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REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF NATIONAL COHESION AND INTEGRATION COMMISSION

FOR THE YEAR ENDED 30 JUNE 2015

NATIONAL COHESION AND INTEGRATION COMMISSION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIALYEAR ENDED JUNE 30, 2015

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

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I. KEY COMMISSION INFORMATION AND MANAGEMENT

(a) Background information

The Commission is a statutory body 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.

Key Management

The Commissions day-to-day management is under the following key organs:

- Commission Secretary
- Commissioners

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2015 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Commission Secretary	Hassan Sheikh Mohamed, OGW
2.	Director Finance, HR and Administration	Dr. Benjamin Kituku
3.	Ag. Director Programmes	Dr. Sellah King'oro

(d) Fiduciary Oversight Arrangements

The funds of the Commission consist of;

a) Monies appropriated by parliament
b) Monies on asset as may accrue to the Commission in the course of the exercise of its powers in the performance of its functions under the National Cohesion and Integration Act.
c) Monies from donors.

With regard to the Commissions finances, the Commission Secretary is the Accounting Officer. Administration of funds is as per the annual estimates / work plans and funding agreements with different donor agencies. This shall be guided by the Public Procurement disposal Act 2005, National Cohesion and Integration Act (No.12 of 2008), Government financial regulations and procedures and Public Finance Management (PFM) Act, 2013
The accounts of the Commission are audited and reported upon by the Auditor General in accordance with the provisions of the Public Audit Act 2003(No 12 of 2003).

In addition, development partners usually have independent audits of programs/projects that they fund directly as part of their oversight role as and when agreed.

(e) Commission Headquarters

KMA Centre
6th Floor
Mara Road, Upper Hill
P. O. Box 7055 – 00100
Nairobi
Kenya.

(f) Commission Contacts

Telephone: 020-258701/2/3 Cell: 0702-777000
E-mail: *info@cohesion.or.ke*
Website: www.cohesion.or.ke

(g) Commission Bankers

Kenya Commercial Bank
Sarit Centre Branch, Nairobi

Standard Chartered Bank
Harambee Avenue Branch, Nairobi

National Bank of Kenya
Harambee Avenue Branch, Nairobi

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II COMMISSIONERS

Chairperson Hon. Francis Xavier Ole Kaparo EGH, SS

Hon. Francis Xavier Ole Kaparo EGH, SS, is a lawyer by profession with vast experience in Kenya's political and development discourse. He holds a Bachelor of Laws (LLB) degree from the University of Nairobi and a post graduate Diploma in Laws from Kenya School of Law. Hon. Kaparo was admitted to the roll of Advocates as an Advocate of the High Court of Kenya in 1977.

Hon. Francis Ole Kaparo has served the Government and the people of Kenya in different capacities. He was the Member of Parliament for Laikipia East from 1988 to 1992. Hon. Kaparo has served as an Assistant Minister in a number of government ministries. These include the Ministry for National Guidance and Political Affairs (1988 - 1989); the Ministry for Supplies and Marketing (1989-1990) and the Ministry for Labour (1990 - 1991). Between 1991 and 1993, he was the Minister for Industry. Hon. Kaparo was the second longest serving Speaker of the National Assembly of Kenya, having served from 1993 to 2008. Hon. Francis Ole Kaparo is the current Chief Scout of the Kenya.

In the international field, Hon. Francis Ole Kaparo has also served in various capacities. He chaired several Commonwealth Parliamentary Associations (CPA) engagements. For instance, he was the Chairman of the Commonwealth Parliamentary Association – Kenya Branch (1993 - 2008); Vice-Chairman, Commonwealth Parliamentary Association – Africa Region (1993 - 1995); Chairman, Commonwealth Parliamentary Association – Africa Region (1995 -1997); Chairman, Steering Committee of Speakers' Conference – Africa Region (1997 - 1999) and the Chairman of the Steering Committee of Speakers' Conference of the CPA International (2004 - 2006). Hon. Kaparo was a Member of the Executive Committee of the CPA International (1993 - 1996); a Member of the Executive Committee of the Inter Parliamentary Union (2004 - 2007) and the President of the Inter Parliamentary Union (IPU) General Assembly in 2006. Arising from these engagements, Hon.

Kaparo has attended numerous conferences and workshops of the CPA, IPU and the Speakers' Conferences around the world. Hon. Kaparo was a Member of the African Union Observer Mission to the Zimbabwe Election in 2008 and a Resource person to Commonwealth Secretariat Workshop for West African members of Parliament on Democracy and Good Governance in the same year.

Arising from his great passion for environmental conservation, Hon. Kaparo has been the Chairman of several Conservancies in Kenya. These include Lewa Wildlife Conservancy, Northern Rangelands Trust, IlngwesiBandas, Lekurruki Conservancy and Kijabe Conservancy. He is also a Board Member of Laikipia Wildlife Forum and Ol Pejeta Conservancy. Hon. Kaparo was the Patron for the Pastoralist Parliamentary Group between 1996 and 2013. He has also served in several secondary school Boards of Management.

Before joining the Commission, Hon. Kaparo was appointed by the His Excellency the President as the chief mediator for the Marsabit and Mandera Counties Peace Processes, together with Senator Mohamed Yusuf Hajj. Hon. Francis Ole Kaparo had also been the Chairman of the National Environmental Management Authority (NEMA) and the United Republican Party (URP). Hon. Kaparo was born on 1st September, 1950.

Vice Chairperson Commissioner Irene NjeriWanyoike

Commissioner Irene N. Wanyoike holds a Bachelor of Laws degree from the University of Nairobi and a post graduate Diploma in Laws from Kenya School of Law. Commissioner Irene is an Alternative Dispute Resolution (ADR) Practitioner with emphasis in Mediation. She is a member of the Chartered Institute of Arbitrators (CIArb) in both Kenya and London Branches. Currently she is the Honorary treasurer and Council member of CIArb. Irene Wanyoike has also been a private

Consultant, working closely with FIDA in Family Mediation and the Chartered Institute of Arbitrators.

