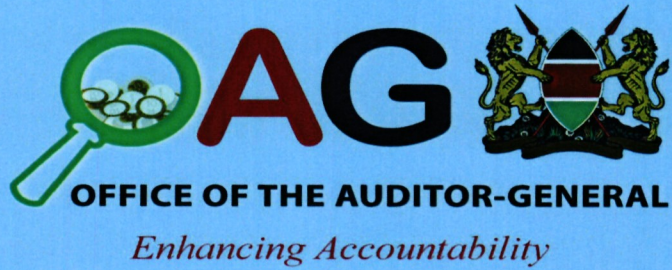


REPUBLIC OF KENYA



PARLIAMENT
OF KENYA
LIBRARY

REPORT 17 FEB 2022

DAY.
Thurs

TABLED
BY:

LDM

CLERK AT
THE TABLE:

C. Christine

OF

THE AUDITOR-GENERAL

ON

**INDEPENDENT POLICING OVERSIGHT
AUTHORITY**

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

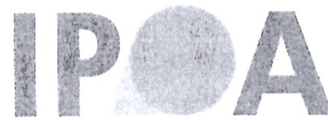
1



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

12 JAN 2022

RECEIVED



Independent Policing
Oversight Authority

INDEPENDENT POLICING OVERSIGHT AUTHORITY (IPOA)

REVISED ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

TABLE OF CONTENTS

Page

1. KEY ENTITY INFORMATION AND MANAGEMENT	3
2. FOREWORD BY THE BOARD CHAIRPERSON.....	16
3. STATEMENT OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES.....	19
4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/ SUSTAINABILITY	22
5. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES	26
6. REPORT OF THE INDEPENDENT AUDITORS ON THE AUTHORITY	27
7. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 TH JUNE 2021	28
8. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 TH JUNE 2021	29
9. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 TH JUNE 2021	30
10. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	31
11. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT.....	32
12. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT.....	33
13. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES	33
14. SIGNIFICANT ACCOUNTING POLICIES.....	34
ANNEXURES.....	45
ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE	45
ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES.....	46
ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER.....	47
ANNEX 4- IPOA STAFF MORTGAGE AND CAR LOAN SCHEME	48

1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background Information

Mandate

The Independent Policing Oversight Authority (IPOA) was established through Act No. 35 of 2011 to;

- (a) Hold the Police accountable to the public in the performance of their functions;
- (b) Give effect to the provision of Article 244 of the Constitution that the Police shall strive for professionalism and discipline and shall promote and practice transparency and accountability; and
- (c) Ensure independent oversight of the handling of complaints by the National Police Service.

Vision

A transformative civilian oversight Authority that promotes public trust and confidence in the National Police Service.

Mission

To conduct independent and impartial investigations, inspections, audits and monitoring of the National Police Service to enhance professionalism and discipline of the Service.

Core Functions

The principal functions of the Authority are to:

- (a) Investigate any complaints related to disciplinary or criminal offences committed by any member of the National Police Service, whether on its own motion or on receipt of a complaint, and make recommendations to the relevant authorities, including recommendations for prosecution, compensation, internal disciplinary action or any other appropriate relief, and shall make public the response received to these recommendations;
- (b) Receive and investigate complaints by members of the Police Service;
- (c) Monitor and investigate policing operations affecting members of the public;
- (d) Monitor, review and audit investigations and actions taken by the Internal Affairs Unit of the Police Service in response to complaints against the Police and keep a record of all such complaints regardless of where they have been first reported and what action has been taken;
- (e) Conduct inspections of Police premises, including detention facilities under the control of the Service;
- (f) Co-operate with other institutions on issues of Police oversight, including other State organs in relation to services offered by them;
- (g) Review the patterns of Police misconduct and the functioning of the internal disciplinary process;
- (h) Present any information it deems appropriate to an inquest conducted by a court of law;
- (i) Take all reasonable steps to facilitate access to the Authority's services to the public;
- (j) Subject to the Constitution and the laws related to freedom of information, publish findings of its investigations, monitoring, reviews and audits as it seems fit, including by means of the electronic or printed media;
- (k) Make recommendations to the Police Service or any State organ;
- (l) Report on all its functions under its Act or any written law; and
- (m) Perform such other functions as may be necessary for promoting the objectives for which the Authority is established.

Core Values

- (a) Independence
- (b) Integrity and Accountability
- (c) Impartiality
- (d) Professionalism
- (e) Accessibility

b) Key Management

The entity's day to day management is under the following key organs;

The Board Members:



Anne Makori (born 1965)

Chairperson

Mrs. Anne Makori is the Chairperson of the Independent Policing Oversight Authority Board. She holds a Law Degree (LLB Hons) from the University of Nairobi, a Postgraduate Diploma from the Kenya School of Law, and a Postgraduate Diploma in Human Resource Management and a Masters in Leadership. She is a Certified Public Secretary (C.P.S.) K., a Certified Professional Trainer and a certified professional mediator.

Anne has vast experience spanning over 20 years with exposure at both Board and management levels in the government, Media Industry, Finance Sector (Banking), and Legal Practice where she specialized in civil litigation, conveyancing and corporate law. Mrs. Makori has also undertaken Human Resource Consultancy at both local and international level.

She is an experienced leader in the areas of Strategy Development and implementation, Company Secretarial, Organizational Review, Performance Management, Culture and Change Management as well as Business Development having previously given oversight and leadership at different levels including serving as a General Manager in charge of Business Development, Legal and Human Resources.

Mrs. Makori is a member of Law Society of Kenya (LSK), Institute of Certified Public Secretaries of Kenya (ICPSK) and the Institute of Human Resource Management (IHRM). She is also actively involved in community service in the areas of education, literacy and language development for small and marginalized community groups as well supporting Churches.



Dr. Jonathan Lodompui, PhD (born 1967)

Vice Chair Person

Dr. Lodompui is the Vice Chairperson at IPOA. He holds a PhD in Political Science and Public Administration with a bias in Conflict Transformation, a master's degree in International Relations and Diplomacy and a bachelor's degree in Public Administration and Political Science biased on Reforms and Transformational Development all from the University of Nairobi. He also holds two Diplomas.

He has management experience in various organizations and in national consultancies in transformative development, peace building, conflict management and security matters. He has presented locally and internationally and contributed in academic journals including: Conflict Analysis and Mapping in Kenya, Impoverishment of the Pastoralists Groups in Kenya, fathers are parents too, the Collapse of the EAC in 1977, the National interest of Tanzania, Samburu Origins, Migrations and Settlement and Internal and external conflict triggers.

He is the immediate former Director for the Enablers and Macros Directorate at the Kenya Vision 2030 Delivery Secretariat, which is charged with coordination of the implementation of infrastructure projects. Previously, he worked with the Military as an Air Force Officer, the Child Fund as a Regional Coordinator, Teachers Service Commission as a Chief Research Officer, and a Director at Kenya Vision 2030 Secretariat. He also taught at various universities including the University of Nairobi, Technical University of Kenya, Africa Nazarene University, and the United States International University.



Dr. Jimmy Mwithi, PhD (born 1967)

Commissioner

Dr. Mwithi is a holder of Doctor of Philosophy (PhD), Leadership and Governance from the Jomo Kenyatta University of Agriculture and Technology. He also holds a master's degree in Business Administration (MBA) Strategic Management – Kenya Methodist University (KeMU) and Bachelor of Arts (Hons) Criminology - Egerton University. He is a fellow at the Kenya Institute of Bankers (FKIB); a full Member of the Kenya Institute of Management (MKIM) and a Certified Fraud Examiner (CFE). He has attended several courses on management, leadership, and governance.

He has served in various capacities in the Public and Private sector for 29 years and has dealt with strategy/ policy formulation, capacity building programs, intelligence collection, investigations and prosecution of criminal & civil cases. He previously worked at the Kenya Police Service, Efficiency Monitoring Unit (Office of the President), Kenya Anti-Corruption Commission, Consolidated Bank of Kenya Limited and a University Lecturer. He has published Journals on Leadership & Governance, Strategy formulation and Security.

He is a former Chairman of the Association of Certified Fraud Examiners (ACFE) Kenya Chapter and former Chairman of the Kenya Bankers Association (KBA), Security Committee. He is a member of the Authority's Risk and Audit Committee.



Fatuma Mohamed (born 1967)

Commissioner

Fatuma is a Gender and Governance Specialist who holds a Masters and Bachelor's Degree in Gender and Development Studies from the University of Nairobi. She has over 20 years' experience in policy-related development issues, policy formulations, dealing with stakeholders, donor organizations and local communities.

She is a trained mediator with experience in fostering peaceful coexistence, conflict management and national cohesion. She founded the Women Centre for Peace and Development, an NGO that empowers marginalized women in peace, security and education through economic and political participation in the Northern Counties of Kenya. She has knowledge of the relevant national and international gender and human rights instruments, convention and legislation.

Fatuma was a Commissioner with the National Cohesion and Integration Commission and also served as a part time lecturer at the Egerton University's Institute of Women Gender and Development Studies. She is a member of the National Women Steering Committee which advocates for the implementation of the two-third constitutional gender rule. She also served at the Barclays Bank (K) Ltd. in several capacities. She is the chairperson of the Communication and Outreach Committee of the IPOA Board.



Doreen Muthaura, MBS (born 1979)

Commissioner

Ms. Muthaura is an advocate of the High Court of Kenya, an expert in Legislative Drafting, Law Reform, Policy Formulation and evidence based Regulatory Impact Assessment (RIA).

She holds a Master's Degree in Law (LLM – Distinction) from the University of London, Law Degree (LLB Hons.) from Moi University, a postgraduate Diploma in Legal Studies from the Kenya School of Law, a Postgraduate Diploma in Legislative Drafting from the Royal Institute of Public Administration (RIPA – International) London, a Postgraduate in Evidence Based Policy Formulation and Translating Policy into Legislation from RIPA International London, Certificate in Effective Governance, Leadership and Integrity from the Griffith University, Queensland Australia.

She has served in various capacities in the Public and Private sectors. She was the Vice Chairperson and Commissioner at the Kenya Law Reform Commission, from 2013 to 2018 where she chaired the Committee on Law Reform, Policy Formulation and Legislative Services, spearheaded and drafted the first Legislative Process Guide in Kenya, participated in the drafting of over 60 model laws for County Governments customization and adoption, developed several Government policies and other legal instruments. She is a law lecturer and has trained County Attorneys and other senior Government officers.

