before distribution of the items to the respective beneficiaries. However, the Fund did not sign lease agreements with the private firms or individuals for the duration the assets are kept at the private properties.

In the circumstances, the security of the NGAAF assets could not be confirmed.

4. Non-Compliance with the Approved Human Resource Plan

The staff establishment of the Fund sets the authorized number in post employees at two hundred and eighty-one (281). However, the number in-post during the year was sixty-one (61) employees resulting in an understaffing of 220 employees. A detailed review of the establishment also indicates understaffing in various departments and carders. Management explained that the understaffing was due to lack of adequate funding, and effort is being made to source more funds from The National Treasury.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to 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 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 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 controls 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

22 February, 2024

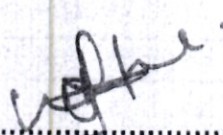
National Government Affirmative Action Fund
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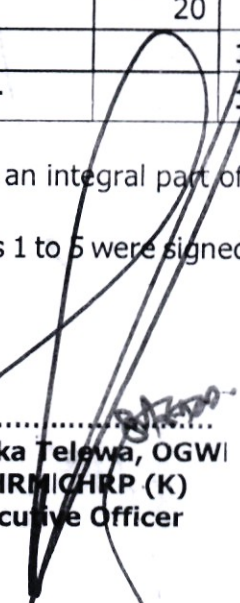
14. Statement of Financial Performance for the year ended 30 June 2023


	Notes	2022/2023	2021/2022
		Kshs.	Kshs.
Revenue from non-exchange transactions			
Transfers from the National Government -State Department for Gender	6	2,186,000,000	2,185,822,945
Revenue form exchange transactions			
Other Income	7	764,178	1,746,770
Total revenue		2,186,764,178	2,187,569,715
Expenses			
Transfer to Other Government units - Counties Expenditure	8	822,922,848	2,300,414,214
Use of goods & services	9	28,051,098	30,857,401
Employee costs	10	64,335,355	83,819,071
Board Expenses	11	13,958,610	13,700,449
Repairs and maintenance	12	3,165,081	1,196,912
M & E Expenses	13(a)	3,641,500	6,631,600
Emergencies to Counties	14(a)	44,629,135	40,492,800
Total expenses		980,703,627	2,477,112,447
Gain/Loss on salvage	20	-	(38,469,238)
Surplus/Deficit for the year		1,206,060,551	(289,542,732)
Net Surplus/Deficit for the year		1,206,060,551	(328,011,970)

The notes set out on pages 7 to 22 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:


.....
Ms Anne N Wang'ombe
Principal Secretary
State Dept for Gender


.....
Roy Sasaka Telewa, OGW/
FCIPSIFIHRMICHRP (K)
Chief Executive Officer


.....
CPA (K) Dr. Maurice Gichuhi
ICPAK No. 6325
Director Finance

Date: 21/12/23

Date: 21/12/2023

Date: 21/12/2023

National Government Affirmative Action Fund
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15. Statement of Financial Position as at 30 June 2023

	Notes	2022/2023 Kshs.	2021/2022 Kshs.
Assets			
Current assets			
Cash and cash equivalents	17 (a)	1,804,347,961	610,895,558
Receivables	18	-	838,287
Total Current Assets		1,804,347,961	611,733,845
Non-current assets			
Property, plant and equipment	19	188,863,723	176,083,723
Total Non-current Assets		188,863,723	176,083,723
Total assets		1,993,211,684	787,817,567
Liabilities			
Current liabilities			
Provisions for Gratuity	15	18,323,923	18,862,058
Payables	16	823,700	952,000
Total Current Liabilities		19,147,623	19,814,058
Total liabilities		19,147,623	19,814,058
Capital and Reserves			
Emergency Reserves	14(b)	89,149,885	91,179,020
Accumulated surplus		1,884,914,175	676,824,490
Total Capital and Reserves		1,974,064,060	768,003,509
Total Liabilities and Capital & Reserves		1,993,211,683	787,817,567

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

.....
Ms Anne N Wang'ombe
Principal Secretary
State Dept for Gender

Date: 21/12/23

.....
Roy Sasaka Telewa, OGW/
FCIPSIF/HRMICHRP (K)
Chief Executive Officer

Date: 21/12/2023

.....
CPA (K) Dr. Maurice Gichuhi
ICPAK No. 6325
Director Finance

Date: 21/12/2023

National Government Affirmative Action Fund
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16. Statement of Changes in Net Assets for the year ended 30 June 2023

	Emergency Reserves	Accumulated Surplus	Total
Balance b/f at July 1, 2021	89,071,820	1,006,943,659	1,096,015,479
Add:			
Emergency Reserves	42,600,000	(42,600,000)	-
Less:			
Expenditure on Emergency	(40,492,800)	40,492,800	-
Surplus for the period - 2021/2022	-	(328,011,970)	(328,011,970)
Balance c/d as at June 30, 2022	91,179,020	676,824,489	768,003,509
Balance b/f as at July 1, 2022	91,179,020	676,824,489	768,003,509
Add:			
Emergency Reserve	42,600,000	(42,600,000)	-
Less:			
Expenditure on Emergencies	(44,629,135)	44,629,135	-
Accumulated Surplus	-	1,206,060,551	1,196,183,014
Balance c/d as at June 30, 2023	89,149,885	1,884,914,175	1,964,186,523

- NGAAF Regulations, 2016 states that there be created an emergency reserve of 2% every year. The monies shall only be disbursed when need arises.
- The accumulated surplus refers to surplus from the Statement of Financial Position.

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17. Statement of Cash flows as at 30 June 2023

	Notes	2022/2023 Kshs.	2021/2022 Kshs.
Cash flows from operating activities			
Transfers from other Government – State Department for Gender		2,186,000,000	2,185,822,945
Other Income		764,178	1,746,770
Total Receipts		2,186,764,178	2,187,569,715
Payments			
Transfer to other government entity – County Expenditure		822,922,848	2,300,414,214
Use of goods & Services		27,697,610	33,655,494
Employee costs		64,240,690	90,026,412
Board Expenses		14,234,910	13,331,949
Repair & Maintenance		3,165,081	1,196,912
M & E		3,641,500	6,631,600
Emergency Fund		44,629,135	40,492,800
Total Payments		980,531,774	2,485,749,381
Net Cash flow from operating activities		1,206,232,404	(298,179,666)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		12,780,000	-
Proceeds from sales of motor vehicles (Net)		-	2,030,762
Net cash flows used in investing activities		12,780,000	2,030,762
Cash flows from financing activities			
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		1,193,452,404	(296,148,904)
Cash and cash equivalents at 1 July 2022	17(a)	610,895,558	907,044,462
Cash & cash equivalents as at 30 June 2023	(17(a))	1,804,347,962	610,895,558

IPSAS 2 allows an Entity to present the cashflow statements using the direct or indirect method. The above cashflow has been presented using the direct method.

