

REPUBLIC OF KENYA



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OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY

REPORT

DATE: 18 APR 2023

TUESDAY

TABLED

BY:

CLERK-AT

THE-TABLE:

Hon. Owen Bayo, MP
Deputy Leader, Majority Party
Ann Shubuko

OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT
AFFIRMATIVE ACTION FUND

FOR THE YEAR ENDED
30 JUNE, 2022



**MINISTRY OF PUBLIC SERVICE, GENDER, SENIOR CITIZENS AFFAIRS AND
SPECIAL PROGRAMMES**

**STATE DEPARTMENT FOR GENDER
NATIONAL GOVERNMENT AFFIRMATIVE ACTION FUND**

REVISED ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2022

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

**National Government Affirmative Action Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022**

National Government Affirmative Action Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Affirmative Action Fund (NGAAF), successor to the Affirmative Action Social Development Fund (AASDF) is a Semi-Autonomous Government Agency (SAGA) in the Ministry of Public Service, Gender, Senior Citizen and Special Programme (Revised Executive Order No 1 of 2021) was enacted through a Legal Notice No. 24 of the Public Finance Management act, 2012 and Published on 13th February 2015.

The Fund is governed by the Public Finance Management Act, 2012, the Public Finance Management (National Government Affirmative Action Development Fund), Regulation, 2016. At the National level, the Fund is managed by Board of Directors who are supported by a Secretariat headed by the Chief Executive Officer while at the County level, it has offices in all the forty-seven Counties (47) managed by County Coordinators.

(b) Principal Activities

Provision of grant funds for socio-economic empowerment of affirmative action groups; Women, Youth and Persons with Disability, needy children at the counties in line with the Vision 2030 through the following activities;

- i. Support to women economic empowerment initiatives through provision of funds for table banking, savings and credit cooperative organizations (SACCOS);
- ii. Provision of bursary and scholarships for access of education opportunities among vulnerable groups; school going orphaned, child-headed house-holds and special needs children, out of school vulnerable youth for skill training;
- iii. Support of value addition initiatives in agribusiness, cottage industries owned by affirmative action groups
- iv. Promotion of talent development among the youth involved in arts, music and sports;
- v. Support to programmes on access to services on gender-based violence through establishment of rescue and counselling centres and support to survivors of Gender based violence
- vi. Sensitization of communities on gender-based violence including, female genital mutilation, child marriages or forced marriages
- vii. Establishment of drugs and substance abuse rehabilitation and counselling centres in conjunction with the relevant Government agencies;
- viii. Enterprise training and financial start-ups support to rehabilitated individuals;

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- ix. Conducting civic education and community sensitization on National Government affirmative action programmes and policies;

(c) Key Management

The National Government Affirmative Action Fund is management under the following key organs:

- i. The Principal Secretary, State Department for Gender, Ministry of Public Service Gender, Senior Citizen and Special Programme
- ii. The Board of Directors
- iii. A Secretariat headed by the Chief Executive Officer

(d) Fiduciary Management

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

No.	Designation	Name
1	Ag. Chief Executive Officer	Magdaline Kipkenei
2	Head of Human Resource	Benard Ooga
3	Head of Finance	Serah M. Muchunga
4	Head of Programmes	Jackson Kayaga
5	Ag Head of Communication	Jesse Njuguna
6	Head of Procurement	David Kioko

(e) Fiduciary Oversight Arrangements

1. Finance and Administration Committee

The Finance and Administration Sub-Committee is responsible to the Board of Directors for the following:

- i. Reviewing annual budgets schedules prepared by Accounts in line with the PFM Act, 2012(NGAAF), Regulations, 2016;
- ii. Advise on budget appropriation;
- iii. Reviewing the secretariat annual procurement plan;
- iv. To oversee preparation of financial reports and ensure that reports are accurate and timely;
- v. Ensure compliance with PFM Act, 2012;
- vi. Ensure prudent utilization of disbursed Funds;
- vii. Resource mobilization/fundraising initiatives

2. Audit & Risk Committee

The Audit & Risk Committee's responsibilities include the following:

- i. Provide oversight of the Fund internal audit function;
- ii. Evaluate internal and external audit reports and make appropriate recommendations;
- iii. Review the levels of compliance with relevant legislative and regulatory requirements
- iv. Conducting periodic internal checks on key processes to ensure compliance with the established procedures, and report to the Board on the findings and recommendations for improvements;
- v. To analyse and address the risks associated with the key processes;
- vi. To report to the Board of any financial concerns and irregularities;
- vii. Overseeing response to audit queries

3. Parliamentary Oversight Committee

The Parliamentary Oversight Committee is responsible in examining reports from the Auditor General, ensuring transparency and accountability within the entity. Further, the Committee is responsible for reviewing and implementing recommendation from the Investment Committee.

The Entity is yet to constitute an oversight committee to oversee responses to Parliament Investment Committee since it the Fund has not been invited to.

(f) Entity Headquarters

P.O. Box 48274- 00100
ABSA Plaza House
Loita Street
Nairobi, Kenya

(g) Entity Contacts

Telephone: 020 23000796
E-mail: ceo@ngaaf.go.ke
Website: www.ngaaf.go.ke

(h) Entity Bankers

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

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2. Co-operative Bank
Parliament Road Branch
P.O. Box 5772
City Square 00200
Nairobi, Kenya

3. Equity Bank of Kenya
Upper Hill
P.O. Box 75104 - 00200
Nairobi, Kenya

4. Kenya Commercial Bank
Moi Avenue
P.O. Box 48400
GPO 00100
Nairobi, Kenya

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

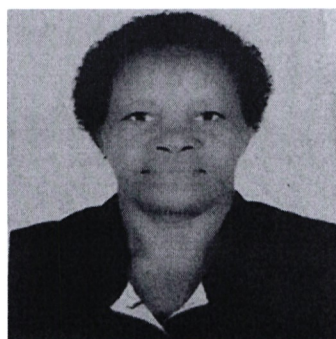
(i) Independent Auditors

Auditor-General
Office of the Auditor General
Anniversary Towers, Monrovia Street
P.O. Box 30084
GPO 00100
Nairobi, Kenya
E-mail: info@oagkenya.go.ke

(j) Principal Legal Adviser

The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya
E-mail: Communications@ag.go.ke

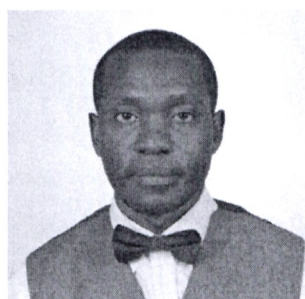
2. THE BOARD OF DIRECTORS



Florence Kalekye Kiriinya

Experience: Born in 1959. Over 35 years' experience in the Office of Auditor General (formerly KENAO) serving in different capacities including audit of various Government Ministries and Departments, managing the Capacity building function of KENAO, Served as Director spearheading Strategy and Operational Planning, Monitoring and Evaluation functions of OAG, and as Director of the Internal Audit among other responsibilities. Worked with the IDI a body corporate of the International Organization of Supreme Audit Institutions (INTOSAI) as a Programme Manager in Norway (2012-2014), charged with a responsibility of developing capacity building audit programmes aimed at improving quality audits and service delivery within the African English-Speaking Supreme Audit Institutions (AFROSAI-E). Managed the Knowledge Sharing Committee (KSC) of African Organisation of Supreme Audit Institutions (AFROSAI) (2015-2019). Appointed as the Chairperson of the Board via Gazette notice Vol.CXXIII No. 206 dated 8th October, 2021 after the term of Prof Wanjiku Mukabi Kabira came to an end. Prior to her appointment, she was the Audit Committee Chairperson.

Qualifications: MSC (Audit Management and Consultancy, University of Central England in Birmingham, UK



Robert Oduor Otieno

Experience: Born 1980. Over 16 years' experience in the Finance. Senior Treasury at Eastern and Southern Africa Trade and Development Bank. He is an Independent Director. He is the Chairperson of the Strategy & Programs Committee and a member of Finance & Administration Committee.

Qualifications: Masters of Business Administration, BSC in Actuarial Science.

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Charles Kimutai Chirchir

Experience: Born 1979. Over seven (7) years' experience as Procurement Officer at Jomo Kenyatta University of Agriculture & Technology (JKUAT). An Independent Director representing Persons Living with Disabilities. The Chairperson of the Finance & Administration Committee and a member of the Conflict, Dispute Resolution & HR Committee.

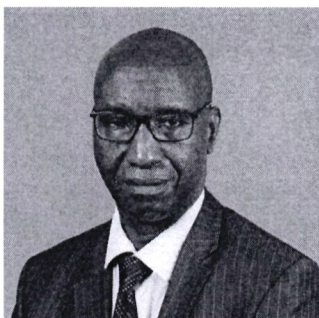
Qualifications: Bachelors Purchasing and Supplies Management from JKUAT.



Linda Gacheri Kinyua

Experience: Born in 1992. Over 5 years' experience in the Public Sector Parastatals. An Independent Director representing the Youth. The Chairperson to Conflict, Dispute Resolution & HR Committee.

Qualifications: Masters in Commerce from Strathmore University, BCom from Nairobi University.



Benson K. Kimani

Experience: Born in 1965. Over 31 years' experience in Public Service. Represent the Principal Secretary State Department for Planning. He is currently the Director Economic Development Coordination Directorate, State Department for Planning, the National Treasury and Planning and responsible for spearheading intergovernmental development planning and other development initiatives in the State Department for Planning. A member of Audit & Risk Committee.

Qualifications: Master of Arts degree in Economic Policy Management from Makerere University, Bachelor of Arts degree (Economics) the University of Nairobi, Certified Project Management Professional (PMP)



Robert Osudi

Experience: Born 1982. Over 12 years' experience in the Public Service in Finance. Representing the Principal Secretary in the National Treasury. He is the Chairperson of the Audit & Risk Management Committee and a member of Finance & Administration Committee.

Qualifications: Masters of Arts – Economics

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 Joyce Mugure	Experience: Born in 1984. Over 11 years of experience in the Public Service in Social Development. Representing the Principal Secretary, State Department for Social Protection. A member of the Strategy & Programs Committee and Audit & Risk Management Committee. Qualification: Masters in Rural Sociology and Community Development (Finalist); Bachelor of Arts (Economics and Sociology).
 Jackline Nekesa Makokha	Experience: Born 1979. Over 9 years' experience in the Public Service in Gender and Social Development. Represents the Principal Secretary-Gender. A member of Conflict, Dispute & Resolution Committee and Strategy & Programmes Committee. Replaced Director Protus Onyango in May, 2022. Qualifications: Masters in Gender and Development
 Magdaline Kipkenei Ag. Chief Executive Officer	Experience: Born in 1967. Has over 25 years' experience in the Public Service in Gender and Social Development and has served in various positions of leadership and as a Trainer of Trainers. She was appointed as an acting Chief Executive Officer after resignation of Mr. Titus Lotee. Prior to her appointment, she served as Director Finance and Administration in the Fund. Qualifications: MA Sociology (Community Development & Project Management), BA Sociology & Political Science

3. MANAGEMENT TEAM

 Magdaline Kipkenei Ag. Chief Executive Officer	Responsibility: Ag. Chief Executive Officer Qualifications: MA Sociology (Community Development & Project Management), BA Sociology & Political Science
 Jackson Kayaga Programmes Officer	Responsibility: Head of Programmes Qualifications: MA in Development Studies, B. Ed (Hons) and CPA finalist.
 Jesse Njuguna Ag. Communication Officer	Experience: Ag. Head of Communication Qualification: Masters in Environmental Planning and Management, Bachelor of Environmental Studies.
 Serah Muchunga Principal Accountant	Responsibility: Head of Finance & Accounts. Qualifications: MBA in Finance & Accounting, BBM (Accounting) and CPA (K)

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 David Kioko Supply Chain Management Officer	Responsibility: Head Supply Chain Management Qualifications: Higher National Diploma in Purchasing and Supply Chain Management, Advanced Certificate in Supply Chain Management.
 Benard Otieno Oonga Principal Human Resource and Management Development Officer	Responsibility: Head of Human Resources. Qualifications: Bachelor of Arts in Social Science, Higher Diploma in Human Resource Management and; Senior Management Course (KSG)

4. CHAIRPERSON'S STATEMENT

Introduction

It is my pleasure to present to you 2021/2022 financial statements. It is worth noting that the Board has laid down structures and systems in place to assist in the day to day running of the Fund.

Overall performance

The Fund disbursed first, second, third and fourth Quarter allocation for FY 2021/2022 to the counties to finance community projects and programmes.

Key Activities and Achievements

1. Disbursement of the 1st, 2nd, 3rd, 4th Quarter & unspent balance allocation amounting to Kshs. 2,368,509,628.80
2. Disbursed emergency funds of Kshs. 40,492,800 to Twenty-four (24) counties to assist affected populations on emergency response interventions
3. The National Government Affirmative Action Fund was categorized in the financial year 2020/2021. In the financial year 2021/2022 the Board finalized on development of the draft HR instrument which has already been shared with SCAC for approval.
4. In the financial year 2021/2022, the Board engaged commercial banks (Equity & Cooperative banks) on call account as a way of resource mobilization.

The Fund supports the following activities;

1. Promotion of economic empowerment activities through support to Women, Youth and PWDs Groups, table banking, and Women owned SACCOs.
2. Provision of Bursary/Scholarships to vulnerable students, trainees in vocational institutions and children with special needs.
3. Civic education of community leaders and the public on Government programmes and policies.
4. Support to Gender Based Violence prevention through establishment of rescue and counselling centres and provision of legal aid and sensitization programmes.
5. Value additional initiatives; support to market shades for women in business, agribusiness, home industries, enterprise training and development, support to eco-friendly innovations in energy, housing and appropriate technology etc.
6. Nurturing of talent among the youth in music, art, sports.

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7. Prevention of substance abuse through rehabilitation programmes.
8. Emergency Response 2% of the funds are set aside to support emergencies during floods, famine, disease outbreak, fire break outs and destruction of basic infrastructure.

Successes

During the financial year 2021-2022, the Fund disbursed Kshs. 2,368,509,628.80 to Counties and achieved the following;

- i. Supported vulnerable students through bursaries and scholarships
- ii. Sensitized community from 47 counties through Civic Education
- iii. Various affirmative action groups supported through economic empowerment category and through value addition income generating initiatives
- iv. Distributed tanks of various sizes to various schools, health facilities and community affirmative action groups. This is to ensure steady supply of water thus reducing water borne diseases
- v. A huge number of schools going children benefited from sanitary pads to guarantee uninterrupted learning
- vi. Supported community groups with car wash machines to earn incomes
- vii. Supported community groups with motorbikes to run boda boda business to facilitate transport sector and earn income
- viii. Supported community groups with 100-seater tents and chairs as an income generating activities
- ix. Supported several groups with incubators for poultry\keeping as a way of enhancing incomes and ensuring food security
- x. Supported PWDs with wheelchairs, elbow clutches, normal clutches and walking sticks to enhance their movement including when seeking for earning opportunities
- xi. Supported SMEs with market umbrellas to enhance their businesses during all-weather conditions
- xii. Supported a few community groups with posho mills as a way of processing Unga
- xiii. To facilitate small scale juice processing in the community, supported 118 SMEs with juice blending machines
- xiv. To ensure sustained food security, the Fund supported AAGs with dairy cows
- xv. Supported AAGs with sewing machines

Challenges

During the FY 2021-2022 the Fund has experienced a number of challenges including;

1. Inadequate funds to support operations and management both at the National and at the County offices for staff Personnel Emolument, Office equipment's, Office space etc.

