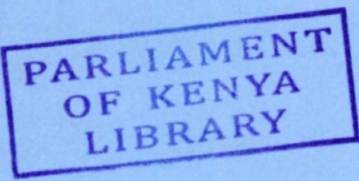


REPUBLIC OF KENYA



# REPORT




OF

THE AUDITOR-GENERAL

ON

NATIONAL COHESION AND INTEGRATION  
COMMISSION

FOR THE YEAR ENDED  
30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 MAR 2026	DAY: WED
TABLED BY:	DEPUTY MAJORITY PARTY WHIP
CLERK-AT THE-TABLE:	OBIERO



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**NATIONAL COHESION AND INTEGRATION COMMISSION**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE, 2025**

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

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**1. Acronyms and Definition of Key Terms**

**A: Acronyms and Abbreviations**

CA	Communication Authority
CEO	Chief Executive Officer
COG	Council of Governors
CPSBs	County Public Service Boards
DCI	Directorate of Criminal Investigations
EACC	Ethics and Anti-Corruption Commission
EWER	Early Warning Early Response
HACT	Harmonised Cash Transfer
IEBC	Independent Elections and Boundaries Commission
IEC	Information Education and Communication
IPSAS	International Public Sector Accounting Standards
IRCK	Inter Religious Council of Kenya
KEPP	Kenya Eminent Peace Panel
KEPSA	Kenya Public Sector Alliance
KSG	Kenya School of Government
MCK	Media Council of Kenya
MDAs	Ministries Departments and Agencies
MSU	Mediation Support Units
NCIC	National Cohesion and Integration Commission
NIS	National Intelligence Service
NPS	National Police Service
ODPP	Office of the Director of Public Prosecutions
ORPP	Office of the Registrar of Political Parties
PFM	Public Finance Management
PPADR	Public Procurement And Asset Disposal Regulations, 2020
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
UNDP	United Nations Development Programme

**B: Definition of Key Terms**

**Fiduciary Management-** Members of Management directly entrusted with the responsibility of financial resources of the organisation.

**2. Key Commission Information and Management**

**(a) Background information**

The Commission is a statutory body established under the National Cohesion and Integration Act Cap 7N and is domiciled in Kenya. The Commission is represented by the Commissioners who are responsible for the general policy and strategic direction of the Commission.

**(b) Mandate**

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

**(c) Key Management**

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

- Commission Secretary/CEO
- Management

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2025 and who had direct fiduciary responsibility were:

No	Designation	Name	Date of Appointment
1	Commission Secretary /CEO	Dr. Daniel Mutegi Giti PhD	April 1, 2025
2	Ag. Commission Secretary /CEO	Harrison Kariuki	July 1 2024-March 31 2025
3	Director Corporate Services	Harrison Kariuki	November 10, 2020
4	Deputy Director Human Resources	Caroline Gateru	August 1, 2022
5	Deputy Director Procurement	John-David Odhiambo	August 1, 2022
6	Deputy Director Finance & Accounts	Catherine Njuki	April 1, 2025

**(e) Fiduciary Oversight Arrangements**

The key fiduciary oversight arrangements with regard to the Commissions are as follows

1. Finance and General-Purpose Committee

The Committee reviews and approves budgets, monitors financial performance, oversees internal controls, and ensures day-to-day financial discipline. It acts as the primary check on Commission's management.

2. Audit and Risk Committee

The Committee provides independent assurance on the effectiveness of internal controls, risk management, and governance processes. It oversees the internal audit function and reviews the financial statements before they are submitted to the Office of the Auditor General.

3. Ministry of Interior and National Administration

The Ministry oversees the Commission's budget, finances, strategy, and performance, and acts as its main point of contact for these matters.

4. Office of the Auditor General

Conducts mandatory annual audits of the accounts of the Commission. It audits for value for money, compliance with laws and regulations. Its reports are submitted directly to Parliament.

5. Public Investment Committee on Governance and Education

The Committee examines the audit reports issued by the Auditor General. It summons accounting officers to explain instances of misuse of funds, inefficiency, or non-compliance highlighted in the audit reports.

6. National Assembly Departmental Committee on Administration & Internal Security

The Committee provides ongoing policy and budgetary oversight for the Commission. It examines the Commission's strategic plans, budget estimates, and policy implementation. It ensures that funds are allocated to the right priorities and that the Commission is performing its mandated functions effectively.

7. Public Procurement Regulatory Authority

The Authority sets the rules and standards for public procurement. It ensures that procurement processes are fair, transparent, competitive, and provide value for money. It

monitors compliance and can investigate and sanction entities for procurement breaches, thus preventing a major source of financial loss and corruption.

8. Development partners

They issue their own strict standards and oversight mechanisms as a condition of their funding. This includes financial audits, reporting requirements, and joint review missions.

**(f) Commission Headquarters**

P.O. Box 7055 - 00100  
Britam Towers  
Hospital Road, Upperhill  
Nairobi, KENYA

**(g) Commission Contacts**

**Head Quarters**

Telephone: 020-258701/2/3 Cell: 0702-777000  
E-mail: [info@cohesion.or.ke](mailto:info@cohesion.or.ke)  
Website: [www.cohesion.or.ke](http://www.cohesion.or.ke)  
Toll free SMS 1547

**Regional Offices**

Coast region 0115333000  
North eastern 0115333111  
Upper eastern 0115333222  
Upper rift 0115333444  
Central region 0115333555  
Nyanza region 0115333888

**(h) Entity Bankers**

KCB Bank Limited  
Sarit Centre Branch  
P.O. Box 48400 - 00100  
NAIROBI

National Bank of Kenya  
Harambee Avenue Branch  
P.O. Box 72866 – 00200  
NAIROBI

Equity Bank Kenya  
Community Branch  
P.O. Box 75104 - 00200  
NAIROBI


**(i) Independent Auditors**

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

**(j) Principal Legal Adviser**

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

**3. The Commissioners**

Ref	Commissioners	Details
	 <p><b>REV. DR SAMUEL KOBIA CBS</b> Chairman</p> <p>Master's degree in Urban Planning, Theology, and International relations</p>	<p>Rev. Dr. Samuel Kobia, is the Chairman, National Cohesion and Integration Commission. He is a full-time Commissioner. He was born on 20<sup>th</sup> March 1947. He holds a Master's degree in Urban Planning, Theology, and International relations from universities in Kenya, USA and Switzerland. He is a visiting Professor to Wesley Colleges in USA and UK. He is an author of several books including <i>Dialogue Matters</i>. Prior to this appointment he served as Senior Advisor on Cohesion, Peace and Conflict Resolution in the Executive Office of the President and Cabinet Affairs.</p> <p>Dr. Kobia served as a Commissioner in the Judicial Service Commission; 2010-2012 Ecumenical Special Envoy for the Sudan's; 2007-2018 Chancellor of St. Paul's University; former General Secretary of the Geneva based World Council of Churches.</p> <p>He has vast experience in mediation and dialogue. Currently, he coordinates dialogue platforms as safe spaces for interactions between Kenyans of diverse stations and Government to address pressing issues. The fruits of the dialogues include peaceful co-existence, healing and reconciliation, peaceful resolution of conflicts and national cohesion.</p>



**COMMISSIONER WAMBUI NYUTU  
OGW**

Vice Chairperson & Chairperson Human  
Resource Committee

Master's Degree in Business  
Administration- Strategic Management

Bachelor of Laws (LLB)  
Advocate of the High Court

Chairperson of the Human Resource  
Management Committee

Commissioner Wambui Nyutu OGW, is the Vice-chairperson and is a full-time Commissioner. She holds a Bachelor of Laws from the University of Nairobi and a Master's Degree in Business Administration- Strategic Management from the same University. She is a Certified Professional Mediator from Mediation Training Institute East Africa and holds an Arbitration and ADR certification. Prior to the appointment as a Commissioner at NCIC in 2019, she served as a Director at the National Irrigation Board of Kenya since 2018. She worked as a Legal Assistant at Kiragu Wathuta & Co Advocates in 2017 and Legal Secretary, Peman Consultants (2016-2019). She was born on 14<sup>th</sup> September 1991.

She is the founder and policy maker of *Tuinuke Initiative*, a youth-led organization concerned with the economic, political and social issues affecting the youth of Kenya. In 2015, she also served in the Kenya University Students Organization as Legal Secretary and at Students Organization of Nairobi University as a special delegate. She was awarded The Order of Grand Warrior (OGW) by His Excellency the President Hon. Uhuru Kenyatta in 2018.



**COMMISSIONER HON. ENG.  
PHILLIP OKUNDI EBS.HSC**

Master's Degree in Telecommunication  
System Engineering

Bachelor's Degree in Electronics and  
Telecommunication Engineering

Chairperson Finance and General-Purpose  
Committee

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

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



**COMMISSIONER HON. ABDULAZIZ FARAH**

Executive Master of Business Administration (EMBA)

Bachelor of Education (Arts )

Member Audit and Risk Management Committee

Commissioner Abdulaziz Ali Farah holds an Executive Master of Business Administration (EMBA) from Moi University (Specialized in Strategic Management) and a Bachelor of Education Arts from Kenyatta University, Nairobi. He has over twenty years work experience both in public and business sectors. He has previously worked as a National Civic Education Officer with the Truth, Justice & Reconciliation Commission of Kenya. He has also worked as a Managing Director in charge of several companies operations besides serving as a Member of the Constituency Development Fund Task Force whose report contributed to the amendment of the 2003 CDF ACT and CDF Amendment ACT 2007. He was born on 1st January 1969.

He is a resourceful and initiative driven leader, public administrator, peace and conflict advocate. He has a background and experience in managing operations of a constituency as a Member of Parliament (MP), Mandera East Constituency, Mandera Country, overseeing daily functions of companies and participating in the formulation of strategies and policies that seek to make them run effectively. He has a wide knowledge in the fields of administration and management, overseeing operations, formulating and implementing strategies, conflict management, peace building, and building partnerships.

Additionally, he is experienced in formulating and implementing best-practice management principles while fostering a culture that promotes sound work ethics. He is an excellent communicator with great interpersonal skills hence can interact with people from different backgrounds. His goal is to make a difference in society by promoting equality, integration and a conflict-free environment. At the Commission Hon Abdulaziz is a member of the Audit and

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Annual Report and Financial Statements for the year ended June 30, 2025.**

		<p>Risk Management Committee and is a full-time Commissioner.</p>
	<div data-bbox="359 300 895 779" data-label="Image"> </div> <div data-bbox="331 801 791 869" data-label="Caption"> <p><b>COMMISSIONER DR DANVAS MAKORI</b></p> </div> <div data-bbox="331 913 759 1093" data-label="Text"> <p>Doctor of Theology Master of Arts Biblical Theology Chairman Technical Committee</p> </div>	<p>Commissioner Dr. Danvas Makori holds a Doctor of Theology from the International Christian University, Masters of Arts in Biblical Theology of the International Christian University and a Bachelors of Arts in Theology from the Jameson Christian College. Commissioner Danvas was the County Executive Committee (CEC) of Finance and County Executive Committee (CEC) Agriculture, Livestock, Development and Fisheries in Nairobi County Government. At the Commission, Dr Makori chairs the Finance and General-Purpose Committee. He was born on 18<sup>th</sup> June 1981.</p>
	<div data-bbox="365 1167 885 1704" data-label="Image"> </div> <div data-bbox="331 1720 778 1753" data-label="Caption"> <p><b>COMMISSIONER SAM KONA</b></p> </div> <div data-bbox="331 1794 751 1899" data-label="Text"> <p>Masters in Conflict Resolution Bachelor of Education (Science)</p> </div>	<p>Commissioner Sam Kona is a conflict resolution, governance and stability expert with over 25 years' experience in public, private and civil society sectors. He has carried out extensive research and managed dozens of projects in sub-Saharan Africa with particular focus on conflict early warning systems, post-conflict reconstruction, peacebuilding, mediation, governance and security. Sam has held senior leadership roles in government, including serving as Chairman of the National Council for Population and Development and Kerio Valley Development Authority.</p> <p>A distinguished program leader, Sam has worked as a senior manager with international agencies and organizations such as the United States Agency for International Development, Development</p>