.....
Ms Anne N Wang'ombe
Principal Secretary
State Dept for Gender

Date: 21.12.22

.....
Roy Sasaki Telewa, OGW/
FCIPS/FIHRM/ICHRP (K)
Chief Executive Officer

Date: 21/12/2023

.....
CPA (K) Dr. Maurice Gichuhi
ICPAK No. 6325
Director Finance

Date: 21/12/2023

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18. Statement of Comparison of Budget and Actual Amount for the year ended 30 June 2023

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	2022-2023	2022-2023	2022-2023	2022-2023	2022-2023	
Details	Kshs.	Kshs.	Kshs.	Kshs.		
Revenue						
Transfers from other government entities	2,130,000,000	56,000,000	2,186,000,000	2,186,000,000	-	
Other Income	-	-	-	764,178	764,178	
Total income	2,130,000,000	56,000,000	2,186,000,000	2,186,764,178	764,178	
Expenses						
Transfers to Counties - Counties Expenditure	1,938,300,000	95,157,629	2,033,457,629	822,922,848	1,210,534,781	60
Use of goods & services	40,648,936	-	40,648,936	28,051,098	12,597,839	31
Employee Cost	88,720,638	2,000,000	90,720,638	64,335,355	26,385,283	29
Board Expenses	21,336,600	-	21,336,600	13,958,610	7,377,990	35
Repairs and maintenance	3,025,000	-	3,025,000	3,165,081	(140,081)	(05)
M & E	42,600,000	(33,566,176)	9,033,824	3,641,500	5,392,324	60
Emergencies to Counties	42,600,000	-	42,600,000	44,629,135	(2,029,135)	(05)
Total expenditure	2,177,231,174	63,591,453	2,240,822,627	980,703,627	1,260,119,000	56
Surplus/Deficit	(47,231,174)	(7,591,453)	(54,822,624)	1,206,060,551	(1,260,883,178)	

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Budget notes

**1. On differences between actual and budgeted amounts (10% over/under)
IPSAS 24.14**

County Expenditure – The underutilization under county expenditure was due to late exchequer release and delays in appointment of the County committees. This made it impossible to vet the projects in good time and therefore underutilization of funds before 30th June 2023 as planned.

Use of goods & services – Underutilization was because of delays in exchequer release that hampered the procurement of goods and services.

Employee costs - The underutilization under employee costs was due to delay in payment of gratuity and Management of Counties was made by Gender Officers after the exit of the substantive coordinators.

Board Expenses - Underutilization under Board expenses were due to rescheduling of Board oversights to subsequent period.

Monitoring & Evaluation - Under absorption in M & E was due to rescheduling of planned activities to subsequent period.

Generally, there was a decline in board's planned activities which was occasioned by change of guard and reconstitution of the committees.

2. On differences between original and final budget (reallocations or other causes) IPSAS 24.29

Transfers to Counties - The adjustments is because of unspent balances returned at the beginning of the year.

Employee Costs - The board approved additional budgetary allocation on staff costs and travel expenditure.

Monitoring & Evaluation – During the year, the Board approved some reallocation to other cost items as reflected in M & E movement schedule.

3. The total of actual on comparable basis tied to the Statement of Financial Performance and there were no differences in accounting basis.

19. Notes to the Financial Statements

1. General Information

National Government Affirmative Action Fund is established by and derives its authority and accountability from Public Finance Management Act (No. of 2012). The National Government Affirmative Action Fund is wholly owned by the Government of Kenya and is domiciled in Kenya. The National Government Affirmative Action Fund's principal activity is financial support to the affirmative groups.

2. Statement of Compliance and Basis of Preparation

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. 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 entity's accounting policies.

The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the entity. The accounting policies have been consistently applied to all the years presented.

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2023.

Standard	Effective date and impact
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>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 Entity's future cash flows.</p> <p>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 Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>The standard is currently applicable on cash payments only since the Entity depends totally on exchequer release. However, other form of financial instrument may be relevant and applicable in future.</p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity 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> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's

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	<p>financial performance, financial position and cash flows.</p> <p>The standard is relevant to the entity as it has impact on the welfare of the staff. Currently, employees are members of NSSF and Lap fund.</p>
<p>Amendments to other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> 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. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. 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>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. The amendments of the standard shall guide future applicability.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • IPSAS 22 Disclosure of Financial Information about the General Government Sector. Amendments to refer to the latest System of National Accounts (SNA 2008). • IPSAS 39: Employee Benefits Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. The improvement of the standards shall be relevant in future application and adoption.

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Notes to the Financial Statements (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

Standard	Effective date and impact
IPSAS 43: Disclosure of leases	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities. The Entity operates within leased premises and the standard are applicable to ensure that critical information is well captured before signing the agreement.
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. Currently the standard does not apply. However, future sales of assets identified for disposal shall adopt the standards.

iii. Early adoption of standards

The entity did not early - adopt any new or amended standards in the year ended 30 June 2023.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

Interest Income

Interest income earned is accrued using the effective yield method and rates as negotiated by the Board. Currently, the applicable rates are 3.0%, 3.5%, 4.0% and 4.5% for amounts between 10M-20M, 20M-50M, 50M-100M and, 100M and above respectively. The tax on interest income is accountable as a normal tax.

b) Budget information

The original budget for FY 2022-2023 was approved by the National Assembly. However, there was subsequent additional appropriation made to the approved budget in accordance with specific approvals from the appropriate authorities.

The National Government Affirmative Action Fund 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 under page 5 of these Financial Statements.

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**Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)**

c) Transfers to other government entities

Transfers or disbursement to other government units are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property). National Government Affirmative Action Fund County(s) disbursement is guided by NGAAF Regulations, 2016 Section 11(3). From the total budgetary allocation, ninety-one (91) percent is disbursed equally to all two hundred and ninety (290) constituencies while two (2) percent of the total allocation remain unallocated but reserved for emergencies to affirmative groups. Therefore, the more the constituencies a county has, the more the budgetary allocation.

d) Property, plant and equipment

All property, plant and equipment are stated at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. National Government Affirmative Action Fund initiated the process of developing a depreciation policy document which will allow the entity calculate useful life of property, plant and equipment. The entity started the process of developing a policy document to guide in management of assets. However, this has not been finalized so as to recognize individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost shall be 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 under review.

e) Provisions

Provisions are recognized when the Entity 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. The National Government Affirmative Action Fund has staff on contractual terms of three years. After the expiry of the period the Fund is legally expected to honour its financial obligation in payment of Gratuity for the services rendered to the respective Officers. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

f) Contingent liabilities

The Entity 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. In the year 2022-2023, the Fund had no legal dispute.