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2. Inadequate funds to engage requisite staff under the Board as the Fund graduate to full categorization as a State Corporation
3. None allocation of recurrent funds for operations purposes
4. Manual nature of operations which hampers data capture on funded projects
5. NGAAF Regulations 2016 with some sections not favourable to the targeted population needs

Future Prospects and Strategy

The Fund's strategy as outlined in the 2019-2023 Strategic Plan is to ensure long term sustainability challenge the management team of the Fund. The Board is composed of Directors with the right balance of mixed skills, experience and competencies required for the achievement of the organization's long-term goals. It also has the goodwill of stakeholders.



**Ms Florence Kalekye Kiriinya
Chairperson of the Board**

Date: 24/11/22.....

5. REPORT OF THE CHIEF EXECUTIVE OFFICER

I take delight to present to you highlights of the National Government Affirmative Action Fund's performance and operations for 2021/2022 financial year.

During the financial year 2021/2022, the Fund received exchequer release amounting to Kshs. 2,130,000,000 and a supplementary budget amounting to Kshs. 55, 822,945 to cushion deficit on Personnel Emolument. The Board disbursed Kshs. 2,368,509,628.80 to Counties for various activities to support affirmative action groups (Youth, Women and PWDs) for social economic empowerment at county level. The disbursement amount included returned unspent cash by the Counties as at 30 June, 2021.

	Expenditure	Amount (Kshs.)
1	Counties: To finance economic empowerment activities for Affirmative Action Groups	2,300,414,214
2	Secretariat / Administrative	129,897,385
3	Emergency Interventions	40,492,800
5	Monitoring and Evaluation	6,631,600
	TOTAL	2,477,435,999

The funds were utilised in achieving the following;

- i. Supported 44,183 vulnerable students through bursaries and scholarships
- ii. Sensitized community from 47 counties through Civic Education
- iii. 2,330 affirmative action groups supported through economic empowerment category and 1,230 groups through value addition income generating initiatives
- iv. Distributed 2,398 water tanks of various sizes (114 tanks of 2,300 litre capacity; 16 tanks of 3,000 litre capacity; 1,805 tanks of 5,000 litre capacity; 12 tanks of 6,000 litre capacity; 75 tanks of 8,000 litre capacity and 376 tanks of 10,000 litre capacity) to various schools, health facilities and community affirmative action groups. This is to ensure steady supply of water thus reducing water borne diseases.
- v. Supported school going girls with 481,048 packs of sanitary pads to guarantee uninterrupted learning.
- vi. Supported 145 community groups with car wash machines to earn incomes
- vii. Supported 148 community groups with motorbikes to run boda boda business to facilitate transport sector and earn income
- viii. Supported 611 community groups with 100-seater tents; 61 groups with 50-seater tents and 14,549 plastic chairs for hire as an income generating activity(ies).
- ix. Supported groups with 81 incubators for poultry keeping as a way of enhancing incomes and ensuring food security

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- x. Supported PWDs with 520 wheelchairs, 265 clutches, 4 prosthesis AK and BK, 12 artificial limbs, 2 hearing aids and 124 white canes to enhance their movement including when seeking for earning opportunities
- xi. Supported 12,327 SMEs with market umbrellas to enhance their businesses during all-weather conditions
- xii. Supported 8 community groups with posho mills as a way of processing Unga and/or cereals.
- xiii. To facilitate small scale juice processing in the community, supported 255 SMEs with juice blending machines
- xiv. To ensure sustained food security and income generating activities, the Fund supported AAGs with 26 dairy cows and 287 goats and sheep.
- xv. Supported AAGs with 505 sewing machines and 101 welding machines to carry out businesses to earn them income.
- xvi. Supported the elderly households with various items to enhance their living conditions. This includes supporting such households living under dilapidated conditions with 13,899 iron sheets to rebuild their houses, 5,795 mattresses and 7,991 blankets to afford them with warmth during cold conditions.

Challenges

During FY 2021-2022 the Fund has experienced a number of challenges;

i. Inadequate funds

Inadequate funds for administrative functions these including; salaries, inadequate staff, motor vehicle maintenance and fuel and other office operations. None allocation of recurrent funds for operations purposes.

ii. Inadequate staffing

The Fund has inadequate staff both at the Secretariat and in the counties due to inadequate funding. The Board has tried to address the challenges through requesting for more funding from The National Treasury and seeking for support from development partners and other stakeholders.

iii. Inadequate office space and equipment

The National Secretariat is currently housed in Absa Plaza 16th floor while most County officers are currently accommodated at the County Commissioners' offices which are not fully equipped while a few are hosted in the Women Representatives' offices.

.....
Chief Executive Officer

Date:

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6. STATEMENT OF NATIONAL GOVERNMENT AFFIRMATIVE ACTION FUND
PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FINANCIAL
YEAR 2021/2022

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

The National Government Affirmative Action Fund has 5 Strategic Pillars and Objectives within its Strategic Plan for the FY 2018/2019-2022/2023. These strategic pillars are as follows:

Pillar 1: Economic Empowerment

Pillar 2: Socio-Cultural Development

Pillar 3: Institutional & Capacity Development

Pillar 4: Resource Mobilization

Pillar 5: Tracking & Reporting on Implementation of NGAAF programmes

NGAAF develops its annual work plans based on the above 5 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Organization achieved its performance targets set for the FY 2021/2022 period for its five strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Activities	Key Performance Indicators	Achievements
Pillar 1: Economic Empowerment	To Increase income for Affirmative Action Groups	Support table banking activities for AAGs	Amount disbursed. Number of groups funded	Disbursed: Ksh: 414,465,629.24 PC Target: Ksh: 387,660,000.00 Groups Funded: 2,330 PC Targeted groups: 1,000
		Strengthen capacity of AAGs and PWDs for ease of access to funds and other services		Ensure that GBV centres, Rescue and Rehabilitation centers, IT centres e.g in Migori and all other construction by NGAAF are friendly to PWDs. This includes construction of ramp. Partnered with various government & non-governmental stake holders.
		Promote Value Addition Initiatives	Number of Groups supported for value addition supported	PC targeted: 150 groups Number of groups: 1,230 F: 82,536 M: 19,898 PWD:2,390
	To improve uptake of Government programmes and policies	Civic Education & Community Sensitization	Number of people reached during civic education programmes	No. of citizen reached during civic education Achieved: 161,100 PC Target: 130,000
Pillar 2: Socio-Cultural Development	To Promote Social Rights for Affirmative Action Groups	Provide advocacy on social rights & participation of AAGs	Number of persons sensitized	Reached out through civic education forums
		Support Elderly Persons as per the Fund Access Guidelines	Number of Elderly reached out	Blankets and mattresses bought for elderly persons in Meru County Supported elderly persons with iron sheets to reconstruct their dilapidated houses in Marsabit, Migori and Samburu Counties
	To enhance access	Increase number of GBV &	To ensure	Meru Gender Based Violence Rescue and

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	to services for survivors of GBV, FGM, child or forced marriages	Recovery centres & make them operational	completion in construction and equipping of Meru GBVRC and Drugs and Substance Abuse and Rehabilitation centre in Nandi counties Commence access to construction of Gender rescue centre in Taita Taveta County	Resource Centre adequately equipped and opened for operationalization on 17 th June, 2022 Commenced construction of Rescue centre at Taita Taveta County, Mwatate Sub County
		Facilitate survivors of GBV to access services		Working with various stakeholders' including Chiefs and Assistant Chiefs to sensitize the community about the centres for ease of accessibility by the survivors.
	To enhance access to services for the control of drugs & substance abuse	Establish rehabilitation & Counselling centres and make them operational	Construction & operationalization of Alcohol & Drug abuse rehabilitation centre in Nandi, Operationalize of the rehabilitation & counselling centre in Turkana	Nandi is 100% complete Working with stakeholders to operationalize the centre
	To identify and develop talents among affirmative action groups	Provision of sporting equipment		Kericho spent Kshs.1,530,000 for purchase of 900 sports T-Shirts and shorts and 120 mikasa balls (football) for 60 teams. Vihiga spent Kshs.2,328,000 for purchase of 600 full uniforms and 76 mikasa balls (football) 31 sports teams Uasin Gishu purchased 90 sets of football uniforms and 90 balls and nets for football and volleyball teams for Kshs.2,000,000
		Supporting Tournaments		Nyandarua spent Kshs.2,996,500 on football tournament in 5 constituencies Bomet spent Kshs.2,245,900 on football tournament Embu spent Kshs.1,567,450 on football tournament in 5 sub-counties Nyamira spent Kshs.1,587,400 on football tournament Nyeri spent Kshs.2,050,000 on football tournament Turkana spent Kshs.1,056,000 on football tournament West Pokot spent Kshs.2,185,404 on football tournament Kajiado spent Kshs.1,984,251 on football tournament Kilifi spent Kshs.1,150,000 on football tournament Kwale spent Kshs.700,000 on football tournament Meru spent Kshs.3,510,000 on Meru Performing Arts Festival Nakuru talent search cost Kshs.4,800,000 as a way of identifying and nurturing youth talents Bungoma spent Kshs.3,571,651 on football tournament in 45 wards

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				Garissa spent Kshs.3,489,200 on football tournament Laikipia talent search cost Kshs.863,303 Makueni spent Kshs.4,000,000 on football tournament in 6 sub-counties Murang'a talent dubbed "Murang'a got talent" cost Kshs.1,178,400
	To increase access to education opportunities for affirmative action groups	Provision of bursaries and scholarships	18,500 needy students targeted	44,183 students benefited (Female=23,835; Male=18,333 and PWD=2,015)
Pillar 3: Institutional & Capacity Development	To strengthen Internal Corporate governance systems	Ensure compliance with laws, regulations, national values and principles of good governance	Induction report	New Board members, deployed staff and newly recruited County Coordinators inducted in November, 2021
		Develop a corporate communication strategy	Responding to queries raised via the email contacts provided for at the NGAAF website	Use of twitter account Use of facebook account Use of WhatsApp
		Develop & implement (Standard operating Procedures. SOPs)		Standard Operating Procedures developed
	Strengthen Human Capital	Formulate Human Resource Policies		Commenced development of Human Resource Management Policies for the Fund
		Ensure Optimal Human Resource		Requested for the posting of more staff at NGAAF to act as County Coordinators
		Enhance Staff Training & Development		-Carried out induction in November 2021 -Allowed staff to proceed with training to enhance service delivery: e.g SMC
	Strengthen Internal Financial Management Systems	Develop a Finance & Procedure Manual		Development of Integrated Financial Management System which is at advanced stage. Developed specifications.
Pillar 4: Resource Mobilization	To supplement the share of Revenue	Establish partnerships, Engagements & Linkages with development partners and the private sector	Partnership agreement	Developed a partnership with Equity Bank, Cooperative Bank and Groots (Kenya)
Pillar 5: Tracking & Reporting on Implementation of NGAAF programmes	Strengthen tracking of Implementation of policies, plans & Budgets.	Establish, a monitoring evaluation & Reporting system	M&E Report	Elaborate M & E and Board Oversight visits undertaken in the following counties among others: Siaya, Kisii, Taita Taveta, Kwale, Mombasa, Laikipia, Nyandarua, Kitui, Makueni, Nairobi (shortage of staff and exigencies of duties hindered more counties being included)
		Provide timely and reliable information for evidence-based decision making		Reports escalated to the Board in a timely manner
		Build capacity of NGAAF Staff on M&E skills		Inducted Ag. Coordinators in Naivasha in November 2021

7. CORPORATE GOVERNANCE STATEMENT

The Board of National Government Affirmative Action Fund is committed to ensuring that the Fund operates with professionalism and integrity and maintains high standards of Corporate Governance in carrying out its mandate. The Board embarks on ensuring that the Fund complies with the guidelines on Corporate Governance practices as it is a requirement for Public officers.

During this period, the Fund continued to ensure adherence to the following principles:

- i) Timely preparation of accurate financial statements and project reports both performance and financial reports
- ii) Effective processes and systems of risk management and internal controls are in place
- iii) Maintains an effective and efficient system of internal controls
- iv) Procurement process is cost effective and delivers the value for money
- v) Ensures that books of accounts are prepared on timely basis
- vi) Delegates to management the responsibility to implement risk management plan
- vii) Delegates to management the responsibility of designing, implementing and monitoring effectiveness of internal control systems
- viii) Ensures that the chairperson of audit committee is an independent Board member
- ix) Ensures that at least one member of the audit committee has relevant qualifications and expertise in audit, financial management or accounting.
- x) Ensures that the internal audit function reports to the Audit committee on regular basis

Board of Management

The Board is responsible for overall management and long-term strategy of the Fund, ensures compliance with statutory requirements and fulfilling the Funds' responsibilities to stakeholders. The role of the Board is to approve disbursement of funds to the counties, receive, review and approve projects proposals for funding from counties, oversee the management of the Fund, receive, review and approve reports of the Fund.

The Board of Management as stipulated in the NGAAF Regulations, 2016 consists of four (4) independent members and four (4) alternate members representing Principal Secretary responsible for matters relating to Gender, Social Security Services, the National Treasury and Planning. They are appointed as per guidelines provided in the Legal notice No. 52 of 2016.

The roles of the Chairperson and the Chief Executive Officer are clearly separated as set out in Mwongozo. The Chairperson provide overall leadership to the Board, leads in setting the agenda for Board meetings, guide Board's decision-making process and encourage Board members to participate fully in Boards deliberations. Monitor the performance of the CEO and maintain close, but independent working relationship with the CEO while ensuring

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appropriate balance of power between the CEO and the Board. The Chairperson is the spokesperson for the Board and is the principal contact for the CEO.

The day-to-day management of the business and implementation of policy decisions approved by the Board is the responsibility of the Chief Executive Officer who is also the secretary to the Board and is in charge of the Secretariat.

The Board members are provided with complete and timely information to allow them ample time for appropriate review for discussions in meetings, thereby discharging their responsibilities effectively and efficiently. The Board members are encouraged to develop knowledge of the operations of the Fund by taking part in various activities organized including field visits, monitoring and evaluation and regular trainings.

In order to discharge its mandate and responsibilities effectively, the Board has established and delegated certain tasks to its committees with specific terms of reference. The Board has appointed the committees of the Board with requisite skills and competencies to discharge allocated responsibilities. There are four standing committees of the Board each with clear terms of reference. These are:

1. Strategy and Programmes Committee
2. Finance and Administration Committee
3. Dispute, Conflict Resolution and Human Resource Committee
4. Audit and Risk Management Committee

The Board and its sub-committee meetings are held as per Board calendar and as dictated by other emerging urgent agenda. During the year the Board held four (4) meetings, two (2) special meeting, Finance and Administration committee four (4) meeting, Strategy and Programs Committee held ten (10) meetings, Audit and Risk Management committee three (3) meeting while Conflict, dispute Resolution and Human Resource committee held two (2) meeting. Further, the Board held two (2) consultative meeting with the Women Representative and ad hoc meetings for Chairpersons of the committees to ensure disbursement of funds is done immediately after the vetting. The Board ad hoc were necessitated by approval of proposals from the programmes committee to allow disbursements of funds. All these meetings enabled smooth operations of the management and discharge of the Funds Mandate.