Irene Wanyoike has a wide knowledge in the field of Mediation and Arbitration, Public Sector Reforms, Governance, Human Rights, and is very passionate on issues of Women and Youth Empowerment. She is a Civic Educator in the National Steering Committee of the Kenya National Integrated Civic Education (K-Nice) which had been under the then Ministry of Justice and Constitutional Affairs. She is also in the Panel of Mediators at the newly established Strathmore

Dispute Resolution Centre at Strathmore University Campus. Irene Wanyoike is the Convenor of the Association of Professional Societies in East Africa's (APSEA) Constitutional Implementation and Oversight Committee and a member of Professional Integrity and Ethics Committee of APSEA.

Commissioner Irene N. Wanyoike serves in various Professional Bodies in different positions. She is the Chairperson of the Centre for Alternative Dispute Resolution (CADR), and a Senior 1st Vice Chairperson of the Association of Professional Societies in East Africa (APSEA). She is the Honorary Treasurer of the Chartered Institute of Arbitrators (CIArb), and a Board Member of the Kenya Private Sector Alliance (KEPSA). Irene also serves in several committees and secondary school boards and offers pro bono services on Family Mediation and Reconciliation. Commissioner Njeri Wanyoike was born on 29th December, 1955.

Commissioner Belinda AkothOchiel

Commissioner Linda Ochiel is a seasoned policy, advocacy, and communications expert with national, regional and international experience in peace building, democracy, governance, and human rights. The youngest Commissioner in the Republic of Kenya, Linda is a champion of youth affairs and is keen to create a vivid link between the youth, economic empowerment and peace building.

Prior to being appointed Commissioner with the National Cohesion and Integration Commission (NCIC), Linda served as a Director for Policy, Advocacy, and Communications at the Commission on Administrative Justice (Office of the Ombudsman) Kenya. Previously, she spearheaded national

peace and human rights initiatives and was instrumental in the investigations and documentation of 2007/2008 post-election violence in Kenya. She has also played an active role in promoting compliance with administrative justice principles and standards, as well promoting transitional justice, accountability, constitutional, institutional and electoral reforms in Kenya. Commissioner Linda initiated the Annual Human Rights and Democracy Awards of the Kenya National Human Rights and Equality Commission, the Huduma Ombudsman Awards, the first public service Awards in Kenya and the Taifa Awards, an Awards scheme that recognizes institutions that have represented the diversity of Kenyan people in public service.

A producer with a diverse background in documentary film making, Commissioner Linda has been at the forefront of video advocacy documenting and exposing violence, human violations and injustices. Her most recent productions include titles such as 'The Ombudsman, I am Here to Serve you', a dramatized video exposing maladministration in public service, 'Robbed of Choice', a documentary exposing forced Sterilization of HIV +Ve Women in Kenya, 'Youth Fact Book', a production documenting the youth bulge in Kenya and 'In Search of My Land Rights', an advocacy video agitating for women's land rights following promulgation of Kenya's 2010 Constitution. Linda founded the Open Society Initiative for Eastern Africa (OSIEA)'s journal, 'Amplifying Voices'; the Kenya National Commission on Human Rights Journal, 'Pillars of Rights' (NguzozaHaki) and Commission on Administrative Justice's Newsletter, 'The Ombudsman'. She is also a published poet and biographer.

She holds a Masters of Arts in Communications Studies, Masters of Arts in Diplomacy, and a Post Graduate Diploma Degree in Mass Communications and Public Relations of the University of Nairobi. She also holds BED Arts Degree of Moi University as well as diplomas in human rights and video advocacy from prestigious national, regional and international institutions. She is an alumni of the Women in Public Service Project of the Wilson Centre, Bryn Mawr College, Philadelphia, Equitas International Human Rights Training Programme, John Abbot College, Montreal, and the Witness Video Advocacy Institute (VAI) in conjunction with Concordia University, Montreal. Commissioner Belinda was born on 22nd February, 1977.

Commissioner Adan Abdi Mohammed

Commissioner Adan Abdi Mohamed has 23 years of working experience, both as educationist and community development worker. He rose from being a high school teacher to an Assistant Director of Education and later community driven development programme coordinator. He has coordinated drought management initiatives where he has been managing several development projects as well as humanitarian emergency operation programmes based on community based targeting. Mr. Mohamed has coordinated a number of drought mitigation responses as well as facilitated conflict dialogues and mitigations. He has also coordinated a number of development agencies in Government Departments, Civil societies, NGOs and UN Agencies at County level.

Mr. Adan Mohamed holds a Master of Science degree in Project Planning and Management from the University of Bradford – UK; and a Bachelor of Education degree in Economics and Business Administration from Kenyatta University. Mr. Adan Mohamed has also attended several courses including Senior Management Course (SMC) at the Kenya Institute of Administration; and Water Management, Decision Making, Environmental Aspect and Risk Reduction at University of Hebrew in Israel. He has also studied Monitoring and Evaluation as well as Training of Trainers (ToT) in Methodology and Training Needs Assessment at Kenya Institute of Administration; and Participatory Development Methodology on Community based Development Approaches by Intermedia Training Consultants.

Prior to his appointment at the Commission, Commissioner Adan Mohamed was working for the National Drought Management Authority (NDMA) as the County Drought Management Coordinator. He also worked with the Arid Lands Resource Management Programme as a Drought Management Coordinator from 2002 to 2010, and community driven development programme coordinator between 1996 and 2000. Mr. Mohamed has also served in the Ministry of Education, Science and Technology (MoEST) as an Assistant Director of Education from 1993 - 1996 as well as in the Teachers Service Commission as a High School Teacher from 1990 to 1993. Commissioner Adan was born on 22nd December, 1964.