g) Nature and purpose of Reserves

The National Government Affirmative Action Fund creates and maintains reserves in terms of Emergency Reserves as guided in paragraph 13 (1) of the NGAAF Regulations, 2016 that states that 'a portion equivalent to 2% of the total allocation in each year' shall remain unallocated by the Board and shall only be available to cover emergencies faced by

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

affirmative groups. The Emergency Reserves shall only be disbursed by the Board when need arises.

h) Monitoring & Evaluation

The NGAAF Regulation 2016, provides that 2% of the total allocation shall be for Monitoring and Evaluation. The Entity maintains accrued balances under monitoring and evaluation that is apportioned to M & E activities and various operations as approved by the Board.

i) Changes in accounting policies and estimates

The National Government Affirmative Action Fund recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

j) Related parties

The National Government Affirmative Action Fund regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

k) 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 various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

l) Comparative figures

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

m) 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, 2023.

5. Significant Judgements and sources of estimation uncertainty

The preparation of the National Government Affirmative Action 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,

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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.

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 National Government Affirmative Action Fund based its assumptions and estimates on parameters available when the consolidated Financial Statements were prepared. However, existing circumstances and assumptions about future developments may change due circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

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 Entity
- 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

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6. Transfers from State Department for Gender Affairs (Exchequer Receipts)

	2022-2023	2021-2022
Transfers from National Government Ministries – State Department for Gender	Kshs.	Kshs.
First Quarters	-	1,065,000,000
Third Quarters - 10/01/2023	532,500,000	1,065,000,000
- 01/02/2023	532,500,000	
Fourth Quarters - 13/06/2023	1,065,000,000	55,822,945
- 23/06/2023	56,000,000	-
Total	2,186,000,000	2,185,822,945

During the financial year 2022-2023, the Fund received its budgetary allocation in three -fold; 10 January 2023, 1st February 2023 and 13th June 2023. Further, a supplementary budget to cushion deficit in PE was received on 23rd June 2023.

7. Other Income

	2022-2023	2021-2022
Description	Kshs.	Kshs.
Sale of Tenders	-	80,000
Interest from NGAAF Counties accounts – Equity Bank	764,178	1,666,770
Total	764,178	1,746,770

The above interest was received from NGAAF Equity's Counties accounts.

8. Transfers to other government Units – Counties Expenditures

		2022-2023	2022-2023	2021-2022
		Kshs.	Kshs.	Kshs.
S/NO.	COUNTY	Disbursement	Expenditure	Expenditure
1	BARINGO COUNTY	18,559,518.10	18,562,518.10	45,507,038.20
2	BOMET COUNTY	6,103,474.00	6,104,926.90	42,596,969.00
3	BUNGOMA COUNTY	27,885,796.65	26,579,478.06	77,239,346.55
4	BUSIA COUNTY	24,273,321.75	24,273,321.75	50,283,297.00
5	ELGEYO MARAKWET	13,122,281.40	12,727,998.80	30,218,585.32
6	EMBU COUNTY	13,717,374.65	13,498,777.80	34,025,331.35
7	GARISSA COUNTY	20,404,098.75	20,050,148.99	41,820,554.99
8	HOMA BAY COUNTY	25,532,731.20	20,839,957.20	66,409,156.15
9	ISIOLO COUNTY	6,683,770.60	6,827,423.65	13,691,174.00
10	KAJIADO COUNTY	11,722,500.00	6,973,012.93	44,345,798.70
11	KAKAMEGA COUNTY	37,463,664.60	38,805,312.80	100,425,853.52
12	KERICHO COUNTY	21,724,627.75	20,649,313.82	40,250,417.55
13	KIAMBU COUNTY	35,965,050.40	35,427,741.00	92,495,610.00
14	KILIFI COUNTY	23,029,384.40	23,029,384.40	50,131,810.15
15	KIRINYAGA COUNTY	6,405,453.05	5,981,289.00	33,374,003.00
16	KISII COUNTY	29,928,684.20	26,964,764.50	55,410,909.05
17	KISUMU COUNTY	7,747,385.35	7,726,134.05	60,507,507.40
18	KITUI COUNTY	27,068,715.50	17,661,934.50	74,190,984.00
19	KWALE COUNTY	9,938,595.30	10,007,673.40	25,202,929.99
20	LAIKIPIA COUNTY	3,558,697.49	3,558,697.49	20,071,732.99

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21	LAMU COUNTY	4,135,684.20	4,073,115.60	14,910,127.10
22	MACHAKOS COUNTY	39,405,314.80	25,342,450.00	92,258,999.00
23	MAKUENI COUNTY	19,045,527.30	18,042,795.40	41,658,024.55
24	MANDERA	18,089,005.55	16,781,937.35	53,757,626.00
25	MARSABIT COUNTY	11,677,838.60	11,707,488.75	33,726,349.90
26	MERU COUNTY	13,705,808.50	12,730,596.05	74,404,414.20
27	MIGORI COUNTY	21,655,398.10	21,681,600.76	66,300,528.99
28	MOMBASA COUNTY	10,886,961.80	10,994,357.55	46,069,105.00
29	MURANGA COUNTY	26,450,961.95	24,305,901.00	62,979,906.88
30	NAIROBI COUNTY	81,273,355.05	71,395,817.90	139,321,970.60
31	NAKURU COUNTY	31,568,796.00	28,910,458.75	83,554,680.05
32	NANDI COUNTY	20,378,673.40	20,378,673.40	40,744,424.05
33	NAROK COUNTY	11,643,680.00	11,643,680.00	42,208,644.45
34	NYAMIRA COUNTY	13,349,723.20	13,056,084.30	27,153,299.20
35	NYANDARUA COUNTY	16,571,929.35	16,572,865.00	37,533,317.50
36	NYERI COUNTY	18,267,977.00	18,268,002.71	49,697,900.00
37	SAMBURU COUNTY	9,742,605.60	9,182,080.00	28,325,890.50
38	SIAYA COUNTY	19,369,992.00	18,795,997.90	56,554,218.65
39	TAITA TAVETA COUNTY	4,945,553.15	4,876,655.15	35,698,698.00
40	TANA RIVER	12,453,473.83	10,292,782.03	26,216,952.70
41	THARAKA NITHI COUNTY	8,956,121.60	8,932,669.00	20,217,655.90
42	TRANS NZOIA COUNTY	16,582,674.00	16,583,083.40	33,407,048.00
43	TURKANA COUNTY	17,602,920.40	16,992,000.00	43,813,280.04
44	UASIN GISHU COUNTY	22,306,439.25	20,113,448.25	38,255,598.58
45	VIHIGA COUNTY	15,854,364.00	15,854,364.00	41,638,984.15
46	WAJIR COUNTY	15,513,080.20	15,513,080.20	44,848,863.78
47	WEST POKOT COUNTY	13,651,053.95	13,651,053.95	26,958,697.30
	Total	885,920,037.92	822,922,847.54	2,300,414,213.98

The above table reflect total disbursement and expenditure to 47 counties in the year ended June 30, 2023.