She worked for the Commission for the Implementation of the Constitution (CIC) from 2011 where she participated extensively in drafting laws required by the Fourth Schedule to the Constitution. Ms Muthaura was instrumental in drafting the National Police Service Act, National Police Service Commission Act, Independent Policing Oversight Authority Act, Kenya Defence Forces Act, Power of Mercy Act, National Security Council Act, National Intelligence Service Act, amongst others.

She is also a Parliamentary Counsel having worked for the Office of the Attorney-General, State Law Office, and Legislative Drafting Department. At the AG Chambers, she drafted several legal instruments, Bills and subsidiary legislation and offered high profile legal and legislative advice to the Government of Kenya.

She participated in various taskforces and committees including the Taskforce on the Review of the Mandatory Nature of the Death Penalty in Kenya and has also undertaken law reform and legislative drafting consultancies at both local and international levels. She is a Member of the Law Society of Kenya, the East African Law Society, the Commonwealth Association of Lawyers, the Commonwealth Association of Legislative Counsel (CALC), the Chevening Scholars Alumni, the Federation of Women Lawyers Kenya Chapter FIDA-K and an Australian Award Fellow.

She is also actively involved in community service in the areas of human rights, education as well supporting women, churches and other charity organizations. She chairs the Human Resource Committee of the IPOA Board.



Dr. Walter Owen Ogony (born 1957)
Commissioner

Dr. Ogony, a distinguished medical practitioner, is a former Chief Medical Specialist at the Kenyatta National Hospital and Assistant Director of the Surgical Division. He has served in Public Service for 35 years, including 27 at Kenyatta National Hospital where he rose to the Chief Specialist position.

He holds a Master's Degree in Medicine from the University of Nairobi, Postgraduate Diploma from University of London, and Fellowship of the Eastern Africa College of Ophthalmologists. He is a registered and licenced member of the Medical Practitioners and Dentists Board and also a member of the Kenya Medical Association and Ophthalmological Society of Kenya.

He is vastly experienced in medical practice having initially worked as a general practitioner, then later as a specialist, medical education and management. He is conversant with matters pertaining to work injury and benefits. Throughout, Dr. Ogony has upheld professional and personal ethics, integrity and honesty. He chaired and also sat as member of several Taskforces and Committees of the Kenyatta National Hospital while in service.

He has attended several courses including, Senior Management Course at the Kenya School of Government, Corporate Governance, BIDE Performance Contracting, Industrial Relations at FKE and Trustee Development Programme Kenya. He is a past Chair and member of the Board of Governors of Sidindi Secondary School and a past member of the Nairobi Health Management Board. In 2012, His Excellency the President awarded Dr. Ogony the Order of the Grand Warrior (OGW) for his exemplary service to the nation.



Praxedes Tororey (born 1964)
Commissioner

Ms. Tororey holds a Master's degree in Women's Law from the University of Zimbabwe and pursuing another Masters in Diplomacy and Foreign Policy at Moi University. She also holds a Bachelor of Laws (LLB) from the University of Nairobi, Diploma in International Environmental Law-making and Diplomacy from University of Joensuu, Diploma in Women's Law and a Diploma in Law from the Kenya School of Law and Certificates in Management and Strategic Reform of Electoral Processes,

Legal Audits, Legislation Drafting, Mediation, Arbitration, Conflict Management and Dispute Resolution, Strategic Leadership Development Programme and Corporate Governance.

Praxedes has twenty-six years of Public Service experience having worked as Magistrate in Narok, Nanyuki, Karatina and Machakos Law Courts. She participated in the development of the Judiciary Bench Book for Magistrates in criminal proceedings and also developed a training manual on application of Human Rights Instruments in Courts by Judicial Officers.

She served as an in-house General Counsel with State Corporation and Constitutional Commission in Public Sector Management, Constitutional Development, Administration of Justice, Human Rights, Devolution, Policy and Legislative Drafting, Elections management, Management of Forests and Corporate Governance including development of National Anti-corruption frameworks. She was Director, Legal and Public Affairs at Independent Electoral and Boundaries Commission (IEBC). Among other achievements, she supported the transition of Kenya's electoral management body from ECK, IIEC to the IEBC and developed the Referendum Regulations, 2010 together with the Referendum Media Guidelines of the same year.

Ms Tororey also served as the Corporation Secretary and Head of Legal Services at the Kenya Forest Service. At KFS, she helped develop the Board Code of Conduct, Code of Conduct for disciplined officers, four (4) Subsidiary Legislations under the Forest Act and a litigation strategy for the Service. She also trained Forest Officers in prosecutions and oversaw their Gazettement.

She is a member of the International Commission of Jurists (Kenya Chapter), Law Society of Kenya, FIDA-Kenya and Kenya Women Judges Association, Associate Member of the Chartered Institute of Arbitrators, Member, Consolata Friends Association (Flora Chapel Branch), Vice Chairperson, One More Day for Children and a life member of the Red Cross Society of Kenya.

She has undertaken various leadership responsibilities including; Chairing the Review of Electoral Laws Taskforce and Referendum Technical Committee (IEBC), member to the Taskforce on Review of Legal, Policy and Institutional Framework for fighting Corruption in Kenya, 2015, Secretary, Legal Reforms, Electoral Code of Conduct and Compliance Committee (IEBC), Taskforce Member, National Steering Committee on Devolved Government; Chairperson Court Users Committee, Registrar of Titles, Ministry of Lands, Past Secretary, Jurist of the Year – International Commission of Jurists (ICJ). Ms Tororey is the Chairperson of the Technical Services Committee.



Hon. John Waiganjo (Born 1967)

Commissioner

Hon. John Waiganjo is an Advocate of the High Court with a Law Degree from the University of Nairobi and a Postgraduate Diploma in Law from the Kenya School of Law. He was admitted to the Bar in 1996.

He represented the Ol Joro Orok Constituency in Parliament between 2013 to 2017, where he was credited for making more than 360 presentations. In Parliament, he was a member of the Departmental Committee on Justice and Legal Affairs where his name is synonymous with the Penal Code (Amendment) Bill and the Criminal Procedure Code (Amendment) Bill which sought to abolish the death penalty. Championing for proper procedures to be followed during drafting and enactment of laws by various State agencies, Hon. Waiganjo supported the Parliamentary Committee on Delegated Legislation's rejection of PSV regulations developed by the National Transport and Safety Authority which had not been tabled in Parliament arguing that it was only Parliament that could make laws.

Hon. Waiganjo is also a Co-Convenor of the Kenya Parliamentary Human Rights caucus and a member of the Law Society of Kenya. He is senior partner at J.M. Waiganjo and Company Advocates, an avid sports fan and a black belt in Shoto Kan martial artist. Hon. Waiganjo is the Chairperson of the Finance and Administration Board Committee.

The Senior Management Staff:



Maina Njoroge

Director/CEO & Board Secretary

Mr Njoroge holds a Master in Business Administration (MBA) degree in Finance, and a Bachelor of Commerce (Accounting) degree from the University of Nairobi. He has attended the Senior Management Leadership Programme (SMLP) at Strathmore Business School (Strathmore University) and Antai College of Economics and Management (Shanghai Jiao Tong University, China). He has attended several local, regional and international training courses in finance, management and strategic leadership.

He is a Certified Public Accountant of Kenya, CPA (K), and a Certified Investment and Financial Analyst. He is member of the Institute of Certified Public Accountants of Kenya (ICPAK), Kenya Institute of Management (KIM), Institute of Certified Investment and Financial Analysts (ICIFA), and Institute of Directors (Kenya).

He has vast experience in finance and accounting spanning over 25 years. He has a track record of accomplishment in financial management in both private and public sectors. Additionally, he has substantial experience in human resource, strategic and administrative management, and has special interest in corporate governance and investments. He has experience in managing multi-donor grants and writing funding proposals. He has previously worked with an auditing firm and as Senior Accountant, Chief Accountant and Finance and Administration Manager with large manufacturing and service industry firms.

Before joining IPOA in 2013, Mr Njoroge worked with the Kenya Institute of Public Policy Research and Analysis (KIPPRA) as Finance and Administration Manager and later Finance and Investments

Manager for seven years where he managed a large portfolio of donor funds, including grants from USAID, EU, ACBF, IDRC/TTI, and Brookings Institution, and several projects commissioned by local and international organizations. He was IPOA's Director Business Services from 2013 to 2018 before being appointed the Director/ CEO. He is currently serving as a member of the Audit Committee at the Office of the Director of Public Prosecutions (ODPP).



Stephen Wetheo Musau

Director, Inspections, Research and Monitoring

Mr Musau holds a Master of Arts in Human Rights and Conflict Management from the School of Advanced Studies (Pisa, Italy) and Bachelors of Arts Degree majoring in Economics and Sociology from Egerton University. He also holds diplomas in International Law and Human Rights (University of Helsinki); Organisation Development and Management (Kenya Institute of Management) and Security in Peacekeeping Missions training at Centre of Excellence for Stability Police Units (CoESPU-Vicenza, Italy). He also holds certificates in Peace Operations from School of Peace Operations (Netherlands); International Investigations; Proposal Writing, Logframe Analysis and Report Writing; Participatory Monitoring, Evaluation and Learning;

He worked and has sat on the Boards of several civil society organisations since 1999 in various capacities including being in the Board and most recently in Cambodia with an international non-governmental organisation. He has a wealth of experience in human rights; advocacy and civic engagements and networking. He has a keen interest in monitoring and documentation of human rights issues related to security and law enforcement.

Mr Musau's other skills and competencies include facilitation and training on development issues such as change management; Human Rights Based Approaches (HRBA) to programming and development; conflict prevention, management and transformation; and participatory monitoring and evaluation.



David Nderitu

Director, Complaints and Legal

Mr Nderitu is an advocate of the High Court of Kenya having been called to the bar in 1995. He holds a law degree (LLB) from the University of Nairobi and a post graduate diploma in law from Kenya School of Law. He also holds a Master's degree in political science (MPA) from Eastern Washington University (EWU) (USA), specializing in public administration. Mr. Nderitu has been in legal practice

in Kenya for over 20 years. Before joining IPOA he served as a senior assistant director of public prosecutions at ODPP.



