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REPORT

THE NATIONAL ASSEMBLY
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OF

TABLED
BY:

Hon Owen Baya, MP
Deputy Leader - Majority

CLERK-AT
THE-TABLE:

Moses Lemuna

THE AUDITOR-GENERAL

ON

**NATIONAL COHESION AND
INTEGRATION COMMISSION**

**FOR THE YEAR ENDED
30 JUNE, 2022**



OFFICE OF THE AUDITOR GENERAL
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NATIONAL COHESION AND INTEGRATION COMMISSION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING

30TH JUNE, 2022

National Cohesion and Integration Commission
Annual Report and Financial Statements
For the year ended June 30, 2022.

National Cohesion and Integration Commission
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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The National Cohesion and Integration Commission is established under the National Cohesion and Integration Act (Act No. 12 of 2008) and is domiciled in Kenya. The Commission is represented by the Commissioners who are responsible for the general policy and strategic direction of the Commission.

(b) Principal Activities

The principal activities of the Commission are to facilitate and promote equality of opportunity, good relations, harmony and peaceful co-existence between persons of different ethnic and racial communities of Kenya, and to advise the Government on all aspects thereof.

(c) Key Management

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

- Commission Secretary
- Commissioners
- Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Commission Secretary/CEO	Skitter W. Ocharo, Ph.D, HSC
2.	Director Corporate Services	Harrison Kariuki
3.	Director Research & Knowledge Management	Millicent Okatch
4.	Head of Human Resources	Caroline Gateru
5.	Head of Procurement	John-David Odhiambo

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(e) Fiduciary Oversight Arrangements

- Audit and Risk Committee
- Finance and General Purpose Committee
- Public Finance Management Standing Committee

(f) Commission Headquarters

P.O. Box 7055 - 00100
Britam Tower
Hospital Road, Upperhill
Nairobi, Kenya

(g) Commission Contacts

Telephone: 020-258701/2/3 Cell: 0702-777000
E-mail: info@cohesion.or.ke
Website: www.cohesion.or.ke
Toll-free No. 1547

(h) Entity Bankers

Kenya Commercial Bank
Sarit Centre Branch
P.O.Box 48400
GPO 00100
Nairobi, Kenya

National Bank of Kenya
Harambee Avenue Branch
P.O.Box 72866
City Square 00200
Nairobi, Kenya


(i) Independent Auditors


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

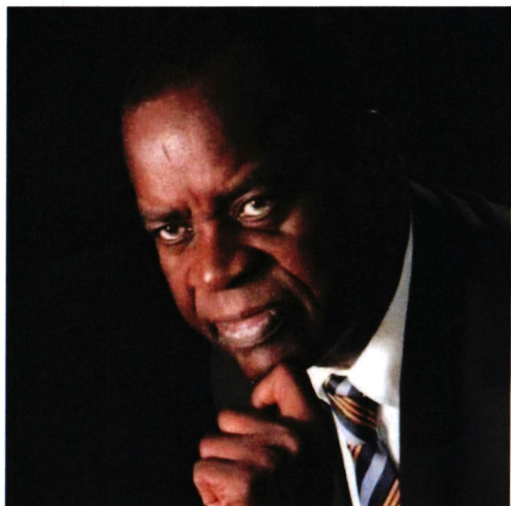
(j) Principal Legal Adviser

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

2. THE COMMISSIONERS

Ref	Commissioners	Details
	 <p>Rev. Dr Samuel Kobia CBS Chairman</p> <p>Doctor’s degree in Theology and in International Relations.</p> <p>Master’s degree in City Planning</p> <p>Bachelor’s degree in Divinity.</p> <p>Several Honorary degrees and Honorary Professor, University of Buenos Aires.</p>	<p>Rev. Dr. Samuel Kobia is the Chairman, National Cohesion and Integration Commission since November 2019. He holds Doctor’s degrees in Theology (USA), and International Relations (Switzerland); Master’s degree in City Planning (USA); and Bachelor’s degree in Divinity (Kenya). He is a visiting Professor to Wesley Colleges in USA and UK. He is an author of several books including <i>The Courage to Hope</i> and <i>Dialogue Matters</i>. Prior to this appointment he served as Senior Advisor on Cohesion, Peace and Conflict Resolution in the Executive Office of the President and Cabinet Affairs. He serves in several boards and Think Tank groups including Chair of AACC Board of Trustees, The Horn of Africa Institute Council and the HakiAmani.</p> <p>Dr. Kobia served as a Commissioner in the Judicial Service Commission; 2010-2012 Ecumenical Special Envoy for the Sudan’s; 2007-2018 Chancellor of St. Paul’s University; former General Secretary of the Geneva based World Council of Churches. Former General Secretary, National Council of Churches in Kenya (NCCCK)</p> <p>He has vast experience in mediation and dialogue in many parts of the world . Currently, he coordinates dialogue platforms as safe spaces for interactions between Kenyans of diverse stations and Government to address pressing issues. The fruits of the dialogues include peaceful co-existence, healing and reconciliation, peaceful resolution of conflicts and national cohesion.</p>

	 <p>Commissioner Wambui Nyutu OGW Vice Chairperson</p> <p>Masters Degree in Business Administration- Strategic Management (Ongoing)</p> <p>Bachelor of Laws(LLB)</p> <p>Advocate of the High Court</p>	<p>Commissioner Wambui Nyutu OGW, holds a Bachelor of Laws from the University of Nairobi. Currently, she is pursuing a Masters Degree in Business Administration- Strategic Management. She is a Certified Professional Mediator from Mediation Training Institute East Africa and holds an Arbitration and ADR certification. Prior to the appointment as a Commissioner at NCIC in 2019, she served as a Director at the National Irrigation Board of Kenya since 2018. She worked as a Legal Assistant at Kiragu Wathuta & Co Advocates in 2017 and Legal Secretary, Peman Consultants (2016-2019). She was born on 14th September 1991.</p> <p>She is the founder and policy maker of <i>Tuinuke Initiative</i>, a youth-led organization concerned with the economic, political and social issues affecting the youth of Kenya. In 2015, she also served in the Kenya University Students Organization as Legal Secretary and at Students Organization of Nairobi University as a special delegate. She was awarded The Order of Grand Warrior (OGW) by His Excellency the President Hon. Uhuru Kenyatta in 2018. Commissioner Wambui OGW chairs the Human Resource Management Committee in the Commission.</p>
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**Commissioner Hon. Eng. Phillip Okundi
EBS.HSC**

**Masters Degree in Telecommunication
System Engineering**

**Bachelors Degree in Electronics and
Telecommunication Engineering**

Commissioner Hon. Eng. Phillip Okundi EBS. HSC is a seasoned Engineer who has served in various capacities. He was born on 5th March 1941. He holds a Bachelors Degree in Electronics and Telecommunication Engineering from the University of Westminster and a Masters Degree in Telecommunication System Engineering from the University Essex.

A highly self-motivated and enthusiastic leader with over 40 years' experience in all aspects of policy making, advising government and setting up the agenda and strategies for communication and implementation of international projects. Extensive experience in harnessing the critical support of the public and private sectors for key infrastructure upgrade objectives and in mobilizing and maintaining the interest of all stakeholders in these activities. Commissioner Okundi has served as a Member of Parliament for Rangwe 2003-2007 and also in various capacities. This includes Chairman of world space International (1995), Managing Director and Chief Executive Kenya Post and Telecommunication Corporation (1977), CEO Kenya Bureau of Standards 1997-2001, CEO Kenya Broadcasting Corporation (KBC), Chairman of the CCK Board of Directors 2008 and Managing Director and Chief Executive Kenya Ports Authority 1984-1993. He is the Chairperson Finance and General Purpose Committee



Commissioner Hon. Abdulaziz Farah


Commissioner Abdulaziz Ali Farah holds an Executive Master of Business Administration (EMBA) from Moi University (*Specialized in Strategic Management*) and a Bachelor of Education Arts from Kenyatta University, Nairobi. He has over twenty years work experience both in public and business sectors. He has previously worked as a National Civic Education Officer with the Truth, Justice & Reconciliation Commission of Kenya. He has also worked as a Managing Director in charge of several companies operations besides serving as a Member of the Constituency

