

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

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REPORT

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OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
NATIONAL GENDER AND EQUALITY  
COMMISSION

FOR THE YEAR ENDED  
30 JUNE 2016

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
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**NATIONAL GENDER AND EQUALITY COMMISSION**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2016**

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

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**NATIONAL GENDER AND EQUALITY COMMISSION**  
**Reports and Financial Statements**  
**For the year ended June 30, 2016 (Kshs)**

**I. KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

The National Gender and Equality Commission (NGEC) is a constitutional commission established pursuant to Article 59 (4) & (5) of the Constitution and operationalized by the National Gender and Equality Act 2011. NGEC's key mandate is to promote equality and freedom from discrimination in accordance with Article 27 of the Constitution.

**(b) Key Management**

The *NGEC's* day-to-day management is under the office of the Commission Secretary/CEO

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 016 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Accounting Officer	<b>Paul Kuria</b>
2.	Alternate AIE Holder	<b>Jackline Nekesa</b>
3.	Senior Assistant Accountant General	<b>Nemwel Motanya</b>

**(d) Fiduciary Oversight Arrangements**

**Audit Committee:** The Commission formed an Audit Committee which has performed all the roles as per the Terms of Reference during the financial year

**(e) Entity Headquarters**

P.O. Box 27512-00506  
Solution Tech Place  
Longonot Road, Upper Hill  
Nairobi, KENYA

**(f) Entity Contacts**

Telephone: (254) 2722778  
E-mail: info@ngeckkenya.org  
Website: www.ngeckkenya.org

**(g) Entity Bankers**

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

**(h) Independent Auditors**

Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 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. FOREWORD BY NGEN CHAIRPERSON

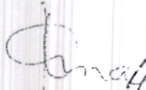
During the financial year 2015/2016, the Government of Kenya allocated the National Gender and Equality Commission KShs.309, 851,440/=. The commission had an absorption rate of 92%. During the review period the Commission operated with four commissioners against the minimum legal requirements of five commissioners for effective strategic guidance of the secretariat. At the same time, the Commission received approval to increase its overall human resource base and increased staffing levels in technical and operational levels from 66 to 74. With enhanced budgets and human resources, the commission accomplished set targets for the year under review.

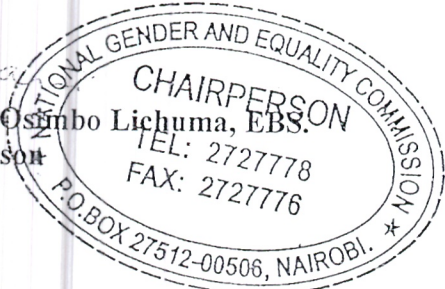
The Commission completed strategic interventions on mainstreaming issues of equity and inclusion in political, economic and social spheres of life. Notably, the Commission assessed levels of access of youth to empowerment programs including national strategic resources such as UWEZO and youth enterprise fund, estimated costs (directly and opportunity) incurred by the health systems, survivors and perpetrators of sexual gender based violence, established extent of planning for programs with direct effects to boys, men, girls and women in county and national budgets 2015/16, as well as completed first draft of the equality and conclusion status in Kenya. Based on the foregoing the commission issued 10 advisories to county and national government agencies on opportunities for closing equality gaps among Kenyans.

The commission completed mapping and profiling of the minority and marginalized groups in 43 counties and will cover the remaining 4 counties in the next financial year. The report will provide baseline data for country and national governments on social development programs as well as guide in 2017 elections on compliance with fair representation principle of minority and marginalized groups. The commission renewed its efforts in the search for a plausible mechanism to realization of the not more than two thirds gender principle in Parliament. The Commission engaged National Assembly and Senate on the matter leading to a bill (Constitution Amendment Bill no. 4 of 2015) for debate in the next financial year. Further the commission prepared submissions on amendments to political parties act, IEBC act, art 100, IEBC rules and regulations and elections act to enforce applications of the affirmative actions in political representation.