9. Use of goods & Services

	2022-2023	2021-2022
Description	Kshs.	Kshs.
Advertising	585,190	815,549
Conferences and delegations	2,544,247	2,232,233
Electricity	237,240	310,966
Fuel and oil	4,056,989	2,873,240
Insurance	6,125,109	7,418,765
Postage	75,490	49,680
Printing and stationery	615,090	176,440
Publicity	485,990	707,460
Rental	9,166,320	9,166,320
Telecommunication	1,750,745	1,815,080
Training	2,051,665	4,890,470
Bank Charges	138,060	-
Other	218,963	401,197
Total	28,051,098	30,857,401

The above table reflects various expenditure under use of goods and services. Other relates to sanitary and cleaning materials during the year.

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10. Employee Cost

	2022-2023	2021-2022
Employee Costs	Kshs.	Kshs.
Salaries and wages	47,292,342	61,029,988
Employee related costs	2,076,945	1,861,434
Travel, accommodation, subsistence and other allowances	14,966,069	10,260,060
Extraneous allowances	-	4,043,271
Provision for Gratuity	-	6,624,318
Employee costs	64,335,355	83,819,071

Employee costs include staff salaries, travel expenses, subsistence allowances and gratuity provision during the year. Employee related costs are Costs incurred for NSSF and LAP Fund. The variation in cost was due to termination of contracts for the staff.

11. Board Expenses

	2022-2023	2021-2022
Description	Kshs.	Kshs.
Chairman's Honoraria	690,000	660,000
Sitting Allowances	5,374,000	4,797,500
Medical Insurance	-	499,851
Induction & Training	669,712	2,235,333
Travel & Accommodation	5,661,198	-
Other allowances	1,563,700	5,507,765
Total directors' emoluments	13,958,610	13,700,449

Directors' emoluments refer to sitting allowances during Board meetings and other official forums while other expenses include hire of conference facilities and lunches where applicable. The variation in expenditure was due to recruitment of the CEO where Board was involved.

12. Repairs and Maintenance

	2022-2023	2021-2022
Description	Kshs.	Kshs.
Vehicles	1,550,607	353,850
Furniture's and fittings	102,849	237,412
Computers and accessories	1,511,625	605,650
Total repairs and maintenance	3,165,081	1,196,912

Repair and maintenance for the current financial year reflects higher amount as compared to comparative year since there was major services on vehicles since they are aged thus increases wear and tear hence regular maintenance.

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13. (a) M & E Expenses

	2022-2023	2021-2022
Description	Kshs.	Kshs.
M & E Activity	3,641,500	6,631,600
Total	3,641,500	6,631,600

The above table shows expenditures incurred by NGAAF Secretariat during M & E field activities. The variation was due to delay in release of 3rd & 4th Exchequer.

13. (b) M & E Movement

	2022-2023	2021-2022
Description	Kshs.	Kshs.
Balance b/forward	65,356,857	49,638,388
Add:		
Allocation for 2021-2022	42,600,000	42,600,000
Total	107,956,857	92,238,388
Less:		
M & E Activity	3,641,500	6,631,600
Development of HR Instruments	1,111,600	
Fuel & Lubricants	3,056,989	1,924,866
NHIF – Lump sum	6,125,109	7,418,765
Skill Development	-	2,394,900
Purchase of Motor vehicle	12,780,000	-
Board	10,492,478	8,511,400
Total Expenditure	37,207,676	26,881,531
Bal c/forward	70,749,181	65,356,857

The above table shows movement of the M & E allocation to various cost items and the balance thereof.

14.(a) Emergencies to Counties (Annex I)

Emergency Funds	2022-2023	2021-2022
	Kshs.	Kshs.
Counties disbursement	44,629,135	40,492,800
Total	44,629,135	40,492,800

Disbursement of Emergencies to Counties is as guided in the NGAAF Regulations Section 13(3). During the year, the Board supported affirmative groups in 36 Counties.

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14. (b) Emergency Reserves

	2022-2023	2021-2022
Description	Kshs.	Kshs.
Balance b/forward	91,179,020	89,071,820
Add:		
2% 2021-2022 allocation	42,600,000	42,600,000
Total	133,779,020	131,071,820
Less:		
Disbursements to Counties	44,629,135	40,492,800
Balance c/f	89,149,885	91,179,020

The above table reflects emergency reserves as at 30 June 2023.

15 (a). Provision for Gratuity

	2022-2023	2021-2022
Description	Kshs.	Kshs.
Bal b/forward	18,862,058	24,336,356
Add: Provision for FY 2022-2023	-	6,624,318
Less:		
Payment during the year	538,135	12,098,615
Provision at the end of the year	18,323,924	18,862,058

The above balance refers to gratuity provision as at 30 June, 2023

15 (b). Gratuity payment

	2022-2023	2021-2022
Description	Kshs.	Kshs.
Bal b/forward	19,978,944	2,077,559
Add:		
Allocation during the year (supplementary)	-	30,000,000
Total	19,978,944	32,077,559
Less:		
Payment during the year	538,135	12,098,615
Balance c/forward	19,440,809	19,978,944

The above table reflects balances available for gratuity under cash & cash equivalent

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16. Payables

	2022-2023	2021-2022
Details	Kshs.	Kshs.
Bal b/forward	952,000	3,960,384
Less:		(3,960,384)
Kenya School of Government	(360,000)	360,000
PAYE for the Board	(300,000)	300,000
Supply of publicity materials	(292,000)	292,000
Add:		
CEO's June Salary	440,000	-
Board PAYE	383,700	-
Balance c/f	823,700	952,000

The above table relates to payables during the year. Kisii County had pending bills totalling to Ksh 12,412,466.70

17. (a) Cash and Cash Equivalents

Cash and cash equivalents	2022-2023	2021-2022
	Kshs.	Kshs.
Co-operative account a/c - 01141198027000	24,044,737	3,283,931
Central Bank a/c - 1000312602	1,711,388,177	504,869,371
Counties - NGAAF Balances	68,150,869	101,075,486
Interest from Counties accounts (Annex II)	764,178	1,666,770
Total cash and cash equivalents	1,804,347,961	610,895,558

Counties NGAAF balances relates to Counties cash books balances as at 30 June 2023. These balances also include interest earned from Equity bank accounts which is yet to be transferred to main call account.