However, the Board remains collectively responsible for the decisions and actions taken by any committee. A committee only performs the task delegated to it by the Board and should not exceed the authority or powers of the Board.

Board expenses

The board expenses are as disclosed in the Financial Statements. The allowances paid are sitting allowances, accommodation/daily subsistence and transport allowances for attending Board meeting and on official duties, per diem on domestic/local travel and lunch allowance where it is not provided while on official duties in line with Government Circulars and net of tax where applicable. The terms of employment of the Chief Executive Officer are clearly defined in the employment contract.

Accountability, audit and stakeholder relations

The Board recognizes its responsibility to present a balanced and understandable assessment of the Fund's financial position and prospects. The Funds financial statements are prepared in accordance with International Public Sector Accounting Standards (IPSAS) and the requirements of the Public Finance Management Act-2012 and audited in accordance with International Auditing Standards (IAS). The Board members recognize and have confirmed their responsibility over the Financial Statements and have provided information in this report that they consider useful to stakeholders.

Communication with Stakeholders

The Fund disbursed allocation for all the quarters in the financial year 2021/2022 to all counties. It has been maintaining a website, **www.ngaaf.go.ke** which gives general information about the Fund and various activities undertaken. It has been updated accordingly to provide information to the public. The Fund has a twitter handle **@NGAAF_KE** and a Facebook account **ngaafkenya** whose intention is to capture the participation of the youth thorough the social media platforms.

The Fund actively participates in joint establishment with other Funds and departments within the Ministry and Huduma Centre, to further its mandate to different communities in a more defined and organized platform. In addition, the Fund actively participates in County activities like value addition initiatives, civic education, Bursaries and scholarships. Further, requests for information through other quarters are considered and acted upon as they are received and appropriate disclosure provided.

Board Charter

Good corporate governance is regarded as critical to the success of the business of the Board. The Board is unreservedly committed to applying the fundamental principles of good governance including but not limited to; Integrity, Equity and Fairness, Innovativeness, Gender Equality, Transparency and Accountability, Integrity, Dignity and Self-reliance.

This charter is anchored on *Mwongozo*; the code of governance for state corporations issued by the State Corporations Advisory Committee.

The main objective of the charter is;

- i. To define the governance parameters within which the Board shall operate;

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- ii. To set out specific responsibilities to be discharged by the Board members collectively;
- iii. To ascertain roles and responsibilities incumbent upon Board members as individuals;
- iv. To facilitate the full and free exercise of Board members' abilities and enhance effectiveness in their contributions that is consistent with standards of independent judgement, ethics and integrity expected of them.

Conflict of interest

Board members are required to maintain integrity and declare any conflict of interest on any matter relating to the Fund. A disclosure of an interest made shall be recorded in the minutes of the meeting at which the disclosure is made.

Boards Induction and Skills Development

The Board members undertook comprehensive skill development training from ICPAK to ensure effective and efficient contribution in implementation of the Funds activities.

All Board members are expected to receive continuous skills development to enhance and refresh their knowledge and skills, which will add to their credibility and effectiveness in the discharge of their responsibilities. The Board shall continue to provide necessary resources for implementing training programmes in future.

Board Members' Remuneration

Board members were paid sitting allowances, accommodation/daily subsistence and transport allowances for attending Board meeting and on official duties, per diem on domestic/local travel and lunch allowance where lunch in kind was not provided while on official duties in line with Government Circulars while the Chairperson was paid monthly honoraria in line with Government Circulars.

Board Performance

The Board is expected to perform an annual evaluation to appraise its performance. This evaluation is carried out in accordance with Board evaluation tools through SCAC. This provides an opportunity to identify strengths collective skills gaps and individual areas of improvement. Performance of each committee is also reviewed against agreed terms of reference. The Board also evaluates the performance of the Chairperson and the CEO.

Board and Management Succession

The term of current Board was renewed in September, 2021 and thus continuity of operations of the Fund is guaranteed. Further, the Board advertised for the position of the CEO and the recruitment process started in the financial year. The Fund had an Ag. Chief Executive Officer in place to avoid hampering the day-to-day operations.

8. MANAGEMENT DISCUSSION AND ANALYSIS

The Mandate of the Fund;

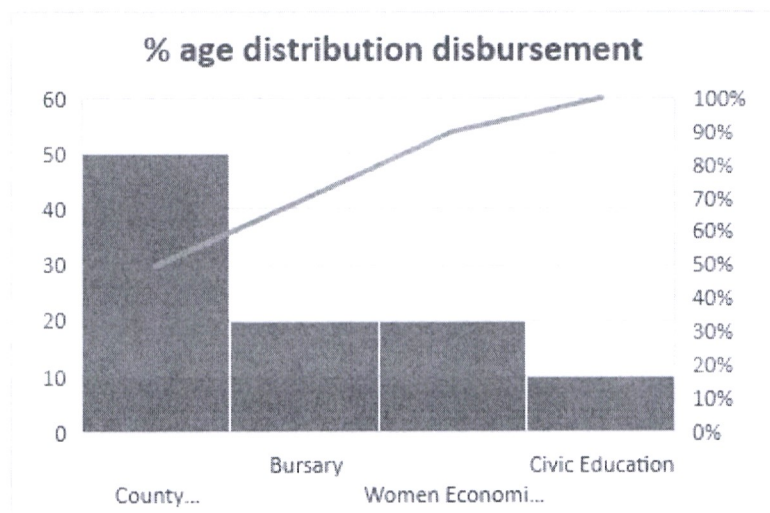
- i. Enhancement of access to financial facilities for affirmative action groups and the amount allocated to this objective shall not exceed twenty (20%) of the total Fund receipts;
- ii. Support of value addition initiatives by the affirmative action groups;
- iii. Socio-cultural development and nurturing of talent for the affirmative action groups including promotion of the arts, music and sports;
- iv. Enhanced access to services for survivors of gender-based violence, female genital mutilation, child marriages or forced marriages through the establishment of rescue centers and legal aid centers and other similar facilities;
- v. Support of affirmative action groups through bursaries and scholarships to access education opportunities. The amount allocated to this objective shall not exceed twenty (20%) of the annual total allocations of the Fund;
- vi. Establishment of drug and substance abuse rehabilitation and counseling centers in conjunction with the relevant Government agencies;
- vii. Conducting civic education and community sensitization on National Government Affirmative Action programmes and policies such as the 30% procurement reservation for women, youth and persons with disabilities, existence of other social economic empowerment opportunities such as Uwezo Fund and Youth Enterprise Development Fund and Women Enterprise Development Fund. The amount allocated to this objective shall not exceed ten (10%) of the annual allocation of the Fund.

The table below indicates distribution of allocation in each funding category

S/No.	Category	%	Amount (Kshs.)
1	County/Constituency	50	920,692,500.00
2	Bursary	20	368,277,000.00
2	Women Economic Empowerment	20	368,277,000.00
4	Civic Education	10	184,138,500.00

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The chart below indicates percentage funding distribution for various categories



On Institutional Strengthening the following was achieved;

- i. During the year the Internal Auditors from Gender carried out audit in several Counties.
- ii. Finalization of evaluation exercise for the E-Board & Integrated Financial and Programme Management Information System.
- iii. Secretariat staff were sponsored for various regular short courses for skill improvement
- iv. Enhancement of corporate image by adoption of corporate colours and rebranding
- v. Enhancement of internal controls and systems in procurement and finance departments
- vi. Enhancement of performance management
- vii. Improved working conditions

Major Risks Facing the Fund

This entails undertaking mitigation measures through compliance to mitigate threats and involving people to follow the set procedures and use of relevant tools in order to ensure conformity with risk management policies. To ensure the organization is cushioned against risks, the following risks and strategies have been identified:

1. Negative cultural and social beliefs that hinder some communities from accessing the funds. This is mostly experienced in Muslim dominated counties. The Fund has enhanced civic education.
2. Challenges in operationalizing some of the Section(s) in NGAAF Regulations, 2016 which created the Fund. There is need to involve stakeholders in reviewing some of the articles in the Regulations.

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3. High rate of staff turnover. There is need for the Board to secure its already existing workforce by ensuring better terms of employment.
4. Challenges in securing Personnel Emolument. NGAAF has not been able to secure expenditure for PE for County Coordinators and staff. This has necessitated the Board to terminate Contract for Coordinators against Regulations 18 (1 a) and replaced them with Gender Officers. Therefore, there is need for the Board to lobby for recurrent expenditure to cater for the PE to ensure smooth and efficient operations of the Fund.
5. The Fund operational costs are capped at 5% which is insufficient to run the entity effectively. Therefore, there is need to review Regulations 15 (5).

9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The National Government Affirmative Action Fund exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on 5 pillars: putting the customer/citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile

The Government of Kenya is committed to the attainment of the United Nations Sustainable Developments Goals (SDGs) as agreed upon by the international community in September, 2015. SDGs are universal and they address the economic, social and environmental dimensions of sustainable development in a comprehensive and integrated manner. The SDGs incorporate experience gained from the Millennium Development Goals (MDGs) and include additional dimensions on sustainability. The mandate of NGAAF has a direct corresponding relationship with 8 sustainable development goals. In its strategy implementation, NGAAF has put in place programmes and activities which make the Fund a significant player in implementing the 8 SDGs. However, since the 17 SDGs are inter-linked, the Fund's key to achieving 8 implies that all SDGs are achieved.

2. Environmental performance

Environmental policy as outlined in the strategic plan is captured under the social pillar which focuses on Environmental conservation and management activities. It also lays emphasis on emerging environmental challenges such a climate change and e-waste. This comes along with it the preference for green products and services. This in terms leads to the importance of increasing public private partnership as a strategic response.

NGAAF sees this as potential business opportunity for affirmative groups. In this context, the AAGs are sensitized on the opportunities e.g carbon credit trading through afforestation activities, and also provides such groups with appropriate capacity and facilities.

NGAAF is leveraged on Strategic partnership to ensure it is continuously meeting its mandate. Some of NGAAF strategic partners includes, Cooperative Bank, Equity Bank and Groots among others.

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Display of cups (for talent development) to be issued to teams engaged in football tournament competition in Mandera County. This initiative is meant to nurture youth talents



Gender Based Violence campaign training at Kajiado County. The training is meant curb incidences of gender based violence



Section of AAGs' beneficiaries being issued with motorcycles in Murang'a County. Also, the PWD beneficiaries benefitted from purchase and issuance of wheel chairs to support them in their movement



During the Grand opening of the Meru Mwangaza Gender based Violence Rescue and Resource Centre on 17th June 2022 by CS, Prof. Margaret Kobia PhD, EGH accompanied by Hon. Jebii Kilimo CAS, Hon Kawira Mwangaza, Women Representative Meru County, Mrs. Florence Kiriinya NGAAF Board Chair, Magdaline Kipkenei, Ag. CEO, National Government Affirmative Action Fund. The centre is located at Nkomo Division, Tigania West Sub-County

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Employee Welfare

The Public Service Commission policies of hiring staff are taken into account based on the core values of tenets of equity, gender equality, dignity, integrity, innovativeness and self-reliance. NGAAF is guided by its strategic plan where it has captured issues of staff welfare. In particular the following have been encapsulated in staff welfare. Defined career progression, healthy, safe and secure working environment, training and development opportunities for staff, welfare and equity as well as fair remuneration. NGAAF has endeavoured to ensure that all staff operate from Government premises whose safety meet the thresholds required by the Occupational Safety & Health Act (OSHA of 2007). Further, as a response measure to combating Covid-19 menace, the organization has provided sanitization points at the Head office.

In ensuring that new staff are well inducted to the organization, the Fund organized for induction programme in the current FY. The training took place in November 2021 in Naivasha for the newly county coordinators, deployed staff and the interns.



Induction of new staff at Naivasha. Addressing the new staff is the Board Chair who stressed on the need to work seamlessly to achieve the Fund's mandate. Seated next to the Board Chair is the CEO, NGAAF

Market place practices

The Organization channels National Government Support to affirmative action groups for free. The beneficiary groups are not expected to pay any fee or inducements in order to receive such support. No staff is expected to receive rewards from the beneficiary groups for executing his/her mandate. The support is based on the constituencies where each constituency receives a similar allocation across the country without discrimination. The organization cooperates with other agencies working towards empowerment of affirmative action groups. These include: Women Enterprise Fund, Youth Enterprise Development Fund and Uwezo Fund. The Fund envisages and advocates for synergies across other existing funds in advancing the affirmative action and as well for greater reach and impact. To this end, the Fund champions for a harmonious working relationship to enhance the

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complimentary role of this funds since NGAAF support is a grant unlike the other funds where funds ought to be repaid.

The organization has a Supply Chain Management department that handles procurement function and activities. The Fund undertakes procurement function in compliance and in accordance to guidelines and policies on implementation of the Public Procurement and Asset Disposal Act (2015), Public Procurement and Asset Disposal Regulations, 2020 and other relevant Statutes. It undertakes inventory management, oversees the implementation of e-procurement and participates in negotiations on framework agreements and consortium buying. It also follows government policy on reserving 30% of all its procurement for entities owned by women, PWDs and youth. In addition, the organization has set aside 40 % of its procurement budget to promote local content.

Construction to completion of market sheds in some counties has facilitated serene and conducive working environment for businesses to thrive. The AAGs are able to work for long hours and during all-weather conditions without any interruption when either too sunny or rainy



Section of Sidundo market in Siaya County which will accommodate 120 business persons who will be able to work during all weather conditions

Community Engagement

The organization engages with the community through its nature of mandate. The Affirmative Action Fund was established to provide financial support to affirmative action groups for socio-economic development through legal notice No. 52 of the Public Finance Management Act (No.18 of 2012) led to the birth of NGAAF Regulations,

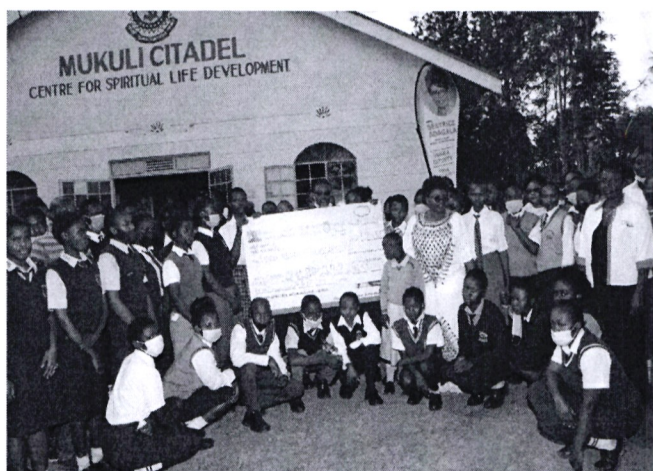
It provides bursaries/scholarships to needy students across all the counties in each quarterly disbursement. It also provides communities with opportunities for nurturing youth talents

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and sports. The organization has also undertaken a lot of initiatives providing sanitary pads to school going girls, provision of market umbrellas, provision of masks to the public as a way of combating Covid 19 pandemic and conducting civic education programmes to inform the public of the Fund's mandate. Further, it has engaged in planting of trees in partnership with other stakeholders.