During the reporting period, the Commission contributed towards development of legal instruments and policies responsive to principle of equity and inclusion of vulnerable populations in national and county government development agenda. The commission made inputs in more than 25 laws in both levels of government, engaged in public litigation in 9 court matters related to equality and inclusion, completed 5 rapid response missions, and through public participation processes submitted memoranda to inform 8 bills at both levels of government. The Commission contributed in the international reporting mechanisms on treaties and conventions Kenya has ratified on issues of equality and inclusion due in the last financial year including Commission on Status of Women, 57<sup>th</sup> session of African Commission on Human and People's Rights in Banjul, the UN Convention on Rights of Persons with Disabilities, Participated in the deliberations of state report presented to the committee of experts on the rights of persons with disabilities 71<sup>st</sup> session on UN Convention on rights of the child, 70<sup>th</sup> session of UNGASS, and on 21<sup>st</sup> Conference of Parties UN framework for Convention on Climate Change among others.

During the year, the Commission faced some challenges. Key among them is the inability to fully operate county offices due to limited resources and complexity of matters of discrimination and inequality. The realization of art 100 and the two third gender rule in political representation remains unclear with the proposal to amend the constitution to provide for clarity having been defeated in the National Assembly. There also lacks clear milestones to progressive realization of ECOSOC rights. The commission also suffered from delayed exchequer releases affecting its absorption rates. The commission will in 2016/17 invest heavily on interventions to address these challenges.

  
Winfred Osimbo Lichuma, EBS.  
Chairperson



## **FOREWORD BY NGEN COMMISSION SECRETARY**

During 2015-2016 FY, the commission recorded an increased allocation of resources from the government to address inherent staff shortages. Though resources for programming were limited, the Commission invested in interventions seeking to address complex multidimensional issues of equality and inclusion. Key among these interventions included; programming for substantive and transformative equality, investigations and rapid missions on matters of discrimination, and assessment of levels inequities existing on selected spheres of life with focus to special interest groups, in private and public sectors. During this year, the commission strategically addressed matters of public interest including audit of affirmative actions and programs, the development of plausible framework to realization of not more than two thirds gender principle, and development of cost models to demonstrate effects of sexual gender based violence on equality. The commission reviewed national and county budgets for the year 2015/16 to assess extent of planning and budgeting for programs seeking to reduce inequities among special interest groups.

The Commission successfully positioned itself at the African Region through reporting at AU sessions. Also, the Commission for the first time participated in the negotiation processes and writing of text on matters of equality and climate change at 21st Conference of Parties resulting in the Paris Agreement that I hope Kenya can ratify soonest.

The 2015/16 marked the last mile of the Commission first strategic plan 2013 -2015. The review of the strategic plan indicates opportunities to consider in the next plan as well as unfinished business. The commission commenced development of a new strategic plan anticipated in the next financial year. Priority activities for the year 2016/17 include: operationalization of the work of the African Working group on gender and climate change, greater utilization of arts, music and sports to deliver public education on matters of equality and inclusion, monitoring compliance of affirmation actions and programs in 2017 elections plans and activities including party primaries; finalization of rules and regulations for the commission, undertake inquiry on abuse and neglect of older persons in Kenya, facilitate development of guidelines on prosecution of crimes against persons with intellectual disabilities, audit levels and trends of mainstreaming principles of equality and inclusion in selected agencies at county and national level, and contribute to select international and regional reporting mechanism on issues of equality and inclusion as they relate to special interest groups. In addition the commission will launch reports prepared in the last financial year including status report on equality and inclusion in Kenya, inquiry on child pregnancies, and economic burden of sexual gender based violence among survivors, perpetrators and health systems in Kenya.



