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THE AUDITOR-GENERAL

ON

**NATIONAL POLICE SERVICE
COMMISSION**

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

OFFICE OF THE AUDITOR GENERAL
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National Police Service Commission



NATIONAL POLICE SERVICE COMMISSION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2023

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

NATIONAL POLICE SERVICE COMMISSION
Annual Report and Financial Statements for the year ended 30th June 2023

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1. Acronyms and Glossary of Terms

AIE	Authority to Incur Expenditure
CFO	Chief Finance Officer
HAU	Head of Accounting Unit
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
NPSC	National Police Service Commission
NPS	National Police Service
PSASB	Public Sector Accounting Standards Board
IPSAS	International Public Sector Accounting Standards
ICT	Information and Communication Technology
HCM	Human Capital Management
CBK	Central Bank of Kenya

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2. Key Entity Information and Management

Article 246 of the Constitution establishes the National Police Service Commission with the mandate to recruit and appoint persons to hold or act in offices in the Service; to confirm appointments within the National Police Service; to determine promotions and transfers within the National Police Service, to exercise disciplinary control over and remove persons holding and acting in offices within the Service and to perform any other functions prescribed by national legislation.

The mandate of the NPSC is further articulated in the Constitution in the following articles;

Article 234 of the Constitution provides for the functions of the Public Service Commission to manage the Human Resource Functions of the Public Service. Under article 234 (3) the Public Service Commission shall not apply the same functions to an office or position subject to the Parliamentary Service Commission, the Judicial Service Commission, the Teachers Service Commission and the National Police Service Commission. Therefore, drawing from Article 234, the NPSC is mandated to perform similar functions as the PSC for the National Police Service and therefore, offices and positions that are subject to the National Police Service Commission are not to be managed or have their matters handled by the Public Service Commission.

Article 239 (5) provides, 'The national security organs are subordinate to civilian authority.'

Further, the Fourth Schedule of the Constitution on Distribution of Functions between the National Government and the County Governments at Part I on National Government at paragraph 7 designates the function of National Government to be police services, including the setting of standards of recruitment, training of police and use of police services, criminal law and correctional services.

Article 249 of the Constitution provides for the objects, authority and funding of Commissions and Independent Offices, in particular, it states that Commissions are required to promote constitutionalism, and implores Parliament to allocate adequate funds for each Commission to perform its functions.

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(a) Background information

The National Police Service Commission (NPSC) is one of the independent commissions established under Chapter 15 of the Constitution of Kenya 2010. The commission is established under article 246 of the Constitution. It took over, among other functions, the human resource management function of the Police Service, that previously was being handled by the Public Service Commission.

The National Police Service Commission was established on 05th October, 2012 after the appointment into office of six commissioners through Gazette Notice No. 95 of 03rd October 2012. These comprised of the Chairperson, the Vice Chairperson and four commissioners who work full time.

Below are the vision, mission, core values and mandates of the commission.

(i) Vision

Dignified and Professional Police Officers

(ii) Mission

To facilitate transformation of human resource management in the National Police Service for efficiency and effectiveness

(iii) Core Values

- Interdependence
- Synergy
- Integrity
- Fairness
- Transparency
- Accountability

(iv) Mandate

The Commission is mandated by Article 246 (3) (a-c) of the Constitution of Kenya 2010 –

- ❖ To recruit and appoint persons to hold or act in offices in the Service;
- ❖ To confirm appointments within the National Police Service
- ❖ To determine promotions and transfers within the National Police Service
- ❖ To exercise disciplinary control over and remove persons holding and acting in offices within the Service
- ❖ To perform any other functions prescribed by national legislation

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On the recommendation of the Inspector General develop and keep under review all matters relating to human resources policies of members of the service.

- With the advice of the Salaries and Remuneration Commission, determine the appropriate remuneration and benefits of the service and staff of the Commission

- Approve application for engagement by police officers in trade and other business, in accordance with the law relating to matters of leadership and integrity under Article 80 of the Constitution

- Co-operate with other State agencies, departments or commissions on any matter that the Commission considers necessary

- Provide for the terms and conditions of service and the procedure for recruitment and disciplinary measures for civilian members of the Service

- Develop fair and clear disciplinary procedures in accordance with Article 47 of the Constitution

- Investigate and summon witnesses to assist for the purposes of its investigations

- Exercise disciplinary control over persons holding or acting in office in the Service

Promote the values and principles referred to in Articles 10 and 232 of the Constitution throughout the Service

- Hear and determine appeals from the members of the Service

- Develop policies and provide oversight over training in the Service

- Approve training curricula and oversee their implementation

- Investigate, monitor and evaluate the personnel practices of the Service

- Receive and refer civilian complaints to the Independent Policing Oversight Authority, the Kenya National Commission on Human Rights, the Director of Public Prosecutions or the Ethics and Anti-Corruption Commission, as the case may be, where necessary

- Review and make recommendations to the national government in respect of conditions of service, code of conduct and qualifications of officers in the Service

Evaluate and report to the President and the National Assembly on the extent to which the values and principles referred to in Articles 10 and 232 are complied with in the Service

- Receive complaints and recommendations from police associations registered in accordance with the applicable law

- Perform such other functions as are provided for by the Constitution, this Act or any written law.

(b) Key Management

MEMBERS OF THE NATIONAL POLICE SERVICE COMMISSION



Eliud N. Kinuthia, CBS,OGW, HSC
Chairperson



Dr. Alice A. Otwala, CBS
Vice Chairperson



John Ole Mayaki, MBS
Commissioner



Edwin Cheluget
Commissioner



Peter Leley
Commission Secretary /CEO



Eusebius K. Laibuta
MBS, OGW, HSC, 'ndc'(K)
Commissioner



Lilian Kiamba
MBS,OGW
Commissioner



Noor Y. Gabow,
CBS,OGW, 'ndc'(K)
Commissioner



JAPHET N. KOOME
EBS, HSC, 'ndc'(K)
Commissioner



Douglas Kanja Kirocho
EBS,OGW
Commissioner

CO-OPTED MEMBER



MOHAMED AMIN
EBS, MBS, OGW 'ndc'(K)
Director
Directorate of Criminal Investigations

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

- The Chief Executive Officer
- Finance, Administration & Planning and Support Services Corporate Directorate
- HCM Technical Services
- Human Capital Management Directorate

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Mr. Peter Leley
2.	Deputy CEO Finance and Administration	Mr. John Wambugu
3.	Director Human Capital Management	Ms. Christine Rotich
4.	Internal Auditor	Ms. Mary Achola
5.	Manager Accounts	Mr. Eric Nyaga
6.	Chairperson – Audit Committee	Mr. Evans Kakai

(d) Fiduciary Oversight Arrangements

The Commission plays the fiduciary responsibility role which is achieved through the following committees:

1. Executive Committee

- a) To go through the recommendations emanating from the committees of the commission before presenting them to the commission's meeting for approval.

2. Recruitment, Appointments, Confirmations and Welfare Committee

- a) Coordinate the recruitment process of NPS members who include civilian staff of the NPS.
- b) Develop and review job descriptions/specifications for NPS staff
- c) Coordinate the development of terms and conditions of service for NPS staff; including pay and benefits.
- d) Undertaking and evaluating baseline surveys on the gender, ethnic distribution and stagnation of officers in various ranks in the NPS with a view of making the necessary recommendations.
- e) Coordinate the implementation and provide recommendations on the review of the NPS recruitment, appointment, professional development and welfare policies and regulations
- f) Development, management, monitoring and evaluation of training programmes for NPS
- g) Coordinate the development of appropriate guidelines for formation and recognition of police associations.
- h) Coordinate research and development of recommendations for NPS Staff welfare including; insurance, medical, housing etc
- i) Approve applications for engagement by police officers in trade and other businesses.
- j) Any other function assigned to the Committee by the Commission.

3. Appeals, Policy and Legal Affairs Committee

- a) Coordinate undertaking of various research and surveys for policy development
- b) Lead the development and review of policies, regulations and guidelines for the implementation of NPSC mandate, and make recommendations for their approval by the Commission
- c) Develop the schedule of penalties for the offenses against discipline in the NPS
- d) Develop and review policies and procedures to mainstream cross cutting issues – gender, human rights, conflict of interest, anti-corruption etc
- e) Provide leadership on legal affairs, legal review, complaints management, case management and litigation involving the NPS and NPSC
- f) Implementing the policy and procedures for Appeals to the NPSC
- g) Conducting hearings and recommending determinations on appeals

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4. Promotions and Transfers Committee

- a) Coordinate the provision of recommendations on promotions and transfers in the NPS
- b) Oversee the implementation and recommend review of the promotions and transfers policies and regulations
- c) Develop and review Schemes of Service for NPS staff
- d) Coordinate the development of a skills inventory in the NPS
- e) Provide leadership in development and implementation of performance and change management systems and measures.
- f) Any other function assigned to the Committee by the Commission

5. Finance, Planning, Administration and Professional Development Committee

- a) Coordinate and oversee implementation of change management and reforms of the NPSC Secretariat
- b) Coordinate budget making process and resource mobilization for NPSC and oversee its implementation
- c) Coordinate NPSC Stakeholder engagement.
- d) Oversee implementation of overall NPSC communication and ICT strategy
- e) Oversee administration and management of NPSC
- f) Monitoring and Evaluation of the implementation of strategic plan.
- g) Oversee data management of the Commission
- h) Any other function assigned to the Committee by the Commission.