Civic education programme and training taking place in Nyandarua County in March 2022. The training was done in partnership with NYS's seed potato production unit based in Tumaini, Ol'kalou. The training partnership was meant to provide AAGs with requisite skills to propagate the certified seeds.



Issuance of bursary cheques to students in Vihiga County to support needy bright students access education opportunities

10. REPORT OF THE DIRECTORS

The Directors submitted their report together with audited financial statements for the year ended June, 2022 which show the state of the National Government Affirmative Action Fund Affairs.

Principal activities

The principal activity of the National Government Affirmative Action Fund is to enhance access to financial facilities for Affirmative Action Groups (AAG's) through support to:

- a) Women Economic Empowerment;
- b) Value Addition Initiatives by AAGs;
- c) Socio-cultural development and nurturing of talent for AAGs including promotion of arts music and sports;
- d) Survivors of gender-based violence, female genital mutilation, child marriages or forced marriages through establishment of rescue centres, legal aid centers and other similar facilities;
- e) Provision of bursaries and scholarships to access training and educational opportunities;
- f) Rehabilitation and rescue, counseling centres in conjunction with the relevant government agencies to address drug and substance abuse and
- g) Civic education and community sensitized on National Government Affirmative Action Programmes and policies.

Results

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

Directors

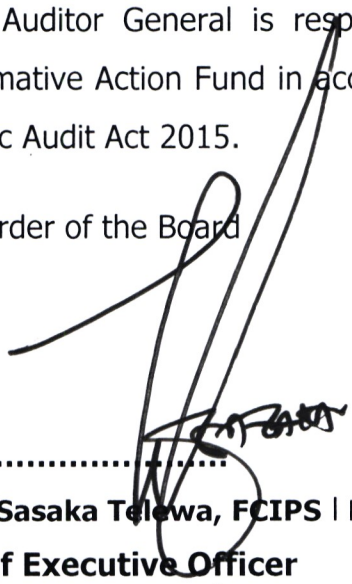
The members of the Board of Directors who served during the year are shown on page viii and x.

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Auditors

The Auditor General is responsible for the statutory audit of the National Government Affirmative Action Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

.....

Roy Sasaka Telwa, FCIPS | FIHRM | CHRP (K)
Chief Executive Officer

Date: 24/11/22

11. STATEMENT OF DIRECTORS RESPONSIBILITIES

Section 81(1) of the Public Finance Management Act, 2012 requires that at the end of the financial year, the Accounting Officer for a national government entity shall prepare financial statements in respect of the National Government Affirmative Action Fund, which give a true and fair view of the state of affairs of the entity at the end of financial year and the operating results of the entity for the year. The Directors are also required to ensure that National Government Affirmative Action Fund keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The Directors are also responsible for safeguarding the assets of the National Government Affirmative Action Fund.

Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Directors are responsible for the preparation and presentation of the National Government Affirmative Action Fund (NGAAF) financial statements, which give a true and fair view of the state of affairs of NGAAF for the year ended on June, 2022.

This responsibility includes:

- i. Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- ii. Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 mis-statements, whether due to error or fraud;
- iv. Safeguarding the assets of the National Government Affirmative Action Fund;
- v. Selecting and applying appropriate accounting policies; and
- vi. Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the NGAAF'S financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Directors are of the opinion that the NGAAF's financial statements give a true and fair view of the state of NGAAF's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the NGAAF, which have been relied upon in the preparation of the NGAAF financial statements as well as the adequacy of the systems of internal financial control.

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Nothing has come to the attention of the Directors to indicate that the National Government Affirmative Action Fund will not remain a going concern for at least the next twelve months from the from the date of this statement.

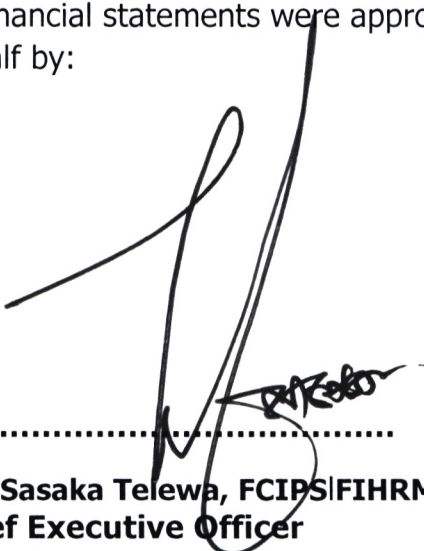
Approval of the Annual financial statements

The National Government Affirmative Action Fund financial statements were approved by the Board on 24/11 2022 and signed on its behalf by:


.....

**Ms Florence Kalekye Kiriinya
Chairperson of the Board**

Date: 24/11/2022

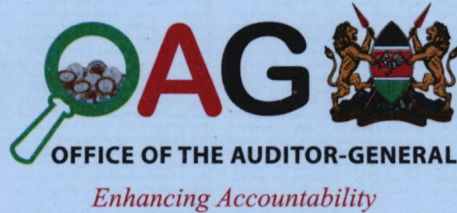

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**Roy Sasaka Telewa, FCIPS|FIHRM|CHRP(K)
Chief Executive Officer**

Date: 24/11/22

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT AFFIRMATIVE ACTION FUND FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such 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

Qualified Opinion

I have audited the accompanying financial statements of National Government Affirmative Action Fund set out on pages 1 to 24, which comprise of the statement of financial position

as at 30 June, 2022, and the statement of financial performance, the statement of changes in net assets, the statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Affirmative Action Fund as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Failure to Charge Depreciation on Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.176,083,723 as disclosed in Note 19 to the financial statements. However, the assets have not been revalued or depreciation charged to reflect the carrying amount of the property, plant and equipment.

In the circumstances, the accuracy, valuation and completeness of the property, plant and equipment balance of Kshs.176,083,723 could not be confirmed.

2. Inaccuracies in the Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.610,895,558 as disclosed in Note 17(a) to the financial statements. Review of the cash books reflects long outstanding unreconciled expenses in the cash books, revenues and bank payments not in cash books amounting to Kshs.2,096,499, Kshs.1,435,485 and Kshs.401,526, respectively. Further, stale cheques totaling Kshs.2,096,499 had not been reversed in the cashbooks at the end of the year. In addition, cash book balances in Kisii and Bungoma County Fund offices had unsigned bank reconciliations for two months while bank reconciliations for Machakos County Fund Office were not provided for audit.

In the circumstances, the existence, accuracy and completeness of cash and cash equivalents balance of Kshs.610,895,558 could not be confirmed.

3. Unsupported Payables

The statement of financial position and as detailed in Note 16 to the financial statements, reflects payables balance of Kshs.952,000 which includes a claim balance of Kshs.360,000 owed to the Kenya School of Government. However, the balance was not supported with any documents such as invoice, statement of account, Local Service Order. It is not clear, therefore, to which year or service the claim relates to.

In the circumstances the accuracy, completeness and validity of payables balance of Kshs.952,000 could not be confirmed.

4. Unsupported Provisions for Gratuity

As disclosed in Note 15 to the financial statements, the statement of financial position reflects provisions for gratuity balance of Kshs.18,862,058. However, Management did not maintain a schedule and analysis to support the provisions.

In the circumstances, the accuracy and completeness of provisions for gratuity balance of Kshs.18,862,058 could not be confirmed.

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness, Effectiveness in Use of Public Resources. However, the Management had not resolved the issues or given any explanation for failure to implement the recommendations.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non Disbursement of Monitoring and Evaluation Funds to the Counties

The statement financial performance reflects an amount of Kshs.30,857,401 in respect of use of goods and services as disclosed in Note 9 to the financial statements which

includes training expenditure of Kshs.4,890,470. Further, Regulation 27(2) of the Public Finance Management (National Government Affirmative Action Fund) Regulations, 2016 states that, the costs of monitoring and evaluation shall not be more than two per centum (2%) of the total allocation in each year's disbursement. However, during the financial year under review, no funds were disbursed to the Counties for monitoring and evaluation.

In the circumstances, the Fund Management was in breach of the law.

2. Failure to Use the Government E-Procurement Module

During the year under review, the Fund did not comply with the Executive Order Number 2 of 2018 on use of e-procurement module. Further, the Fund has procured two separate stand-alone modules - Integrated Financial and Programmes Management Information System (IFPMIS) and e-board, which are still in the evaluation stage and have not been integrated with IFMIS system.

The Management did not provide satisfactory explanation for the failure to use the e-procurement module.

In the circumstances, Management did not adhere to the Executive Order Number 2 of 2018.

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, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective

Basis of the Conclusion

Corporate Governance

During the year under review, the Fund did not have a Corporate Secretary, Management and Evaluation Officer and an Internal Auditor as required by the Organization structure and Section 1.20 of the Mwongozo Code of Governance, 2015 which states that the Board to be assisted by a qualified, competent and experienced Secretary.

In the circumstances, the effectiveness of the internal controls, risk management and overall governance at the Fund could not be confirmed.

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 effective processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue 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 Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide 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

23 December, 2022

National Government Affirmative Action Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022

13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2021/2022	2020/2021
		Kshs.	Kshs.
Revenue from non-exchange transactions			
Transfers from the National Government -State Department for Gender	6	2,185,822,945	2,130,000,000
Revenue form exchange transactions			
Other Income	7	1,746,770	53,500
Total revenue		2,187,569,715	2,130,053,500
Expenses			
Transfer to Other Government units - Counties Expenditure	8	2,300,414,214	1,971,080,887
Use of goods & services	9	30,837,401	25,165,194
Employee costs	10	83,819,071	86,603,142
Board Expenses	11	13,700,449	12,833,222
Repairs and maintenance	12	1,196,912	3,056,924
M & E Expenses	13(a)	6,631,600	6,440,400
Emergencies to Counties	14(a)	40,492,800	14,502,180
Total expenses		2,477,112,447	2,119,681,948
Gain/Loss on salvage		(38,469,238)	-
Surplus/Deficit for the year		(289,542,732)	10,371,552
Net Surplus/Deficit for the year		(328,011,970)	10,371,552

The notes set out on pages 6 to 23 form an integral part of these Financial Statements.

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


.....
Roy Sasaka Telega,
FCIPS/IFHRM/CHRP (K)
Chief Executive Officer


.....
CPA Serah Muchunga
ICPAK No. 9059
Head of Finance


.....
Ms Florence Kalekye Kiriinya
Chairperson of the Board

Date: 24/11/22

Date: 24/11/2022

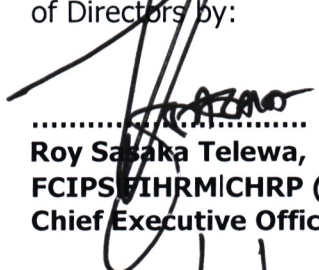
Date: 24/11/2022

National Government Affirmative Action Fund
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For the year ended June 30, 2022

14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	2021/2022	2020/2021
		Kshs.	Kshs.
Assets			
Current assets			
Cash and cash equivalents	17 (a)	610,895,558	907,044,462
Receivables	18	838,287	684,034
Total Current Assets		611,733,845	907,728,496
Non-current assets			
Property, plant and equipment	19	176,083,723	216,583,723
Total Non-current Assets		176,083,723	216,583,723
Total assets		787,817,567	1,124,312,219
Liabilities			
Current liabilities			
Provisions for Gratuity	15	18,862,058	24,336,356
Payables	16	952,000	3,960,384
Total Current Liabilities		19,814,058	28,296,740
Total liabilities		19,814,058	28,296,740
Capital and Reserves			
Emergency Reserves	14(b)	91,179,020	89,071,820
Accumulated surplus		676,824,490	1,006,943,659
Total Capital and Reserves		768,003,509	1,096,015,479
Total Liabilities and Capital & Reserves		787,817,567	1,124,312,219

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


.....
Roy Sabaka Telewa,
FCIPS/IFHRM/ICHRP (K)
Chief Executive Officer


.....
CPA Serah Muchunga
ICPAK No. 9059
Head of Finance


.....
Ms Florence Kalekye Kiriinya
Chairperson of the Board

Date: 24/11/22

Date: 24/11/2022

Date: 24/11/2022

15. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

	Emergency Reserves	Accumulated Surplus	Total
Balance b/f at July 1, 2020	60,974,000	1,024,669,927	1,085,643,927
Add: Emergency Reserves	42,600,000	(42,600,000)	-
Less: Expenditure on Emergency	(14,502,180)	14,502,180	-
Surplus for the period - 2020/2021	-	10,371,552	10,371,553
Balance c/d as at June 30, 2021	89,071,820	1,006,943,659	1,096,015,479
Balance b/f as at July 1, 2021	89,071,820	1,006,943,659	1,096,015,479
Add: Emergency Reserve	42,600,000	(42,600,000)	-
Less: Expenditure on Emergencies	(40,492,800)	40,492,800	-
Accumulated Surplus	-	(328,011,970)	(328,011,970)
Balance c/d as at June 30, 2022	91,179,020	676,824,490	768,003,509

- NGAAF Regulations, 2016 states that there be created an emergency reserve of 2% every year. The monies shall only be disbursed when need arises.
- The accumulated surplus refers to surplus from the Statement of Financial Position.

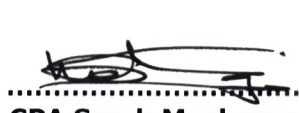
16. STATEMENT OF CASH FLOWS AS AT 30 JUNE 2022

	Notes	2021/2022	2020/2021
		Kshs.	KShs.
Cash flows from operating activities			
Transfers from other Government – State Department for Gender		2,185,822,945	2,130,000,000
Other Income		1,746,770	53,500
Total Receipts		2,187,569,715	2,130,053,500
Payments			
Transfer to other government entity – County Expenditure		2,300,414,214	1,971,080,887
Use of goods & Services		33,655,494	22,036,554
Employee costs		90,026,412	90,984,049
Board Expenses		13,331,949	12,541,722
Repair & Maintenance		1,196,912	3,056,924
M & E		6,631,600	6,440,400
Emergency Fund		40,492,800	14,502,180
Total Payments		2,485,749,381	2,120,642,715
Net Cash flow from operating activities		(298,179,666)	9,410,785
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-	(7,600,255)
Retention – Dalton Investments		-	(2,257,579)
Proceeds from sales of motor vehicles (Net)		2,030,762	95,000
Net cash flows used in investing activities		2,030,762	(9,762,834)
Cash flows from financing activities		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(296,148,904)	(352,049)
Cash and cash equivalents at 1 July 2021	17(a)	907,044,462	907,396,510
Cash & cash equivalents as at 30 June 2022	(17(a))	610,895,558	907,044,462

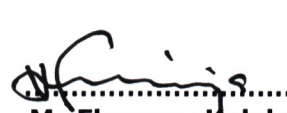
IPSAS 2 allows an Entity to present the cashflow statements using the direct or indirect method. The above cashflow has been presented using the direct method.