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	<p>Executive Master of Business Administration</p>	<p>Development Fund Task Force whose report contributed to the amendment of the 2003 CDF ACT and CDF Amendment ACT 2007. He was born on 1st January 1969.</p> <p>He is a resourceful and initiative driven leader, public administrator, peace and conflict advocate. He has a background and experience in managing operations of a constituency as a Member of Parliament (MP), Mandera East Constituency, Mandera Country, overseeing daily functions of companies and participating in the formulation of strategies and policies that seek to make them run effectively. He has a wide knowledge in the fields of administration and management, overseeing operations, formulating and implementing strategies, conflict management, peace building, and building partnerships.</p> <p>Additionally, he is experienced in formulating and implementing best-practice management principles while fostering a culture that promotes sound work ethics. He is an excellent communicator with great interpersonal skills hence can interact with people from different backgrounds. His goal is to make a difference in society by promoting equality, integration and a conflict-free environment. At the Commission Hon Abdulaziz is a member of the Audit and Risk Management Committee.</p>
	 <p>Commissioner Dr Danvas Makori Doctor of Theology Master of Arts Biblical Theology Chairman Technical Committee</p>	<p>Commissioner Dr. Danvas Makori holds a Doctor of Theology from the International Christian University, Masters of Arts in Biblical Theology of the International Christian University and a Bachelors of Arts in Theology from the Jameson Christian College. Commissioner Danvas was the County Executive Committee (CEC) of Finance and County Executive Committee (CEC) Agriculture, Livestock, Development and Fisheries in Nairobi County Government. At the Commission, Dr Makori chairs the Finance and General Purpose Committee. Commissioner Makori chairs the Technical Committee of the Commission.</p>

	 <p>Commissioner Sam Kona Masters in Conflict Resolution Bachelor of Education (Science) Chairman Technical Committee</p>	<p>Commissioner Sam Kona is a conflict resolution, governance and stability expert with over 25 years' experience in public, private and civil society sectors. He has carried out extensive research and managed dozens projects in sub-Saharan Africa with particular focus on conflict early warning systems, post-conflict reconstruction, peacebuilding, mediation, governance and security. Sam has held senior leadership roles in government, including serving as Chairman of the National Council for Population and Development and Kerio Valley Development Authority.</p> <p>A distinguished program leader, Sam has worked as a senior manager with international agencies and organizations such as the United States Agency for International Development, Development Alternatives Incorporated, Centre for Conflict Resolution at the University of Cape Town, South Africa, Chemonics International, Centre for Humanitarian Dialogue and Oxfam GB. While at the Centre for Conflict Resolution, he spearheaded national dialogue programs in Sudan, Swaziland, South Africa and Lesotho, in addition to facilitating dialogue and mediation trainings across Africa. Between 2008 and 2011, he led mediation processes and established peace caravans to support the Kofi Annan-mediated Kenya National Dialogue and Reconciliation process in the aftermath of the 2007-2008 post-election violence.</p> <p>Sam played a major role in the development of conflict early warning mechanisms for Africa's Regional Economic Communities, as well as national early warning systems for Kenya, Uganda, Ethiopia, South Sudan and Sudan. He teaches conflict resolution and dialogue, negotiation and mediation at the Kenya School of Government (KSG) and the International Peace Support Training Centre (IPSTC), respectively.</p>
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		<p>Sam holds MA in Conflict Resolution from Lancaster University in the United Kingdom and a Bachelor of Education (Science) from Kenyatta University, Kenya. He has received many national and international awards and honours for contributions to the field of conflict resolution and peace processes, and efficient delivery of programs. Commissioner Sam is a member of Technical Committee of the Commission.</p>
	 <p>Commissioner Hon. Dorcas Kedogo Masters Degree In Business Administration Bachelors Degree in Education</p>	<p>Commissioner Hon. Dorcas Kedogo is a seasoned Educationist and has over 30 years experience in education. She holds a Masters Degree in Business Administration from USIU, Bachelor’s Degree in Education from the University of Nairobi and a Diploma from Mosoriot Teachers Training College. Commissioner Hon. Kedogo was a Women Representative for Vihiga County. She served as a Women Representative for KNUT and as a representative of Teachers under the Kenya Union of Teachers Vihiga District 2000-2012. She has also served as a teacher in various capacities in her career and spearheaded various developments among the youth as well as the women. Commissioner Kedogo is a member of Technical Committee of the Commission</p>



Dr Skitter W. Ocharo HSC
Commission Secretary
Doctor of Philosophy in Physics
Master of Philosophy in Physics
Master in Business Administration
Bachelors Degree in Education Science

Dr. Skitter W. Ocharo is the Commission Secretary/ Chief Executive Officer with over 16 years experience in public service and at Board level in various institutions. She has a rich track record of successful change management, project management and spearheading initiatives that have improved the performance of organizations and lives of many communities. She holds a Doctor of Philosophy in Physics from the University of Eldoret, a Master of Philosophy in Physics from Moi University, a Master in Business Administration from Strathmore University and a Bachelor Degree in Education Science (Physics and Chemistry) from Egerton University.



Prior to her appointment as the Commission Secretary of the National Cohesion and Integration Commission, Dr. Skitter held various key positions that include; County Executive Officer in charge of Trade, Tourism and Industry at the County Government of Kisii, she had also held the same portfolio in charge of Environment, Water and Sanitation; Roads, Transport and Public Works; Education, Labor and Manpower Development in the same County. She served as a Lecturer, Physics Department at the Masinde Muliro University of Science and Technology (MMUST) and Physics and Chemistry teacher at the Teachers Service Commission (TSC).



As a highly motivated critical thinker with problem solving skills, her desire is to create opportunities that improve and transform people's lives. She is a true believer in Africa, of the talent and the need to build on the human capital, so as to market Africa to transform the Continent's fortune on the Global arena. She perceives life as a gift and endeavors to respond with grace and courtesy. She was awarded a Head of State Commendation(H.S.C) in recognition of her distinguished service to the Nation.

3. MANAGEMENT TEAM



No	Management	Details
1	 <p>Skitter W. Ocharo PHD, HSC Commission Secretary Doctor of Philosophy in Physics Master of Philosophy in Physics Master in Business Administration Bachelors Degree in Education Science</p>	<p>Commission Secretary and Accounting Officer</p>
2.	 <p>Ms. Millicent Okatch Masters of Arts Degree in Sociology and Community Development Bachelor of Arts Degree in Sociology and Communication</p>	<p>Director Research and Knowledge Management.</p>

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<p>3</p>	 <p>Mr. Harrison Gikonyo Kariuki Master of Science in Finance Bachelor of Commerce Certified Public Accountant of Kenya CPA(K).</p>	<p>Director Corporate Services</p>
<p>4</p>	 <p>Mr Liban Guyo Master's Degree in Governance and Development BA in International Relations</p>	<p>Deputy Director Peace Building and Reconciliation</p>

5	 <p>Mr. Kyalo Mwengi Bachelors in Laws (LLB) Diploma in Law from the Kenya School of Law.</p>	Deputy Director Legal Services,
6	 <p>Mr. Killian Nyambu Masters of Education (Med) Educational Administration and Planning Bachelor of Education (Arts)</p>	Deputy Director Civic Education and Advocacy

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7	 <p>Dr Sellah Kingoro Doctor of Philosophy in Peace and Conflict Master of Arts in International Relations Bachelor of Education</p>	Deputy Director Research Planning and Policy
8	 <p>Ms Olive C. Metet MPRSK. M-ICA Master of Arts in Communication Bachelor of Arts (Hons) Communication</p>	Deputy Director Communication and Knowledge Management
9	 <p>Ms. Janet Shako Trained Police Diploma in Counseling</p>	Deputy Director Investigations and Compliance

4. CHAIRMAN'S STATEMENT

I take this opportunity with great honour to present the Financial Statement of the National Cohesion and Integration Commission's for the year ended 30th June, 2022. This is in compliance with the Public Finance Management Act 2012 and the National Cohesion Act of 2008 that mandates the Commission to comply with the provision of financial accountability and responsibilities towards good corporate governance for commission to meet its mandate.

Financial reporting for the year ended June 2022 was crucial since it falls within the electioneering period of August, 2022. The country's political landscape has been tensed due to high stakes in elective positions and political transition. The incumbent, H.E. President Uhuru Kenyatta will not be vying for presidency in accordance to the Kenya Constitution 2010 that only allows the president to go for terms.

All elective positions have attracted the highest number of aspirants since the promulgation of the Kenya Constitution 2010. This means, the general elections 2022 will have many aspirants losing elections. This calls for winners to dignify losers by accommodating them in their governance structures for growth and development at all levels.

Despite of stiff political competition, there is notable increase in political tolerance being noticed across the country except of a few isolated cases. This is a clear proof that Kenya is maturing democratically.