**Paul K. Kuria**  
**Ag. Commission Secretary/CEO**

## II. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer of the *National Gender and Equality Commission* is responsible for the preparation and presentation of the *NGEC's* financial statements, which give a true and fair view of the state of affairs of the *NGEC* for and as at the end of the financial year (period) ended on June 30, 2016. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *NGEC*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer of the *NGEC* accepts responsibility for the *NGEC's* financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *NGEC's* financial statements give a true and fair view of the state of *NGEC's* transactions during the financial year ended June 30, 2016, and of the *NGEC's* financial position as at that date. The Accounting Officer of the *NGEC* further confirms the completeness of the accounting records maintained for the *NGEC*, which have been relied upon in the preparation of the *NGEC's* financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer of the *NGEC* confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *NGEC's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

### Approval of the financial statements

The *NGEC* financial statements were approved and signed by the Accounting Officer on 29-9 2016.



Ag. Commission Secretary/CEO



Senior Assistant Accountant General



## OFFICE OF THE AUDITOR-GENERAL

### **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GENDER AND EQUALITY COMMISSION FOR THE YEAR ENDED 30 JUNE 2016**

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the National Gender and Equality Commission set out on pages 2 to 17, which comprise the statement of assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation – recurrent 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.

#### **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 (Cash Basis) and for such internal control as management determines is necessary to enable 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 47 of the Public Audit Act, 2015.

#### **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 48 of the Public Audit Act, 2015 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. 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 disclosure 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

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*Report of the Auditor-General on the Financial Statements of National Gender and Equality Commission for the year ended 30 June 2016*

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 the 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 qualified audit opinion.

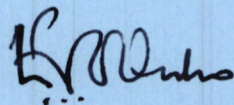
### **Basis for Qualified Opinion**

#### **Irregular Lease Payments**

The expenditure balance of Kshs.137,153,717 on use of goods and services reflected in the financial statements for the year ended 30 June 2016 includes amounts totalling Kshs.476,921, which were irregularly paid to a firm for lease of offices by the Commission at Nakuru/Municipality Block 9/121. The amounts comprise a double payment of Kshs.374,723 and an overpayment of Kshs.102,198 to the firm. As a result, the propriety of the expenditure totalling to Kshs.476,921 incurred on use of goods and services cannot be confirmed.

#### **Qualified Opinion**

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of National Gender and Equality Commission as at 30 June 2016, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.



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

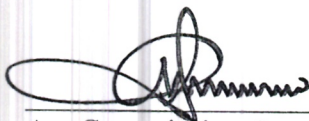
**Nairobi**

**28 March 2017**

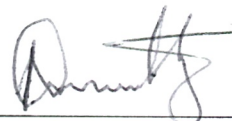
## STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016 Kshs	2014-2015 Kshs
<b>RECEIPTS</b>			
Exchequer releases	1	309,000,000	289,500,000
<b>TOTAL RECEIPTS</b>		<b>309,000,000</b>	<b>289,500,000</b>
<b>PAYMENTS</b>			
Compensation of Employees	2	110,314,534	107,101,539
Use of goods and services	3	137,153,717	159,818,021
Staff Gratuity	4	43,700,000	
Acquisition of Assets	5	11,596,178	22,499,996
Other Expenses (Gratuity)	6	1,157,490	
<b>TOTAL PAYMENTS</b>		<b>303,921,918</b>	<b>289,419,556</b>
<b>SURPLUS/DEFICIT</b>		<b>5,078,082</b>	<b>80,444</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29.9. 2016 and signed by:



Ag. Commission Secretary/CEO.



Senior Assistant Accountant General

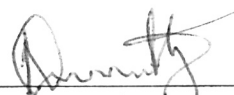
## STATEMENT OF ASSETS

	Note	2015-2016 Kshs	2014-2015 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	7	65,522,709	19,819,756
Cash Balances			
<b>Total Cash and cash equivalent</b>		65,522,709	19,819,756
<b>TOTAL FINANCIAL ASSETS</b>		65,522,709	19,819,756
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables – Deposits and retentions	8	44,674,807	4,049,934
<b>NET FINANCIAL ASSETS</b>		20,847,902	15,769,821
<b>REPRESENTED BY</b>			
<b>Fund balance b/fwd</b>	9	15,769,821	15,689,377
<b>Surplus/Deficit for the year</b>		5,078,082	80,444
<b>NET FINANCIAL POSSITION</b>		20,847,902	15,769,821

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29.9. 2016 and signed by:



Ag. Commission Secretary/CEO.

