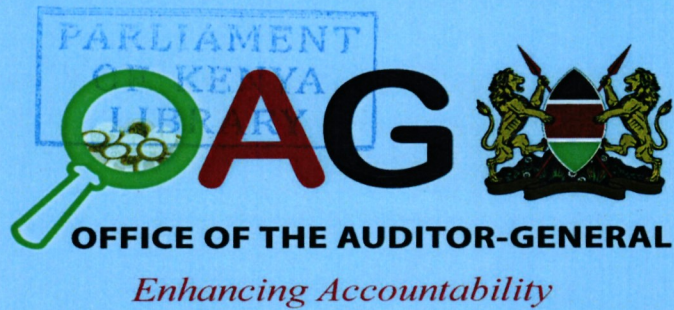


REPUBLIC OF KENYA





THE NATIONAL ASSEMBLY
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REPORT

DATE: 15 FEB 2023

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M. Modro

THE AUDITOR-GENERAL

 **ON**

**NAIROBI CENTRE FOR INTERNATIONAL
ARBITRATION**

**FOR THE YEAR ENDED
30 JUNE, 2021**



**ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30TH JUNE 2021**

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for International
Arbitration



**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30TH JUNE 2021**

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

Nairobi Centre for International Arbitration
Annual Reports and Financial Statements
For the year ended June 30, 2021

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Nairobi Centre for International Arbitration (NCIA) is a state corporation established by an Act of Parliament vide NCIA Act No. 26 of 2013 as a Centre for promotion of international commercial arbitration and other forms of dispute resolution mechanisms. The Centre offers a neutral venue for the conduct of international arbitration with commitment to providing institutional support to the arbitral process. In addition, the Centre caters for domestic arbitration and other forms of dispute resolution such as mediation.

The Vision of NCIA is: *"The Premier Centre of Choice for Alternative Dispute Resolution"*. The Mission is: *"To be recognized as a Centre for International Commercial Arbitration and Alternative Dispute Resolution through provision of quality and innovative processes"*. The Core Values are: Fairness and Impartiality; Confidentiality; Integrity; and Efficiency and Effectiveness.

(b) Principal Activities

The principal activity/mission of the **Nairobi Centre for International Arbitration** is to;

- (a) promote, facilitate and encourage the conduct of international commercial arbitration in accordance with this Act;
- (b) administer domestic and international arbitrations as well as alternative dispute resolution techniques under its auspices;
- (c) ensure that arbitration is reserved as the dispute ' resolution process of choice;
- (d) develop rules encompassing conciliation and mediation processes;
- (e) organize international conferences, seminars and training programs for arbitrators and scholars;
- (f) coordinate and facilitate, in collaboration with other lead agencies and non-State actors, the formulation of national policies, laws and plans of action on alternative dispute resolution and facilitate their implementation, enforcement, continuous review, monitoring and evaluation;
- (g) maintain proactive co-operation with other regional and international institutions in areas relevant to achieving the Centre's objectives;
- (h) in collaboration with other public and private agencies, facilitate, conduct, promote and coordinate research and dissemination of findings on data on arbitration and serve as repository of such data;
- (i) establish a comprehensive library specializing in arbitration and alternative dispute resolution;
- (j) provide ad hoc arbitration by facilitating the parties with necessary technical and administrative assistance at the behest of the parties;
- (k) provide advice and assistance for the enforcement and translation of arbitral awards;
- (l) provide procedural and technical advice to disputants;

(m) provide training and accreditation for mediators and arbitrators;

Principal Activities

- (n) educate the public on arbitration as well as other alternative dispute resolution mechanisms;
- (o) enter into strategic agreements with other regional and international bodies for purposes of securing technical assistance to enable the Centre achieve its objectives;
- (p) provide facilities for hearing, transcription and other technological services; and
- (q) manage and apply the Fund In accordance with the provisions of this Act; and perform such other functions as may be conferred on it by this Act or any other written law.

(c) Key Management

The centre's day-to-day management is under the following key organs:

1. Board of Directors

The Board of Directors is composed of professionals from the East Africa Region. The directors are accomplished practitioners with multiple skills that assure the proper functioning and administration of the Centre. They are as listed below:

S/No.	Director	Designation
1.	Arthur Konye Igeria	Chairperson
2.	Pauline Mcharo	Member
3.	James Muruthi Kihara	Member
4.	Peter Kihara Njuguna	Member
5.	Jimmy Mbabali Muyanja	Member
6.	Collins Namachanja	Member
7.	John Ohaga	Member
8.	Lawrence Waigi Kamau	Member
9.	Judith Omange	Member
10.	Jacqueline Oyuyo Githinji	Member
11.	L. Muiruri Ngugi	Secretary

2. Accounting officer/ Chief Executive Officer

The Accounting Officer of the Centre is **Mr. L. Muiruri Ngugi** who is the Registrar and Chief Executive Officer.

3. Management

The daily management of NCIA is tasked to the Registrar/CEO and a team of professionals who head various departments and units at the Centre. They are as listed below:

S/No.	Name	Designation
1.	L. Muiruri Ngugi	Registrar/CEO
2.	Millicent Shitakha	Manager Business Development
3.	Victor Ogunyo	Manager Corporate Support Services
4.	Alex Mwaniki	Senior Case Counsel

(d) Fiduciary Management

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

S/No.	Name	Designation
1.	L. Muiruri Ngugi	Registrar/CEO
2.	Millicent Shitakha	Manager Business Development
3.	Victor Ogunyo	Manager Corporate Support Services
4.	Dickson Toroitich	Principal HR & Administration Officer
5.	Isabella Onyango	Principal Communication & Marketing Officer
6.	Diana Njeru	Senior Finance/Accounts Officer
7.	Alex Mwaniki	Senior Case Counsel
8.	Arnold Ndukuyu	Senior ICT Officer
9.	Anne Kago	Senior Supply Chain Management Officer
10.	Irene Nyamasi	Senior Corporate Strategy Officer
11.	Lorna Kerubo	Capacity Building Officer

(e) Fiduciary Oversight Arrangements

In discharging its mandate, the Centre under the leadership of the Registrar/CEO establishes such committees as are necessary for the performance of its duties. In the 2020-2021 financial year the following committees were constituted to undertake specific functions as indicated:

1. Budget Implementation Committee

This committee was formed pursuant to the Public Finance Management (PFM) Act 2012 and the Public Finance Management (PFM) Regulations 2015 to give suggestions, modifications and recommendations on budget processes; to review quarterly budget reports and make recommendations before submission to management; to develop and implement strategies that improve efficiency and achieve budgetary goals; and to ensure full compliance with National Treasury circulars and other government regulations on budgeting.

In the financial year ended 30th June 2021 the membership of this committee was as indicated below:

S/No.	Name	Role
1.	L. Muiruri Ngugi	Chairperson
2.	Diana Njeru	Secretary
3.	Millicent Shitakha	Member
4.	Dickson Toroitich	Member
5.	Isabella Onyango	Member
6.	Alex Mwaniki	Member
7.	Arnold Ndukuyu	Member

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S/No.	Name	Role
8.	Anne Kago	Member
9.	Irene Nyamasi	Member
10.	Lorna Kerubo	Member
11.	Sarah Omete	Secretariat
12.	Moses Owili	Secretariat

2. Human Resource Management Advisory Committee

This committee was established under Section 2.14.1 of the NCIA Human Resource Policies and Procedures Manual to advise the Registrar/CEO on issues relating to human resource management and development. During the financial year ended 30th June 2021 the following were the members of this committee:

S/No.	Name	Role
1.	Victor Ogunyo	Chairperson
2.	Dickson Toroitich	Secretary
3.	Alex Mwaniki	Member
4.	Millicent Shitakha	Member
5.	Arnold Ndukuyu	Member
6.	Anne Kago	Member
7.	Diana Njeru	Member

3. Strategic Planning Monitoring and Evaluation Committee

This committee was established to develop the Centre's annual work plan, oversee implementation of the strategic plan and report quarterly to the Board on the progress of the strategic plan implementation. During the financial year ended 30th June 2021 the following were the members of this committee:

S/No.	Name	Role
1.	L. Muiruri Ngugi	Chairperson
2.	Irene Nyamasi	Secretary
3.	Millicent Shitakha	Member
4.	Victor Ogunyo	Member
5.	Dickson Toroitich	Member
6.	Isabella Onyango	Member
7.	Arnold Ndukuyu	Member
8.	Anne Kago	Member
9.	Lorna Kerubo	Member
10.	Alex Mwaniki	Member

4. Performance Contract Committee

This committee was established to prepare, periodically monitor and report to the Board on the implementation of the 2020/2021 Centre's Performance Contract. During the financial year ended 30th June 2021 the following were the members of this committee:

S/No.	Name	Role
1.	Millicent Shitakha	Chairperson
2.	Irene Nyamasi	Secretary
3.	Victor Ogunyo	Member
4.	Dickson Toroitich	Member
5.	Isabella Onyango	Member
6.	Alex Mwaniki	Member
7.	Arnold Ndukuyu	Member
8.	Anne Kago	Member
9.	Lorna Kerubo	Member

5. Public Complaints Committee

This committee was established in accordance with the Commission on Administrative Justice Act 2011 with the mandate to promote the sensitization of staff and other stakeholders on complaints handling; receive, process and oversee the resolution of complaints; coordinate complaints handling activities in the organization; and ensure compliance with the guidelines of the Commission on resolution of public complaints, as may be issued from time to time. During the financial year ended 30th June 2021 the following were the members of this committee:

S/No.	Name	Role
1.	Isabella Onyango	Chairperson
2.	Sarah Mutheu	Secretary
3.	Lorna Kerubo	Member
4.	Alex Mwaniki	Member
5.	Victor Oketch	Member
6.	Victor Rutto	Member
7.	Moses Owili	Member

6. Corporate Social Responsibility Committee

This committee was established with the mandate to define the Centre's corporate and social obligations as a responsible citizen and oversee its conduct in the context of those obligations; develop and recommend for acceptance by the board policies on all key areas of Corporate Social Responsibility; develop and support the activities necessary to convert Corporate Social Responsibility policies into an effective plan for implementation across the Centre and to agree a programme of specific Corporate Social Responsibility activities; and ensure that appropriate communications policies are in place and working effectively to build

and protect the Centre's reputation both internally and externally. During the financial year ended 30th June 2021 the following were the members of this committee:

Corporate Social Responsibility Committee

S/No.	Name	Role
1.	Isabella Onyango	Chairperson
2.	Victor Oketch	Secretary
3.	Alex Mwaniki	Member
4.	Anne Kago	Member
5.	Sarah Mutheu	Member
6.	Mary Machani	Member

7. Evaluation Committee

This committee was constituted in accordance with the Public Procurement and Asset Disposal Act, 2015 and the Public Procurement and Disposal Regulations, 2006 with the mandate to carry out evaluation of bids and advise the Registrar/CEO on the matter. During the financial year ended 30th June 2021 members of the committee were as indicated below:

S/No.	Name	Role
1.	Irene Nyamasi	Chairperson
2.	Victor Rutto	Secretary
3.	Arnold Ndukuyu	Member
4.	Victor Oketch	Member
5.	Sarah Mutheu	Member

8. Risk Management Committee

This committee was established in accordance with Section 2.2.3 of the Risk Management Policy. The Committee provides oversight and direction to the risk management processes within the Centre and makes its reports and recommendations to the Board through the Board's Audit, Risk and Governance Committee. During the financial year ended 30th June 2021 the following were the members of this committee:

S/No.	Name	Role
1.	L. Muiruri Ngugi	Chairperson
2.	Victor Ogunyo	Member
3.	Millicent Shitakha	Member
4.	Arnold Ndukuyu	Member
5.	Anne Kago	Member
6.	Alex Mwaniki	Member
7.	Dickson Toroitich	Member

9. Ethics and Integrity Committee

This committee was established to steer and coordinate corruption prevention efforts in the Centre. During the financial year ended 30th June 2021 the following were the members of this committee:

S/No	Name	Role
1.	L. Muiruri Ngugi	Chairperson
2.	Millicent Shitakha	Member
3.	Victor Ogunyo	Member
4.	Dickson Toroitich	Member
5.	Arnold Ndukuyu	Member
6.	Anne Kago	Member
7.	Alex Mwaniki	Member

10. Disposal Committee

This committee was established to deal with matters of asset disposal as stipulated under Section 163 (1) of the Public Procurement and Asset Disposal Act, 2015 to verify assets for disposal, determine market value of items for disposal, set up reserve price, verify justification and procedure for disposal and carry out asset disposal in accordance with statute. During the financial year ended 30th June 2021 the following were the members of this committee:

S/No	Name	Role
1.	Arnold Ndukuyu	Chairperson
2.	Victor Rutto	Secretary
3.	Victor Oketch	Member
4.	Victoria Kigen	Member

11. Information Communication and Technology Steering Committee

This committee was established pursuant to Section 6 of the ICTA Governance Standard to ensure that NCIA derives value from its Information Technology investment, assist to define the IT mission and goals aligned with the strategic direction of NCIA; authorize and direct the development of the services and operation plans. During the financial year ended 30th June 2021 the following were the members of this committee:

S/No	Name	Role
1.	L. Muiruri Ngugi	Chairperson
2.	Victor Ogunyo	Co-Chairperson
3.	Arnold Ndukuyu	Secretary
4.	Irene Nyamasi	Member
5.	Diana Njeru	Member
6.	Dickson Toroitich	Member
7.	Anne Kago	Member
8.	Alex Mwaniki	Member

(f) Entity Headquarters

Nairobi Centre for International Arbitration
8th Floor, Co-operative Bank Building
Haile Selassie Avenue
Nairobi, Kenya

(g) Entity Contacts

Nairobi Centre for International Arbitration
P.O. Box 548-00200
Nairobi, Kenya
Office Telephone: (254) 2224029/2240377
Office Mobile: (254) 771293055
E-mail: info@ncia.or.ke
Website: www.ncia.or.ke

(h) Entity Bankers

KCB Group Limited
Kenyatta International Convention Centre Branch
P. O. Box 48400-00100
Nairobi, Kenya



(i) Independent Auditors

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



(j) Principal Legal Adviser



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



THE BOARD OF DIRECTORS


Director	Director's Particulars
<p>1. Arthur Konye Igeria – Ag. Chairperson</p> 	<p>Mr. Arthur Igeria (DoB: 20/05/1966) was the <i>Ag. Chairperson</i> of the Board of Directors until <i>6th June 2021</i> when his term as a director ended. Arthur is a meticulous and highly experienced advocate. He trained at the University of Nairobi, graduating in 1989 with a Bachelor of Laws degree. He also holds a post graduate Diploma in Law from Kenya School of Law. He was admitted to practice as an Advocate of the High Court of Kenya in 1991.</p> <p>He is a Member of the Chartered Institute of Arbitrators (Kenya), the Mediation Training Institute, and the Institute of Directors of Kenya.</p> <p>He is also on the list of counsel entitled to practice at International Criminal Court (ICC) at the Hague, and the International Criminal Tribunal for Rwanda (ICTR) and a Certified Public Secretary and a member of the Institute of Certified Public Secretaries of Kenya.</p>
<p>2. John Ohaga – Member</p> 	<p>Mr. John Ohaga (DoB: 23/02/1966) is the <i>Chairperson</i> of the <i>Legislative Review and Accreditation Committee</i> (term ended on <i>6th June 2021</i>). He is the Managing Partner in the firm TripleOKlaw LLP Advocates and has more than 24 years' post-qualification experience.</p> <p>He is a Trustee of the Chartered Institute of Arbitrators (Kenya Branch), a member of the Mediation Accreditation Committee and Convener of the Law Society of Kenya's Committee on Alternative Dispute Resolution. He is also the Chairman of the Kenya Sports Disputes Tribunal.</p> <p>He also holds a post graduate Diploma in Law from Kenya School of Law. He is admitted to</p>

	practice as an Advocate of the High Court Kenya.
<p>Director</p>	<p>Director's Particulars</p>
<p>3. Pauline Mcharo - Member</p> 	<p>Ms. Pauline Mcharo (DoB: 24/06/1977) is the Deputy Chief State Counsel, International Law Division, at the State Law Office.</p> <p>She represents the Government of Kenya in international investment and commercial disputes and assists in resolution of Territorial disputes.</p> <p>She holds an LL.M in International Law (Graduate Institute, Geneva), LL.M in International Trade and Investment Law in Africa (University of Pretoria) and LLB. (University of Nairobi).</p>
<p>4. Jacqueline Oyuyo Githinji - Member</p> 	<p>Ms. Jacqueline Githinji (DoB: 16/10/1975) is the <i>Chairperson</i> of the <i>Training and Communication Committee</i>. She is the Managing Partner at Umsizi LLP, a firm of Advocates, Corporate Secretaries, Arbitrators and Mediators.</p> <p>She has considerable experience in a broad range of commercial and corporate advisory matters gained in her close to 20 years legal experience.</p> <p>She's also committed to making organisations tick – demystifying corporate governance in a way that makes sense for each entity that she deals with – and she is adept at tackling regulatory compliance.</p> <p>Ms. Githinji is a Fellow of the Chartered Institute of Arbitrators and a Certified & Court-Accredited Mediator.</p>

Director	Director's Particulars
<p>5. Collins Namachanja – Member</p> 	<p>Mr. Collins Namachanja (DoB: 26/06/1968) is the <i>Chairperson</i> of the <i>Audit Risk and Governance Committee</i> (term ended in 6th June 2021). He is a senior partner in the firm of <i>Namachanja & Mbugua Advocates</i> with close to 20 years post qualification experience in high value corporate and commercial transactions, commercial litigation and arbitration law and practice.</p> <p>Mr. Namachanja is a Fellow of the Chartered Institute of Arbitrators and Chartered Arbitrator; is part of the Institute's Approved Faculty List and a Tutor with the Institute's Kenya Branch.</p> <p>He also holds a post graduate Diploma in Law from Kenya School of Law. He is admitted to practice as an Advocate of the High Court of Kenya.</p>
<p>6. Judith Omenge - Member</p> 	<p>Hon. Judith Omenge (DoB: 04/07/1973) is the Registrar of the High Court. She is a law graduate from the University of Nairobi with training on Judicial Administration, Case Management, Alternative Dispute Resolution and Juvenile Delinquent Treatment Course in UNAFEI, Japan</p> <p>Prior to her appointment as Registrar; Judith served as a Deputy Registrar in the Family Division and magistrate in the Nairobi Children's Court where she oversaw the implementation of the Children Act.</p> <p>As the Registrar of the High Court, Judith is responsible for the day to day administration of thirty-nine (39) High Court stations.</p>

Director	Director's Particulars
<p>7. Lawrence Waigi Kamau - Member</p> 	<p>Mr. Lawrence Kamau (DoB: 04/05/1973) is a Deputy Chief State Counsel at the State Law Office and currently heading the Commercial & Arbitration Division, Civil Litigation Department.</p> <p>He was previously the Regional Head of the Malindi County State Law Office (in charge of Kilifi, Tana River and Lamu County) as well as the Head of the Supreme Court and Court of Appeals Section within the Civil Litigation Department representing the Government of Kenya in high profile and complex litigation.</p> <p>In the course of service he has been deployed as the Deputy Director Host Country and Consular Affairs at the Ministry of Foreign Affairs in charge of drafting host country agreements from 2008 to 2010.</p>
<p>8. Peter Kihara Njuguna – Member</p> 	<p>Mr. Peter Kihara (DoB: 14/06/1964) (term ended on 6th June 2021) is the <i>Chairperson</i> of the <i>Finance and Administration Committee</i>. He is an experienced Legal Researcher of more than 20 years standing having started off at the University of Nairobi's Law Library where he worked for 13 years.</p> <p>He has been involved in numerous legal assignments involving complex legal research and analysis on a wide range of issues for both governmental and public benefit organisations which have entailed preparation of legal opinions, advice, briefs, commentaries and reports.</p> <p>He holds a post graduate Diploma in Law from Kenya School of Law and is admitted to practice as an Advocate of the High Court of Kenya.</p> <p>He is the Managing Partner at Kihara Njuguna & Co Advocates.</p>