**National Cohesion and Integration Commission  
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	<p>Member Technical Committee</p>	<p>Alternatives Incorporated, Centre for Conflict Resolution at the University of Cape Town, South Africa, Chemonics International, and Centre for Humanitarian Dialogue and Oxfam GB. While at the Centre for Conflict Resolution, he spearheaded national dialogue programs in Sudan, Swaziland, South Africa and Lesotho, in addition to facilitating dialogue and mediation trainings across Africa. Between 2008 and 2011, he led mediation processes and established peace caravans to support the Kofi Annan-mediated Kenya National Dialogue and Reconciliation process in the aftermath of the 2007-2008 post-election violence.</p> <p>Sam played a major role in the development of conflict early warning mechanisms for Africa's Regional Economic Communities, as well as national early warning systems for Kenya, Uganda, Ethiopia, South Sudan and Sudan. He teaches conflict resolution and dialogue, negotiation and mediation at the Kenya School of Government (KSG) and the International Peace Support Training Centre (IPSTC), respectively.</p> <p>Sam holds MA in Conflict Resolution from Lancaster University in the United Kingdom and a Bachelor of Education (Science) from Kenyatta University, Kenya. He has received many national and international awards and honours for contributions to the field of conflict resolution and peace processes, and efficient delivery of programs. Commissioner Sam is a full time commissioner and is a member of the Technical Committee. He was born on 21<sup>st</sup> July 1969.</p>
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<div data-bbox="327 219 721 678" data-label="Image"> </div> <div data-bbox="327 701 823 770" data-label="Section-Header"> <p><b>COMMISSIONER HON. DORCAS KEDOGO</b></p> </div> <div data-bbox="327 775 699 844" data-label="Text"> <p>Master's Degree in Business Administration</p> </div> <div data-bbox="327 887 740 920" data-label="Text"> <p>Bachelor's Degree in Education</p> </div> <div data-bbox="327 958 724 992" data-label="Text"> <p>Member Technical Committee</p> </div>	<p>Commissioner Hon. Dorcas Kedogo is a seasoned Educationist and has over 30 years' experience in education. She holds a Master's Degree in Business Administration from USIU, Bachelor's Degree in Education from the University of Nairobi and a Diploma from Mosoriot Teachers Training College. Commissioner Hon. Kedogo was a Women Representative for Vihiga County. She served as a Women Representative for KNUT and as a representative of Teachers under the Kenya Union of Teachers Vihiga District 2000-2012. She has also served as a teacher in various capacities in her career and spearheaded various developments among the youth as well as the women. She is member of the technical committee and is a full-time commissioner. She was born on 14<sup>th</sup> May 1962.</p>
<div data-bbox="327 1205 868 1749" data-label="Image"> </div> <div data-bbox="327 1771 740 1805" data-label="Section-Header"> <p><b>DR. DANIEL MUTEGI GITI</b></p> </div> <div data-bbox="327 1821 719 1854" data-label="Text"> <p><b>Commission Secretary/CEO</b></p> </div> <div data-bbox="327 1877 628 1910" data-label="Text"> <p><b>(From 1<sup>st</sup> April, 2025)</b></p> </div>	<p>Dr. Daniel Mutegi Giti serves as the Chief Executive Officer/Commission Secretary of the National Cohesion and Integration Commission. He holds a PhD. in Urban Management, a Master of Urban Management, and a Post Graduate Diploma in Housing Administration from the University of Nairobi. Additionally, he holds a Bachelor's degree in Geography and Sociology from Egerton University.</p> <p>He is a member of the Environment Institute of Kenya (EIK) and a certified Lead Expert in Environment Impact Assessment and Audit (EIA/EA). He is also an APMG London Expert on Public-Private Partnerships (PPPs). With over 20 years of experience, Dr. Giti has demonstrated exceptional leadership in urban planning and management, housing</p>



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	<p>PhD. in Urban Management Master of Urban Management Post Graduate Diploma in Housing Administration Bachelor's degree in Geography and Sociology</p>	<p>administration, public-private partnerships, and monitoring and evaluation. He previously worked as an Assistant Director for Housing (Slum Upgrading) at the Kenya Informal Settlements Improvement Project (KISIP), a World Bank and Government of Kenya initiative focused on enhancing living conditions in informal settlements.</p> <p>Dr. Giti is responsible for providing strategic leadership on all matters peace and cohesion.</p>
	 <p><b>HARISSON KARIUKI</b> <b>Ag. CEO/ Commission Secretary</b> <b>(Until 31<sup>st</sup> March, 2025)</b></p> <p>Master of Science in Finance Bachelor of Commerce Certified Public Accountant of Kenya CPA(K).</p>	<p>CPA Kariuki is a seasoned Public Finance Expert with over 16 years of work experience in public and private sector finance and Audit. He holds a Master of Science Degree in Finance from the University of Leicester, UK, a Bachelor of Commerce Degree and a Certificate of Public Accounting qualification from the Institute of Certified Public Accountants of Kenya (ICPAK). Harrison also has vast experience in the fields of Public Finance Management, Agribusiness, Business Process Outsourcing, Audit, Finance Management and Small and Medium Enterprise (SME) Management. Prior to joining PKF, Harrison worked as a PFM specialist with the World Bank program - Institutional Development &amp; Capacity Building and the World Bank program – Core Fiduciary Program in the same capacity.</p>


**4. Management Team**



No	Management	Details
1.	 <p>PhD. in Urban Management Master of Urban Management Post Graduate Diploma in Housing Administration Bachelor's degree in Geography and Sociology</p>	<p>Commission Secretary /CEO <b>(From 1<sup>st</sup> April, 2025)</b></p>
2.	 <p><b>Mr. Harrison Gikonyo Kariuki</b></p> <p>Master of Science in Finance Bachelor of Commerce Certified Public Accountant of Kenya CPA(K).</p>	<p>Director Corporate Services</p>



2.	 <p><b>Ms. Millicent Okatch</b></p> <p>Masters of Arts Degree in Sociology and Community Development Bachelor of Arts Degree in Sociology and Communication</p>	Director Research and Knowledge Management.
3.	 <p><b>James Wanyande</b></p> <p>Master of Laws (LL.M) Bachelor of Laws (LL. B) Post graduate diploma in law from the Kenya School of Law. Certificate in Legislative Drafting</p>	Director Investigations and Compliance

4.	 <p><b>Mr Liban Guyo</b></p> <p>Master's Degree in Governance and Development BA in International Relations</p>	Deputy Director Peace Building and Reconciliation
5.	 <p><b>Mr. Kyalo Mwengi</b></p> <p>Bachelors in Laws (LLB) Post graduate diploma in Law from the Kenya School of Law.</p>	Deputy Director Legal Services,

6.	 <p><b>Mr. Killian Nyambu</b> Masters of Education (Med) Educational Administration and Planning Bachelor of Education (Arts)</p>	Deputy Director Public Education and Outreach
7.	 <p><b>CHRP Caroline W. Gateru</b> Masters in Human Resource Management Bachelor's Degree in Education Post Graduate Diploma in HRM Certified Human Resource Professional (CHRP) Diploma in IT.</p>	Deputy Director Human Resource and Administration

8.	 <p><b>Ms Olive C. Metet MPRSK. M-ICA</b> Master of Arts in Communication Bachelor of Arts (Hons) Communication</p>	Deputy Director Corporate Communication
9.	 <p><b>John-David Odhiambo</b> MBA in Procurement and Supply Chain Management Bachelor of Commerce in Management Science Diploma in Purchasing and Supplies Management from the Chartered Institute of Supplies (CIPS)</p>	Deputy Director Supply Chain Management

<p>10.</p>	 <p><b>Jesciah Otieno</b>  Master of science in Communication Studies  Bachelor of  Fellow of African Civic Engagement Academy</p>	<p>Deputy Director Research</p>
<p>11.</p>	 <p><b>Jane Kamau</b>  Masters in Communications Studies  Bachelor of Arts in Literature  Postgraduate Diploma in Education</p>	<p>Deputy Director for Information and Knowledge Management.</p>

<p>12.</p>	 <p><b>CPA Catherine Njuki</b> Master of Business Administration -Finance Bachelor of Education ( Accounting &amp; Economics) Certified Public Accountant of Kenya</p>	<p>Deputy Director Finance and Accounts</p>
<p>13.</p>	 <p><b>CIA Mercy Musyoka</b> Master of Busniess Administration Bachelor of Commerce( Finance) Certified Internal Auditor</p>	<p>Deputy Director Internal Audit</p>

## **5. Chairman's Statement**



It is with profound honour and a deep sense of responsibility that I present the final Annual Report and Financial Statements for the year ended 30th June 2025, marking the conclusion of my tenure as Chairperson of the National Cohesion and Integration Commission (NCIC). This submission is made in full compliance with the Public Finance Management Act, 2012 and the National Cohesion and Integration Act, 2008, which collectively mandate the Commission to uphold the highest standards of financial accountability, transparency, and corporate governance in the execution of its constitutional mandate.

This reporting period carries particular significance as it concludes the Commission's Strategic Plan for the cycle July 2020 – June 2025. Over these five years, the Commission has pursued its mission with unwavering commitment, navigating complex socio-political landscapes while remaining anchored in the vision of a cohesive, peaceful, and inclusive Kenya.

During the 2020–2025 strategic cycle, the Commission achieved several notable milestones that significantly advanced its mandate of promoting national cohesion and integration. First, among these was the successful implementation of the **'Elections Bila Noma' Roadmap**, developed in collaboration with both State and Non-State Actors. This initiative played a critical role in ensuring the peaceful conduct of the 2022 General Elections, reinforcing the Commission's commitment to electoral harmony and conflict prevention.

To address the growing threat of hate speech and ethnic contempt, the Commission led the development of the Kenya National Action Plan Against Hate Speech. This landmark policy framework provides a comprehensive national response to divisive rhetoric and incitement, and serves as a guiding tool for stakeholders engaged in peacebuilding and social cohesion.

In pursuit of equity and inclusivity within public institutions, the Commission undertook the Ethnic and Diversity Audit of County Governments in 2023. The findings offered valuable insights into patterns of representation and resource allocation, thereby informing policy reforms aimed at fostering fairness and diversity in governance.

**National Cohesion and Integration Commission**  
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Youth engagement remained a central pillar of the Commission's peacebuilding strategy. Through the Amani Clubs initiative, the Commission continued to nurture a culture of peace among young people. With over 5,000 clubs established across 39 counties, students were empowered to participate in activities that promote mutual respect, peaceful coexistence, and national unity. The National Debate Championship further amplified youth voices, providing a platform for dialogue and creative expression on peacebuilding themes.

In response to youth-led demonstrations and political tensions, the Commission introduced the *'Transgenerational Conversation: The Quest for Political Decency and Accountability' framework*. This initiative aims to bridge generational divides, foster mutual understanding, and promote inclusive governance by facilitating constructive dialogue between older and younger citizens.

The Commission also played a vital role in resolving inter- and intra-community conflicts through mediation and reconciliation dialogues. These efforts were conducted in conflict-prone counties including Kisumu-Kericho, Kitui-Tana River, Kisii-Transmara, Laikipia, Samburu, Lamu, and Marsabit, contributing meaningfully to local peace and stability.

Further, the Commission actively participated in the national review of Kenya's Peacebuilding Architecture, in collaboration with the National Steering Committee on Peacebuilding and Conflict Management, UNDP, and Uwiano Platform partners. This comprehensive assessment provided critical insights into the strengths and gaps within Kenya's peacebuilding ecosystem, informing future strategic interventions.

Lastly, the Commission initiated the Ethnic and Diversity Audit of parastatals, receiving submissions from 210 institutions. The final report, currently under preparation, is expected to offer a detailed analysis of diversity dynamics within public enterprises, further advancing the Commission's mission of fostering inclusivity across all sectors of governance.

Despite facing financial constraints, the Commission remained resilient and resourceful, ensuring that its programs were implemented effectively and its mandate fulfilled with integrity. These achievements are a testament to the dedication of the Commissioners and staff, and to the enduring relevance of NCIC's work in shaping a more united Kenya.

**National Cohesion and Integration Commission**  
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I am proud to affirm that the Commission continues to uphold the Constitution of Kenya, 2010, by championing the vision of a cohesive, peaceful, and harmonious nation. As the current Board of Commissioners approaches the end of its tenure in November 2025, I am confident that the foundations laid during this strategic cycle will catalyse even greater progress in the lead-up to the 2027 General Elections.

Finally, on behalf of the NCIC Commissioners and Secretariat, I extend our heartfelt gratitude to the Government of Kenya, the Ministry of Interior and National Administration, Parliamentary Committees, Development Partners, the media, civil society, and the Kenyan public. Your financial, technical, and moral support has been indispensable to our mission.

Together, we have taken bold steps toward realizing the promise of a cohesive and harmonious society. It has been my privilege to serve, and I remain hopeful for the future of our nation.



**Rev. Dr. Samuel Kobia CBS**  
**Chairman**  
**National Cohesion and Integration Commission.**

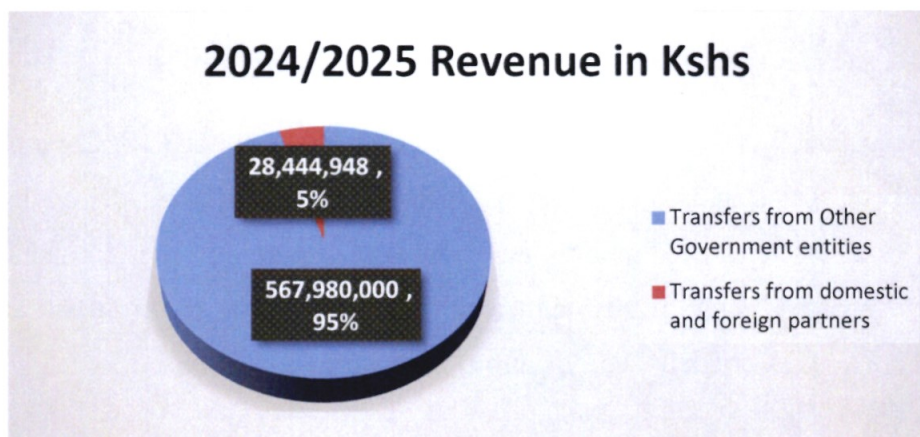
## 6. Statement by the Commission Secretary



I am pleased to present the Annual Report and Financial Statement for the fiscal year 2024/2025. Over the past year, the National Cohesion and Integration Commission (NCIC) has remained focussed in fulfilling its statutory mandate to promote national unity, equity, and the elimination of all forms of ethnic discrimination. This report reflects not only our practical stewardship of public resources but also our unwavering commitment to fostering sustainable peace across the nation.

It highlights the progress we have made in strengthening cohesion, empowering communities, and building resilient institutions that uphold the values of inclusivity and mutual respect.

During the financial year, the Commission received a budgetary allocation of Ksh 567,980,000 from the exchequer and Ksh 28,444,948 from development partners as represented below;



Using these funds, NCIC implemented key strategic programmes aligned to its Strategic Plan. Thus, in pursuit of eliminating ethnic discrimination within public institutions, NCIC conducted the 2024 Ethnic and Diversity Audit of parastatals. This exercise was carried out in accordance with Section 7 (1) and (2) of the National Cohesion and Integration Act of 2008, which states: “*All public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff. No public establishment shall have more than one third of its staff from the same ethnic community.*” The audit remains a critical tool in promoting fairness, equity, and representation in public service.