6. Discipline and HR Audit Committee

- a) Oversee implementation and recommend review of the policies, regulations, guidelines and procedures on Discipline matters in the NPS
- b) Conduct public enquiries and publish the outcome of such inquiries on matters related to the commission mandate
- c) Promote the compliance with the disciplinary procedures in the Service
- d) Review and recommend confirmation of disciplinary sanctions under section 89 (6) of the NPS Act i.e. restitution, stoppage of salary increments, reduction in rank and dismissals from the NPS.
- e) To recommend disciplinary action against an officer who commits a criminal offence.
- f) Oversee and provide reports on the implementation of the NPSC policies and regulations

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- g) Conducting audit on implementation of the Commission's decisions by the NPS.
- h) Conduct audit on operations of the civilians in NPS
- i) Any other function assigned to the Committee by the Commission

7. Audit Committee

- a) The Audit Committee gives oversight to the operations of the Commission for better corporate governance in line with the law
- b) Any other function assigned to the Committee by the Commission.

PARLIAMENTARY COMMITTEES

Parliament and its committees derive their mandate from the constitution of Kenya Act 124, statutes and standing orders.

Various parliamentary committees have an oversight mandate on the Commission. These are:

A) Administration and National Security committee

The Committee oversees matters regarding National Security and Administration. The National Police Service Commission being responsible for the human resource management of the National Police Service falls within the Committee's ambit.

The Committee vets and approves nominees for the position of Chairperson and Commissioners of the National Police Service Commission before they are appointed by the President. The Committee may monitor and raise queries on decisions the Commission makes concerning the Police Service. Further, the Commission presents its budget estimates to the Committee for approval.

B) Public Accounts Committee

The Committee is an audit committee responsible for the examination of the account showing the appropriations of the sum voted by the House to meet public expenditure. It also receives audited reports from the office of the Auditor General relating to various government institutions and agencies. The Committee Summons Government Ministries and or institution to answer to queries raised by the Auditor General, and the Commission is subject to this Committee for any queries raised the Auditor general.

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C) Budget and Appropriation Committee

The budget and appropriations committee is established pursuant to the provisions of standing order No. 207.

The functions of the committee include:

- a) Investigate, enquire into and report on all matters related to coordination, control, and monitoring of the National budget.
- b) Discuss and review the estimates and make recommendations to the house
- c) Examine the budget policy statement presented to the house
- d) Examine bills related to the National Budget including appropriation bills
- e) Evaluate tax estimated, economic and budgetary policies and programmes with direct budget outlays

D) Justice and Legal Affairs Committee

This committee considers all matters related to constitutional affairs, the organization and administration of law and justice, elections, promotion of principles of leadership, ethics and integrity; and implementation of the provisions of the constitution on human rights.

THE NATIONAL TREASURY

The National Treasury derives its mandate from, the Constitution of Kenya Article 225, Public Finance Management Act 2012 section 12 and the Executive Order No.2 of 2013.

The National Treasury is responsible for budget preparation and allocation of resources. They issue guidelines with respect to financial matters and monitoring of budget implementation and oversee reporting. Additionally, the National Treasury is responsible for the Implementation of Public Accounts Committee recommendations. The National Treasury also funds the budget for the Commission.

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MINISTRY OF INTERIOR AND COORDINATION OF NATIONAL GOVERNMENT

The Ministry is charged with the responsibility of public administration, internal security and the National Police Service Commission is under this Ministry. The Ministry coordinates with the Commission on the human resource affairs of the National Police Service.

(e) Entity Headquarters

P.O. Box 47363 - 00100
Sky Park Plaza, 5th Floor
Woodvale Close, Westlands
Nairobi, Kenya

Entity Regional office

Coast region office
Uhuru na Kazi building, 5th floor
P.O. Box Mombasa, Kenya

Entity Contacts

Telephone: (254) 709099000
E-mail: info@npsc.go.ke
Website: www.npsc.go.ke

(f) Entity Bankers

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

2. Kenya Commercial Bank
Riverside Branch
P.O. Box 48400-00100 - Nairobi, Kenya- NPSC Staff Pension Scheme Account

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3. Housing Finance Group
Westlands Branch
P. O. Box 30088-00100
Nairobi, Kenya - NPSC Staff Mortgage Scheme Account

- 4 Kenya Commercial Bank Limited
Haile Sellassie Mortgage Centre
Ground Floor Agip House
Haile Sellassie Avenue
P.O Box 58992 -00200
Nairobi

(g) Independent Auditors

Auditor - General
Office of The Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
NAIROBI, KENYA

(h) Principal Legal Advisor

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

3. Statement of Governance



3A) Brief on the key leadership structure

**ELIUD N. KINUTHIA, CBS, OGW, HSC, NPSC
CHAIRPERSON,**

The Chairperson National Police Service Commission is a transformational leader and people management specialist with 20 years' career experience out of which he has spent the last 10 years leading reforms in the National Police Service. He brings on board to the National Police Service a passion and hands on

experience in Police reforms having been the author of the latest policy framework and strategy on reorganization of the National Police Service, provision of decent and affordable housing to Police Officers and integration of Police with communities and neighbourhoods.

The Chairperson is a graduate of the University of Nairobi with a first Master's Degree in Development Studies and is pursuing a second Master's Degree in Business Administration from the Strathmore Business School. He holds a Pan African E-MBA Certificate from IESE University of Navarra, Barcelona Spain. In his undergraduate degree he studied Bachelor of Education specializing in Mathematics Statistics Major. He went to Pre-School and Primary School at Uziwa Primary School in 1978 and later proceeded to Mpeketoni Secondary School in 1988. He began demonstrating his leadership competencies and skills during his Secondary School days where he rose to the rank of Deputy School Captain in 1992. The Chairperson comes from Lamu County, Mpeketoni Sub County, Uziwa Sub Location.

The Chairperson has a wide network and goodwill from members of the Police profession and senior Police commanders who he has had an opportunity to work and interact with during his tenure as Advisor, National Police Service Transformation. Outside the National Police Service, the Chairperson has worked with the Ministry of Interior and Coordination of National Government under the bilateral partnership programme in Security Sector Reforms including DFID, SIDA, USG, UNODC, Police Reforms Working Group and Jamii Thabiti Community Security programme. Previously he has also worked with World Bank, UNDP, FAWE and CCF in various other capacities.

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DR. ALICE ATIENO OTWALA, CBS, VICE CHAIRPERSON

Dr. Alice A. Otwala is the Vice Chairperson at the National Police Service Commission. She heads the Recruitment, Appointments and Welfare Committee at the Commission.

Prior to her current position, the Vice Chairperson was a Chief Executive Officer of Public Service Commission of Kenya. She was the Chief Steward of a team of 200 employees in fulfilling the

constitutional mandate of the Public Service Commission (PSC). The PSC sets standards and ensures compliance to Human Resource Management in the whole of the Public Service.

Commissioner Dr. Otwala has extensive experience and practical knowledge of public administration having risen through the ranks from an Assistant Secretary to become the Secretary and Chief Executive Officer of the Public Service Commission of Kenya. Her long stint of 35 years has seen her serve the Public Service at the Office of the President, Ministries of Foreign Affairs, Agriculture, East African Community, Trade and the Public Service Commission of Kenya.

Dr. Alice Atieno Otwala holds a PhD Degree in Public Administration from London Graduate School and Commonwealth University and a Master's Degree in Public Administration from Liverpool University both in the United Kingdom. She obtained her Bachelors of Arts Degree from the University of Nairobi.

The Vice Chairperson is also an Alumni of Strathmore Business School where she pursued a Post Graduate Programme in Strategic Management. She has attended high level conferences and meetings in Public Administration globally. She is a member of Kenya Institute of Management (KIM) and Kenya Association for Public Administration and Management (KAPAM).

Besides her academic qualifications, she has undertaken the following courses: Strategic Planning and Management, Professionalism Performance, Result Oriented Management, Senior Management Course, Finance for Non-Finance Managers and Senior Administrative Officers Programme among others.

Due to her exemplary performance, she has been awarded two Presidential Awards including the Moran of Burning Spear (MBS) and Chief of Burning Spear (CBS) for her distinguished service, strong leadership and outstanding contribution to improving the Public Service.