Director	Director's Particulars
<p>9. Jimmy Mbabali Muyanja – Member</p> 	<p>Mr. Jimmy Muyanja (DoB: 13/03/1971) (term ended on 6th June 2021) has over 14 years of experience in commercial transactions, litigation and alternative dispute resolution. He is a Fellow of the Chartered Institute of Arbitrators, United Kingdom branch. He is admitted to practice as an Advocate in Uganda.</p> <p>His recommendations to amend the 1999 Arbitration and Conciliation Bill were adapted into the Arbitration and Conciliation Act, Cap.4 Laws of Uganda.</p> <p>He was part of the task force which designed and implemented the pioneer compulsory Court-connected mediation scheme for the Commercial Court Division of the High Court in Uganda in 2001 and also participated in training of mediators and arbitrators and delivered numerous papers on Alternative Dispute Resolution globally.</p>
<p>10. James Muruthi Kihara – Member</p> 	<p>Mr. James Kihara (DoB: 31/01/1970) is the Managing Partner at Kihara & Wyne Advocates. He has represented corporate clients in complex litigation and arbitrations. He has in the past worked with the National Legal Aid Service under the Department of Justice and as a Corporation Secretary in several state agencies</p> <p>He is the current Chairperson of the Public Private Partnerships Petition Committee and the immediate former Chairman of the Chartered Institute of Arbitrators - Kenya Branch.</p> <p>He is a Chartered Arbitrator, an Accredited Mediator, a Certified Governance Auditor and a Certified PPP Specialist. He holds an LL.M in Corporate Governance.</p>

Director	Director's Particulars
<p data-bbox="183 414 762 452">11. L. Muiruri Ngugi – Board Secretary</p>  A professional headshot of Mr. L. Muiruri Ngugi, a Black man with a shaved head, wearing a dark pinstriped suit jacket, a white shirt, and a dark blue patterned tie. He is looking slightly to the left of the camera with a neutral expression.	<p data-bbox="874 430 1520 689">Mr. L. Muiruri Ngugi (DoB: 15/12/1971) is the Registrar/CEO of NCIA and the Board Secretary. He is an arbitrator and accredited mediator, member of ICCA, member to the UNCITRAL Working Group II Arbitration & Conciliation and UNCITRAL Working Group III Online Dispute Resolution.</p> <p data-bbox="874 728 1520 947">He holds a BA (Hons.) Econ, LLB and MA International Studies. He also holds a post graduate Diploma in Law from Kenya School of Law. He is admitted to practice as an Advocate of the High Court of Kenya and a Certified Public Secretary.</p>

MANAGEMENT TEAM

Name	Particulars
<p>1. L. Muiruri Ngugi</p>  <p>MA (International Studies), BA (Hons) Econ., LLB, PGD (Law), CS</p>	<p>Mr. L. Muiruri Ngugi is the Registrar/CEO of NCIA and the Accounting Officer.</p> <p>He leads the Secretariat of the Centre, is responsible for the day to day management of affairs and staff of the Centre.</p> <p>In relation to proceedings at the Centre, he acts in accordance with instructions of the Court and accepts, transmits, service and keeps custody of documents in accordance with NCIA Rules.</p>
<p>2. Millicent Musanga Shitakha</p>  <p>MBA (Finance), BA (Economics)</p>	<p>Ms. Millicent Shitakha is the Manager Business Development Department at NCIA.</p> <p>She oversees the Corporate Strategy Unit, the Capacity Building Unit, the Communication and Marketing Unit and the Client Relations Unit.</p> <p>She is responsible for developing and implementing the Strategic plan, Resource mobilization Strategy, Communication, marketing and capacity building strategies and action plans.</p>

Name	Particulars
<p>3. Victor A. O. Ogunyo</p>  <p><i>MBA (Strategic Management), B.Com (Accounting and Business Administration & Management), HD-HRM, CPA</i></p>	<p>Mr. Victor Ogunyo is the Manager Corporate Support Services Department at NCIA.</p> <p>He oversees the Human Resource Management and Administration Unit, the Legal Affairs Unit, the Finance and Accounts Unit, the Supply Chain Management Unit and the Information Communication and Technology Unit.</p> <p>He is responsible for ensuring accountability and prudent management of resources and compliance with principles and values of good governance, transparency ethics and integrity.</p>
<p>4. Alex Mwaniki</p>  <p><i>LLB (Hons), PGD (Law)</i></p>	<p>Mr. Alex Mwaniki is the Senior Case Counsel in the Case Management Department at NCIA.</p> <p>He oversees the Case Administration Unit, the Case Quality Assurance and Advisory Unit and the Records Management Unit.</p> <p>He is responsible for administration of the registry and cases registered by the Centre and ensuring compliance by parties of the relevant laws, rules and other applicable case management protocols.</p>

CHAIRMAN'S STATEMENT



Mr. Arthur K. Igeria
Former Director and immediate former Chairperson NCIA Board

The Nairobi Centre for International Arbitration (NCIA) is honoured to publish the 2020/2021 Annual Report and Financial Statements. The Annual Report and Financial Statements have been prepared in line with Section 20 of the NCIA Act, 2013.

The 2020/2021 Annual Report and Financial Statements highlight key initiatives undertaken by the Centre towards promotion of international commercial arbitration and other alternative forms of dispute resolution. It documents the initiatives and statistical information towards the attainment of our mission to be recognized as a Centre for International Commercial Arbitration and Alternative Dispute Resolution (ADR) through provision of quality and innovative processes. This has largely been done through four (4) strategic themes of promotion and administration of ADR; training and quality assurance; partnerships and collaboration; and organizational capacity development.

CHAIRMAN'S STATEMENT

I am pleased to report that the financial year 2020/2021 was a period NCIA witnessed strategic milestones especially in the process of developing a National ADR Policy which shall provide a framework through which national actors and the country can coordinate efforts to deliver and improve access to justice efficiently and uphold the rule of law. Towards this end, the Centre managed to present the draft National ADR Policy to the Office of the Attorney General and develop draft bills to that effect. NCIA participated in ADR research exercise to ascertain public awareness levels, perception, and uptake of ADR in Kakamega, Kisumu, Nakuru, Kisii, Isiolo, Meru, Nyeri, Mombasa, Voi, Wote and Machakos.

In the year under review, the Centre participated in six (6) International Arbitration and Dispute Resolution (ADR) events through online engagements. The Centre further signed one (1) Memorandum of Understanding (MOU) with the Law Society of Kenya.

In the year under review, the Centre registered eleven (11) arbitration disputes for administration and continued to administer eight (8) ongoing arbitration disputes. The Centre concluded five (5) arbitration disputes registered for administration in the year under review. In the same period, the Centre admitted six (6) arbitrators to the NCIA Panel List of arbitrators and four (4) mediators to the NCIA Panel List of Mediators. The Centre also published two (2) research papers. In the same period, the Centre developed an Arbitration Curriculum and Mediation Curriculum for practitioners.

Challenges Encountered

The Centre faced a number of challenges during the year under review that hindered it from fully achieving all planned activities. Key among them include budgetary constraints occasioned by budget cuts; lack of National ADR Policy; and lack of public awareness and appreciation of structured ADR. The existing COVID19 pandemic also had an impact on the Centre implementing some of its planned activities in the period under review.

Way Forward

In the coming year, the Centre will focus primarily on implementing the key areas as identified in the NCIA Strategic Plan including developing and publishing Revised Rules on Arbitration and Mediation; implementing a capacity building curriculum on ADR mechanisms and conducting National Moot Competition for the young and upcoming ADR practitioners.

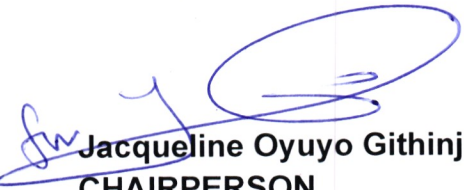
We acknowledge support from the Government of Kenya, the Judiciary of Kenya and other partners and do hope that our journey towards offering alternative dispute resolutions will be sustained for the benefit of generations to come. Indeed, the achievements outlined above would not have been possible without the innovation, resourcefulness, commitment and hard work of the Secretariat. In this regard, I express gratitude to the NCIA Registrar/CEO, Mr. Lawrence Ngugi and the entire staff for work well done in 2020/2021 and appreciate their efforts in supporting the

Way Forward

ision of the Board and the Centre. I would also like to thank my fellow Board members who nominated me to chair the meetings of the Board of Directors in the absence of a substantive Chairman for their unwavering support, commitment, dedication and sacrifice. I wish to acknowledge each Board member for their individual contributions and efforts made during the financial year 2020/2021.

In conclusion, I wish on behalf of the Board of Directors, to express our gratitude for the honour granted us in service to the people of the great Nation of Kenya in our capacity as members of the Board of NCIA. We are confident that the Centre, its partners and the people of Kenya will continue working closely with us to realize our vision of being the Premier Centre of Choice for Alternative Dispute Resolution.

Thank you and may God bless You.



Jacqueline Oyuyo Githinji

CHAIRPERSON

BOARD OF DIRECTORS, NAIROBI CENTRE FOR INTERNATIONAL ARBITRATION

4A. TAARIFA YA MWENYEKITI



Bw. Arthur K. Igeria
Mkurugenzi wa zamani na mwenyekiti wa zamani wa NCIA Bodi

Kituo cha Nairobi cha Usuluhishi wa Kimataifa (NCIA) kimeheshimiwa kuchapisha Ripoti ya Mwaka na Taarifa za Fedha ya mwaka 2020/2021. Ripoti ya Mwaka na Taarifa za Fedha imeandaliwa kwa mujibu wa kifungu cha 20 cha Sheria ya NCIA, 2013.

Ripoti ya Mwaka na Taarifa za Fedha ya mwaka 2020/2021 inaonyesha mipango muhimu iliyofanywa na NCIA kukuza usuluhishi wa kibiashara wa kimataifa na aina nyingine mbadala za utatuzi wa migogoro. Ripoti hii inaandika mipango na habari za takwimu kuelekea kufikia lengo letu la kutambuliwa kama Kituo cha Usuluhishi wa Biashara wa Kimataifa na Utatuzi wa Migogoro Mbadala kupitia utoaji wa michakato ya ubora na ubunifu. Hii kwa kiasi kikubwa imefanywa kupitia mandhari nne (4) za kimkakati za kukuza na usimamizi wa Utatuzi wa Migogoro Mbadala; mafunzo na uhakikisho wa ubora; ushirikiano na kushirikiana; na ukuzaji wa uwezo wa shirika.

TAARIFA YA MWENYEKITI

limefurahi kuripoti kuwa mwaka wa fedha 2020/2021 ulikuwa ni kipindi ambacho NCIA ilishuhudia hatua za kimkakati hasa katika mchakato wa kuandaa Sera ya Taifa ya Utatuzi wa Migogoro Mbadala ambayo itatoa mfumo ambao watendaji wa kitaifa na nchi wanaweza kuratibu juhudi za kutoa na kuboresha upatikanaji wa haki kwa ufanisi na kuzingatia utawala wa sheria. Kufikia mwisho huu, NCIA kilifanikiwa kuwasilisha rasimu ya Sera ya Taifa ya Utatuzi wa Migogoro Mbadala kwa Ofisi ya Mwanasheria Mkuu wa Serikali na kuandaa rasimu ya muswada kwa athari hiyo. NCIA ilishiriki katika zoezi la utafiti wa Utatuzi wa Migogoro Mbadala kwa viwango fulani vya ufahamu wa umma, mtazamo na upatikanaji wa Utatuzi wa Migogoro Mbadala huko Kakamega, Kisumu, Nakuru, Kisii, Isiolo, Meru, Nyeri, Mombasa, Voi, Wote na Machakos.

Katika mwaka ambao unakaguliwa, NCIA ilishiriki katika matukio sita (6) ya Usuluhishi wa Kimataifa na Utatuzi wa Migogoro kupitia ushiriki wa mtandaoni. NCIA ilisaini mkataba mmoja (1) wa Maelewano na Chama cha Sheria cha Kenya.

Katika mwaka ambao unakaguliwa, NCIA ilisajili migogoro kumi na moja (11) ya usuluhishi kwa utawala na iliendelea kusimamia migogoro nane (8) inayoendelea ya usuluhishi. NCIA ilihitimisha migogoro mitano (5) ya usuluhishi iliyosajiliwa kwa utawala katika mwaka amabo unakaguliwa. Katika kipindi hicho hicho, NCIA ilikiri wasuluhishi sita (6) kwenye Orodha ya Jopo la NCIA ya wasuluhishi na wapatanishi wanne (4) kwenye Orodha ya Jopo la NCIA la Wapatanishi. NCIA pia ilichapisha karatasi mbili (2) za utafiti. Katika kipindi hicho hicho, NCIA ilianzisha Mtaala wa Usuluhishi na Mtaala wa Upatanishi kwa watendaji.

Changamoto Zilizojitokeza

NCIA ilikabiliwa na changamoto kadhaa katika mwaka uliopita ambao ulizuia kufanikisha shughuli zote zilizopangwa. Muhimu miongoni mwao ni pamoja na vikwazo vya bajeti vinavyosababishwa na kupunguzwa kwa bajeti; ukosefu wa Sera ya Taifa ya Utatuzi wa Migogoro Mbadala; na ukosefu wa ufahamu wa umma na kuthamini Utatuzi wa Migogoro Mbadala iliyoundwa. Janga lililopo la COVID19 pia lilikuwa na athari kwa NCIA kutekeleza baadhi ya shughuli zake zilizopangwa katika kipindi ambao unakaguliwa.

Kwenda Mbele

Katika mwaka ujao, NCIA itajikita kimsingi katika kutekeleza maeneo muhimu kama ilivyotambuliwa katika Mpango Mkakati wa NCIA baadhi ikiwa ni pamoja na kuendeleza na kuchapisha Sheria zilizorekebishwa juu ya Usuluhishi na Usuluhishi; kutekeleza mtaala wa kujenga uwezo juu ya taratibu za Utatuzi wa Migogoro Mbadala na kufanya Mashindano ya Taifa ya Moot kwa watendaji wadogo na wanaokuja wa Utatuzi wa Migogoro Mbadala.

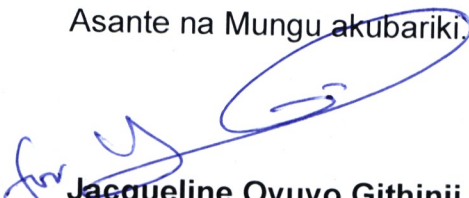
Tunatumbea msaada kutoka kwa Serikali ya Kenya, Mahakama ya Kenya na washirika wengine na tunatumai kwamba safari yetu kuelekea kutoa maazimio mbadala ya migogoro itaendelezwa kwa manufaa ya vizazi vijavyo. Kwa kweli, mafanikio yaliyotajwa hapo juu hayangewezekana bila

Kwenda Mbele

uvumbuzi, rasilimali, kujitolea na kazi ngumu ya Sekretarieti. Katika suala hili, ninatoa shukrani za dhati kwa Msajili/Mkurugenzi Mtendaji wa NCIA, Bw. Lawrence Ngugi na wafanyakazi wote kwa kazi nzuri iliyofanyika mwaka wa fedha 2020/2021 na kuthamini juhudi zao katika kusaidia maono ya Bodi na Kituo. Napenda pia kuwashukuru Wajumbe wenzangu wa Bodi ambao waliniteua kuongoza mikutano ya Bodi ya Wakurugenzi kwa kutokuwepo kwa Mwenyekiti mtiifu kwa msaada wao usioyumba na kujitolea. Napenda kumtambua kila mjumbe wa Bodi kwa michango na jitihada zake binafsi zilizofanywa katika mwaka wa fedha 2020/2021.

Kwa kumalizia, napenda kwa niaba ya Bodi ya Wakurugenzi, kutoa shukrani zetu kwa heshima tuliopewa katika kuwatumikia watu wa Taifa kubwa la Kenya kwa uwezo wetu kama wajumbe wa Bodi ya Wakurugenzi. Tuna uhakika kwamba NCIA, washirika wake na watu wa Kenya wataendelea kufanya kazi kwa karibu na sisi ili kutimiza maono yetu ya kuwa Kituo kikuu cha Chaguo katika Utatuzi mbadala wa Migogoro.

Asante na Mungu akubariki.



Jacqueline Oyuyo Githinji
Mwenyekiti

BODI YA WAKURUGENZI, KITUO CHA NAIROBI CHA USULUHISHI WA KIMATAIFA

5. REPORT OF THE CHIEF EXECUTIVE OFFICER



Mr. L. Muiruri Ngugi
NCIA Registrar/CEO

I am delighted at the publication of the Centre's 2020/2021 Annual Report and Financial Statements. The Centre draws its mandate and functions from the NCIA Act 2013. The Act also inform its establishment, structure and operations. The Annual Report and Financial Statements details activities, performance and interventions of the Centre during the year under review. It also looks at the achievements, challenges and options for addressing them. It also elucidates the resources, both capital and human, which were at the Centre's disposal. Further, the Annual Report and Financial Statements document the progress made by the Centre in promotion of international commercial arbitration and other alternative forms of dispute resolution.

Promotion and Administration of ADR

NCIA is the first institution of its kind in Kenya to offer institution-administered ADR process. The Centre developed and implemented a Case Management System that ensures efficiency and the provision of quality and innovative services. As the lead agency in ADR, NCIA is mandated by statute to formulate national policies, laws and plans of action on ADR and ensure their implementation. To this end, NCIA participated in a research exercise to ascertain public awareness levels, perception and uptake of ADR in Kakamega, Kisumu, Nakuru, Kisii, Isiolo, Meru, Nyeri, Mombasa, Voi, Wote and Machakos. In the FY 2020-2021, the Centre managed to present a draft National ADR Policy report to the Office of the Attorney General for formulation of Draft Bill.

Training and Quality Assurance

Training and quality assurance ensure that the Centre aids in promoting the practice of International Commercial Arbitration practice and increase confidence in ADR processes. In the FY 2020/2021, the Centre developed Arbitration Curriculum and Mediation Curriculum to guide training of practitioners. In addition, accreditation was conducted to both arbitrators and mediators who sought approval to be enlisted in the NCIA Panel List of Arbitrators and the NCIA Panel List of Mediators as part of quality assurance. The Centre also created awareness on the availability and use of ADR services by developing mechanisms for public engagement, strategic county visits and through targeted engagements with select stakeholders. With an enlightened public, the Centre envisages increased use of ADR processes.

Partnerships and Collaborations

To ensure recognition of NCIA as the preferred Centre for International Commercial Arbitration and Alternative Dispute Resolution, the Centre maintained a proactive co-operation with regional and international institutions in areas relevant to achieving its objectives. To achieve the strategy, the Centre signed Memorandum of Understanding, held public participation forums and participated in various international conferences for purposes of securing technical assistance, exchange programmes, conferences and training programs for ADR practitioners and scholars. In FY 2020-2021, the Centre had fruitful engagements with different stakeholders.