Jeremiah Arodi
Director, Investigations

Jeremiah holds a Bachelor of Science Degree from Kenyatta University and Master of Arts in Security Management from Egerton University and Master of Science in Governance, Peace and Security at African Nazarene University. He has extensive experience in Forensics Crime Scene Management and general investigations. Jeremiah served for seven years in the National Police Service in the Directorate of Criminal Investigations. He later joined the EACC where he worked in the Investigations Directorate for six years. Jeremiah has specialised training in Forensic Crime Scene Management by the FBI, Prevention Interdiction and Investigations on acts of Terrorism through the Terrorism Assistance Programme by United States of America Department of Justice. He has also attended FBI training in Crime Scene



Eunice Juma
Director, Business Services

Eunice Juma's experience spans over fifteen years in finance, project management and human resource management. Prior to joining IPOA she was the Board Secretary of the County Public Service Board of Tana River and a council member of the Murang'a University of Technology for a period of four and a half years and two years respectively. Previously she worked in various positions with ICPSK, National Environment Management Authority, Kenya Red Cross Society and Eldoret Hospital among others. She holds Master of Business Administration (MBA) Finance option, Master of Arts in Project Planning & Management both from the University of Nairobi and a Bachelor of Commerce degree (Accounting option) from the Catholic University of Eastern Africa. She is also a Certified Public Accountant of Kenya (CPAK) and a Certified Secretary (CS). She has undertaken training in corporate governance and performance management.

c) Fiduciary Management:

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

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

Table 1: Key management personnel in office during the FY ended 30th June 2021

	Name	Designation	Remarks
1	Maina Njoroge	Director/CEO & Board Secretary	Full year
2	Eunice Juma	Director, Business Services	Full year
3	Stephen Musau	Director, Inspections Research and Monitoring	Full year
4	Jeremiah Arodi	Director, Investigations	Up to 4 th May 2021
5	David Nderitu	Director, Complaints & Legal Services	Up to 2 nd June 2021
6	Agatha Chepkoech	Chief Accountant	Full year

d) Fiduciary Oversight Arrangements

The Authority has five standing Board committees which are aligned to the Authority's mandate and functions. The committees have been set up with clear terms of reference to facilitate efficient and effective decision-making in discharging its duties, powers, and authorities as they meet from time to time.

The Risk & Audit Committee works closely with the internal audit unit and plays a critical role in reviewing financial information and ensuring that the system of internal controls is effectively administered. It considers significant audit findings identified by the Authority's internal and external auditors. The Committee maintains oversight on internal controls, and makes recommendations on financial information, risk management, policies and audit issues.

The Finance and Administration Committee reviews annual budgets and procurement plans, quarterly and annual financial reports. The Committee also provides oversight on ICT and administration issues within the Authority.

The Technical Services Committee provides oversight over the Authority's core functions i.e. complaints management, legal services, investigations, inspections, research, and monitoring functions.

The Human Resource Committee is responsible for organizational structure, recruitment of staff, development of human resource policy, staff training and development, review of salaries and benefit packages. The Committee also makes recommendations for broad guidelines that promote operational efficiency.

The Communication and Outreach Committee is charged with the Authority's communication and outreach function and programs.

Finance & Administration Committee:

Hon. John Waiganjo (Chair)
 Fatuma Mohamed
 Jonathan Lodompui (Co-Convener)

Technical Services Committee:

Praxedes Tororey (Chair)
 Dr. Walter Ogony (Co-Convener)
 Jonathan Lodompui

Human Resource Committee:

Doreen Muthaura (Chair)
 Praxedes Tororey
 Hon. John Waiganjo

Communications & Outreach Committee:

Fatuma Mohamed (Chair)
 Doreen Muthaura
 Hon. John Waiganjo

Audit & Risk Committee

Irene Cheron (Chair)

Josephine Mandere

Dr. Jimmy Mwithi

Willie Okwacho (The representative of the National Treasury) from 1st July to 30th November 2020

Daniel Nyaga (The representative of the National Treasury) from 1st March 2021

e) IPOA Headquarters

ACK Garden Annex,

2nd/3rd Floor,

1st Ngong Avenue,

P O Box 23035-00100 GPO,

NAIROBI.

IPOA Contacts

Telephone: (+254) 20 4906 000

E-mail: info@ipoa.go.ke

Website: www.ipoa.go.ke

IPOA Regional Offices

Garissa:

Mohamud H. Mohamed House,

Off Kismayu Road,

Behind Texas Petrol Station,

P.O Box 1261-70100, Garissa,

Tel: 0777 040400.

E-mail: garissa@ipoa.go.ke

Nakuru:

Assumption Centre, Opposite St. Paul

University,

P.O. Box 2400-20100, Nakuru,

Telephone: 020 440 1076.

Email: nakuru@ipoa.go.ke

Mombasa:

Jubilee Insurance Building (Arcade) along

Moi Avenue,

P.O Box 99758- 80107 Kilindini, Mombasa,

Tel: 0799 019998.

E-mail: mombasa@ipoa.go.ke

Meru:

Ntara Place,

P.O. Box 203-60200, Meru,

Telephone: 020 201 7237.

Email: meru@ipoa.go.ke

Kisumu:

Central Square Building, Opposite Barclays

Bank,

P.O Box 3560-40100, Kisumu

Tel: 0799 862244.

E-mail: kisumu@ipoa.go.ke

Nyeri:

County Mall, Next to Veterinary Department,

P.O. Box 30-10100, Nyeri,

Telephone: 020 200 4664.

Email: nyeri@ipoa.go.ke

Kakamega:

Daaron Foundation Trust Building, Opposite

Nala Community Hospital,

P.O. Box 1642-50100, Kakamega,

Telephone: 020 440 3549.

Email: kakamega@ipoa.go.ke

Eldoret:

Kerio Valley Development Authority (KVDA)

Annex Plaza,

P.O. Box 109-30100, Eldoret,

Telephone: 020 440 3548.

Email: eldoret@ipoa.go.ke

f) IPOA Bankers

The Central Bank of Kenya,
Haile Selassie Avenue Street,
P O Box 60000, 00200 City Square,
Tel: 2860 000,
NAIROBI. KENYA

The National Bank of Kenya,
Hill Branch,
NHIF Building,
NAIROBI. KENYA

The Co-operative Bank of Kenya Ltd,
Co-operative House Branch,
Haile Selassie Avenue,
P.O. Box 48231 -00100 GPO,
NAIROBI. KENYA

g) Independent Auditors

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

h) Principal Legal Adviser

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

2. FOREWORD BY THE BOARD CHAIRPERSON

On behalf of the Board, Management and Staff, I am pleased to present the Independent Policing Oversight Authority’s Financial Statements for the year ended 30th June 2021.

The National Treasury revised downward the Authority’s budget by Kshs. 74,900,000 from Kshs. 862,628,000 to Kshs. 787,728,000 in the Supplementary Estimates I and II due to low revenue collection occasioned by negative effects of Covid-19 pandemic. The Authority further received Kshs. 1,045,209 from the Danish Institute of Human Rights for specialized training of the technical officers. The overall revised budget inclusive of foreign grants as at 30th June 2021 was Kshs. 788,773,209.

During the period under review, the Authority received Kshs. 775,021,985 (96%) from the exchequer out of the Kshs. 787,728,000 approved recurrent budget estimates and recorded a total expenditure of Kshs. 774,951,457 representing an absorption 98% of the total budget, as compared to 96% recorded during the 2019/20 financial year. Included in the total expenditure of Kshs. 774,951,457 is Kshs. 487,897,590 (100%) on compensation of employees; Kshs. 249,683,031 (96%) on use goods and services; Kshs. 11,226,328(100%) on social security benefits; and Kshs. 26,144,508 (92%) on acquisition of assets as illustrated below;

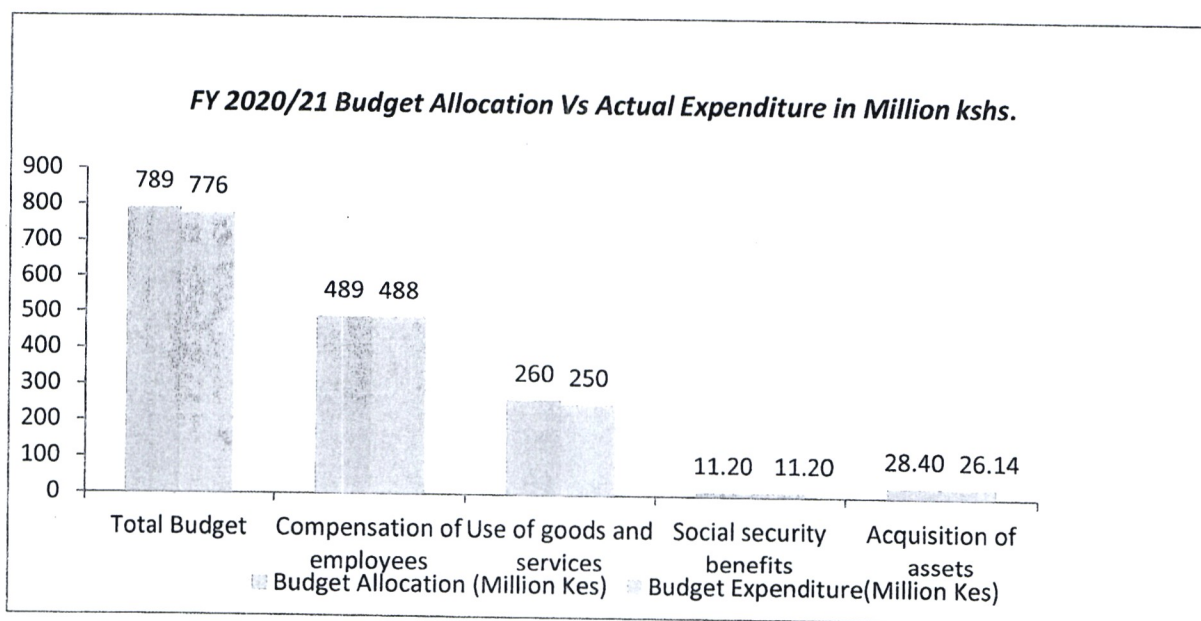
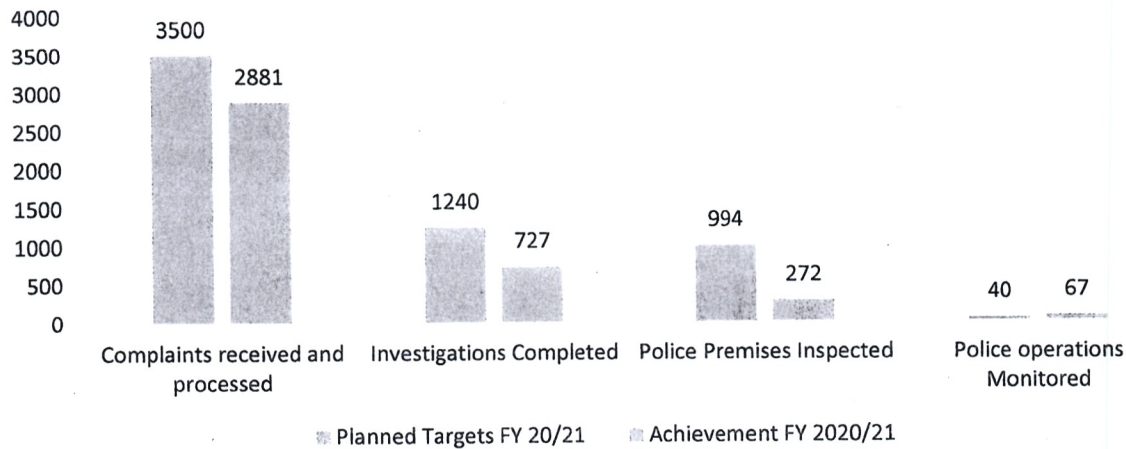