Commissioner Dr. Roba D. Sharamo

Dr. Roba D. Sharamo has over 16 years of experience in international development, diplomacy and conflict analysis and resolution where he worked in senior management positions with the United Nations Development Programme (UNDP) in Kenya, Government of Kenya, non-governmental organizations and a leading think-tank, Institute for Security Studies in Addis Ababa and Nairobi, among other international institutions. Most recently, he worked for UNDP as the Team Leader for Peace Building and Conflict Prevention Unit. He received his Doctorate in Conflict Analysis and Resolution from George Mason University, United States of America (USA) in 2012. His doctoral dissertation is entitled, "Predatory Politics and Struggles of Peacemaking in Somalia," at George Mason University, Arlington, Virginia, US.

Dr. Roba has a Masters degree in Sustainable International Development from Brandeis University, Boston, USA, 2002 and a Bachelor of Science from Kenyatta University, Nairobi, Kenya, 1998. He has lectured and made presentations at numerous regional and international conferences and published key monographs and scholarly articles on peace and security in Africa. He also co-edited two monographs: with BeroukMesfin entitled Regional Security in Post-Cold War Horn of Africa (April 2011); and The State of Human Security in Africa (co-edited with C. Ayangafac) in April 2012, respectively. He is committed to the institutionalization of the inter-related agendas of peace, cohesion and integration in Kenya. His areas of specialization include conflict analysis and resolution, political economy, peace building, cohesion, community security, mediation and negotiation. Dr. Roba Sharamo was born on 4th March, 1972.

Commissioner Dr. Joseph Wamocha Nasongo

Commissioner Dr. Joseph WamochaNasongo is holder of PhD degree in Conflict Resolution and Management of Masinde Muliro University of Science and Technology, Master's degree in Philosophy of Education and Bachelor's degree in Education arts of Kenyatta University. His PhD thesis was titled 'An analysis of feminist epistemology: Logical pedagogical implications to education in Kenya'. He joins the Commission from the world of academia with twenty four years' experience as an educationist, seven of which he taught in secondary schools, six years at Maseno University and eleven years at MasindeMuliro University of Science and Technology. He has vast experience in teaching, research and publications. His research interests include: Peace studies, conflict resolution and management, Education, feminism, and philosophy. He has attended and presented papers at conferences in local as well as international conferences.

Dr. Joseph W. Nasongo is also a member of professional associations namely: Association of Disaster Management and Conflict Resolution of Kenya (ADMCRK), Organization of Social Science Research in Eastern Africa (OSSREA) and Association of Third World Studies. He has actively participated in community development through engagement in civic education, review of peace building training manual, research on impact of violent conflicts on education and member of boards of management of schools and sub county district education board. His worldview is guided by the philosophy that the human person has a rich endowment of potential that requires conducive environment to flourish. Conducive environmental factors include: peace, access to basic needs, quality education, respect for human dignity and freedom to exercise talents in enhancing individual and societal development. Dr. Joseph Nasongo was born was born on 18th April, 1968.

Commissioner Morris Dzoro

Hon. Morris M. Dzoro, EGH has over fifteen years working experience and exposure in leadership and development at both local and international level. He has been keen in empowering communities to determine their own future and realize their full potential and worth by helping them demonstrate their relationship and live at peace with each other and their environment in order to meet their own long-term needs and livelihood with the main aim of transforming their lives.

Hon. Morris Dzoro served as a Cabinet Minister in the Ministry of Tourism and Wildlife from 2003 to 2007; an Assistant Minister for Public Service between 2002 and 2003; and a Member of Parliament from 2002 to 2007. Prior to that, he worked as the Programme Manager for the World Vision – Kenya, in different counties and regions. He has also worked as a Part-Time Lecturer at both the University of Nairobi and Daystar University.

Hon. Morris Dzoro is currently pursuing a PhD degree course on Tourism Management at the Moi University. He holds a Masters of Arts (MA) Degree in Theology and Development from the University of Leads, UK; a Bachelor of Arts (BA) degree in Community Development from Mesiah College, USA; and a Diploma in Communication Arts from the Daystar University, Kenya. Hon. Dzoro has attended training in different fields such as Strategic Planning and Management at CORAT; Proposal Writing and Health Management at AMREF; Cross Cultural and Peace Keeping at the London Institute and Advanced Leadership Course from Singapore. He has also attended several seminars and conferences, including the World Tourism Organization in Malaysia; Public Service Conference in South Africa and International Urban Ministry in Chicago, USA. Hon. Dzoro brings to the Commission valuable knowledge and experience in leadership, peace building and conflict resolution; partnerships and relationships across sectors (networking and collaboration). Commissioner Dzoro was born on 5th December, 1950.

Commissioner Prof. Gitile J. Naituli

Prof. Gitile Joseph Naituli holds a PhD degree in Business Management from Egerton University, a Masters in Business Administration (MBA) degree in Management and a Bachelor of Arts (BA) degree in Business Administration and Government from MIU-IOWA, USA. His PhD Thesis was entitled: "Constraints on Growth of Micro and Small-Scale Women Enterprises in North and Central Meru, Kenya". Prof. Naituli has over 20 years experience in Business Management and Leadership gained from extensive consulting, facilitation, teaching and research. Before his appointment as a Commissioner with the National Cohesion and Integration Commission, Prof. Naituli served as the Acting Principal and Deputy Principal (Finance and Administration) and Associate Professor, Business Management and Leadership at Multimedia University of Kenya. He is also a visiting Professor of Management at the University of Virginia, USA and sits on the Advisory Board of Environic Foundation International (EFI) USA, as well as the National Trustee Intervarsity Environmental network (IVEN).