Organizational Capacity Development

The Centre strengthened its human resource capacity by recruiting a Principal Internal Auditor, Principal Communication and Marketing Officer and Capacity Building Officer to complement the existing skilled and competent secretariat that aid the Registrar/CEO in the day to day running of activities. In order to improve staff skills and competence, the Centre has put in place staff training and development programs. These programs enable staff to pursue both academic and professional qualifications locally and internationally. The Centre's financial mobilization was also strengthened through compliance with all statutory obligations and continuous reporting to relevant authorities. Information Communication Technology (ICT) as one of emerging trends was

also strengthened with the continued implementation of the Microsoft Dynamics Navision (NAV) Enterprise Resource Planning System and an online performance management system.

Challenges Encountered

The Centre faced a number of challenges during the year under review that hindered it from fully achieving all planned activities. Key among them include:

- Budgetary constraints occasioned by budget cuts;
- Lack of National ADR Policy; and
- Lack of public awareness and appreciation of structured ADR.

Way Forward

In the coming year, the Centre will focus primarily on implementing the key areas as identified in the NCIA Strategic Plan, Annual Work Plan and the Performance Contract. The Centre plans to conduct the following activities in the coming financial year:

- Develop Strategic Plan for 2023-2027;
- Realize the National ADR policy;
- Develop rules for the Arbitral Court;
- Constitute the Arbitral Court;
- Publish and circulate simplified user guidelines/handbook on ADR;
- Initiate and undertake research in ADR emerging areas and trends;
- Develop and implement an ADR moot and skills programme for upcoming practitioners;
- Implement a capacity building curriculum on ADR mechanisms;
- Identify institutions/individuals for strategic partnership;
- Develop mentorship and exchange programmes;
- Accreditation and induction of practitioners;
- Conduct ADR open days and clinics; and
- Organize seminars, workshops and trainings programs on ADR.

While the year 2020/2021 was not without its challenges, the Management and Staff of NCIA continued to successfully implement its mandate and to advance its goals and objectives set in the NCIA Strategic Plan and approved by the Board of Directors. The Board indeed provided strategic direction, leadership and oversight to the Secretariat in the execution of the planned programmes and activities. To meet this enormous task, the Centre received grants from the Government of Kenya totalling to Kshs. 101.6 Million during the year under review.

The Secretariat will continue to ensure effective implementation of the programmes of the Centre including supporting the work of the Board of Directors and the various Board Committees. We will remain dedicated and committed to achieving the Centre's vision of being *the Premier Centre of Choice for Alternative Dispute Resolution* and its Mission of *being recognized as a Centre for International Commercial Arbitration and Alternative Dispute Resolution through provision of quality and innovative processes*.

Way Forward

In conclusion, I would like to appreciate the efforts made by the staff of NCIA in realizing the aforementioned achievements, without which the Centre could not have successfully fulfilled its mandate as outlined in the NCIA Act 2013. I also wish, on behalf of the Secretariat, to thank the Board of Directors for their continued support and leadership towards the accomplishment of the Centre's goals this year.

Thank you and may God abundantly bless you.



L. Muiruri Ngugi
REGISTRAR/CEO
NAIROBI CENTRE FOR INTERNATIONAL ARBITRATION

A. RIPOTI YA AFISA MKUU MTENDAJI



Bw. L. Muiruri Ngugi
Msajili/Afisa Mkuu Mtendaji wa NCIA

Nimefurahishwa na kuchapishwa kwa Ripoti ya Mwaka na Taarifa za Fedha ya mwaka wa fedha 2020/2021. Kituo cha Nairobi cha Usuluhishi wa Kimataifa (NCIA) kinatekeleza majukumu yake kutoka Sheria ya NCIA ya mwaka 2013. Sheria hiyo pia inaarifu uanzishwaji wake, muundo na shughuli zake. Ripoti ya Mwaka na Taarifa za Fedha ya mwaka 2020/2021 inaelezo shughuli, utendaji na hatua za NCIA katika mwaka unaochunguzwa. Pia inaangalia mafanikio, changamoto na chaguzi za kukabiliana nao. Pia inafafanua rasilimali ambazo zilikuwa inapatikana kwa matumizi ya NCIA. Zaidi ya hayo, Ripoti ya Mwaka na Taarifa za Fedha ya mwaka wa fedha 2020/2021 inaonyesha maendeleo yaliyofanywa na NCIA katika kukuza usuluhishi wa kibiashara wa kimataifa na aina nyingine mbadala za utatuzi wa migogoro.

Kukuza na Utawala wa Azimio Mbadala la Mzozo

NCIA ni taasisi ya kwanza ya aina yake nchini Kenya kutoa mchakato wa Utatuzi wa Migogoro Mbadala unaosimamiwa na taasisi. NCIA iliendeleza na kutekeleza Mfumo wa Usimamizi wa Kesi ambao unahakikisha ufanisi na utoaji wa huduma bora na za ubunifu. Kama shirika la kuongoza katika Utatuzi wa Migogoro Mbadala, NCIA imepewa mamlaka na sheria ya kuunda sera za kitaifa, sheria na mipango ya hatua juu ya Utatuzi wa Migogoro Mbadala na kuhakikisha utekelezaji wao. Kwa hili, NCIA ilishiriki katika zoezi la utafiti ili kuhakikisha viwango vya ufahamu wa umma, mtazamo na upatikanaji wa Utatuzi wa Migogoro Mbadala huko Kakamega, Kisumu, Nakuru, Kisii, Isiolo, Meru, Nyeri, Mombasa, Voi, Wote na Machakos. Katika mwaka wa fedha 2020-2021, NCIA ilifanikiwa kuwasilisha rasimu ya ripoti ya Sera ya Taifa ya Utatuzi wa Migogoro Mbadala kwa Ofisi ya Mwanasheria Mkuu wa Serikali uundaji wa Muswada wa Rasimu.

Mafunzo na Uihakikisho wa Ubora

Mafunzo na uhakikisho wa ubora huhakikisha kuwa NCIA inasaidia katika kukuza mazoezi ya Usuluhishi wa Biashara ya Kimataifa na kuongeza ujasiri katika michakato ya Utatuzi wa Migogoro Mbadala. Katika mwaka wa fedha 2020 / 2021, NCIA iliendeleza Mtaala wa Usuluhishi na Mtaala wa Kutafakari ili kuongoza mafunzo ya watendaji. Kwa kuongezea, kibali kilifanywa kwa wasuluhishi na wapatanishi ambao walitaka idhini ya kujiandikisha katika Orodha ya Jopo la NCIA ya Wasuluhishi na Orodha ya Jopo la NCIA ya Wapatanishi kama sehemu ya uhakikisho wa ubora. NCIA pia iliunda ufahamu juu ya upatikanaji na matumizi ya huduma za Utatuzi wa Migogoro Mbadala kwa kuendeleza taratibu za ushiriki wa umma, ziara za kimkakati za kaunti na kupitia ushiriki uliolengwa na wadau waliochaguliwa. Pamoja na umma ulio na nuru, NCIA inatarajia kuongezeka kwa matumizi ya michakato ya Utatuzi wa Migogoro Mbadala.

Ushirikiano

Ili kuhakikisha kutambuliwa kwa NCIA kama Kituo kinachopendelewa cha Usuluhishi wa Kibiashara wa Kimataifa na Utatuzi wa Migogoro Mbadala, NCIA ilidumisha ushirikiano wa karibu na taasisi za kikanda na kimataifa katika maeneo husika ili kufikia malengo yake. Ili kufikia mkakati huo, NCIA ilisaini Mkataba wa Maelewano, uliofanyika vikao vya ushiriki wa umma na kushiriki katika mikutano mbalimbali ya kimataifa kwa madhumuni ya kupata msaada wa kiufundi, mipango ya kubadilishana, mikutano na mipango ya mafunzo kwa watendaji na wasomi wa Utatuzi wa Migogoro Mbadala. Katika mwaka wa fedha 2020-2021, NCIA ilikuwa na ushirikiano mzuri na wadau tofauti.

Maendeleo ya Uwezo wa Asasi

NCIA iliimarisha uwezo wake wa rasilimali watu kwa kuajiri Mkaguzi wa Ndani wa Kanuni, Afisa wa Mawasiliano na Masoko wa Kanuni na Afisa wa Kujenga Uwezo ili kuimarisha sekretarieti iliyopo yenye ujuzi na uwezo ambayo inasaidia Msajili/Afisa Mkuu Mtendaji katika uendeshaji wa

Maendeleo ya Uwezo wa Asasi

hughuli za kila siku. Ili kuboresha ujuzi wa wafanyakazi na uwezo, NCIA imeweka mafunzo ya wafanyakazi na mipango ya maendeleo. Programu hizi zinawawezesha wafanyakazi kufuata sifa zote za kitaaluma ndani na kimataifa. Uhamasishaji wa kifedha wa NCIA pia uliimarishwa kwa kufuata majukumu yote ya kisheria na taarifa inayoendelea kwa mamlaka husika. Teknolojia ya Mawasiliano ya Habari kama moja ya mwenendo unaojitokeza pia uliimarishwa na utekelezaji unafanyika kupitia Mfumo wa Mipango ya Rasilimali za Biashara ya Microsoft na mfumo wa usimamizi wa utendaji mkondoni.

Changamoto Zilizojitokeza

NCIA ilikabiliwa na changamoto kadhaa katika kipindi cha mwaka ambao unakaguliwa uliozua kufanikisha shughuli zote zilizopangwa. Muhimu kati yao ni pamoja na:

- Vikwazo vya bajeti vinavyosababishwa na kupunguzwa kwa bajeti;
- Ukosefu wa Sera ya Taifa ya Utatuzi wa Migogoro Mbadala; Na
- Ukosefu wa ufahamu wa umma na kuthamini Utatuzi wa Migogoro Mbadala iliyoundwa.

Kwenda Mbele

Katika mwaka ujao, NCIA itajikita kimsingi kutekeleza maeneo muhimu kama ilivyotambuliwa katika Mpango Mkakati wa NCIA, Mpango wa Kazi wa Mwaka na Mkataba wa Utendaji. NCIA ina mpango wa kufanya shughuli zifuatazo katika mwaka ujao wa fedha:

- Kuandaa Mpango Mkakati kwa mwaka 2023-2027;
- Kutambua sera ya Taifa ya Utatuzi wa Migogoro Mbadala;
- Kuendeleza sheria za Mahakama ya Msuluhishi;
- Kuunda Mahakama ya Msuluhishi;
- Chapisha na sambaza miongozo rahisi ya mtumiaji/kijitabu kwenye Utatuzi wa Migogoro Mbadala;
- Kuanzisha na kufanya utafiti katika maeneo yanayoibuka ya Utatuzi wa Migogoro Mbadala na mwenendo;
- Kuendeleza na kutekeleza programu ya moot na ujuzi wa Utatuzi wa Migogoro Mbadala kwa watendaji wanaokuja;
- Kutekeleza mtaala wa kujenga uwezo juu ya taratibu za Utatuzi wa Migogoro Mbadala;
- Kutambua taasisi / watu binafsi kwa ushirikiano wa kimkakati;
- Kuendeleza mipango ya ushauri na kubadilishana;
- Vibali na uingizwaji wa watendaji;
- Kufanya siku na kliniki za wazi za Utatuzi wa Migogoro Mbadala; Na
- Kuandaa warsha, warsha na programu za mafunzo kwenye Utatuzi wa Migogoro Mbadala.

Ingawa mwaka wa fedha 2020/2021 ilikuwa na changamoto zake, Menejimenti na Wafanyakazi wa NCIA waliendelea kutekeleza majukumu yake kwa ufanisi na kuendeleza malengo yaliyowekwa katika Mpango Mkakati wa NCIA na kupitishwa na Bodi ya Wakurugenzi. Bodi kwa

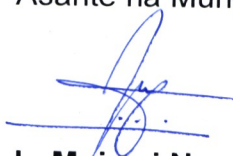
Kwenda Mbele

kweli ilitoa mwelekeo wa kimkakati, uongozi na usimamizi kwa Sekretarieti katika utekelezaji wa mipango na shughuli zilizopangwa. Ili kukidhi kazi hii kubwa, NCIA ilipokea misaada kutoka Serikali ya Kenya jumla ya shilingi ya Kenya 101.6 Milioni katika mwaka amabo unakaguliwa.

Sekretarieti itaendelea kuhakikisha utekelezaji mzuri wa mipango ya NCIA ikiwa ni pamoja na kusaidia kazi za Bodi ya Wakurugenzi na Kamati mbalimbali za Bodi. Tutabaki kujitolea kufanikisha maono ya NCIA kuwa *Kituo cha Chaguo wa Utatuzi mbadala wa Migogoro* na Dhamira yake ya kutambuliwa kama *Kituo cha Usuluhishi wa Biashara ya Kimataifa na Utatuzi wa Migogoro Mbadala kupitia utoaji wa michakato ya ubora na ubunifu.*

Kwa kumalizia, napenda kufahamu juhudi zilizofanywa na wafanyakazi wa NCIA katika kutambua mafanikio yaliyotajwa hapo juu, bila ambayo NCIA hakingeweza kutimiza majukumu yake kama ilivyoainishwa katika Sheria ya NCIA ya mwaka 2013. Napenda pia, kwa niaba ya Sekretarieti, kuishukuru Bodi ya Wakurugenzi kwa kuendelea kuunga mkono na uongozi katika kufikia malengo ya NCIA mwaka amabo unaangaziwa.

Asante na Mungu akubariki sana.



L. Muiruri Ngugi

Msajili/Afisa Mkuu Mtendaji

KITUO CHA NAIROBI CHA USULUHISHI WA KIMATAIFA

5. STATEMENT OF NAIROBI CENTRE FOR INTERNATIONAL ARBITRATION PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/2021

Nairobi Centre for International Arbitration has four (4) strategic pillars and objectives within its Strategic Plan for the period 2017/2018 - 2021/2022. These strategic pillars are as follows:

- Pillar 1: Promotion and administration of ADR;
- Pillar 2: Training and Quality Assurance;
- Pillar 3: Partnerships and Collaboration; and
- Pillar 4: Organizational Capacity Development.

The Centre develops its annual work plan based on the above four (4) pillars. Assessment of the Centre's performance against its annual work plan is done on a quarterly basis. The Centre achieved its performance targets set for the FY 2020/2021 period for its four (4) strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Promoting and Administration of Alternative Dispute Resolution (ADR) processes	To develop and implement effective policy and management frameworks for ADR processes.	Signed 2020/21 Performance Contract	Mainstreaming the National ADR in the NCIA'S Performance Contract	National ADR Policy mainstreamed in the Performance Contract
		Expert Draft ADR Policy Paper and Report	Formation of sub-committees of the Steering Committee. Review of specific sections of the Draft Policy. Review of legislative gaps and propose appropriate amendments in existing legislation	The Expert Draft ADR Policy reviewed, and report submitted to the AG. Draft Bills developed.
	To be the Focal Point for leadership, best practices, research, support and training in ADR	Published Research Paper	Undertake strategic research on level of awareness, perception and uptake of ADR in the country.	Research undertaken, research paper prepared and published.
	To develop and implement	Moot Competition Report	Hold a students' moot competition	The Moot Competition was

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
	an ADR moot and skills programme for upcoming practitioner			successfully held on 29 th - 30 th June, 2021 at the Kenya School of Law.
Pillar 2: Training, quality assurance and awareness creation on Alternative Dispute Resolution (ADR) processes and services	To develop and implement a training programme on ADR processes	Training Needs Analysis report	Conduct a baseline survey on ADR Training Needs Analysis	Training Needs Report prepared
		2020/21 FY Training Calendar	Development of the 2020/21 FY Training Calendar	Training Calendar developed and approved.
		Number of ADR Practitioners Trained	Train ADR Practitioners	70 ADR Practitioners Trained
	To develop and implement a quality assurance plan for ADR services	100% of complaints effectively resolved Clients satisfaction survey index	Implement complaints reporting, handling and feedback mechanism Undertake customer satisfaction survey	Complaints handling infrastructure maintained Customer satisfaction survey undertaken
Pillar 3: Partnerships and collaborations	To enhance international recognition of NCIA.	1 Memorandum of Understanding (MoU) signed	Identify thematic areas for cooperation Sign MoU with a strategic partner	MoU signed with Law Society of Kenya.
		ADR Webinars reports	Organize 6 ADR Webinars	6 ADR Webinars organized
Pillar 4: Organizational capacity development	To strengthen institutional capacity of the Centre for quality delivery of services.	M&E Framework	Implement Monitoring and Evaluation (M&E) framework for Strategic Plan	Monitored implementation of the Strategic Plan through the quarterly work plan reports
		2020/21 FY Performance Contract	Implement Performance Contracting (PC) Guidelines	Vetted and signed 20120/21 FY Performance Contract

7. CORPORATE GOVERNANCE STATEMENT

The Board is committed to ensuring that the Centre's obligations, roles and responsibilities to its various stakeholders are fulfilled through its corporate governance practices. The Members and the Management undertake to perform their duties with impartiality, honesty, transparency and accountability, professionalism, integrity, care and due diligence and to act in good faith to the best interests of the public. The Board is committed to ensuring that the Centre complies with all applicable laws and statutes.

The NCIA Board

The NCIA Board is established under Section 6 of the NCIA Act No. 26 of 2013 and comprises of a non-executive Chairperson appointed by the President on the recommendation of the Cabinet Secretary; the Attorney General or his representative; the Principal Secretary in the ministry for the time being responsible for matters relating to justice or his representative; the Chief Registrar of the High Court or his representative; five members, not being public officers nominated by domestic arbitration bodies within the East African region, appointed by the Cabinet Secretary; One person nominated by each of the following bodies: Kenya National Chamber of Commerce & Industry, Law Society of Kenya, Kenya Private Sector Alliance and the Chartered Institute of Arbitrations. The Registrar/ CEO is an ex-officio Member and Secretary of the Board.

The Role of the Board

Members of the Board are responsible for the overall management of the Centre. In addition, the Members are responsible for drawing up strategies for the long-term success of the Centre as well as carrying out the fiduciary duty of monitoring and overseeing the activities of the Management. To actualize the aforementioned, the Board Members meet regularly to make determinations/decisions. The Board provides the Strategic direction of the Centre and overseeing the Centre's compliance with statutory and regulatory obligations. The Chairperson is primarily responsible for providing leadership to the Board including Chairing of Board meetings. The Chairperson also ensures that the Board is supplied with timely and sufficient information to enable it to discharge its duties effectively. The Registrar/Chief Executive Officer is the Board Secretary.

Board Charter

The Board Charter is a commitment by the Directors to discharge the Mandate of the Centre. It outlines the rules that guide them and does not in any way purport to replace or supersede any laws and regulations that guide the operations of the Centre.

Committees of the Board

The Board has four (4) standing Committees established with formal written terms of reference and which observe the same rules of conduct and procedure as the full Board. These Committees are as follows:

1. Training and Communication Committee

The Committee's responsibilities are as follows:

- Advise the Board on the Centre's proposal for strategies on corporate marketing, communication and capacity development.
- Review the Centre's proposal for corporate image building and branding and make recommendations to the Board as necessary.
- Review the Centre's proposal for collaboration and cooperation frameworks and make recommendations to the Board as necessary.
- Advise the Board on resource mobilization strategies for funded projects and programmes for marketing and capacity development.
- Advise the Board on the Centre's proposal for training policy, recognition and accreditation of training programs and service providers.
- Advise the Board on the Centre's proposal for communication policy, protocols and guidelines on handling client information and feedback and complaints mechanism.
- Review the Annual work plans and performance of the Business Development Department make appropriate recommendations to the Board and ensure action points identified are implemented.
- Establish the content and process for the development of the five-year Strategic Plan providing for the full participation of members of the Board.
- Report to the Board on a regular basis on the committee's activities.
- Perform any such other function as the Board may from time to time assign to the Committee.