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EUSEBIUS K. LAIBUTA, MBS, OGW, HSC, 'NDC'(K), COMMISSIONER

Mr. Eusebius Karuti Laibuta, is a Commissioner at the National Police Service Commission appointed as a retired police officer as stipulated in article 246(2)(a) of the constitution. He heads the Promotions and Transfers Committee at the Commission.

Prior to his appointment he had retired from the Administration Police Service at the rank of Assistant Inspector General and holding the position of Commandant of Administration Police Senior Staff College at Emali (now renamed National Police Service Senior Staff College Emali Campus).

Commissioner Laibuta, holds a Master of Arts Degree in Rural Sociology and Community Development, Bachelor of Psychology and Diploma in International Studies from the University of Nairobi. He has also undertaken various courses both locally and abroad in U.S.A. and Italy, as well as study tours in Israel, Turkey, Ethiopia, Uganda, Tanzania, Rwanda, Burundi, Thailand and Vietnam.

Commissioner Laibuta joined the Civil Service in January 1979 whereby he worked in the Ministry of Home Affairs, the Judiciary and the Office of the President before he enlisted in the Administration Police Force in January 1981.



JOHN OLE MOYAKI, MBS, COMMISSIONER

Mr. John Ole Moyaki, is a Commissioner at the National Police Service Commission where he heads the Finance, Planning, Administration and Professional Development Committee. He has key competencies in the areas of human resource management, performance-based management, policy development and a high level of undertaking in corporate governance. Before he joined the Commission, he was the Chairman of the County Public

Service Board, at the County Government of Kajiado.

Commissioner Ole Moyaki, holds a Masters' Degree in Economics from the University of Nairobi and Bachelors of Arts Degree with a major in Economics and electives in Public Administration and Sociology from Moi University. He is a member of the Institute of Economic Affairs – Kenya and is also a member of the Institute of Human Resources Management (IHRM).

Mr. Ole Moyaki began his civil service career in 1999 at the Kenya Post Office Savings Bank (Post bank) and rose through the ranks to serve in the positions of Administrative Officer,

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Strategic Planning Officer and a Senior Integrity Officer. In 2010, he joined Kenya Urban Roads Authority (KURA) as an Executive Assistant to the Director General and exited in 2014 in the position of a Chief Administrative Officer to join the County Government of Kajiado as the Chairman of the County Public Service Board.

In his career he has served in several committees amongst them being the Performance Contract, Corruption Prevention (CPC) Committees, Selection and Recruitment Panels, the Executive Committees of the Public Service Board Forum to represent Rift Valley Region, ISO Certification Steering Committee, Complaints and Disciplinary Committees, among others.

He has attended more than twenty (20) seminars/workshops both within the country and outside most of which are leadership, human resource management and supervisory based. His experience and trainings in the seminars have bolstered his leadership and strategic management.

LILIAN MUTIO KIAMBA (OGW), COMMISSIONER



Commissioner Lilian Mutio Kiamba (OGW), heads the Discipline and HR Audit Committee at the National Police Service Commission. She is a retired Commissioner of Police from the Directorate of Criminal Investigations (DCI) of the National Police Service, qualified in her appointment to a commissioner as a retired police officer stipulated in article

246(2)(a) of the constitution.

She holds a Bachelors' Degree in Criminology and Fraud Management. Commissioner Kiamba is a former member of the Firearm Licensing Board and has also served as Director, Public Complaints at the DCI headquarters among other duties within the security sector. She has extensive experience and practical knowledge of the security sector.

Due to her exemplary performance, she was awarded a Presidential Award; the Order of Grand Warrior (OGW) for her distinguished service, strong leadership and outstanding contribution to improving the Public Service.

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These achievements include participating in the joint investigation with Police officers from the United Kingdom on sexual abuse of street children in Nakuru County and joint investigation with officers from the Federal Bureau of Investigations (USA) on sexual offences committed to orphaned children in Kiambu County.

She has attended high level trainings, conferences and meetings on security matters globally. With this background she has been able to conduct various high-profile investigations as a detective at the DCI leading to successful convictions.



EDWIN KIPRONO CHELUGET, COMMISSIONER

Mr. Edwin Cheluget is a Commissioner at the National Police Service Commission. Prior to his appointment he had served in various capacities both in the private and public service. Mr. Cheluget is an Advocate of the High Court of Kenya and has been a law practitioner for over a decade. He is also a member of the Law Society of Kenya.

Among the key positions that He has served include, include Speaker Nandi County Assembly and has been a Board Member in several parastatals. He is currently a member of the Tax Appeal tribunal at The Judiciary.

Mr. Cheluget is a graduate of Moi University (Bachelor of Laws (LLB) Degree) and holds a post graduate Diploma in Laws from Kenya School of Law. He has also participated in Policy and Legislation drafting trainings organized by various institutions.

Commissioner Cheluget joins the Commission as head of Appeals, Policy and Legal Affairs (APLA) Committee.

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Mr. Peter Leley, CEO/CS

Mr. Peter Leley is the Chief Executive Officer and Commission Secretary of the National Police Service Commission. He is responsible for acting on the decision of the Commission, formulation and development of efficient administration of the Commission's secretariat.

Mr. Leley has a wealth of experience in the public service of 28 years working in the National and County government.

He also worked as the CEO at Intergovernmental Relations

Technical Committee (IGRTC). Some of his responsibilities included: implementing the decisions and preparation of budget of the county government coordinating summit, the council of governors and the technical committee among others. He facilitated several ordinary and special session of the summit, was a moderator during the National wage bill conference, resolved Intergovernmental disputes, and guided the establishment of intergovernmental sectoral forums to mention few key achievements.

Mr. Leley's service as the County Secretary and County Head of Public Service in Uasin Gishu, in 2016, saw Uasin Gishu rated amongst the best counties in development both nationally and locally. The county was ranked among the least corrupt county by EACC. World bank ranked Uasin Gishu at the top in ease of doing business.

From a district officer, Mr. Peter Leley rose through the ranks to a District Commissioner and Deputy Provincial Commissioner Nairobi. he was accountable for co-ordination and supervision of government programs and staff as well as conflict management and dispute resolution.

Mr. Leley holds a master's degree in Business Administration from Moi University and bachelor of Arts from University of Nairobi. His professional skills cut across diverse areas of governance with a global reach which include; fiscal decentralization and local finance from The Hague Academy of local government in Netherlands, strategic leadership, governance and environmental management from ESAMI in Rwanda and Corporate governance for public sector boards from Kenya school of Law. At the International peace support training center, he studied Conflict analysis and prevention, at Marquette University in the USA he undertook Anti-corruption and good governance studies, and did Urban Economic Development in Israel, as well as leadership in county budgeting from Strathmore university Mr. Peter Leley is a certified mediator from Mediation Training Institute International and a member of Kenya Institute of Management.

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Japhet N. Koome, EBS, HSC, 'ndc'(K), Inspector General NPS

Eng. Japhet Koome is the 4th Inspector General of police under the 2010 constitution. He began as a Police Constable in 1991 after earning a Bachelor of Science degree in Civil Engineering from the University of Nairobi in 1990.

His early interest in law enforcement was sparked during his time in High School, where he participated in the Kenya Police Cadet Corps program. Throughout his career, Koome achieved remarkable success and rose from police constable through the ranks, starting with beat and patrol duties in Nairobi, and later joining the renowned Anti Stock Theft Unit (ASTU) in Gilgil, where he was eventually promoted to Inspector of Police and later Superintendent of Police in 1998.

Koome's experience and dedication led to assignments in various divisions, including serving as Deputy Divisional Commander in Buru Buru police division and as Officer Commanding Police Division (OCPD) in Machakos, Maragua, Buru Buru, and Central in Nairobi. He actively engaged with armed criminal gangs in Nairobi's Eastland's and addressed bank robberies in the city. His career reached its pinnacle as he assumed leadership roles such as Nairobi Police Boss, principal assistant to the Deputy Inspector General at Vigilance House, and Commandant of the National Police College Main Campus in Kiganjo.

Koome's impressive 31-year career in the Kenyan police service spans three decades, characterized by his ascent through the ranks, impactful operations against criminals, and leadership positions.



NOOR GABOW, CBS, OGW D.I.G. APS

Gabow is the Deputy Inspector General – Administration Police Service, having served as the Commandant of the Kenya Police College before this position.

He holds a Master of Governance, Peace and Security Studies and a Bachelor of Arts in Criminology and Penology. He was enlisted in 1989 and moved through the ranks up to Assistant Inspector General before his appointment as the Deputy Inspector General of the Administration Police Service.

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MR. DOUGLAS KANJA KIROCHO, EBS, OGW, D.I.G KPS

Mr. Douglas Kanja is the Deputy Inspector General heading the Kenya Police Service of the National Police Service. Previously he was the former Commandant of the General Service Unit after serving as the Deputy Commandant for four years.