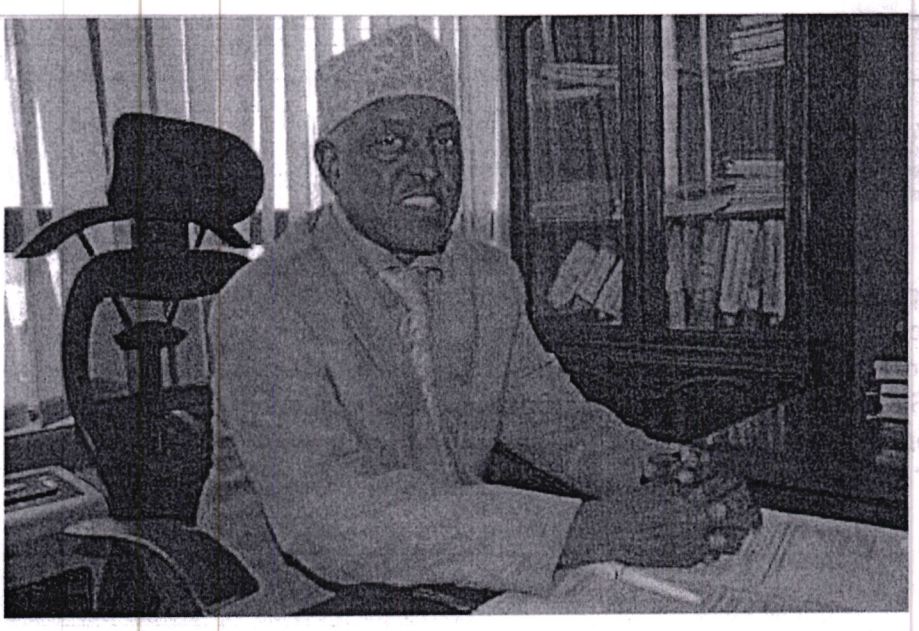
Prof. GitileNaituli has conducted research in several fields. These include Education for Sustainable Development and its application to Business Systems, Small to Medium Enterprises and the implication for sustainable development, Small Business Development and Management, Gender Issues in Small Business Management and Development and the Implication for Poverty Alleviation Efforts, Climate Change Adaptation and Mitigation, Gender Issues in Organizational Development and Management, Strategic Management and its implications for Organizational Re-engineering, Transformational Leadership and its implication for development and Conflict Resolution and Mitigation. Prof. Naituli is the author of more than 25 papers on Leadership and Management that have been published in professional journals or presented at various professional international conferences. He has also authored and co-authored more than 8 books in business Management.

Prof. Naituli is a Technical Specialist with the United Nations Environment Programme (UNEP), Mainstreaming Environment for Sustainability in African Universities (MESA). He has also been helping African Universities to develop projects on adaptation to climate change and also providing technical assistance to the concerned Universities, besides organizing, planning and participating in

strategic meetings and Seminars/workshops. Prof. Naituli has been a Consultant for UNESCO Windholk Cluster Office to Angola, Lesotho, Namibia, South Africa and Swaziland. In 2008, Prof. Naituli was appointed as the co-ordinator for the International Training Programme in Education for

Sustainable Development in Higher Education in African Universities by Ramboll Natura AB and SIDA of Sweden. He chaired the University of Gondar (Ethiopia) Senate Committee that helped develop a curriculum based on the United Nations guidelines on Education for Sustainable Development (ESD), which used ESD tool kit as a resource. Prof. Naituli was born on 2nd January, 1961.

Commission Secretary Hassan Sheikh Mohamed, OGW

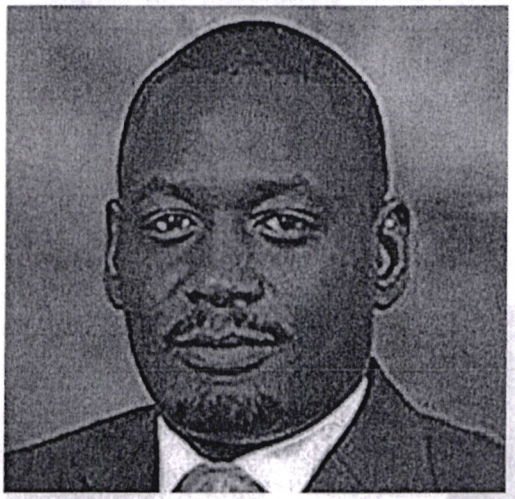


Mr. Hassan Mohamed has been the Commission Secretary since June 2010. He holds an MA in Economic & Social Studies (Development Administration and Management) from University of Manchester UK, Post Graduate Diploma in Public Administration & Management from Glasgow Caledonian University, UK, and Diploma in Range Management from Egerton University.

Mr. Hassan is a career Civil Servant who has served in various Government Ministries culminating in his promotion to the rank of Senior Deputy Secretary. He was awarded the Order of the Grand warrior of Kenya in 2009 for Peace building efforts whilst serving as the Coordinator of the National Steering Committee for Peace Building and Conflict Management in the Office of the President.

In addition to the aforementioned, Mr. Hassan also received exposure in international peace while he was on secondment as a Special Envoy of IGAD to the Sudan Peace Process in 2009 - 2010. He has extensive knowledge in Government Financial Management, having served as a Budget Supply Officer in the Ministry of Finance in 1997 – 2006. Mr. Hassan was born on 15th July, 1958.

EX-OFFICIO MEMBERS



Dr. Otiende Amollo

Mr. OtiendeAmollo is the Chairperson of the Commission for the Administration of Justice. He served in the Committee of Experts on Constitutional Review and as the Chairman of the Kenya Section of the International Commission of Jurists (I.C.J), He has also served as the Secretary to the East African Law Society, joint Secretary to the Government of Kenya Implementation Committee on the Report of the Task Force on HIV and AIDS. He is the Sub-Editor to the East African Lawyer magazine and a board member to 'Kituo Cha Sheria' a legal advice center.