The membership of the Committee in 2020/2021 was as follows:

S/No.	Director	Designation
1.	Jacqueline Oyuyo Githinji	Chairperson
2.	Collins Namachanja	Member
3.	Jimmy Muyanja	Member
4.	Judy Omange	Member
5.	Millicent Shitakha	Secretary

2. Legislative Review and Accreditation Committee

The Committee's responsibilities are as follows:

- Review rules, procedures and guidelines for conduct of Alternative Dispute Resolution processes under the auspices of the Centre and make recommendations to the Board as necessary.
- Advise and recommend strategies to the Board to ensure Alternative Dispute Resolution processes adopted by the Centre are responsive to global trends and developments.
- Review criteria and procedure for accreditation and removal of practitioners listed on the Centre's panel and make recommendations to the Board as necessary.
- Exercise general oversight on processes for accreditation and removal of practitioners listed on the Centre's panel and recommend to the Board a framework for monitoring and evaluation.
- Review and advise the Board on the Centre's proposal for recognition of institutions for purposes of equivalence accreditation of practitioners to the Centre's list.
- Review standards and code of Conduct for practitioners appointed to undertake the role of neutrals or representatives of parties in disputes referred for resolution under the rules of the Centre and make recommendations to the Board as necessary.
- Review and advise the Board on proposals for formulation, implementation, and enforcement, continuous review of a National Policy, laws and plans of action on Alternative Dispute Resolution.
- Review the Annual work plans and performance of the Case Management Department make appropriate recommendations to the Board and ensure action points identified are implemented.
- Report to the Board on a regular basis on the committee's activities.
- Perform any such other function as the Board may from time to time assign to the Committee.

The membership of the Committee in 2020/2021 was as follows:

S/No.	Director	Designation
1.	John Ohaga	Chairperson
2.	James Muruthi Kihara	Member
3.	Peter Kihara Njuguna	Member
4.	Pauline Mcharo	Member
5.	Lawrence Waigi Kamau	Member
6.	Alex Mwaniki	Secretary

3. Finance and Administration Committee

The Committee's responsibilities are as follows:

- Review the Centre's proposal for Annual Estimates of revenue and expenditure and make recommendations to the Board.
- Review the Annual Financial Statements for the Centre and make recommendations to the Board as necessary.
- Review on a quarterly basis the period management accounts of the Centre and make any necessary recommendations to Board.
- Ensure that the books and records of accounts and income of the Centre are maintained, and the expenditure and assets of the Centre are prudently managed and properly recorded.
- Review and advise the Board on the Annual plans for procurement of goods, works and services and disposal of assets by the Centre in accordance with the Public Procurement and Disposal laws and regulations.
- Advise the Board in relation to the Centre's policies, procedures, guidelines, manuals and other process for internal management of affairs and staff of the Centre.
- Advise the Board in relation to Board affairs and welfare.
- Review the Annual work plans and performance of the Corporate Support Services Department make appropriate recommendations to the Board and ensure action points identified are implemented.
- Liaise with other Committees of Board as may be required and where appropriate advise Board, the Audit, Risk and Governance Committee and other Committees of the Centre as appropriate.
- Report to the Board on a regular basis on the committee's activities.
- Perform any such other function as the Board may from time to time assign to the Committee.

The membership of the Committee in 2020/2021 was as follows:

S/No.	Director	Designation
1.	Peter Kihara Njuguna	Chairperson
2.	John Ohaga	Member
3.	Jacqueline Oyuyo Githinji	Member
4.	Jimmy Muyanja	Member
5.	Lawrence Waigi Kamau	Member
6.	Victor Ogunyo	Secretary

4. Audit, Risk and Governance Committee

The Committee's responsibilities are as follows:

- Evaluate adequacy of management procedures regarding issues relating to risk management, control and governance and advise the Board as necessary.
- Review the internal and external audit findings and recommendations including Public Accounts and Public Investment Committee' recommendations and propose corrective and preventive action where necessary.
- Review the systems established to ensure sound public financial management and internal controls, as well as compliance with policies, laws, regulations, procedures, plans, code of conduct and ethics and advise the Board as necessary.
- Initiate special audit or investigation on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency in consultation with the Chief Executive Officer.
- Review the Annual work plans and performance of the Internal Audit Unit make appropriate recommendations to the Board and ensure action points identified are implemented.
- Liaise with other Committees of Board as may be required and where appropriate advise the Board and other Committees of the Centre as appropriate.
- Report to the Board on a regular basis on the committee's activities.
- Perform any such other function as the Board may from time to time assign to the Committee.

The membership of the Committee in 2020/2021 was as follows:

S/No.	Director	Designation
1.	Collins Namachanja	Chairperson
2.	James Muruthi Kihara	Member
3.	Pauline Mcharo	Member
4.	Judy Omange	Member

Board/Board Committee Meetings

During the year 2020/2021 the Board held five (5) regular meetings. There were other meetings during the year as need arose. These included meetings where members were engaged with various stakeholders including the Office of the Attorney General and Department of Justice, the Law Society of Kenya, the Judiciary of Kenya among others.

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Board/Board Committee Meetings

The summary of number of Board and Board Committee meetings held is presented below:

No.	Board / Board Committee	No. of Meetings Held
1	Regular Board Meeting	5
2	Finance And Administration Committee	8
3	Training And Communication Committee	6
4	Legislative Review And Accreditation Committee	1
5	Special F & A Meeting	5
6	Other meetings	31

The summary of attendance of Board and Board Committee meetings by members is presented below:

**Nairobi Centre for International Arbitration
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Board/Board Committee Meetings

Particulars	Category	Board evaluation	Exam marking meeting	Finance And Administrative Committee	Legislative Review and Accreditation Committee	Moot competition	MOU Meeting	Recruitment	Regular Board Meeting	Shortlisting	Special Board Meeting	Special F & A Meeting	Team Building	Training And Communication Committee	Video conferencing	Webiner meeting	Written Interview meeting
Arthur Igeria	Chairperson	3					1		5		3		3				
Collins Namachanja	Member	2						4	5		2			3			
Jackie Oyuyo	Member	3	1	7		1		2	5		3	3	3	6	1		
James Kihara Muruthi	Member	2		2	1	2		4	5		3	2	3	1			
Jimmy Muyanja	Member	3		6					5		2	5	3	3	1		
Lawrence Waigi	Member	3	1	6	1			15	5	1	2	3	2		1		1
Peter Kihara Njuguna	Member	3	1	8	1			14	5	1	2	4	3	1	1		
John Ohaga	Member	3		5	1			2	4		3	3	3		1	1	
Judy Omange	Member	3		2				4	4		1	2	3	4			
Pauline Mcharo	Member	2		1	1				2		2	1		1			
Peter Mwangi	Member	1							2				3				
Christopher Ombega	Co-opted	2							1								
Jane Gatwiri	Co-opted	1							1								
E.M Ngugi	Co-opted							2									
Joseph Welimo	Co-opted							6									
Minaywa Laboso	Co-opted		1					4		3							1
Nicolas Awiti	Co-opted	1															
Sarah Mwai	Co-opted							6									

Board Training

During the year 2020/2021 no board training was conducted as there was no budget provision to facilitate training of board members.

Board Performance Results

In the year under review, performance of the board was measured by officers drawn from State Corporation Advisory Committee. Results of the exercise gave the Board a score of Good.

Conflict of Interest

During the year ended 30th June 2021 there was no conflict of interest reported by members of the board in the conduct of their functions. As required, before commencement of each meeting held, every board member was given an opportunity to declare any conflict of interest in the matters for consideration.

Remuneration

Payment of Honoraria and allowances to the Chairperson and other allowances to the other members of the Board were made in accordance with Guidelines on Terms and Conditions of Service for State Corporations' Chief Executive Officers, Chairmen and Board Members, Management Staff and unionisable Staff. The total expenses incurred in relation to Board activities was Kshs. 7,176,293.

Removal from Office

Section 2 of the Schedule to the NCIA Act 2013 provides for the instances in which a board member, other than an ex-official member would leave office. These instances include the following:

- a) at any time resign from office by notice in writing to the Cabinet Secretary;
- b) be removed from office by the Cabinet Secretary on recommendation of the Board if the member –
 - i. has been absent from three consecutive meetings of the Board without its permission;
 - ii. is adjudged bankrupt or enters into a composition or scheme of arrangement with his creditors;
 - iii. is convicted of a corruption or economic crime or other criminal offence involving dishonesty, fraud or moral turpitude or any other criminal offence under any law punishable with imprisonment that amounts to a felony under the Laws of Kenya;
 - iv. is of unsound mind or is incapacitated by prolonged physical or mental illness for a period exceeding six months; or
 - v. is otherwise unable or unfit to discharge his functions.

MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A

The Centre's Operational Performance

The Centre is implementing its 5-year Strategic Plan (2017-2022) whose pillars are: Promotion and Administration of Alternative Dispute Resolution (ADR); Training and Quality assurance; Partnerships and Collaboration; and Organizational Capacity Development. In 2020/2021 the Centre implemented the following key activities:

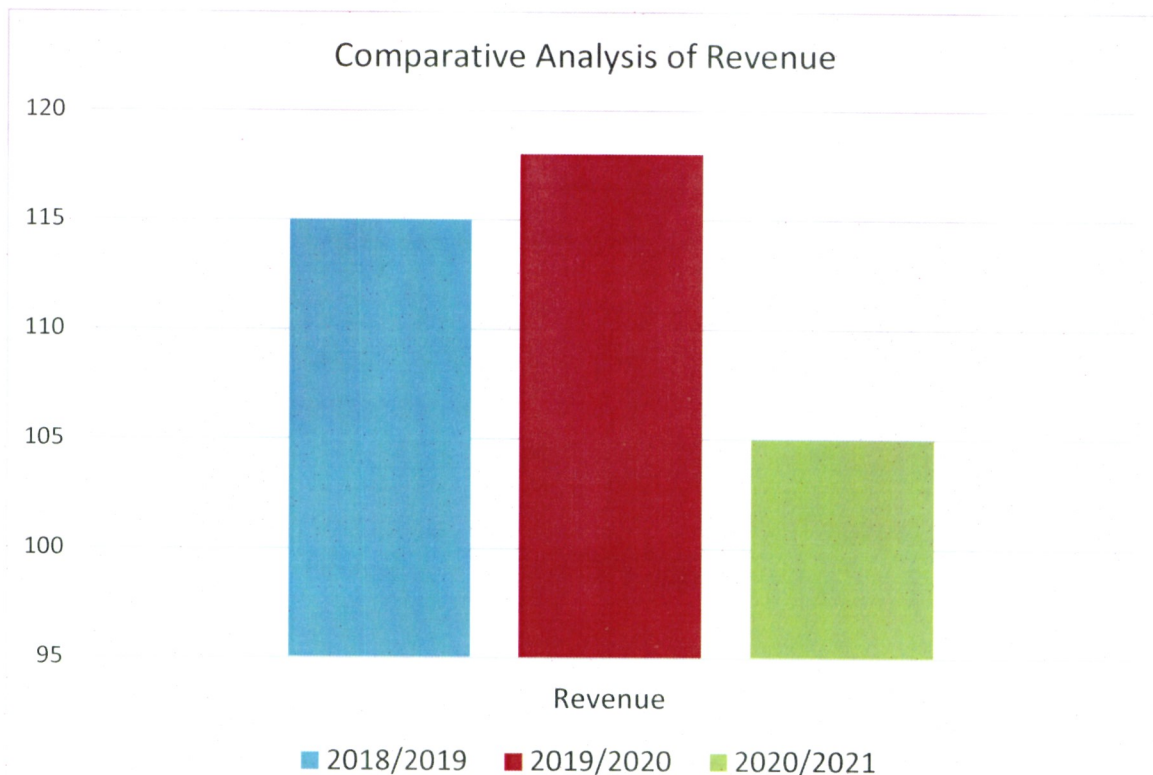
- Recruitment of Principal Internal Audit Officer, Principal Communications and Marketing officer and Capacity building Officer to address the gaps in the Units.
- Registered eleven (11) new disputes for administration in accordance with the NCIA Arbitration Rules 2015.
- Continued to administer eight (8) ongoing disputes registered for administration in accordance with the NCIA Arbitration Rules 2015.
- Concluded five (5) disputes.
- Developed and published user-simplified guidelines for Mediation.
- Formulated and developed the National ADR Policy.
- Submitted the Expert National ADR Policy Paper to the Attorney General.
- Carried out research on level of awareness, perception and degree of uptake of ADR mechanisms in Kenya.
- Published two (2) research papers on ADR emerging areas and trends.
- Enlisted six (6) practitioners to the NCIA Arbitrator Panel.
- Enlisted four (4) practitioners to the NCIA Mediator Panel.
- Developed and circulated the 2020-2021 financial year training calendar.
- Signed Memorandum of Understanding with the Law Society of Kenya.
- Participated in local, regional and international conferences in ADR which were hosted virtually.
- Trained 70 ADR practitioners.
- Entered into cooperative agreement with the Law Society of Kenya.
- Implemented one students' moot competition on 29th-30th June 2021 at the Kenya School of Law.

- Engaged seven (7) interns with the support of the Public Service Commission.
- Engaged six (6) attaches for their university industrial attachment programme.
- Carried out Corruption Risk Assessment in the areas of Information Communication Technology, Payroll Management, Procurement and Financial Management and implemented risk mitigation plan to address the risks identified.

The Centre's Financial Performance

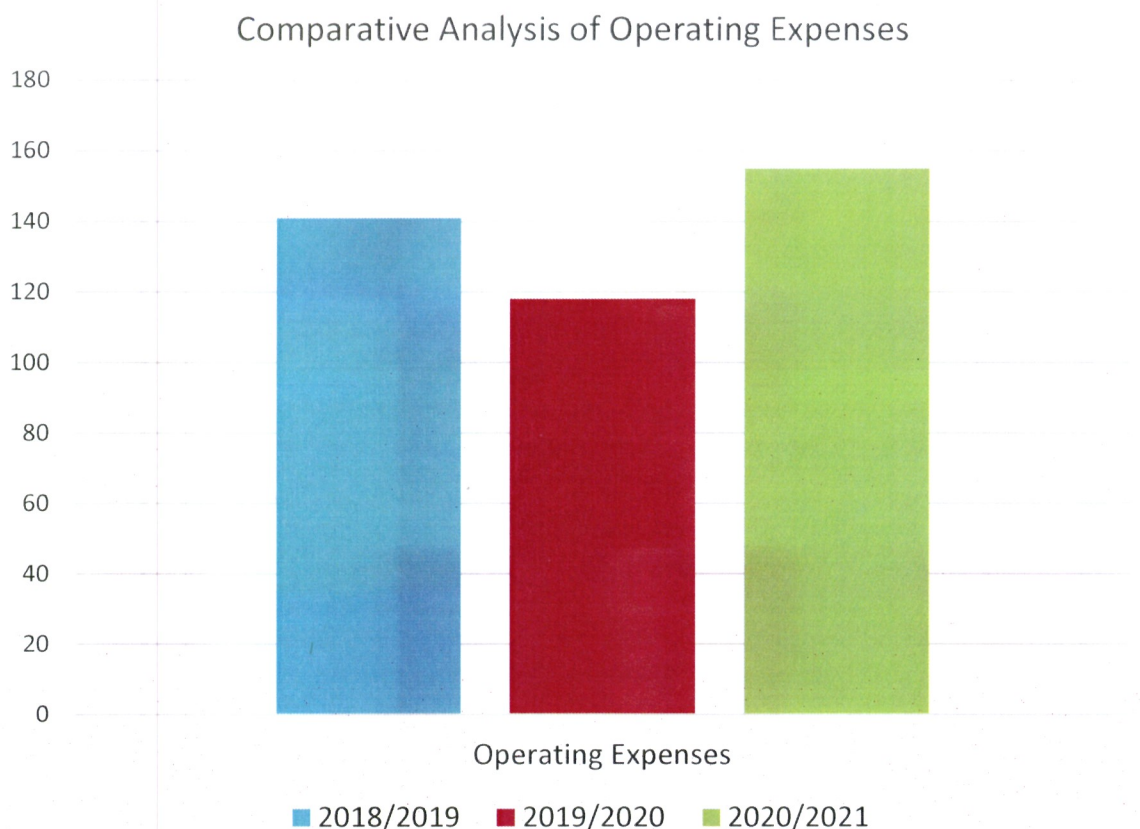
Comparative analysis of revenue received in the last three (3) years is as indicated in the graph below.

- FY 2018/2019 revenue was **Kshs.115,707,692.**
- FY 2019/2020 revenue was **Kshs. 118,118,016.**
- FY 2020/2021 revenue was **Kshs.105,404,617.**



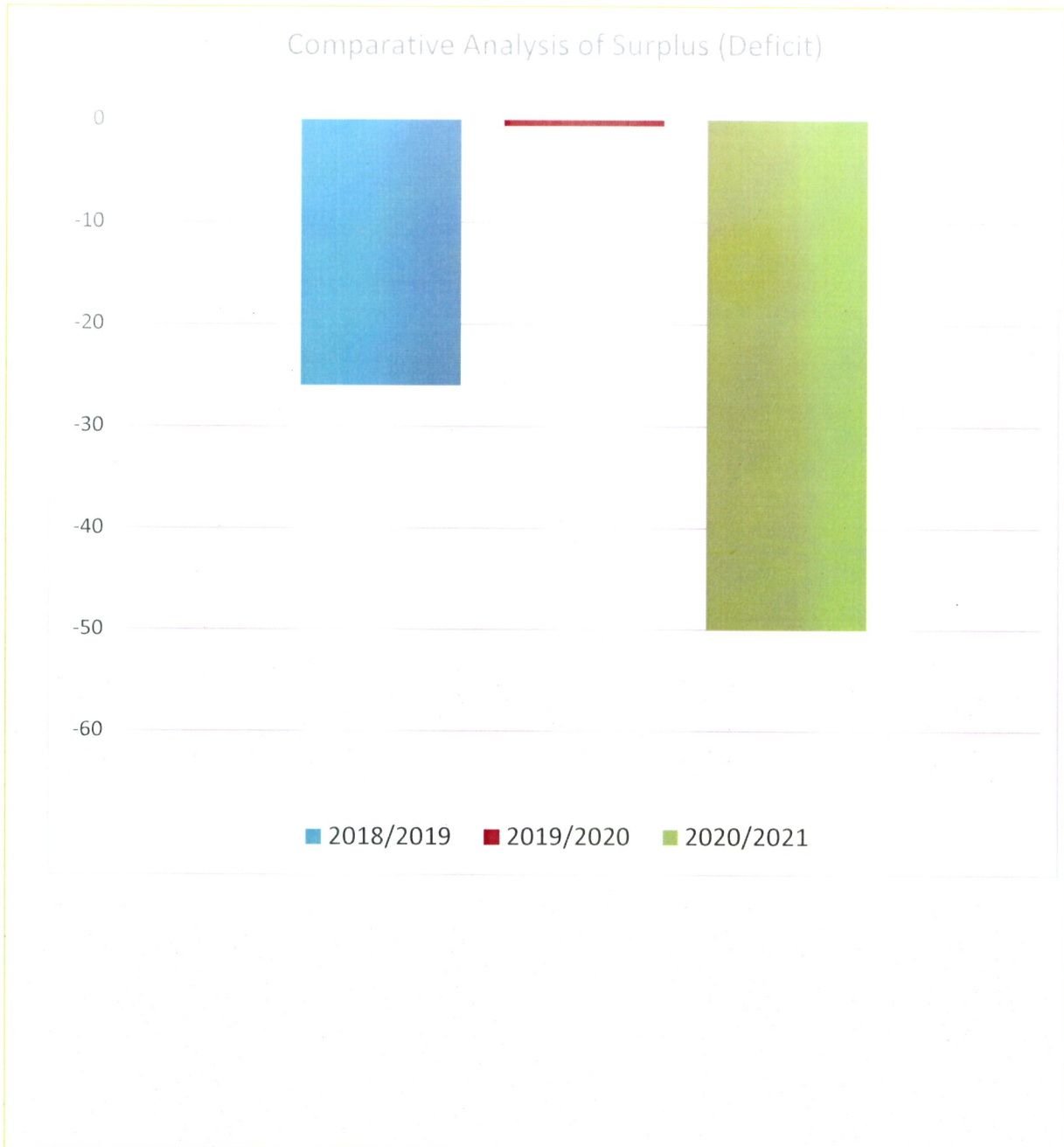
Comparative analysis of operating expenses in the last three (3) years is as indicated in the graph below.