**National Cohesion and Integration Commission**  
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In response to the increasingly volatile environment in various communities, NCIC collaborated with the United Nations Development Programme (UNDP) and the Korea International Cooperation Agency (KOICA) under the Intergenerational Conversations framework on Peace, Security, and the Prevention of Violent Extremism. This initiative aims to address emerging concerns affecting both youth and older generations by fostering mutual understanding, promoting social inclusion, and co-creating community-led strategies to counter violent extremism and hate speech.

Further, Commission sustained rigorous monitoring of hate speech and ethnic contempt across both public and digital spaces. This proactive investigation is part of NCIC's mandate to promote peaceful coexistence and uphold the principles of the NCI Act. A total of 26 active cases were recorded and are currently at various stages of investigation. These cases stem from incidents observed in political rallies and social media platforms. NCIC utilized advanced digital tools, community engagement strategies, and inter-agency collaboration to detect and respond to inflammatory content. Through these efforts, NCIC continues to reinforce accountability and foster a culture of responsible communication in Kenya's socio-political landscape.

In the period under review, NCIC successfully operationalized seven regional offices across the country, in line with Article 6(3) of the Constitution of Kenya, 2010. These offices—located in *Mombasa, Tana River, Garissa, Wajir, Mandera, Isiolo, and Marsabit* Counties—have significantly expanded NCIC's grassroots presence and enhanced service delivery. This milestone has strengthened our capacity to monitor and respond to emerging cohesion and integration challenges, reinforced peacebuilding efforts, and brought our services closer to the people, thereby advancing national unity and inclusivity at both county and community levels.

In recognition that peacebuilding is a shared responsibility, we strengthened our partnership framework by engaging new partners such as the Institute for Economics and Peace (IEP), alongside key state and non-state actors. These partnerships are designed to amplify the impact of NCIC's initiatives by leveraging diverse expertise, resources, and networks. Through joint programs, policy dialogues, and community-based interventions, NCIC has embraced a multi-stakeholder approach to promoting national unity. The underlying principle guiding these efforts is that sustainable peace cannot be achieved by a single institution—it requires coordinated action, mutual accountability, and inclusive participation across all sectors of society. This strategic alignment continues to enhance NCIC's capacity to address emerging challenges and build resilient communities across Kenya.

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Human capital remains a foundation of NCIC's operational effectiveness and strategic impact. During the 2024/2025 financial year, the NCIC prioritized capacity building through targeted training programs aimed at enhancing staff efficiency, responsiveness, and professionalism. These initiatives equipped personnel with the necessary skills to navigate complex cohesion dynamics and deliver timely interventions. In addition, NCIC undertook the recruitment of additional staff to strengthen its regional offices, thereby expanding its footprint and improving the effectiveness of its Early Warning and Early Response (EWER) mechanisms. By investing in human capital, NCIC continues to build a resilient and well-equipped workforce capable of realising its mandate and promoting sustainable peace across the country.

Going forward, NCIC remains committed to ensuring that the principles of transparency and accountability continue to guide our financial and programmatic operations. As we prepare for the upcoming financial year, our focus will be on consolidating the gains made in peacebuilding, strengthening institutional capacity, and innovating new approaches to nurture inclusivity across all sectors of society.

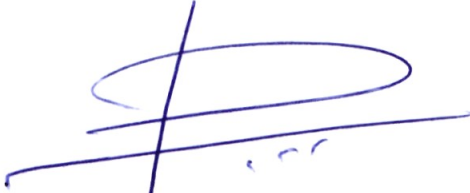
These accomplishments would not have been possible without the policy guidance of the Chairman and Commissioners for their good counsel, timely guidance, decision making and rigor in fundraising. I also thank the Government through our parent ministry—the Ministry of Interior and National Administration—the strategic oversight of the NCIC Commissioners, and the dedication of our management and staff. The media has remained a critical partner and trusted supporter in advancing the peace and cohesion agenda across the country. Through consistent coverage, public education, and responsible journalism, media outlets have played a pivotal role in disseminating NCIC's messages to all Kenyans. As a Commission, we are deeply indebted to the media fraternity for their unwavering support and commitment to promoting national unity and social harmony. Their collective efforts have been instrumental in driving our mission forward and shaping a more cohesive and inclusive Kenya.

Finally, we thank Kenyans for their continued support, vigilance, and commitment to fostering peace and national unity. Your active participation in promoting tolerance, reporting incidents of hate speech, and engaging in constructive dialogue has been instrumental in advancing our mandate. As a Commission, we remain deeply appreciative of your trust and collaboration, and we reaffirm our dedication to working hand in hand with all Kenyans to secure a harmonious and inclusive future for

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our nation. I am confident that NCIC is in the right trajectory towards ensuring a just, peaceful, cohesive and integrated Kenyan society.



**Dr. Daniel Mutegi Giti, PhD**  
**Commission Secretary and Chief Executive Officer**

**7. Statement of Performance Against Predetermined Objectives for FY2024/2025**

The key strategic objectives as per the National Cohesion and Integration Commission Strategic Plan for Financial Year 2024/2025 are as follows:

- i. Improving inclusivity in public employment opportunities
- ii. Increasing public understanding and practice of non- discrimination and appreciation of diversity
- iii. Strengthening Early Warning Early Response on conflict and violence prevention
- iv. Mitigating and resolving violent conflicts
- v. Increasing knowledge, appreciation and embracing of diversity of race, religion and culture
- vi. Reducing incidences of hate speech in public spaces
- vii. Mitigating and resolving violent conflicts
- viii. Increasing knowledge, appreciation and embracing of diversity of race, religion and culture
- ix. Reducing incidences of hate speech in public spaces
- x. Enhancing efficient, effective and quality services delivery
- xi. Enhancing capacity and productivity at the workplace

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**Table 1: Programme performance**

Program	Strategic Objective	Outcome	Output	Output indicator	Achievement for the FY			Cumulative Achievement by end of FY			Remarks
					Target	Actual	Variance	Target	Actual	Variance	
<b>KRA 1-</b> <i>Elimination of ethnic discrimination in public institutions</i>	<i>Improving inclusivity in public employment opportunities</i>	Inclusivity and diversity in employment	<i>Enhanced recognition of equal opportunities in employment in the civil service</i>	<i>No of sectors audited</i>	5	3	2	5	3	2	<i>Financial constraints affected achievement of total set targets.</i>
<b>KRA 2-</b> <i>Promoting peaceful Coexistence between and among different ethnic communities</i>	<i>Increasing public understanding and practice of non-discrimination and appreciation of diversity</i>	Communities resilience and capacity to resolve conflicts is strengthened	Increased awareness and knowledge among the citizenry non-discrimination and appreciation of diversity	No. of people sensitized and trained	2000	26,148	(22,148)	2000	22,148	22,148	Operationalisation of 7 regional offices enabled the Commission to widen its reach
	<i>Mitigating and resolving violent conflicts</i>	Community resilience to resolve conflicts strengthened	Intra and inter community dialogues conducted	No. of dialogues conducted	16	12	4	16	4	12	The target was not fully met due to financial constraints
<b>KRA 3-</b> <i>Reducing Hate speech and political based violence</i>	<i>Reducing incidences of hate speech in public spaces</i>	Reduced incidences of hate speech and ethnic contempt	Incidences of hate speech and ethnic contempt are monitored, identified and processed	No. of hate speech cases identified and forwarded	100% (56)	100% (56)	0	100% (56)	100% (56)	0	All the reported hate speech cases were investigated and forwarded for prosecution

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				for prosecution							
	<i>Receiving and processing complaints on hate speech and ethnic contempt</i>	Complaints on hate speech and ethnic contempt identified and processed and investigated	Complaints received and processed	No. of complaints received and processed	500	388	122	500	388	122	All the complaints received were processed and forwarded for investigation
<b>KRA 4- Institutional capacity Strengthening</b>	<i>Enhancing efficient, effective and quality services delivery</i>	<i>Improve visibility and brand image</i>	<i>Visibility initiatives conducted</i>	<i>No. of visibility initiatives</i>	20	37	(17)	20	37	(17)	<i>Enhanced partnership with media Houses (KBC) helped in undertaking more initiatives</i>

## **8. Governance Statement**

### **Our Approach**

The approach of the Commissioners of NCIC to corporate governance is based on a set of values and behaviours that underpin our day-to-day activities and are designed to promote transparency and fair dealing. We consider that good governance, achieved through an ethical culture, effective control and legitimacy is fundamental to the sustainability of our core mandate and our objectives. The commissioners apply good governance practices to promote strategic decision making for the organisation to balance short, medium and long-term outcomes.

To this end, sound governance practices, based on accountability, transparency, ethical management and fairness are entrenched across the commission. The commissioners are responsible for ensuring that high standards and practices in corporate governance and more specifically the principles, practices and recommendations set out under Mwongozo Code are adhered to. The commission regularly reviews its corporate governance arrangements and practices and ensure that the same reflects on its processes, structures and operations. The statement sets out the key components of NCIC corporate governance framework, which provides guidance to the commissioners, management and employees and defines the roles, responsibilities and conduct expect of them.

### **Separation of Roles and Responsibilities**

The role of Chairman is separate from that of the Commission Secretary/Chief Executive Officer. There is a clear division of responsibilities. Care is taken to ensure that no single commissioner has unfettered powers in the decision-making process.

### **How we divide up our responsibilities**

#### **Commission Chairman**

- Responsible for leading the Commissioners, its effectiveness and governance.
- Setting the agenda to take full account of the issues and concerns of the Commissioners and;
- Ensuring links between the stakeholders, Commissioners and management are strong.

### **Commission Secretary/Chief Executive Officer**

- Responsible for day-to-day leadership, management and control of the Commission. Recommending Key Result Areas to the Commission and ensuring that the KRA's and decisions of the Commission are implemented.
- Ensure that the Commission has in place proper internal controls as well as a robust system of risk management.
- Constructively challenge the Commissioners and monitor the delivery of the KRAs within the risk and control environment set by the Commission.

### **Commission Composition**

The National Cohesion and Integration Commission is a statutory Commission with a Chairman and seven (7) full time commissioners as its top governing organ. These Commissioners are recruited competitively by a panel appointed by the Public Service Commission which nominates the chair and seven members.

The nominees are forwarded to the National Assembly for vetting upon which they are submitted to the President for appointment. The process of removal of a Commissioner of NCIC is as provided by Section 23 of the National Cohesion and Integration Act, Cap 7N. Currently the Commission has a Chairman and six (6) Commissioners however, the NCI Act provides that there should be seven (7) Commissioners.

### **Roles and functions of Commissioners**

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

### **Committees**

The Commission constituted committees arising from the need to align them according to the NCI Act Cap 7N as stipulated in the Commission Charter Article 13. Further, the State department of Public Service gave a recommendation to have the Committees reduced to four

(4) for effective management and deliver of service to the public. Thus, the Commission adopted and established the following Statutory Committees.

- i) Finance and General-Purpose Committee
- ii) Human Resource Management Committee
- iii) Technical Committee
- iv) Audit and Risk Management Committee

The Committees are constituted as follows;

**Finance and General-Purpose Committee**

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

**Human Resource Management Committee**

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

**Technical Committee**

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

**Audit and Risk Management Committee**

- |                        |                                    |
|------------------------|------------------------------------|
| 1. Simon Owawa Nyamolo | - Committee Chairperson            |
| 2. Ignatius Khaemba    | - Independent Member               |
| 3. CPA Faith Waithira  | - National Treasury Representative |
| 4. Abdulaziz Farah     | - Commission Representative        |

**Commission Charter**

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

**Number of Commission meetings held during the Financial Year 2024 / 2025**

No.	Organ of Commission	Nature of meeting	No. of Meetings
1.	Commission	Special	25
		Full Commission	4
2.	Human Resource Committee	Quarterly and on need basis	5
3.	Finance & General-Purpose Committee	Quarterly and on need basis	5
4.	Technical Committee	Quarterly	4
5.	Audit Committee	Quarterly and on need basis	4

**Attendance to meetings by members**

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

**Commission and Member performance**

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

**Conflict of Interest Management**

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

Commission Secretary. This process is observed with strict adherence to best corporate governance practice without fail.

### **Commissioners Remuneration**

The Commissioners of NCIC are State Officers thus their emoluments are processed and paid by the National Treasury. They are thus not eligible for sitting allowances during full Commission as well as Committee Meetings. The only members eligible for sitting allowances are the external members of the Audit and Risk committee.

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

### **Ethics, Conduct and Governance Audit procedure**

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

### **Succession Planning at the Commission**

The NCI Act Cap 7N as amended provides that the term of the current Commissioners will be for six (6) years. The current Commissioners were appointed in November 2019. The term of the current Commissioners therefore will end on November 18, 2025. Appointment and replacement of Commissioners is handled by the Cabinet Secretary Interior and National Administration and the Head of Public Service.

## **9. Management Discussion and Analysis**

### **Operational and financial performance**

The Commission in the last three years, 2022/2023, 2023/2024 and 2024/2025 successfully implemented strategic interventions outlined in the in Strategic Plan 2020-2025 as well as strategy frameworks in particular the Roadmap to Peaceful Elections – *Elections Bila Noma* and Deepening Peace and Cohesion in Kenya - *Amani Kwa Ground*. All the programs and interventions implemented during this period were aligned with the Commission’s mandate of promoting equality of opportunity, harmony and peaceful coexistence among diverse ethnic communities in Kenya. In particular, the programs focussed on peacebuilding, conflict resolution, mediation, dialogue and reconciliation, sensitizations, capacity building, early warning and early response mechanisms, conflict assessments and analysis as well as managing hate speech, among other key strategies.