Ms. KagwiriaMbogori

Ms. KagwiriaMbogori is an accomplished Human Rights Practitioner with broad work experience at the national and regional level. She provides authoritative policy direction in keeping with the mandate of National Human Rights Institution (NHRI).

Ms. Mbogori holds a Masters of Law from the University of Notre Dame, majoring in International and Regional Human Rights Protection Systems, International Humanitarian Law and Transitional Justice. She is a Law Graduate from the University of Nairobi and hold a post graduate diploma from the Kenya School of Law.

Ms. KagwiriaMbogori has worked for a number of regional and international organisations. She served at the United Nations Development Programme (UNDP) as a Chief Technical Advisor. She has provided strategic policy direction for the South Sudan Judiciary, as well as working as Head of Advisory Unit of United Nations Mission in Liberia (UNMIL). She also served as Human Rights Officer (UNMIL), Country Programme Manager United Nations Development Fund for Women (UNIFEM) and Executive Director Kenya Section of the International Commission of Jurists.

Commissioner Winfred Lichuma

Commissioner Winfred Lichuma is the current Chairperson of the National Gender and Equality Commission (NGEC). Winfred is lawyer of over 20 years standing. Previously she has served as a Commissioner at the Kenya National Commission on Human Rights and has been a legal adviser to the National Aids Control Council. She also has worked as a practising Advocate of the High Court of Kenya.

Commissioner Winfred Lichuma began her career as a Magistrate of the High Court of Kenya, a position she held for ten years and served around the country, growing up the ranks to Senior Resident Magistrate. Winfred has a wide experience in gender mainstreaming and human rights promotions and programming.

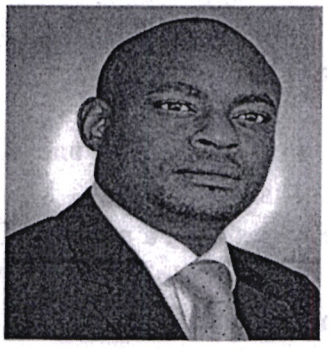
III. MANAGEMENT TEAM

1.Commission Secretary Hassan Sheikh Mohamed, OGW

Mr. Hassan Mohamed has been the Commission Secretary since June 2010. He holds an MA in Economic and Social Studies (Development Administration and Management) from University of Manchester UK, Post Graduate Diploma in Public Administration and Management from Glasgow Caledonian University, UK; and Diploma in Range Management from Egerton University.

Mr. Hassan is a career Civil Servant who has served in various Government Ministries culminating in his promotion to the rank of Senior Deputy Secretary. He was awarded the Order of the Grand Warrior of Kenya in 2009 for Peace building efforts whilst serving as the Coordinator of the National Steering Committee for Peace Building and Conflict Management in the Office of the President. In addition to the aforementioned, Mr. Hassan also received exposure in international peace while he was on secondment as a Special Envoy of IGAD to the Sudan Peace Process in 2009 - 2010. He has extensive knowledge in Government Financial Management, having served as a Budget Supply Officer in the Ministry of Finance in 1997 – 2006.

Dr. Benjamin Kituku 	Dr. Benjamin Kituku is the **Director Finance, Hr and Administration** which is the administrative arm of the commission and is composed of the following divisions; Finance and Accounts, Human Resource, Administration, Supplies Management and ICT. Dr. Kituku is a Certified Public Accountant of Kenya (CPA - K) and a member of ICPAK. He holds a Masters In Business Administration (MBA) Finance and Strategic Management from the University of Nairobi and a BVMPH from the same university.
Dr. Sellah King'oro 	Sellah King'oro is the **Assistant Director of Research, Policy and Planning** at the National Cohesion and Integration Commission. This department collects, collates and synthesizes information on various issues of interest to the commission and is also key in policy development planning and implementation. She holds a PhD in Peace and Conflict Studies from Kisii University, Masters in International Studies with a major in Conflict Management from the University of Nairobi and a Bachelor of Education (Arts)

Mr. Liban Guyo 	Mr. Liban Guyo is the **Assistant Director; Reconciliation and Integration** at the National Cohesion and Integration Commission. This department is involved in the promotion and sustenance of the national peace and reconciliation agenda. Mr. Guyo holds a Masters Degree in Governance and Development from Sussex University and a BA in International Relations from United States International University-Africa Nairobi, Kenya.
6. Mr. Charllow Kyalo Mwengi 	Mr. Mwengi is the **Assistant Director Complaints, Legal and Enforcement department**, which receives and investigates complaints of ethnic and racial discrimination and makes recommendations to the parliament and any other relevant government department or authority. Mr; .Mwengi is an advocate of the high court of Kenya and a member of the law society of Kenya. He holds a Bachelors degree in Social Legislation (BSL), Bachelors in Laws (LLB) and a Diploma in Law from the Kenya School of Law.

Mr. Killian Nyambu Machila 	Mr. Kilian Nyambu is the **Assistant Director, Civic Education and Advocacy** at the National Cohesion and Integration Commission. The department spearheads initiatives aimed at policy influence and advocacy, public education and awareness, capacity development and outreach Mr. Kilian Nyambu holds a Master of Education (M.Ed) in Educational Administration and Planning as well as Bachelor of Education (Arts) degree from the University of Nairobi. He has multiple certificates in various management programmes from different training institutions including the Kenya Institute of Administration.

IV. CHAIRMAN'S STATEMENT

As the Commission presents its Financial Statements for the financial period 1st July, 2014 to 30th June 2015, as per the requirements of the Public Finance Management Act 2012 and the NCI Act 2008, it is important to note that the Commission also experienced challenges especially in its budgetary allocations for the financial period.

With the huge mandate and the limited resources, the prioritization of activities was inevitable and emerging challenges such as radicalization and a number of conflicts especially in North Rift, Eastern and North Eastern which stirred conflict and required immediate action had to be addressed. It is with this consideration that the Commission will always seek increased budgetary allocations from the exchequer as we drive towards a peaceful, cohesive, united and integrated Kenyan society; as directed by our Strategic Plan.