- FY **2018/2019** operating expenses was **Kshs. 141,935,088.**
- FY **2019/2020** operating expenses was **Kshs. 118,945,673.**
- FY **2020/2021** operating expenses was **Kshs. 155,716,525.**



Comparative analysis of surplus (deficit) in the last three (3) years is as indicated in the graph below.

- FY **2018/2019** the deficit was **Ksh. 26,216,283.**
- FY **2019/2020** the deficit was **Ksh. 592,994.**
- FY **2020/2021** the deficit was **Ksh. 50,225,762.**



SECTION B

Centre's Compliance with Statutory Requirements

The Centre files tax returns to Kenya Revenue Authority (KRA) and other statutory remittances to National Social Security Fund (NSSF), National Hospital Insurance Fund (NHIF) and Higher Education Loans Board (HELB) and National Industrial Training Authority (NITA).

There is no exposure to litigation recorded for the year under review.

SECTION C

Key Projects and Investment decisions NCIA is planning/implementing

The Centre is implementing its Strategic Plan and programmes are implemented in accordance with Annual Work Plans and Budgets drawn from the plan. Key projects are geared towards facilitating delivery of the Centre's mandate of providing efficient and affordable hearing facilities for disputants in line with the National Government strategic objectives and policies as outlined in the Medium-Term Plan III of the Vision 2030 and aligned to the President's Big Four Agenda. Other planned activities for implementation include:

- Improve professional competence and capacity of NCIA staff through training and development in Arbitration and Mediation Course;
- Disseminate and create awareness on NCIA institutional Rules on Arbitration and Mediation;
- Undertake training programmes on ADR to enhance capacity in international commercial arbitration and investment dispute settlement;
- Coordinate formulation of a National ADR Policy and Action Plan;
- Coordinate review and harmonization of legislation on Arbitration and other ADR mechanisms;
- Develop Strategic Partnerships by identifying thematic areas for collaboration; and
- Identify key regional and global strategic partnerships and negotiation of appropriate memoranda of understanding.

SECTION D

Major Risks facing NCIA

The key risks facing the Centre include:

- i. Market Risks;**
 - Low awareness and uptake of Alternative Dispute Resolution services.
 - Competition from established centres and institutions.
 - Negative perception of lack of neutrality.

SECTION E

Material Arrears in Statutory/Financial Obligations

The centre does not have loan default, tax default, outstanding staff and pension obligations/actuarial deficit on pension schemes, non-payment of dividends and loan redemption to the National Exchequer.

SECTION F

The Centre's Financial Probity and Serious Governance Issues

There is no financial improbity reported by the Internal Audit Unit, the Board Audit Risk and Governance Committee, External auditors, or other National Government Agencies providing oversight.

There are no governance issues among Board Members and Management including conflict of interest. The Conflict-of-Interest Register is maintained to record all declared conflicts of interest among Board Members and Staff.

SECTION G

Pictorial – 1



The Chief Guest, Hon. Justice Fred Ochieng (*seated third from the right*) with NCIA director Mr. James Kihara Muruthi (*seated second from the left*) and NCIA Registrar/CEO Mr. L. Muiruri Ngugi (*seated second from right*) and the team of judges during the 1st NCIA Mediation Moot Competition held at the Kenya School of Law on 29th and 30th June 2021.

Pictorial – 2



NCIA Staff and Board Members during the annual team building retreat held in Mombasa.

Pictorial – 3



Senior Counsel Mr. John Moore Ohaga presenting books and other gift items to the winners of the 1st NCIA Mediation Moot Competition from Kenyatta University during the event held at the Kenya School of Law on 29th and 30th June 2021.

The other participating universities in the competition were University of Nairobi, Moi University, Egerton University, Jomo Kenyatta University of Agriculture and Technology, Mount Kenya University, Catholic University of Eastern Africa and Africa Nazarene University.

Pictorial – 4



Participants from the University of Nairobi who were the runners up display their trophy and gift packs during the 1st NCIA Mediation Moot competition held at the Kenya School of Law on 29th and 30th June 2021.

Pictorial – 5



A group photo of participants and judges during the 1st NCIA Mediation Moot competition held at the Kenya School of Law on 29th and 30th June 2021.

The Moot Problem for the competition was based on a Request for Mediation arising out of a Building Construction Contract in relation to a payment dispute between "*Scott Construction Group*" and the "*Republic of EuroAsia*".

The Request for Mediation was in the style and format as prescribed by the NCIA Mediation Rule, 2015. The judging criteria rewarded those participants who used an effective combination of advocacy and problem-solving in mediation.



Participants during Module 1 Mediation training held at the NCIA Mt. Elgon Training Room from 1st to 5th March 2021.

Pictorial – 7



The NCIA Booth during the Law Society of Kenya Legal Awareness Week held at the Milimani Law Courts in Nairobi 12th to 16th October 2020.

9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Nairobi Centre for International Arbitration exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

Nairobi Centre for International Arbitration (NCIA) recognizes its obligations to act responsibly, ethically and with integrity in its interactions with all stakeholders be they employees, customers, suppliers, neighbours and the environment as a whole. The Centre's Corporate Social

ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Responsibility areas of focus include promotion of alternative dispute resolution, promotion of education, protection of the environment and promotion of gender equity and inclusiveness.

To this end:

1. The Centre has in place policies that clarify its commitment to negating its impact on the environment;
2. The Centre carried out regular risk assessments to guarantee the wellbeing of employees, clients and visitors, in accordance with Occupational Health and Safety regulations;
3. The Centre actively manages its reputation, and drives best practice, through the application of prudent public procurement practices as outlined in the Public Procurement and Asset Disposal Act 2015;
4. The Centre is an Equal Opportunities Employer which promotes diversity and does not differentiate on grounds of gender, ethnicity, religion, race, or physical ability;
5. The Centre actively contributes to social and environmental initiatives in the Republic of Kenya through donation of time and funds. During the financial year 2020-2021 on 4th December 2020 the Centre participated in a tree planting exercise at Magumo Forest Njambini located in Nyandarua County;
6. The Centre commits to being open and transparent in the interest of promoting best practice.

It is important to our employees to work for a socially responsible organization and our approach therefore reflects our people. We recognize that our activities as a Centre have an impact on our communities and the public. We are committed to not only managing that impact but also using the public resources and donor funds we have been entrusted with in making a real and sustainable difference.

To this end:

1. The Centre is actively involved in supporting and developing the local community to make a lasting positive impact;
2. The Centre works hard to ensure that the negative impact our work has on the environment is minimized; and
3. The Centre provides the tools to enable employee growth and fulfilment for individuals and for the Centre to work together to make a difference as a team.

10. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2021 which show the state of the centre's affairs.

Principal activities

The principal activities of the entity are to:

- (a) promote, facilitate and encourage the conduct of international commercial arbitration in accordance with this Act;
- (b) administer domestic and international arbitrations as well as alternative dispute resolution techniques under its auspices;
- (c) ensure that arbitration is reserved as the dispute ' resolution process of choice;
- (d) develop rules encompassing conciliation and mediation processes;
- (e) organize international conferences, seminars and training programs for arbitrators and scholars;
- (f) coordinate and facilitate, in collaboration with other lead agencies and non-State actors, the formulation of national policies, laws and plans of action on alternative dispute resolution and facilitate their implementation, enforcement, continuous review, monitoring and evaluation;
- (g) maintain proactive co-operation with other regional and international institutions in areas relevant to achieving the Centre's objectives;
- (h) in collaboration with other public and private agencies, facilitate, conduct, promote and coordinate research and dissemination of findings on data on arbitration and serve as repository of such data;
- (i) establish a comprehensive library specializing in arbitration and alternative dispute resolution;
- (j) provide ad hoc arbitration by facilitating the parties with necessary technical and administrative assistance at the behest of the parties;
- (k) provide advice and assistance for the enforcement and translation of arbitral awards;
- (l) provide procedural and technical advice to disputants;
- (m) provide training and accreditation for mediators and arbitrators;
- (n) educate the public on arbitration as well as other alternative dispute resolution mechanisms;
- (o) enter into strategic agreements with other regional and international bodies for purposes of securing technical assistance to enable the Centre achieve its objectives;
- (p) provide facilities for hearing, transcription and other technological services; and
- (q) manage and apply the Fund In accordance with the provisions of this Act; and perform such other functions as may be conferred on it by this Act or any other written law.

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Annual Reports and Financial Statements
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Results

The results of the Centre for the year ended June 30, 2021 are set out on pages **1 to 47**.

Directors

The members of the Board of Directors who served during the year are shown on pages xi to xvi. During the year, the term of Mr. Arthur Konye Igeria, Mr. John Morris Ohaga (SC), Mr. Collins Namachanja, Mr. Peter Kihara Njuguna and Mr. Jimmy Mbabali Muyanja ended on 6th June 2021.

Dividends/Surplus remission

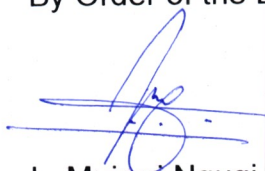
In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. NCIA is a service institution that relies substantially on National Government grants appropriated by the National Parliament.

There was no surplus during the financial year 2020/2021. The deficit reported for the period under review was **Kshs. 50,225,762**.

Auditors

The Auditor General is responsible for the statutory audit of the Centre in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



L. Muiruri Ngugi
Board Secretary

NAIROBI CENTRE FOR INTERNATIONAL ARBITRATION

Date: 19th July 2022

11. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 (1) of the Public Finance Management (PFM) Act, 2012, Section 14 of the State Corporations Act, 2015, and the Nairobi Centre for International Arbitration (NCIA) Act, 2013 require the Directors to prepare financial statements which give a true and fair view of the state of affairs of the Centre at the end of the financial year and the operating results of the Centre for that year. The Directors are also required to ensure that the Centre keeps proper accounting records which disclose with reasonable accuracy the financial position of the Centre. The Directors are also responsible for safeguarding the assets of the centre. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

The Directors are responsible for the preparation and presentation of the Centre's financial statements, which give a true and fair view of the state of affairs of the Centre for and as at the end of the financial year ended on June 30, 2021. This responsibility includes:

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the centre;
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) safeguarding the assets of the Centre;
- (v) selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.


The Directors accept responsibility for the Centre's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the NCIA Act No. 26 of 2013. The Directors are of the opinion that the Centre's financial statements give a true and fair view of the state of the Centre's transactions during the financial year ended June 30, 2021, and of the centre's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Centre, which have been relied upon in the preparation of the Centre's financial statements as well as the adequacy of the systems of internal financial control.

The Directors confirm that the Centre has complied fully with applicable Government of Kenya Regulations and the terms of external financing covenants (where applicable), and that the Centre's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Nothing has come to the attention of the Directors to indicate that the Centre will not remain a going concern for at least the next twelve (12) months from the date of this statement.


Nairobi Centre for International Arbitration
Annual Reports and Financial Statements
For the year ended June 30, 2021

Approval of the financial statements

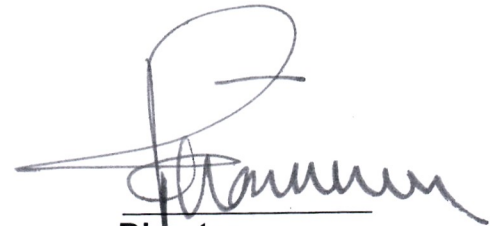
The Nairobi Centre for International Arbitration (NCIA) financial statements were approved by the Board on 27/09/2021 and signed on its behalf by:



Director



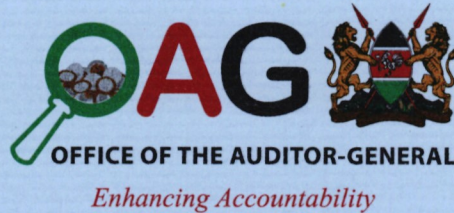
Director



Director

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON NAIROBI CENTRE FOR INTERNATIONAL ARBITRATION FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal 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.

Qualified Opinion

I have audited the accompanying financial statements of the Nairobi Centre for International Arbitration set out on pages 1 to 32, which comprise the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of

significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for 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 Nairobi Centre for International Arbitration as at 30 June, 2021, 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. Cash and Cash Equivalents

The statement of financial position as at 30 June, 2021 reflects cash and cash equivalents balance of Kshs.31,277,876 and as disclosed in Note 16 to the financial statements. However, the following anomalies were noted:

1.2 Unreconciled Variances in the Amount Converted into US Dollars (USD)

Review of the cash and cash equivalents bank balances revealed that the Centre's USD account bank reconciliation statement reflects bank balance as per bank statement of USD99,890 while the bank statement in support of the same reflects bank statement balance of USD71,980, resulting to unreconciled variance of USD27,910 or Kshs.3,010,094, when converted at the Central Bank of Kenya (CBK) indicative currency mean exchange rate of 1USD to Kshs.107.85 as at 30 June, 2021.

In addition, Note 16 to the financial statements reflects USD bank account balance of Kshs.10,928,432 against cash book balance in the bank reconciliation statement of USD99,890. The latter when converted to the reporting currency (Kshs) at the Central Bank of Kenya currency mean exchange rate of Kshs.107.85 to 1USD as at 30 June, 2021 results to Kshs.10,773,137 resulting to an unreconciled variance of Kshs.155,296.

The above variances were not explained or supported by documentary evidence.

In the circumstances, the accuracy and completeness of the cash and cash equivalents of balance of Kshs.31,277,876 as at 30 June, 2021 could not be confirmed.

2. Incorrect Presentation of Total Net Assets and Liabilities

The statement of financial position as at 30 June, 2021 reflects total liabilities of Kshs.17,319,717 and net assets of Kshs.60,725,430 but reflects at the bottom total net assets and liabilities of Kshs.60,725,430. Consequently, the total net assets and liabilities balance is not correctly presented.

In the circumstances, the accuracy and completeness of the total net assets and liabilities balance of Kshs.60,725,430 as at 30 June, 2021 could not be confirmed.

3. Variance between the Statement of Comparison of Budget and Actual Amounts and Statement of Financial Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2021 reflects total income of Kshs.156,991,891 which is at variance with the total revenue of Kshs.105,404,617 in the statement of financial performance by Kshs.51,587,274 that is described as balance brought forward. No explanation was provided for the variance.

In the circumstances, the accuracy and completeness of the statement of comparison of budget and actual amounts as at 30 June, 2021 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Financial Performance

During the year under review, the Centre reported a deficit of Kshs.50,225,762 (2019/2020 - a deficit of Kshs.592,994). The Centre had total revenue of Kshs.105,404,617 against total expenses of Kshs.155,716,525 resulting to a deficit of Kshs.55,225,792 caused mainly by over-expenditures in compensation of employees and use of goods and services of Kshs.6,713,168 and Kshs.4,404,576 respectively. Persistent deficits may result in the Centre's inability to meet financial obligations as and when they fall.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Irregular Procurement of ICT Infrastructure

Review of procurement documents revealed that the Centre procured ICT infrastructure through restricted tendering and awarded a firm two components of the contract for Kshs.2,525,328 and Kshs.2,626,951 all totalling Kshs.5,152,279. However, the following irregularities were noted:

- (i) The Centre had eight (8) firms prequalified for Procurement of Supply, Installation and Configuration of Online Enterprise Mail System (Office 365) and selected only five (5) firms to participate in supply, installation and configuration of broadband internet services. This is contrary to Regulation 89(5),(6) and (8) of the Public Procurement and Disposal Regulations, 2020 which states that, “(5) Where restricted tendering is used pursuant to Section 102(l)(b) of the Act, the procuring entity shall invite tenders from at least ten (10) persons selected from the list maintained as provided under Sections 57 and 71 of the Act or otherwise as permitted under Section 56 of the Act; (6) Where restricted tendering is used pursuant to Section 102(l)(c) of the Act, the procuring entity shall invite tenders from all the known suppliers of the goods works or services; (8) For greater certainty of Section 102(l)(d) of the Act any procurement under Section 102(l)(c) of the Act, the procuring entity shall place an advertisement on its website or on state portal regarding their intention to procure through restricted tender for at least three days before inviting tenders and where any bidder outside the known suppliers emerge he or she shall be invited to bid”.
- (ii) Although the Chief Executive Officer signed the contract on 6 August, 2020, the contract was drawn on 21 August, 2020 with contract start date of 31 July, 2020 and end date of 31 July, 2022. However, no explanation was provided, why the contract was signed before the date drawn, and the start date was retrospective to the date of contract.

In the circumstances, the regularity of the procurement for supply, installation and configuration of online enterprise mail system could not be confirmed.

2. Delays in Posting Transactions in the Cash Book

Bank reconciliation statements for Clients Trust Account reflects that the Centre received direct deposits of Kshs.236,000 in October, 2020 and Kshs.190,000 in February, 2021 from an Agency. However, these two transactions dated October, 2020 and February, 2021 were posted in the cash book in June, 2021. No explanation was provided to support the delays in posting the transactions in the cash book.

Consequently, the regularity and fair presentation of the cash and cash equivalents of balance of Kshs.31,277,876 as at 30 June, 2021 could not be ascertained.

3. Irregular Operation of Foreign Currency Bank Accounts and Inter-Currency Transfers

Further, review of bank statements revealed that the NCIA transferred revenue through an unreferenced transaction dated 30 June, 2021 from a Kenyan shillings designated

bank to a USD designated bank account an amount of Kshs.3,156,549 to USD 27,910 without prerequisite authority. This is contrary to regulation 64(3) of the Public Finance Management (National Government) Regulations, 2015 which prohibits a receiver and collector of revenue from converting public moneys received in local currency into foreign currency and vice versa.

Management was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and Board of Directors

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

In preparing the financial statements, Management is responsible for assessing the Centre'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 Centre or to cease operations.

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

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

The Board of Directors is responsible for overseeing the Centre's financial reporting process, reviewing the effectiveness of how the 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. 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 control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of


effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the set policies and procedures may deteriorate.