Mr. Douglas' 37 years of service in the police is filled with successful operational and administrative wealth of experience, particularly in the General Service Unit. He has served as; the County Police Commander in Kilifi County, Deputy Commandant KAPU (Kenya Airport Police Unit), Chief armorer at the police headquarters, OC high ridge presidential Escort Unit camp, Unit Armorer and Platoon commander.

The DIG, holds a Diploma in Security Management and Police studies from Kenyatta University, he has several professional trainings on strategic leadership, conflict management and resolution, security development, Arms and Armorers training, Advanced protection skills and management course.

His honorary awards include Elders of the Burning spear, and Order of the Grand Warrior for exemplary service.



MR. MOHMED IBRAHIM AMIN

Mr. Mohamed Ibrahim Amin is the Director of the Directorate of Criminal Investigations under the National Police Service. Mr. Amin service in the police displays great leadership skills from heading several police departments. Prior to his current position, Mr. Amin was the Director of Internal Affairs Unit for a period of three years, and before that he served as the Director of Kenya National Focal Point on Small Arms and Light Weapons. The Director has served as a: Regional coordinator of the North Eastern region, regional coordinator in Central region, head of investigations at the DCI headquarters, and Director of Banking Fraud Investigations Unit.

Key achievement attributed to the director include successful investigations of cases involving influential persons, post-election violence and rebel atrocities. His honorary awards include Elders of the Burning spear, Moran of the Burning Spear and Order of the Grand Warrior.

Mr. Amin holds a Masters of Arts in Criminology and Security Management, and Bachelor of arts in criminology and security studies (First Class Honors) from Egerton University. He holds

NATIONAL POLICE SERVICE COMMISSION
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a diploma in International Studies from Nairobi University, graduate certificate from National Defense College and Ethics, Governance and Economic Crimes certificate from Egerton University. Mr. Amin is a member of National Task Force on Anti-money Laundering and Combating Financing of Terrorism.

3B) NATIONAL POLICE SERVICE COMMISSION AUDIT COMMITTEE

Formation

Pursuant to section 73(5) and 155(5) of the PFM Act, 2012 and PFM Regulations, 2015 and the guidelines for establishment of Audit Committees in all public entities vide Kenya Gazette Vol. CXVIII No. 40 of 15th April, 2016; the Commission has an established Audit Committee.

Composition

The NPSC Audit Committee is composed of five members namely:

1. Mr. Evans Kakai - Committee Chairman (competitively recruited)
2. Dr. Gift Kimonge - Committee member (competitively recruited)
3. Mr. John Kariuki - Committee member (National Treasury Representative)
4. Mr. John Ole Moyaki - Commissioner NPSC
5. Ms. Mary Achola - Manager, Internal Audit, NPSC

Activities

1. Assist the Accounting Officer/CEO in enhancing internal controls to improve efficiency, transparency and accountability.
2. To provide expert assessment of the activities of top management, financial reporting, financial management and internal audit.
3. To ensure the external audit recommendations are fully addressed.
4. To ensure the quality of internal audit is of appropriate standard and that the management has full regard to internal audit recommendations.
5. Resolving unsettled and unimplemented Public Accounts and Public Investments Committees' (PAC/PIC) recommendations.
6. Enhancing communication between management and Internal and external Audit.
7. Evaluate whether processes are in place to address key roles and responsibilities in relation to risk management.
8. Evaluate the adequacy of the control environment to provide reasonable assurance that the organization's systems are effective.

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9. Perform an independent review of financial statements to ensure the integrity and transparency of the financial reporting process.
10. Evaluate the quality of the internal audit function, particularly in the areas of planning, monitoring and reporting.
11. Review how the Commission monitors compliance with relevant legislation, regulatory requirements and promotes the culture to lawful and ethical behavior.

Meetings

As required by the Regulations, the Committee holds quarterly meetings.

4. Statement by the Commission Chairperson

The preparation of the National Police Service Commission's Accounts for Fiscal Year 2022-2023 has been prepared in line with the requirements of Section 81 of the Public Finance Management Act, 2012. The year under review was unique for the Commission because it marked the final year of the NPSC 2019-2022 Strategic Plan implementation.

During the period under review, the Commission endeavoured to vigorously carry out its mandate and to transform the Police Service for effective service delivery. In collaboration with key partners and stakeholders the commission has provided valuable guidance in the implementation of Country's security sector reforms. In addition, the National Police service has been kept abreast with the Commission's expectations of the Police evolving to a professional, disciplined and effective police service that is based on respect for human rights and efficient service delivery.

The National Police Service Commission and its leadership is fully committed to execute its Constitutional mandate in line with key reform agenda of the National Police Service Human Resource Management transformation programme as outlined in the Kenya Kwanza Manifesto.

The Commission recognizes the importance of Bottom Up Economic Transformation Agenda(BETA) in driving economic revitalization and inclusive growth in Kenya. To support this agenda, the NPSC's policy programs have been reviewed and designed to align with and in support the goals of the BETA, ensuring that the NPS plays its correct role in enabling economic development and social progress in the country. Through the implementation of these programmes, the NPSC also aims to enhance the professionalism, efficiency, and effectiveness of the NPS while promoting the welfare of police officers and their families. The NPSC seeks to contribute to the overall vision of a prosperous and inclusive Kenya, where the police plays the role of a key enabler of economic growth and social well-being.

In finalization of the 2019-2022 Strategic Plan Implementation, several strategic initiatives were executed. Decentralization of NPSC services is on course, and additional offices have already been established in the North Eastern, Western, Coast Region and operationalization is ongoing in Rift Valley, Nyanza, Eastern and Central Regions. During the same year, intensive counselling services have been carried out in the NPS with 36,971 officers already counselled. The impact of these counselling services can be felt through the reduced number of mental breakdowns and

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improved performance of officers. Furthermore, the automation of NPSC HR Services is being carried out in phases as a key ingredient in implementing an efficient human resource management system that is impactful and predictable.

The Commission maintained its emphasis on prudent fiscal management in the deployment of its financial resources, physical and other resources. We commit to improve our resource utilization and to engage relevant stakeholders in seeking adequate material and financial mobilization for the optimal implementation of our mandate.

As we transit to the next strategic plan period (2023-2027), the Commission is committed to thoroughly evaluate our strategic environment, identifying success factors that should inform future planning, challenges to anticipate and develop mitigation strategies that will address them. challenges and prevent future impediments to progress. Additionally, implementation of the retiring strategic plan will also form the foundation of the strategies for the new plan period and also serve as valuable reference into the future.

The Commission is looking ahead to improve performance with the reform trail put in place. In particular, as part of institutional reforms, the Commission is transformative focused and has operationalized field services, through which more interactive programs aimed at not only meeting the Officers' human resource needs, but also ensuring that the services we provide to Police Officers add value to quality of their performance.

While we appreciate the immense support of the National Treasury in availing resources to support our programmes, we call for continued support by all stakeholders. We commit to stretch the resources availed to us in order to maximize the benefits of efficiency and effectiveness to the police officers as they serve the public.



ENJUD KINUTHIA, CBS, OGW, HSC
CHAIRPERSON
NATIONAL POLICE SERVICE COMMISSION

5. Statement by the Accounting Officer

The National Police Service Commission 2022-2023 Financial Statements have been prepared to establish a solid foundation for resource mobilization and utilization, stating accountability and organizational performance of the Commission. During the period under review, the Commission executed its work plans and budget implementation through programme approach tied to its rallying call of transformation of NPSC to better serve the human resource and welfare needs of Police Officers. It.

The Commission during the period under review has concentrated in the review of the 2019-2022 strategic planning and formulation of the 2023-2027 strategic plan. In the just concluded fiscal year 2022-2023, the Commission has realized a number of key milestones which include: 193 discipline cases, promotion of 657 uniformed and non-uniformed Officers. Additionally, 157 appeal cases were processed (against dismissal, removal, demotion, fines) through way of committee deliberations. The Commission in providing psychosocial support services in the regions has also carried out establishment of counselling centres in Nairobi, Mombasa, Garissa, Kakamega, Kisumu and Nakuru.

The 2022-2023 was a difficult year for the commission as the National Treasury rationalized budgets for the accounting entities that led to the reviewed budgets. This rationalization affected a number of planned activities including police recruitment and scheduling counselling activities. Notwithstanding the challenges, the commission team continued to successfully execute its functions so as to realize its goals and objectives as outlined in the commission's strategic plan.

The Commission aims to leverage collective expertise and resources for the betterment of its initiatives through lobbying for additional funding and exploring alternative funding sources including donor support. Moreover, the commission was able to utilize the resources allocated as per the PFM Act 2012 and as such and has complied fully with the applicable Government regulations.

National Police Service Commission priorities in the next financial year will include implementation of the 2023-2027 Strategic Plan; recruitment of additional uniformed and non-uniformed officers; decentralization of the Commission services to the regions and relocation of the NPSC Headquarters to CBK Pension Towers which is more secure, strategic and accessible by the NPS.