Figure 1: FY 2020/21 Budget Allocation Vs Actual Expenditure in Million kshs.

During the period, the Authority received and processed 2,881 complaints, conducted 272 inspections in police facilities, monitored 67 police operations (including enforcements during by-elections, government-initiated operations, public order management, beats and patrols) and completed 727 investigation cases. The Authority submitted 148 investigation files to the Office of the Director of Public Prosecutions for action. Additionally, 93 investigation cases files are before courts and 4 convictions were made during the period under review. To facilitate efficient receipt and processing of complaints, the Authority established a Toll-Free Call Centre on the Safaricom and Air tel mobile platform.

Below is the graphical presentation of the projected performance against actual achievement based on the key performance indicators for the period under review.

FY 2020/21 Planned Targets versus Achievement



In the year under review the Authority operationalised the IPOA Staff Mortgage and Car Loans Scheme, with a seed capital of Kshs. 24 Million. As at 30th June 2021, 50% of the seed capital had been committed to staff for purchase of cars and houses. This was aimed at attraction and retention of staff.

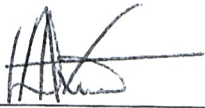
Since inception in 2012, a substantial number of received complaints are at the investigations stage and before court. For efficient management of these cases, a strategic intervention is desirable to mobilise resources specifically for funding witnesses during investigation and court attendance. Such resources should be shielded against budget cuts. The Authority expresses its gratitude to the National Treasury and Parliament for continued support. It is our prayer that the annual budget allocation will be increased to provide for the increasing high costs associated with investigation of cases and mobilisation of witnesses to attend court and testify.

To manage its risk profile, the Authority maintains the Enterprise Risk Management Framework to protect itself against potential loss of resources, inaccurate reporting besides operational and legal risks. In addition, the Authority’s budget is aligned to the Strategic Plan, annual work and procurement plans. Further IPOA has put in place robust mechanisms for budget approvals and utilization.

The key challenges faced by the Authority in implementing its targets during this period were budget cuts of Ksh. 74.9m and the Covid 19 pandemic which adversely affected the Authority’s operations. In addition, the Covid 19 State containment measures posed a new challenge on police oversight. To address the above challenges, safeguard and expand the budget, the Authority will continue engaging the National Assembly, Cabinet and National Treasury. To address the effects of Covid 19, the Authority also ensured IPOA technical staff were provided with laptops to enable remote working and internal and external virtual meetings. The Authority further established and equipped a call centre for receiving complaints.

The Authority appreciates its key stakeholders including; the Ministry of Interior and Coordination of National Government, the Office of Director of Public Prosecutions, the Judiciary, Kenya National Commission on Human Rights, Ethics and Anti-Corruption Commission, Commission on Administrative Justice, National Police Service, National Police Service Commission, Witness Protection Agency, and non-state actors for the continued support and cooperation. Lastly, the Authority

acknowledges the support and role played by its development partners towards the realization of policing oversight and police reform agenda in Kenya.



Anne Makori

21st September 2021

3. STATEMENT OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the National government entity's performance against predetermined objectives.

The achievements reported herein are in line with the Authority's five-year strategic plan for 2019 - 2024 whose overall objective is to promote public trust and confidence in the National Police Service by conducting independent and impartial investigations, inspections, audits and monitoring of the National Police Service to enhance professionalism and discipline of the Service.

The following are the strategic objectives in the Strategic Plan;

- 1) Build public confidence and trust in policing - prevention of police misconduct, effective complaints management, enhance compliance with legal framework, and enhance monitoring, review and audit the functions of the Internal Affairs Unit of the National Police Service;
- 2) Enhance compliance with human rights standards and fundamental freedoms - investigations of police misconduct, and strengthen inspection of police premises and detention facilities;
- 3) Strengthen cooperation with and complement state and non-state actors - enhance cooperation, and complementarity;
- 4) Generate knowledge for evidence-based policy, strategy and decision making - strengthen research and enhance sharing of research outputs;
- 5) Facilitate utilization of knowledge for evidence-based, strategy and decision making - enhance uptake of research findings and recommendations, and institutionalize information management;
- 6) Promote corporate governance - enhance Board and management capacity, visibility and corporate image, and improve the level of service delivery to the public, and enhance risk management and audit;
- 7) Strengthen human resource capacity - align HR practice to policy, legal framework and best practice, strengthen organizational learning and development, enhance employee performance management system, improve and support employee welfare, and enhance work environment; and
- 8) Ensure institutional financial sustainability - enhance resource mobilization, and resource management.

Progress on attainment of Strategic Objectives

The table below highlights the progress on attainment of targets during the reporting period;

MDA Program	Objective	Outcome	Indicator	Actual Performance FY 2020/21
Police oversight services	To promote public trust and confidence in the National Police Service.	Enhanced police accountability.	Number of complaints received and processed.	2,881
			Number of investigations completed.	727
			Number of files submitted to the ODPP for further action.	148
			Cases before courts	98
			Convictions made in favour of IPOA	4
			Number of police facilities and premises inspected.	272
			Number of police operations monitored.	67
		Stakeholder Cooperation and Complementarity strengthened.	Number of consultative meetings held with external stakeholders.	10 ¹
			Publish IPOA performance reports and other thematic reports.	2 bi-annual, 1 annual report were published and disseminated to the various stakeholders
		Enhanced Research and Information Management.	Establishment of a call centre to facilitate toll free lodging of complaints through a toll-free line.	Toll Free Call Centre became fully operational (Code 1559)
	Conduct studies on thematic issues.	Conducted three (3) studies on; a) trends and patterns of police misconduct between 2012-2019, b) Tracking implementation recommendations given to NPS by IPOA c) Murder and Suicide in the NPS		

Police reforms working group, Bail and bonds implementation committee to develop bail and bonds training manual and training of TOT, National Commission on Administrative Justice (NCAJ) - Enhance criminal justice system, Development of the Standard Operating Procedures on Investigation and Prosecution of Serious Human Rights Violations by Police Officers organised by ODPP, Staff training on victim empowerment supported by APCOF, Consultative meetings with US Embassy led to donation of ICT, investigation and inspection Equipment, Consultative meetings with GIZ led to donation of ICT equipment and technical training, Consultative meetings with Coffey International led to facilitation to develop and print IEC materials.

Other stakeholder engagements included various outreach activities targeting the public and police officers to enhance Authority's visibility were held in various Counties.

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

MDA Program	Objective	Outcome	Indicator	Actual Performance FY 2020/21
		Institutional capacity strengthened.	Staff members facilitated to undertake various courses.	164 officers attended training and development programmes funded by the Authority and development partners.
			Mortgage and car loan scheme established and operationalized.	Established with a seed capital of Kshs. 24 million and six officers have so far applied for the loans and mortgage worth 18.5 million.
			Proportion of funds absorbed.	Absorbed Kshs. 779M (98%) of the approved budget of Kshs. 786M for the FY 2020/21.

Below is the trend analysis on progress on attainment key performance indicators for the FY 2019/2020 and 2020/2021

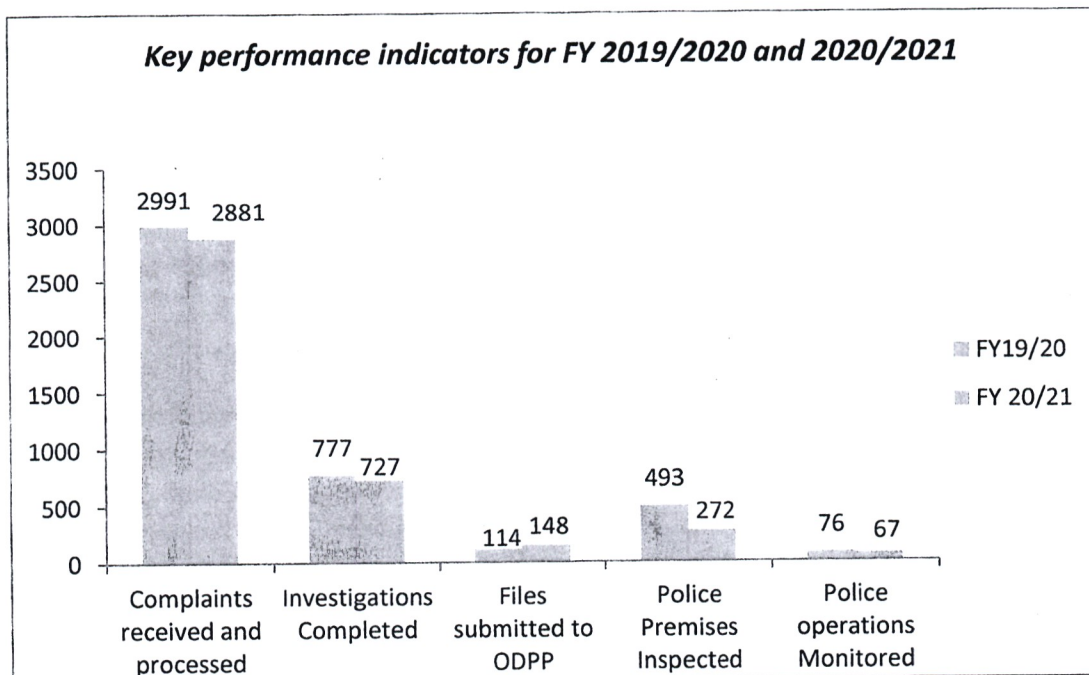


Figure: Graphical presentation of key performance indicators for FY 2019/2020 and 2020/2021

4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/ SUSTAINABILITY

Below is a highlight of the sustainability activities conducted during the Financial Year:

1. Sustainability Strategy and Profile

IPOA's Strategic Plan prioritizes institutional capacity as a critical key result area. This seeks to promote corporate governance, strengthen human resource capacity and ensure institutional financial sustainability. It also aims at strengthening of business systems and internal processes to ensure quality and sustainable focus of all its programmes and activities on professional policing.