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 July, 2022

3. STATEMENT OF FINANCIAL PERFORMANCE FOR YEAR ENDED 30TH JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	101,602,166	111,430,000
Public contributions and donations	7	0	150,000
Total Revenue from non-exchange transactions		101,602,166	111,580,000
Revenue from exchange transactions			
Rendering of services	8	3,802,451	6,536,016
Other Income	9		2,000
Total revenue		105,404,617	118,118,016
Expenses			
Employee costs	10	65,541,499	54,885,614
Remuneration of directors	11	7,176,293	5,011,587
Depreciation and amortization expense	12	12,342,840	8,692,053
Repairs and maintenance	13	1,941,753	2,199,779
Contracted Services	14	2,883,942	3,145,208
Uses of goods & services	15	65,830,197	45,011,432
		0	0
Total expenses		155,716,525	118,945,673
Other Gains/Losses			
Gain on foreign exchange transactions	16.(c)	86,146	234,663
Surplus/(deficit) for the period/year		-50,225,762	-592,994

The notes set out on pages **10 to 47** form an integral part of these Financial Statements.

The Financial Statements set out on pages **1 to 47** were signed on behalf of the Board of Directors by:


 Registrar/CEO

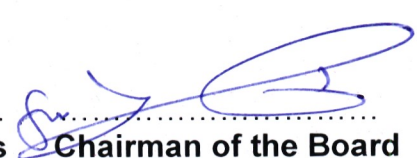
Name: L.Muiruri Ngugi

Date: 19TH JULY 2022


 Manager Corporate Services

Name: Victor A O. Ogunyo
 ICPAK Member Number: 10364

Date: 19TH JULY 2022


 Chairman of the Board

Name: Jacqueline Oyuyo

Date: 19TH JULY 2022

14. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	16(a)	31,277,876	54,936,919
Receivables from exchange transactions		0	0
Prepayments	17	3,868,141	4,911,952
Total Current Assets		35,146,018	59,848,871
Non-Current Assets			
Property, plant and equipment	18(a)	36,931,041	55,797,566
Intangible assets	18(b)	5,968,089	0
Total Non-Current Assets		42,899,130	55,797,566
Total Assets		78,045,148	115,646,437
Liabilities			
Current Liabilities			
Refundable deposits from customers	19	2,060,271	3,349,645
Trade and Other Payables	20	11,143,390	-
Gratuity provision	21	4,116,056	-
Total Current Liabilities		17,319,717	3,349,645
Non-Current Liabilities			
Total liabilities		17,319,717	3,349,645
Net Assets		60,725,430	112,296,792
Capital Fund	22	3,348,114	26,265,582
Accumulated surplus	23	57,377,316	86,031,210
Total Net Assets			
Total Net Assets and Liabilities		60,725,430	112,296,792

Nairobi Centre for International Arbitration
Annual Reports and Financial Statements
For the year ended June 30, 2021

The Financial Statements set out on pages **1 to 47** were signed on behalf of the Board of Directors by:



Registrar/CEO

Name: L. Muiruri Ngugi

Date: 19th JULY 2022

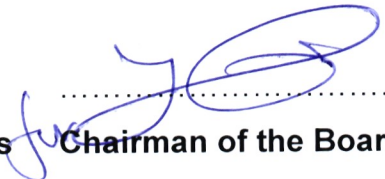


Manager Corporate Services

Name: Victor A O. Ogunyo

ICPAK Member Number: 10364

Date: 19th JULY 2022



Chairman of the Board

Name: Jacqueline Oyuyo

Date: 19th JULY 2022

15. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE 2021

	Retained Earnings	Capital/Development grants/ Fund	Total
		Kshs	Kshs
At July 1, 2019	85,278,604	26,265,582	111,544,186
Surplus / Deficit for the year	-592,994	-	-592,994
Increase/(Decrease) in Capital fund	-	-	0
Transfers of software to non-current assets	1,345,600	0	1,345,600
At June 30, 2020	86,031,210	26,265,582	112,296,792
At July 1, 2020	86,031,210	26,265,582	112,296,792
Surplus / Deficit for the year	-50,225,762	-	-50,225,762
Transfer of Depreciation/Amortization from capital fund to retained earnings	22,917,468	(22,917,468)	0
Prior year adjustment	(1,345,600)	-	-1,345,600
At June 30, 2021	57,377,316	3,348,114	60,725,431

Note:

- The Capital Fund is composed of Kshs.3,348,114 relating to the net-book value of assets bought on behalf of the Centre by the Office of the Attorney General and Department of Justice at inception.
- Accumulated depreciation of Kshs.22,917,468 relates to asset bought by the Office of the Attorney General and was transferred from the capital fund to retained earnings.
- The accumulated surplus as at 30th June 2021 of Kshs.57,377,316 is inclusive of cumulative surplus for the period ended 30th June 2020 of Kshs.86,031,210.
- Prior year adjustment relates to an amount of kshs.1,345,600 which was recommended for amendment during the external audit activity for the period ended 30th June 2020. A review of the fixed assets movement schedule revealed that this asset was correctly captured in the year ended 30th June 2017 as part of property plant and equipment hence a decision to reverse the entry.

Nairobi Centre for International Arbitration
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16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2021

		2020-2021	2019-2020
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	6	101,602,166	111,430,000
Public contributions and donations	7	0	150,000
Rendering of services	8	3,802,451	6,536,016
Other Income	9	0	2,000
Gains on Foreign Exchange Transactions	16.(c)	86,146	234,663
Total Receipts		105,490,763	118,352,679
Payments			
Employee costs	10	65,541,499	54,885,614
Remuneration of directors	11	7,176,293	5,011,587
Repairs and maintenance	13	1,941,753	2,199,779
Contracted Services	14	2,883,942	3,145,208
Uses of goods & services	15	65,830,197	45,011,432
Total Payments		143,373,685	110,253,620
Decrease in prepayments	17	1,043,811	159,035
Increase in deposits	19	(1,289,374)	-
Increase in inventory		-	-
Increase in payables		11,143,390	-
Increase in gratuity provision		4,116,056	
Net cash flows from operating activities		(22,869,039)	8,258,094
Cash flows from investing activities			
Purchase of property, plant, equipment	18	(790,004)	(15,894,502)
Net cash flows used in investing activities		(790,004)	(15,894,502)
Cash flows from financing activities			
Increase in deposits	19	0	644,060
Net cash flows used in financing activities			
Net increase/(decrease) in cash & cash equivalents		(23,659,043)	(6,992,348)
Cash and cash equivalents at 1st JULY		54,936,919	61,929,267
Cash and cash equivalents at 30th JUNE	16(a)	31,277,876	54,936,919

**Nairobi Centre for International Arbitration
Annual Reports and Financial Statements
For the year ended June 30, 2021**

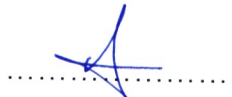
The Financial Statements set out on pages **1 to 47** were signed on behalf of the Board of Directors by:



Registrar/CEO

Name: L. Muiruri Ngugi

Date: 19th JULY 2022

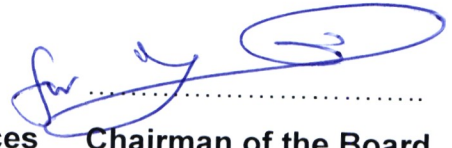


Manager Corporate Services

Name: Victor A O. Ogunyo

ICPAK Member Number: 10364

Date: 19th JULY 2022



Chairman of the Board

Name: Jacqueline Oyuyo

Date: 19th JULY 2022

Nairobi Centre for International Arbitration
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For the period ended June 30, 2021

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

	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference		Notes
	2020-2021	Kshs	2020-2021	Kshs	2020-2021	Kshs	2020-2021	Kshs	2020-2021	%	
Revenue											
Transfers from other governments Entities	101,602,166		0		101,602,166		101,602,166	0	0%		
Rendering of services	4,600,000		0		4,600,000		3,802,451	797,549	17%	1	
Balances b/f	51,587,274		0		51,587,274		51,587,274	0			
Gain on foreign exchange transactions	0		0		0			0			
Total income	157,789,440		0		157,789,440		156,991,891	797,549	1%		
Expenses											
Compensation of employees	71,966,730		0		71,966,730		65,253,562	6,713,168	9%		
Remuneration of directors	6,000,000		1,600,000		7,600,000		7,176,293	423,707	6%		
Repairs and maintenance	2,350,000		-150,000		2,200,000		1,941,753	258,247	12%	2	
Contracted services	3,000,000		0		3,000,000		2,883,942	116,058	4%		
Use of goods and services	71,972,710		-1,450,000		70,522,710		66,118,134	4,404,576	6%		
Capital Expenditure	2,500,000				2,500,000		790,004	1,709,996	68%	3	
Depreciation & amortization expense							12,342,840				
Total Expenditure	157,789,440		0		157,789,440		156,506,529	13,625,752	9%		
Surplus/(Deficit) for the Period	0		0		0		485,362	-12,828,203			

➤ The total expenditure of **Kshs. 156,506,529** includes capital expenditure of **Kshs. 790,004** being purchase of property, plant and equipment in the year hence the surplus balance of **Kshs.485,362**. The actual deficit for the period is **Ksh. 50,225,762**.

Nairobi Centre for International Arbitration
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For the period ended June 30, 2021

EXPLANATION OF DIFFERENCE BETWEEN SURPLUS ON STATEMENT OF FINANCIAL PERFORMANCE AND STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS.

Particulars	Amount
Bal b/d	-51,587,274
Purchase of PPE	790,004
Surplus as per statement of comparison of budget and actual amount	485,362
Foreign exchange gain	86,146
Deficit as per statement of financial performance	-50,225,762

Budget Notes

1. **Rendering of Services:** *Cancellation of onsite training initially scheduled as per the Training Calendar in the year 2020-2021 due to the Covid19 pandemic affected generation of projected revenue from training leading to a shortfall of Kshs.797,549.*
2. **Repairs and Maintenance:** *The variance was caused by austerity measures introduced by the National Treasury and Planning in Quarter 3 and communication that NCIA budget had been reduced by Kshs.10 Million. This forced the Centre to scale down activities reducing wear and tear that would have led to repairs and maintenance of assets and equipment.*
3. **Capital Expenditure:** *Most of the capital expenditures were halted due to the austerity measures carried out by National Treasury and Planning in Quarter 3 and delay in receipt of Quarter 4 exchequer disbursement.*

18. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Nairobi Centre for International Arbitration is established by an Act of parliament vide Act No.26 of 2013 and derives its authority and accountability from the Nairobi centre for International Arbitration Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is alternative dispute resolution.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The Centre's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the entity. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021

Standard	Effective date and impact:
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019: The Centre did not have combinations from exchange transactions or non-exchange transactions for the period under review.

ii. Early adoption of standards New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

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"> a. 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; b. Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and c. 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><i>The centre did not adopt the provisions provided for in the proposed amendments to the standard in the year under review as there were no financial instruments nor associated credit losses or hedging arrangements put in place to mitigate such effects in the period under review.</i></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;

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Standard	Effective date and impact:
	<p>b. The key features of the operation of those social benefit schemes; and</p> <p>c. The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</p> <p><i>There was no social benefit scheme operated by the centre and as a result NCIA did not apply any of the provisions in the proposed amendments to the standard.</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a. Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b. Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c. Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><i>NCIA did not have any borrowing facility or financial instruments and hedging arrangements entered into and as such the effect of IPSAS 41 on the related IPSAS did not have an effect on the presentation of the Centre's financial statements.</i></p>

iii. Early adoption of standards

The Centre did not early – adopt any new or amended standards in year 2020 and year 2021.

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 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. Recurrent grants are recognized in the statement of financial performance. Grants are recognized in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds

ii) Revenue from Exchange Transactions

Rendering of services

The Centre recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably.

b) Budget Information

The original budget for FY 2020-2021 was approved by the NCIA Board on 23rd July 2020. The Centre's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis.

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 pg.64 of these financial statements.

c) Taxes

The Centre is a non-profit making state corporation that is not obliged to pay corporation tax

d) Property, Plant and Equipment

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

Contingent liabilities

The Centre's contingent liability is pending litigations which may arise. In the current financial year there are no pending litigations.

Contingent assets

The Centre does not have any assets whose occurrence or non-occurrence of one or more uncertain future events are not wholly within the control of the entity

e) Changes in Accounting Policies and Estimates

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

f) Employee Benefits

Retirement Benefit Plans

The Centre provides retirement benefits for its employees who are on a permanent and pensionable basis. Defined contribution plans are post-employment benefit plans under which the Centre pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in

Retirement Benefit Plans

the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

g) Foreign Currency Transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Exchange differences arising from the incomes received at rates different from those at which they were initially recorded during the period, have been recognized as incomes in the period in which they arise.

h) Related Parties

The Centre 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 Directors, Registrar/CEO and Heads of Departments.

i) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank. Bank account balances include amounts held at Kenya Commercial Bank accounts at the end of the financial year.

j) Comparative Figures

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

k) Subsequent Events

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

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Centre's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

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

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 centre
- 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

6. TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount recognized in capital fund.	Total transfers 2020/21	Prior year 2019/2020
			KShs	KShs	KShs
OAG&DOJ	101,602,166	-	-	101,602,166	111,430,000
Total	101,602,166	-	-	101,602,166	111,430,000

7. PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2020-2021	2019-2020
	KShs	KShs
Mohammed Muigai LLP	0	100,000
Daly Inamdar	0	50,000
Total public contributions and donations	0	150,000

8. RENDERING OF SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Hiring of rooms	216,077	281,750
NCIA Arbitrator Panel – Domestic	327,863	215,000
NCIA Arbitrator Panel - International	543,525	468,046
NCIA Mediator Panel – Domestic	131,771	94,000
NCIA Mediator Panel - International	21,602	74,566
Case Admin. - Domestic - Registration	30,000	157,522
Case Admin.- Domestic - Administration	577,729	137,930
Capacity Building	1,648,884	0
ADR Conference Registration	305,000	5,107,202
Total revenue from rendering of services	3,802,451	6,536,016

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9. OTHER INCOME

Description	2020-2021	2019-2020
	KShs	KShs
Sale of tender	0	2,000
Total other income	0	2,000

10. EMPLOYEE COSTS

Description	2020-2021	2019-2020
	KShs	KShs
Salaries and wages	50,345,324	52,348,697
Club membership	0	65,196
Rewards and sanctions	198,900	0
Gratuity Paid	11,767,958	2,247,201
Pension contribution	2,941,380	224,520
Staff welfare programmes	287,937	0
Total Employee costs	65,541,499	54,885,614

11. REMUNERATION OF DIRECTORS

Description	2020-2021	2019-2020
	KShs	KShs
Chairman's Honoraria	0	783,000
Directors emoluments	5,754,400	3,021,000
Other Board Expenses	1,421,893	1,207,587
Total director emoluments	7,176,293	5,011,587

- There was no substantive chairman during the period under review.

12. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2020-2021	2019-2020
	KShs	KShs
Property, plant and equipment	9,363,269	8,692,053
Intangible assets amortization	2,979,571	0
Total depreciation and amortization	12,342,840	8,692,053

- Depreciation is calculated on a straight-line basis at annual rates estimated to write off the cost of property and equipment over their expected useful lives. This approach, guideline and treatment of property, plant and equipment is in line with IAS 16 and IPSAS 17.
- NCIA fixed assets are not depreciated during the year of purchase, assets bought during the year are depreciated in the following year.
- The rates used in calculation of depreciation are:

<u>The rates per annum are:</u>	<u>Rate</u>
Motor Vehicles	25.0%
Office Equipment	33.3%
Computers	33.3%
Furniture and fittings	12.5%
Software	33.3%

13. REPAIRS AND MAINTENANCE

Description	2020-2021	2019-2020
	KShs	KShs
Transport Services	1,094,956	1,242,109
Purchase of office ICT accessories	846,797	957,670
Total repairs and maintenance	1,941,753	2,199,779

14. CONTRACTED SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Cleaning Services	1,630,308	1,256,484
Internet Broadband and Networks	1,253,634	1,888,724
Total Employee costs	2,883,942	3,145,208

15. USE OF GOODS AND SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Media & public ADR awareness	987,178	2,424,363
Statutory Reporting	310,590	284,105
Consultancy	1,923,600	760,500
Medical insurance	6,587,591	6,195,574
Website and Intranet	141,640	56,310
Procurement activities	1,074,760	946,160
Budget Planning and Preparation	747,060	602,281
Telephone services (Staff Airtime Allowance)	1,627,999	1,795,193
Strategic plan & performance contract	20,000	0
Research on ADR Best practices	871,800	0
Staff welfare programmes	0	47,600
Office rent, utilities & car park	29,940,644	1,865,280
Internship Programmes	0	222,200
Promotional print materials	1,995,835	72,200
Library & reference books & materials	99,000	1,229,673
Human Resource Administration	886,719	722,017
Anti-corruption programmes	0	42,000
Staff training and development	3,145,950	657,453
Staff recruitment & induction	499,954	21,520
Staff retreat & team building	2,929,334	0
Subscriptions to corporate membership	108,820	168,100
Implemen publ serv programmes (Cross-Cutting Issues)	302,735	0
Other-Bank charges/payment process	174,207	150,645
Research	768,500	0
Administrative Services	649,896	1,260,753
Arbitration Conferences/Seminars/Workshops	14,000	4,093,238

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Resource Mobilization	544,965	718,865
Public Relations Services	894,386	25,000
ISMS Implementation	1,444,780	81,900
Registrar's office Administration	120,000	143,903
Preventive Maintenance & SLA Support	1,651,229	783,109
ADR Services Policy Framework	0	1,217,589
Review ADR Rules and processes	893,300	0
Management of ADR Processes	100,580	3,500
Inventory Management	18,000	2,000
Corporate social responsibility	0	293,653
Training programme on ADR process	838,975	109,900
ICT Infrastructure & software	3,040,645	2,744,360
Purchase of ERP system	0	1,014,072
NCIA International Conference	0	13,317,176
Performance contracting	0	58,005
Stores Cosumeables	147,000	598,709
General insurance motor vehicle & assets	263,330	282,526
Club Membership	65,196	0
Total use of goods and services	65,830,197	45,011,432

16. CASH AND CASH EQUIVALENTS

(a) Summary

Description	2020-2021	2019-2020
	KShs	KShs
Kshs. Current account	18,289,173	44,497,828
USD. Current Account*	10,928,432	7,089,446
Kshs. Client Trust Account	2,060,271	3,349,645
Total cash and cash equivalents	31,277,876	54,936,919

Exchange rates:

Transactions in foreign currencies were initially accounted for at the CBK indicative ruling exchange rate of exchange on the date of the transaction. Exchange differences arising from the incomes received at rates different from those at which they were initially recorded during the period, have been recognized as exchange gain in the financial statement.