.....
Roy Saka Telewa,
FCIPS/IFHRM/ICHRP (K)
Chief Executive Officer

Date: 24/11/22


.....
CPA Serah Muchunga
ICPAK No. 9059
Head of Finance

Date: 24/11/2022


.....
Ms Florence Kalekye Kiriinya
Chairperson of the Board

Date: 24/11/2022

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17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
Details	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	
Revenue	KShs.	KShs.	KShs.	KShs.		
Transfers from other government entities	2,130,000,000	55,822,945	2,185,822,945	2,185,822,945	-	
Other Income	-	1,152,954	1,152,954	1,746,770	593,816	
Total income	2,130,000,000	56,975,899	2,186,975,899	2,187,569,715	593,816	
Expenses						
Transfers to Counties - Counties Expenditure	1,938,300,000	223,618,508	2,161,918,508	2,300,414,214	(138,495,706)	1.06
Use of goods & services	30,862,328	400,000	31,262,328	30,857,401	404,928	.099
Employee Cost	93,744,196	55,822,945	149,567,141	83,819,071	65,748,070	.56
Board Expenses	16,827,800	-	16,827,800	13,700,449	3,127,351	.81
Repairs and maintenance	2,290,275	-	2,290,275	1,196,912	1,093,363	.52
M & E	42,600,000	(20,249,931)	22,350,069	6,631,600	15,718,469	.30
Emergencies to Counties	42,600,000	-	42,600,000	40,492,800	2,107,200	.95
Total expenditure	2,167,224,599	2,426,816,121	2,426,816,122	2,477,112,447	(50,296,325)	1.02
Surplus/Deficit	(37,224,599)	(2,369,840,222)	(239,840,222)	(289,542,732)	49,702,509	1.21

Budget notes

**1. On differences between actual and budgeted amounts (10% over/under)
IPSAS 24.14**

Employee costs - The underutilization under employee costs is due to supplementary allocation to cushion for gratuity on exiting officers that was yet to be paid.

Board Expenses - Underutilization under Board expenses is because some of the board activities were postponed to subsequent period

Repair and Maintenance - Underutilization on repairs and maintenance is because the Entity did not procure some of the items within the financial year.

Monitoring & Evaluation - Under absorption in M & E is based on the Board's budgetary allocation in the year.

Generally, there was a decline in board's planned activities which was occasioned by change of guard and reconstitution of the committees.

2. On differences between original and final budget (reallocations or other causes) IPSAS 24.29

Transfers to Counties - The adjustments is because of unspent balances returned at the beginning of the year.

Use of goods & services - The Board approved for an additional allocation for advertising during the year.

Employee Costs - The National Treasury allocated a supplementary budget during the year to cushion the salary and gratuity payment.

Monitoring & Evaluation – During the year, the Board approved some reallocation to other cost items as reflected in M & E movement schedule.

3. The total of actual on comparable basis tied to the statement of financial performance and there were no differences in accounting basis.

18. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

National Government Affirmative Action Fund is established by and derives its authority and accountability from Public Finance Management Act (No. of 2012). The National Government Affirmative Action Fund is wholly owned by the Government of Kenya and is domiciled in Kenya. The National Government Affirmative Action Fund's principal activity is financial support to the affirmative groups.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The Cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity's accounting policies.

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

The financial statements have been prepared in accordance with the PFM Act, State Corporation Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied.

Notes to the Financial Statements (Continued)

3. ADOPTION OF NEW AND REVISED STANDARDS

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2022.

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

- ii. **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.**

Standard	Effective date and impact
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. The standard is currently applicable on cash payments only since the Entity depends totally on exchequer release. However, other form of financial instrument may be relevant and applicable in future.
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about

National Government Affirmative Action Fund
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Notes to the Financial Statements (Continued)

Standard	Effective date and impact
	social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. The standard is relevant to the entity as it has impact on the welfare of the staff. Currently, employees are members of NSSF and Lapfund.
Amendments to other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued. The amendments of the standard shall guide future applicability.
Other improvements to IPSAS	Applicable 1st January 2023 • IPSAS 22 Disclosure of Financial Information about the General Government Sector. Amendments to refer to the latest System of National Accounts (SNA 2008). • IPSAS 39: Employee Benefits Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

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Notes to the Financial Statements (Continued)

Standard	Effective date and impact
	The improvement of the standards shall be relevant in future application and adoption.
IPSAS 43: Disclosure of leases	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. The Entity operates within leased premises and the standard are applicable to ensure that critical information is well captured before signing the agreement.
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. Currently the standard does not apply. However, future sales of assets identified for disposal shall adopt the standards.

i. Early adoption of standards

The entity did not early - adopt any new or amended standards in the year ended 30 June 2022.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

**National Government Affirmative Action Fund
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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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

Interest Income

Interest income earned is accrued using the effective yield method and rates as negotiated by the Board. Currently, the applicable rates are 3.0%, 3.5%, 4.0% and 4.5% for amounts between 10M-20M, 20M-50M, 50M-100M and, 100M and above respectively. The tax on interest income is accountable as a normal tax.

b) Budget information

The original budget for FY 2021-2022 was approved by the National Assembly. However, there was subsequent additional appropriation made to the approved budget in accordance with specific approvals from the appropriate authorities.

The National Government Affirmative Action Fund budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under page 5 of these financial statements.

c) Transfers to other government entities

Transfers or disbursement to other government units are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property). National Government Affirmative Action Fund County(s) disbursement is guided by NGAAF Regulations, 2016 Section 11(3). From the total budgetary allocation, ninety-one (91) percent is disbursed equally to all two hundred and ninety (290) constituencies while two (2) percent of the total allocation remain unallocated but reserved for

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

emergencies to affirmative groups. Therefore, the more the constituencies a county has, the more the budgetary allocation.

d) Property, plant and equipment

All property, plant and equipment are stated at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. National Government Affirmative Action Fund has already initiated the process of developing a depreciation policy document which is at draft level that will allow the entity calculate useful life of property, plant and equipment. The entity started the process of developing a policy document to guide in management of assets. However, this has not been finalized so as to recognize individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost shall be recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value under review. However, due to pandemic that hit the world, the Fund was not in a position to finalize this document. The document is still at the draft level and once this is in place, necessary action shall be undertaken on all Fund's assets.

e) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The National Government Affirmative Action Fund has staff on contractual terms of three years. After the expiry of the period the Fund is legally expected to honour its financial obligation in payment of Gratuity for the services rendered to the respective Officers. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

f) Contingent liabilities

The Entity 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. In the year 2021-2022, the Fund engaged in a legal dispute in a labour related case at Kisumu court.

g) Nature and purpose of Reserves

The National Government Affirmative Action Fund creates and maintains reserves in terms of Emergency Reserves as guided in paragraph 13 (1) of the NGAAF Regulations, 2016 that states that 'a portion equivalent to 2% of the total allocation in each year' shall remain unallocated by the Board and shall only be available to cover emergencies faced by affirmative groups. The Emergency reserves shall only be disbursed by the Board when need arises.

**National Government Affirmative Action Fund
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For the year ended June 30, 2022**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

h) Monitoring & Evaluation

The NGAAF Regulation 2016, provides that 2% of the total allocation shall be for Monitoring and Evaluation. The Entity maintains accrued balances under monitoring and evaluation that is apportioned to M & E activities and various operations as approved by the Board.

i) Changes in accounting policies and estimates

The National Government Affirmative Action Fund recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

j) Related parties

The National Government Affirmative Action Fund regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

k) Cash and cash equivalents

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

l) Comparative figures

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

m) Subsequent events

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

5. Significant Judgements and sources of estimation uncertainty

The preparation of the National Government Affirmative Action Fund's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The National Government Affirmative Action Fund based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

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Notes to the Financial Statements (Continued)

6. Transfers from State Department for Gender Affairs (Exchequer Receipts)

	2021-2022	2020-2021
Transfers from National Government Ministries – State Department for Gender	Kshs.	KShs.
First Quarters - 27/9/2021	1,065,000,000	-
Second Quarters	-	1,065,000,000
Third Quarters – 28/02/2022	1,065,000,000	1,034,000,000
Fourth Quarters – 30/05/2022	55,822,945	31,000,000
Total	2,185,822,945	2,130,000,000

During the financial year 2021-2022, the Fund received its full allocation in two -fold; 27th September, 2021 and on 28th February, 2022. Further, a supplementary budget was received on 30th May, 2022 to cushion PE's and payment of gratuity.

7. Other Income

	2021-2022	2020-2021
Description	Kshs.	KShs.
Sale of Tenders	80,000	53,500
Interest from NGAAF Counties accounts – Equity Bank	1,666,770	-
Total	1,746,770	53,500

Interest from NGAAF Counties offices was due to Board negotiation during the year.

8. Transfers to other government Units – Counties Expenditures

		2021-2022	2021-2022	2020-2021
		Kshs.	KShs.	KShs.
S/NO.	COUNTY	Disbursement	Expenditure	Expenditure
1	BARINGO COUNTY	45,510,038.20	45,507,038.20	34,185,101.30
2	BOMET COUNTY	42,567,726.18	42,596,969.00	24,288,670.00
3	BUNGOMA COUNTY	71,100,069.59	77,239,346.55	66,646,119.10
4	BUSIA COUNTY	50,316,770.41	50,283,297.00	54,888,080.78
5	ELGEYO MARAKWET COUNTY	30,221,996.76	30,218,585.32	42,645,424.00
6	EMBU COUNTY	34,081,002.62	34,025,331.35	43,657,280.95
7	GARISSA COUNTY	43,139,035.38	41,820,554.99	37,751,874.99
8	HOMA BAY COUNTY	65,188,814.74	66,409,156.15	39,780,757.26
9	ISIOLO COUNTY	13,836,107.72	13,691,174.00	13,460,400.30
10	KAJIADO COUNTY	44,201,838.75	44,345,798.70	31,039,714.35
11	KAKAMEGA COUNTY	97,643,356.16	100,425,853.52	91,244,102.40
12	KERICHO COUNTY	40,250,998.58	40,250,417.55	38,348,260.00
13	KIAMBU COUNTY	93,739,215.05	92,495,610.00	75,850,797.50
14	KILIFI COUNTY	50,134,921.76	50,131,810.15	43,787,818.00
15	KIRINYAGA COUNTY	33,308,515.42	33,374,003.00	30,002,185.25
16	KISII COUNTY	75,245,576.67	55,410,909.05	85,719,259.15
17	KISUMU COUNTY	56,116,459.59	60,507,507.40	65,878,192.45
18	KITUI COUNTY	74,682,183.55	74,190,984.00	64,631,525.00

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Notes to the Financial Statements (Continued)

19	KWALE COUNTY	25,627,303.45	25,202,929.99	36,873,164.90
20	LAIKIPIA COUNTY	20,271,823.53	20,071,732.99	20,852,242.40
21	LAMU COUNTY	14,901,754.62	14,910,127.10	12,674,706.80
22	MACHAKOS COUNTY	121,837,313.80	92,258,999.00	55,656,457.04
23	MAKUENI COUNTY	41,652,824.12	41,658,024.55	40,316,306.65
24	MANDERA	53,760,480.33	53,757,626.00	34,877,264.40
25	MARSABIT COUNTY	33,659,249.09	33,726,349.90	27,647,688.30
26	MERU COUNTY	74,407,174.44	74,404,414.20	55,916,071.60
27	MIGORI COUNTY	66,307,230.68	66,300,528.99	68,821,066.00
28	MOMBASA COUNTY	46,083,177.56	46,069,105.00	26,255,133.00
29	MURANGA COUNTY	75,566,975.65	62,979,906.88	21,120,794.90
30	NAIROBI COUNTY	160,183,169.40	139,321,970.60	108,281,960.00
31	NAKURU COUNTY	83,554,680.16	83,554,680.05	61,426,700.60
32	NANDI COUNTY	40,744,424.05	40,744,424.05	35,978,930.05
33	NAROK COUNTY	42,208,644.49	42,208,644.45	40,830,994.55
34	NYAMIRA COUNTY	27,153,299.27	27,153,299.20	26,396,189.30
35	NYANDARUA COUNTY	37,532,163.23	37,533,317.50	31,414,668.30
36	NYERI COUNTY	49,698,772.71	49,697,900.00	52,394,114.10
37	SAMBURU COUNTY	20,051,377.04	28,325,890.50	11,828,791.30
38	SIAYA COUNTY	56,960,679.29	56,554,218.65	37,608,210.80
39	TAITA TAVETA COUNTY	36,166,111.15	35,698,698.00	25,806,265.60
40	TANA RIVER	27,641,821.04	26,216,952.70	16,806,197.45
41	THARAKA NITHI COUNTY	20,244,151.10	20,217,655.90	19,576,822.00
42	TRANS NZOIA COUNTY	33,406,548.20	33,407,048.00	41,412,400.00
43	TURKANA COUNTY	43,812,018.00	43,813,280.04	37,730,183.55
44	UASIN GISHU COUNTY	40,348,589.85	38,255,598.58	44,054,177.00
45	VIHIGA COUNTY	41,638,984.16	41,638,984.15	25,269,304.00
46	WAJIR COUNTY	44,865,896.00	44,848,863.78	43,323,148.45
47	WEST POKOT COUNTY	26,938,367.30	26,958,697.30	26,125,371.00
	Total	2,368,509,628.81	2,300,414,213.98	1,971,080,886.60

The above table reflect total disbursement and expenditure to 47 counties in the year ended June 30, 2022. However, 10 of the counties shows a higher expenditure than the disbursed amount since they had retained their balances as at 30 June, 2021.

9. Use of goods & Services

	2021-2022	2020-2021
Description	Kshs.	KShs.
Advertising	815,549	485,350
Conferences and delegations	2,232,233	1,657,640
Consulting fees	-	3,206,000
Electricity	310,966	313,916
Fuel and oil	2,873,240	2,786,224
Insurance	7,418,765	-
Legal expenses	-	1,565,110
Postage	49,680	27,540
Printing and stationery	176,440	553,350
Publicity	707,460	805,870
Rental	9,166,320	8,880,900
Telecommunication	1,815,080	1,641,613

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Notes to the Financial Statements (Continued)

Training	4,890,470	2,498,068
Other	401,197	743,612
Total	30,857,401	25,165,194

The above table shows a higher expenditure compared to comparative year since the Fund did not facilitate staff medical cover in the prior year.

10. Employee Cost

	2021-2022	2020-2021
Employee Costs	Kshs.	Kshs.
Salaries and wages	61,029,988	68,133,642
Employee related costs	1,861,434	2,906,964
Travel, accommodation, subsistence and other allowances	10,260,060	8,659,359
Extraneous allowances	4,043,271	3,401,984
Provision for Gratuity	6,624,318	3,501,193
Employee costs	83,819,071	86,603,142

Employee costs include staff salaries, travel expenses, subsistence allowances and gratuity provision during the year.

11. Board Expenses

	2021-2022	2020-2021
Description	Kshs.	KShs.
Chairman's Honoraria	660,000	720,000.00
Sitting Allowances	4,797,500	5,550,000.00
Medical Insurance	499,851	585,991.66
Induction & Training	2,235,333	1,097,340.00
Other allowances	5,507,765	4,879,890.00
Total directors' emoluments	13,700,449	12,833,221.66

Directors' emoluments refer to sitting allowances during Board meetings and other official forums while other expenses include travel cost, lunches and per diem where applicable.