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The Commission's dedication remains steadfast in the pursuit of implementing cutting-edge practices and innovative solutions. These efforts are geared towards elevating the capabilities of the Police Service, reinforcing transparency and accountability measures, and ultimately cultivating a heightened level of public trust. The NPSC expresses its gratitude for the ongoing support extended by the National Treasury, the Ministry of Interior and National Administration, the National Assembly, the National Police Service and Governmental & non-governmental organizations for the continued support in the execution of its mandate and eagerly anticipates continued engagement and cooperation in the future.



PETER LELEY

CS/CHIEF EXECUTIVE OFFICER

NATIONAL POLICE SERVICE COMMISSION

6. Statement of Performance Against Predetermined Objectives for the FY 2022/23

Introduction

The Commission has endeavored to reposition itself to better serve the human resource and welfare needs of Police Officers by strengthening the support and enabling services in the management and administration of the Commission activities.

The key strategic objectives of the National Police Service Commission 2019-2022 plan are to:

1. Delink and take over the NPSC civilian budget excluding the PFM staff from the Public Service Commission to the NPSC.
2. Harmonization of Terms and Conditions of Service of NPS civilian staff and NPSC staff.
3. Decentralisation of NPSC HCM services to the Regions, Counties and Sub-Counties.
4. Automation of NPSC HCM processes through the acquisition of an ERP system.
5. Operationalization of the psycho-social support and wellness centre at the Headquarters and the Regions.
6. Relocation of NPSC headquarters offices to new conducive offices at the Central Bank of Kenya (CBK) pension towers.

Progress on the attainment of Strategic Objectives through Performance Contracting

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

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Name of Programme: National Police Service Human Resource Management							
Sub-Programme:	Delivery Unit	Key Output	Key performance Indicator	Annual Target (s)	Actual as at 30th June, 2023	Variance	Remarks
1. Human Resource Management	Headquarters Administrative Services	Human Resource Services	No of Police Officers recruited and confirmed	5,000	0	5,000	Target not Achieved. The recruitment process to be funded in the next financial year
			No of Minority and marginalized groups recruited	700	0	700	Target not Achieved. The recruitment process to be funded in the next financial year
			No of female officers Recruited	1,666	0	1,666	
			No of Cadet Officers recruited	300	0	300	
			% of appointments finalized	100	100	0	Target Achieved
			No. of promotions processed	3,300	675	2,625	Target not Achieved

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Name of Programme: National Police Service Human Resource Management							
Sub-Programme:	Delivery Unit	Key Output	Key performance Indicator	Annual Target (s)	Actual as at 30th June, 2023	Variance	Remarks
			No of transfer & secondment requests processed	170	-	170	Target not Achieved
			% of disciplinary cases adjudicated	100	100(193 disciplinary cases determined)	0	Target Achieved
			% of appeals adjudicated	100	100 (157 appeal cases)	0	Target Achieved
			% of early retirements approved	100	100	0	Target Achieved
			% implementation of the Succession management Plan	100	100	0	Target Achieved
2. Counseling Management Services.	Headquarters Administrative Services	Counseling services	% of officers counseled	100	100 (36,971 Officers counseled)	0	Target Achieved

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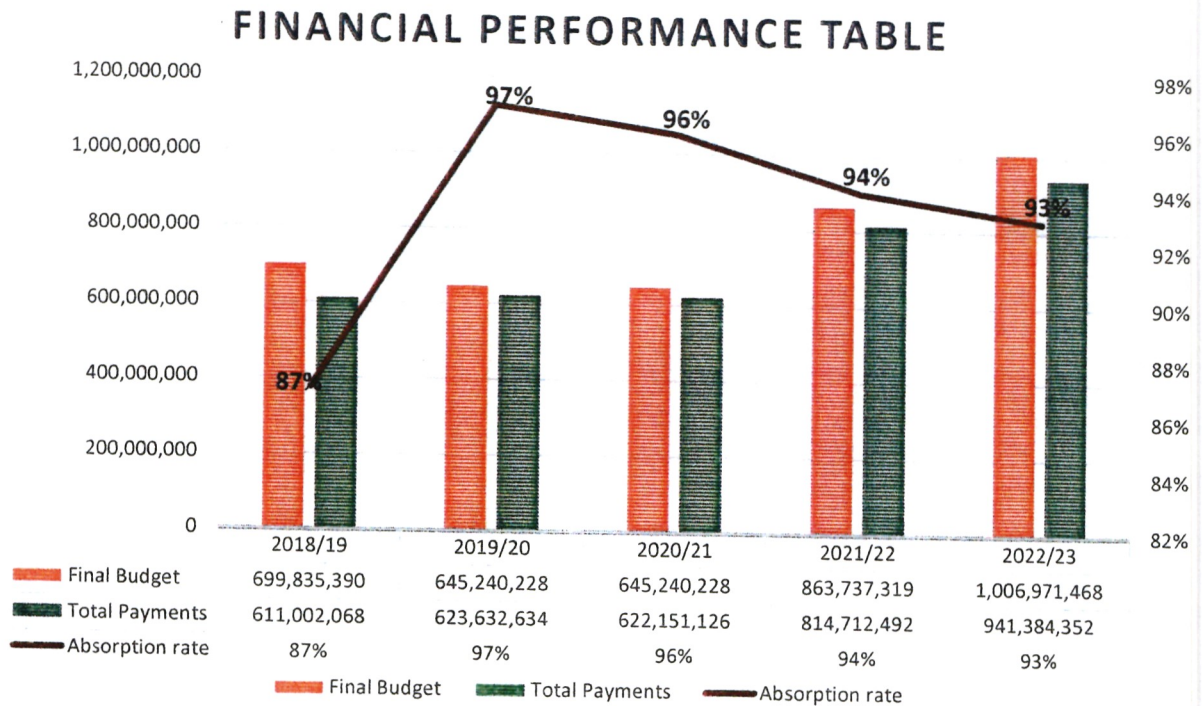
Name of Programme: National Police Service Human Resource Management							
Sub-Programme:	Delivery Unit	Key Output	Key performance Indicator	Annual Target (s)	Actual as at 30th June, 2023	Variance	Remarks
			No. of counseling units operationalized	3	1	2	Target not Achieved Offices established in: - <ul style="list-style-type: none"> • Mombasa Office operationalized • Operationalization of Garissa, Kakamega, Kisumu and Nakuru Offices ongoing
		Welfare Services	An established Special Medical Board	1	1	0	Target Achieved
3. Administration and standards setting	Headquarters Administrative Services	Administration Services	No of NPS compliance Audit reports	4	0	4	Target not achieved due to financial constraints
			% of HR Module automated	4	1	3	Automation of the HR processes is ongoing. To be finalized in the next financial year
			% of complaints received and processed	100	100 (113 complaints)	0	Target Achieved

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7. Management Discussion and Analysis

The following is a report on the operational and financial performance of the organisation for the last five years.

Financial Year	2018/19	2019/20	2020/21	2021/22	2022/23
Final Budget	699,835,390	645,240,228	645,240,228	863,737,319	1,006,971,468
Total Payments	611,002,068	623,632,634	622,151,126	814,712,492	941,384,352
Absorption rate	87 %	97 %	96 %	94 %	93 %



8. Environmental and Sustainability Reporting

National Police Service Commission exists to transform lives of the Police Officers. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on the NPSC Vision: Dignified and Professional Police Officers.

Below is a brief highlight of our achievements on Corporate Social Responsibility and Sustainability:

a) Sustainability strategy and profile

The Commission has endeavored to remain a going concern through effective planning, budgeting and implementation of its activities. The Commission also ensures continuous training of staff in order to have an effective workforce and also bridge succession gaps. By so doing, the Commission has been able to remain solvent and also able to attract and retain its workforce.

b) Environmental performance /climate change/ mitigation of natural disasters

Care for the environment is one of our key responsibilities and an important part of the way in which the Commission operates. The Commission does this through proper waste management. During the financial year the commission undertook a tree maintenance exercise at the National Police College in Embulbul, Ngong. This will ensure contribution to achieving the constitutionally acceptable forest cover of at least 10% in Kenya.

c) Employee welfare

The Commission puts employee welfare at the core of its decisions. To this end, the Commission has provided for a comprehensive medical insurance for its staff and dependants as one of the employee welfare measures. The Commission has also established the NPSC Staff Housing Mortgage and Car Loan scheme to enable employees own houses and motor vehicles at affordable costs. In addition, the Commission has established and registered the NPSC staff welfare Association to handle other matters that touch on staff welfare but are not covered in the employment contracts e.g. financial

assistance for sick parents. The Commission has also ensured staffs work in a conducive environment devoid of any health hazard.

d) Operational practices/ Market place practices

The Commission has put efforts to ensure the following:

i. Responsible competition practice.