The 2022 political campaigns by and large remained issue base unlike in the previous elections that was characteristics by name calling and rampant political thuggery. The Commission is proud to share its success based on the strategic investments on matters of peace, cohesion and reconciliation achieved since the last contested general elections of 2017. The 2017 presidential results were nullified by the Supreme Court due to electoral malpractices. This called for concerted effort among various stakeholders to ensure 2022 general elections are credible, fair, peaceful and violence free.

The commission developed the Roadmap, Elections Bila Noma, to ensure 2022 general elections are violence free, fair and credible. The Elections Bila Noma aims rallied all stakeholders towards achieving 2022 violence free elections and has been widely acknowledged as having significantly contributed to making the 2022 elections peaceful.

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Uwiano Platform was equally revitalised to bring on board both state and non-state actors to step up peace activities across the 47 counties. In preparation for the forthcoming general elections on 9 the August, 2022, NCIC has established Situation Room to monitor hate speech that is rampant on social media so that timely actions are taken before it escalates. The Council of Elders have also been engaged to continuously monitor conversations on vernacular FM Radio stations across the country.

Actions against hate speech especially during the campaign period saw a great reduction in hate utterances.

During the Post-election violence of 2007/2008, Kenya had to seek the assistance of Africa Eminent Personalities to mediate the contested election through the leadership of H. E. Kofi Annan, the former UN Secretary General. The Commission has find it wise to engage Kenya Eminent Peace Panel and National Mediation Team to prepare the teams for any eventuality, God forbid before, during and after forthcoming general elections. The National Mediation team works together with the Inter-Religious Council of Kenya (IRCK).

Despite the achievements of the Commission in this financial year, the commission experienced challenges that not limited to inadequate funding, staffing and lack of adequate Regional Offices to support the grass root initiatives throughout the 47 counties.

Nevertheless, on behalf of NCIC Commissioners and the Secretariat, I sincerely express my gratitude to the Government of Kenya, Ministry of Interior and Coordination of National Government, Donor Community and all our distinguished partners for their continued support as we work towards a more peaceful, cohesive and united Kenyan Society.



Rev. Dr. Samuel Kobia, EBS
COMMISSION CHAIRMAN

5. REPORT OF THE CHIEF EXECUTIVE OFFICER

Dear Stakeholders,

I am delighted to provide you the National Cohesion and Integration Commission's Report for the year 2021 to 2022. The Annual Report and Financial Statements, as at **30th June 2022** are an indication of a successful year. I am happy to be part of the team that made such enviable achievements over the past year.

Despite the global challenges of the Covid-19 pandemic that remained the greatest challenge to not only the NCIC mandate but also the society as a whole, the Commission remained steadfast to its mandate given that the Country was in her year of General Elections that had been slated for 9 August 2022. Cognizant to the concerns that the 2022 General Elections drew several parallels to the 2007 General Elections, the former took place in the context of succession politics and transition. The Commission established strategies and measures to secure a peaceful electoral process before, during and after the electioneering period. All the Commission's Strategies remained anchored on delivering an ***ELECTIONS BILA NOMA*** in anticipation of heightened political activities including; alignments and realignment of political parties and increased campaigns, among other factors that would affect the fragile social cohesion fabric, which deepened our focus of strengthening partnerships with both State and non-state actors across board towards a peaceful electoral process.

During the period under review, other key achievements that the Commission conducted include; strategic inter and intra community dialogues amid warring communities in Kakamega, Nandi, Samburu, Isiolo, Marsabit, Mombasa, Nakuru, Narok among other counties; thereby improving accountability within public institutions as a result of continuous ethnic audit in public organizations and enhanced awareness through strategic public outreach and advocacy.

Further, the Commission intensified public advocacy on matters relating to cohesion, strengthening partnerships aimed at curbing hate speech and ethnic contempt. It sealed partnership with Communications Authority, the Criminal Investigation Department and National Police Service in sealing gaps that had largely contributed to a number of hate speech cases not meeting the required threshold that would enable prosecution. NCIC reactivated her partnership with Communication Authority to vet and approve bulk political messages before dissemination to the public, a measure taken in preparation of the upcoming 2022 General Elections. Indeed, these partnerships has helped the Commission to curb hate messages and ethnic contempt.

The Commission has maintained a strong, skilled and competent Human Capital, considered a key resource to the success of any organization, and this facilitated the outstanding performance. To ensure sustained competence for service delivery, we continuously invested in talent management,

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thus selected employees were sponsored for training in various relevant fields. The Commission's staff has therefore, remained steadfast, committed and patriotic in delivering the Commission's mandate. I sincerely thank them for their loyalty and hard work.

I am grateful to the Commissioners for their good counsel, timely guidance and decision-making, as well as enthusiasm in fundraising and championing unchartered grounds. This facilitated the delivery of these impressive results and bore new partnerships with institutions such as the European Union, Act Change Transform (ACT!), National Authority for The Campaign against Alcohol and Drug Abuse (NACADA), in addition to already existing such as, the United Nations Development Programme (UNDP) and United Nations Women (UNWomen).

I also thank the Government of Kenya through the Ministry of Interior and Coordination, as well as donors for their technical and financial support, which has been very instrumental in the realization of our success. I am confident that the Commission has remained and will continue to be steadfast to our vision of ensuring a Just and Equitable society living in Peace, Unity and Dignity.



Skitter W. Ocharo, PhD. HSC
COMMISSION SECRETARY/ CHIEF EXECUTIVE OFFICER

**6. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR
FY 2021/22**

The National Cohesion and Integration Commission has four strategic Key Result Areas (KRAs) and 12 objectives within the current Strategic Plan 2020-2025. These strategic Key Result Areas are as follows:

- KRA 1: Elimination of ethnic discrimination in public institutions
- KRA 2: Peaceful Co-existence between and among ethnic communities
- KRA 3: Reduction of hate speech, ethnic contempt and ethnic based political Violence
- KRA 4: Organisation capacity strengthening

The Commission develops its annual work plans based on the above four KRAs as stipulated in the Strategic Plan 2020-2025. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Commission achieved its performance targets set for the FY 2021/2022 period for its four KRAs, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
KRA 1: Elimination of ethnic discrimination in public institutions	Improve inclusivity in public employment opportunities	Number of audits undertaken	Conduct ethnic and diversity audits in public institutions	Ethnic and diversity audits conducted in 9 Counties of Mandera, Garissa, Uasin Gishu, Nandi, Kericho, Mombasa, Kilifi, Kwale, Isiolo, Meru and Embu and the data validated Improved compliance with the CGA Act and appreciation of diversity and inclusivity
	Increase public understanding and practice of	Number of forums conducted	Awareness creation and trainings on peace, cohesion and	23 Sensitizations forums held in 21 Counties reaching

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	non-discrimination		national values for youth. Women, elders, political actors, journalists and the general public through sports for peace, caravans and empowerment sessions	2,500 people (Youth, Women, peace actors, Religious leaders, Journalists, public transport sector and security officers)
		Number of peace campaigns conducted	Conduct county engagements and peace caravans to promote peace and cohesion	15 peace campaigns conducted 15 Counties directly reaching over 75,000 people
KRA 2: Peaceful Co-existence between and among ethnic communities	Strengthen EWER on conflict and violence prevention	Number of EWER systems identified and strengthened	Create and strengthen Early Warning and Early Response (EWER) systems	8 peace structures in Mombasa, Narok, Kisumu, Nandi, Kakamega, Nandi, Laikipia, Naivasha strengthened and revitalised
	To mitigate and resolve violent conflicts,	Number of dialogues/ mediation forums conducted	Facilitate intra and inter community dialogues/mediation to resolve conflicts and violence	12 dialogue forums conducted in 14 Counties engaging 1500 community, peace actors and leaders
	To increase knowledge appreciation and embracing of diversity of race religion and culture	Number of stakeholder engagements conducted	Training of local peace actors on peace and cohesion	193 peace actors from trained in 7 Counties namely, Uasin Gishu, Nandi, Kisumu, Nairobi, Kiambu, Mombasa and Kilifi
KRA 3: Reduction of hate speech, ethnic contempt and ethnic based political Violence	To reduce incidences of hate speech in public spaces	% of complaints processed and feedback given	Receive and process complaints	123 cases identified flagged and processed
		% of cases investigated and forwarded from social and print media	Monitor incidences of hate speech on social and print media	60 Hate speech cases investigated; 36 incitement to violence cases investigated; 3 Racial and Ethnic contempt cases