17. (b) Detailed Cash and Cash Equivalents

	2022-2023	2021/2022
	Kshs.	Kshs.
Co-operative Bank a/c - 01141198027000	24,044,737	3,283,931
Central Bank a/c - 1000312602		
Emergency Reserves	89,149,885	91,179,020
Monitoring & Evaluation	70,749,181	65,356,857
Gratuity	19,440,809	19,978,944
Retained for Consultative meeting between Women Reps, Coordinators & Board	4,886,284	5,087,420
Personnel Emolument	56,000,000	25,822,945
Counties Balances	1,471,162,018	297,444,186
Sub total	1,735,432,914	504,869,372
Cash & Cash Equivalent at Counties		
Equity Bank Kabarnet Branch-1390265012167	-	3,000.00

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Equity Bank Bomet Branch-1220265004028	-	1,452.90
Co-operative Bank Bungoma Branch-114166887190	606,318.04	1,968,738.00
Equity Bank Busia Branch-780264690342	-	33,473.35
Equity Bank Iten Branch-1530264985396	398,066.08	3,783.48
Equity Bank Embu Branch-190265035825	300,101.30	81,504.45
Co-operative Bank Garissa Branch-1141376091400	1,552,072.76	2,167,004.36
Equity Bank Homa Bay Branch-980265090593	5,907,518.24	1,214,744.24
Co-operative Bank Isiolo Branch-1141437464600	1,280.60	144,933.65
Equity Bank Kajiado Branch - 0860264663730	4,749,487.07	-
Co-operative Bank Mumias Branch-1141499392500	-	1,341,648.20
Equity Bank Kericho Branch-280264850363	1,076,291.93	978.00
KCB Bank Kiambu Branch-1174787597	1,710,539.15	2,523,774.75
Equity Bank Kilifi Branch-1060264992250	-	3,111.60
KCB Mwea Branch-1174744413	424,164.05	4,512.40
Co-operative Bank Kisii East Branch-1141477819600	2,946,021.40	19,834,968.60
KCB Bank United Mall Branch Kisumu-1184142319	22,018.40	767.10
KCB Bank Kitui Branch-1175603821	9,406,935.00	491,199.50
Equity Bank Kwale Branch-1580265128124	355,295.31	424,373.41
Co-operative Bank Nanyuki Branch-1141367557300	-	200,091.45
Equity Bank Lamu Branch - 1590265004851	62,568.60	-
KCB Bank Machakos Branch-1173170537	14,062,864.80	29,578,314.80
Equity Bank Wote Branch-670265000090	1,009,735.90	7,004.00
National Bank Mandera Branch-121001445701	1,307,068.20	2,854.25
Equity Bank Marsabit Branch-1010265012964	-	29,650.15
Equity Bank Meru Branch-140264986066	977,972.65	2,760.20
Co-operative Bank Migori Branch-114148273220	-	26,202.66
Equity Bank Mombasa Supreme Centre-1560265100361	-	378,557.55
Equity Bank Kenol/Makutano Branch-890265012321	2,145,060.95	12,587,068.77
Co-operative Bank Parliament Branch 1141201980100	9,877,527.06	20,861,198.60
Equity Bank West Side Mall Nakuru - 0130265014227	2,658,337.25	-
Equity Bank Kapsabet Branch - 0490264982696	-	-
Equity Bank Narok Branch - 0360265127769	-	-
KCB Nyamira Branch - 1174734140	-	-
Equity Bank Olkalou Branch-620265004136	293,638.90	935.65
Equity Bank Nyeri Branch-110265000038	-	872.71
Equity bank Mararal Branch-110026474404	-	193,858.65

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Equity Bank Siaya Branch-970264392174	754,384.25	2,930,360.25
Equity Bank Voi Branch-790265112714	1,249,637.00	467,413.15
Equity Bank Hola Branch-1210265013411	68,898.00	1,424,868.30
Co-operative Bank Chuka Branch-1141571373500	2,160,691.80	26,495.20
Co-operative Bank Kitale Branch-1141694280500	24,052.60	409.40
Co-operative Bank Lodwar Branch-1141592086700	-	2,578.01
Co-operative Bank Eldoret-West Branch- 1141685424200	613,498.41	2,092,991.27
KCB Bank Mbale Branch - 1174729511	-	-
National Wajir Branch-1001083954000	2,192,991.00	17,032.22
Equity Bank Kapenguria Branch - 1070264794932	-	-
Sub total	68,150,869	101,075,487
Interest from Counties accounts (Appendix V)	764,178	1,666,770
Total Cash & Cash equivalent	1,804,347,961	610,895,558

Interest from Counties accounts is still held in the counties accounts and accounted for in the statement of financial performance.

18. Receivable

Details	FY 2022-2023	FY 2021/2022
	Kshs.	Kshs.
Outstanding imprest	-	192,800
Prepayment - National Oil	-	103,173
Prepayment – RH Divan	-	542,315
Total	-	838,287

Above table shows no receivable as at 30 June 2023

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19. Property Plant & Equipment

	Motor Vehicles Kshs.	Furniture and fittings Kshs.	Computers Kshs.	Other Assets Kshs.	Total Kshs.
At 1 July 2021	175,570,536.00	3,445,200.00	1,138,357.20	36,429,629.58	216,583,722.78
Additions	-	-	-	-	-
Disposals	(40,500,000.00)	-	-	-	(40,500,000.00)
Transfers/adjustments	-	-	-	-	-
At 30th June 2022	135,070,536.00	3,445,200.00	1,138,357.20	36,429,629.58	176,083,722.78
Depreciation	-	-	-	-	-
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-
At 30 June 2022	135,070,536.00	3,445,200.00	1,138,357.20	36,429,629.58	176,083,722.78
At 1 July 2022	135,070,536.00	3,445,200.00	1,138,357.20	36,429,629.58	176,083,722.78
Additions	12,780,000.00	-	-	-	12,780,000.00
Disposals	-	-	-	-	-
At 30 June 2023	147,850,536.00	3,445,200.00	1,138,357.20	36,429,629.58	188,863,722.00

N/B: The Fund is in the process of doing valuation of plants and equipment to ascertain the depreciation value.

**National Government Affirmative Action Fund
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20. Disposal on Asset

Description	2022-2023 (Kshs.)	2021-2022 (Kshs.)
Transfer PPE to Asset disposal a/c	-	40,500,000
Less: Salvage value	-	(2,212,000)
Loss on disposal	-	38,288,000
Add: Cost on disposal	-	181,238
Loss on disposal	-	38,469,238

There was no disposal in the financial year.