The Authority has continued to make sustainable and business continuity efforts to ensure that the institution remains a going concern. Such efforts have included reaching out to the National Assembly and the National Treasury for enhanced annual budgets to sustain operations, and implementation of its mandate. Further, the Authority has engaged development partners to provide technical support in form of ICT equipment and training.

For five consecutive financial years, the Authority has received Financial Reporting (FiRe) Award in the Constitutional Commissions and Independent under IPSAs cash accounting category.

So far, the Authority has recorded 12 successful convictions of police officers, 3 of which have received the highest penalty of death sentence. Currently, the Authority has over 90 ongoing cases before the Courts against offending police officers.

To serve the public effectively, the Authority has established 8 regional offices in Mombasa, Kisumu, Garissa, Meru, Nyeri, Nakuru, Eldoret and Kakamega with over 100 officers deployed across these stations to enable them execute the Authority's mandate at the local level. The Authority plans to establish 2 additional regional offices, and is also exploring the option of deploying its services at the Huduma Centres across the country.

2. Environmental Performance

The Authority is guided by the Environmental Management and Co-ordination Act No. 8 of 1999 (EMCA). Most of its processes are automated through the robust Enterprise Content Management (ECM) system with connectivity to all the Authority's eight regional offices to maintain a paperless office. In addition, the Authority ensures safe disposal of waste by depositing all waste material including e-waste.

3. Employee Welfare

The Authority's recruitment process is guided by PSC HR guidelines and its internal Human Resource Policies and Procedures Manual. The basis of appointments and promotions is fair competition and merit while considering representation of Kenya's diverse communities, regional balance and marginalized groups in particular women and persons with disability. The Authority's current establishment has employees from nearly all ethnic groups in Kenya and the women representation is above the statutory 30%. The Authority has also recruited 5 Persons with Disabilities (PWDs). The Authority also pays close attention to diversity and inclusivity through regular review of the staff compliment to ensure the 2/3 gender rule is complied with across all cadres. Regional balance is also maintained and PWDs are accorded the opportunity for employment.

The Authority has continued to support the established IPOA Staff Welfare Schemes which includes pension scheme, the IPOA Sacco Cooperative Society, the IPOA staff Welfare Association and IPOAs

staff car loan and mortgage through monthly check off deductions from the employee's payroll. In the current financial year, four employees were given loans for purchase of cars and houses. The scheme is being managed by the Cooperative bank of Kenya, and currently has a fund of Kshs. 24m. The Authority is making efforts to reach out to the National Assembly and National Treasury for enhancement of the Scheme's fund to benefit a large number of employees. The Authority also has a comprehensive staff medical scheme and a group life and WIBA insurance for its employees.

The Authority offers its employees with socio-psycho counselling services, particularly the investigators who attend crime scenes and postmortem examinations to manage stress and trauma associated with their work. The Authority has thus established a counselling unit with two counsellors who brief and debrief the officers before and after such strenuous and stressful activities.

The Authority made budget provisions for staff training and development and engaged development partners who funded the employee trainings particularly in the technical area of investigation, monitoring and inspections. The employees training needs were identified during the annual staff performance appraisal arising from the performance gaps on particular soft and technical skills noticed in the current job or for future career advancements. Officers undertaking self-sponsored courses were given study leaves to sit for their examinations for courses approved by the Authority as bearing relevance for their career growth and development. Coaching and mentorship is also embraced within the institution where new employees and interns are assigned mentors to guide them in performance of their duties.

The Authority has institutionalized a hybrid performance management system which integrates the Result Based Approach (Performance Monitoring and Evaluation Sub-System (PMESS) and Performance Appraisal Sub-System (PASS). This is anchored on Balance Score Card perspective with a view to cascading corporate strategic objectives to all performance levels. The Authority 's strategic plan is cascaded to individual employees through individual annual work plans and at the close of the year the employee's performance is measured against the set targets in the Individual annual work plan to determine progress. On appointment all new employees set target with their supervisors on reporting so as assist in monitoring their performance during their probationary service. The Authority also has guidelines on performance improvement plan to be applied in cases where there is unsatisfactory performance.

In section 13 of the IPOA Human Resource Policies and Procedures Manual, IPOA recognizes and commits itself to the achievement of the highest practical standards of healthy working environment at the workplace as required by Occupational Safety and Health Act, 2007 and other Labour Laws. The Authority has established a Safety, Health and Environment Committee and registered all its workplaces with the Directorate of Occupational Health and Safety. The Authority has also taken WIBA Plus (Group Personal Accident) Insurance Cover to guard against risks associated with occupational injuries, illnesses or fatalities. In addition, the Authority has installed first aid facilities in all its offices, and offered officers with training on first aid. The Authority has further installed fire-fighting equipment within all its offices, and trained fire marshals.

4. Market Place Practices

- a) *Responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors*

The Authority ensures free and fair competition by adhering to the government procurement laws and procedures provided in the Public Procurement and Asset Disposal Act 2015 and Public Procurement and Asset Disposal Regulations 2020 as follows;

(i) All goods and services are procured openly, and contracts are awarded to the most responsive bidder
(ii) When using Request for Quotations (RFQ) procurement method, the Authority ensures suppliers in the prequalified and registered lists are rotated, as necessary, so that each supplier gets a chance to do business with the Authority

(iii) The Authority reserved 30% of the procurement budget for procurable goods and services to Youth, Women and People with Disability and report the same to PPRA as required under section 157 (12) & (13), of the public procurement and Asset Disposal Act, 2015

(iv) All suppliers tendering for goods and services at IPOA must complete and sign Tender Self Declaration Forms – SD1 & SD2, as required under Regulation 47 of Public Procurement Regulation 2020 to state that they (Suppliers) are not barred from participating in public procurement and that they will not engage in any corruption malpractices and

(v) Must all complete and sign the Tender Securing Declaration Form as required under Regulation 146 & 155(2) of the Public Procurement Regulations 2020, to confirm their commitment to the procurement entity and to adhere to the procurement laws and rules.

(vi) The Accounting Officer appoints Tender Opening & Tender Evaluation Committees for each procurement in total compliance to sections 78(1) and 46(1) of the public procurement and asset disposal Act 2015 to ensure tenders are processed as per the criteria specified in the tender documents and the procurement process is free and fair.

b) Responsible Supply chain and supplier relations - good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices

The Authority maintains responsible supply chain and supplier relations by ensuring that procurement of goods and services is done in a fair, equitable, transparent, competitive and cost-effective manner as required by Article 227 (1) of the Constitution and also ensures that contracts are signed between the Authority and the suppliers after a complete procurement process has been conducted and executed as required without any delay.

The Authority inspects all supplies for goods, works and services on delivery and once accepted are paid for promptly within 30 days from the date of acceptance. The Authority maintains a cordial business relationship with all its suppliers and service providers, and engages them frequently to review performance and update on payments. For instance, where due to unavoidable circumstances the Authority is not able to pay within the agreed credit period for instance due to IFMIS challenges or delay in exchequer release by the National Treasury, the circumstances are made known to the suppliers. So far, the Authority has had no legal dispute with any of its suppliers since inception Authority's pending bills for the reporting period were 0.0067% of the approved budget compared to 5% allowed by the PFM Act.

c) Responsible marketing and advertisement - efforts to maintain ethical marketing practices

To ensure responsible marketing practices and to achieve value for money among other requirements, the Authority advertises its tenders in the print media and other dedicated state-owned portals to invite

for bids from interested and qualified suppliers of various goods, works and services, as required under section 91 & 93 of the Public Procurement and Asset Disposal Act, 2015.

The Authority has also developed Communication and Outreach Departmental Work Processes and Procedures Manual, a Communication Policy and a Communication Strategy which are all geared towards ensuring that the Authority's communication, advertisement and branding efforts are done within ethical and lawful practices.

The Authority through its procurement departments conducts periodical market surveys to ensure goods, works and services are procured at the prevailing market rates. The prevailing markets rates/price are conducted through market surveys and also from Public Procurement Regulatory Authority (PPRA) market index.

d) Product stewardship - efforts to safeguard consumer rights and interests

The Authority has elaborate quality assurance strategies to ensure quality services are delivered to its clients and consumer rights and interests are protected and safeguarded. For instance, the accounting officer appointed inspection and acceptance committee pursuant to the provisions of section 48(1) of the Public Procurement and Asset Disposal Act 2015 to ensure that among other things the supplied goods conform to the required specifications and that the goods comply with the standards of Kenya Bureau of Standards (KEBS). The Authority also has a standing committee to ensure that the offices are compliant with requirements of Occupational, Safety and Health Act (OSHA) to safeguard the interest of staff and clients. All the Authority's employees have signed the oath of secrecy to protect confidential information and data that they come across in the course of their work.

5. Community Engagements

To enhance community engagements, the Authority has developed a robust communication and outreach strategy that seeks to empower the public with information and education about their rights as envisioned in the constitutional bill of rights. To date, IPOA has visited over 75% of the counties in Kenya promoting cordial police/public social relationships and professional policing practice through capacity building of police officers on responsible and lawful policing. During these engagements, IPOA gave out information, education and communication (IEC) materials for sustained messaging. The impact of these community social investment programmes has seen increased police professionalism, police accountability and responsible citizenry.

The Authority has established a counselling unit which offers free psycho-socio services to the complainants who have gone through traumatic experiences in the hands of the police. This support assists the complainants in recovery. It also enables them to record quality statements to facilitate investigations.