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				investigated; and 24 discrimination cases investigated
		% of cases investigated and forwarded from social and print media	Develop and launch the National Action Plan against hate speech	National Action Plan Against hate speech developed, published and disseminated
		Naming and Shaming Guidelines developed utilised	Validation and publication of the Naming and Shaming Guidelines	Naming and shaming Guidelines developed and disseminated to stakeholders
		Number of people and institutions who signed the Charter	Developed, published and disseminated the peace and political decency charter	50,936 people have signed the peace and political decency Charter. The Charter was disseminated in 8 regions in Kenya and posted online. 86 political parties signed the peace and political decency charter 4 Presidential candidates /representatives signed and committed to the peace and political decency charter.
		Number of hate speech cases analysed and recommended for prosecution	Multi-agency collaboration to enhance hate speech management	Strengthened multi-agency collaboration with Ministry of Interior, Office of Attorney General, Ethics and Anti-Corruption Commission, Office of Registrar of Political Parties

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				(ORPP), Office of Director of Public Prosecutions (ODPP), National Police Service (NPS) Directorate of Criminal Investigation (DCI), Independent Electoral and Boundaries Commission (IEBC), Communication Authority (CA)
		Number of officers trained on investigation and prosecution of hate speech	Capacity building for officers from National police Service and Director of Public Prosecution	570 Peace and security actors trained
	To reduce incidences of ethnic-based violence during political processes	Number of conflict scans and scenario building sessions conducted	Conduct national conflict hotspot mapping, validate, publish and disseminate	Conflict hotspot counties identified and classified (High risk, medium risk and low risk) The Conflict hotspot report was published and disseminated to stakeholders Targeted conflict mitigation interventions were put in place by both state and non-state actors
		Number of observation missions conducted Number of recommendations made Number of	Monitoring and observation of public spaces and electoral processes	Monitored and observed elections by-elections in 7 Counties, Uasin Gishu, Makueni, Kisii Kiambu, and Machakos Observed random political rallies in

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		documented hate speech and incitement incidences		21 Counties Documented hate speech and ethnic contempt incidences for processing, investigated and recommended for prosecution
KRA 4: Organisation capacity strengthening	Enhance efficient, effective and quality services delivery	Number of Service Charters reviewed	Review Service Delivery Charter Develop the Commission Charter	NCIC Service translated to voice and sign language and posted online reaching over 25,000 people Enhanced performance and service delivery
		Number of partnerships established	Establish collaborative and strategic partnerships	6, MoUs developed and signed with NACADA, Act Change Transform, (ACT!), Global Peace Foundation (GPF), Mercy Corps, InterPeace, Kenya National Congress of Pentecostal Churches. Enhanced working and collaborative initiatives with UNDP, GIZ, DANIDA, Swiss Embassy, UNESCO, UN Women, United Nations Human Rights Office of High Commissioner

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	Improve visibility and perception of NCIC image and reputation	Number of policies and publications developed	Develop and implement roadmap to Peaceful elections Develop a communication strategy Review of the Memoranda on National Peacebuilding Bill 2021 Review the NCIC Human Resource Manual in line with the Public Service Act 2017	A Roadmap To Peaceful Elections developed, launched, disseminated and implemented Communication Strategy developed and implemented Memoranda developed and disseminated to the Senate Committee on National Cohesion and Equal opportunities
		Types of IEC materials produced and disseminated	Developed branded and disseminated IEC materials such as Carrier bags, reflector jackets, T-shirts, lessos, document folders, notebooks, posters, leaflets and stickers	Over 10,000 assorted IEC and visibility materials developed and disseminated
		Number of media campaigns conducted	Conduct integrated media campaigns to promote peace and cohesion	Conducted media campaigns in 22 media channels including, National, Vernacular Radio and Television stations Over 20 million people were reached with peace messages
		Number of staff Trained	Training of staff on required capacity areas	54 staff trained on various professional courses Enhanced

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				capacity and knowledge in their areas of specialisation
		Reports developed and disseminated	Developed and implemented annual workplan, quarterly workplans and prepared annual and quarterly reports	1 annual workplan; 4 Quarterly workplans ; 4 Quarterly reports; 1 annual report prepared
		Procurement plan developed and utilised	Develop annual procurement plans	An Annual procurement plan developed and implemented
		Number of monitoring activities conducted	Conduct monitoring and evaluation of project through success/change stories	3 monitoring and evaluation activities undertaken in Mombasa, Isiolo, Nandi and Kisumu Counties

7. CORPORATE GOVERNANCE STATEMENT

(The National Cohesion and Integration Commission is a statutory Commission with a Chairman and seven (7) full time members as its top governing organ. These Commissioners are recruited competitively by a panel appointed by the Public Service Commission which nominates the chair and seven members. The nominees are forwarded to the National Assembly for vetting upon which they are submitted to the President for appointment. The process of removal of a Commissioner of NCIC is as provided by the Constitution of Kenya 2010 the Chapter on Independent Commissions and Offices. Currently there are seven (7) Commissioners as one (1) who also served as the vice chair died by natural attrition.

Roles and functions of Commissioners

The roles of the Commissioners of the National Cohesion and Integration Commission are to lead in formulating policy and directions in adherence to the functions that are laid down in the NCI Act 2008, inter alia the chairing of the Committees and Sub Committees of the Commission, budget consideration and approval, considering performance reports of the various Departments and giving visibility and representation of the Commission with external stakeholders.

Committees

The Commission constituted committees arising from the need to align them according to the NCI Act No. 12 of 2008 as stipulated in the Commission Charter Article 13. Further, the State department of Public Service gave a recommendation to have the Committees reduced to four(4) for effective management and deliver of service to the public. Thus the Commission adopted and established the following Statutory Committees.

1. Finance and General Purpose Committee
2. Human Resource Management Committee
3. Technical Committee
4. Audit and Risk Management Committee

The Committees are constituted as follows;

Finance and General Purpose Committee

1. Commissioner Eng. Philip Okundi - Committee Chairperson
2. Vice-Chairperson Wambui Nyutu -Member

Human Resource Management Committee

1. Vice-Chairperson Wambui Nyutu - Committee Chairperson
2. Commissioner Eng. Philip Okundi --Member

Technical Committee

1. Commissioner Danvas Makori - Committee Chairperson
2. Commissioner Dorcas Kedogo - Member
3. Commissioner Samuel Kona - Member

Audit and Risk Management Committee

1. Simon Owawa Nyamolo - Committee Chairperson
2. Prof. Emmy Jerono Kipsoi - Independent Member
3. CPA Jane Karanja -National Treasury Representative
4. Abdulaziz Farah - Commission Representative

Training of the Commissioners and its Committees

The Human Resource Committee underwent induction and orientation after their appointment on Educational Leadership

A training needs assessment and skills gap has also been conducted on the team and same is being addressed in intervals as per budgetary allocations

Existence of a Commission Charter

There is in place a Commission Charter that defines service delivery by the Commission and its officers both to the external as well as internal stakeholders. It outlines the several services provided at the Commission, the time frame within which such service will be reasonably rendered as well as feedback mechanism for processing of complaints and compliments from the stakeholders.

Number of Commission meetings held for the Financial Year 2021 / 2022

No.	Organ of Commission	Nature of meeting	No. of Meetings
1	Commission	Special	11
		Full Commission	3
2	Human Resource Committee	Quarterly	4
3	Finance & General Purpose Committee	Quarterly	4
4	Technical Committee	Quarterly	4
5	Audit Committee	Special	1
		Quarterly	4

Attendance to meetings by members

NCIC Commissioners serve on a full time basis. None of the Commissioners missed more than three consecutive meetings in the period under review. The Commissioners were members of the above Committees before the implementation of the new Organizational structure that streamlined NCIC operations.

Commission and Member performance

The Commission's performance rating is pegged on several programs, activities, events, engagements etc it has implemented, initiated and participated in. These are reported in depth and length elsewhere in this report. The individual members of the Commission are either chairs or members of the several committees of the Commission. A Commissioner may sit in a Committee as a chair or as a committee member. The Secretariat is headed by the CEO who is also the Commission Secretary. The Commission is organized along directorates, departments and divisions.

Conflict of Interest Management

In every business of the Commission, its Committees and sub-committees before any proceedings are tabled and deliberated all members are invited to look at the agenda items and express themselves on whether they have any personal interest in the items for discussion. Such declaration of interest or lack of the same is recorded in a register called the '**declaration of interest register**'

as is kept by the Secretary of the Commission, Committees, or Sub-Committee. This process is observed with strict adherence to best corporate governance practice without fail.