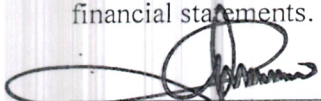


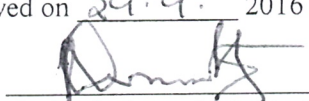
Senior Assistant Accountant General

STATEMENT OF CASHFLOW

		2015 - 2016 Kshs	2014 - 2015 Kshs
<b>Receipts for operating income</b>			
Exchequer Releases	1	309,000,000	289,500,000
		<u>309,000,000</u>	<u>289,500,000</u>
<b>Payments for operating expenses</b>			
Compensation of Employees	2	(110,314,534)	(107,101,539)
Use of goods and services	3	(137,153,717)	(159,818,021)
Social Security Benefits	4	(43,700,000)	
Other Expenses (Gratuity)	9	(1,157,490)	
<b>Adjusted for:</b>			
Increase in payables		40,624,873	1,503,894
<b>Net cash flow from operating activities</b>		<u>57,299,132</u>	<u>24,084,334</u>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	5	(11,596,178)	(22,499,996)
<b>Net cash flows from Investing Activities</b>		<u>(11,596,178)</u>	<u>(22,499,996)</u>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
Cash and cash equivalent at BEGINNING of the year	7	19,819,755	18,235,418
Cash and cash equivalent at END of the year	7	65,522,709	19,819,755

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29.9.2016 and signed by:

  
 \_\_\_\_\_  
 Ag. Commission Secretary/CEO.

  
 \_\_\_\_\_  
 Senior Assistant Accountant General

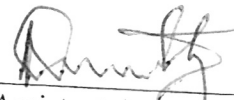
VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Exchequer releases						
<b>PAYMENTS</b>	314,151,440	0	314,151,440	309,000,000	5,151,440	98.36%
Compensation of Employees						
Compensation of Employees						
Use of goods and services	110,314,586	5,000,000	115,164,960	110,314,534	4850,426	96%
Social Security Benefits	138,641,894	-	138,641,894	137,153,717	1,488,177	99%
Acquisition of Assets	45,000,000	(1,300,000)	43,700,000	43,700,000	-	100%
Repayment of principal on Domestic and Foreign borrowing	20,194,960	(7,850,000)	12,344,960	11,596,178	748,782	94%
Other Payments						
<b>TOTAL PAYMENTS</b>	314,151,440	(4,150,000)	309,851,814	303,921,919	5,929,895	98%

The entity financial statements were approved on 29.9 2016 and signed by:



Ag. Commission Secretary/CEO.



Senior Assistant Accountant General

**NATIONAL GENDER AND EQUALITY COMMISSION**

**Reports and Financial Statements**

**For the year ended June 30, 2016 (Kshs)**

**VII. SIGNIFICANT ACCOUNTING POLICIES**

The principle accounting policies adopted in the preparation of these financial statements are set out below:

**1. Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

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

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts.

**2. Recognition of revenue and expenses**

The *NGEC* recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the *NGEC*. In addition, the *NGEC* recognises all expenses when the event occurs and the related cash has actually been paid out by the *NGEC*.

**3. In-kind contributions**

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

**4. 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.

**5. Accounts Receivable**

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

**6. Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties has been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements.

**7. Non current assets**

Non current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the entity fixed asset register a summary of which is provided as a memorandum to these financial statements.

**8. Pending bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the *NGEC* at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

**9. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *NGEC's* budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the *NGEC's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**10. Comparative figures**

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

**11. Subsequent events**

Events subsequent to submission of the financial year end financial statements to the National Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of National Treasury.