Despite the challenges noted during the Financial Year in question, as a Commission we acknowledge the financial support received from treasury and our development partners who have continued supporting the Commission's activities in the Financial Year 2014/2015 as captured in these Financial Statements.

Hon. Francis Ole Kaparo EGH, SS,
COMMISSION CHAIRMAN.

V. REPORT OF THE CHIEF EXECUTIVE OFFICER

As the Commission whose mandate is to promote national cohesion and integration, we are always committed to promoting national unity in cultural diversity as can be associated with our country Kenya.

With the huge mandate the Commission has been directed by its earlier strategic plan and strategic direction paper 2014/2015 in the quest to promote cohesion and integration in Kenya. As we continue monitoring the implementation process of the devolved system of governance as a country which has been beneficial, new conflict dynamics arose from competition among clans, groups and ethnic communities for power, resources and even boundary disputes posing a threat to national unity. The Commission acknowledges the importance of continuous engagement at the county levels to address pertinent issues that spark conflicts.

In the period under review, there were a number of emerging issues some of which passed a challenge especially in the enforcement of hate speech laws. A good example is technology and social media. This called for social media monitoring with a view to identifying and prosecuting persons found breaching the provisions of the NCI Act with regard to hate speech. At the moment a number of cases that relate to hate speech are in court.

The Commission also took initiative in an effort to curtail negative ethnicity and discrimination and enhancing tolerance, understanding and acceptance of diversity especially among the young people by establishing Amani Clubs in primary and secondary schools as well as Institutions of higher learning.

Hassan Sheikh Mohamed, OGW
Secretary/ Chief Executive Officer

VI. CORPORATE GOVERNANCE STATEMENT

Corporate governance is the process by which an institution is directed and controlled with the ultimate aim of achieving a long term value with the interest of all stake holders being put into account. The quality and status of governance is a key factor to the operational success of any corporate institution and in this regard the Commission recognizes the need to base its operations on sound corporate governance principles including high professional ethics, integrity and accountability. This is also consistent with the Commissions core values hence a strong commitment and sense of responsibility to conduct its operations in accordance with best practices taking into consideration, transparency compliance to relevant laws and regulations. In this regard the Commission is guided by:

1) The Constitution of Kenya 2010.
2) The National Cohesion and Integration act No.12 of 2008.
3) The public offices Ethics Act.
4) Government financial regulations and procedures.
5) Relevant treasury circulars.
6) The Commission's human resource value.

Sound corporate governance is not only indispensable but a fundamental aspect of the Commission's culture and operational practices. The Commissioners are responsible for ensuring proper corporate governance within the Commission.

VII. REPORT OF THE COMMISSIONERS

The Commissioners submit their report together with the audited financial statements for the year ended June 30, 2015 which show the state of the Commission's affairs.

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 .

Results

The results of the Commission for the year ended June 30, 2015 are set out on page 1

Commissioners

The Commissioners who served during the year are shown on page iv to xv

Auditors

The Auditor General is responsible for the statutory audit of the Commission in accordance with the Section 68 of the Public Finance Management (PFM) Act, 2013, which empowers the Auditor General to nominate other auditors to carry out the audit on his behalf.

By Order of the Commission

Hassan Sheikh Mohamed, OGW
Secretary/Chief Executive Officer

28 / 01 / **2016**

I. STATEMENT OF COMMISSIONERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2013and 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, 2015. 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 Financial Reporting Standards (IFRS), 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, 2015, 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.

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 28/01/2016 and signed on its behalf by:

Hon. Francis Ole Kaparo EGH, SS,
COMMISSION CHAIRMAN.

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL COHESION AND INTEGRATION COMMISSION FOR THE YEAR ENDED 30 JUNE 2015

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Cohesion and Integration Commission set out on pages 1 to 14, which comprise the statement of financial position as at 30 June 2015, and the statement of financial performance, the statement of changes in net assets, the statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. 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.

Management's Responsibility for the Financial Statements

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 such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 13 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15(2) of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229 (7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of

material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Cohesion and Integration Commission as at 30 June 2015, 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 National Cohesion and Integration Commission Act, 2008.

FCPA Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

01 March 2016

X. STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June 2015

	Note	2014 - 2015	2013 - 2014
		Kshs 000	Kshs 000
Revenue from non-exchange transactions			
Public contributions and donations	3	84,372	51,131
Transfers from other governments – gifts and services-in-kind	4	364,120	174,960
		448,492	**226,091**
Revenue from exchange transactions			
Other income	5	842	5,715
Total revenue		**449,334**	**231,806**
Expenses			
Employee costs	6	117,769	104,060
Depreciation and amortization expense	7	34,209	23,333
Repairs and maintenance	8	7,366	6,094
General expenses	9	189,910	176,009
Total expenses		**349,254**	**309,496**
Other gains/(losses)			
Loss on sale of motor vehicle		-	(3,116)
Loss on disposal of assests	10	(290)	-
Surplus for the period		**99,790**	**(80,806)**

XI. STATEMENT OF FINANCIAL POSITION
As at 30 June 2015

	Note	2014 - 2015		2013 - 2014
		Ksh 000		Ksh 000
Assets				
Current assets				
Cash and cash equivalents	15	711		12,310
Receivables from non-exchange transactions	11	97,270		11,975
		97,981		**24,285**
Non-current assets				
Property, plant and equipment	12	127,768		94,663
Intangible assets	13	186		-
		127,954		94,663
Total assets		**225,935**		**118,948**
Liabilities				
Current liabilities				
Cash and cash equivalents	15	9,602		
Trade and other payables from exchange	14	1,438		3,843
Non-current liabilities		-		-
Total liabilities		**11,040**		**3,843**
Net assets		**214,895**		**115,105**
Reserves		8,847		8,847
Accumulated surplus		206,048		106,258
Total net assets and liabilities		**214,895**		**115,105**