(b) Detailed Analysis

Description	2020-2021	2019-2020
	KShs	KShs
Kshs. Current account	18,289,173	44,497,828
USD. Current Account*	10,928,432	7,089,446
Kshs. Client Trust Account	2,060,271	3,349,645
Total cash and cash equivalents	31,277,876	54,936,919

(c) Gain on Foreign Exchange Transaction

Description	2020-2021	2019-2020
	KShs	KShs
Opening & closing USD rate differences (107.85-106.5224)*USD 66,553.58 -Kshs.2,210	86,146	234,663
Total	86,146	234,663

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17. TRADE RECEIVABLES AND OTHER PREPAYMENTS

(a) Trade Receivables

There were no trade receivables noted in the financial year 2020-2021

(b) Prepayments

Description	2020-2021	2019-2020
	KShs	KShs
Group Medical Insurance.	3,754,561	4,692,260
Motor Vehicle General Insurance.	113,580	104,317
Motor Vehicle Fuel, oil & lubricants	0	115,375
Total	3,868,141	4,911,952

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18.(a) PROPERTY, PLANT AND EQUIPMENT
(a) TANGIBLE ASSETS

	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Software	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs
At 1 July 2017	11,071,750	13,870,952	7,357,880	1,342,000	0	33,642,582
Additions 2017/2018	0	3,233,550	4,243,722	3,950,154	0	11,427,426
At 30th June 2018	11,071,750	17,104,502	11,601,602	5,292,154	0	45,070,008
Additions 2018/2019	0	479,415	578,151	0	0	1,057,566
At 30th June 2019 (At Cost)	11,071,750	17,583,917	12,179,753	5,292,154	0	46,127,574
Additions 2019/2020	0	30,782,998	1,190,156	0	8,947,660	40,920,814
At 30th June 2020 (At Cost)	11,071,750	48,366,915	13,369,909	5,292,154	8,947,660	87,048,388
Additions 2020/2021	0	0	505,404	284,600	0	790,004
Adjustments 30th June 2021	0	0	0	0	-8,947,660	-8,947,660
At 30th June 2021 (At Cost)	11,071,750	48,366,915	13,875,313	5,576,754	0	78,890,732
Depreciation and Impairment						
Depreciation 2017/2018	-2,767,936	-1,733,868	-2,450,176	-446,888	0	-7,398,868
At 30 June 2018	-5,535,874	-2,847,812	-4,186,198	-802,865	0	-13,372,749
Depreciation 2018/2019	-2,767,936	-2,138,064	-3,863,332	-1,762,288	0	-10,531,620
At 30th June 2019	-8,303,810	-4,985,876	-8,049,530	-2,565,153	0	-23,904,369
Depreciation 2019/2020	-2,767,940	-2,197,968	-2,319,836	-1,406,310	0	-8,692,053
At 30th June 2020 (Total)	-11,071,750	-7,183,844	-10,369,366	-3,971,463	0	-32,596,423
Depreciation 2020/2021	0	-6,045,864	-2,002,004	-1,315,400	0	-9,363,269
At 30th June 2021 (Total)	-11,071,750	-13,229,708	-12,371,370	-5,286,863	0	-41,959,691
Net book values						
At 30th June 2018	5,535,876	14,256,690	7,415,404	4,489,289	0	31,697,259
At 30th June 2019	2,767,940	12,598,041	4,130,223	2,727,001	0	22,223,205
At 30th June 2020	0	41,183,071	3,000,543	1,320,691	8,947,660	54,451,965
At 30th June 2021 (At Cost)	0	35,137,207	1,503,943	289,891	0	36,931,041

The amount of Kshs. 30,782,998 in the PPE Schedule under Furniture and Fittings Column (Additions 2019/2020 Row) relates to refurbishment of NCIA offices and Kshs. 8,947,660 in the PPE Schedule under Software Column (Additions 2019/2020 Row) relate to Enterprise Resource Planning (ERP) System. These were previously treated as Work In Progress (WIP) in previous financial statements. Both projects were closed in the year 2019/2020 and classified under Furniture and Fittings and Software respectively as indicated above.

The PPE Schedule reflects Motor Vehicles as fully depreciated; the Centre will initiate the process of revaluation of motor vehicles and all other assets that it still draws value from to arrive at the correct Net Book Value for incorporation into the financial statements.

Further, the PPE schedule reflects an adjustment of kshs.8,947,660 under software category, in reference to the approved IPSAS accrual reporting template (version of June 2021) requires that all intangible assets to be reported separately from the PPE schedule. This has been demonstrated in note 18(b) as shown below.

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CATEGORY	NAME	DATE	CLASSIFICATION
Journal Editorial	Jackie Oyuyo	20/01/2021	Training And Communication Committee
17Th T& C Meeting	Collins Namachanja	18/02/2021	Training And Communication Committee
17Th T& C Meeting	Jackie Oyuyo	18/02/2021	Training And Communication Committee
17Th T& C Meeting	Judy Omenge	18/02/2021	Training And Communication Committee
CATEGORY	NAME	DATE	CLASSIFICATION
Journal Editorial	Jackie Oyuyo	6/5/2021	Training And Communication Committee
CATEGORY	NAME	DATE	CLASSIFICATION
25th Lra Meeting	John Ohaga	4/3/2021	Legislative Review And Accreditation Committee
25th Lra Meeting	Lawrence Waigi	4/3/2021	Legislative Review And Accreditation Committee
25th Lra Meeting	Peter Kihara Njuguna	4/3/2021	Legislative Review And Accreditation Committee
25th Lra Meeting	James Kihara Muruthi	4/3/2021	Legislative Review And Accreditation Committee
25th Lra Meeting	Pauline Mcharo	4/3/2021	Legislative Review And Accreditation Committee

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Pemo Exam Marking	Peter Kihara Njuguna	29/04/2021	Exam marking meeting
Pemo Exam Marking	Minaywa Laboso	29/04/2021	Exam marking meeting
Pemo Exam Marking	Jackie Oyuyo	29/04/2021	Exam marking meeting
CATEGORY	NAME	DATE	CLASSIFICATION
Interview Tool Review	Minaywa Laboso	6/5/2021	Recruitment
Interview Tool Review	Minaywa Laboso	7/5/2021	Recruitment
CATEGORY	NAME	DATE	CLASSIFICATION
Joint T&C And F&A	Jackie Oyuyo	9/7/2020	Training And Communication Committee
Joint T&C And F&A	James Kihara Muruthi	9/7/2020	Training And Communication Committee
Joint T&C And F&A	Jimmy Muyanja	9/7/2020	Training And Communication Committee
Joint T&C And F&A	Judy Omange	9/7/2020	Training And Communication Committee
Joint T&C And F&A	Pauline Mcharo	9/7/2020	Training And Communication Committee
Joint T&C And F&A	Peter Kihara Njuguna	9/7/2020	Training And Communication Committee
T& C Meeting	Collins Namachanja	3/9/2020	Training And Communication Committee
T& C Meeting	Jackie Oyuyo	3/9/2020	Training And Communication Committee
T& C Meeting	Jimmy Muyanja	3/9/2020	Training And Communication Committee
T& C Meeting	Judy Omange	3/9/2020	Training And Communication Committee
CATEGORY	NAME	DATE	CLASSIFICATION
16th T& C Meeting	Collins Namachanja	26/11/2020	Training And Communication Committee
16th T& C Meeting	Jackie Oyuyo	26/11/2020	Training And Communication Committee
16th T& C Meeting	Jimmy Muyanja	26/11/2020	Training And Communication Committee
16th T& C Meeting	Judy Omange	26/11/2020	Training And Communication Committee

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CATEGORY	NAME	DATE	CLASSIFICATION
Pia Interview	Sarah Mwai	25/01/2021	Recruitment
Pia Interview	Joseph Welimo	25/01/2021	Recruitment
CATEGORY	NAME	DATE	CLASSIFICATION
Pia Interview	Lawrence Waigi	25/01/2021	Recruitment
Pia Interview	Peter Kihara Njuguna	25/01/2021	Recruitment
Pia Interview	Collins Namachanja	25/01/2021	Recruitment
Pia Interview	Judy Omenge	25/01/2021	Recruitment
CATEGORY	NAME	DATE	CLASSIFICATION
Pia Interview	Lawrence Waigi	26/01/2021	Recruitment
Pia Interview	Peter Kihara Njuguna	26/01/2021	Recruitment
Pia Interview	Collins Namachanja	26/01/2021	Recruitment
Pia Interview	Judy Omenge	26/01/2021	Recruitment
CATEGORY	NAME	DATE	CLASSIFICATION
Pia Interview	Sarah Mwai	26/01/2021	Recruitment
Pia Interview	Joseph Welimo	26/01/2021	Recruitment
CATEGORY	NAME	DATE	CLASSIFICATION
Pcmo Shortlisting	Minaywa Laboso	15/04/2021	Shortlisting
CATEGORY	NAME	DATE	CLASSIFICATION
Pcmo Shortlisting	Lawrence Waigi	16/04/2021	Shortlisting
Pcmo Shortlisting	Peter Kihara Njuguna	16/04/2021	Shortlisting
Pcmo Shortlisting	Minaywa Laboso	16/04/2021	Shortlisting
CATEGORY	NAME	DATE	CLASSIFICATION
Pcmo Exam Setting	Minaywa Laboso	21/04/2021	Shortlisting
CATEGORY	NAME	DATE	CLASSIFICATION
Pcmo Written Interview	Lawrence Waigi	28/04/2021	Written Interview meeting
Pcmo Written Interview	Minaywa Laboso	28/04/2021	Written Interview meeting
CATEGORY	NAME	DATE	CLASSIFICATION
Pcmo Exam Marking	Lawrence Waigi	29/04/2021	Exam marking meeting

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CATEGORY	NAME	DATE	CLASSIFICATION
Pia Interview Meeting	Lawrence Waigi	21/01/2021	Recruitment
Pia Interview Meeting	Peter Kihara Njuguna	21/01/2021	Recruitment
Pia Interview Meeting	James Kihara Muruthi	21/01/2021	Recruitment
CATEGORY	NAME	DATE	CLASSIFICATION
Pia Interview Meeting	Lawrence Waigi	22/01/2021	Recruitment
Pia Interview Meeting	Peter Kihara Njuguna	22/01/2021	Recruitment
Pia Interview Meeting	James Kihara Muruthi	22/01/2021	Recruitment
CATEGORY	NAME	DATE	CLASSIFICATION
Pia Interview	Sarah Mwai	22/01/2021	Recruitment
Pia Interview	Joseph Welimo	22/01/2021	Recruitment
CATEGORY	NAME	DATE	CLASSIFICATION
Pia Interview	Lawrence Waigi	22/01/2021	Recruitment
Pia Interview	Peter Kihara Njuguna	22/01/2021	Recruitment
Pia Interview	James Kihara Muruthi	22/01/2021	Recruitment
CATEGORY	NAME	DATE	CLASSIFICATION
Pia Interview Meeting	Lawrence Waigi	25/01/2021	Recruitment
Pia Interview Meeting	Peter Kihara Njuguna	25/01/2021	Recruitment
Pia Interview Meeting	Collins Namachanja	25/01/2021	Recruitment
Pia Interview Meeting	Judy Omange	25/01/2021	Recruitment
CATEGORY	NAME	DATE	CLASSIFICATION
Pia Interview Meeting	Lawrence Waigi	25/01/2021	Recruitment
Pia Interview Meeting	Peter Kihara Njuguna	25/01/2021	Recruitment
Pia Interview Meeting	Collins Namachanja	25/01/2021	Recruitment
Pia Interview Meeting	Judy Omange	25/01/2021	Recruitment

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CATEGORY	NAME	DATE	CLASSIFICATION
Pia Interview	E.M Ngugi	6/1/2021	Recruitment
Pia Interview	Sarah Mwai	6/1/2021	Recruitment
CATEGORY	NAME	DATE	CLASSIFICATION
Pia Interview Meeting	Lawrence Waigi	12/1/2021	Recruitment
Pia Interview Meeting	Peter Kihara Njuguna	12/1/2021	Recruitment
CATEGORY	NAME	DATE	CLASSIFICATION
Pia Interview Meeting	Lawrence Waigi	12/1/2021	Recruitment
Pia Interview Meeting	Peter Kihara Njuguna	12/1/2021	Recruitment
CATEGORY	NAME	DATE	CLASSIFICATION
Pia Interview	Joseph Welimo	12/1/2021	Recruitment
CATEGORY	NAME	DATE	CLASSIFICATION
Pia Interview	Joseph Welimo	13/1/2021	Recruitment
CATEGORY	NAME	DATE	CLASSIFICATION
Pia Interview Meeting	Lawrence Waigi	13/01/2021	Recruitment
Pia Interview Meeting	Peter Kihara Njuguna	13/01/2021	Recruitment
CATEGORY	NAME	DATE	CLASSIFICATION
Pia Interview Meeting	Lawrence Waigi	13/1/2021	Recruitment
Pia Interview Meeting	Peter Kihara Njuguna	13/1/2021	Recruitment
CATEGORY	NAME	DATE	CLASSIFICATION
Pia Interview	Lawrence Waigi	21/01/2021	Recruitment
Pia Interview	Peter Kihara Njuguna	21/01/2021	Recruitment
Pia Interview	James Kihara Muruthi	21/01/2021	Recruitment
CATEGORY	NAME	DATE	CLASSIFICATION
Pia Interview	Sarah Mwai	21/01/2021	Recruitment
Pia Interview	Joseph Welimo	21/01/2021	Recruitment

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12th Special F & A	Jackie Oyuyo	23/10/2020	Special F & A Meeting
12th Special F & A	Jimmy Muyanja	23/10/2020	Special F & A Meeting
CATEGORY	NAME	DATE	CLASSIFICATION
14th Special F&A	Jackie Oyuyo	10/12/2020	Special F & A Meeting
14th Special F&A	Lawrence Waigi	10/12/2020	Special F & A Meeting
14th Special F&A	Peter Kihara Njuguna	10/12/2020	Special F & A Meeting
14th Special F&A	John Ohaga	10/12/2020	Special F & A Meeting
14th Special F&A	Jimmy Muyanja	10/12/2020	Special F & A Meeting
CATEGORY	NAME	DATE	CLASSIFICATION
15th Special F&A	Lawrence Waigi	13/05/2021	Special F & A Meeting
15th Special F&A	Peter Kihara Njuguna	13/05/2021	Special F & A Meeting
15th Special F&A	Jackie Oyuyo	13/05/2021	Special F & A Meeting
15th Special F&A	John Ohaga	13/05/2021	Special F & A Meeting
15th Special F&A	Jimmy Muyanja	13/05/2021	Special F & A Meeting
CATEGORY	NAME	DATE	CLASSIFICATION
F&A Adhoc	Lawrence Waigi	10/5/2021	Recruitment
F&A Adhoc	Peter Kihara Njuguna	10/5/2021	Recruitment
F&A Adhoc	Minaywa Laboso	10/5/2021	Recruitment
F&A Adhoc	Jackie Oyuyo	10/5/2021	Recruitment
F&A Adhoc	John Ohaga	10/5/2021	Recruitment
CATEGORY	NAME	DATE	CLASSIFICATION
F&A Adhoc	Lawrence Waigi	11/5/2021	Recruitment
F&A Adhoc	Peter Kihara Njuguna	11/5/2021	Recruitment
F&A Adhoc	Minaywa Laboso	11/5/2021	Recruitment
F&A Adhoc	Jackie Oyuyo	11/5/2021	Recruitment
F&A Adhoc	John Ohaga	11/5/2021	Recruitment
CATEGORY	NAME	DATE	CLASSIFICATION
Pia Interview	E.M Ngugi	4/1/2021	Recruitment
Pia Interview	Sarah Mwai	4/1/2021	Recruitment
CATEGORY	NAME	DATE	CLASSIFICATION
Pia Interview Meeting	Lawrence Waigi	6/1/2021	Recruitment

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25th F&A	Peter Kihara Njuguna	14/01/2021	Finance And Administration Committee
25th F&A	John Ohaga	14/01/2021	Finance And Administration Committee
CATEGORY	NAME	DATE	CLASSIFICATION
25th F&A	Jackie Oyuyo	27/01/2021	Finance And Administration Committee
25th F&A	Lawrence Waigi	27/01/2021	Finance And Administration Committee
25th F&A	Peter Kihara Njuguna	27/01/2021	Finance And Administration Committee
25th F&A	Jimmy Muyanja	27/01/2021	Finance And Administration Committee
CATEGORY	NAME	DATE	CLASSIFICATION
26th F&A	Jackie Oyuyo	8/4/2021	Finance And Administration Committee
26th F&A	Lawrence Waigi	8/4/2021	Finance And Administration Committee
26th F&A	Peter Kihara Njuguna	8/4/2021	Finance And Administration Committee
26th F&A	Jimmy Muyanja	8/4/2021	Finance And Administration Committee
26th F&A	John Ohaga	8/4/2021	Finance And Administration Committee
CATEGORY	NAME	DATE	CLASSIFICATION
11th Special F & A	Judy Omange	17/07/2020	Special F & A Meeting
11th Special F & A	James Kihara Muruthi	17/07/2020	Special F & A Meeting
11th Special F & A	Jimmy Muyanja	17/07/2020	Special F & A Meeting
CATEGORY	NAME	DATE	CLASSIFICATION
11th Special F & A	Jimmy Muyanja	21/07/2020	Special F & A Meeting
11th Special F & A	Judy Omange	21/07/2020	Special F & A Meeting
11th Special F & A	Pauline Mcharo	21/07/2020	Special F & A Meeting
11th Special F & A	Peter Kihara Njuguna	21/07/2020	Special F & A Meeting
11th Special F & A	James Kihara Muruthi	21/07/2020	Special F & A Meeting
CATEGORY	NAME	DATE	CLASSIFICATION
12th Special F & A	Peter Kihara Njuguna	23/10/2020	Special F & A Meeting
12th Special F & A	Lawrence Waigi	23/10/2020	Special F & A Meeting
12th Special F & A	John Ohaga	23/10/2020	Special F & A Meeting

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23rd F&A	John Ohaga	10/9/2020	Finance And Administration Committee
23rd F&A	Jimmy Muyanja	10/9/2020	Finance And Administration Committee
CATEGORY	NAME	DATE	CLASSIFICATION
23rd F&A	Jackie Oyuyo	21/9/2020	Finance And Administration Committee
23rd F&A	Lawrence Waigi	21/9/2020	Finance And Administration Committee
23rd F&A	Peter Kihara Njuguna	21/9/2020	Finance And Administration Committee
23rd F&A	John Ohaga	21/9/2020	Finance And Administration Committee
23rd F&A	Jimmy Muyanja	21/9/2020	Finance And Administration Committee
CATEGORY	NAME	DATE	CLASSIFICATION
3rd Ncia Webiner Series	Jackie Oyuyo	23/09/2020	Finance And Administration Committee
CATEGORY	NAME	DATE	CLASSIFICATION
23rd F&A Video Conf Meeting	Jackie Oyuyo	24/9/2020	Video conferencing
23rd F&A Video Conf Meeting	Lawrence Waigi	24/9/2020	Video conferencing
23rd F&A Video Conf Meeting	Peter Kihara Njuguna	24/9/2020	Video conferencing
23rd F&A Video Conf Meeting	John Ohaga	24/9/2020	Video conferencing
23rd F&A Video Conf Meeting	Jimmy Muyanja	24/9/2020	Video conferencing
CATEGORY	NAME	DATE	CLASSIFICATION
24th F&A	Jackie Oyuyo	8/10/2020	Finance And Administration Committee
24th F&A	Lawrence Waigi	8/10/2020	Finance And Administration Committee
24th F&A	Peter Kihara Njuguna	8/10/2020	Finance And Administration Committee
24th F&A	John Ohaga	8/10/2020	Finance And Administration Committee
CATEGORY	NAME	DATE	CLASSIFICATION
25th F&A	Jackie Oyuyo	14/01/2021	Finance And Administration Committee
25th F&A	Lawrence Waigi	14/01/2021	Finance And Administration Committee