In its bid to contribute to peaceful General Elections, 2022 the Commission developed an elections strategy known as Uchaguzi Bila Noma, which focused on addressing the root causes and impediments to peaceful elections, which included lack of trust, polarization, and weak political leadership, ethnic antagonism, youth radicalization, marginalization, conflicts, and structural inequalities. By rallying peace actors and partners the Commission implemented the roadmap and contributed significantly to the peaceful conduct of the 2022 General Elections.

Additionally, and with an objective to enhance partnerships and linkages and address peace challenges, particularly during elections, the Commission with other peace actors took lead in the re-launch of the Uwiano Platform for Peace. This platform provides a structured coordination framework for conflict prevention and intervention aimed at promoting peaceful elections. The Uwiano Platform consists of members from diverse organizations, including the National Steering Committee on Peace Building and Conflict Management (NSC), the National Cohesion and Integration Commission (NCIC), PeaceNet, United Nations Development Programme (UNDP), Independent Electoral and Boundaries Commission (IEBC), National Police Service (NPS), Office of Registrar of Political Parties (ORPP), Council of Governors (COG), Kenya Private Sector Alliance (KEPSA), Media Council of Kenya ( MCK), Inter Religious Council of Kenya (IRCK), and UN Women. The Commission also developed and implemented the Political Decency and Peace Accountability Charter. This initiative involved engaging political leaders from various counties to sign and commit to promoting and upholding peace before, during, and after general

elections. Notably, 56 Secretary Generals of all Registered Political Parties, as well as all Presidential Candidates, signed the charter. Additionally, over 10,000 political aspirants from across the country signed and pledged their support for peace.

Following a peaceful 2022 general election, the Commission conducted a post-election assessment study that sought to document lessons learnt and proffer immediate strategic actions towards ensuring national unity and prosperity. The study corroborated the findings by other stakeholders that the peace enjoyed over the electioneering period was majorly attributed to the multi-faceted interventions carried out by both state and non-state peace and security stakeholders. Although the study revealed the need for healing and reconciliation among a section of Kenyans, it affirmed that the 2022 general election was the most peaceful election Kenya has ever had under the new constitutional dispensation. This assessment enabled the Commission to put in place policy interventions towards entrenching peaceful co-existence at the grassroots.

To assess the status of peace and inform interventions, the Commission conducted a rapid conflict analysis in 15 counties, including Narok, Nakuru, Kisumu, Kakamega, Nandi, TransNzoia, Uasin Gishu, Machakos, Kilifi, Kiambu, Nyeri, Nairobi, Laikipia, and Kericho, to identify conflict dynamics and drivers. Additionally, a national conflict hotspot mapping was carried out in all 47 counties to further understand conflict dynamics and drivers. As a result, 21 counties were identified as hotspots, and targeted interventions were implemented to address and mitigate conflicts in those counties. Further, the Commission took significant steps to strengthen Early Warning and Early Response (EWER) mechanisms by conducting a comprehensive baseline mapping of EWER mechanisms in six counties: Narok, Nandi, Kakamega, Mombasa, Nairobi, and Kisumu. This assessment was conducted with the aim of evaluating the effectiveness of existing EWER mechanisms and enhancing the capacity of peace structures, including Peace Committees, Nyumba Kumi, Chiefs, and other key peace actors. Also Mediation Support Units (MSUs) were established in counties such as Kisumu, Kericho, Kisumu–Nandi borders, and in Nakuru and Laikipia counties. These units have significantly empowered local structures in effectively resolving conflicts and promoting peace within their communities.

To ensure effective mediation and peaceful conflict resolution, especially during elections, the Kenya Eminent Peace Panel (KEPP) was operationalized. This panel comprises of highly skilled mediators who have been trained, equipped, and prepared to mediate any emerging political or

inter-communal disputes. To further address communal conflicts, the Commission facilitated 22 inter- and intra-community mediation and reconciliation dialogues in counties such as Baringo, Isiolo, Nandi-Kisumu, Nandi-Kakamega, Laikipia, Machakos, Bomet, Nyamira, Kericho, Kisumu, Migori, Siaya, Homabay, Wajir, Samburu, Nairobi, Lamu, Mandera, Marsabit, Garissa, and Narok. These dialogues have significantly improved intercommunal relations and led to the cessation of conflicts through the signing of community peace pacts and declarations. Additionally, the Commission conducted 49 sensitization and public awareness forums in 37 counties, directly reaching a total of 79,344 peace actors. An integrated media campaign was also launched and implemented, reaching over 18 million Kenyans with cohesion and peace messages. The Commission successfully trained and empowered peace actors and stakeholders, including youth, women, and elders, on peace, mediation, national values, and conflict resolution. These trainings were carried out in seven counties: Kakamega, Mombasa, Kisumu, Uasin Gishu, Nandi, Kirinyaga, and Nakuru, with a total of 1,250 peace actors trained and certified.

The Commission receives and processes complaints, monitors public rallies, and scans social media platforms for incidences of hate speech and ethnic contempt, flagging potential violations for investigation. Recognizing the crucial role of law enforcement and the judiciary in addressing hate speech, NCIC has spearheaded capacity-building initiatives for officers from the National Police Service and the Directorate of Public Prosecution. These efforts include the development of a police training manual, investigation and prosecution guidelines, and the establishment of a tripartite committee dedicated to hate speech management. Furthermore, the Commission successfully lobbied for the establishment of five specialized courts in Nairobi, Mombasa, Kisumu, Nakuru, and Uasin Gishu to handle cases related to hate speech, ethnic contempt, and similar offenses, demonstrating a significant commitment to enforcing legal consequences for perpetrators. Over the period under review the Commission have investigated over 1,107 incidences of hate speech, ethnic contempt, incitement, disinformation, and misinformation. Out of these investigated incidences the Commission is managing 56 cases, with 35 currently in the prosecution stage, nine undergoing conciliation, five pending in court, and seven cases already concluded.

To further strengthen the national response to hate speech, NCIC spearheaded the development of the Kenya National Action Plan against Hate Speech. This comprehensive plan, developed through

extensive review of existing laws and regulations and in consultation with key stakeholders, provides a structured framework for addressing the complex issue of hate speech in Kenya. The Action Plan serves two primary objectives: first, it creates a platform for synergy and collaboration among diverse stakeholders involved in preventing and countering hate speech. Second, it provides clear guidance for the effective implementation of hate speech management strategies across the country. By bringing together relevant actors and establishing a coordinated approach, the National Action Plan aims to create a more cohesive and tolerant society, where hate speech is effectively addressed and freedom of expression is protected.

In order to foster a culture of peace and cohesion among young people the Commission is establishing Amani Clubs in schools across Kenya. These clubs provide a platform for students to engage in activities that promote peaceful coexistence, understanding, and respect for diversity. A national coordination structure has been established to support the Amani Clubs, with dedicated coordinators in each county providing guidance. By instilling these values in the younger generation, the NCIC aims to build a foundation for lasting peace and create a more cohesive society in the future. Currently, there are approximately 5,000 Amani Clubs spread across 39 out of the 47 counties of Kenya. These include counties such as Samburu, Baringo, Garissa, Wajir, Isiolo, Kilifi, Kwale, Taita Taveta, West Pokot which experience perennial conflicts.

In response to the protests by the Generation Zoomers (Gen-Z) the Commission developed the *Transgenerational Conversation: The Quest for Political Decency and Accountability*. This framework serves as a roadmap for fostering constructive dialogue between different generations and creating a more conducive environment for addressing the challenges faced by the Kenyan youth. It identifies key impediments to peace and proposes strategies for building bridges between generations, fostering mutual understanding, and promoting collaborative solutions for a more inclusive and peaceful future.

To ensure equitable distribution of resources and opportunities the Commission undertakes ethnic and diversity audits of public institutions and in particular, Parastatals, County Governments, Commissions and Independent Offices, Universities and the Public Service. In 2023, the Commission conducted the Ethnic and Diversity Audit for County Governments that revealed that only 13 out of the 47 counties are compliant with the CGA Act Section 65 (1)(e). As a result of the findings of the report, the Senate Standing Committee of National Cohesion and Integration, Equal

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Opportunity and Regional Integration has summoned non-compliant counties to appear before it and explain their non-compliance, initiating a process of accountability and potential corrective action. Further the Commission has initiated the Ethnic and Diversity Audit of parastatals, where data have been received from 210 parastatals and the preparation of the report is in progress.

The Commission participated in the review of Kenya's Peacebuilding Architecture (PBA), conducted in collaboration with the National Steering Committee on Peace Building and Conflict Management, UNDP, and Uwiano Platform members, provides a crucial assessment of the current state of peacebuilding in Kenya. The report examines existing systems, policies, legal frameworks, and stakeholder engagement, aiming to create a more effective and coordinated approach to peacebuilding. The review specifically highlights the NCIC's significant contributions to peacebuilding efforts, including tackling hate speech, brokering peace agreements, and promoting peaceful elections. The review's findings and recommendations aim to inform the development of a more robust and inclusive peacebuilding architecture in Kenya, with the NCIC playing a key role in this process.

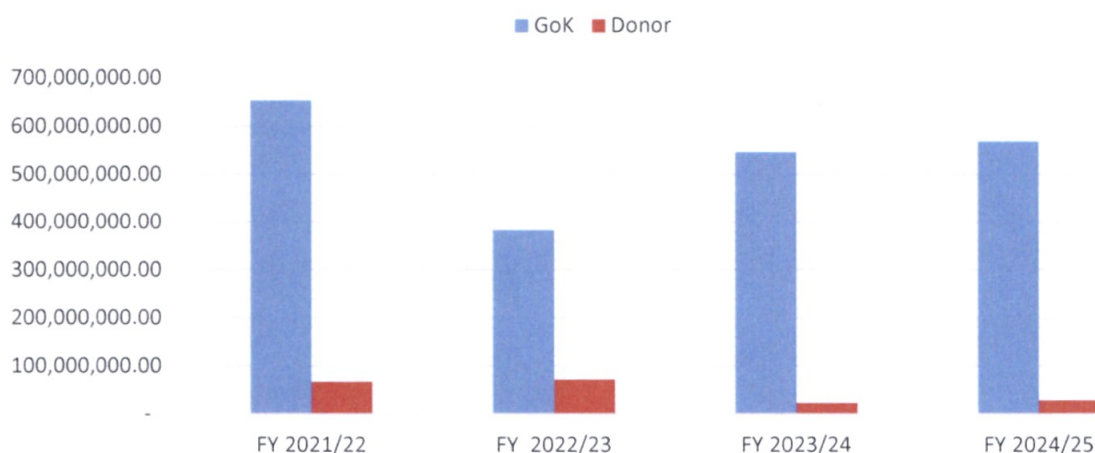
The Commission in compliance with the constitutional requirement as per Article 6 (3) of the Constitution of Kenya, 2010 opened and operationalized Seven (7) out of ten (10) Regional Offices as follows; In Coast Region, the Commission has offices in Tana River County and Mombasa County. In North Eastern Region the Commission has offices in Mandera County, Wajir County and Garissa County. In Upper Eastern Region the Commission has offices in Isiolo County and Marsabit County. In Central Region the Commission has offices in Nyeri County. In Upper Rift Region the Commission has offices in Turkana County, West-Pokot County (Kapenguria) and Baringo County. In Central Rift Region the Commission has offices in Nakuru County and Laikipia County and lastly Nyanza Region the Commission has offices in Kisumu County.

Over the past four years, the Commission received 92% of its total funding of Ksh 2,340,168,980 from the exchequer and the remaining 8% from development partners as shown below. The amounts were utilized for the implementation of key strategic programmes aligned to its Strategic Plan.

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Annual Revenue		
Financial Year	GoK	Donor
2021/22	652,750,000	67,296,026
2022/23	382,760,000	71,752,606
2023/24	545,850,000	23,335,400
2024/25	567,980,000	28,444,948

## Annual Revenue



Over that period of time, Financial performance of the Commission was as shown in the table below.

Financial Performance				
	Revenue	Expenditure	Surplus/(Deficit)	% Change
FY 2021/22	720,046,026	695,491,238	24,554,788	-
FY 2022/23	454,512,606	609,937,590	- 155,243,584	-732%
FY 2023/24	569,185,400	564,027,199	5,158,201	-103%
FY 2024/25	596,424,948	643,133,724	- 47,898,805	-1029%

From the analysis, revenue declined from year 2021/2022 to 2022/2023 and thereafter increased marginally over the last two years while expenditure declined over from 2021/2022 to 2022/2023 in tandem with the decline in revenue but increased as the revenues increased in the year 2024/2025.

## Summary of achievements



## Compliance with Statutory Requirements

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

## Major Risks facing the Commission

The Commission has a robust risk management framework that aids in identifying and mitigating risks. Further, the Commission has mainstreamed risk management in the entire cycle of all its operations, which includes conceptualisation, planning, implementation, monitoring and evaluation. The following are the key risks identified that may affect the operations of the Commission;

- **Strategic Risks-** These risks affect realisation of the long term goals and objectives of the Commission and include; unresolved and intractable conflicts, weak NCI Act and political goodwill.
- **Financial Risks-** These risks include inadequate funding that may inhibit full operations especially adequately address the programme needs.
- **Technological Risks-** These risks include rapid changes and evolvement of technology including weak cyber security framework and regulation

- **Operational Risks-** These risks involve inability to provide the core services especially to the clientele (public) resulting from inadequate internal processes, resources, limited county presence and unforeseen national or international pandemics.
- **Compliance Risk** – This are risks that are associated with officials of the Commission complying with all statutory and regulatory requirements governing their work.
- **Reputational Risk** – This are risks that are associated with acts or omissions of Commission employees and Officials putting the Commission to disrepute.