The National Police Service Commission offers equal services to all its clients and does not discriminate on the basis of gender, age, persons living with Disability, race or religion.

ii. Responsible Supply chain and supplier relations

The Commission ensures all its procurement and recruitment processes are done in a transparent and accountable manner with full adherence to provisions of the law and regulations in place.

iii. Responsible marketing and advertisement

The Commission has a website that contains all the information relating to the organization and can easily be accessed by the general public.

iv. Product stewardship

The Commission upholds the rights and fundamental freedoms as outlined in the Bill of Rights contained in Chapter 4 of the Constitution of Kenya 2010.

e) Community Engagements-

The Commission ensures operational excellence in all its activities. Being a service institution, the NPSC ensures prompt and efficient service delivery to all the clients on a timely and satisfactory manner.

9. Statement of Management Responsibilities

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer for a National Government Entity shall prepare financial statements in respect of that entity. 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 from time to time.

The Accounting Officer in charge of the National Police Service Commission is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the National Police Service Commission accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the National Police Service Commission's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer in charge of the National Police Service Commission further confirms the completeness of the accounting records maintained for the National Police Service Commission, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the National Police Service Commission confirms that the commission has complied fully with applicable Government Regulations, and that the commission's funds received during the year under audit were used for the eligible purposes for

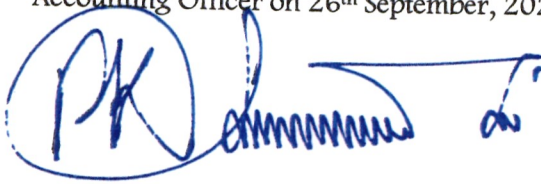
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which they were intended and were properly accounted for. Further the Accounting Officer confirms that the commission's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The National Police Service Commission financial statements were approved and signed by the Accounting Officer on 26th September, 2023.



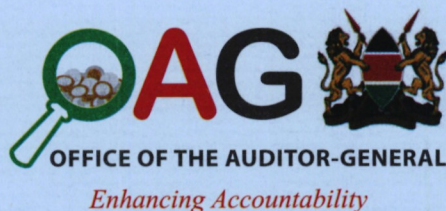
Accounting Officer
Peter Leley



Manager Accounts
CPA Eric Nyaga Festus
ICPAK Member Number: 18635

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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL POLICE SERVICE COMMISSION FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of the National Police Service Commission set out on pages 1 to 27, which comprise the statement of financial assets and liabilities as at 30 June, 2023, statement of receipts and payments, statement of cash

flows, statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Police Service Commission as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the matter described in the Basis for Conclusion, I

confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Mandate of the National Police Service Commission

The Commission developed a strategic plan (2019-2022) with strategic focus on human resource and welfare needs of police Officers through formulation and implementation of transformative human resource management policies for the police. However, although the term of the strategic plan lapsed in June, the Commission did not achieve its objective in recruitment, appointment, promotions, transfers, disciplinary, Human Resource audit, appeals and police welfare. This was not possible since access to Police Service payrolls were not granted to the Commission.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Commission monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of 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 Commission'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 Commission 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 National Police Service Commission 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, GBS
AUDITOR-GENERAL

Nairobi

22 November, 2023

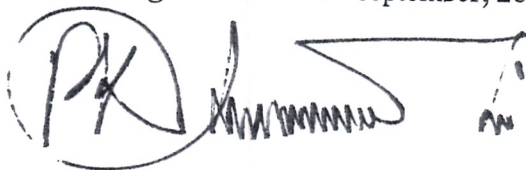
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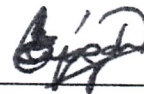
11. Statement of Receipts and Payments for the Year ended 30th June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Exchequer Releases	1	941,768,022	814,887,453
Total Receipts		941,768,022	814,887,453
Payments			
Compensation Of Employees	2	459,775,615	430,510,045
Use Of Goods and Services	3	336,442,947	316,828,612
Social Security Benefits	4	10,964,791	11,735,301
Acquisition Of Assets	5	134,201,000	55,638,534
Total Payments		941,384,352	814,712,492
Surplus/Deficit		383,670	174,961

The National Police Service Commission financial statements were approved and signed by the Accounting Officer on 26th September, 2023.



Accounting Officer
Peter Leley




Manager Accounts
CPA Eric Nyaga Festus
ICPAK Member Number: 18635

NATIONAL POLICE SERVICE COMMISSION**Annual Report and Financial Statements for the year ended 30th June 2023****12. Statement Of Financial Assets And Financial Liabilities As At 30th June 2023**

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial assets			
Cash and cash equivalents			
Bank balances	6A	4,353,483	2,227,648
Cash balances	6B	12,972	3,974
Total cash and cash equivalents		4,366,455	2,231,622
Imprests and advances	7	2,365,738	2,067,901
Total financial assets		6,732,193	4,299,523
Financial liabilities			
Third party deposits and retention	8	4,276,649	2,182,652
Net financial assets		2,455,545	2,116,871
Represented by			
Fund balance b/fwd.	9	2,116,871	3,825,862
Prior year adjustment	10	- 44,996	-1,883,952
Surplus/(Deficit)for the year		383,670	174,961
Net financial position		2,455,545	2,116,871

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 26th September, 2023 and signed by:



Accounting Officer
Peter Leley

Manager Accounts
CPA Eric Nyaga Festus
ICPAK Member Number: 18635

NATIONAL POLICE SERVICE COMMISSION
Annual Report and Financial Statements for the year ended 30th June 2023

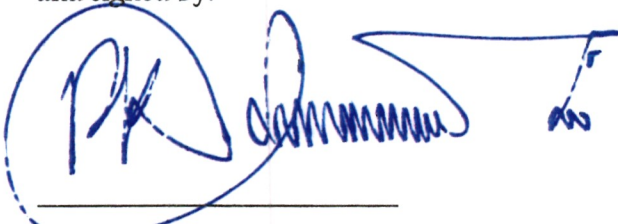
13. Statement of Cash Flows For The Year Ended 30th June 2023

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Receipts for Operating Income			
Exchequer releases	1	941,768,022	814,887,453
Total receipts		941,768,022	814,887,453
Payments For Operating Expenses			
Compensation of employees	2	459,775,615	430,510,045
Use of goods and services	3	336,442,947	316,828,612
Social security benefits	4	10,964,791	11,735,301
Total Payments		807,183,353	759,073,958
Net Receipts		134,584,669	558,134,495
Adjusted For:			
Adjustments during the year			
Decrease/(Increase) in accounts receivable	11	- 297,837	- 127,027
Increase/(Decrease) in deposits and retention	12	2,093,997	- 1,474,346
Prior year adjustments	10	- 44,996	- 1,883,952
Net Cash Flow from Operating Activities		136,335,833	52,328,170
Cash flow From Investing Activities			
Acquisition of assets	5	- 134,201,000	- 55,638,534
Net Cash Flows from Investing Activities		- 134,201,000	- 55,638,534
Net increase in cash and cash equivalent		2,134,833	- 3,310,363
Cash & Cash Equivalent at Start of The Year	6	2,231,622	5,541,986
Cash & Cash Equivalent at End of The Year	6(A&B)	4,366,455	2,231,622

NATIONAL POLICE SERVICE COMMISSION

Annual Report and Financial Statements for the year ended 30th June 2023

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 26th September, 2023 and signed by:

A handwritten signature in blue ink, consisting of a large 'P' and 'L' followed by a series of loops and a horizontal line extending to the right.

Accounting Officer
Peter Leley

A handwritten signature in blue ink, appearing as a stylized, cursive name.

Manager Accounts
CPA Eric Nyaga Festus
ICPAK Member Number: 18635

NATIONAL POLICE SERVICE COMMISSION
Annual Report and Financial Statements for the year ended 30th June 2023

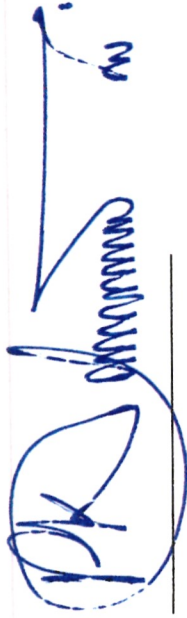
14. Statement of Comparison of Budget and Actual Amounts for FY2022/23

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
Exchequer releases	1,029,250,000	- 22,278,532	1,006,971,468	941,768,022	65,203,446	94 %
Total Receipts	1,029,250,000	- 22,278,532	1,006,971,468	941,768,022	65,203,446	94 %
Payments						
Compensation of employees	482,670,000	8,676,066	491,346,066	459,775,614	31,570,452	94%
Use of goods and services	367,075,898	- 21,262,767	345,813,131	336,442,947	9,370,184	97%
Social security benefits	14,250,000	-	14,250,000	10,964,791	3,285,209	77%
Acquisition of assets	165,254,102	- 9,691,831	155,562,271	134,201,000	21,361,271	86%
Total Payments	1,029,250,000	- 22,278,532	1,006,971,468	941,384,352	65,587,116	93%
Surplus/Deficit	-	-	-	-	-	-