## VIII. NOTES TO THE FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 1 EXCHQUER RELEASES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Total Exchequer Releases for quarter 1	51,200,000	10,000,000
Total Exchequer Releases for quarter 2	92,800,000	100,000,000
Total Exchequer Releases for quarter 3	52,500,000	60,000,000
Total Exchequer Releases for quarter 4	112,500,000	119,500,000
<b>Total</b>	<b>309,000,000</b>	<b>289,500,000</b>

#### 2 COMPENSATION OF EMPLOYEES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Basic salaries of permanent employees	63,184,285	62,097,492
Basic wages of temporary employees	-	-
Personal allowances paid as part of salary	45,767,549	43,682,127
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Pension and other social security contributions	-	-
Employer Contributions Compulsory national social security schemes	1,362,700	1,321,920
Employer Contributions Compulsory national health insurance schemes	-	-
<b>Total</b>	<b>110,314,534</b>	<b>107,101,539</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**3 USE OF GOODS AND SERVICES**

	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	978,464	2,400,000
Communication, supplies and services	1,371,694	6,088,656
Domestic travel and subsistence	23,117,312	12,739,993
Foreign travel and subsistence	7,933,125	6,766,124
Printing, advertising and information supplies & services	3,584,218	4,405,339
Rentals of produced assets	47,673,468	42,355,094
Training expenses	12,373,434	36,677,127
Hospitality supplies and services	4,356,800	4,089,976
Insurance costs	18,538,282	16,962,181
Specialized materials and services	1,102,000	10,100,000
Other operating expenses	3,849,896	3,640,000
Routine maintenance – vehicles and other transport equipment	3,206,238	7,499,997
Routine maintenance – other assets	947,923	2,779,999
Office and general supplies and services	3,742,130	2,700,000
Fuel oil and lubricants	4,378,732	613,536
<b>Total</b>	<b>137,153,717</b>	<b>159,818,021</b>

**4 SOCIAL SECURITY BENEFITS**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Government pension and retirement benefits	43,700,000	-
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
<b>Total</b>	<b>43,700,000</b>	<b>-</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**5 ACQUISITION OF ASSETS**

**Non Financial Assets**

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Refurbishment of Buildings	1,307,459	16,559,998
Purchase of Vehicles and Other Transport Equipment	6,693,130	-
Purchase of Office Furniture and General Equipment	3,595,589	5,939,998
<b>Total</b>	11,596,178	22,499,996

**6 Gratuity Payments**

+

2015 – 2016	2014 – 2015
Kshs.	Kshs.
1,157,490	
<b><u>1,157,490</u></b>	

**7 Bank Accounts**

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit e.t.c	Exc rate (if in foreign currency)	2015 - 2016	2014 - 2015
				Kshs	Kshs
Central Bank of Kenya 1000181532 Kshs.	Kshs	Recurrent	-	3,343,127	80,444
Central Bank of Kenya 1000181385 Kshs.	Kshs	Deposit	-	62,179,583	19,739,311
<b>Total</b>				<b>65,522,709</b>	<b>19,819,755</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**8. ACCOUNTS PAYABLE**

	2015 - 2016 Kshs	2014 - 2015 Kshs
Deposits	44,674,807	4,049,934
<b>Total</b>	<u>44,674,807</u>	<u>4,049,934</u>

*These are funds for paying Staff Gratuity upon resignation or expiry of their contract whichever is earlier.*

**9. FUND BALANCE BROUGHT FORWARD**

	2015 - 2016 Kshs	2014 - 2015 Kshs
Bank accounts	19,819,755	-
Cash in hand	-	-
Accounts Receivables	-	-
Accounts Payables	(4,049,934)	18,235,418
<b>Total</b>	<u>15,769,821</u>	<u>18,235,418</u>

*These are funds for retention and excess vote*

**10. DEPOSIT MOVEMENT RECONCILIATION**

	<b>2015/2016</b>
Balance Brought Forward Start of year	19,739,311
Receipts – Gratuity	43,700,000
Receipts – Others	1,227,192
<b>Total</b>	<u><b>64,666,503</b></u>
Less -	
Payment – Gratuity	1,102,684
Payment – Other	1,384,235
	<u>2,486,920</u>
<b>Balance</b>	<u><b>62,179,584</b></u>