12. Repairs and Maintenance

	2021-2022	2020-2021
Description	Kshs.	KShs.
Vehicles	353,850	1,916,524
Furniture's and fittings	237,412	255,215
Computers and accessories	605,650	885,185
Total repairs and maintenance	1,196,912	3,056,924

The current financial year shows a slightly lower amount than the comparative year since there were no major services done.

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Notes to the Financial Statements (Continued)

13. (a) M & E Expenses

	2021-2022	2020-2021
Description	Kshs.	KShs.
M & E Activity	6,631,600	6,440,400
Total	6,631,600	6,440,400

The above table shows expenditures incurred by NGAAF Secretariat during M & E field activities.

13. (b) M & E Movement

	2021-2022	2020-2021
Description	Kshs.	KShs.
Balance b/forward	49,638,388	50,137,322
Add:		
Allocation for 2021-2022	42,600,000	42,600,000
Total	92,238,388	92,737,322
Less:		
M & E Activity	6,631,600	6,440,400
Fuel & Lubricants	1,924,866	2,000,000
Employee costs – Gratuity & short-fall	-	19,323,262
NHIF – Lump sum	7,418,765	-
Skill Development	2,394,900	1,608,900
Purchase of Motor vehicle	-	6,424,000
Board	8,511,400	7,302,372
Total Expenditure	26,881,531	43,098,934
Bal c/forward	65,356,857	49,638,388

The above table shows movement of the M & E allocation to various cost items and the balance thereof

14.(a) Emergencies to Counties (Annex I)

Emergency Funds	2021-2022	2020-2021
	Kshs.	KShs.
Counties disbursement	40,492,800	14,502,180
Total	40,492,800	14,502,180

Disbursement of Emergencies to Counties is as guided in the NGAAF Regulations Section 13(3), during the year, the Board supported affirmative groups in 24 Counties.

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Notes to the Financial Statements (Continued)

14. (b) Emergency Reserves

	2021-2022	2020-2021
Description	Kshs.	KShs.
Balance b/forward	89,071,820	60,974,000
Add:		
2% 2021-2022 allocation	42,600,000	42,600,000
Total	131,071,820	103,574,000
Less:		
Disbursements to Counties	40,492,800	14,502,180
Balance c/f	91,179,020	89,071,820

The above table reflects emergency reserves as at 30 June 2022.

15 (a). Provision for Gratuity

	2021-2022	2020-2021
Description	Kshs.	KShs.
Bal b/forward	24,336,356	29,087,210
Add: Provision for FY 2020-2021(Annex II)	6,624,318	3,501,193
Less:		
Payment during the year	12,098,615	8,252,047
Provision at the end of the year	18,862,058	24,336,356

Above balance refers to gratuity provision as at 30 June, 2022

15 (b). Gratuity payment

	2021-2022	2020-2021
Description	Kshs.	KShs.
Bal b/forward	2,077,559	261,211
Add:		
Allocation during the year (supplementary)	30,000,000	10,068,395
Total	32,077,559	10,329,606
Less:		
Payment during the year	12,098,615	8,252,047
Balance c/forward	19,978,944	2,077,559

The above table reflects balances available for gratuity under cash & cash equivalent

16. Payables

	2021-2022	2020-2021
Details	Kshs.	KShs.
Bal b/forward	3,960,384	2,479,353
Less:	(3,960,384)	
Kenya School of Government	360,000	3,016,000
PAYE for the Board	300,000	291,500
Lydia Nyaga	-	50,000

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Notes to the Financial Statements (Continued)

NSSF	-	540,244
Internet Solutions	-	62,640
Supply of publicity materials	292,000	-
Balance c/f	952,000	3,960,384

The above table relates to payables during the year.

17. (a) Cash and Cash Equivalents

Cash and cash equivalents	2021-2022	2020-2021
	Kshs.	KShs.
Current account	3,283,931	3,297,349
Central Bank a/c	504,869,371	645,800,249
Counties - NGAAF Balances (Annex III)	101,075,486	257,946,864
Interest from Counties accounts	1,666,770	-
Total cash and cash equivalents	610,895,558	907,044,462

Counties balances relates to unspent balances at the counties cash books as at 30 June 2022. There was no interest during the comparative period.

17. (b) Detailed Cash and Cash Equivalents

	2021/2022	2020/2021
	KShs.	KShs.
Current account	3,283,931	3,297,349
Central Bank a/c		
Emergency Reserves	91,179,020	89,071,820
Monitoring & Evaluation	65,356,857	49,638,388
Gratuity	19,978,944	2,077,559
Retained for Consultative meeting between Women Reps, Coordinators & Board	5,087,420	5,895,000
Personnel Emolument	25,822,945	-
Counties Balances	297,444,186	499,117,481
Cash & Cash Equivalent @ Counties	101,075,486	257,946,864
Interest from Counties accounts – Equity bank	1,666,770	-
Total Cash & Cash equivalent	610,895,558	907,044,462

The supplementary allocation to cushion the PE was not transferred to the secretariat account despite incurring some expenditure from that allocation. Interest from Counties accounts, have been accounted for in the statement of financial performance.

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Notes to the Financial Statements (Continued)

18. Receivable

Details	FY 2021/2022	FY 2020/2021
	Kshs.	Kshs.
Outstanding imprest	192,800	-
Prepayment - National Oil	103,173	684,034.06
Prepayment – RH Divan	542,315	-
Total	838,287	684,034.06

Above table shows receivable as at 30 June 2022

19. PROPERTY PLANT & EQUIPMENTS (Annex IV)

Details	2021-2022	2020-2021
	KShs.	KShs.
Property, plant and equipment		
At 1 July 2021	216,583,723	208,983,468
Additions	-	7,600,255
Disposals	40,500,000	-
At end of the year	176,083,723	216,583,723
Depreciation and impairment		
At 1 July 2021	-	-
Depreciation	-	-
Disposals	-	-
At end of the Year	-	-
Net Book Values	176,083,723	216,583,723

20 Financial Risk Management

The entity's activities expose it to a variety of financial risks which is credit and risks. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

The company's financial risk management objectives and policies are detailed below:

(i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful

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Notes to the Financial Statements (Continued)

receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The board of directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Capital Risk Management

The objective of the entity's capital risk management is to safeguard the Board's ability to continue as a going concern.

The entity capital structure comprises of the following funds:

	2021-2022	2020-2021
Description	Kshs.	KShs.
Retained earnings/ accumulated surplus	676,824,490	1,006,943,659

(iii) Related Party Balances

a) Nature of related party relationships

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and Close family members.

The entity is related to

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key Management;
- iv) Board of Directors;

b) Related party transactions

	2021-2022	2020-2021
Details	Kshs.	KShs.
Transfers from related parties'	2,185,822,945	2,130, 000,000
Transfers to related parties	2,368,509,629	2,116,406,489

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Notes to the Financial Statements (Continued)

c) Key management remuneration

	2021-2022	2020-2021
Details	Kshs.	KShs.
Directors Expenses	13,700,449	12,833,222

(iv) Events after the reporting period

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

(v) Ultimate and Holding Entity

The National Government Affirmative Action Fund is a Semi- Autonomous Government Agency under the Ministry of Public Service and Gender Affairs. Its ultimate parent is the Government of Kenya.

(vi) Currency

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

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18. APPENDIX

APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised in the financial year 2020/2021 by the external auditor, and management comments provided to the auditor. The Fund has nominated focal persons to resolve the various issues as shown below with the associated time frame in which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Time frame
NGAAF /2020/2021(31)	Lack of Assets Register and Disputed Land Ownership	✓ The asset register is now available. However, the Asset Policy document is yet to be finalized for impairment. ✓ The Land Ownership is still pending in court although the centre was launched.	Fast-tracking in process	30 June 2023
	Missing Generator at the Kiambu County Office	✓ The matter was reported in Kiambu police station and an OB No.... shared with the auditors.	Follow up in progress	30 June 2023
	Unsupported Cash and Cash Equivalents	✓ The bank reconciliation statements for the 41 Counties were presented and are available for audit review. ✓ The quarterly expenditure report for Kiambu County has been reconciled and readily available for review. ✓ The variances in Nyeri and Siaya County was corrected and documented	Documents available for audit	Ready for re-submission
	Unexplained Variance in Transfers to Other Units - Kiambu	✓ The variance in Kiambu County has been corrected in the quarterly report and is available for review	Documents available for review	Ready for re-submission
	Siaya County – Irregular Procurements	✓ A follow up is in the process and consolidation of the documents is in progress.	Compilation in progress	30 June 2023
	Other matters			
	Unresolved Prior Matters	✓ A follow up on prior year issues is on course	In progress	30 June 2023
	Budgetary Control and Performance	✓ The under absorption was because some of planned activities didn't take place ✓ The expenditure for Kiambu was approved by the Board.	Documents available for review	30 June 2023
	Nairobi County- Unutilized Funds for Purchase of Motor Vehicles	✓ The utilization was caused by the partners and explanation was given during the audit exercise	Work in progress	30 June 2023
	Irregular Award of Tender by Splitting Quotes	✓ The award of tenders was based on the lowest supplier in each category	Documents available for review	Documents available
	Award of Tenders to Preferred Suppliers	✓ There was no preferential treatment of suppliers	Supporting documents available	30 June 2023
	Lack of approved Human Resource Plan/Staff Establishment	✓ The HR instrument policy ready awaiting approval from SCAC	Document submitted to SCAC	30 June 2023

.....
Chief Executive Officer

Date:

APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

1. Construction to completion of 50 bed capacity dormitory at Esibembe AC Girls School in Busia County.
2. On-going construction of Nyacheiki market shed in Kisii County which is estimated at 40%.
3. On-going construction of Ombeyi Modern Market at Muhoroni Constituency, Kisumu County.
4. On-going construction of Gender Based Violence Centre at Mwakirunge Kisauni Constituency in Mombasa County which is estimated at 16%.
5. On-going construction of Taita Taveta Child Rescue Centre at Mwatate Sub-County, Bura Location which is estimated at 20%.
6. Completed construction of Vihiga Gender Based Violence Rescue and Empowerment Centre in Vihiga County. Awaiting operationalization
7. Completed construction of Kabirirsang Drug and Rehabilitation Centre in Nandi County. Awaiting operationalization
8. Completed construction of dormitory at Mirando Ongalo Secondary School in Siaya County.
9. Completed construction of modern market sheds and pit latrines at Ringa village, in Kabondo Kasipul Sub-County, Homabay County.
10. Completed construction of girls' dormitory at Kisima Mixed Secondary School in Samburu County.
11. On-going construction of School dining hall at Kutulo Girls Model School in Mandera South Sub-County, Mandera County

APPENDIX III: INTER-ENTITY TRANSFERS

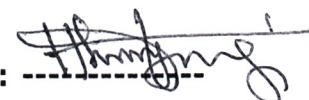
ENTITY NAME:			
Break down of Transfers from the State Department of Gender Affairs			
FY 2021/2022			
a.	Recurrent Grants		
		<u>Bank Statement Date</u>	<u>Amount (Kshs.)</u>
			<u>Indicate the FY to which the amounts relate</u>
			Nil
		Total	Nil
b.	Development Grants		
		<u>Bank Statement Date</u>	<u>Amount (KShs.)</u>
			2020/2021
	State Department for Gender	-	-
	State Department for Gender	27/9/2021	1,065,000,000
	State Department for Gender	28/2/2022	1,065,000,000
	State Department for Gender	30/5/2022	55,822,945
		Total	2,185,822,945

The above amounts have been communicated to and reconciled with the parent Ministry

**Head of Finance
NGAAF**

**Head of Accounting Unit
State Department for Gender**

Sign: 

Sign: 

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EMERGENCY TO COUNTIES - ANNEX I

S/NO.	COUNTIES	1 ST QUARTER	2 ND QUARTER	3 RD QUARTER	4 TH QUARTER	TOTAL
1	Baringo County	1,000,000.00	-	-	-	1,000,000.00
2	Busia County	1,000,000.00	-	-	-	1,000,000.00
3	Embu County	-	-	-	1,000,000.00	1,000,000.00
4	Garissa County	-	1,000,000.00	-	-	1,000,000.00
5	Isiolo County	-	1,000,000.00	-	-	1,000,000.00
6	Kajiado County	-	1,000,000.00	-	-	1,000,000.00
7	Kakamega County	-	-	-	1,000,000.00	1,000,000.00
8	Kitui County	1,000,000.00	-	-	1,000,000.00	2,000,000.00
9	Kwale County	-	1,000,000.00	-	-	1,000,000.00
10	Laikipia County	1,000,000.00	-	1,000,000.00	-	2,000,000.00
11	Lamu County	-	1,000,000.00	1,000,000.00	1,000,000.00	3,000,000.00
12	Machakos County	-	1,000,000.00	-	-	1,000,000.00
13	Makueni County	-	1,000,000.00	-	-	1,000,000.00
14	Mandera County	-	1,000,000.00	1,000,000.00	1,000,000.00	3,000,000.00
15	Marsabit County	1,000,000.00	-	-	-	1,000,000.00
16	Nairobi County	1,000,000.00	-	-	1,000,000.00	2,000,000.00
17	Nandi County	-	-	536,800.00	-	536,800.00
18	Nyandarua County	-	1,000,000.00	-	-	1,000,000.00
19	Nyeri County	-	1,000,000.00	-	-	1,000,000.00
20	Samburu County	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	4,000,000.00
21	Tharaka Nithi County	-	956,000.00	1,000,000.00	1,000,000.00	2,956,000.00
22	Turkana County	1,000,000.00	1,000,000.00	-	1,000,000.00	3,000,000.00
23	Wajir County	-	1,000,000.00	-	2,000,000.00	3,000,000.00
24	West Pokot County	-	1,000,000.00	1,000,000.00	-	2,000,000.00
	TOTAL	8,000,000.00	14,956,000.00	6,536,800.00	11,000,000.00	40,492,800.00