NATIONAL POLICE SERVICE COMMISSION
Annual Report and Financial Statements for the year ended 30th June 2023

- (a) *Variance analysis: Social security benefits and Acquisition of assets had utilizations of 77% and 86% respectively attributed to;*
- i) *Appointment of budgeted staff was done late during the financial year.*
 - ii) *Acquisition of assets was introduced late during the final budget re-allocation.*

The entity financial statements were approved on 26th September, 2023 and signed by:



Accounting Officer
Peter Leley



Manager Accounts
CPA Eric Nyaga Festus
ICPAK Member Number: 18635

NATIONAL POLICE SERVICE COMMISSION
Annual Report and Financial Statements for the year ended 30th June 2023

14 (b) Statement Of Comparison of Budget and Actual Amounts: Recurrent for FY2022/23

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
Exchequer releases	1,029,250,000	- 22,278,532	1,006,971,468	941,768,022	65,203,446	94 %
Total Receipts	1,029,250,000	- 22,278,532	1,006,971,468	941,768,022	65,203,446	94 %
Payments						
Compensation of employees	482,670,000	8,676,066	491,346,066	459,775,614	31,570,452	94%
Use of goods and services	367,075,898	21,262,767	345,813,131	336,442,947	9,370,184	97%
Social security benefits	14,250,000	-	14,250,000	10,964,791	3,285,209	77%
Acquisition of assets	165,254,102	9,691,831	155,562,271	134,201,000	21,361,271	86%
Total Payments	1,029,250,000	22,278,532	1,006,971,468	941,384,352	65,587,116	93%
Surplus/Deficit	-	-	-	383,670		-

NATIONAL POLICE SERVICE COMMISSION
Annual Report and Financial Statements for the year ended 30th June 2023

Notes

- (b) *Variance analysis: Social security benefits and Acquisition of assets had utilizations of 77% and 86% respectively attributed to;*
- i) *Appointment of budgeted staff was done late during the financial year.*
 - ii) *Acquisition of assets was introduced late during the final budget re-allocation.*

The entity financial statements were approved on 26th September, 2023 and signed by:



Accounting Officer
Peter Leley



Manager Accounts
CPA Eric Nyaga Festus
ICPAK Member Number: 18635

NATIONAL POLICE SERVICE COMMISSION
Annual Report and Financial Statements for the year ended 30th June 2023

14 (c) Budget Execution by Programmes and Sub-Programmes for FY2022/23

Programme/Sub-programme	Original Budget 2023	Adjustments	Final Budget	Actual on comparable basis 2023	Budget utilization difference
	Kshs			Kshs	Kshs
Programme 1					
National Police Service Human Resource Management					
Sub-programme 1					
Human Resource Management	585,922,418	- 35,485,841	550,436,577	511,352,457	39,084,120
Sub-programme 2					
Counseling Management Services.	307,861,570	5,674,340	313,535,910	290,253,567	23,282,343
Sub-programme 3					
Administration and standards setting	135,466,012	7,532,969	142,998,981	139,778,328	3,220,653
Total	1,029,250,000	22,278,582	1,006,971,468	941,384,352	65,587,116

15. Notes to the Financial Statements

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the National Police Service Commission. The financial statements encompass the reporting entity as specified under Section 81 of the PFM Act 2012.

3. Reporting Currency

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by National Police Service Commission for all the years presented.

a) Recognition of Receipts

The National Police Service Commission recognises all receipts from the various sources when the event occurs, and the related cash has been received by the National Police Service Commission.

NATIONAL POLICE SERVICE COMMISSION
Annual Report and Financial Statements for the year ended 30th June 2023

Significant Accounting Policies (Continued)

(i) Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving National Police Service Commission.

(ii) External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners. Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2023, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

(iii) Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

The Entity recognises all payments when the event occurs, and the related cash has been paid out by the National Police Service Commission.

i) Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

Significant Accounting Policies (Continued)

ii) Use of Goods and Services

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

iii) Interest on Borrowing

Borrowing costs that include interest are recognized as payment in the period in which they are paid for.

iv) Principal on borrowing

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

v) Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained and a summary provided for purposes of consolidation. This summary is disclosed as an annexure 3 to the financial statements.

vi) In-kind contributions

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the National Police Service Commission includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

Significant Accounting Policies (Continued)

vii) Third Party Payments

Included in the receipts and payments, are payments made on its behalf to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties in the statement of receipts and payments as proceeds from foreign borrowings or grants.

c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

A bank account register is maintained and a summary provided for purposes of consolidation. This summary is disclosed as note 6 to the financial statements.

Restriction on Cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits.

As at 30th June 2023, this amounted to Kshs 4,276,649 compared to Kshs 2,182,652 in prior period as indicated on note 8. There were no other restrictions on cash during the year.

NATIONAL POLICE SERVICE COMMISSION

Annual Report and Financial Statements for the year ended 30th June 2023

Significant Accounting Policies (Continued)

d) Imprests and advances

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or Authority to Incur Expenditure (AIE) holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

e) Third party deposits and retention

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted for National Government Ministries and Agencies.

Other liabilities including pending bills are disclosed in the financial statements.

f) Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

Significant Accounting Policies (Continued)

g) Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits and retentions, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements.

The original budget was approved by Parliament in June 2022 for the period 1st July 2022 to 30th June 2023 as required by Law and there were two supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements. Government Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers.

h) Comparative Figures

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

i) Subsequent Events

There have been no events after the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

j) Prior Period Adjustment

During the year, errors that have been corrected are disclosed under note 10 explaining the nature and amounts.

Significant Accounting Policies (Continued)

k) Related Party Transactions

Related party means parties are related if one party has the ability to:

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.

Related party transaction is a transfer of resources or obligations between related parties regardless of whether a price is charged.

l) Contingent Liability

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, The National Police Service Commission does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. **Note 8** and Annex 4 of this financial statement is a register of the contingent liabilities in the year.

NATIONAL POLICE SERVICE COMMISSION
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements

1 Exchequer releases

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers From Exchequer	914,768,022	814,887,453
Total	914,768,022	814,887,453

2 Compensation to Employees

Description	2022-2023	2021-2022
	Kshs	Kshs
Basic salaries of permanent employees	224,877,268	180,475,103
Basic wages of temporary employees	23,703,401	34,713,332
Personal allowances paid as part of salary	182,748,725	192,736,522
Employer contributions to compulsory national social security schemes	28,446,220	22,585,088
Employer contributions to compulsory national health insurance schemes	-	-
Total	459,775,615	430,510,045

NATIONAL POLICE SERVICE COMMISSION
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

3 Use of Goods and Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	2,821,277	2,203,738
Communication, supplies and services	2,817,282	7,549,340
Domestic travel and subsistence	17,482,565	59,680,335
Foreign travel and subsistence	174,541	125,000
Printing, advertising and information supplies & services	341,810	4,863,862
Rentals of produced assets	100,830,085	77,140,547
Training expenses	2,492,724	5,620,105
Hospitality supplies and services	14,110,209	27,027,693
Insurance costs	72,438,046	49,525,346
Specialized materials and services	1,644,030	1,675,172
Office and general supplies and services	968,242	6,505,832
Fuel Oil and Lubricants	1,832,643	8,733,747
Other operating expenses	114,951,056	55,030,472
Routine maintenance – vehicles and other transport equipment	2,640,083	7,988,201
Routine maintenance – other assets	898,354	3,159,223
Total	336,442,947	316,828,612

NATIONAL POLICE SERVICE COMMISSION
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

4 Social Security Benefits

	2022-2023	2021-2022
	Kshs	Kshs
Government pension and retirement benefits	10,964,791	11,735,301
Total	10,964,791	11,735,301

5 Acquisition of Assets

	2022-2023	2021-2022
Non -Financial Assets	Kshs	Kshs
Refurbishment of Buildings	54,074,978	6,000
Purchase of Vehicles and other Transport Equipment	19,999,997	-
Purchase of Office Furniture and General Equipment	2,181,361	3,254,920
Purchase of Specialized Plant, Equipment and Machinery	31,944,664	377,614
Sub-total	108,201,000	3,638,534
Financial Assets		
Domestic loans to individuals & households	26,000,000	52,000,000
Sub-total	26,000,000	52,000,000
Total	134,201,000	55,638,534

NATIONAL POLICE SERVICE COMMISSION**Annual Report and Financial Statements for the year ended 30th June 2023****Notes to the Financial Statements (Continued)****6 Cash and Bank Accounts**

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Accounts (Note 6 A)	4,353,483	2,227,648
Cash on hand (Note 6 B)	12,972	3,974
Total	4,366,455	2,231,622

6A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit etc.	2022-2023	2021-2022
			Kshs	Kshs
Central Bank of Kenya, 10001181486 , Kes-NPSC	Ksh	Recurrent	76,834	44,996
Central Bank of Kenya, 1000182202, Kes – NPSC	Ksh	Deposits	4,276,649	2,182,652
Central Bank of Kenya, 10001182563, Kes-NPSC	Ksh	CBK - 165	0	0
Total			4,353,483	2,227,648

6B: Cash on hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Cash in hand – Held in domestic currency	12,972	3,974
Total	12,972	3,974

NATIONAL POLICE SERVICE COMMISSION
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

7 : Imprests and Advances

<i>Description</i>	2022-2023	2021-2022
	Kshs	Kshs
Government Imprests	-	230,901
Salary advances	616,738	88,000
Airtime Overpayment	419,000	419,000
Clearance accounts	1,330,000	1,330,000
Total	2,365,738	2,067,901

Imprests and advances Aging analysis.