**Material arears in statutory and other financial obligations.**

During the period under review, the Commission complied with the NCI Act by ensuring no more than one third of its staff are from the same ethnic community, diversity policy for public service as per the Kenya National Policy on Gender and Development (NPGD) 2000, Persons with disabilities Act No. 14 of 2003 and the Constitution of Kenya Article 232 (1) (h) on equal opportunities for appointment, training and advancement at all levels of the public service. Further the Commission in compliance with the PPADR allocated at least thirty percent (30%) of its annual procurement budget for the purposes of procuring goods, works and services from enterprises owned by youth, women and persons with disability. The Commission complied with the provisions of the PFM Act 2012 and its enabling regulations under legal notice No. 34 of 2015 in ensuring prudent, equitable, efficient and accountable use of its resources

**Review of the Sector**

During the period under review the peacebuilding and cohesion sector in Kenya continue to be faced by a multiplicity of challenges, key among them political tensions and demonstrations by the youth (Gen Z's) over a myriad of governance issues and concerns, inter-and intra-community disputes as well as boundary and land disputes. Exclusion, inequality and discrimination in resource distribution and access to services at county levels have intensified conflicts. Other conflict dynamics that have taken root include cattle rustling, election-related violence, radicalisation and terrorism, and conflicts over natural resources. The threats to peace are further aggravated by, among others, high rate of unemployment particularly among the youth, high poverty levels notably in rural areas and urban informal settlements, and ethno-political mobilisation and contestation. The peacebuilding architecture in the Country is also not effectively coordinated and lacks a clear and guiding financing

framework causing duplication of roles and competition for the little available resources among several agencies.

The unprecedented changes in climate has become one of the greatest challenges to peace and security and have negatively disrupted and affected livelihoods as witnessed in prolonged droughts in many Counties in Kenya. This phenomenon has heightened social tensions and violent conflicts. Cyber-crime and perpetuation of online hate characterised by misuse of social media platforms to propagate misinformation, disinformation, hate speech and ethnic contempt, is an emerging threat that has fuelled intolerance and social disintegration impacting negatively on efforts to realise sustainable peace and cohesion in the country.

## **10. Environmental and Sustainability Reporting**

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

### **i) Sustainability strategy and profile**

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

### **ii) Environmental performance**

The Commission in its operations have embraced efforts geared towards environmental sustainability through economic and prevention strategies. To this end the Commission has adopted environmentally friendly technology and equipment for instance printers that enable

printing back-to-back in addition to encouraging staff to use electronic documents which have resulted in reduction of carbon footprints. The Commission has also invested in a fleet of vehicles that are efficient. Eco-friendly and low on carbon emissions. All these efforts are aimed at promoting environmental management practices and procedures that are sustainable.

**iii) Employee welfare**

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

The Commission has established a mortgage scheme to facilitate staff acquire residential houses. This is hoped will boost staff morale and improve work place productivity. The mortgages will be given at subsidized interest rates meaning that it will cushion staff income from the harsh market interest rates and thus enhance staff engagement and commitment at the workplace.

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

**iv) Market place practices-**

The Commission has made an effort to ensure:

**Responsible Supply chain and supplier relations**

Our suppliers are experts in the wide range of goods and services we require to help the commission in achieving its objectives. By working with them, we not only deliver services

to the public responsibly, but improve our collective impact, ensuring sustainable supply chains, reducing our environmental impact and making positive contributions to society.

**v) Corporate Social Responsibility / Community Engagements**

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

NCIC in partnership with the Kerio Valley Development Authority (KVDA), led a tree planting initiative at Chewoyet National School in Kapenguria, West Pokot County. This activity was part of the broader commemoration of the International Day of Peace, celebrated under the theme "Cultivating a Culture of Peace." The initiative was designed to contribute meaningfully to Kenya's National Tree Growing and Restoration Campaign, which aims to grow 15 billion trees by 2032.

During the event, a total of 10,000 trees were planted within the school grounds. These included indigenous and drought-resistant species selected to suit the ecological conditions of the region. The exercise brought together a diverse group of participants, including over 3,000 students, 104 teachers, 57 government officials, NCIC staff, and members of the local community. Their collective effort not only enhanced the school's landscape but also reinforced the importance of environmental stewardship as a pillar of peacebuilding.

The tree planting at Chewoyet National School aligns with NCIC's strategic commitment to sustainable development and social cohesion. By engaging youth in climate action and fostering collaboration among stakeholders, the initiative underscored the nexus of ecological restoration and peaceful coexistence. It also served as a symbolic gesture, with each tree representing resilience, unity, and hope for a more harmonious future.

The Commission has institutionalised an elaborate internship programme aimed at offering on the job learning and training opportunities for graduates. During the year under review the internship programme benefitted a total of 44 graduates (22 male and 22 females) drawn from various counties across the country.

### **11. Report of the Commissioners**

The Commissioners submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Commission's affairs.

#### **i) Principal activities**

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

#### **ii) Results**

The results of the Commission for the year ended June 30, 2025, are set out on page 1 to 5

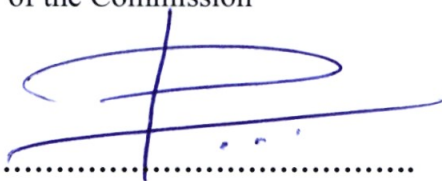
#### **iii) Commissioners**

The Commissioners who served during the year are shown on page vii - xiii.

#### **iv) Auditors**

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

By Order of the Commission



.....  
**Dr. Daniel Mutegi Giti, PhD**  
**Commission Secretary and Chief Executive Officer**

## **12. Statement of Commissioners Responsibilities**

Section 81 (1) of the Public Finance Management Act, 2012 and the NCI Act Cap 7N require the Commissioners to prepare financial statements in respect of NCIC, which give a true and fair view of the state of affairs of the Commission at the end of the financial year and the operating results for that year. The Commissioners are also required to ensure that the Commission keeps proper accounting records which disclose with reasonable accuracy the financial position of NCIC. The Commissioners are also responsible for safeguarding the assets of the Commission.

The Commissioners are responsible for the preparation and presentation of the Commission's financial statements, which give a true and fair view of the state of affairs of the Commission for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Commission, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the Commission; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Commissioners accept responsibility for the Commission's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the NCI Act. The Commissioners are of the opinion that the Commission's financial statements give a true and fair view of the state of Commission's transactions during the financial year ended June 30, 2025, and of the Commission's financial position as at that date. The Commissioners further confirm the completeness of the accounting records maintained for the Commission, which have been relied upon in the preparation of the Commission's financial statements as well as the adequacy of the systems of internal financial control.


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

**National Cohesion and Integration Commission**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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**Approval of the financial statements**

The Commission's financial statements were approved by the Commission on \_\_\_\_\_  
2025 and signed on its behalf by:

  
**Rev. Dr. Samuel Kobia CBS**  
**COMMISSION CHAIRMAN**

  
**Dr. Daniel Mutegi Giti, PhD**  
**COMMISSION SECRETARY/ CEO**

# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL COHESION AND INTEGRATION COMMISSION FOR THE YEAR ENDED 30 JUNE, 2025**

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### **PREAMBLE**

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

- A. Report on 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Opinion**

I have audited the accompanying financial statements of National Cohesion and Integration Commission set out on pages 1 to 31 which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance,

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*Report of the Auditor-General on National Cohesion and Integration Commission for the year ended 30 June, 2025*

statement of changes in net assets, 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 effects of the matter 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 Cohesion and Integration Commission as at 30 June, 2025 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 Opinion**

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

### **Emphasis of Matter**

#### **Outstanding Trade and Other Payables**

The statement of financial position reflects a balance of Kshs.91,059,852 in respect of trade and other payables relating to amounts due to suppliers, service providers and other third-party obligations. The payables were not settled during the year under review but were instead carried forward to the financial year 2025/2026.

Failure to settle the payables during the year in which they relate adversely affects the budgetary provisions for the subsequent year as they form a first charge.

My opinion is not modified in respect of this matter.

### **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 other key audit matters to report in the year under review.

## Other Matter

### Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Commission in 2024/2025 revealed that the following eight (8) issues remained unresolved:

No.	Financial Year	Audit Issue
1.	2023-2024	Long outstanding payables
2.	2023-2024	Failure to remit Value Added Tax
3.	2023-2024	Irregular acting beyond six (6) months
4.	2023-2024	Appointment of Commissioners and payment of unapproved salaries and benefits
5.	2023-2024	Enhancement of governance systems for security related expenditures
6.	2022-2023	Unremitted Value Added Tax (VAT)
7.	2022-2023	Ineffective Internal Audit Function
8.	2021-2022	Irregular expenditure on taskforce allowance

### Other Information

The Management are responsible for the Other Information set out on page iii to I which comprise of Key Commission Information and Management, The Commissioners, Management Team, Chairman's Statement, Statement by the Commission Secretary, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Commissioners, and Statement of Commissioners Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the National Cohesion and Integration Commission financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance thereon.

# REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

## Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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. Unauthorized Over Expenditure

Review of the approved budget for the Commission revealed an actual expenditure of Kshs.161,397,939 against a budget of Kshs.29,315,800 on four (4) expenditure items. resulting to an over expenditure of Kshs.132,082,139 as detailed below;

Component	Budgeted Amount (Kshs.)	Actual Expenditure (Kshs.)	Variance (Kshs.)
Domestic travel and foreign travel	20,372,846	132,859,598	112,486,752
Printing services (SLA with MFI)	3,122,954	10,626,214	7,503,260
Office stationery	4,898,800	5,824,201	925,401
Office repairs & maintenance	921,200	12,087,926	11,166,726
<b>Total</b>	<b>29,315,800</b>	<b>161,397,939</b>	<b>132,082,139</b>

However, approval of the reallocation and the over expenditure was not provided. This was contrary to regulation 31 (2) (a) and (b) of the Public Finance Management (National Government) Regulations, 2015 which requires the Accounting Officer to be responsible, in particular for ensuring that all services which can be reasonably foreseen are included in the estimates and that they are within the capacity of her or his national government entity during the financial year.

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

### 2. Unauthorized Overdrawing of Bank Accounts

The statement of financial position reflects cash and cash equivalents balance of Kshs.24,565,729 as disclosed in Note 11 to the financial statements. Review of the bank statements revealed that one bank account held in a local bank was overdrawn on various

occasions to a tune of Kshs.118,031,412 thus attracting interest charges on overdraft of Kshs.822,345 without obtaining approval from The National Treasury. This was contrary to Regulation 82(7) of the Public Finance Management (National Government) Regulations, 2015 which provides that no official government bank account shall be overdrawn, nor shall any advance or loan be obtained from a bank account for official purposes beyond the limit, authorized by The National Treasury in line with section 28(4) of the Act.

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

### **3. Irregularities in Staff Recruitment and Appointment**

During the year under review, the Commission hired twenty (21) new staff. Review of the recruitment process revealed various anomalies as detailed below;

- i. Five (5) positions were not advertised and the officers were not subjected to any interview process.
- ii. The minutes of the interviews conducted for one staff did not include the scores of the various candidates and criteria by which the candidate was selected.
- iii. Three (3) officers were appointed directly on a permanent and pensionable basis.
- iv. The long lists, short lists and score sheets for five (5) positions were not provided for audit.
- v. Two successful officers did not provide evidence of professional qualifications or membership to a professional body, possession of a certificate in strategic leadership or corporate governance course or equivalent qualification from a recognized institution as required by the career progression guidelines of the Commission.
- vi. Five (5) positions had been advertised internally and the terms of service were indicated as contract. However, the persons appointed to the positions were not employees of the Commission and were appointed on permanent and pensionable terms.
- vii. Three (3) Officer's academic background was not aligned to the requirements of the appointed positions.
- viii. One (1) candidate did not apply for the position they were appointed. Review of the personnel records revealed that the officer was an employee of another entity from 01 August, 2012 to 02 June, 2025 and had received her last pay for the full month of April 2025 yet she was included in the Commission's payroll from 1 April, 2025 thereby earning two salaries from the two institutions in the month of April, 2025.

The Commission acted contrary to Section 3.12 of the National Cohesion and Integration Commission Human resource manual which states that where a vacancy arises it should be competitively filled either internally or externally.

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

#### **4. Irregular Change of Employment Terms**

Review of the minutes of the Human Resource Committee Meeting held on 19 February, 2025 indicated that the committee approved the confirmation of seven (7) officers from contract terms to permanent and pensionable terms without a clear criterion. This was contrary to Section 3.3.1 of the National Cohesion and Integration Commission (NCIC) Human Resource Policy Manual which states that permanent and pensionable appointment applies to employees who after successful completion of their six months probationary period are eligible for confirmation of appointment and shall join the NCIC Pension Scheme.

In the circumstances, Management was in breach of the policy guidelines.

#### **5. Irregular Payment of Legal Fees**

The statement of financial performance reflects an expenditure of Kshs.290,150,777 in respect of use of goods and services which, as disclosed in Note 8 to the financial statements, includes an amount of Kshs.7,364,000 incurred on contracted professional services. The petitioner (Former Commission Secretary) had moved to court seeking orders of certiorari quashing the Commission's decision to commence disciplinary proceedings against her, order of prohibition prohibiting the respondent from proceeding with disciplinary proceedings and the cost of the suit. At the time of the proceedings, the Petitioner's dues were Kshs.4,440,213.

On 15 November, 2023, the Commission was granted approval by the Attorney-General to engage an external advocate and the fees payable was to be in accordance with Schedule 6 paragraph 1(j) of the Advocates Remuneration Order (Amended 2014). During the year under review, two invoices totalling Kshs.5,722,949 were raised and an amount of Kshs.5,000,000 was paid to the advocate for the provision of legal services. This was in addition to an amount of Kshs.2,500,000 paid in 2023/2024 financial year. However, the following anomalies were noted;

- (i) The agreement between the Commission and the law firm/advocates was made on 18 September, 2023 before the approval by the Attorney-General was granted.
- (ii) As per the contract, the Commission was to pay the Advocate a fee of Kshs.4,620,000 all-inclusive of taxes, statutory charges and other disbursements. However, the fee was way higher than what is provided for in Schedule 6 paragraph 1(j) of the Advocates Remuneration Order (Amended 2014). The contract price was also higher than the dues owed to the petitioner by the Commission.

