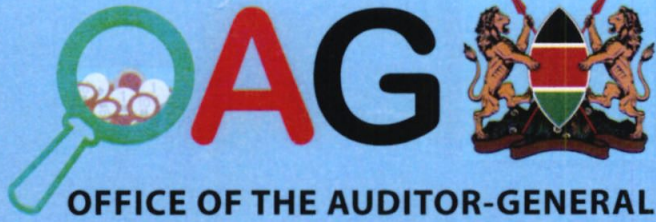
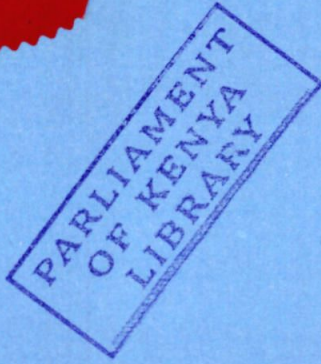


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*



**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: **09 APR 2025**

Wednesday

TABLED  
BY:

Hon. NAO M. Wada 29 MP

OF

CLERK AT  
THE TABLE:

Deputy Majority Party Whip

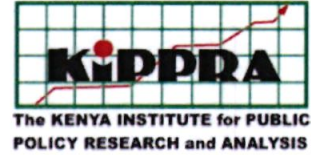
Halima Ahmed

**THE AUDITOR-GENERAL**

**ON**

**KENYA INSTITUTE FOR PUBLIC POLICY  
RESEARCH AND ANALYSIS (KIPPRA)**

**FOR THE YEAR ENDED  
30 JUNE, 2024**



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**KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH  
AND ANALYSIS**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2024**

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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, ABBREVIATIONS AND GLOSSARY OF TERMS**

### **A: Acronyms and Abbreviations**

ACBF	African Capacity Building Foundation
ACET	African Centre for Economic Transformation
ACODE	Advocates Coalition for Development and Environment
AERC	African Economic Research Consortium
AGPO	Access to Government Procurement Opportunities
A-I-A	Appropriation in Aid
ASALs	Arid and Semi-Arid Lands
BETA	Bottom-UP Economic Transformation Agenda
CIDP	County Integrated Development Plan
COG	Council of Governors
CSR	Corporate Social Responsibility
ED	Executive Director
EDMS	Electronic Document Management System
EFD	Environment for Development
ERP	Enterprise Resource Planning
FANRPAN	Food, Agriculture and Natural Resources Policy Analysis Network
FAO	Food and Agriculture Organization
FY	Financial Year
GoK	Government of Kenya
GPA	Group Life Assurance
HELB	Higher Education Loans Board
ICPAK	Institute of Certified Public Accountants of Kenya
IFPRI	International Food Policy Research Institute
IPSAS	International Public Sector Accounting Standards
IRMS	Integrated Risk Management System
ISO	International Organization for Standardization
KARC	KIPPRA Annual Regional Conference
KER	Kenya Economic Report
KIPPRA	Kenya Institute for Public Policy Research and Analysis
KMPUS	KIPPRA Mentorship Programme for University Students
KPIs	Key Performance Indicators
KTMM	KIPPRA Treasury Macro Modelling
KRA	Key Results Area
Kshs	Kenya Shillings
KWS	KIPPRA Wide Survey
MDAs	Ministries, Departments and Agencies
M & E	Monitoring and Evaluation
NACOSTI	National Commission for Science, Technology and Innovation
NBV	Net Book Value
NG-CDF	National Government Constituencies Development Fund
NHIF	National Health Insurance Fund
NIPFN	National Information Platform for Food Security and Nutrition
NITA	National Industrial Training Authority
NSSF	National Social Security Fund
NUPEA	Nuclear Power and Energy Agency
OAG	Office of the Auditor General

OSHA	Occupational Safety and Health Act of 2007
PAYE	Pay as You Earn
PC	Performance Contract
PEP	Partnership for Economic Policy
PFM	Public Finance Management
PPAD	Public Procurement and Asset Disposal
PPE	Property Plant and Equipment
PPPs	Public Private Partnerships
PPRA	Public Procurement Regulatory Authority
PS	Principal Secretary
PWDs	Persons with Disabilities
SAGAs	Semi-Autonomous Government Agencies
SAIIA	South African Institute of International Affairs
SC	State Corporation
SOs	Strategic Objectives
UN	United Nations
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNICEF	United Nations Children's Emergency Fund
USD	United States Dollars
VAT	Value Added Tax
YPs	Young Professionals

**B: Glossary of Terms**

**Fiduciary Management:** Members of Management directly entrusted with the responsibility of financial resources of the organization.