21. Financial Risk Management

The entity's activities expose it to a variety of financial risks which is credit and risks. The company'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 company's financial risk management objectives and policies are detailed below:

(i) Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company'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 entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

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 company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The board of directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Capital Risk Management

The objective of the entity's capital risk management is to safeguard the Board's ability to continue as a going concern.

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The entity capital structure comprises of the following funds:

	2022-2023	2021-2022
Description	Kshs.	Kshs.
Retained earnings/ accumulated surplus	1,884,914,175	676,824,490

(iii) Related Party Balances

a) Nature of related party relationships

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and Close family members.

The entity is related to

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key Management;
- iv) Board of Directors;

b) Related party transactions

	2022-2023	2021-2022
Details	Kshs.	Kshs.
Transfers from related parties'	2,186,000,000	2,185,822,945
Transfers to related parties	885,920,038	2,368,509,629

c) Key management remuneration

	2022-2023	2021-2022
Details	Kshs.	Kshs.
Directors' Expenses	13,958,610	13,700,449

(iv) Events after the reporting period

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

(v) Ultimate and Holding Entity

The National Government Affirmative Action Fund is a Semi- Autonomous Government Agency under the Ministry of Public Service and Gender Affairs. Its ultimate parent is the Government of Kenya.

(vi) Currency

The Financial Statements are presented in Kenya Shillings, (Kshs).

National Government Affirmative Action Fund
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20. Appendices

Appendix I: Progress on follow up of Auditor Recommendations

The following is the summary of issues raised in the financial year 2021/2022 by the external auditor, and management comments provided to the auditor. The Fund has nominated focal persons to resolve the various issues as shown below with the associated time frame in which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Time frame
NGAAF /2021/2022(3)	Failure to charge depreciation on property, plant and equipment	✓ Management fast-tracking the Asset Policy document for impairment.	In progress	30 June 2023
	Inaccuracies in the Cash & Cash Equivalent	✓ Management wrote to counties to clear the stale cheques.	Resolved	N/A
	Unsupported payable	✓ The invoice from KSG received and paid.	Resolved	N/A
	Unsupported provision for Gratuity	✓ The provision was an accumulated figure for several periods	Resolved	N/A
	Other matters			
	Unresolved Prior Matters	✓ The Fund has already made submission before Parliamentary Committee and have already resolved several issues	In progress	30 June 2024

.....
Chief Executive Officer
 Date: 21/12/2023

Appendix II: Projects Implemented by the Entity

1. Construction of Safe House in Nairobi County which is at 64% complete
2. Construction to completion of Tabaka and Nyacheki markets in Kisii County.
3. Construction of Child Rescue Centre at Taita Taveta County which is at 20% complete. However, construction of the administration block is at 70% completion.
4. Construction of Mombasa Sexual and GBV Centre at Mwakirunge, Kisauni Constituency which is at 13%
5. Construction to completion of girls' dormitory (100 bed capacity) at Kisima Day Mixed Secondary in Samburu County.
6. Started construction of Ramba modern market shed in Kabondo which is at 20%
7. Started construction of market shed at Kitiini B Market in Murang'a county which is at 30%
8. Construction to completion of 9M high water tower and perimeter wall at Kabirirsang Alcohol Drug Abuse Rehabilitation centre in Nandi County

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Appendix III: Inter-Entity Transfers

ENTITY NAME:			
Break-down of Transfers from the State Department for Gender			
FY 2022/2023			
a. Recurrent Grants			
	Bank Statement Date	Amount (Kshs.)	Indicate the FY to which the amounts relate
State Department for Gender	23/06/2023	56,000,000	
	Total	56,000,000	
b. Development Grants			
	Bank Statement Date	Amount (Kshs.)	2022/2023
State Department for Gender	-	-	
State Department for Gender	10/01/2023	532,500,000	
State Department for Gender	1/02/2023	532,500,000	
State Department for Gender	13/06/2023	1,065,000,000	
	Total	2,130,000,000	

The above amounts have been communicated to and reconciled with the parent Ministry

Head of Finance
 NGAAF

Head of Accounting Unit
 State Department for Gender

Sign: _____



Sign: _____



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EMERGENCY TO COUNTIES – ANNEX I

S/No.	County Name	1st quarter	2nd quarter	3rd quarter	4th quarter	total
1	Baringo	-	1,000,000.00	-	-	1,000,000.00
2	Bungoma	-	1,000,000.00	-	-	1,000,000.00
3	Embu	-	1,000,000.00	-	-	1,000,000.00
4	Elgeyo Markwet	-	1,000,000.00	-	-	1,000,000.00
5	Garissa	1,000,000.00	1,000,000.00	-	-	2,000,000.00
6	Homabay	-	1,000,000.00	-	1,000,000.00	2,000,000.00
7	Isiolo	-	1,000,000.00	-	-	1,000,000.00
8	Kajiado	-	-	-	1,000,000.00	1,000,000.00
9	Kericho	-	630,000.00	-	-	630,000.00
10	Kilifi	-	999,375.00	-	1,000,000.00	1,999,375.00
11	Kirinyaga	-	1,000,000.00	-	-	1,000,000.00
12	Kisii	-	999,760.00	-	-	999,760.00
13	Kisumu	-	-	-	1,000,000.00	1,000,000.00
14	Kitui	-	1,000,000.00	-	-	1,000,000.00
15	Kwale	1,000,000.00	1,000,000.00	-	-	2,000,000.00
16	Laikipia	-	1,000,000.00	-	-	1,000,000.00
17	Lamu	-	1,000,000.00	-	-	1,000,000.00
18	Machakos	-	1,000,000.00	-	-	1,000,000.00
19	Makueni	-	1,000,000.00	-	1,000,000.00	2,000,000.00
20	Mandera	1,000,000.00	1,000,000.00	-	1,000,000.00	3,000,000.00
21	Marsabit	-	1,000,000.00	-	-	1,000,000.00
22	Meru	-	1,000,000.00	-	-	1,000,000.00
23	Migori	-	-	1,000,000.00	-	1,000,000.00
24	Murang'a	-	1,000,000.00	-	-	1,000,000.00

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25	Nakuru	-	1,000,000.00	-	-	1,000,000.00
26	Narok	-	1,000,000.00	-	-	1,000,000.00
27	Nyandarua	-	1,000,000.00	-	-	1,000,000.00
28	Nyamira	-	1,000,000.00	-	-	1,000,000.00
29	Nyeri	-	1,000,000.00	-	-	1,000,000.00
30	Samburu	-	1,000,000.00	-	1,000,000.00	2,000,000.00
31	Tana River	-	1,000,000.00	-	-	1,000,000.00
32	Tharaka Nithi	-	1,000,000.00	-	-	1,000,000.00
33	Trans Nzoia	-	-	-	1,000,000.00	1,000,000.00
34	Turkana	-	1,000,000.00	-	-	1,000,000.00
35	Wajir	-	1,000,000.00	-	1,000,000.00	2,000,000.00
36	West Pokot	-	1,000,000.00	-	-	1,000,000.00
	TOTAL		3,000,000.00		1,000,000.00	9,000,000.00
			31,629,135.00			44,629,135.00