- (iii) The Advocate has been paid Kshs.7,500,000, an amount higher than the dues owed to the petitioner by the Commission, with a pending amount of Kshs.722,949 is yet to be paid.
- (iv) The details on the contract awarded to the professional was not reported and the Beneficial Ownership Information published on the Public Procurement Information Portal (PPIP).

In the circumstances, the regularity of the legal payments amounting to Kshs.7,500,000 could not be confirmed.

## **6. Failure to Deduct and Remit VAT and Withholding Tax**

The statement of financial position reflects a current liabilities balance of Kshs.91,094,152 which includes a balance of Kshs.3,627,996 relating to domestic taxes that had not been settled as at 30 June, 2025. No explanation was provided for the failure to remit VAT and withholding tax on time. Further, review of sampled payments vouchers for the period under review revealed that amounts of Kshs.1,369,203 being 2% of VAT and Kshs.4,586,025 being withholding income tax was not withheld and paid to the Kenya Revenue Authority contrary to Section 42A(4C) of Tax Procedures Act, 2015, Income Tax Act (Cap.470) and the Value Added Tax Act (Cap.476).

In the circumstances, Management was in breach of the law and there is risk of loss of public funds through interests and penalties.

## **7. Avoidable Expenditure**

The statement of financial performance reflects employee costs amount of Kshs.298,027,840 which as disclosed in Note 7 to the financial statements, includes an amount of Kshs.270,436,389 in respect of salaries and wages. However, analysis of the total monthly payrolls indicates that an amount of Kshs.11,522,808 arose from penalties and interest from outstanding PAYE which were not remitted to the Kenya Revenue Authority. This was contrary to Regulation 139 (1) of the Public Finance Management Regulations (2015) which requires the Accounting Officer of a national government entity to take full responsibility and ensure that proper control systems exist for assets and that preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse.

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

## **8. Irregularities on Repairs and Maintenance of Motor Vehicles**

Review of the motor vehicles repair records revealed that three (3) motor vehicles had been grounded and parked in private garages for over one and half years. Further, the Commission paid a total of Kshs.7,514,486 to two (2) garages for repair of various motor vehicles without involving the Chief Mechanical and Transport Engineer (C.M.T.E) to

confirm the repairs and whether they were done as per the specifications and issue re-inspection report after the repairs. In addition, the contract for repair of motor vehicles was awarded to garages which were not in the prequalified list of suppliers despite the Commission having seven (7) pre-qualified garages. This was contrary to Section 68 (1) (b) of the Public Finance Management Act, 2012 which states that an Accounting Officer for a national government entity shall be accountable to the National Assembly for ensuring that the resources of the respective entity for which he or she is the Accounting Officer are used in a way that is effective, efficient, economical and transparent.

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

### **9. Non-Compliance in Climate Change and Financing**

Review of the Strategic Plan for the Commission for the period July 2020-June 2025 indicated no deliberate action for climate change and financing or plans or strategies to participate in climate change during the period of the Strategic Plan. Further, no Department is clearly mandated to coordinate climate related activities and no budget was assigned in the Strategic Plan. This was contrary to Section 15 (5a) of the Climate Change Act, 2016 which states that each State Department and national government public entity shall integrate the climate change action plan into sectoral strategies, action plans and other implementation projections for the assigned legislative and policy functions.

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

### **10. Failure to Withhold and Remit Capacity Building Levy**

During the year under review, the Commission made various procurements worth Kshs.110,948,290. However, the Commission did not deduct and remit to the Public Procurement Regulatory Authority the 0.03% capacity building levy as required. This was contrary to Paragraph 3(1) of the Public Procurement Capacity Building Levy Order, 2023 (The Levy Order, 2023) which requires all procuring entities to deduct and remit to the Authority a levy of 0.03% of the value of the signed contracts between the supplier and procuring entity exclusive of all applicable taxes.

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

### **11. Long Outstanding Receivables**

The statement of financial position reflects receivables from non-exchange transactions balance of Kshs.67,263,610 as reflected in Note 12 to the financial statements. The amount includes an outstanding imprest of Kshs.46,722,376 as at 30 June, 2025 out of which Kshs.29,695,156 was overdue imprest from the staff of the Commission and an amount of Kshs.3,225,750 related to standing imprest in respect of a development partner that has been in the Commissions' books since the year 2011. No explanation was provided for non-recovery of the outstanding imprests. This was contrary to Regulation 92(5) of the Public Finance Management (National Government) Regulations, 2015 which

states that a holder of a temporary imprest shall account or surrender the imprest within 7 working days after returning to duty station.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply 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 effect of the matters 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 governance were not effective.

### Basis for Conclusion

#### 1. Failure to Dispose Unserviceable Assets

Review of inventory documents revealed that the Commission had unserviceable items which were included in the consolidated Disposal Plan for 2024-2025 financial year. However, a Disposal Committee to facilitate disposal of unserviceable items was not appointed during the year. Management did not indicate measures put in place to dispose or derecognize the assets to avoid any further deterioration.

In the circumstances, the effectiveness of controls related to asset management could not be confirmed.

#### 2. Unregistered Lease Agreement

Review of lease records revealed that Lease agreement between the Commission and the property owners for one of the regional offices had not been registered with the State Department of Housing and Urban Development since 28 March, 2022. Management has not provided reasons for the delay in registration of the lease agreement.

In the circumstances, the effectiveness of controls related to lease management 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 the 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 controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

### **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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

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*Report of the Auditor-General on National Cohesion and Integration Commission for the year ended 30 June, 2025*

to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

Nairobi

18 December, 2025

**National Cohesion and Integration Commission**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

**14. Statement of Financial Performance for the year ended 30 June 2025**

	Notes	2024/25	2023/2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from Other Government entities	5	567,980,000	545,850,000
Transfers from Domestic and Foreign Partners	6	28,444,948	23,335,400
<b>Total Revenue</b>		<b>596,424,948</b>	<b>569,185,400</b>
<b>Expenses</b>			
Employee costs	7	298,027,840	252,860,286
Use of goods and services	8	290,150,777	264,743,564
Depreciation and amortization expense	9	21,647,565	25,984,781
Repairs and maintenance	10	33,307,543	20,438,567
<b>Total expenses</b>		<b>643,133,724</b>	<b>564,027,199</b>
<b>Surplus/Deficit for the year</b>		<b>(46,708,777)</b>	<b>5,158,201</b>

The notes set out on pages 7 to 33 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Commissioners by:

.....  
**Dr. Daniel Mutegi Giti, PhD**  
**Commission Secretary/CEO**

29/08/2025

.....  
**Harrison Kariuki**  
**Director Corporate Services**  
**ICPAK M/No: 19779**

29/08/2025

.....  
**Rev. Dr. Samuel Kobia CBS**  
**Commission Chairman**

29/08/2025

15. Statement of Financial Position as at 30 June 2025

	Notes	2024-2025	2023- 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	11	24,565,729	16,799,697
Receivables from Non-Exchange Transactions	12	67,263,610	61,226,151
<b>Total Current Assets</b>		<b>91,829,339</b>	<b>78,025,847</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	13	120,666,398	140,938,964
Intangible Assets	14	453,459	680,154
<b>Total Non- Current Assets</b>		<b>121,119,857</b>	<b>141,619,118</b>
<b>Total Assets</b>		<b>212,949,196</b>	<b>219,644,966</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	15(a)	91,059,852	52,430,637
<b>Non-Current Liabilities</b>			
Trade and other payables	15(b)	40,417,808	39,034,016
<b>Total Liabilities</b>		<b>131,477,660</b>	<b>91,464,653</b>
<b>Net Assets</b>		<b>81,471,536</b>	<b>128,180,313</b>
<b>Represented by:</b>			
Accumulated Surplus		67,020,069	113,728,845
Capital Fund		14,451,467	14,451,467
<b>Net Assets</b>		<b>81,471,536</b>	<b>128,180,313</b>

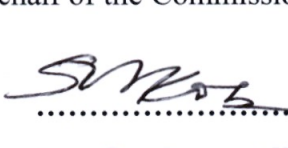
The financial statements set out on pages 1 to 5 were signed on behalf of the Commissioners by:

  
.....  
**Dr. Daniel Mutegi Giti, PhD**  
**Commission Secretary/CEO**

29/08/2025

  
.....  
**Harrison Kariuki**  
**Director Corporate Services**  
**ICPAK M/No: 19779**

29/08/2025

  
.....  
**Rev. Dr. Samuel Kobia CBS**  
**Commission Chairman**

29/08/2025

**16. Statement of Changes in Net Assets for the year ended 30 June 2025**

	<b>Capital Fund</b>	<b>Accumulated surplus</b>	<b>Total</b>
<b>At July 1, 2023</b>	<b>11,978,820</b>	<b>108,570,644</b>	<b>120,549,464</b>
Total comprehensive surplus for the period	-	5,158,201	5,158,201
Donations	2,472,647	-	2,472,647
<b>At June 30, 2024</b>	<b>14,451,467</b>	<b>113,728,845</b>	<b>128,180,313</b>
Total comprehensive surplus for the period		(46,708,777)	(46,708,777)
<b>As at June 30, 2025</b>	<b>14,451,467</b>	<b>67,020,069</b>	<b>81,471,536</b>

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**17. Statement of Cash Flows for the year ended 30 June 2025**

		2024 - 2025	2023 - 2024
	Notes	Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from Other Government entities	5	567,980,000	545,850,000
Transfers from Domestic and Foreign Partners	6	28,444,948	23,335,400
<b>Total receipts</b>		<b>596,424,948</b>	<b>569,185,400</b>
<b>Payments</b>			
Employee costs	7(b)	277,065,076	250,963,086
Use of goods and services	8(b)	284,011,384	286,541,084
Repairs and maintenance	10	26,434,152	16,671,975
<b>Total payments</b>		<b>587,510,612</b>	<b>554,176,145</b>
<b>Net cash flows from/(used in) operating activities</b>	16	<b>8,914,336</b>	<b>15,009,255</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant & equipment	9	(1,148,304)	(1,013,040)
<b>Net cash flows from/(used in) investing activities</b>		<b>(1,148,304)</b>	<b>(1,013,040)</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>7,766,032</b>	<b>13,996,215</b>
Cash and cash equivalents at 1 July	11	16,799,697	2,803,481
<b>Cash and cash equivalents at 30 June</b>	11	<b>24,565,729</b>	<b>16,799,697</b>

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<b>Receipt/Expense Item</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on Comparable Basis</b>	<b>Budget Utilization Difference</b>	<b>% of Utilization</b>
<b>Receipts</b>						
Transfers from other government entities	567,980,000	-	567,980,000	567,980,000	-	100
Proceeds from domestic and foreign grants	-	28,444,948	28,444,948	28,444,948	-	100
<b>Total Receipts</b>	<b>567,980,000</b>	<b>28,444,948</b>	<b>596,424,948</b>	<b>596,424,948</b>		
<b>Payments</b>						
Use of goods and services	223,256,000	28,444,948	251,700,948	284,011,384	(32,310,436)	113
Employee cost	316,660,000	-	316,660,000	277,065,076	39,594,924	87
Repairs and Maintenance	28,064,000	-	28,064,000	26,434,152	1,629,848	94
<b>Total Payments</b>	<b>567,980,000</b>	<b>28,444,948</b>	<b>596,424,948</b>	<b>587,510,612</b>	<b>8,914,336</b>	
<b>Deficit</b>				<b>8,914,336</b>		

***Variance analysis***

1. During the 2024/2025FY the country experienced political tensions, demonstrations by the youth (Gen Z) and the impeachment of the deputy president. This Myriad of political issues resulted in inter & intra community disputes and

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intensified conflicts that demanded commitment of resources by NCIC to avert related violence and threats to peace. This resulted in budget overrun in use of goods and services.

2. The Commission has an aged fleet of motor vehicles that breakdown often requiring repairs. Some of the vehicles underwent major repairs during the year contributing to the overrun in the budget for repairs and maintenance.

**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	8,914,336
1	Purchase of property, plant & equipment	(1,148,304)
2	Cash & cash equivalent at the beginning of the period	16,799,697
	<b>Closing Cash and Cash Equivalent as per the statement of Cash flows</b>	<b>24,565,729</b>

## **19. Notes to the Financial Statements**

### **1. Establishment**

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

### **2. Statement of Compliance and Basis of Reporting**

#### **Statement of compliance**

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

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

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

#### **Reporting period**

The reporting period for these financial statements is for the period ended 30<sup>th</sup> June 2025.

#### **Basis of preparation**

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is

**Notes to the Financial Statements (Continued)**

received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

**Critical accounting judgements**

IPSAS requires accounting judgements to be made in determining accounting policies that impact the presentation of these financial statements. The most critical of these judgements, and their impact, are:

**Recognition of revenue**

A revenue is an increase in the net financial position, other than increases arising from ownership contributions. Revenue is required to be measured when the event occurs and when recognition criteria (probable inflow of resources and ability to reliably measure their value) are met. Judgment is required to determine if these criteria are met, particularly where limited evidence is available at the time the revenue is earned.

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

**Recognition of non-exchange expenses and liabilities**

The Commission recognizes expenses and liabilities when there is a present obligation (legal or constructive) as a result of a past event. An outflow of resources embodying economic benefits will probably be required to settle the obligation and a reliable estimate of the obligation can be made. Judgment is exercised in assessing each of these conditions, and therefore reporting if an expense and a present obligation should be reported.