**National Government Affirmative Action Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022**

PROVISION FOR GRATUITY FOR FINANCIAL YEAR 2021/2022 – ANNEX II

S/no	Payroll- Num	Surname	First- Name	Other- Names	Designation	Date-of- Post	Extension Start Date	Extension End Date	Salary	Gratuity Amount (Kshs.)
1	20100009630	Kaakua	Lydia	Namunyal	County Coordinators	01/02/18	01/07/2021	30/06/2022	45,880.00	206,996.30
2	20120012259	Nyanje	Victor	Safari	County Coordinators	01/02/2018	01/07/2021	30/08/2021	45,880.00	102,771.20
3	20130006049	Lotee	Titus		Chief Executive Officer	01/02/18				616,050.60
4	20130034418	Kaburu	Peninah	Waithera	County Coordinators	05/02/18	04/07/2021	03/07/2022	48,190.00	217,328.60
5	20140000399	Kithome	Lydia	Kavete	County Coordinators	30/04/18	30/09/2021	30/09/2022	48,190.00	233,011.50
6	20150152319	Njogu	Daniel	Nguqi	County Coordinators	01/02/2018	01/07/2021	30/08/2021	50,590.00	115,871.60
7	20150152355	Ngeti	Dorine	Mkaluma	County Coordinators	01/02/18	08/07/2021	30/08/2021	53,140.00	121,773.60
8	20150152364	Kimutai	Fredrick		County Coordinators	01/02/18	01/07/2021	30/08/2021	53,140.00	121,773.60
9	20150152373		Elizabeth	Muthoni	County Coordinators	01/02/18	01/07/2021	30/08/2021	48,190.00	113,445.60
10	20150152382	Nzick i	Benjamin	Wambua	County Coordinators	01/02/2018	01/07/2021	30/06/2022	48,190.00	220,428.60
11	20150152444	Lorogoi	Festus	Ekite la	County Coordinators	02/02/18			48,190.00	207,873.60
12	20150152453	Cheboi	Stephen	Kipkorir	County Coordinators	01/02/18	01/07/2021	30/08/2021	45,880.00	108,001.40
13	20150152480	Angutwa	Violet	Vizengwa	County Coordinators	01/02/18	01/07/2021	31/08/2021	48,190.00	113,445.60
14	20150152551	Obonyo	Jack	Maur ice	County Coordinators	01/02/18	01/07/2021	30/06/2022	48,190.00	220,428.60
15	20150152579		Juliet	Soila	County Coordinators	01/02/18	01/07/2021	30/06/2022	48,190.00	220,428.60
16	20170143932		Allan	Nyabio	Driver [3]	01/12/17			23,489.00	156,375.78
17	20180006571	Mackenzie	Pamella	Minayo	County Coordinators	08/02/2018	08/07/2021	07/07/2022	48,190.00	217,328.60
18	20180006580	Sang	William	Kibet	County Coordinators	08/02/2018	08/07/2021	07/09/2021	48,190.00	110,345.60
19	20180006606	Shei kh	Muhiyadin	Abdirahman	County Coordinators	08/02/18	08/07/2021	07/07/2022	48,190.00	217,328.60
20	20180006624	Abdi	Abduljabar	Hassan	County Coordinators	08/02/18	08/07/2021	07/07/2022	48,190.00	217,328.60
21	20180006786	Ameme	Emanuel	Loyeks	County Coordinators	12/02/2018	12/07/2021	11/09/2021	48,190.00	110,345.60
22	20180007032	Kodjo	Josiah	Okatch	County Coordinators	19/02/18	08/07/2021	07/07/2022	48,190.00	209,144.60
23	20180015338	Muiruri	Carol	Njiki	County Coordinators	09/03/18	08/08/2021	07/08/2022	48,190.00	217,328.60
24	20180015347	M ai n a	Leah	Wam bui	County Coordinators	09/03/18	08/08/2021	07/08/2022	48,190.00	217,328.60
25	20180015356	Jillov	Nadhifo	Duba	County Coordinators	09/03/2018			48,190.00	44,816.70

**National Government Affirmative Action Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022**

26	20180015525	Lydia	Njeri	Office Administrator	26/03/18					122,453.10
27	20180015534	Maureen	Cheruto	Support Staff	26/03/18					44,807.40
28	20180021756	Mathiu	Kanario	County Coordinators	30/04/2018	31/08/2021	30/08/2022	48,190.00		217,328.60
29	20180021890		Chege	Driver [3]	04/03/18	06/09/2021	05/12/2021	22,369.00		72,029.73
30	20180021907		Sane	Driver [3]	05/03/18	06/12/2021	05/12/2022	22,369.00		149,441.39
31	20180034477	Hassan	Mohamed	Driver [3]	05/02/2018			23,489.00		80,097.49
32	20180041114		Mohamed	Driver [3]	19/05/18	19/07/2021	18/07/2022	21,304.00		96,091.01
33	20180065187		Antony	Driver [3]	06/04/18	04/09/2021	02/06/2022	22,369.00		79,055.89
34	20180015329	Mogaka	Osiago	County Coordinators	09/03/2018	09/08/2021	08/02/2022	48,190.00		119,511.20
35	20160183111	Mamai	Matsekhe	County Coordinators	02/01/19					172,511.90
36	20160183219		Gichiru	County Coordinators	02/01/19					190,550.80
37	20160183273		Amoko	County Coordinators	14/01/19					32,946.80
38	20180070080		Peter	Driver [3]	8/6/18			22,369.00		90,147.07
39	20190015082	Maina	Mwangi	County Coordinators	14/01/2019					179,266.80
40	20190019115	Wafula	Kevin	County Coordinators	08/02/2019					164,327.90
41	20190019544	Njeru	Victor	County Coordinators	13/02/19					156,450.80
				TOTAL						6,624,318.16

**National Government Affirmative Action Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022**

CASH & CASH EQUIVALENT FROM COUNTIES FOR FINANCIAL YEAR 2021/2022 – ANNEX III

S/NO	COUNTY	ACCOUNT NAME	ACCOUNT NUMBER	BANK&BRANCH	AMOUNT(KSHS.)
1	BARINGO	BARINGO COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	1390265012167	EQUITY BANK KABARNET BRANCH	3,000.00
2	BOMET	BOMET COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	1220265004028	EQUITY BANK BOMET BRANCH	1,452.90
3	BUNGOMA	BUNGOMA COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	0114166887190	CO-OPERATIVE BANK BUNGOMA BRANCH	1,968,738.00
4	BUSIA	BUSIA COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	0780264690342	EQUITY BANK BUSIA BRANCH	33,473.35
5	ELGEYO MARAKWET	ELGEYO MARAKWET COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	1530264985396	EQUITY BANK ITEN BRANCH	3,783.48
6	EMBU	EMBU COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	0190265035825	EQUITY BANK EMBU BRANCH	81,504.45
7	GARISSA	GARISSA COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	01141376091400	CO-OPERATIVE BANK GARISSA BRANCH	2,167,004.36
8	HOMA BAY	HOMA BAY COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	0980265090593	EQUITY BANK HOMA BAY BRANCH	1,214,744.24
9	ISIOLO	ISIOLO COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	1141437464600	CO-OPERATIVE BANK ISIOLO BRANCH	144,933.65
10	KAJIADO	KAJIADO COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	0860264663730	EQUITY BANK KAJIADO BRANCH	-
11	KAKAMEGA	KAKAMEGA COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	01141499392500	CO-OPERATIVE BANK MUMIAS BRANCH	1,341,648.20
12	KERICHO	KERICHO COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	0280264850363	EQUITY BANK KERICHO BRANCH	978.00
13	KIAMBU	KIAMBU COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	1174787597	KCB BANK KIAMBU BRANCH	2,523,774.75

**National Government Affirmative Action Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022**

14	KILIFI	KILIFI COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	1060264992250	EQUITY BANK KILIFI BRAANCH	3,111.60
15	KIRINYIGA	KIRINYAGA COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	1174744413	KCB MWEA BRANCH	4,512.40
16	KISII	KISII COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	01141477819600	CO-OPERATIVE BANK KISII EAST BRANCH	19,834,968.60
17	KISUMU	KISUMU COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	1184142319	KCB BANK UNITED MALL BRANCH	767.10
18	KITUI	KITUI COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	1175603821	KCB BANK KITUI BRANCH	491,199.50
19	KWALE	KWALE COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	1580265128124	EQUITY BANK KWALE BRANCH	424,373.41
20	LAIKIPIA	LAIKIPIA COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	01141367557300	CO-OPERATIVE BANK NANYUKI BRANCH	200,091.45
21	LAMU	LAMU COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	1590265004851	EQUITY BANK LAMU BRANCH	-
22	MACHAKOS	MACHAKOS COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	1173170537	KCB BANK MACHAKOS BRANCH	29,578,314.80
23	MAKUENI	MAKUENI COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	0670265000090	EQUITY BANK WOTE BRANCH	7,004.00
24	MANDERA	MANDERA COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	00121001445701	NATIONAL BANK MANDERA BRANCH	2,854.25
25	MARSABIT	MARSABIT COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	1010265012964	EQUITY BANK MARSABIT BRANCH	29,650.15
26	MERU	MERU COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	0140264986066	EQUITY BANK MERU BRANCH	2,760.20
27	MIGORI	MIGORI COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	0114148273220	CO-OPERATIVE BANK MIGORI BRANCH	26,202.66

**National Government Affirmative Action Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022**

28	MOMBASA	MOMBASA COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	1560265100361	EQUITY BANK MOMBASA SUPREME CENTRE	378,557.55
29	MURANGA	MURANGA COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	0890265012321	EQUITY BANK KENOL/MAKUTANO BRANCH	12,587,068.77
30	NAIROBI	NAIROBI COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	01141201980100	CO-OPERATIVE BANK PARLIAMENT ROAD BRANCH	20,861,198.60
31	NAKURU	NAKURU COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	0130265014227	EQUITY BANK WEST SIDE MALL	-
32	NANDI	NANDI COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	0490264982696	EQUITY BANK KAPSABET BRANCH	-
33	NAROK	NAROK COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	0360265127769	EQUITY BANK NAROK BRANCH	-
34	NYAMIRA	NYAMIRA COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	1174734140	KCB NYAMIRA BRANCH	-
35	NYANDARUA	NYANDARUA COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	0620265004136	EQUITY BANK OLKALOU BRANCH	935.65
36	NYERI	NYERI COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	0110265000038	EQUITY BANK NYERI BRANCH	872.71
37	SAMBURU	SAMBURU COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	110026474404	EQUITYBANK MARARAL BRANCH	193,858.65
38	SIAYA	SIAYA COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	0970264392174	EQUITY BANK SIAYA BRANCH	2,930,360.25
39	TAITA TAVETA	TAITA TAVETA COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	0790265112714	EQUITY BANK VOI BRANCH	467,413.15
40	TANA RIVER	TANA RIVER COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	1210265013411	EQUITY BANK HOLLA BRANCH	1,424,868.30
41	THARAKA NITHI	THARAKA NITHI COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	01141571373500	CO-OPERATIVE BANK CHUKA BRANCH	26,495.20

**National Government Affirmative Action Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022**

42	TRANS NZOIA	TRANS NZOIA COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	01141694280500	CO-OPERATIVE BANK KITALE BRANCH	409.40
43	TURKANA	TURKANA COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	01141592086700	CO-OPERATIVE BANK LODWAR BRANCH	2,578.01
44	UASIN GISHU	UASIN GISHU COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	01141685424200	CO-OPERATIVE BANK ELDORET-WEST BRANCH	2,092,991.27
45	VIHIGA	VIHIGA COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	1174729511	KCB BANK MIBALE BRANCH	-
46	WAJIR	WAJIR COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	01001083954000	NATIONAL WAJIR BRANCH	17,032.22
47	WEST POKOT	WEST POKOT COUNTY AFFIRMATIVE SOCIAL DEVELOPMENT FUND	1070264794932	EQUITY BANK KAPENGURIA BRANCH	-
		TOTAL			101,075,485.23

National Government Affirmative Action Fund
Annual Reports and Financial Statements
For the year ended June 30, 2022

PROPERTY PLANT & EQUIPMENT – ANNEX IV

	Motor Vehicles Kshs.	Furniture and fittings Kshs.	Computers Kshs.	Other Assets Kshs.	Plant and Equipment Kshs.	Total Kshs.
At 1 July 2021	169,146,536.00	3,445,200.00	181,102.00	36,210,629.58	-	208,983,467.58
Additions	6,424,000.00	-	957,255.20	219,000.00	-	7,600,255.20
Disposals	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-
At 30th June 2021	175,570,536.00	3,445,200.00	1,138,357.20	36,429,629.58		216,583,722.78
Depreciation	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-
At 30 June 2021	175,570,536.00	3,445,200.00	1,138,357.20	36,429,629.58	-	216,583,722.78
At 1 July 2021	175,570,536.00	3,445,200.00	1,138,357.20	36,429,629.58	-	216,583,722.78
Additions	-	-	-	-	-	-
Disposals	(40,500,000.00)	-	-	-	-	(40,500,000.00)
At 30 June 2022	135,070,536.00	3,445,200.00	1,138,357.20	36,429,629.58	-	176,083,722.78
At 30 June 2021	175,570,536.00	3,445,200.00	1,138,357.20	36,429,629.58	-	216,583,722.78

N/B: The Fund is in the process of doing valuation of plants and equipment's to ascertain the depreciation value

NATIONAL GOVERNMENT AFFIRMATIVE ACTION FUND		
NGAAF TRIAL BALANCE FOR FY 2021/2022		
	DR	CR
Capital and Reserves		1,096,015,479
Other receipt		1,746,770
Transfers from the National Government – State Department for Gender		2,185,822,945
Loss on Disposal	38,469,238	
Advertising	815,549	
Conferences and delegations	2,232,233	
Consulting fees services	-	
Electricity	310,966	
Fuel and oil	2,873,240	
Insurance	7,418,765	
Postage	49,680	
Printing and stationery	176,440	
Publicity & Printing	707,460	
Rental	9,166,320	
Telecommunication	1,815,080	
Training expenses	4,890,470	
Other	401,197	
Board Expenses:		
Chairman's Honoraria	660,000	
Directors sitting allowance	4,797,500	
Medical Insurance	499,851	
Induction and Training	2,235,333	
Other allowances	5,507,765	
Emergencies to Counties	40,492,800	
M & E	6,631,600	
Payables		952,000
Provisions for Gratuity		18,862,058
Repairs and maintenance	1,196,912	
Prepayment & Outstanding imprest	838,287	
Employee Costs:		
Salary and Wages	61,029,988	
Employee related cost	1,861,434	
Travel, accommodation, subsistence and other allowances	10,260,060	
Extreneous allowance	4,043,271	
Gratuity	6,624,318	
Transfer to Other Government units - Counties		
Expenditure	2,300,414,214	
Property, plant and equipment	176,083,723	
Central Bank a/c	504,869,371	
Current account	3,283,931	
Others- NGAAF Counties accounts	101,075,485	
Interest from NGAAF County accounts	1,666,770	
TOTAL	3,303,399,252	3,303,399,252

REPUBLIC OF KENYA

CENTRAL BANK A/C - BANK RECONCILIATION

as at 30-Jun-22

Station: National Govt Affirmative Action Fund (NGAAF)

Nairobi Hqs

	Shs. cts	Shs Cts	Shs cts
Balance as per Bank Certificate			512,639,283.80
Less: 1 Payments in Cash Book not yet recorded in Bank Statement		7,769,912.45	
Receipts in Bank Statement not yet recorded in Cash Book		-	7,769,912.45
Add: Payments in Bank Statement not yet recorded in Cash Book		-	
Receipts in Cash Book not yet Recorded in Bank Statement		-	
Balance as per Cash Book			504,869,371.35