Commissioners Remuneration

The Commissioners of the NCIC are State Officers thus their emoluments are processed and paid by the National Treasury. During full Commission sittings as well as Committee Meetings except for the Audit and Risk committee members, Commissioners and Members do not receive any sitting allowances.

The exception with members of the Audit and Risk Committee is that two of them are independent persons competitively recruited with one Commission Representative and one National Treasury Representative. These are paid sitting allowances in accordance with the SRC set rates for Audit Committees.

Ethics, Conduct and Governance Audit procedure

The Commissioners and Officers of the NCIC are all guided by the public service values and ethics of openness, transparency, accountability, professionalism, objectivity, impartiality and integrity. The Commission undertakes regular governance audits as conducted by the Internal Audit Department which is headed by a Certified Public Accountant.

Succession Planning at the Commission

The NCI Act 2008 as amended provides that the term of the current Commissioners will be for six (6) years. The current Commissioners were appointed in November 2019. The term of the current Commissioners therefore will end in October 2025. A vacancy of a member of the Commission has occurred following the demise of one Commissioner the late Mrs Fatuma Tabwara in December, 2019. It is therefore upon the Public Service Commission to initiate the process of filling up this position in accordance with the NCI Act 2008 as amended.

8. MANAGEMENT DISCUSSION AND ANALYSIS

Operational and financial performance

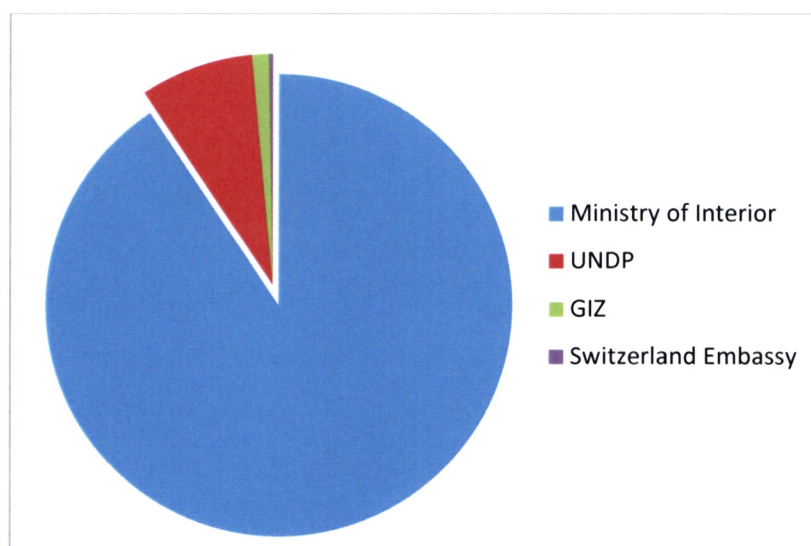
During the period under review, the Commission successfully implemented strategic interventions as envisioned in the Roadmap to Peaceful Elections and the Strategic Plan 2020-2025. The key interventions were also informed by the Commission's statutory mandate of promoting equality of opportunity, good relations, harmony and peaceful coexistence as well as elimination of all forms of ethnic discrimination, peaceful resolution of conflicts and respect for diversity among Kenya communities.

In its endeavour to promote the Government's long-term development goals and plans, the Commission has progressively implemented peace and cohesion strategies which includes: conflict resolution, sensitization and capacity building, strengthening early warning and early response mechanisms and rapid conflict analysis to inform strategies aimed at averting conflicts. In addition, the Commission has been upholding inclusivity in public employment and enhanced equitable distribution of resource in public institutions. Additionally, the Commission has addressed hate speech and ethnic contempt by receiving and processing complaints while undertaking investigations and recommending for prosecution individuals violating provisions of the NCI Act 2008.

In particular, the Commission has improved inclusivity in public institutions through conducting ethnic and diversity audits, validated the data, and enhanced compliance with CGA Act and appreciation of diversity and inclusivity. Increased public understanding and practice of non-discrimination by holding several sensitization forums, trainings and building the capacity of over 2,500 people; youths, women, peace actors, religious leader, journalists, public transport sector and security officers. Additionally, the Commission enhanced peace and cohesion through an integrated media campaign, which entailed peace caravans in hot spots counties, online peace messaging, interviews and talk shows in national vernacular radio stations and television stations.

Further the Commission has intensified community engagements through inter and intra community peace dialogues, mediation and reconciliation processes among the conflicting communities, in the period under review the Commission conducted 15 dialogues in 14 counties targeting local peace actors. To strengthen Early Warning Early Response (EWER) systems and mechanism the

Commission enhanced the capacity of the local peace structures and revitalized EWER systems in eight counties. To improve hate speech management the Commission strengthened the multi-agency collaboration with state agencies; developed, published and disseminated the National Action Plan against hate speech; Developed and utilised Naming and Shaming Guidelines and continually monitored public spaces and social media platforms. As a result of these interventions a total of 123 hate speech and incitement cases were flagged, investigated and recommended for prosecution. To implement these strategic initiatives the Commission utilised funds received from the Government of Kenya amounting to Kshs 652 million and funds from partners amounting to Kshs 67 million.



Compliance with Statutory Requirements

During the period under review, the Commission complied with all its statutory obligations in the implementation of its mandate.

Major Risks facing the Commission

The Commission has a risk management framework aimed at identifying and mitigating risks. Further, the Commission has mainstreamed risk management in the entire cycle of all its operations, which includes conceptualisation, planning, implementation and evaluation. The Commission has identified the following as key risks to its operations;

- **Strategic Risks-** These risks affect realisation of the long term goals and objectives of the Commission and include; unresolved and intractable conflicts, weak NCI Act and political goodwill.

- **Financial Risks-** These risks include inadequate funding that may inhibit full operations especially programme needs.
- **Organisational Risks-** these risks include those associated effective processes, systems and compliance.
- **Technological Risks-** These risks include rapid changes and evolvement of technology including weak cyber security regulation’
- **Operational Risks-** This risk involves inability to provide the core services especially to the clientele (public) resulting from inadequate internal processes, resources, limited county presence and pandemics such as COVID-19

Review of the Sector

The peacebuilding sector has over time been faced by a myriad of challenges key among them, inter-and intra-county boundary and community disputes have become more prevalent and complex. Issues of exclusion and inequality in resource allocation and distribution at county levels have also emerging and impacting on ethnic tolerance and appreciation of diversity. Other conflict dynamics that have taken root include cattle rustling, cross-border raids, election-related violence, radicalisation and terrorism, and conflicts over natural resources. The threats to peace is further aggravated by, among others, the proliferation of small arms and light weapons, high rate of unemployment particularly among the youth, high poverty levels notably in rural areas and urban informal settlements, and politics of ethnicity and mis-information, dis-information and fake news.

The intermittent changes in climate have negatively disrupted and affected livelihoods as witnessed in prolonged drought, which in most cases has resulted to social tensions and violent conflicts among pastoralist communities. Cyber-crime and perpetuation of online hate is a new front that is fuelling intolerance and social disintegration and consequently influencing negatively the peacebuilding, cohesion and security efforts.

9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The Commission exists to facilitate and promote equality of opportunity, good relations, harmony and peaceful co-existence between persons of the different ethnic and racial communities. The Commission in its clarion call of “*One Nation, One People One Destiny*” rallies all Kenyans towards promoting peace, cohesion and the integration agenda. In all its initiatives, the Commission endeavours to inculcate a culture of peace, appreciation of diversity for national unity and sustainable development. Below is an outline of the organisation’s policies and activities that promote sustainability.

i) Sustainability strategy and profile

The Commission continuously strives to promote sustainability in respect to human, social, economic, and environmental fronts. The Commission has reinforced the importance of human sustainability by investing in the Kenyan citizenry through programmes that promote appreciation and respect for diversity, which enhances understanding and co-existence. The Commission promotes social sustainability by building relationships between and among communities with an aim of enhancing harmony. The Commission has progressively endeavoured to embrace and support sustainability best practices by promoting dialogue, reconciliation among communities as well as embracing diversity and non-discrimination.

ii) Environmental performance

The Commission in its operations have embraced efforts geared towards environmental sustainability through economic and prevention strategies. To this end the Commission has adopted environmental friendly technology and equipment for instance printers that enable printing back to back in addition to encouraging staff to use electronic documents which have resulted in reduction of carbon footprints. The Commission has also invested in a fleet of vehicles that are efficient. Eco-friendly and low on carbon emissions. All these efforts are aimed at promoting environmental management practices and procedures that are sustainable.

iii) Employee welfare

The Commission is guided by the Constitution of Kenya 2010 that stipulates that not more than one third of employees should be from the same gender. The Commission has been keen to ensure that is upheld at all levels in the Commission. The Commission ensures this by ensuring that the one third rule is observed in shortlisting and in appointment of the interview committee.