**Climate change obligations**

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario of 143 MtCO<sub>2</sub>eq. The Commission's commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

**Notes to the Financial Statements (Continued)**

**Physical assets**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

**3. Adoption of New and Revised Standards**

The Commission did not adopt any new or amended standards in year ended June 2025.

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Public Contributions and Donations**

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

**ii) Transfers from other government entities**

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

**b) Budget information**

The original budget for FY 2024-2025 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to

**Notes to the Financial Statements (Continued)**

be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

**c) Property, plant and equipment**

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

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

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

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

**Notes to the Financial Statements (Continued)**

**d) Intangible assets**

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

**e) Inventories**

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

**f) Provisions**

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

**g) Changes in accounting policies and estimates**

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

**h) Employee benefits**

**Retirement benefit plans**

The Commission provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay

**Notes to the Financial Statements (Continued)**

further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior years. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

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

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

**i) Related parties**

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

**j) 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 various commercial banks at the end of the financial year.

**Notes to the Financial Statements (Continued)**

**k) Accounts payables**

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

**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, 2025.

**n) Provisions**

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

Notes to the Financial Statements (Continued)

5. Transfers from Other Government entities

Description	2024-2025	2023-2024
	KShs	KShs
<b>Unconditional Grants</b>		
Operational Grant	567,980,000	545,850,000
<b>Total Government grants and subsidies</b>	<b>567,980,000</b>	<b>545,850,000</b>

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

Name of The MDA Sending the Grant/Transfer	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Total transfers Current FY
	Kshs	Kshs	Kshs
Ministry of Interior and National Administration	567,980,000	-	567,980,000
<b>Total</b>	<b>567,980,000</b>	<b>-</b>	<b>567,980,000</b>

6. Transfers from Domestic and Foreign Partners

Description	2024-2025	2023-2024
	Kshs	Kshs
UNDP	23,933,500	21,801,465
UNESCO	1,271,000	601,200
CIPESA	-	932,735
AUSCHWITZ INSTITUTE	3,240,448	-
<b>Total</b>	<b>28,444,948</b>	<b>23,335,400</b>

Notes to the Financial Statements (Continued)

*Details on Transfers from domestic and foreign partners*

Name of the Partner Sending the Grant/Transfer	Amount recognized to Statement of Financial performance Kshs	Amount deferred under deferred income Kshs	Total transfers 2024-2025 Kshs
UNDP	23,933,500	-	23,933,500
UNESCO	1,271,000	-	1,271,000
CIPESA	-	-	-
AUSCHWITZ INSTITUTE	3,240,448	-	3,240,448
<b>Total</b>	<b>28,444,948</b>	<b>-</b>	<b>28,444,948</b>

7. Employee Costs as per Statement of Financial Performance

Description	2024-2025 Kshs	2023-2024 Kshs
Salaries and wages	270,436,389	231,274,375
Employee related costs - contributions to pension schemes	22,396,647	16,328,306
Contribution to medical aid	756,290	166,544
Gratuity	455,700	1,897,200
Employer contribution to housing	3,880,214	3,097,511
Employer contribution to training	102,600	96,350
<b>Employee costs</b>	<b>298,027,840</b>	<b>252,860,286</b>

7(b) Employee Costs as per Statement of Cash flows

Description	2024-2025 Kshs	2023-2024 Kshs
Salaries and wages	265,216,443	236,468,236
Employee related costs - contributions to pension schemes	11,092,343	14,328,306
Contribution to medical aid	756,290	166,544
<b>Employee costs</b>	<b>277,065,076</b>	<b>250,963,086</b>

**Employee Costs Reconciliation**

	Description of Particulars	Amount in Kshs
	Employees Cost as per Statement of Financial Performance	298,027,840
1	Payroll Creditors for FY2024/2025	(40,962,763)
2	Payment of payroll creditors 2023/2024	20,000,000

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<b>Employees cost as per statement of Cash flows</b>	<b>277,065,076</b>
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**Notes to the Financial Statements (Continued)**

**8. Use of Goods and Services as per Statement of Financial Performance**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Printing, Advertising and Information Supplies	10,626,214	6,954,355
Audit fees	1,044,000	1,044,000
Bank charges	1,366,959	1,826,062
Conferences & Hospitality	14,393,896	11,659,904
Contracted guards and cleaning services	4,668,000	3,533,417
Contracted professional services	7,364,000	6,106,520
Domestic travel and subsistence	120,348,067	104,249,906
Electricity	559,511	402,857
Foreign travel and subsistence	12,511,531	10,002,334
Fuel and oil	14,758,710	13,518,006
Hire charges	595,000	3,533,000
Insurance	40,118,358	35,884,747
Internet connectivity	1,970,720	2,262,040
Membership fees, dues, subscriptions	896,654	558,940
Postage	405,095	2,416,402
Office and general supplies	5,824,201	3,384,399
Project sponsorships	326,000	1,574,000
Rental	46,889,568	50,559,470
Telecommunication	1,534,797	1,295,753
Training	3,945,496	3,914,453
Water and sewerage	4,000	63,000
<b>Total general expenses</b>	<b>290,150,777</b>	<b>264,743,564</b>

**8(b) Use of Goods and Services as per Statement of Cash flows**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Printing, Advertising and Information Supplies	10,626,214	6,954,355
Bank charges	1,366,959	1,826,062
Conferences & Hospitality	14,393,896	11,659,904
Contracted guards and cleaning services	4,668,000	3,533,417
Contracted professional services	7,364,000	6,106,520
Domestic travel and subsistence	118,129,318	127,091,425
Electricity	559,511	402,857
Foreign travel and subsistence	12,511,531	10,002,334
Fuel and oil	14,758,710	13,518,006

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Description	2024-2025	2023-2024
	Kshs	Kshs
Hire charges	595,000	3,533,000
Insurance	37,241,714	35,884,747
Internet connectivity	1,970,720	2,262,040
Membership fees, dues, subscriptions	896,654	558,940
Postage	405,095	2,416,402
Office and general supplies	5,824,201	3,384,399
Project sponsorships	326,000	1,574,000
Rental	46,889,568	50,559,470
Telecommunication	1,534,797	1,295,753
Training	3,945,496	3,914,453
Water and sewerage	4,000	63,000
<b>Total general expenses</b>	<b>284,011,384</b>	<b>286,541,084</b>

**Use of Goods and Services Reconciliation**

	Description of Particulars	Amount in Kshs
	Use of goods and Services as per the statement of financial performance	290,150,777
1	Use of Goods and services creditors for FY 2024/2025	(21,921,319)
2	Payment of use of goods and services creditors for FY2023/2024	15,781,926
	<b>Closing Employees cost as per statement of Cash flows</b>	<b>284,011,384</b>

**9. Depreciation and Amortization Expense**

Description	2024-2025	2023-2024
	Kshs	
Property, plant and equipment	21,420,869	25,644,755
Intangible assets	226,695	340,026
<b>Total</b>	<b>21,647,565</b>	<b>25,984,781</b>

**10. Repairs and Maintenance as per Statement of Financial Performance**

Description	2024-2025	2023-2024
	Kshs	Kshs
Vehicles	21,219,617	15,060,500
Furniture & office equipment	4,561,982	571,300
Computers	7,525,944	4,806,767
<b>Total repairs and maintenance</b>	<b>33,307,543</b>	<b>20,438,567</b>

Notes to the Financial Statements (Continued)

10(b) Repairs and Maintenance as per Statement of Cashflows

Description	2024-2025	2023-2024
	Kshs	Kshs
Vehicles	16,840,707	12,285,023
Furniture & office equipment	3,620,565	466,016
Computers	5,972,880	3,920,936
<b>Total repairs and maintenance</b>	<b>26,434,152</b>	<b>16,671,975</b>

Repairs and Maintenance Reconciliation

	Description of Particulars	Amount in Kshs
	Repairs and Maintenance Cost as per Statement of Financial Performance	33,307,543
1	Repairs and maintenance creditors for FY 2024/2025	(8,914,336)
2	Payment of Repairs and maintenance creditors for the Year 2023/2024	2,040,945
	<b>Repairs and maintenance cost as per Statement of Cash flows</b>	<b>26,434,152</b>

11. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	24,565,729	16,799,697
<b>Total</b>	<b>24,565,729</b>	<b>16,799,697</b>

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

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
Current Account			
Kenya Commercial bank	11,189,199,238	206,572	8,196,883
National Bank of Kenya	0102815036400	303,872	8,602,814
Equity Bank Kenya	0170285413602	24,055,284	-
<b>Grand Total</b>			

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		2024-2025	2023-2024
Financial Institution	Account number	Kshs	Kshs
		24,565,729	16,799,697

Notes to the Financial Statements (Continued)

12. Receivables from Non-Exchange Transactions

Description	2024 - 2025	2023-2024
	Kshs	Kshs
Imprest - GOK	43,496,626	43,373,427
Imprest - SIDA	3,225,750	3,225,750
Prepayments	18,620,857	13,968,044
Other receivables	1,920,377	658,930
<b>Total receivables from non- exchange transactions</b>	<b>67,263,610</b>	<b>61,226,151</b>

(a) Ageing analysis for Receivables from Non-Exchange transactions

Description	2024 - 2025	% of the total	2023-2024	% of the total
Less than 1 year	36,096,408	54	54,232,815	89
Between 1- 2 years	15,295,710	23	3,767,586	6
Between 2-3 years	12,645,742	19	-	-
Over 3 years	3,225,750	5	3,225,750	5
<b>Total</b>	<b>67,263,610</b>	<b>100</b>	<b>61,226,151</b>	<b>100</b>

13. Property, Plant, and Equipment

	Motor Vehicles	Furniture & Fittings	Computers & Printers	Total
Cost or Valuation:	Kshs	Kshs	Kshs	Kshs
As at July 1, 2023	181,340,623	200,328,116	57,271,362	438,940,101
Additions during the year	-	975,227	2,510,460	3,485,687
<b>As at June 30, 2024</b>	<b>181,340,623</b>	<b>201,303,343</b>	<b>59,781,822</b>	<b>442,425,788</b>
Additions during the year		315,504	832,800	1,148,304
<b>As at June 30, 2025</b>	<b>181,340,623</b>	<b>201,618,846</b>	<b>60,614,622</b>	<b>443,574,092</b>
Depreciation and impairment				
As at July 1, 2023	155,237,274	68,306,754	52,298,041	275,842,069
Depreciation	6,525,837	16,624,574	2,494,344	25,644,755
<b>As at June 30, 2024</b>	<b>161,763,111</b>	<b>84,931,327</b>	<b>54,792,385</b>	<b>301,486,824</b>
Depreciation	4,894,378	14,585,940	1,940,552	21,420,869
<b>As at June 30, 2025</b>	<b>166,657,489</b>	<b>99,517,267</b>	<b>56,732,937</b>	<b>322,907,693</b>

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Net book values				
At June 30, 2025	14,683,134	102,101,579	3,881,685	120,666,398
At June 30, 2024	19,577,512	116,372,015	4,989,437	140,938,964

**Notes to the Financial Statements (Continued)**

**14. Intangible Assets**

Description	2024-2025	2023-2024
	Kshs	Kshs
Cost		
At beginning of the year	5,859,740	5,859,740
Additions	-	
<b>At end of the year</b>	<b>5,859,740</b>	<b>5,859,740</b>
Amortization and impairment		
At beginning of the year	5,179,586	4,839,559
Amortization	226,695	340,026
<b>At end of the year</b>	<b>5,406,281</b>	<b>5,179,586</b>
<b>NBV</b>	<b>453,459</b>	<b>680,154</b>

**15. Trade and Other Payables**

**a) Current Liabilities**

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade and other payables	91,059,852	48,802,641
<b>Total trade and other payables</b>	<b>91,059,852</b>	<b>48,802,641</b>

**Notes to the Financial Statements (Continued)**

**b) Non-Current Liabilities**

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade and other payables	40,417,808	42,662,012
<b>Total trade and other payables</b>	<b>40,417,808</b>	<b>42,662,012</b>

**(a) Ageing analysis for Trade and other payables**

Description	2024 - 2025	% of the total	2023-2024	% of the total
Under one year	91,059,852	69	52,430,637	57
1-2 years	24,096,982	18	2,088,000	2
2-3 years	5,715,996	4	23,385,809	26
Over 3 years	10,604,831	8	13,560,207	15

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<b>Total</b>	<b>131,477,660</b>	<b>100</b>	<b>91,464,653</b>	<b>100</b>
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**Notes to the Financial Statements (Continued)**

**16. Cash Generated from Operations**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Surplus for the year</b>	<b>(46,708,777)</b>	<b>5,158,201</b>
Adjusted for:		
Depreciation	21,647,565	25,984,781
<b>Working capital adjustments</b>		
Increase in receivables	(6,037,460)	(13,247)
Increase in payables	40,013,007	(16,120,480)
<b>Net cash flow from operating activities</b>	<b>8,914,336</b>	<b>15,009,256</b>

**17. Financial Risk Management**

**(i) Credit Risk Management**

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

**(ii) Employee Benefit Obligations**

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

**(iii) Liquidity Risk Management**

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

**(iv) Market Risk**

NCIC is not exposed to market risk.

**Notes to the Financial Statements (Continued)**

**(v) Capital Risk Management**

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

**16) Related Party Disclosures**

The Commission regards a related party as a person or entity with the ability to exert control individually or jointly, or to exercise significant influence over the Commission's operating and financial decisions. The Commissioners and key management are considered as the Commission's related parties. The Commission has 7 full time commissioners. The Commissioners are charged with policy formulation and direction while the key management led by the Commission secretary (who is the CEO) are charged with the implementation and day-to-day running of the Commission.