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Board Evaluation	Peter Kihara Njuguna	10/8/2020	Board Evaluation
Board Evaluation	Pauline Mcharo	10/8/2020	Board Evaluation
Board Evaluation	Christopher Ombega	10/8/2020	Board Evaluation
Board Evaluation	Jane Gatwiri	10/8/2020	Board Evaluation
CATEGORY	NAME	DATE	CLASSIFICATION
Lsk Mou Meeting	Arthur Igeria	21/04/2021	MOU Meeting
CATEGORY	NAME	DATE	CLASSIFICATION
1st Ncia Webiner Series	John Ohaga	2/7/2020	Webiner meeting
CATEGORY	NAME	DATE	CLASSIFICATION
22nd F&A Meeting	Peter Kihara Njuguna	9/7/2020	Finance And Administration Committee
22nd F&A Meeting	James Kihara Muruthi	9/7/2020	Finance And Administration Committee
22nd F&A Meeting	Jimmy Muyanja	9/7/2020	Finance And Administration Committee
22nd F&A Meeting	Judy Omange	9/7/2020	Finance And Administration Committee
22nd F&A Meeting	Pauline Mcharo	9/7/2020	Finance And Administration Committee
CATEGORY	NAME	DATE	CLASSIFICATION
22nd F&A Meeting	Peter Kihara Njuguna	13/07/2020	Finance And Administration Committee
22nd F&A Meeting	James Kihara Muruthi	13/07/2020	Finance And Administration Committee
22nd F&A Meeting	Jimmy Muyanja	13/07/2020	Finance And Administration Committee
22nd F&A Meeting	Judy Omange	13/07/2020	Finance And Administration Committee
CATEGORY	NAME	DATE	CLASSIFICATION
23rd F&A	Jackie Oyuyo	10/9/2020	Finance And Administration Committee
23rd F&A	Lawrence Waigi	10/9/2020	Finance And Administration Committee
23rd F&A	Peter Kihara Njuguna	10/9/2020	Finance And Administration Committee

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CATEGORY	NAME	DATE	CLASSIFICATION
7th Special Board Meeting	Arthur Igeria	20/05/2021	Special Board Meeting
7th Special Board Meeting	Collins Namachanja	20/05/2021	Special Board Meeting
7th Special Board Meeting	Jackie Oyuyo	20/05/2021	Special Board Meeting
7th Special Board Meeting	James Kihara Muruthi	20/05/2021	Special Board Meeting
7th Special Board Meeting	John Ohaga	20/05/2021	Special Board Meeting
7th Special Board Meeting	Lawrence Waigi	20/05/2021	Special Board Meeting
7th Special Board Meeting	Peter Kihara Njuguna	20/05/2021	Special Board Meeting
7th Special Board Meeting	Pauline Mcharo	20/05/2021	Special Board Meeting
CATEGORY	NAME	DATE	CLASSIFICATION
8th Special Board Meeting	Arthur Igeria	4/6/2021	Special Board Meeting
8th Special Board Meeting	Jackie Oyuyo	4/6/2021	Special Board Meeting
8th Special Board Meeting	James Kihara Muruthi	4/6/2021	Special Board Meeting
8th Special Board Meeting	John Ohaga	4/6/2021	Special Board Meeting
8th Special Board Meeting	Peter Kihara Njuguna	4/6/2021	Special Board Meeting
8th Special Board Meeting	Pauline Mcharo	4/6/2021	Special Board Meeting
8th Special Board Meeting	Jimmy Muyanja	4/6/2021	Special Board Meeting
CATEGORY	NAME	DATE	CLASSIFICATION
Board Evaluation	Arthur Igeria	10/8/2020	Board Evaluation
Board Evaluation	Collins Namachanja	10/8/2020	Board Evaluation
Board Evaluation	Jackie Oyuyo	10/8/2020	Board Evaluation
Board Evaluation	James Kihara Muruthi	10/8/2020	Board Evaluation
Board Evaluation	Jimmy Muyanja	10/8/2020	Board Evaluation
Board Evaluation	John Ohaga	10/8/2020	Board Evaluation
Board Evaluation	Judy Omange	10/8/2020	Board Evaluation
Board Evaluation	Lawrence Waigi	10/8/2020	Board Evaluation

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Board Evaluation	Arthur Igeria	28/05/2021	Board Evaluation
Board Evaluation	Jackie Oyuyo	28/05/2021	Board Evaluation
Board Evaluation	James Kihara Muruthi	28/05/2021	Board Evaluation
Board Evaluation	Jimmy Muyanja	28/05/2021	Board Evaluation
Board Evaluation	John Ohaga	28/05/2021	Board Evaluation
Board Evaluation	Judy Omenge	28/05/2021	Board Evaluation
Board Evaluation	Lawrence Waigi	28/05/2021	Board Evaluation
Board Evaluation	Peter Kihara Njuguna	28/05/2021	Board Evaluation
Board Evaluation	Peter Mwangi	28/05/2021	Board Evaluation
Board Evaluation	Pauline Mcharo	28/05/2022	Board Evaluation
Board Evaluation	Christopher Ombega	28/05/2021	Board Evaluation
Board Evaluation	Nicolas Awiti	28/05/2021	Board Evaluation
CATEGORY	NAME	DATE	CLASSIFICATION
Ist Ncia Moot Competition	James Kihara Muruthi	29/06/2021	Moot competition
CATEGORY	NAME	DATE	CLASSIFICATION
Ist Ncia Moot Competition	Jackie Oyuyo	30/06/2021	Moot competition
Ist Ncia Moot Competition	James Kihara Muruthi	30/06/2021	Moot competition
CATEGORY	NAME	DATE	CLASSIFICATION
6th Special Board Meeting	Arthur Igeria	21/09/2020	Special Board Meeting
6th Special Board Meeting	Collins Namachanja	21/09/2020	Special Board Meeting
6th Special Board Meeting	Jackie Oyuyo	21/09/2020	Special Board Meeting
6th Special Board Meeting	James Kihara Muruthi	21/09/2020	Special Board Meeting
6th Special Board Meeting	Jimmy Muyanja	21/09/2020	Special Board Meeting
6th Special Board Meeting	John Ohaga	21/09/2020	Special Board Meeting
6th Special Board Meeting	Judy Omenge	21/09/2020	Special Board Meeting
6th Special Board Meeting	Lawrence Waigi	21/09/2020	Special Board Meeting

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36th Board Meeting	Pauline Mcharo	22/04/2021	Regular Board Meeting
36th Board Meeting	Peter Mwangi	22/04/2021	Regular Board Meeting
CATEGORY	NAME	DATE	CLASSIFICATION
Team Building	Arthur Igeria	25/05/2021	Team Building
Team Building	Jackie Oyuyo	25/05/2021	Team Building
Team Building	James Kihara Muruthi	25/05/2021	Team Building
Team Building	Jimmy Muyanja	25/05/2021	Team Building
Team Building	John Ohaga	25/05/2021	Team Building
Team Building	Judy Omange	25/05/2021	Team Building
Team Building	Lawrence Waigi	25/05/2021	Team Building
Team Building	Peter Kihara Njuguna	25/05/2021	Team Building
Team Building	Peter Mwangi	25/05/2021	Team Building
CATEGORY	NAME	DATE	CLASSIFICATION
Team Building	Arthur Igeria	26/05/2021	Team Building
Team Building	Jackie Oyuyo	26/05/2021	Team Building
Team Building	James Kihara Muruthi	26/05/2021	Team Building
Team Building	Jimmy Muyanja	26/05/2021	Team Building
Team Building	John Ohaga	26/05/2021	Team Building
Team Building	Judy Omange	26/05/2021	Team Building
Team Building	Lawrence Waigi	26/05/2021	Team Building
Team Building	Peter Kihara Njuguna	26/05/2021	Team Building
Team Building	Peter Mwangi	26/05/2021	Team Building
CATEGORY	NAME	DATE	CLASSIFICATION
Team Building	Arthur Igeria	27/05/2021	Team Building
Team Building	Jackie Oyuyo	27/05/2021	Team Building
Team Building	James Kihara Muruthi	27/05/2021	Team Building
Team Building	Jimmy Muyanja	27/05/2021	Team Building
Team Building	John Ohaga	27/05/2021	Team Building
Team Building	Judy Omange	27/05/2021	Team Building
Team Building	Peter Kihara Njuguna	27/05/2021	Team Building
Team Building	Peter Mwangi	27/05/2021	Team Building
CATEGORY	NAME	DATE	CLASSIFICATION

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CATEGORY	NAME	DATE	CLASSIFICATION
35th Board Meeting	Arthur Igeria	10/8/2020	Regular Board Meeting
35th Board Meeting	Collins Namachanja	10/8/2020	Regular Board Meeting
35th Board Meeting	Jackie Oyuyo	10/8/2020	Regular Board Meeting
35th Board Meeting	James Kihara Muruthi	10/8/2020	Regular Board Meeting
35th Board Meeting	Jimmy Muyanja	10/8/2020	Regular Board Meeting
35th Board Meeting	John Ohaga	10/8/2020	Regular Board Meeting
35th Board Meeting	Judy Omange	10/8/2020	Regular Board Meeting
35th Board Meeting	Lawrence Waigi	10/8/2020	Regular Board Meeting
35th Board Meeting	Peter Kihara Njuguna	10/8/2020	Regular Board Meeting
35th Board Meeting	Pauline Mcharo	10/8/2020	Regular Board Meeting
35th Board Meeting	Christopher Ombega	10/8/2020	Regular Board Meeting
35th Board Meeting	Jane Gatwiri	10/8/2020	Regular Board Meeting
CATEGORY	NAME	DATE	CLASSIFICATION
Board evaluation	Arthur Igeria	28/01/2021	Board evaluation
Board evaluation	Collins Namachanja	28/01/2021	Board evaluation
Board evaluation	Jackie Oyuyo	28/01/2021	Board evaluation
Board evaluation	Jimmy Muyanja	28/01/2021	Board evaluation
Board evaluation	John Ohaga	28/01/2021	Board evaluation
Board evaluation	Judy Omange	28/01/2021	Board evaluation
Board evaluation	Lawrence Waigi	28/01/2021	Board evaluation
Board evaluation	Peter Kihara Njuguna	28/01/2021	Board evaluation
CATEGORY	NAME	DATE	CLASSIFICATION
36th Board Meeting	Arthur Igeria	22/04/2021	Regular Board Meeting
36th Board Meeting	Collins Namachanja	22/04/2021	Regular Board Meeting
36th Board Meeting	Jackie Oyuyo	22/04/2021	Regular Board Meeting
36th Board Meeting	James Kihara Muruthi	22/04/2021	Regular Board Meeting
36th Board Meeting	Jimmy Muyanja	22/04/2021	Regular Board Meeting
36th Board Meeting	John Ohaga	22/04/2021	Regular Board Meeting
36th Board Meeting	Judy Omange	22/04/2021	Regular Board Meeting
36th Board Meeting	Lawrence Waigi	22/04/2021	Regular Board Meeting
36th Board Meeting	Peter Kihara Njuguna	22/04/2021	Regular Board Meeting

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APPENDIX IV: RECORDING OF BOARD AND COMMITTEE MEETINGS

CATEGORY	NAME	DATE	CLASSIFICATION
32nd Board Meeting	Arthur Igeria	23/07/2020	Regular Board Meeting
32nd Board Meeting	Collins Namachanja	23/07/2020	Regular Board Meeting
32nd Board Meeting	Jackie Oyuyo	23/07/2020	Regular Board Meeting
32nd Board Meeting	James Kihara Muruthi	23/07/2020	Regular Board Meeting
32nd Board Meeting	Jimmy Muyanja	23/07/2020	Regular Board Meeting
32nd Board Meeting	John Ohaga	23/07/2020	Regular Board Meeting
32nd Board Meeting	Judy Omenge	23/07/2020	Regular Board Meeting
32nd Board Meeting	Lawrence Waigi	23/07/2020	Regular Board Meeting
32nd Board Meeting	Peter Kihara Njuguna	23/07/2020	Regular Board Meeting
CATEGORY	NAME	DATE	CLASSIFICATION
33rd Board Meeting	Arthur Igeria	24/09/2020	Regular Board Meeting
33rd Board Meeting	Collins Namachanja	24/09/2020	Regular Board Meeting
33rd Board Meeting	Jackie Oyuyo	24/09/2020	Regular Board Meeting
33rd Board Meeting	James Kihara Muruthi	24/09/2020	Regular Board Meeting
33rd Board Meeting	Jimmy Muyanja	24/09/2020	Regular Board Meeting
33rd Board Meeting	John Ohaga	24/09/2020	Regular Board Meeting
33rd Board Meeting	Judy Omenge	24/09/2020	Regular Board Meeting
33rd Board Meeting	Lawrence Waigi	24/09/2020	Regular Board Meeting
33rd Board Meeting	Peter Kihara Njuguna	24/09/2020	Regular Board Meeting
CATEGORY	NAME	DATE	CLASSIFICATION
34th Board Meeting	Arthur Igeria	22/10/2020	Regular Board Meeting
34th Board Meeting	Collins Namachanja	22/10/2020	Regular Board Meeting
34th Board Meeting	Jackie Oyuyo	22/10/2020	Regular Board Meeting
34th Board Meeting	James Kihara Muruthi	22/10/2020	Regular Board Meeting
34th Board Meeting	Jimmy Muyanja	22/10/2020	Regular Board Meeting
34th Board Meeting	Lawrence Waigi	22/10/2020	Regular Board Meeting
34th Board Meeting	Peter Kihara Njuguna	22/10/2020	Regular Board Meeting
34th Board Meeting	Peter Mwangi	22/10/2021	Regular Board Meeting

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APPENDIX III: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized				Total Transfers during the Year	
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables		Others - must be specific
State Law Office	24/08/2020	Recurrent	25,400,541.50	25,400,541.50	Nil	Nil	Nil	Nil	25,400,541.50
State Law Office	06/11/2020	Recurrent	25,400,541.50	25,400,541.50	Nil	Nil	Nil	Nil	25,400,541.50
State Law Office	08/03/2021	Recurrent	20,400,541.50	20,400,541.50	Nil	Nil	Nil	Nil	20,400,541.50
State Law Office	24/06/2021	Recurrent	30,400,541.50	30,400,541.50	Nil	Nil	Nil	Nil	30,400,541.50
Total			101,602,166.00	101,602,166.00					101,602,166.00

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APPENDIX II: INTER-ENTITY TRANSFERS

ENTITY NAME:		Nairobi Centre for International Arbitration		
Break down of Transfers from the Office of the Attorney General and Department of Justice				
FY 2020/2021				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		24-08-2020	25,400,541.50	2020-2021
		06-11-2020	25,400,541.50	2020-2021
		08-03-2021	20,400,541.50	2020-2021
		24-06-2021	30,400,541.50	2020-2021
		Total	101,602,166.00	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		N/A	0	
		Total	0	
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		N/A	0	
		Total	0	
d.	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		N/A	0	
		Total	0	

The above amounts have been communicated to and reconciled with the Office of the Attorney General and Department of Justice.

Manager,
 Corporate Support Services
 NCIA

Sign  -----

Head of Accounting Unit
 OAG & DOJ

Sign-----

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APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

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

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue.
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

Director General/CEO/MD/Chairman of the Board

Date  19TH JULY 2022

26. TAXATION

The centre is a non-profit making state corporation and is exempted from taxation.

27. EVENTS AFTER THE REPORTING PERIOD

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

28. ULTIMATE AND HOLDING ENTITY

Nairobi Centre for International Arbitration is a state corporation under the Office of the Attorney General and Department of Justice. Its ultimate parent is the Government of Kenya.

29. CURRENCY

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

25. 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 Centre is related to:

- i) Government of Kenya;
- ii) Office of the Attorney General and Department of Justice;
- iii) Board of Directors; and
- iv) Key Management.

Transactions with Related Parties

	2020-2021	2019-2020
	Kshs	Kshs
a) Grants from the Government		
Grants from National Government	101,602,166	111,430,000
Total	101,602,166	111,430,000
b) Board of Directors Compensation		
Directors' emoluments	7,176,293	5,011,587
Total	7,176,293	5,011,587
c) Key Management Compensation		
Compensation to Registrar/CEO	11,004,800	8,064,097
Compensation to Key Management	10,678,630	8,724,879
Total	21,683,430	16,788,976

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	Ksh	Other currencies (USD)	Total
	Kshs	Kshs	Kshs
As at 30 June 2021			
Financial assets			
Cash & Cash equivalent	0	10,928,432	10,928,432
Total financial assets	0	10,928,432	10,928,432
Net foreign currency asset/(liability)	0	10,928,432	10,928,432

	Ksh	Other currencies (USD)	Total
	Kshs	Kshs	Kshs
As at 30 June 2020			
Financial assets			
Cash & Cash equivalent	0	7,089,446	7,089,446
Total financial assets	0	7,089,446	7,089,446
Net foreign currency asset/(liability)	0	7,089,446	7,089,446

iv. Foreign currency sensitivity analysis

The following table demonstrates the effect on the entity's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on Performance before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
2020-2021			
USD	1.24%	86,146	86,146
2019-2020			
USD	4.20%	234,663	234,663

ii. Capital Risk Management

The objective of the Centre's capital risk management is to safeguard the Centre's ability to continue as a going concern. The entity capital structure comprises of the following funds:

	2020-2021	2019-2020
	Kshs	Kshs
Revaluation reserve		
Retained earnings	57,377,316	86,031,210
Capital reserve		
Total funds	57,377,316	86,031,210
Total borrowings	-	-
Less: cash and bank balances	29,217,605	51,587,274
Net debt/(excess cash and cash equivalents)	(29,217,605)	(51,587,274)
Gearing	-	-

- The Centre's gearing level is at 0% since it has no Borrowings/Debt.

iii. Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

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23. ACCUMULATED SURPLUS

Description	2020-2021	2019-2020
	KShs	KShs
Balance B/F	86,031,210	85,278,604
Surplus / Deficit for the year	(50,225,762)	(592,994)
Transfer of software to non-current assets	-	1,345,600
Prior year adjustment	(1,345,600)	0
Depreciation transferred from capital fund	22,917,468	0
Total Accumulated surplus	57,377,316	86,031,210

Included in the accumulated surplus is an amount of kshs.1,345,600 which relates to prior year adjustments recommended during external Audit activity for the period ended 30th June 2020. A review of the fixed assets movement schedule revealed that this asset was correctly captured in the year ended 30th June 2017 as part of property plant and equipment hence a decision to reverse the entry.

24. FINANCIAL RISK MANAGEMENT

The Centre's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Centre'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 Centre does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

i. Liquidity Risk management

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

19. REFUNDABLE DEPOSITS FROM CUSTOMERS

Description	2020-2021	2019-2020
	KShs	KShs
Client fees account	2,060,271	3,349,645
Total refundable deposits from customers	2,060,271	3,349,645

20. TRADE AND OTHER PAYABLES

Description	2020-2021	2019-2020
	KShs	KShs
Rent payable	9,268,042	0
Global procurement	68,600	0
Liquid Telecom	105,222	0
Liquid Telecom	227,909	0
Center Forty	93,863	0
Cleanmark Limited	683,982	0
Innovative Technologies	568,341	0
MFI Solutions	127,432	0
Total trade and other payables	11,143,390	0

21. GRATUITY PROVISION

Description	2020-2021	2019-2020
	KShs	KShs
Provision for the year	4,116,056	-
Total gratuity provision	4,116,056	-

22. CAPITAL FUND

Description	2020-2021	2019-2020
	KShs	KShs
Balance B/F	26,265,582	26,265,582
Depreciation transfer to Accumulated surplus	(22,917,468)	0
Total Capital fund	3,348,114	26,265,582

18.(b) INTANGIBLE ASSETS

Description	2020-2021	2019-2020
	KShs	KShs
Cost		
At beginning of the year	8,947,660.00	8,947,660.00
Additions	0	0
At end of the year	8,947,660.00	8,947,660.00
Additions–internal development	0	0
At end of the year	8,947,660.00	8,947,660.00
Amortization and impairment		
At beginning of the year	0	0
Amortization	2,979,571.00	0
At end of the year	2,979,571.00	0
Impairment loss	0	0
At end of the year	2,979,571.00	0
NBV	5,968,089.00	8,947,660.00

Intangible assets acquired separately are initially recognized at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.