The Commission has developed career progression guidelines that provide for career growth for different careers among staff members. This will ensure that employees do not stagnate in the career but over time get the additional qualifications needed to help them move up the career ladder. The Commission is currently developing a performance management system that will stipulate rewards and sanctions to be accorded to staff members according to the ratings scored during performance appraisal.

The Commission is housed in a building fitted with smoke detectors, a fire sprinkler system, strategically placed fire extinguishers and properly marked emergency exits. There is also a specialised evacuation holding for people with disability that will ensure easy access for emergency rescue. The washrooms for people with disability are also fitted with an easily accessed nurse call point for emergency call. The lift lobbies in the Commission are pressured so that in the event of fire, the fire does not get in the core of the building. The fire alarm is connected to the access control system so that in the event of an emergency the access system is disabled for quick evacuation.

During the Covid 19 Pandemic the Commission facilitated employees to work from home and on resumption of physical office attendance the Ministry of Health protocols and regulations are followed by ensuring social distancing, provision of sanitizers and face masks.

iv) Market place practices-

The Commission has made an effort to ensure:

a) Responsible Supply chain and supplier relations

Our suppliers are experts in the wide range of goods and services we require to help the commission in achieving its objectives. By working with them, we not only deliver services to the public responsibly, but improve our collective impact, ensuring sustainable supply chains, reducing our environmental impact and making positive contributions to society.

v) Corporate Social Responsibility / Community Engagements

In the spirit of the Commissions clarion call of “One Nation One People One Nation “ the Commission undertook impactful Corporate Social Responsibility (CSR) initiatives reaching out to the public and enhance its brand visibility. These initiatives include sports for peace tournaments, environmental care such as tree planting, school clinics to inculcate peace and cohesion among the youth, and sponsorship of awards and cultural events at community and institutional level.

During the period under review, the Commission supported football for peace tournaments targeting vulnerable youths in Nairobi and Nakuru Counties, donated branded football kits including footballs, jerseys and trophies, and reached out to youth.

The Commission sponsored the National Diversity and Inclusion Awards and Recognition (DIAR), which is an annual programme that recognises champions of diversity and inclusion in Kenya with an aim of promoting patriotism, respect and appreciation of cultural and ethnic diversity for sustainable peace and cohesion. The Commission also sponsored the Kisii University 8th Annual Cultural Festival themed “Youth as an agent of Peace, Inclusivity and Value based cultural integration”.

The Commission has institutionalised an elaborate internship programme aimed at offering on the job learning and training opportunities for graduates. During the period under review the internship programme benefitted a total of 31 graduates (12 male and 19 females) drawn from 18 Counties across the Country.

10. REPORT OF THE COMMISSIONERS

The Commissioners submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of the Commission's affairs.

i) Principal activities

The principal activities of the Commission are to facilitate and promote equality of opportunity, good relations, harmony and peaceful co-existence between persons of different ethnic and racial communities of Kenya, and to advise the Government on all aspects thereof .

ii) Results

The results of the entity for the year ended June 30, 2022, are set out on page 1 - 5

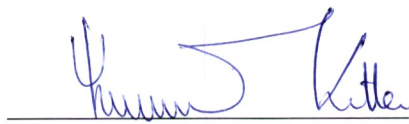
iii) Commissioners

The Commissioners who served during the year are shown on pages v - xi.

iv) Auditors

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

By Order of the Commission



**Skitter W. Ocharo, Ph.D, HS
CEO/ Commission Secretary**



Date

11 .STATEMENT OF COMMISSIONERS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2015 and section 14 of the *State Corporations Act*, require the Commissioners to prepare financial statements in respect of that Commission, which give a true and fair view of the state of affairs of the Commission at the end of the financial year/period and the operating results of the Commission for that year/period. The Commissioners are also required to ensure that the Commission keeps proper accounting records which disclose with reasonable accuracy the financial position of the Commission. The Commissioners are also responsible for safeguarding the assets of the Commission.

The Commissioners are responsible for the preparation and presentation of the Commission's financial statements, which give a true and fair view of the state of affairs of the Commission for and as at the end of the financial year (period) ended on June 30, 2022. 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 Commission; (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 Commission; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Commissioners accept responsibility for the Commission's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Commissioners are of the opinion that the Commission's financial statements give a true and fair view of the state of Commission's transactions during the financial year ended June 30, 2022, and of the Commission's financial position as at that date. The Commissioners further confirm the completeness of the accounting records maintained for the Commission, which have been relied upon in the preparation of the Commission's financial statements as well as the adequacy of the systems of internal financial control.

**National Cohesion and Integration Commission
Annual Report and Financial Statements
For the year ended June 30, 2022.**

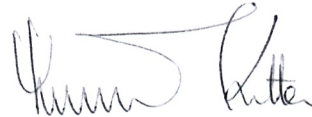
Nothing has come to the attention of the Commissioners to indicate that the Commission will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Commission's financial statements were approved by the Commission on 20th September, 2022 and signed on its behalf by:



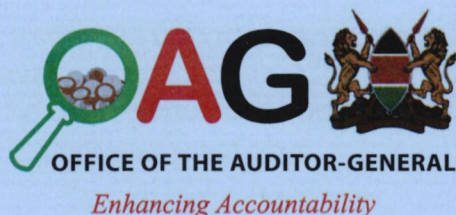
**Rev. Dr. Samuel Kobia, CBS
Commission Chairperson**



**Skitter W. Ocharo, Ph.D, HSC
Commission Secretary**

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL COHESION AND INTEGRATION COMMISSION FOR THE YEAR ENDED 30 JUNE, 2022

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 Commissions are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Cohesion and Integration Commission set out on pages 1 to 19, which comprise of the statement of

financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, 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 Cohesion and Integration Commission as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act of, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Cohesion and Integration 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, except for the matter described in the Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Irregular Expenditure on Taskforce Allowance

During the year under review, the Commission incurred an expenditure of Kshs.2,165,000 on taskforce allowances. However, there was no specific duration of the assignment stated contrary to the guidelines in the appointment and management of taskforce allowances in the public service as provided for in the circular from the Head of Public Service Ref.MSPS.2/1A VOL.XLVIII(119) of 2 August, 2013.

In the circumstances, the Commission was in breach of the provisions of the circular and regularity of the expenditure could not be confirmed.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis), and for maintaining effective internal controls 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 assessment of the effectiveness of the internal controls, risk management and overall governance.

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report which 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 on whether, in all material respects, 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, 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 controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls which 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 which would be material in relation to the financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence which is sufficient and appropriate to provide a

basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions which 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 which achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the 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 controls that are identified during the audit.

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 January, 2023


**National Cohesion and Integration Commission
Annual Report and Financial Statements
For the year ended June 30, 2022.**

13. Statement of Financial Performance for the year ended 30 June 2022

	Note	2021-2022	2020 -2021
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other government entities	5	652,750,000	550,140,000
Public contributions and donations	6	67,296,026	30,850,701
Total revenue		720,046,026	580,990,701
Expenses			
Use of goods and services	7	443,715,677	262,736,687
Employee costs	8	200,940,725	180,815,999
Depreciation and amortization expense	9	31,092,286	29,785,467
Repairs and maintenance	10	19,742,550	29,023,618
Total expenses		695,491,238	502,361,770
Surplus (deficit)for the period		24,554,788	78,628,931


The notes set out on pages 6 to 20 form an integral part of these Financial Statements.