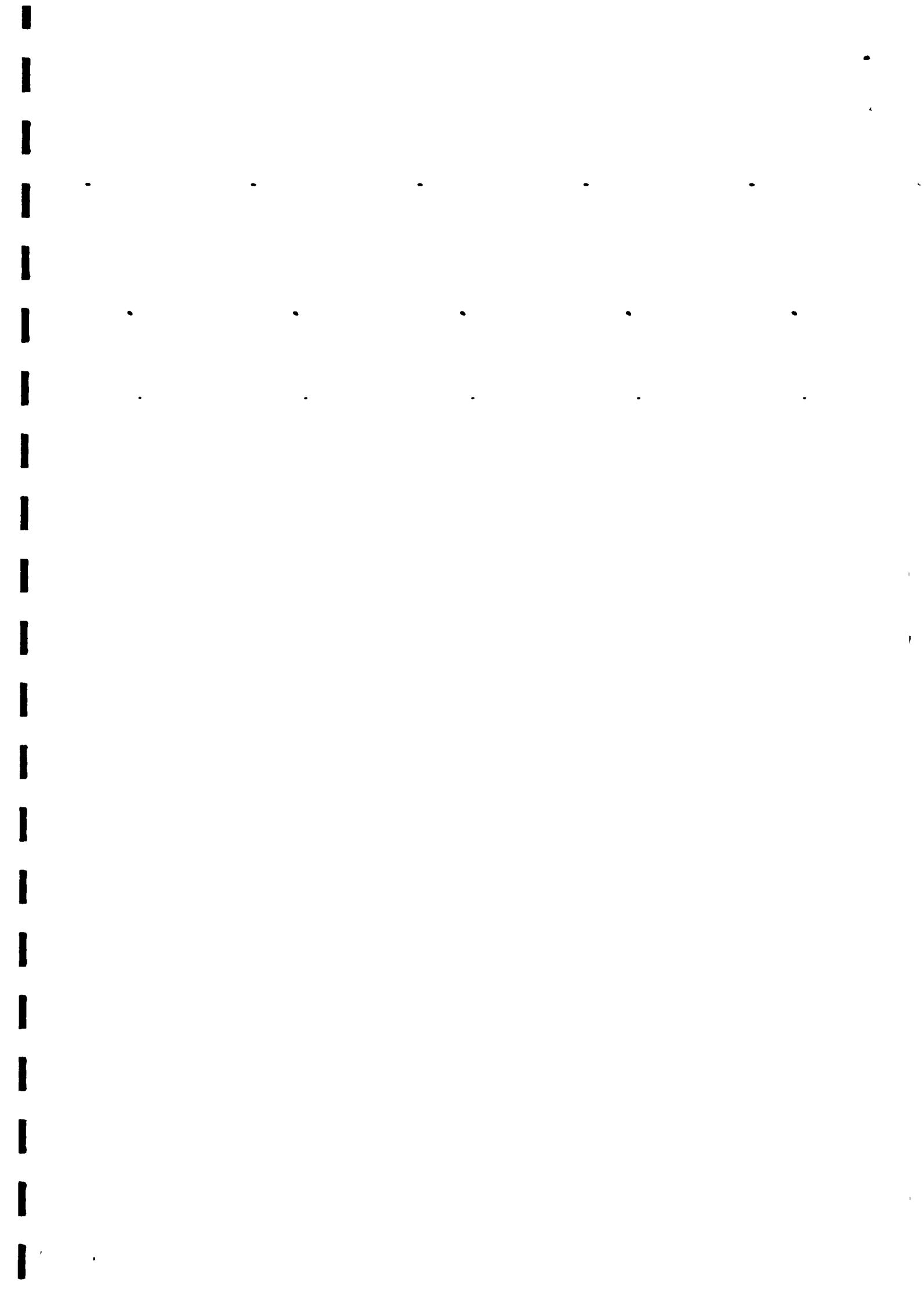
I certify that I have verified the Bank Balance in the Cash Book with the Bank Statement and that the and reconciliation is Correct

Signature

Designation

Date

PAYMENTS IN CASH BOOK NOT IN BANK STATEMENT			
DATE	P.V NO	DETAILS	AMOUNT
29/06/2022	698	Emergencies	2,000,000.00
30/06/2022	725	Refund to Sec A/c	5,769,912.45
		Total	7,769,912.45



					STATE DEPT FOR GENDER:CBK					
					NAIROBI AFFIRMATIVE A.S.DEV FUND					
					/REC/2217356224					
					649					
220	24/06/2022	24/06/2022	FT22175YZ1SY		Outward RTGS Payment MT 102		14,832,202.59	0.00		552,517,743.80
					2217340864					
					STATE DEPT FOR GENDER:CBK					
					BARINGO AFFIRMATIVE A.S.DEV FUND					
					/REC/2217340864					
					649					
221	24/06/2022	24/06/2022	FT22175XHG8R		Outward RTGS Payment MT 102		15,848,960.00	0.00		536,688,783.80
					2217355008					
					STATE DEPT FOR GENDER:CBK					
					BUNGOMA AFFIRMATIVE A.S.DEV FUND					
					/REC/2217355008					
					649					
222	24/06/2022	24/06/2022	FT221751B8Y5		Outward RTGS Payment MT 102		24,049,500.00	0.00		512,639,283.80

BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

Haile Selassie Avenue
P.O. Box 60000 - 00200 Nairobi, Kenya
Telephone: 2860000, Fax: 340192

July 18, 2022

CERTIFICATE OF BALANCES

Customer: 131184 STATE DEPT FOR GENDER

Balance Date: 30-Jun-22

Account No	Account Name	Currency	Balance
1000303344	REC-STATE DEPT FOR GENDER	KES	12,749,248.85
1000303368	DEV-STATE DEPT FOR GENDER	KES	66,840,357.00
1000303387	DEP-STATE DEPT FOR GENDER	KES	197,099.00
1000312602	NATIONAL GOVT. AFFIRMATIVE A.FUND	KES	512,639,283.80
1000441682	UNFPA 9TH COUNTRY PROG STATE GENDER	KES	0.00

Lawrence Rweria
Authorised Signatory
Banking Services Division

Joyce Nasieku
Authorised Signatory
Banking Services Division

REPUBLIC OF KENYA

SEC A/C - BANK RECONCILIATION

As at 30-Jun-22 Station: National Govt Affirmative Action Fund (NGAAF)

		Shs. cts	Shs cts
Balance as per Bank Certificate			7,243,578.30
Less: 1	Payments in Cash Book not yet recorded in Bank Statement	9,729,560.25	
	Receipts in Bank Statement not yet recorded in Cash Book	-	9,729,560.25
Add:	Payments in Bank Statement not yet recorded in Cash Book	-	
	Receipts in Cash Book not yet Recorded in Bank Statement.....	5,769,912.45	5,769,912.45
	Balance as per Cash Book		3,283,930.50

I certify that I have verified the Bank Balance in the Cash Book with the Bank Statement and that the reconciliation is Correct.

Signature

5/7/2022

Designation

P. A.

PAYMENTS IN CASH BOOK NOT IN BANK STATEMENT			
DATE	P.V NO	DETAILS	AMOUNT Kshs.
4/25/2022	524	Department for Housing- march & April	3,000.00
	004204	Department for Housing	56,000.00
	697	Kenya Health & Safety Consultants	72,000.00
	699	Payroll Deductions for June 2022	803,969.00
	700	Schedule-opening & inspection of quata	78,000.00
	717	Dimensions Data Solutions E.A Ltd	63,840.00
	719	LAP FUND - May & June 2022	595,214.00
	720	Masada Hotel	218,237.00
	721	NSSF - JUNE 2022	25,400.00
	722	David Kioko - Claim for DSA	67,200.00
	723	CEO - Casual wages, June 2022	24,050.25
	726	Schedule - 85th Board Meeting	751,480.00
	728	PAYE - June 2022	5,300,120.00
	729	Khalifa Saddik Hassan	19,200.00
6/30/2022	730	Scanlic Enterprises	79,800.00
		W/H VAT	1,400.00

	731	Hardtech Ceramics Ltd.	96,310.00
		W/H VAT	1,690.00
	732	Davenport Investment	149,379.00
		W/H VAT	2,621.00
	733	Kosmacs Enterprises Ltd.	103,190.00
		W/H VAT	1,810.00
	734	Caridad Supplies Ltd.	7,370.00
		W/H VAT	130.00
	735	Schedule-Facilitation for Secretariat	449,000.00
	736	Schedule-Lunches during B/Oversight	20,000.00
	737	Green Shamrock Limited	66,041.00
		W/H VAT	1,159.00
	738	Gracian Eagles Limited	3,200.00
	739	Eliyana Limited	10,810.00
		W/H VAT	190.00
	740	Eutopian General Supplies	124,909.00
		W/H VAT	2,191.00
	741	Momud Genereal Merchants	128,397.00
		W/H VAT	2,253.00
	742	Ramji Haribhai Devani Ltd	400,000.00
		TOTAL	9,729,560.25

RECEIPTS IN CASH BOOK YET RECORDED IN BANK STATEMENT			
DATE	CHQ.NO	DETAILS	AMOUNT
29/6/2022		Transfer from CBK A/c	5,769,912.45
		TOTAL	5,769,912.45



The Co-operative Bank of Kenya Limited
Parliament Road Branch
P.O. Box 5772-00200 Nairobi
Tel: 2210557, 2228505
Mobile: 0722 202977, 0734 500702
Fax: 2251833
Nairobi
Email: parliamentrd@co-opbank.co.ke

18th August 2022

NGAAF
P.O. Box 48274 - 00100.

GPO
Nairobi

Ref: MSPGSCSP/SDG/NGAAF/4/1/8/22

Sir/Madam,

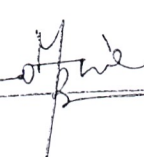
RE: CERTIFICATE OF BALANCE A/C Secretariat of Affirmative Action Social Development
Fund - 01141198027000

We acknowledge receipt of your letter dated 18th August 2022 and hereby confirm the book balances as at 30th June 2022 as follows;

- Account A/C 01141198027000 Ksh 7,243,578.30 CR (Kenya shillings Seven million two hundred forty three thousand five hundred seventy eight cents thirty only.)

We sincerely thank you for your continued support and we look forward to doing more business with you.

Yours faithfully,


BADI MOHAMED
SERVICE DESK OFFICER



CO-OPERATIVE BANK

We are you

Transaction Summary

Report generated on JUL 18, 2022 by DAVID BUNDI
Total Search Results: 132

JUNE 2022

Posting Date	Value Date	Core Ref	Channel REF	Narration	Debit Amount	Credit Amount	Running Balance
28-06-2022	28-06-2022	6181a90c73a588Bb	C765240622145553	[ACCOUNT TO ACCOU NT THIRD PARTY]BAN K COMMISSION FOR IC 755240622145553	120.00	0.00	3,963,439.94
28-06-2022	28-06-2022	6181a90c860188N5	C794240622145226	DOMESTIC PAYMENT TO QUAD SYSTEMS R EPAIRS OF OFFICE PR INTER	86,642.00	0.00	8,881,797.94
28-06-2022	28-06-2022	6181aacf3a3aq6Ni	P752205276370293	C752270622150002 Audit and Risk committ ee CONSOLIDATED DE BIT ENTRY (SDMC	42,000.00	0.00	8,339,797.94
28-06-2022	28-06-2022	6181aad0113a0q9Uo	C753270622151704	DOMESTIC PAYMENT T O PREMIER SAFARIS (K) LTD Air Tickets for Bo ard Members	75,505.00	0.00	8,764,292.94
28-06-2022	28-06-2022	6181aad0e3f7qE8g	C756270622150615	DOMESTIC PAYMENT TO WORLDWIDE TRAV EL AND TOURS CO Bo ard airticket	185,133.00	0.00	8,579,159.94
28-06-2022	28-06-2022	6181aad127f0qFF	C738270622145522	DOMESTIC PAYMENT TO THE OLE KEN HOT EL CONFERENCE FAC ILITY	237,406.00	0.00	8,341,753.94
28-06-2022	28-06-2022	6181aad12b27qFu8	C742270622144738	DOMESTIC PAYMENT TO GIMCO LIMITED E lectricity march to ma y 2022	83,247.60	0.00	8,258,506.34
29-06-2022	29-06-2022	6181b01da7cdwVsy	P752206075811033	C794070622114740 Claim asset policy CON SOLIDATED DEBIT ENT RY (SDMC	14,800.00	0.00	8,243,706.34
29-06-2022	29-06-2022	6181b01de374wWvq	P752206296420491	C751290622134912 Symposium Nakuru CO NSOLIDATED DEBIT EN TRY (SDMC	46,200.00	0.00	8,197,506.34
29-06-2022	29-06-2022	6181b01e6c83wZs5	P752206296454477	C711290622171121 EBOARD AND IFMIS CO MM CONSOLIDATED D EBIT ENTRY (SDMC	894,400.00	0.00	7,303,106.34
29-06-2022	29-06-2022	6181b01f3c98wfPb	C754290622135517	DOMESTIC PAYMENT T O KIMUTAI CHIRCHIR C HARLES Travel Claim	10,000.00	0.00	7,293,106.34
29-06-2022	29-06-2022	6181b01f44a7wfaM	C773270622145644	KRA 2020220001916 389 P051621254X Na tional Government Affir mative Action Funds	4,094.00	0.00	7,289,012.34
29-06-2022	29-06-2022	6181b01f44a7wfaM	C773270622145644	[TAX PAY]BANK COMM ISSION FOR:C773270 622145644	120.00	0.00	7,288,892.34
29-06-2022	29-06-2022	6181b01f4c09wfub	C758270622145855	KRA 2020220001916 342 P051621254X Na tional Government Affir mative Action Funds	1,461.00	0.00	7,287,431.34
29-06-2022	29-06-2022	6181b01f4c09wfub	C758270622145855	[TAX PAY]BANK COMM ISSION FOR:C758270 622145855	120.00	0.00	7,287,311.34
29-06-2022	29-06-2022	6181b01f536awfZJ	C761240622150424	KRA 2020220001903 860 P051621254X Na tional Government Affir mative Action Funds	1,520.00	0.00	7,285,791.34
29-06-2022	29-06-2022	6181b01f536awfZJ	C761240622150424	[TAX PAY]BANK COMM ISSION FOR:C761240 622150424	120.00	0.00	7,285,671.34
30-06-2022	30-06-2022	3181b326af2c0p4Y	18T0450302	2281 COUN TY AFFIRMATIVE THAR AK	0.00	69,600.00	7,355,271.34
30-06-2022	30-06-2022	6181b5db1668KjJk	C790300622202654	NHIF 07579540 07579 540 NATIONAL GOVER NMENT AFFIRMATIVE ACTION FUNDS	106,450.00	0.00	7,248,821.34
30-06-2022	30-06-2022	6181b5db1668KjJk	C790300622202654	[TAX PAY]BANK COMM ISSION FOR:C790300 622202654	120.00	0.00	7,248,701.34

Transaction Summary

Report generated on JUL 18, 2022 by DAVID BUNDI
Total Search Results: 137

Posting Date	Value Date	Core Ref	Channel REF	Narration	Debit Amount	Credit Amount	Running Balance
30-06-2022	30-06-2022	5181b5dc0178Kmpo	C753300622200645	KRA 2020220001956 465 P051621254X Na tional Government Affir mative Action Funds	1,120.00	0.00	7,247,531.34
30-06-2022	30-06-2022	5181b5dc0178Kmpo	C753300622200645	[TAX PAY]BANK COMM MISSION FOR C753300 622200645	120.00	0.00	7,247,461.34
30-06-2022	30-06-2022	5181b5dc0a75KmxL	C759300622200231	KRA 2020220001956 392 P051621254X Na tional Government Affir mative Action Funds	1,753.00	0.00	7,243,698.34
30-06-2022	30-06-2022	5181b5dc0a75KmxL	C759300622200231	[TAX PAY]BANK COMM MISSION FOR C759300 622200231	120.00	0.00	7,243,578.34