The Financial Statements set out on pages 1 to14 were signed on behalf of the Board of Commissioners by:

Hassan Sheikh Mohamed, OGW
C.E.O/ Commission Secretary

Date 28/01/2016

XII. STATEMENT OF CHANGES IN NET ASSETS

For the year ended 30 June 2015

	Capital reserve	Accumulated surplus	Total
	Kshs 000	Kshs 000	Kshs 000
Balance as at 30 June 2013	8,847	187,064	195,911
			-
Surplus/(deficit) for the period	-	(80,806)	(80,806)
Transfers to/from accumulated surplus	-	-	-
Balance as at 30 June 2014	**8,847**	**106,258**	**115,105**
Surplus for the period	-	99,790	99,790
Transfers to/from accumulated surplus	-	-	-
Balance as at 30 June 2015	**8,847**	**206,048**	**214,895**

XIII. STATEMENT OF CASH FLOWS

	Note	2014-2015		2013-2014
		Kshs 000		Kshs 000
Cash flows from operating activities				
Receipts				
Public contributions and donations	3	84,372		51,131
Government grants and subsidies	4	364,120		174,960
Other Income	5	842		5,715
		449,334		**231,806**
Payments	16	**402,747**		**281,141**
Net cash flows from operating activities		**46,587**		**(49,335)**
Cash flows from investing activities				
Purchase of property, plant, equipment & intangible assets	12 &13	(67,788)		(12,149)
Proceeds from sale of property, plant and equipment		-		980
Net cash flows used in investing activities		**(67,788)**		**(11,169)**
Cash flows from financing activities				
Net cash flows used in financing activities		-		-
Net **increase/(decrease) in cash and cash equivalents**		**(21,201)**		**(60,504)**
Cash and cash equivalents at 1 July		12,310		72,814
Cash and cash equivalents at 30 June	15	**(8,891)**		**12,310**

XIV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2014-2015	2014-2015	2014-2015	2014-2015	2014-2015
	Kshs 000	Kshs 000	Kshs 000	Kshs 000	Kshs 000
Revenue					
Public contributions and donations	97,000	(12,628)	84,372	84,372	-
Government grants and subsidies	605,200	(241,080)	364,120	364,120	-
Other Income			-	842	(842)
Total income	**702,200**	**(253,708)**	**448,492**	**449,334**	**(842)**
Expenses					
Compensation of employees	**135,690**	(15,690)	120,000	117,769	2,231
Rent paid	25,000	(1,000)	24,000	23,121	879.00
Other payments	476,208	(126,208)	350,000	208,654	141,346
Total expenditure	**636,898**		**494,000**	**349,544**	**144,456**
Surplus for the period	**65,302**		**(45,508)**	**99,790**	**(145,298)**

Note:

The difference between the budgeted and actual other payments is attributed to the fact that the Commission's activities are largely reactive. The Commission during the planning process tries to capture all the issues that may arise and captures them in the budget. However, these activities may not all take place either due to limited financing or other factors beyond its control hence the difference.

XV. NOTES TO THE FINANCIAL STATEMENTS

1. Statement of compliance and basis of preparation – IPSAS 1

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 Commission and all values are rounded to the nearest thousand (Ksh000). The accounting policies have been consistently applied to all the years presented.

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

2. Summary of significant accounting policies

a) Revenue recognition

i) Revenue from non-exchange transactions – IPSAS 23

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

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

b)Budget information – IPSAS 24

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Commission. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or Commission differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

c) Property, plant and equipment – IPSAS 17

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 Commission 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 aresatisfied. 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. 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 using the following annual rates.

	Rate - %
Motor vehicles	25
Furniture & Fittings	12.5
Computers, copiers & faxes	33.3

d) Intangible assets–IPSAS 31

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) Changes in accounting policies and estimates – IPSAS 3

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

f) Employee benefits – IPSAS 25

Retirement benefit plans

The Commission provides retirement benefits for its employees. Defined contribution plans are post employment benefit plans under which an Commission pays fixed contributions into a separate 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 payables

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

h) Comparative figures

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

3. Public contributions and donations

	2014 - 2015 Shs 000	2013 - 2014 Shs 000
SIDA	76,372	51,131
UNDP-Uwiano	8,000	
Total transfers and sponsorships	**84,372**	**51,131**

4. Transfers from other governments – gifts and services-in-kind

	2014 - 2015 Ksh 000	2013 - 2014 Kshs 000
Unconditional grants		
Operational grant	364,120	174,960
Total government grants and subsidies	**364,120**	**174,960**

5. Other income

	2014 - 2015 Ksh 000	2013 - 2014 Ksh 000
Income adjustment	842	5,715
Total other income	**842**	**5,715**

As at 30 June 2015,cheque payments amounting to Ksh 842,000 were reversed as they had become stale. The expenses were however not paid during the year as no claims on them were made. The surplus for 2013/2014 was therefore less than it should have been. This adjustment was thus done in FY 2014/2015 The the analysis of the cheque numbers along side the amounts is as follows.