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


Commission Secretary
Skitter W. Ocharo, PhD, HSC

20th September, 2022


Director Corporate Services
Harrison Kariuki
ICPAK M No.19779
20th September, 2022



Commission Chairman
Rev. Dr. Samuel Kobia CBS
20th September, 2022

**National Cohesion and Integration Commission
Annual Report and Financial Statements
For the year ended June 30, 2022.**

14 Statement of Financial Position as at 30 June 2022

	Note	2021-2022	2020 - 2021
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	12	79,949,710	64,013,363
Receivables from non-exchange transactions	13	71,667,507	124,584,282
		151,617,217	188,597,646
Non-current assets			
Property, plant and equipment	14	172,640,949	144,635,205
Intangible assets	15	1,530,194	2,295,177
		174,171,144	146,930,382
Total assets		325,788,361	335,528,028
Liabilities			
Current liabilities	16	46,407,132	81,745,588
Non-current liabilities	16(b)	6,720,000	5,676,000
Total liabilities		53,127,132	87,421,588
Net assets		272,661,228	248,106,440
Reserves			
Accumulated surplus		263,814,228	239,259,440
Capital Fund		8,847,000	8,847,000
Total net reserves		272,661,228	248,106,440

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


Commission Secretary
Skitter W. Ocharo, PhD, HSC

20th September, 2022


Director Corporate Services
Harrison Kariuki
ICPAK M No.19779

20th September, 2022


Commission Chairman
Rev. Dr. Samuel Kobia CBS

20th September, 2022

**National Cohesion and Integration Commission
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15 Statement of Changes in Net Assets for the year ended 30 June 2022


	Capital Fund Kshs	Retained Earnings Kshs	Total Kshs
At 1st July 2020	8,847,000	160,630,510	169,477,510
Total comprehensive surplus for the period	-	78,628,931	78,628,931.00
At 30 June 2021	8,847,000	239,259,440	248,106,440
Total comprehensive surplus for the period	-	24,554,788	24,554,788
At 30 June 2022	8,847,000	263,814,228	272,661,288

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16. Statement of Cash Flows for the year ended 30 June 2022

	Note	2021 - 2022	2020 - 2021
		Kshs	Kshs
Surplus for the period		24,554,788	78,628,931
Adjustments for:			
Depreciation & amortization	9	31,092,286	29,785,467
Loss on disposal		0	20,435,271
Operating surplus before working capital changes		55,647,074	128,849,669
Increase in trade and other receivables		52,916,776	(105,390,396)
Decrease in trade and other payables		(34,294,455)	38,151,245
Cash generated from operating activities		74,269,395	61,610,518
Cash flows from investing activities			
Purchase of property, plant & equipment	14	(58,333,048)	(118,564,156)
Proceeds from sale of assets			4,821,000
Net cash flows used in investing activities		(58,333,048)	(113,743,156)
Net Increase / Decrease in cash		15,936,347	(52,132,638)
Cash & cash equivalent at the beginning of the period		64,013,363	116,146,001
Cash & cash equivalents at the end of the period		79,949,710	64,013,363

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


Commission Secretary
Skitter W. Ocharo, PhD, HSC

20th September, 2022


Director Corporate Services
Harrison Kariuki
ICPAK M No.19779
20th September, 2022


Commission Chairman
Rev. Dr. Samuel Kobia CBS

20th September, 2022

**National Cohesion and Integration Commission
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17. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2022

	Original Budget 2021-2022	Adjustments 2021-2022	Final Budget 2021-2022	Actual on comparable basis 2021-2022	Performance difference 2021-2022
Revenue					
Government grants and subsidies	342,750,000	310,000,000	652,750,000	652,750,000	
Public contributions and donations	67,296,026	-	67,296,026	67,296,026	
Total income	410,046,026	310,000,000	720,046,026	720,046,026	
Expenses					
Compensation of employees	212,431,330	-	212,431,330	200,940,725	5.41
Rent paid	47,721,312	-	47,721,312	43,227,814	9.42
Repairs and maintenance	21,550,000	-	21,550,000	19,742,550	8.39
Other expenses	128,343,384	310,000,000	438,343,384	431,580,149	1.54
Total expenditure	410,046,026	310,000,000	720,046,026	695,491,238	3.41
Surplus for the period		-		24,554,788	

Budget note

The changes in the original budget and the final budget were as a result of additional budgetary allocations through the Supplementary budget of Ksh 200million and Kshs 110million through transfers from the Ministry of Interior and Coordination of National Government

18. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

The Commission is a statutory body established under the National Cohesion and Integration Act (Act No. 12 of 2008). The Commission is an independent Commission and is domiciled in Kenya. The principal activities of the Commission are to facilitate and promote equality of opportunity, good relations, harmony and peaceful co-existence between persons of different ethnic and racial communities of Kenya, and to advise the Government on all aspects thereof.

2. Statement of Compliance and Basis of Preparation

The Commission's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the entity.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the indirect method.

The financial statements are prepared on accrual basis.

The financial statements have been prepared in accordance with the PFM Act, the National Cohesion and Integration Act (Act No. 12 of 2008) and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

The Commission did not adopt any new or amended standards in year ended June 2022.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Public Contributions and Donations

The Commission recognizes grants from development partners as and when received from such organizations. The Memoranda of understanding clearly stipulates the nature of agreement and how the monies are to be utilized.

ii. Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash,

NOTES TO THE FINANCIAL STATEMENTS (Continued)

goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

b) Budget information

The original budget for FY 2021-2022 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 5 of these financial statements.

c) Property, plant and equipment

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

Full year depreciation is charged in the year of purchase and none in the year of disposal. Depreciation is calculated using the reducing balance method to write

NOTES TO THE FINANCIAL STATEMENTS (Continued)

down the cost of each asset to its residual value over its estimated useful life using the following annual rates.

	<u>Rate - %</u>
Motor vehicles	25
Furniture & Fittings	12.5
Computers, copiers & faxes	33.33%

d) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. . Depreciation is calculated using the reducing balance method to write down the cost of each asset to its residual value over its estimated useful life at an annual rate of 33.3%. The useful life of the intangible assets is assessed as either finite or indefinite.

e) Inventories

The Commission's stock is in the form of low cost consumables which were expensed at the point of purchase hence there is no reflection of closing inventory in the financial statements.

f) Provisions

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

Where the Commission expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

a) Employee benefits

Retirement benefit plans

The Commission provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

The NCIC Staff Pension Scheme was established under irrevocable trust. It commenced on 1 July 2012 and is governed by Trust Deed and Rules. Employees who are the members contribute to the scheme at the rate of **7.5%** of their basic salary while the employer, also Founder, contributes at the rate of **15%** of the Member's basic salary. In addition, members are allowed to make additional voluntary contributions.

The Pension Scheme is run by the Board of Trustees (BOT) who have subcontracted KCB as the custodians, Pacific Insurance Brokers (EA) Ltd as the Administrators and ICEA Lion as the Fund Managers. These service providers are registered by the relevant regulators. The Retirement Benefit Authority is the apex oversight body but the BOT has contracted VC Karani and Associates CPAs as its auditors and holds Quarterly meetings where performance of the scheme is reported.

b) Related parties

The Commission regards a related party as a person or entity with the ability to exert control individually or jointly, or to exercise significant influence over the Commission's operating and financial decisions. The Commissioners and key management are considered as the Commission's related parties. The Commission has 8 full time commissioners. The Commissioners are charged with policy formulation and direction while the key management led by the Commission secretary (who is the CEO) are charged with the implementation and day-to-day running of the Commission.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

risk of changes in value. Bank account balances include amounts held at the various commercial banks at the end of the financial year.

d) Accounts payables

The Commission in line with PFM Regulations recognizes that at the beginning of the year, creditors hold first charge in the budget

e) Comparative figures

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

f) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

g) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in
Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Transfers from Other Government entities

Description	2021-2022	2020-2021
	KShs	KShs
Unconditional Grants		
Operational Grant	542,750,000	450,140,000
Other Grants	110,000,000	100,000,000
Total Government Grants	652,750,000	550,140,000

b) Transfers from Ministries, Departments and Agencies (MDAs)

Name Of The Entity Sending The Grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total transfers 2021-22	Prior year 2020-2021
	KShs	KShs	KShs	KShs	KShs
Ministry of Interior and Coordination of National Government	652,750,000			652,750,000	550,140,000
Total	652,750,000			652,750,000	550,140,000

6. Public Contributions and Donations

Description	2021-2022	2020-2021
	Kshs	Kshs
UNDP	56,700,018	13,147,600
GIZ	8,378,888	17,703,101
Switzerland Embassy	2,217,120	-
Total Public Contributions and Donations	67,296,026	30,850,701