During the period under review, the Authority participated in development of the Decision to Charge Guidelines. In addition, the Authority conducted participatory community outreach to educate the public and police officers on their policing rights and to collect public feedback for decision-making, policy formulation and to enhance operations.

5. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.


The Accounting Officer in-charge of the Independent Policing Oversight Authority (IPOA) is responsible for the preparation and presentation of the Authority's financial statements, which give a true and fair view of the state of affairs of the Authority for and as at the end of the financial year ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of IPOA 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 Authority; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in-charge of IPOA accepts responsibility for the Authority'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 Authority's financial statements give a true and fair view of the state of IPOA's transactions during the financial year ended June 30, 2021, and of the Authority's financial position as at that date. The Accounting Officer in-charge of the Independent Policing Oversight Authority further confirms the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the Authority's financial statements as well as the adequacy of the systems of internal financial control.


The Accounting Officer in charge of IPOA confirms that the Authority has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Authority'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 Authority'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 Authority's financial statements were approved and signed by the Accounting Officer on **21st September 2021**



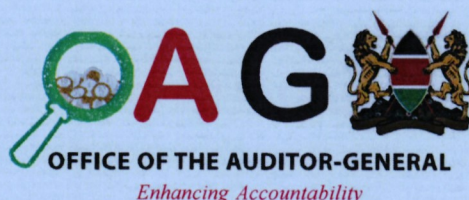
Elema Halake Harbale
Accounting Officer/Ag.CEO



Eunice Juma
Director Business Services (ICPAK Member No.8567)

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON INDEPENDENT POLICING OVERSIGHT AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Independent Policing Oversight Authority set out on pages 28 to 51, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows

and summary statements of appropriation - recurrent, development and combined for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Independent Policing Oversight Authority as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Authority's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Independent Policing Oversight Authority to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Authority to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Independent Policing Oversight Authority to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 January, 2022


INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

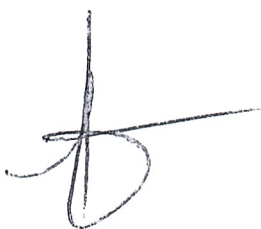
7. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH
JUNE 2021

	Note	2020/2021 Kshs.	2019/2020 Kshs.
RECEIPTS			
Proceeds from Domestic and Foreign grants	1	1,045,209	-
Exchequer releases	2	775,021,985	787,702,347
TOTAL RECEIPTS		776,067,194	787,702,347
PAYMENTS			
Compensation of employees	3	487,897,590	448,248,206
Use of goods and services	4	249,683,031	259,467,883
Social security benefits	5	11,226,328	6,068,532
Acquisition of assets	6	26,144,508	72,625,112
TOTAL PAYMENTS		774,951,457	786,409,733
SURPLUS/(DEFICIT)		1,115,737	1,292,614

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The financial statements were approved on 21st September 2021 and signed by:


Elema Halake Harbale
Accounting Officer/Ag.CEO


Eunice Juma
Director Business Services (ICPAK Member No.8567)

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021


8. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2021

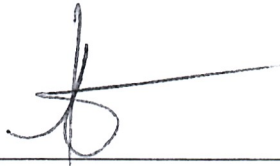
		2020/2021	2019/2020
	Note	Kshs.	Kshs.
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank balances	7	6,128,978	30,571,412
Total Cash and Cash Equivalents		6,128,978	30,571,412
Accounts Receivable	8	1,000,000	-
TOTAL FINANCIAL ASSETS		7,128,978	30,571,412
LESS: FINANCIAL LIABILITIES			
Accounts payables			
Deposits-Third party payments	9	6,013,241	5,278,798
Staff car loan and Mortgages		-	24,000,000
NET FINANCIAL ASSETS		1,115,737	1,292,614
REPRESENTED BY:			
Fund balance brought forward	10	1,292,614	15,304,651
Adjusted for: Returns to Exchequer	11	(1,292,614)	(15,304,651)
Surplus/(Deficit) for the year*		1,115,737	1,292,614
NET FINANCIAL POSITION		1,115,737	1,292,614

**An amount of Kshs. 1,115,737 being the unutilized funds during the year was returned to the exchequer after the end of the financial year.*

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The financial statements were approved on **21st September 2021** and signed by:


Elema Halake Harbale
Accounting Officer/Ag.CEO



Eunice Juma
Director Business Services (ICPAK Member No.8567)

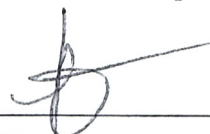
INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

9. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2021

		2020/2021	2019/2020
	Note	Kshs.	Kshs.
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Proceeds from Domestic and Foreign Grants	1	1,045,209	-
Exchequer releases from the National Treasury	2	775,021,985	787,702,347
Total Receipts for operating income		776,067,194	787,702,347
Payments for operating expenses			
Compensation of employees	3	(487,897,590)	(448,248,206)
Use of goods and services	4	(249,683,031)	(259,467,883)
Social Security Benefits	5	(11,226,328)	(6,068,532)
Adjusted for:			
Changes in receivables		(1,000,000)	-
Changes in accounts payables		(23,265,557)	-
Returns to Exchequer		(1,292,614)	(15,304,651)
Net cash flow from operating activities		1,702,074	58,613,075
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of assets	6	(26,144,508)	(72,625,112)
Net cash flows from investing activities		(26,144,508)	(72,625,112)
CASH FLOW FROM BORROWING ACTIVITIES			
Domestic currency/domestic deposits (A/cs payable)		-	25,649,360
Net cash flow from financing activities		-	25,649,360
NET INCREASE IN CASH & CASH EQUIVALENT		(24,442,434)	11,637,323
Cash and cash equivalent at BEGINNING of the year		30,571,412	18,934,089
Cash and cash equivalent at END of the year		6,128,978	30,571,412

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 21st September 2021 and signed by:


Elema Halake Harbale
Accounting Officer/Ag.CEO


Eunice Juma
Director Business Services (ICPAK Member No.8567)

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

10. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT
COMBINED

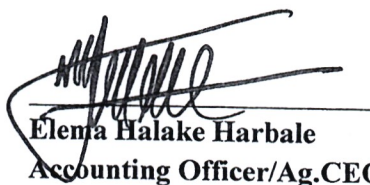
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C = a+b	d	e = c - d	f = d/c %
RECEIPTS						
Exchequer releases from the National Treasury	862,628,000	(74,900,000)	787,728,000	775,021,985	12,706,015	98%
Proceeds from Domestic and Foreign Grants	1,045,209	-	1,045,209	1,045,209	-	100%
TOTAL RECEIPTS	863,673,209	(74,900,000)	788,773,209	776,067,194	12,706,015	98%
PAYMENTS						
Compensation of employees	499,370,000	(10,400,000)	488,970,000	487,897,590	1,072,410	100%
Use of goods and services	302,153,209	(41,963,465)	260,189,744	249,683,031	10,506,713	96%
Social security benefits	15,000,000	(3,773,000)	11,227,000	11,226,328	672	100%
Acquisition of assets	47,150,000	(18,763,535)	28,386,465	26,144,508	2,241,957	92%
TOTALS PAYMENTS	863,673,209	(74,900,000)	788,773,209	774,951,457	13,821,752	98%

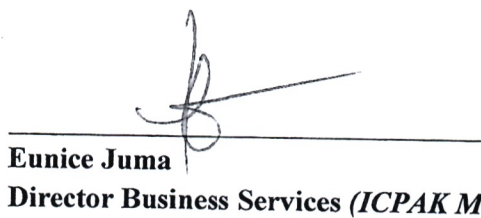
Notes:

- IPOA had no AIA during the reporting period.
- The Authority's overall absorption rate was 98%. There was no significant underutilization of the budget (below 90%)

The changes of Kshs. 74,900,000 between the original budget and the final budget resulted from budget cuts in the budget Supplementary Estimates 1 and 11.

The financial statements were approved on **21st September 2021** and signed by:


Elena Halake Harbale
Accounting Officer/Ag.CEO


Eunice Juma
Director Business Services (ICPAK Member No.8567)

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

11. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT


Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C = a+b	d	e = c - d	f = d/c %
RECEIPTS						
Exchequer releases from the National Treasury	862,628,000	(74,900,000)	787,728,000	775,021,985	12,706,015	98%
Proceeds from Domestic and Foreign Grants	1,045,209	-	1,045,209	1,045,209	-	100%
TOTAL RECEIPTS	863,673,209	(74,900,000)	788,773,209	776,067,194	12,706,015	98%
PAYMENTS						
Compensation of employees	499,370,000	(10,400,000)	488,970,000	487,897,590	1,072,410	100%
Use of goods and services	302,153,209	(41,963,465)	260,189,744	249,683,031	10,506,713	96%
Social security benefits	15,000,000	(3,773,000)	11,227,000	11,226,328	672	100%
Acquisition of assets	47,150,000	(18,763,535)	28,386,465	26,144,508	2,241,957	92%
TOTALS PAYMENTS	863,673,209	(74,900,000)	788,773,209	774,951,457	13,821,752	98%
Surplus/(Deficit)	-	-	-	1,115,737		

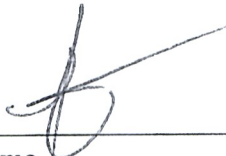
Notes:

- (a) IPOA did not have AIA during the reporting period.
(b) The Authority's overall budget absorption rate was 98% and there was no significant underutilization of below 90%.

The changes of Kshs. 74,900,000 between the original budget and the final budget resulted from budget cuts in the budget Supplementary Estimates 1 and 11.

The financial statements were approved on **21st September 2021** and signed by:


Elema Halake Harbale
Accounting Officer/Ag.CEO


Eunice Juma
Director Business Services (ICPAK Member No.8567)

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

12. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

The Authority did not have a development budget in the reporting period.


13. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES


Programme/Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
Programme 1: Policing Oversight Services					
Sub-Programme 1: Policing Oversight Services	863,673,209	(74,900,000)	788,773,209	774,951,457	13,821,752
Total	863,673,209	(74,900,000)	788,773,209	774,951,457	13,821,752

Notes:

- The Authority has only one Programme - Policing Oversight Services.
- The Authority's original approved GOK budget was Kshs. 862,628,000. However, the budget was revised downwards by Kshs. 74,900,000 to Kshs. 787,728,000 during Supplementary Estimates I & II.
- During the financial year, the Authority received Kshs. 1,045,209 from the Danish Institute of Human Rights for daily subsistence allowance of officers attending the specialized training on witness empowerment.
- The Overall revised budget for the Authority inclusive of foreign grants was Kshs. 788,773,209.
- The total expenditure during the period amounted to Kshs. 774,951,457 and only Kshs. 13,821,752 (2% of the total revised budget) was not utilised due to delay in procurement of stationery and equipment's for office use.

The financial statements were approved on **21st September 2021** and signed


Elena Halake Harbale
Accounting Officer/Ag.CEO


Eunice Juma
Director Business Services (ICPAK Member No.8567)

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

14. SIGNIFICANT ACCOUNTING POLICIES

The principal 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 Cash Basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy notes below. In addition, the financial statements are in compliance with the Public Finance Management Act, 2012, Public Finance Management Act Regulations, 2015, Public Audit Act, 2015, and in line with the requirements of IPOA Act, 2011. This cash basis of accounting has been supplemented with accounting for: (a) receivables that include imprest and salary advances and (b) payables that include deposits and retentions.

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

2. Reporting Entity

The financial statements are for the **Independent Policing Oversight Authority (IPOA)**. The financial statements encompass the entity as specified under section 81 of the PFM Act 2012.

The Authority did not implement any development projects during the reporting period.

3. Reporting Currency

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

4. Significant Accounting Policies

The Accounting policies set out in this section have been consistently applied to all years presented.

a) Recognition of Receipts

The Authority recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Authority.

(i) Transfers from the Exchequer:

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

(ii) External Assistance

The Authority received external assistance through grants from multilateral and bilateral development partners.

The Authority recognises grants and loans in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

SIGNIFICANT ACCOUNTING POLICIES (Continued)

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criterion is applied for loans received in the form of a direct payment.

During the year ended 30th June 2021, there were no instances of non-compliance with the terms and conditions which have resulted in cancellation of external assistance.

(iii) Other receipts

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

b) Recognition of payments:

The Authority recognises all expenses when the event occurs and the related cash has actually been paid out by the Authority.

(i) Compensation of employees

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

(ii) Use of goods and services:

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

(iii) Interest on borrowing

The Authority has no loans.

(iv) Repayments of borrowing (Principal Amount)

The Authority has no loans.

(v) Acquisition of fixed assets

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

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

5. In-Kind Contributions

In-kind contributions are donations that are made to the Authority 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

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

SIGNIFICANT ACCOUNTING POLICIES (Continued)

determined, the Authority 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.

6. Third Party Payments

The Authority had no third-party payments in the reporting period.

7. Cash and Cash Equivalents

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

a) Restriction on Cash:

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

Amounts maintained in the deposit bank account are restricted for use in refunding third party deposits. As at 30th June 2021, this amounted to Kshs. 6,013,241 compared to Kshs. 5,278,798 in prior period as indicated on note 7. The other restriction on cash during the year was IPOA staff car loan and mortgage fund amounting to Kshs. 21,599,520 held at Co-operative Bank of Kenya.

8. Accounts Receivable

For the purposes of these financial statements, imprest and advances to authorized 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.

9. Accounts Payable

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

10. 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 Authority at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The Authority's budget was approved by parliament in **June 2020** for the period 1st July 2020 to 30th June 2021 as required by Law and there were two supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: (i) restating the comparative amounts for prior period(s) presented in which the error occurred; or (ii) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented. During the year, there were no material errors corrected.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

16. Contingent Liabilities

Section 148 (9) of the PFM Act regulations 2015 requires the Accounting officer of a National Government entity to report on the payments made, or losses incurred, by the National Government entity to meet contingent liabilities as a result of loans during the financial year.

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, The Authority does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. There were no contingent liabilities in the year.

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

15. NOTES TO THE FINANCIAL STATEMENTS

1. Proceeds from Domestic and Foreign Grants

Name of Donor	Date received	Indicate whether it was a direct payment	Amount in foreign currency	2020-2021	2019-2020
				Kshs	Kshs
Grants Received from Multilateral Donors (International Organizations)					
Danish Institute of Human rights	04/02/2021	-	-	1,045,209	-
Total			-	1,045,209	-

2. Exchequer Releases

	2020/2021	2019/2020
	Kshs.	Kshs.
Total Exchequer Releases for Quarter 1	224,967,665	194,588,115
Total Exchequer Releases for Quarter 2	185,632,170	160,838,952
Total Exchequer Releases for Quarter 3	158,890,481	222,016,368
Total Exchequer Releases for Quarter 4	205,531,669	210,258,912
Total	775,021,985	787,702,347

The initial budgeted exchequer was Kshs. 862,628,000. However, it was reduced downwards by Kshs. 74,900,000 in supplementary estimates I & II to Kshs. 787,728,000 and the actual exchequer received during the financial year amounted to Kshs. 775,021,985. The difference of Kshs. 13,845,639 was not requisitioned from exchequer due to controlled access of the budget lines and early closure of the e-procurement module.

The exchequer releases in the FY 2020/21 reduced by Kshs. 12,680,362 compared to FY 2019/20 due to a decrease in budget. The approved budget in the FY 2020/21 was Kshs. 819,933,966 compared to Kshs. 787,728,000 in FY 2019/20.

3. Compensation of Employees

	2020-2021	2019-2020
	Kshs	Kshs
Basic salaries of permanent employees	331,092,907	284,492,985
Basic wages of temporary employees	2,633,660	878,633
Personal allowances paid as part of salary	106,151,277	100,437,123
Employer Contributions Compulsory National Social Security Schemes	1,124,800	1,039,800
Employer Contributions Compulsory national health insurance schemes	4,482,600	4,144,200
Staff Pension and other social security contribution	42,412,346	57,255,465
Total	487,897,590	448,248,206

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS(Continued)

Expenditure on compensation of employees increased by Kshs. 39,649,384 in FY 2020/21 due to annual salary increment and personnel emoluments for additional drivers on secondment from the Ministry of Interior, recruitment for replacement of technical officers who exited the Authority.

4. Use of Goods and Services

	2020/21	2019/2020
	Kshs.	Kshs.
Utilities	1,295,102	706,342
Communication, supplies and services	12,214,208	8,934,514
Domestic travel and subsistence	29,012,748	29,137,063
Foreign travel and subsistence	-	1,977,006
Printing, advertising/inform supplies & services	3,191,140	7,284,813
Rentals of produced assets	68,494,029	73,405,626
Training expenses	2,606,466	3,514,200
Hospitality supplies and Services	6,990,718	12,209,036
Insurance costs	74,284,740	58,538,353
Office and general supplies and services	5,113,614	8,689,712
Other operating expenses	26,779,929	33,187,884
Routine maintenance – motor vehicles	10,428,717	8,210,707
Fuel oil and lubricants	7,803,359	9,916,477
Routine maintenance – other assets	1,468,261	3,756,150
Total	249,683,031	259,467,883

Included in FY 2020-21 Domestic travel and subsistence allowance expenditure is Kshs. 1,045,209 donations from the Danish Institute of Human Rights. The funds were utilized to pay per diems for officers attending the specialized training on witness empowerment

5. Social Security Benefits

	2020/21	2019/2020
		Kshs.
Government pension and retirement benefits -Gratuity	11,226,328	6,068,532
Total	11,226,328	6,068,532

The social security benefits indicated above is gratuity paid to officers in Grade 1-3 whose contracts expired and were due for renewal and those who exited before expiry of their contracts. In FY 2020-21 and FY2019-20 we paid four and three officers respectively.

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS(Continued)

6. Acquisition of Assets

Non -Financial Assets	2020-2021	2019-2020
	Kshs	Kshs
Refurbishment of Buildings	25,128,888	1,455,000
Purchase of Motor Vehicles and Other Transport Equipment	-	46,626,000
Purchase of Office Furniture and General Equipment	1,015,620	494,000
Purchase of Specialized Plant, Equipment and Machinery	-	50,112
Sub-total	26,144,508	48,625,112
Financial Assets		
Housing Loans to Public Servants (Staff car loan & Mortgages	-	24,000,000
Sub-total	-	24,000,000
Total	26,144,508	72,625,112

In FY 2020/21, the Authority paid Kshs. 25Million for the ongoing refurbishment of IPOA regional offices in Nakuru and Eldoret offices.

In the prior year, the cost of acquisition of assets was higher compared to the current financial year by Kshs. 46,480,604. We procured five motor vehicles out of which three were for the commissioners and two for operations in the regional offices. Also, the Authority operationalised the staff car loan and mortgage with a seed capital of Kshs.24Million.

7. A: Bank Accounts

Name of Bank, Account No. & currency	Amount in Bank account currency	Type of Account	2020/21	2019/2020
			Kshs.	Kshs.
Central Bank of Kenya, Account No. 1000181559	Kshs.	Recurrent	115,737	1,292,614
Central Bank of Kenya 165, Account No. 1000182717	Kshs.	CBK165	-	-
Central Bank of Kenya, Account No. 1000182393	Kshs.	Deposit	6,013,241	5,278,798
National Bank of Kenya, Account No. 001094661400	Kshs.	Current	-	-
Co-operative Bank of Kenya, Account No.01141865999900*	Kshs.	Fund	-	24,000,000
Total	Kshs.		6,128,978	30,571,412

7 B: Cash in Hand

The Authority did not maintain cash in the year under review.

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.Accounts Receivable

<i>Description</i>	2020-2021	2019-2020
	Kshs	Kshs
Salary advances	1,000,000	-
Total	1,000,000	-

Include a breakdown of the outstanding advances

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
Hon. John Muriithi Waiganjo	26/11/2020	500,000	-	500,000
Dr. Jonathan Lodompui	03/12/2020	500,000	-	500,000
Total		1,000,000		1,000,000

9.Accounts Payable

<i>Description</i>	2020/2021	2019/2020
	Kshs.	Kshs.
Retention – Office Refurbishment	5,203,441	4,713,598
Deposits – IPOA Staff Welfare	809,800	565,200
Staff Mortgage and Car Loans Scheme	-	24,000,000
Total	6,013,241	29,278,798

The Authority has established a staff welfare. The staff monthly contributions to the welfare deducted from staff through the payroll are transferred to the Deposit Account awaiting the Welfare to open its bank account.