**NATIONAL GOVERNMENT AFFIRMATIVE ACTION FUND
NGAAF TRIAL BALANCE FOR FY 2022-2023**

	DR	CR
Capital and Reserves		768,003,510
Other receipt		764,178
Transfers from the National Government - State Department for Gender		2,186,000,000
Advertising	585,190	
Conferences and delegations	2,544,247	
Insurance	6,125,109	
Electricity	237,240	
Fuel and oil	4,056,989	
Postage	75,490	
Printing and stationery	615,090	
Publicity & Printing	485,990	
Rental	9,166,320	
Telecommunication	1,750,745	
Training expenses	2,051,665	
Other	357,023	
Board/Council Expenses:		
Chairman's Honoraria	690,000	
Directors emoluments (Sitting allowance)	5,374,000	
Medical Insurance	-	
Induction and Training	669,712	
Other allowances	7,224,898	
Emergencies to Counties	44,629,135	
M & E	3,641,500	
Payables	-	823,700
Provisions for Gratuity	-	18,323,923
Repairs and maintenance	3,165,081	
Employee Costs:		
Salary and Wages	47,292,342	
Employee related cost	2,076,945	
Travel, accommodation, subsistence and other allowances	14,966,069	
Transfer to Other Government units - Co	822,922,848	
Property, plant and equipment	188,863,723	
Central Bank a/c	1,711,388,177	
Current account	24,044,737	
Others- NGAAF Counties accounts	68,915,047	
TOTAL	2,973,915,311	2,973,915,311

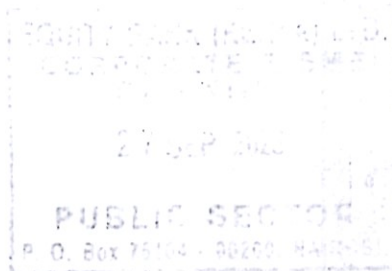
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12202650 04028	12202650 04028	5430982 9660	0	0	0	0	0	0	0	0	0	0	0	0	0
03602651 27769	03602651 27769	5430985 7222	0	0	0	0	0	0	0	0	0	0	0	0	0
15802651 28124	15802651 28124	5430985 7326	0	0	0	0	0	0	0	0	0	0	0	0	0
10702647 94932	10702647 94932	5430978 0579	0	0	0	824	0	0	0	0	0	0	(124)	0	0
12102650 13411	12102650 13411	5430983 1880	0	0	0	0	0	0	0	0	0	0	0	0	0
01902650 35825	01902650 35825	5430983 6307	0	0	0	14,7 73	9,06 0	0	0	0	0	0	(2,21 6)	(1,35 9)	0
Total			2,52 6	6,44 4	60,8 66	258, 144	386, 273	184, 779	(37 9)	(967)	(9,1 30)	(38,7 21)	(57,9 41)	(27,7 17)	

We thank you for continued support.
Yours Faithfully,



David Nyamu
Director, Public Sector & Institutional Banking
Equity Bank (K) Ltd.



REPUBLIC OF KENYA

SEC A/C - BANK RECONCILIATION

As at 30-Jun-23 Station: National Govt Affirmative Action Fund (NGAAF)

		Shs. cts	Shs cts
	Balance as per Bank Certificate		25,812,493.09
Less: 1	Payments in Cash Book not yet recorded in Bank Statement	2,103,857.90	
	Receipts in Bank Statement not yet recorded in Cash Book	-	2,103,857.90
Add:	Payments in Bank Statement not yet recorded in Cash Book	336,104.00	
	Receipts in Cash Book not yet Recorded in Bank Statement.....	-	336,104.00
	Balance as per Cash Book		24,044,739.19

I certify that I have verified the Bank Balance in the Cash Book with the Bank Statement and that the reconciliation is Correct.

Signature

Designation

PAYMENTS IN CASH BOOK NOT IN BANK STATEMENT			
DATE	P.V NO	DETAILS	AMOUNT Kshs.
6/2/2023	626	W.Vat -KSG tuition fee (Komora)	2,080.00
6/2/2023	633	Pay as per schedule DSA claim	
		Roy Sasaka Telewa	12,600.00
		Edward Omondi	4,900.00
		Titus Etyang	4,900.00
			22,400.00
23/06/2023	674	Payrol Deductions- June, 2023	
		Hazina Sacco	11,634.60
		Hazina Sacco	120,000.00
		Ukulima Sacco	30,188.00
		Jamil Sacco	33,118.90
		Kitui Teachers Sacco	2,980.00
		Transnation Sacco	6,060.00
		Cooperative Bank of Kenya	81,749.40
		Equity Bank	105,889.00
		African Capital Ltd	960.00
		Faulu Kenya Ltd	19,813.00

		Select Mgt Services	20,127.00	
		Kenya women Finance trust ltd	182,628.00	
		Izwe Loans Kenya Ltd	31,223.00	
		Premier Kenya Ltd	24,773.00	
		Helb	4,353.00	
		Britam	14,940.00	690,436.90
26/06/2023	681	Pay as schedule -Interview Dinner		
		Roy Sasaka Telewa	21,840.00	
		Samuel Kumba	21,600.00	
		Grace Nzula	21,600.00	
		Gloria Wekesa	13,440.00	
		Serah Muchunga	13,440.00	
		Dorothy Yego	13,440.00	
		Abdirizak Issa	13,440.00	
		Sylvia Muthoni Ndegwa	13,440.00	
		Edward Omondi Odhiambo	7,560.00	
		Titus Etyang	7,560.00	147,360.00
27/06/2023	691	Florence Kiriinya Honoraria June,2023	21,000.00	
27/06/2023	692	Francis and Mungai enterprises	26,520.00	
27/06/2023	693	Ramji Devani Limited- Fuel	168,400.00	
27/06/2023	694	Goverment Advertising Agency	205,045.00	
30/06/2023	695	Pay as per schedule- Kajiado DSA claim		
		Jackson Kayaga	16,800.00	
		Abigael Wambua	16,800.00	
		Maurice Kilonzo	9,800.00	
		Reuben Kemboi	8,000.00	51,400.00
30/06/2023	696	Claim Schedule		
		David Kioko	12,200.00	
		Nicholas Maithya	2,400.00	
		Linda Mang'ongo	2,400.00	
		Maurice Kilonzo	6,300.00	
		Abubakar Nyondo	2,520.00	25,820.00
30/06/2023	697	Pay as schedule -Interview Dinner		
		Roy Sasaka Telewa	43,680.00	
		Samuel Kumba	40,320.00	
		Grace Nzula	43,200.00	
		Gloria Wekesa	26,880.00	
		Serah Muchunga	26,880.00	
		Dorothy Yego	26,880.00	
		Abdirizak Issa	26,880.00	
		Edward Omondi	15,120.00	
		Titus Etyang'	15,120.00	
		Maureen Cheruto	22,680.00	
		Jenipher Mghoi	22,680.00	310,320.00
30/06/2023	698	Moun solutions Ltd-Hot Dishes	93,380.00	
30/06/2023	700	Dimensions Data Ltd-Vois Service	229,824.00	
		W.Vat 2%	4,032.00	233,856.00