## 11. OTHER IMPORTANT DISCLOSURES

### 11.1: DONOR FUNDS RECEIVED AND SPENT

#### UN-WOMEN

##### Funds Received

1 <sup>st</sup> quarter transfer	3,157,325	-
2 <sup>nd</sup> quarter transfer	2,806,952	-
3 <sup>rd</sup> & 4 <sup>th</sup> quarter transfer	9,108,180	-
UNVs Salaries	1,776,000	-
<b>Total</b>	<b><u>16,848,457</u></b>	

##### EXPENSES FOR DONOR

1 <sup>st</sup> quarter expenses	2,864,585	-
2 <sup>nd</sup> quarter expenses	3,103,499	-
3 <sup>rd</sup> & 4 <sup>th</sup> quarter expenses	4,672,117	-
UNVs Salaries	1,776,000	-
<b>Total</b>	<b><u>12,416,201</u></b>	

**BALANCE AS AT 30<sup>TH</sup> JUNE 2016** **4,432,256**

#### URAIA FUND

##### Funds Received

1 <sup>st</sup> quarter transfer	4,200,000	-
2 <sup>nd</sup> quarter transfer	-	-
3 <sup>rd</sup> quarter transfer	1,272,475	7,000,000
4 <sup>th</sup> quarter transfer	1,513,733	-
<b>Total</b>	<b><u>6,986,208</u></b>	<b><u>7,000,000</u></b>

##### EXPENSES FOR DONOR

1 <sup>st</sup> quarter expenses	4,200,000	-
2 <sup>nd</sup> quarter expenses	-	7,000,000
3 <sup>rd</sup> quarter expenses	1,272,475	-
4 <sup>th</sup> quarter expenses	1,513,733	-
<b>Total</b>	<b><u>6,986,208</u></b>	<b><u>7,000,000</u></b>

**BALANCE AS AT 30<sup>TH</sup> JUNE 2016**

#### NORWAY FUND

##### Funds Received

1 <sup>st</sup> quarter transfer	14,947,962	29,994,904
2 <sup>nd</sup> quarter transfer	-	-
3 <sup>rd</sup> quarter transfer	-	-
4 <sup>th</sup> quarter transfer	-	-
<b>Total</b>	<b><u>14,947,962</u></b>	<b><u>29,994,904</u></b>

**EXPENSES FOR DONOR**

1 <sup>st</sup> quarter expenses	14,947,962	29,994,904
2 <sup>nd</sup> quarter expenses	-	-
3 <sup>rd</sup> quarter expenses	-	-
4 <sup>th</sup> quarter expenses	-	-
<b>Total</b>	<b><u>14,947,962</u></b>	<b><u>29,994.904</u></b>

**BALANCE AS AT 30<sup>TH</sup> JUNE 2016**

<b><u>-</u></b>	<b><u>-</u></b>
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**NATIONAL GENDER AND EQUALITY COMMISSION**

**Reports and Financial Statements**

**For the year ended June 30, 2016 (Kshs)**

**12: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

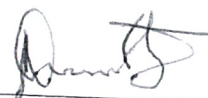
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue (Name and designation)</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1.1 Medical Cover	Tender awarded for kshs.10,760,000/= instead of the lowest kshs. 9,405,548/=. Thus extra payment of kshs. 1,354,452/=	As evidenced by the tender, negotiation and evaluation Committee minutes attached in <b>Annex 1</b> UAP Insurance was disqualified due to the following discriminatory reasons; <ul style="list-style-type: none"> <li>➤ Required full payment of all premiums at the commencement of the cover</li> <li>➤ Overseas travel cover on reimbursement basis</li> <li>➤ Evacuation cover limit only in Kenya Uganda and Tanzania</li> <li>➤ The insured never gets to see the bill</li> </ul> BRITAM was also disqualified for the following reasons; <ul style="list-style-type: none"> <li>➤ Excludes cover on venereal diseases and STIS</li> <li>➤ Excludes specialist consultants unless referred by general practitioner</li> <li>➤ Excludes examination or checkups e.g. general health examinations not related to diagnosis of sickness or accidental injury.</li> </ul>	Mathew Musau Head of Procurement	Explanations made and the response to be discussed with the External Auditors	
1.2 Group Life Cover	Annual contract for Kshs. 797,174/= actual payment Kshs. 1,308,178/=. Excess payment	After award of the group life cover to M/S Metropolitan Insurance Company at the tendered amount of Ksh. 797/174/=, the company changed terms of group life that was quoted in the tender document. While the tender document indicated a group life of staff at Ksh. 213,282/=, the document metropolitan presented during negotiation	Mathew Musau Head of Procurement	Explanations made and the response to be discussed	