10.Fund Balance Brought Forward

<i>Description</i>	2020-2021	2019-2020
	Kshs	Kshs
Bank accounts	30,571,412	18,934,089
Accounts Receivables	-	-
Accounts Payables	(29,278,798)	(3,629,438)
Total	1,292,614	15,304,651

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. Prior Year Adjustments

Description	2020/21	2019/2020
	Kshs.	Kshs.
Adjustments on bank account balances	1,292,614	15,304,651

The prior year adjustments related to fund balances brought forward from the previous period and surrendered back to the Exchequer during the subsequent financial year.

12. (Increase)/ Decrease in Receivable

	2020-2021	2019-2020
	KShs	KShs
Receivables as at 1 st July (a)	-	-
Receivables as at 30 th June 2021 (b)	1,000,000	-
Increase)/ Decrease in Receivables (c=(b-a))	(1,000,000)	-

13. Increase/ (Decrease) in Accounts Payable

	2020-2021	2019-2020
	Kshs	Kshs
Payables as at 1 st July 2020	29,278,798	3,629,438
Payables as at 30 th June 2021	6,013,241	29,278,798
Increase/ (Decrease) in payables	(23,265,557)	25,649,360

14. Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the Independent Policing Oversight Authority:

- (i) Key management personnel that include the Commissioners, Accounting Officer and directors.
- (ii) Other Ministries Departments and Agencies and Development Projects;
- (iii) County Governments; and
- (iv) State Corporations and Semi-Autonomous Government Agencies.

Related party transactions:

	2020-2021	2019-2020
	Kshs	Kshs
Key Management Compensation		
Key Management Salaries (CEO & Directors)	25,385,479	25,564,630
Board Salaries	63,782,256	63,782,256
Total Key Management Compensation	89,167,735	89,346,886

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. Other Important Disclosures

15.1: Pending Accounts Payable (See Annex 1)

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Construction of buildings-Office partitioning project	1,737,430	-	1,737,430	-
Supply of goods	270,640	-	270,640	-
Supply of services	2,628,410	526,725	2,628,410	526,725
Total	4,636,480	526,725	4,636,480	526,725

15.2: Pending Staff Payables (See Annex 2)

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Others	-	23,887	-	23,887
Total	-	23,887	-	23,887

15.3: External Assistance

	FY 2020/2021	FY 2019/2020
Description	Kshs	Kshs
External assistance received in cash from Danish Institute of Human Rights	1,045,209	-
Total	1,045,209	-

15.4: Purpose and Use of External Assistance

	FY 2020/2021	FY 2019/2020
	Kshs	Kshs
Use of goods and services-Witness empowerment training	1,045,209	-
Total	1,045,209	-


INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

PROGRESS ON FOLLOW UP OF PRIOR YEARS AUDITOR'S RECOMMENDATIONS

The Authority did not have any matter arising from the external audit of the 2019/20 financial year.

Reference No. on the external audit report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Time frame:
Other Matter	As disclosed in Note 12.1 to the financial statements, Independent Policing Oversight Authority had Pending bills totalling Kshs. 4,636,480 as at 30 th June 2020 which were not settled during the year but were instead carried forward to the financial year 2020/2021. Failure to settle bills during the year to which they relate adversely affects the provisions of the subsequent year to which they have to be charged.	All the pending bills carried forward to the financial year 2020/2021 have been settled	Director Business Services	Resolved	September - October 2020


 Elena Halake Harbale
 Accounting Officer/Ag.CEO


 Eunice Juma
 Director Business Services (ICPAK Member No.8567)

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

ANNEXURES

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2020	Comments
	A	B	C	d=a-c		
Supply of services						
Toyota Kenya Limited	36,700	23/12/2020	-	36,700	-	Routine Service to GKB139E
Toyota Kenya Limited	106,900	11/05/2021	-	106,900	-	Routine Service to GKB887S
Isuzu East Africa Limited	34,003	12/05/2021	-	34,003	-	Routine Service to GKB878S
Isuzu East Africa Limited	36,001	13/05/2021	-	36,001	-	Routine Service to GKB593V
River cross Tracking Limited	509,264	13/05/2021	417,700	91,564	-	Car tracking services--Annual access fee
Isuzu East Africa Limited	68,702	28/05/2021	-	68,702	-	Routine Service to GKB877S
Toyota Kenya Limited	12,200	02/06/2021	-	12,200	-	Routine Service to GKB760D
Toyota Kenya Limited	12,966	07/06/2021	-	12,966	-	Routine Service to GKB759D
Toyota Kenya Limited	80,083	08/06/2021	-	80,083	-	Routine Service to GKB429D
Toyota Kenya Limited	22,371	11/06/2021	-	22,371	-	Routine Service to GKB429D
Toyota Kenya Limited	15,100	22/06/2021	-	15,100	-	Routine Service to GKB900D
Grand Total	934,290		417,700	516,590		

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
		a	b	c	d = a-c		
Others							
1. Dismas Ruttoh	6	23,887	30/06/2021	-	23,887	-	Overcast of cash surrendered
Grand Total		23,887			23,887		

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the Year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) 2020/2021
Office refurbishment (2 nd , 3 rd and 4 th Floors, ACK Garden Annex, 1 st Ngong Avenue, Nairobi, and regional offices)	109,810,494	25,128,888	-	-	134,939,382
Motor vehicles	195,954,980	-	-	-	195,954,980
Office equipment, furniture and fittings	44,432,957	1,015,620	-	-	45,448,577
ICT equipment, software and other ICT assets	11,907,185	-	-	-	11,907,185
Total	362,105,616	26,144,508	-	-	388,250,124

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

ANNEX 4- IPOA STAFF MORTGAGE AND CAR LOAN SCHEME

The Authority operates a staff mortgage and Car Loan Scheme for all its employees from June 2020. The scheme is administered by Cooperative Bank of Kenya.

In the FY 2019/20 the Authority was allocated Kshs. 24m for Staff Mortgage and Car Loan Scheme and followed due procurement process to award the tender for provision of IPOA staff mortgage and car loan scheme to Cooperative Bank of Kenya limited and opened a scheme account with Co-operative house Branch Nairobi, where it transferred the seed capital of Kshs. 24 million. There was no loan issued in this financial year and as at 30th June 2020 the scheme account balance was Kshs.24 million.

In the FY 2020/21 the Authority issued loans amounting to Kshs. 2.4 million to two staff members and incurred bank charges of Kshs.480 leaving a balance of Kshs. 21,599,520 as at 30th June 2021. These transactions are not reflected in the financial statements because the financial statements are prepared using IPSAS Cash Accounting Policy while the IPOA staff mortgage and car loan scheme balance is held in lien for staff and is recognized on accrual basis.

Below is a disclosure of the IPOA Staff Mortgage and Car Loan Scheme the transactions during the reporting period.

Statement of Financial Performance for the year ended 30th June 2021

	Notes	2020/2021	2019-20
		Kshs.	Kshs.
Revenue from exchange Transaction			
Interest Income	1	42,905	-
Total Revenue		42,905	-
Expenses			
Fund administration expenses	2	21,452	-
General expenses	3	480	-
Total Expenses		21,932	-
Surplus/(Deficit) for the period		20,973	-

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

Statement of Financial Position as at 30th June 2021

	Notes	2020/2021	2019-20
		Kshs.	Kshs.
Current Assets			
Cash and Cash Equivalents	4	21,599,520	24,000,000
Current portion of long-term receivables exchange transaction	5	162,270	-
		21,761,790	24,000,000
Non-Current Assets			
Long term receivables from exchange transaction	5	2,259,183	-
Total Assets		24,020,973	24,000,000
Liabilities			
Current Liabilities		-	-
Non- Current Liabilities		-	-
Total Liabilities		-	-
Net Assets		24,020,973	24,000,000
Equity and Capital Reserves:			
Revolving Fund b/f		24,000,000	-
Exchequer transfers		-	24,000,000
Surplus/(Deficit)		20,973	-
Total Equity and Capital Reserves		24,020,973	24,000,000

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

Notes to Annex 4

1. Interest Income

Description	FY 2020/21	FY 2019/20
Interest income from Staff car Loan (Note 2)	42,905	-
Total	42,905	-

Detailed Analysis of interest income from staff car Loan

Month	Interest due 6% of Principal	Interest Paid	Outstanding Interest Due to IPOA
		Kshs	Kshs
Loanee 1			
Mar-21	6,904	6,904	-
Apr-21	6,924	6,924	-
May-21	7,126	7,126	-
Jun-21	6,674	-	6,674
Sub- Total Loanee 1	27,629	20,955	6,674
Loanee 2			
Mar-21	986	986	-
Apr-21	4,840	4,840	-
May-21	4,866	4,866	-
Jun-21	4,584	-	4,584
Sub- Total Loanee 2	15,276	10,692	4,584
Grand Total Loan 1 & 2	42,905	31,647	11,258

2. Fund administration expenses

Description	FY 2020/21	FY 2019/20
Funds administration costs (half of the loan interest income is due to Cooperative bank)	21,452	-
Total	21,452	-

3. General expenses

Description	FY 2020/21	FY 2019/20
Bank charges	480	-
Total	480	-

4. Cash and cash equivalent

Description	FY 2020/21	FY 2019/20
IPOA Staff Mortgage and Car Loan Scheme Account	21,599,520	24,000,000
Total	21,599,520	24,000,000

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2021

4. Cash and cash equivalent

Description	FY 2020/21	FY 2019/20
IPOA Staff Mortgage and Car Loan Scheme Account	21,599,520	24,000,000
Total	21,599,520	24,000,000

5. Receivables from exchange transactions

Description	FY 2020/ 21	FY 2019/ 20
	Kshs	Kshs
Current Receivables		
Interest Receivable (Note 1&2)	21,453	-
Current loan repayments due	140,817	-
Total Current Receivables	162,270	-
Non-Current Receivables		
Long term loan repayments due	2,259,183	-
Total Current Receivables	2,259,183	-
Total Receivables from exchange transactions	2,421,453	-

Detail analysis of Receivables from exchange transactions

Name of Officer or Institution	Date Loan was issued	Amount issued	Amount Repaid	Balance
		Kshs	Kshs	Kshs
Mercy Thaara	26/02/2021	1,400,000	60,243	1,339,757
Francis Kieti	19/03/2021	1,000,000	80,574	919,426
Total		2,400,000	140,817	2,259,183