Cheque Number	Amount Ksh 000
001433	46
001474	38
001509	19
001516	99
001517	140
001523	80
001578	39
001612	30
001629	15
001634	15
002385	33
002455	22
002468	80
002540	74
002458	110
	842

6. Employee costs

	2014 - 2015 Ksh 000	2013 - 2014 Ksh 000
Employee related costs - salaries and wages	95,704	81,729
Employee related costs - contributions to pensions and medical aids	22,065	22,331
Employee costs	**117,769**	**104,060**

7. Depreciation and amortization expense

	2014 - 2015 Ksh 000	2013 - 2014 Ksh 000
Property, plant and equipment	34,116	23,333
Inangible assets	93	-
Total depreciation and amortization	**34,209**	**23,333**

8. Repairs and maintenance

	2014 - 2015 Ksh 000	2013 - 2014 Ksh 000
Vehicles	5,962	3,759
Other	1,404	2,335
Total repairs and maintenance	**7,366**	**6,094**

9. General expenses

The following are included in general expenses:

	2014 - 2015 Ksh 000	2013 - 2014 Ksh 000
Advertising	11,775	9,398
Audit fees	1,044	1,044
Conferences and delegations	23,624	2,086
Fuel and oil	8,441	4,412
Insurance	-	2,774
Postage	257	263
Printing and stationery	8,773	3,732
Hire charges	14,155	3,337
Rental	23,121	22,303
Telecommunication	1,618	4,544
Training	3,311	1,573
Project costs	-	86,619
Domestic travel and subsistence	67,493	19,523
Foreign travel and subsistence	14,794	6,755
Specialized material and supplies	1,349	77
Contracted guards and cleaning services	1,969	1,683
Membership fees, dues, subscriptions	409	251
Contracted professional services	5,251	4,108
Parking charges	3	-

General expenses continued

	2014 - 2015 Ksh 000	2013 - 2014 Ksh 000
Confidential expenditure	135	-
Project sponsorships	817	61
Bank charges	56	234
Internet conncetivity	1,515	1,232
Total general expenses	**189,910**	**176,009**

10. Loss on disposal of assets

	2014 - 2015 Ksh 000	2013 - 2014 Ksh 000
Cost of assets	785	9,710
Less accumulated depreciation (Note 12)	495	5,614
Net book value	290	4,096
Proceeds from sale	-	980
Total loss on sale of assets	**(290)**	**(3,116)**

11. Receivables from non-exchange contracts

Current receivables	2014 - 2015 Ksh 000	2013 - 2014 Ksh 000
Imprest	1,155	771
GOK	5,443	6,005
SIDA	2,178	5,099
UWIANO	7,992	-
Commissioners Advances	16,768	11,875
Total imprest	502	-
Staff advances	80,000	-
Grants receivable	-	100
Other debtors	**97,270**	**11,975**
Total current receivables		

12. Property, plant and equipment

	Computers & Printers	Furniture & Fittings	Motor Vehicles	Total
	Ksh 000	Ksh 000	Ksh 000	Shs 000
Cost or Valuation:				
As at 1st July, 2013	13,019	63,333	92,957	169,309
Additions during the year	841	11,308	-	12,149
Disposals			(9,710)	(9,710)
As at 30th June 2014	13,860	74,641	83,247	171,748
Additions during the year	6,240	4,277	56,993.00	67,510
Disposals	(336)	(449)		(785)
As at 30th June 2015	19,764	78,469	140,240	238,473
Depreciation and impairment				
At 1 July 2013	6,928	12,519	39,918	59,365
Depreciation	2,308	7,765	13,260	23,333
Disposal	-	-	(5,614)	(5,614)
At 30 June 2014	9,236	20,284	47,564	77,084
Depreciation	3,618	7,329	23,169	34,116
Disposals	(276)	(219)	-	(495)
At 30 June 2015	12,578	27,394	70,733	110,706
Net book values				
At 30 June 2015	7,186	51,075	69,507	127,768
At 30 June 2014	4,624	54,357	35,682	94,663

13. Intangible assets - Software	
Cost	**Ksh 000**
At 30 June 2013	-
Additions	-
At 30 June 2014	-
Additions	278
At 30 June 2015	278
Amortization and impairment	
At 30 June 2013	-
Amortization	-
At 30 June 2014	-
Amortization	(93)
At 30 June 2015	(93)
Net book values	
At 30 June 2015	186
At 30 June 2014	-

14. Trade and other payables from exchange transactions

	2014 - 2015 Ksh 000	2013 - 2014 Ksh 000
KENAO	1,044	1,044
Belfast Engineering	75	412
Silverbird Travel Plus	56	-
Good hope Travel	17	-
VAT withheld	224	-
Witholding Tax	22	-
Other creditors	-	2,387
Total trade and other payables	**1,438**	**3,843**

15. Cash and cash equivalents

	2014 - 2015 Ksh 000	2013 - 2014 Ksh 000
Bank KCB	(9,602)	11,351
Bank - NBK	398	111
Bank- Standard Charted Bank	83	202
Cash on hand and in transit	229	646
Total cash and cash equivalents	**(8,891)**	**12,310**

Detailed analysis of the cash and cash equivalents

(a) Banks

Name of the Bank	Bank Account Number	Currency	2014 - 2015 Ksh 000	2013 - 2014 Ksh 000
Kenya Commercial Bank	11189199238	KES	(9,602)	11,351
National Bank of Kenya	0102815036400	KES	398	111
Standard Charted Bank	01020060864600	KES	83	202
			(9,120)	11,664

(b) Cash on hand and in transit

	2014 - 2015 Ksh 000	2013 - 2014 Ksh 000
Form of cash holding		
Liquid cash	229	646

16. Payments

	2014 - 2015 Ksh 000	2013 - 2014 Ksh 000
Compensation of employees	117,769	104,060
General expenses	189,910	176,009
Repairs and maintenance	7,366	6,094
Decrease (Increase) in receivables	85,297	(51,908)
Increase (Decrease) in payables	2,405	7,318
	402,747	**281,141**

XVI. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
1	Commission did not have an Audit Committee	The Commission did not have Commissioners. The Commissioners were appointed and an Audit committee was formed		Resolved	
	Office of Internal audit was not staffed during 2013/2014 FY	The position could only be interviewed by Commissioners and the Commission did not have Commissioners	Commissioners CEO	Resolved	

Guidance Notes:

(i) Use the same reference numbers as contained in the external audit report;

(ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;

(iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Commission responsible for implementation of each issue;

(iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

Commission Secretary

Date.....