**Comparative Year:** Means the prior period.

## **2. KEY ENTITY INFORMATION AND MANAGEMENT**

### **(a) Background information**

The Kenya Institute for Public Policy Research and Analysis (KIPPRA) was formed through an Act of Parliament, the KIPPRA Act, CAP 112A, Laws of Kenya. The Institute is domiciled in Kenya and has no branches. At Cabinet level, the Institute is represented by the Cabinet Secretary for The National Treasury and Economic Planning, who is responsible for the general policy and strategic direction.

The Institute has three (3) Directorates, sixteen (16) Departments and two (2) Divisions.

### **(b) Principal Activities**

The principal activity of the Institute is to develop human and institutional capacities for the Government of Kenya and other stakeholders by conducting objective research and analysis and through capacity building to contribute to the achievement of national development goals.

#### **Mandate**

Under the KIPPRA Act, the Institute is mandated to:

1. Develop capacities in public policy research and analysis and assist the Government in the process of policy formulation and implementation;
2. Identify and undertake independent and objective programmes of research and analysis, including macroeconomic, inter-disciplinary and sectoral studies on topics affecting public policy in areas such as human resource development, social welfare, environment and natural resources, agriculture and rural development, trade and industry, public finance, money and finance, and macroeconomic and microeconomic modeling;
3. Provide advisory and technical services on public policy issues to the Government and other agencies of the Government;
4. Communicate the findings and recommendations of the Institute's research programmes to the agencies of the Government concerned with the implementation of public policy;
5. Serve as a point of communication and encourage the exchange of views between the Government, the private sector and other bodies or agencies of the Government on matters relating to public policy research and analysis;
6. Collect and analyze relevant data on public policy issues and disseminate the Institute's research findings to persons it deems appropriate to publish such research findings;
7. Develop and maintain a reservoir of research resources on public policy and related issues and make these available to the Government, the private sector and learning institutions in Kenya;

*Kenya Institute for Public Policy Research and Analysis (KIPPRA)*  
*Annual Report and Financial Statements*  
*For the Year Ended 30 June 2024*

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8. Undertake public policy research and analysis for the Government and for clients in the private and public sectors;
9. Control the publication and use of the Institute's research findings;
10. Organize symposia, conferences, workshops and other meetings to promote the exchange of views on issues relating to public policy research and analysis;
11. Undertake public policy research relevant to governance and its implications to development; and
12. Undertake any other business which is incidental to the performance of any of the foregoing functions.

## **Key Entity Information and Management (continued)**

### **Vision**

A global benchmark in public policy research and analysis

### **Mission**

To contribute to the achievement of national development goals by providing quality public policy advice to the Government of Kenya through effective capacity building and conducting objective policy research and analysis.

### **Core Values**

The Institute's core values and principles are;

- (i) Knowledge
- (ii) Inclusivity
- (iii) Professionalism
- (iv) Patriotism
- (v) Responsiveness
- (vi) Accountability

### **(c) Key Management**

The Institute's day-to-day management is under the following key organs:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Board of Directors Chair	Prof Benson A. Ateng'
2.	Executive Director	Dr Rose Ngugi
3.	Director Economic Management	Dr Eldah Onsomu
4.	Ag. Director Integrated Development	Dr John Karanja
5.	Director Corporate Services	Ms Irene Mithia

### **(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2024 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Executive Director	Dr Rose Ngugi
2.	Director Economic Management	Dr Eldah Onsomu
3.	Ag. Director Integrated Development	Dr John Karanja
4.	Director Corporate Services	Ms Irene Mithia
5.	Deputy Director, Finance	Mr Teddy Bett

No.	Designation	Name
6.	Deputy Director, Supply Chain Management	Mr Reuben Mauki

## **Key Entity Information and Management**

### **(e) Fiduciary Oversight Arrangements**

The oversight role of KIPPRA is vested in the Board of Directors. The Board operates through four committees (Finance, Audit, Programmes, and Human Resource and General Purpose) and is guided by a Board Charter.

The KIPPRA Board Charter was revised and approved in December 2020 and came into assent on 5<sup>th</sup> May 2021. It sets out the roles, functions, obligations, rights, responsibilities and powers of the Board, and the policies and practices of the Board in respect of its duties, functions and responsibilities. It guides and clarifies the roles of the Chairman, Directors, Executive Director; their powers; and their involvement in the day-to-day running of the Institute; and is a point of reference. The Charter is also aimed at improving and enhancing the level of performance and effectiveness of the Board, including provision of strategic leadership and observance of high standards of corporate governance. It provides guidelines that help the Board ensure that strong leadership is in place at Board level.