30/06/2023	701	Pay as schedule- Parliamentary Committee		
		Isaac Ngige	56,000.00	
		Brian Kochwa	44,800.00	
		Ali Abdalla Mguwa	5,040.00	105,840.00
		TOTAL	2,103,857.90	

PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK			
DATE	P.V NO	DETAILS	AMOUNT
	640	Kent's Innovation Limited	336,104.00
		TOTAL	336,104.00



CO-OPERATIVE BANK

We are you

The Co-operative Bank of Kenya Limited
Parliament Road Branch
P.O.Box 5772 00200 Nairobi
Tel: 2210657, 2228605
Mobile: 0722 202977, 0734 600702
Fax: 2251838
Nairobi
Email: parliamentrd@co-opbank.co.ke

15th July 2023

TO THE CEO
NGAAF,
ABSA TOWERS,
P.O. BOX 48274-00100
NAIROBI

Dear Sir/Madam,

RE: CERTIFICATE OF BALANCE-SECRETARIAT OF AFFIRMATIVE ACTION SOCIAL DEV FUND

We acknowledge receipt of your letter dated 14th July 2023 and hereby confirm the bank balances as follows:

ACCOUNT NAME	ACCOUNT NUMBER	BALANCE AS AT 30 th June 2023(Kes)
SECRETARIAT OF AFFIRMATIVE ACTION SOCIAL DEV FUND	01141198027000	25,812,493.00

Yours Faithfully,


ALICE MARINGA
BANK MANAGER

CENTRAL BANK A/C - BANK RECONCILIATION

as at **30-Jun-23**

Station: National Govt Affirmative Action Fund (NGAAF)

Nairobi Hqs

		Shs. cts	Shs. Cts	Shs cts
Balance as per Bank Certificate				1,711,388,176.00
Less: 1	Payments in Cash Book not yet recorded in Bank Statement	-		
	Receipts in Bank Statement not yet recorded in Cash Book	-		
Add:	Payments in Bank Statement not yet recorded in Cash Book	-		
	Receipts in Cash Book not yet Recorded in Bank Statement.....	-		
Balance as per Cash Book				1,711,388,176.00

I certify that I have verified the Bank Balance in the Cash Book with the Bank Statement and that the and reconciliation is Correct

.....
Signature

.....
Designation

.....
Date

PAYMENTS IN CASH BOOK NOT IN BANK STATEMENT			
DATE	P.V NO	DETAILS	AMOUNT

RECEIPTS IN BANK STATEMENT NOT IN CASH BOOK			
DATE	P.V NO	DETAILS	AMOUNT
		Total	

				STD01478			
203	19/06/2023	19/06/2023	FT23170MQYB1	Outward RTGS Payment MT 103	1,000,000.00	0.00	1,665,750,282.50
				2316794976			
				STATE DEPT FOR GENDER:999999			
				SAMBURU AFFIRMATIVE A.S.DEV FUND			
				2316794976			
				641			
204	19/06/2023	19/06/2023	FT231701T2C2	Outward RTGS Payment MT 102	1,676,862.50	0.00	1,664,073,420.00
				2316799968			
				STATE DEPT FOR GENDER:CBK			
				LAIKIPIA AFFIRMATIVE A.S.DEV FUND			
				/REC/2316799968			
				665			
205	19/06/2023	19/06/2023	FT231703X6DN	Outward RTGS Payment MT 102	1,681,743.50	0.00	1,662,391,676.50
				2316771136			
				STATE DEPT FOR GENDER:CBK			
				LAIKIPIA AFFIRMATIVE A.S.DEV FUND			

				/REC/2316771136			
				665			
206	19/06/2023	19/06/2023	FT23170JB7ZQ	Outward RTGS Payment MT 103	2,133,000.00	0.00	1,660,258,676.50
				2316783584			
				STATE DEPT FOR GENDER:999999			
				KISUMU AFFIRMATIVE A.S.DEV FUND			
				2316783584			
				665			
207	19/06/2023	19/06/2023	FT231708RP66	Outward RTGS Payment MT 102	4,870,500.00	0.00	1,655,388,176.50
				2316749504			
				STATE DEPT FOR GENDER:CBK			
				GARISSA AFFIRMATIVE A.S.DEV FUND			
				/REC/2316749504			
				629			
208	23/06/2023	23/06/2023	FT23174KPHRX	TRFS Payments	0.00	56,000,000.00	1,711,388,176.50
				STD1479			
Totals					875,061,543.15	2,186,000,000.00	

	Closing Balance	1,711,388,176.50
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BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

Hale Selassie Avenue
P.O. Box 60000 - 00200 Nairobi, Kenya
Telephone: 2860000, Fax: 3340192

July 11, 2023

CERTIFICATE OF BALANCES

Customer: 131184 STATE DEPT FOR GENDER

Balance Date: 30-Jun-23

Account No	Account Name	Currency	Balance
1000303344	REC-STATE DEPT FOR GENDER	KES	4,915,995.90
1000303368	DEV-STATE DEPT FOR GENDER	KES	103,937.75
1000303387	DEP-STATE DEPT FOR GENDER	KES	7,641,751.00
1000312602	NATIONAL GOVT. AFFIRMATIVE A.FUND	KES	1,711,388,176.50
1000441682	UNFPA 9TH COUNTRY PROG STATE GENDER	KES	0.00
1000626194	WOMEN EMPOWERMENT FOR GENDER EQUALI	KES	0.00
1000643803	WOMEN EMPOWERMENT FOR GENDER EQUAL	KES	2,678,468.70
1000709588	UNFPA 10TH COUNTRY PROGRAMME- SDGAA	KES	0.00

Priscilla Keitany (Mrs)
Authorised Signatory
Banking Services Division

Joyce Nasieku
Authorised Signatory
Banking Services Division