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Use of Goods and Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Printing, Advertising and Information Supplies	27,195,116	10,793,951
Audit fees	1,044,000	1,044,000
Bank charges	1,084,480	678,231
Hospitality & Conferences	36,819,147	18,553,554
Contracted guards and cleaning services	3,444,706	3,649,808
Contracted professional services	22,033,877	4,272,980
Confidential Expenditure	105,000,000	30,000,000
Domestic travel and subsistence	93,842,663	66,218,795
Electricity	-	512,140
Foreign travel and subsistence	32,740,587	10,072,174
Fuel and oil	11,485,216	6,247,832
Hire charges	7,014,579	5,614,674
Insurance	32,653,692	25,195,050
Internet connectivity	915,630	1,173,000
Loss on disposal	-	20,435,271
Membership fees, dues, subscriptions	1,273,130	792,572
Postage	311,310	295,515
Office and general supplies	13,560,460	8,008,485
Project sponsorships	370,000	725,000
Rental	43,227,814	43,920,352
Telecommunication	1,630,857	2,885,424
Training	8,068,414	1,647,878
Total general expenses	443,715,677	262,736,687

8. Employee Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries and wages	180,626,062	168,736,892
Employee related costs - contributions to NSSF & pension schemes	13,269,716	12,045,507
Contribution to medical aid	5,703,268	33,600
Gratuity	1,341,680	-
Employee costs	200,940,725	180,815,999

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. Depreciation and Amortization Expense

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, plant and equipment	30,327,304	28,638,051
Intangible assets	764,982	1,147,416
Total depreciation and amortization	31,092,286	29,785,467

10. Repairs and Maintenance

Description	2021-2022	2020-2021
	Kshs	Kshs
Vehicles	15,964,723	24,693,657
Furniture & office equipment	764,337	1,021,333
Computers	3,013,490	3,308,628
Total repairs and maintenance	19,742,550	29,023,618

11. Gain (Loss) on disposal of Assets

Description	2021-2022	2020-2021
	KShs	KShs
Motor vehicle	-	3,571,192
Property, plant and equipment	-	(24,006,462)
Total loss on disposal of assets	-	(20,435,271)

12. Cash and Cash Equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Current account	79,949,710	64,013,363
Total cash and cash equivalents	79,949,710	64,013,363

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 (a) Detailed Analysis of the Cash and Cash Equivalents

Description		2021-2022	2020-2021
Financial institution	Account number	Kshs	Kshs
a) Current account			
Kenya Commercial bank	11189199238	20,035,725	61,566,677
National Bank of Kenya	0102815036400	59,913,986	2,446,687
Sub total		79,949,710	64,013,363
14. Cash in hand		-	-
Grand Total		79,949,710	64,013,363

13. Receivables from Non-Exchange Transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Current receivables		
Imprest		
GOK	35,272,790	6,936,882
SIDA	3,225,750	3,225,750
UNDP	11,624,639	-
Total imprest	50,123,179	10,162,632
Staff advances	1,099,450	1,374,970
Bank Guarantee	1,700,000	1,700,000
Prepayments	16,456,902	11,346,681
Other receivables	2,287,976	100,000,000
Total current receivables	71,667,507	124,584,282

The Commission's insurance scheme runs from 1st December to 30th November. This implies that there is an element of prepayment in the Financial Statements which is as disclosed above.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. Property, Plant and Equipment

	Motor Vehicles	Furniture & Fittings	Computers & Printers	Total
Cost or Valuation:	Kshs	Kshs	Kshs	Kshs
As at 1st July 2020	171,492,940	100,570,771	52,617,086	324,680,797
Additions during the year	7,913,000	108,311,160	2,339,996	118,564,156
Disposals	(16,645,317)	(66,497,265)	-	(83,142,581)
At 30th June 2021	162,760,623	142,384,666	54,957,082	360,102,372
Additions during the year	16,780,000	39,974,248	1,578,800	58,333,048
At 30th June 2022	179,540,623	182,358,914	56,535,882	418,435,420
Depreciation and impairment				
As at 1st July 2020	141,854,859	59,623,288	43,237,279	244,715,426
Depreciation	9,075,318	15,656,523	3,906,210	28,638,051
Disposal	(15,395,508)	(42,490,802)	-	(57,886,311)
As at 30th June 2021	135,534,669	32,789,008	47,143,489	215,467,167
Depreciation	11,001,489	16,657,551	2,668,264	30,327,304
As at 30th June 2022	146,536,157	49,446,559	49,811,753	245,794,470
Net book values				
At 30 June 2022	33,004,466	132,912,355	6,724,129	172,640,949
At 30 June 2021	27,225,954	109,595,658	7,813,593	144,635,205
At 30 June 2020	29,638,081	40,947,483	9,379,807	79,965,371

15. Intangible Assets

Description	2021-2022	2020-2021
	Kshs	KShs
Cost		
At beginning of the year	5,859,740	5,859,740
Additions	-	-
At end of the year	5,859,740	5,859,740
Amortization and impairment		
At beginning of the year	3,564,563	2,417,147
Amortization	764,982	1,147,416
At end of the year	4,329,546	3,564,563
Net Book Value	1,530,194	2,295,177

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. Trade and Other Payables

Current Trade and Other Payables

Description	2021-2022	2020-2021
	Kshs	Kshs
OAG	1,044,000	1,044,000
Commissioner of Domestic Taxes	2,561,823.00	395,869
Creditors	32,972,654	62,098,241
Provision for gratuity	1,341,680	1,319,980
Payroll creditors	8,486,976	9,394,987
Total Current trade and other payables	46,407,132	81,745,588

16 (b) Non-Current Trade and Other Payables

Description	2021-2022	2020-2021
	Kshs	Kshs
OAG	3,132,000	2,088,000.00
Life Insurance claim payable	3,588,000	3,588,000.00
Total non-current trade and other payables	6,720,000	5,676,000.00

The life insurance claim payable of Kshs 3,588,000 refers to Insurance benefits paid upon the demise of the former Director Finance. As at the end of the financial year, the amount remained unclaimed by the beneficiary.

17. Financial Risk Management

(i) Credit Risk Management

Trade payables – these are denominated in Kenya Shillings and thus are payable at the agreed contractual price without earning any interest.

(ii) Employee Benefit Obligations

A retirement scheme of NCIC staff approved by RBA. The Commission has therefore transferred this obligation to a duly registered entity and is subject to oversight by auditors and scheme managers.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(iii) Liquidity Risk Management

The Commission has non-discretionary budget items that are fully funded by the GoK as allocated by the National Treasury and Parliament. These are Personnel Emoluments, Rent and Utilities. This therefore ensures the Commission is a going concern in the midterm. Programmatic activities are partly funded by GoK and development partners funding. NCIC has managed its bills and only commits purchase when there is a provision for it in the budget.

(iv) Market Risk

NCIC is not exposed to market risk.

(v) Capital Risk Management

To ensure the going concern principle at NCIC the National Treasury and National Assembly annually allocate funds for the smooth and predictable running of this Commission.

18. Related Party Disclosures

The Commission regards a related party as a person or entity with the ability to exert control individually or jointly, or to exercise significant influence over the Commission's operating and financial decisions. The Commissioners and key management are considered as the Commission's related parties. The Commission has 8 full time commissioners. The Commissioners are charged with policy formulation and direction while the key management led by the Commission secretary (who is the CEO) are charged with the implementation and day-to-day running of the Commission.

19. Events after the Reporting Period

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. Ultimate And Holding Entity

The Commission is a Semi- Autonomous Government Agency under the Ministry of Interior and coordination of National Government. Its ultimate parent is the Government of Kenya.

21. Currency

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

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22. Appendix

Appendix 1: Implementation Status of Auditor-General's Recommendations

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

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

.....
Commission Secretary (CEO)

Date 20th Sept 2022

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Appendix II: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurr ent/Devel opment/ Others	Total Amount - KES	Statement of Financial Performa nce	Total Transfers during the Year
Ministry of Interior and Coordination of National Government	03/08/2021	Recurrent	85,687,500	85,687,500	85,687,500
Ministry of Interior and Coordination of National Government	19/10/2021	Recurrent	85,687,500	85,687,500	85,687,500
Ministry of Interior and Coordination of National Government	28/12/2021	Recurrent	85,687,500	85,687,500	85,687,500
Ministry of Interior and Coordination of National Government	19/04/2021	Recurrent	85,687,500	85,687,500	85,687,500
Ministry of Interior and Coordination of National Government	12/01/2022	Recurrent	200,000,000	200,000,000	200,000,000
Ministry of Interior and Coordination of National Government	28/04/2022	Recurrent	100,000,000	100,000,000	100,000,000
Ministry of Interior and Coordination of National Government	02/06/2022	Recurrent	10,000,000	10,000,000	10,000,000
Total			652,750,000	652,750,000	652,750,000