**17) Events after the Reporting Year**

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

**18) Ultimate and Holding Entity**

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

**19) Currency**

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

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**20. Appendix**

**Appendix I: Implementation Status of Auditor-General's Recommendations**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	During the year under review the Commission incurred expenditure on task force allowances. However, there was no specific duration of the assignment contrary to guidelines provided by the Head of Public Service <b>Ref. MPS.2/1A VOL.XLVIII(119)</b> of 2 August 2019	The Commission appoints members to taskforces/ committees vide letters that clearly stipulate the terms of reference as per the sample attached herein for your confirmation. Further, the Commission scheduled a meeting with the SRC to discuss among other issues the payment of taskforce allowances. The Commission will seek clear guidance on the formation of taskforces due the unique nature of its operations.	<b>Resolved</b>	<b>Resolved</b>
	The statement of financial position reflects current trade and other payables balance of Kshs99,821,134 as disclosed in Note 15 to the financial	The matter remains unresolved pending reconciliation with the Kenya Revenue Authority	<b>Resolved</b>	<b>Resolved. KRA audit completed and payment plan executed.</b>

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<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	<p>statements which includes VAT of Kshs 3,627,996 owed to the Commissioner of Domestic Tax that had not been settled as at 30 June 2023, out of which Ksh 2,561,823 are taxes brought forward from the previous year. This is contrary to Section 23(2) of Public Finance Management (National Government) Regulations 2015 which states that an Accounting officer shall comply with any tax, levy, duty, pension, commitments and audit commitments as may be provided by legislation.</p>			
	<p>Review of the staffing levels in the Internal Audit Department revealed that the Department has only one member of Staff after the resignation of the Head of the Unit. The member of staff in the Department is currently place in a middle level management at scale NCIC 5. Further, the current staff</p>	<p>The recruitment process to fill the position of the Head of Internal Audit was successfully concluded. We are currently awaiting the selected candidate to officially report in the 2023/2024 financial year.</p>	<p><b>Resolved</b></p>	<p><b>Deputy Director Audit recruited and reported for duty.</b></p>

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<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	<p>establishment provides for only two Auditors in the Internal Audit Department, which may not be adequate to ensure adequate risk management and governance. This is contrary to Part 3.4 of Mwongozo Code of Conduct for State Corporations which requires that the Internal Auditor be a senior member of Management, professionally qualified and in good standing in a professional body responsible for regulating Auditors. Further, the Head of Public Service Circular reference no. OP/CAB.9/1A dated 11 March, 2020 directed that all Head of Internal Audit should be placed between level 2 and 3 of the grading structures.</p>			
	<p>The statement of financial position reflects a balance of Kshs.39,034,016 in respect of non- current liabilities as</p>	<p>The Commission’s budget for the year 2022/2023 was Ksh 382,941,400 which was a reduction from Ksh 652,750,000 for 2021/2022 financial year. Non-</p>	<p><i>Resolved</i></p>	<p><i>Awaiting resolution by PIC</i></p>

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<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	disclosed in Note 15b to the financial statements. Included in the amount are creditors amounting to Kshs.30,266,016 who offered goods and services in the financial year 2022/2023 but were yet to be paid. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that ‘an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates.	current liabilities include framework contracts with suppliers and the Commission has continually been servicing the accounts as we incur services. These include Motor vehicle repairs, Air ticketing services, cleaning services, internet services, printing services etc. The Commission requested for additional funds for pending bills from the budget appropriation committee of the National Assembly		
	The statement of financial position reflects current liabilities of Kshs.52,430,637 which, as disclosed in Note 15a, includes an amount of Kshs.3,627,996 relating amounts owed to the Commissioner of Domestic	The Commission’s itax account, had a credit of approximately Ksh 4,819,466.94 (Annexure III) which was part of on-going reconciliation and negotiations with KRA. The management did not remit withholding VAT pending the outcome in order to offset it with the credit.	<i>Not resolved</i>	<i>May 2026</i>

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<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	Taxes that had not been settled as at 30 June, 2024. As reported in the previous year, the amount has been outstanding for more than two years.			
	Review of the Commissions records revealed that, the position of the Commission Secretary became vacant in May, 2023 and an officer was appointed in an acting capacity effective 5 May, 2023. The acting appointment should have terminated on 6 November 2023 but as at the time of the audit in October 2024, the position had not been substantively filled and the officer was still drawing acting allowance and other reimbursable allowances pursuant to the provisions of his appointment letter. This was contrary to Section 34 of the Public Service Commission Act, 2017 which provides that a person shall not be appointed to hold a public office in an acting capacity unless the person satisfies all the prescribed qualifications for holding the public	The Commission at its meeting held on 26th November 2024, under MIN. 12/26/11/2024, approved the recruitment for the position of the Commission Secretary/CEO of the NCIC. This decision followed the resolution of the court case Judicial Review Miscellaneous Application No. E003 of 2023: Dr. Skitter Wangei Mbugua vs. NCIC, through a Judgment delivered on 19th November 2024 by the Employment and Labour Relations High Court in Nakuru.	<b>Resolved.</b>	<b>CEO was recruited and reported on April 1, 2025.</b>

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<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	<p>office and that the officer may be appointed in an acting capacity for a period of at least thirty days but not exceeding a period of six months. Management explanation that recruitment of a substantive CEO/Commission Secretary was put on hold by a court of law pursuant to the above referred case was not supported with evidence to that effect.</p>			
	<p>The Commission as a statutory body was created under the National Cohesion and Integrated Act (Act No.12) of 2018 and hence not through a Constitutional provision.</p> <p>Records held by the Commission indicate that the Commissioners were appointed vide Gazette Notice number 10893 and 10894 for Chairperson and other seven members respectively on 18 November, 2019 for a single term of six years each. The Chairman was appointed pursuant to Section 17(1)(a) the National Cohesion and Integration Act and other Commissioners were appointed pursuant to section 17(1)(b) of the</p>	<p>Owing to the Judgment dated 14th January 2019 in Constitutional Petition No. 385 of 2018, the 12th Parliament took on the process of amending the impugned section of the National Cohesion and Integration Act No. 12 of 2008, that is Section 17(1) (a) and (b) and the First Schedule on the procedure for nominating Commissioners of the NCIC, so as to make them compliant with the Constitution. This was done by virtue of a Bill sponsored by the then Chairperson of the Select Committee on National Cohesion and Equal Opportunity, Hon. Maina Kamanda. Subsequently, this resulted in enactment of the National Cohesion and Integration (Amendment) Act, No. 6 of 2019 on whose basis the sitting Commission was nominated for appointment pursuant to Section 17(1) (a) and (b) as read with the First Schedule. Further reference is made to the Gazette</p>	<p><i>Not Resolved</i></p>	<p><i>Awaiting resolution by the PIC</i></p>

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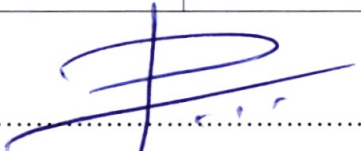
<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	<p>Act. However, on 7 November, 2018, a petitioner went to court seeking certain orders relating to the appointment of the Commissioners. The court in paragraph 48 of the judgement in petition number 385 of 2018 made the sought orders and declared that appointment made pursuant to Section 17(1)(a) and (b) of the National Cohesion and Integration Act No.12 of 2018 and the procedure for nominating Commissioners of the NCIC by the National Assembly under the 1st Schedule of the Act was unconstitutional, and therefore invalid, null and void ab initio.</p> <p>Although the above judgement predated the appointment of the current team of Commissioners at the NCIC, it was not established why the appointment of the Commissioners made in April 2020 was made in contempt of the above judgement delivered on 14 January, 2019. Further, Records show that the Commissioners have been drawing salaries and other benefits meant for Constitutional</p>	<p>Notice Number 8007. The Judgment dated 14th January 2019 in Constitutional Petition No. 385 of 2018 was not appealed against. Although NCIC is not expressly listed under Chapter 15 as a Constitutional Commission, it is our considered opinion and we respectively submit that NCIC follows similar rules for remuneration and benefits as other Commissions listed under Chapter 15 due to its comparable mandate. This position was upheld in constitutional petition, Okiya Omtatah Okoiti v Attorney General &amp; another [2018] Eklr.</p> <p>The Commission's remuneration framework is determined in consultation with the Salaries and Remuneration Commission (SRC), which holds the mandate on matters concerning the remuneration and benefits of state officers as per Article 230 of the Constitution. In alignment with this mandate, the Commission follows the guidance provided by SRC in Letter Ref. No. SRC/TS/25/15 (48) dated 14th August 2023 as supplemented by Letter Ref. No. SRC/TS/25/15 (49) dated 17th July 2024. These correspondences specifically outline the remuneration and benefits applicable to the Chairperson, Vice Chairperson, and Members of NCIC for FY 2023/2024 and FY2024/2025.</p>		

**National Cohesion and Integration Commission**  
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<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status:</b> <i>(Resolved / Not Resolved)</i>	<b>Timeframe:</b> <i>(Put a date when you expect the issue to be resolved)</i>
	<p>Commissions and Independent Offices.</p> <p>Further, the letters of appointment expressly provide that the Commissioners were appointed on full time basis for a single term of 6 years. However, such terms are only applied to a member of a Constitutional Commission or the holder of an Independent Office in terms of Article 250(6)(a) of the Constitution. In addition, vide circular number OP/SCAC.9/1/5/2(2) of 28th April 2015, the Chief of Staff and Head of the Public service directed that the provisions of MWONGOZO be complied with by all state corporations specifically on appointment of Chairpersons, Board Members and CEO of State Corporations. This was further emphasized vide OP/SCAC.9/73A (48) of 4th May 2015</p>	<p>A detailed schedule of all payments made and/or relating to NCIC Commissioners during the audit period is provided herein for your review. This schedule includes salaries and allowances, airtime, training expenses, local and foreign travel expenses, motor vehicle operating costs (repairs and fuel), and annual rent paid for the office space occupied by the Commissioners. The procedure of appointment of NCIC Commissioners to align with the Constitution, was comprehensively taken care of under the 2019 Amendment Act. To date, the Commission continues to reconcile the National Cohesion and Integration Act No. 12 of 2008 with the current constitutional framework, as outlined under Chapter 15 and Article 2(4) of the Constitution of Kenya, 2010. To this end, the Commission has made sustained efforts over the years to amend the NCI Act to address existing legal gaps and enhance its effectiveness. The National Cohesion and Integration Bill, 2023 (National Assembly Bill No. 74), currently before the 13th Parliament and sponsored by the Chairperson of the Select Committee on National Cohesion and Equal Opportunity, Hon. Yussuf Adan Haji, seeks to repeal and replace the NCI Act. The Bill is at the 2nd Reading Stage and its enactment will further align the Commission's mandate and operational framework with the present</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>constitutional dispensation. In reference to the SCAC training provided to the NCIC Commissioners, we note that this training was intended as a general orientation on public sector governance best practices, as stipulated under Section 27 of the State Corporations Act. This training aligns with SCAC's mandate to promote governance standards across the public sector and does not imply categorization of the NCIC as a state corporation under SCAC's regulatory framework. Further, we submit that NCIC's operations and governance structure are primarily guided by the National Cohesion and Integration Act, NCIC Commission Charter, and other applicable statutes rather than by SCAC-specific requirements. Consequently, while NCIC acknowledges SCAC's governance standards as valuable guidance, the Commission's appointment, membership compensation, and operational arrangements are determined based on its unique legal framework.</p>		



.....  
Commission Secretary/ CEO

29/09/2025

.....  
Date

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**Appendix II: Fixed Asset Register**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) Previous Year</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) Current Year</b>
Motor vehicles	181,340,623	-	-	181,340,623
Furniture and Fittings	201,303,343	315,504	-	201,618,846
ICT Equipment	59,781,822	832,800	-	60,614,622
Intangible assets	5,859,740	-	-	5,859,740
<b>Total</b>	<b>448,285,528</b>	<b>1,148,304</b>	<b>-</b>	<b>449,433,832</b>

**Appendix III: Transfers from Other Government Entities**

<b>Name of Ministry</b>	<b>Date received as per bank statement</b>	<b>Nature: Recurrent/Develop ment/Others</b>	<b>Total Amount - KES</b>	<b>Statement of Financial Performance</b>	<b>Total Transfers during the Year</b>
Ministry of Interior and National Administration	01/08/2024	Recurrent	47,331,667	47,331,667	47,331,667
Ministry of Interior and National Administration	01/08/2024	Recurrent	47,331,667	47,331,667	47,331,667
Ministry of Interior and National Administration	05/09/2024	Recurrent	47,331,666	47,331,666	47,331,666

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Ministry of Interior and National Administration	06/11/2024	Recurrent	47,331,666	47,331,666	47,331,666
Ministry of Interior and National Administration	08/11/2024	Recurrent	47,331,666	47,331,666	47,331,666
Ministry of Interior and National Administration	17/12/2024	Recurrent	47,331,667	47,331,667	47,331,667
Ministry of Interior and National Administration	07/02/2025	Recurrent	47,331,667	47,331,667	47,331,667
Ministry of Interior and National Administration	10/02/2025	Recurrent	47,331,667	47,331,667	47,331,667
Ministry of Interior and National Administration	14/03/2025	Recurrent	47,331,667	47,331,667	47,331,667
Ministry of Interior and National Administration	29/04/2025	Recurrent	47,331,666	47,331,666	47,331,666
Ministry of Interior and National Administration	29/04/2025	Recurrent	47,331,667	47,331,667	47,331,667
Ministry of Interior and National Administration	10/06/2025	Recurrent	47,331,667	47,331,667	47,331,667
<b>Total</b>			<b>567,980,000</b>	<b>567,980,000</b>	<b>567,980,000</b>