<b>Referen ce No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue (Name and designation)</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	Kshs. 511,004/=	showed an increase to Ksh. 1,065,601/=. The award to Metropolitan was cancelled and awarded to the 2 <sup>nd</sup> lowest evaluated bidder M/s CIC. (Copies of the award letter, negotiation Committee meeting minutes, document from metropolitan and tender committee meeting minutes attached in <b>Annex 1</b> .)		with the External Auditors	
2.0 Refurbis hment and partition ing works	Contract for refurbishment of Kshs. 9,750,626.25 awarded without bills of quantity from Ministry of Public Works hence no evidence of value for money for the expenditure.	The Commission procured competitively a private firm to undertake the bills of quantities and supervision of the works. The list of bidders was obtained from the PPOA website (Registered with Board Registration of Architects and Quantity Surveyors - BORAQS). Attached please find the bill of quantities and the reports for the project in <b>Annex 2</b> .	Mathew Musau Head of Procurement	Explanations made and the response to be discussed with the External Auditors	
3.0 Irregular issuance of imprest	Imprest issued without imprest warrant forms and before surrendering previous imprest	As at 30th June 2015 no Commission Officer had outstanding imprest as per the financial statements. All the listed payments were issued as imprest as can be confirmed from the IFMIS records. The imprest was also accounted for hence confirmed to have been used for the intended purposes. Issuance of more than one imprest only happened when field activities followed one another closely hence staff were facilitated before the earlier imprest were cleared from the IFMIS system.	Nemwel Motanya Head of Accounting Unit	Explanations made and the response to be discussed with the External Auditors	

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)
4.1 Accounts payable	Previous year 2013/2014 balance kshs. 2,546,040/= differ with the brought forward balance of kshs. 15,689,378/=	Accounts payable The accounts payable deposits of Ksh. 2,546,041/= is the retention moneys that were held by the Commission as shown in <b>Note 24</b> of the accounts ( <b>Annex 3</b> )	Nemwel Motanya Head of Accounting Unit	Explanations made and the response to be discussed with the External Auditors	
4.2 Cash Flow Statement	The statement of cash flow reflects erroneous balances brought forward from 2013/2014.	The difference in the figures was brought about by change in format of cash flow report used in 2013/14 accounts from the one used in 2014/15 accounts. Whereas in 2014/15 format, all cash out flows are first added together at each stage and subtracted from the Receipt for Operating income figure, in the 2013/14 format the cash out flows are subtracted from the receipt for Operating income figure at each stage. This can also be evidenced by the bottom figure of cash and cash equivalent at the end of 2013/14 and opening cash and cash equivalent at the beginning of 2014/15 does not change ( <b>Annex 4, 2013/14 format</b> )	Nemwel Motanya Head of Accounting Unit	Explanations made and the response to be discussed with the External Auditors	

  
Ag. Commission Secretary/CEO.

  
Senior Assistant Accountant General

*NATIONAL GENDER AND EQUALITY COMMISSION*  
*Reports and Financial Statements*  
*For the year ended June 30, 2016 (Kshs)*

**ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Land		
Buildings and structures	87,510,595	86,203,136
Transport equipment	70,386,260	63,693,130
Office equipment, furniture and fittings	48,764,686	45,169,098
ICT Equipment, Software and Other ICT Assets	12,508,956	12,508,956
Other Machinery and Equipment	-	-
Heritage and cultural assets	-	-
Intangible assets	-	-
<b>Total</b>	<b>219,170,497</b>	<b>207,574,320</b>