	2022-2023	% of the total	2021-2022	% of the total
Under one year	616,738	26 %	88,000	4 %
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	1,749,000	74 %	1,979,901	96 %
Total	2,365,738		2,067,901	

NATIONAL POLICE SERVICE COMMISSION

Annual Report and Financial Statements for the year ended 30th June 2023

8 Third party deposits and retention

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Retention	4,235,581		2,114,542	
Deposits	41,068		68,110	
Total	4,276,649		2,182,652	
Ageing analysis:	2022 - 2023	% of the Total	2021 - 2022	% of the Total
Under one year	2,121,038	50 %	1,114,659	51 %
1-2 years	1,114,659	26 %	874,883	40 %
2-3 years	874,883	20 %	125,000	6 %
Over 3 years	166,068	4 %	68,110	3 %
Total	4,276,649		2,182,652	

NATIONAL POLICE SERVICE COMMISSION
Annual Report and Financial Statements for the year ended 30th June 2023

9 Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Accounts	2,227,648	5,540,950
Cash in hand	3,974	1,036
Imprests and advances	2,067,901	1,940,874
Third party deposits and retention	- 2,182,652	- 3,656,998
Total	2,116,871	3,825,862

10 Prior Year Adjustments

Description of the error	Balance b/f from 2021-2022 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f 2022-2023
	Kshs	Kshs	Kshs
Bank Account Balances	2,227,648	44,996	2,182,652
	2,227,648	44,996	2,182,652

NATIONAL POLICE SERVICE COMMISSION**Annual Report and Financial Statements for the year ended 30th June 2023****11 (Increase)/ Decrease in Advances and Imprests (Accounts Receivables)**

Description	2022-2023	2021-2022
	Kshs	Kshs
Receivables As At 1 st July (A)	2,067,901	1,940,874
Receivables As At 30 th June (B)	2,365,738	2,067,901
(Increase)/ Decrease in Receivables (C=(B-A))	- 297,837	-127,027

12 Increase/ (Decrease) in Retention and Third-Party Deposits (Accounts Payables)

Description	2022-2023	2021-2022
	Kshs	Kshs
Payables As At 1 st July	2,182,652	3,656,998
Payables As At 30 th June	4,276,649	2,182,652
Increase/ (Decrease) In Payables	2,093,997	- 1,474,346

13 Related Party Disclosures

The following comprise of related parties to the National Police Service Commission.

- i) Key management personnel that include the Commission Chairman, the Commissioners and the Accounting Officer.
- ii) The National Treasury and Planning.

14 Other Important Disclosures

14.1 Related party transactions:

Description	2022-2023	2021-2022
	Kshs	Kshs
Key Management Compensation	7,815,984	8,417,292
Transfers to Related Parties		
Transfers to other MDAs	-	-
Total Transfers to Related Parties	7,815,984	8,417,292
Transfers from Related Parties		
Transfers from the Exchequer	941,768,022	814,887,453
Total Transfers from Related Parties	941,768,022	814,887,453

14.2 Pending Accounts Payable (See Annex 1)

	Balance b/f 2021/2022	Additions for the period	Paid during the year	Balance c/f 2022-2023
Description	Kshs	Kshs	Kshs	Kshs
Construction of Civil Works	2,114,542	2,121,039	-	4,235,581
Total	2,114,542	2,121,039	-	4,235,581

14.3: Pending Staff Payables (See Annex 2)

	Balance b/f 2021/2022	Additions for the period	Paid during the year	Balance c/f 2022-2023
Description	Kshs	Kshs	Kshs	Kshs
Senior Management	68,110	-	27,042	41,068
Total	68,110	-	27,042	41,068

NATIONAL POLICE SERVICE COMMISSION*Annual Report and Financial Statements for the year ended 30th June 2023***14.4 Contingent Liabilities**

Contingent liabilities	2022-2023	2021-2022
	Kshs	Kshs
Court case Nairobi ELRC cause no. E6491 of 2020 Patrick M. Odongo against the National Police Service Commission	217,409	217,409
Nairobi CMC civ. Application No. E1270 Of 2021 Elicona Holdings Ltd against the National Police Service Commission, Inspector General of Police & Attorney General	24,750,000	24,750,000
Total	24,967,409	24,967,409

NATIONAL POLICE SERVICE COMMISSION
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

14.5 Progress on follow up of Prior Years Auditor-General's recommendations.

There are no unresolved audit queries by the external auditor for prior years.

The Commission received unqualified reports in the financial years 2018-2019, 2019-2020, 2020-2021 & 2021-2022 except for the matter on lawfulness and effectiveness in use of public resources section relating to leasing of Counselling Centre in Karen Nairobi.

In March 2021, Elicona Holdings Limited sued the commission alleging that the commission trespassed on its property L.R. No. 12251/13. A ruling was made by the court in August, 2021 requiring the commission to vacate the property and pay Elicona a total of Ksh 24,750,000 for the period plus the costs of the suit which the commission has since appealed and the matter is still pending in court. The contingent liability has, however, been disclosed in the notes to the financial statements.



Accounting Officer
Peter Leley



Manager Accounts
CPA Eric Nyaga Festus
ICPAK Member Number: 18635

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16. Annexes

Annex 1 - Analysis of Pending Accounts Payable

Supplier of Goods or Services	Date Invoiced/contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year 2022/23	Amount paid During the year 2022/23	Outstanding Balance 2022/23	Comments
			a	b	c	d=a+b-c		
Construction of civil works								
1. Rickways Renovators	06.12.2017	06.12.2017	100,000	100,000	Nil	Nil	100,000	10% retention money
2. Rickways Renovators	06.12.2017	06.12.2017	25,000	25,000	Nil	Nil	25,000	10% retention money
3. Tecaiyo Africa Ltd	27.06.2019	27.06.2019	861,744	861,744	Nil	Nil	861,744	10% retention money
4. Tecaiyo Africa Ltd	06.02.2020	06.02.2020	13,139	13,139	Nil	Nil	13,139	10% retention money
5. Paco Investments Ltd	23.06.2021	23.06.2021	1,114,659	1,114,659	Nil	Nil	1,114,659	10% retention money
6. Haze Connect Ltd	07.06.2023	07.06.2023	904,732	-	Nil	Nil	904,732	10% retention money
7. Haze Connect Ltd	07.06.2023	07.06.2023	1,216,306	-	Nil	Nil	1,216,306	10% retention money
Grand Total			4,235,580				4,235,580	

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Job Group	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance 2022/23	Outstanding Balance 2021/22	Comments
			a	b	c=a-b		
Senior Management							
1. Charles Muthusi	P	12.03.2015	41,068	-	41,068	41,068	Deceased
Union Employees							
1. Beatrice Marete	NFSC 4	01.08.2014	27,042	27,042	-	27,042	Deceased
Grand Total			68,110	27,042	41,068	68,110	

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Annex 3 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2021/22	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) 2022/23
Buildings and structures	25,688,864	54,074,978	-	-	79,763,842
Transport equipment	179,753,101	19,999,997	-	-	199,753,098
Office equipment, furniture and fittings	23,421,039	2,181,361	-	-	25,602,400
ICT Equipment	47,178,815	-	-	-	47,178,815
Machinery and Equipment	12,902,286	31,944,664	-	-	44,846,950
Total	288,944,105	108,201,000	-	-	397,145,105

Annex 4 – Contingent Liabilities Register

	Nature of contingent liability	Remarks
1	Rent	Appeal pending
2	Gratuity	Appeal pending

Annex 5 - Reports Generated from IFMIS

The following financial reports generated from IFMIS should be attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. GOK IFMIS Receipts and Payments Statement
- iv. GOK IFMIS Statement of Financial Position
- v. GOK IFMIS Statement of Cash Flows
- vi. GOK IFMIS Notes to the Financial Statements
- vii. GOK IFMIS Statement of Budget Execution
- viii. GOK IFMIS Statement of Deposits
- ix. GOK IFMIS Budget Execution by Programme and Economic Classification
- x. GOK IFMIS Budget Execution by Heads and Programmes
- xi. GOK IFMIS Budget Execution by Programmes and Sub-programmes