**Finance Committee:** This is an advisory body with no executive powers. Its broad function is to assist the Audit Committee and Board in ensuring that the Institute meets the highest standards of financial management and accountability in the use of its financial resources. The Chairman of the Finance Committee shall be a person with financial background and experience. The committee is authorized to carry out its mandate in line with its terms of reference, which are to: Approve the Institute's accounting policies and principles (and any changes thereof) that are required to be reported in the notes to the annual financial statements; Review and assess the appropriateness of accounting policies and principles, including conformance with relevant accounting and reporting standards; Review annual budgets, and make recommendations to the Board; Receive and consider quarterly financial, procurement and investment reports; Review annual financial statements and recommend them to the Board for approval; Review the use of financial resources, ensuring that value for money is achieved; Review the periodic financial reports and projections, paying particular attention to critical financial and budgetary control issues, financial strategy decisions requiring a major element of judgment, making recommendations to the Board as appropriate; Provide oversight over procurement in line with the procurement law; Advise the Board on resource mobilization, and; Ensure that the finance function is appropriately resourced and meets, or exceeds, best professional practice.

**Audit Committee:** The duties and responsibilities of the Audit Committee are to assist, and where relevant, make recommendations to the Board on the discharge of Board's responsibilities as they relate to external financial reporting; external and internal audits; effective systems of internal control comprising financial and operational controls and compliance; and risk management.

**Programmes Committee:** The overall purpose of the Committee is to advise the Board on technical issues; that is, on how to continuously improve the research and capacity building outputs of the Institute.

The Programmes Committee reviews annual work plans and quarterly implementation progress reports, and recommends them for Board approval; monitors implementation of the strategic plan, annual performance contracts, and timely publication of the Kenya Economic Report and other statutory reports; assesses periodically the quality and effectiveness of the Institute's technical outputs, and advises the Board on the achievement of global benchmarks; assists the Human and General Purposes Committee in recruiting senior technical staff; and attends to other matters assigned by the Board, including matters that may be assigned to two or more Board Committees.

**Human Resource and General Purposes Committee:** The Committee, which is non-executive, advises the Board on organizational structure, administration, human resource policy and capacity enhancement; reviews salaries, benefit packages and service contracts; reviews performance management policies and procedures and makes recommendations to the Board; recruits senior staff and recommends them for Board approval; presides over disciplinary hearings/interviews for senior staff; and makes recommendations on broad guidelines that promote operational efficiency; reviews and recommends to the Board staff annual performance appraisals; recommends renewal of contracts for senior staff; handles disciplinary cases concerning senior staff; and provides oversight on administrative structures of the Institute.

**(f) Institute Headquarters**

P.O. Box 56445-00200  
Bishops Garden Towers  
2nd Floor, Bishops Road  
**Nairobi, KENYA**

**(g) Institute Contacts**

Telephone: (254) 2719933/4  
E-mail: [admin@kippra.or.ke](mailto:admin@kippra.or.ke)  
Website: [www.kippra.or.ke](http://www.kippra.or.ke)  
Twitter: [@kipprakenya](https://twitter.com/kipprakenya)

**(h) Institute Bankers**

NCBA Bank  
Mama Ngina Street  
P.O. Box 30437-00100  
**Nairobi, Kenya**




Kenya Commercial Bank  
Milimani Branch  
P.O. Box 69695-00400  
**Nairobi, Kenya**



**(i) Independent Auditor**



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 BOARD OF DIRECTORS



Ref	Board Member	Details
1.	 <p><b>Prof. Benson A. Ateng' MBS</b> PhD in Economics and a Masters in Economics</p>	<p>Prof. Benson A. Ateng' (born in 1949) is an Economist by profession and is currently a Senior Lecturer at the Technical University of Kenya. He has over 30 years of professional engagement as a Lecturer and as an Economist.</p> <p>He holds a PhD in Economics and a Masters in Economics from the University of Nairobi. He has previously served in the World Bank in his capacity as an Economist with his key roles mainly being managing World Bank's country policy dialogue, country performance portfolio review and donor coordination, among others.</p> <p>He has authored various journal publications and peer-reviewed reports and has over the years provided consultancy services to both local and international organizations.</p> <p>Prof. Ateng' serves as the <b>Board Chairperson</b>.</p>
2.	 <p><b>Mrs Christine Wanjala</b> MBA in Project Management and Evaluation</p>	<p>Mrs Christine Wanjala (born in 1968) is a lecturer at Kenya College of Accountancy University. She does part time lecturing at Masters level with the focus being Corporate Management and Human Resource Management, among others, in her capacity as a part time lecturer in undergraduate level.</p> <p>She holds an MBA in Project Management and Evaluation from Kenyatta University and has over 10 years of experience in this field in addition to over 20 years of experience in her profession as a teacher.</p> <p>Mrs Wanjala is an Independent Director and serves as the <b>Board Vice Chairperson</b> and chairperson of the Board Audit Committee.</p>
3.	 <p><b>Dr Indeje Wanyama</b> PhD in Management Science,</p>	<p>Dr Indeje Wanyama (born in 1969) is the Alternate Director to the Principal Secretary, State Department for National Treasury in the KIPPRA Board. He is a skilled finance professional with more than 10 years of corporate finance and management. The finance guru has a PhD in Management Science, having studied in Shanghai University of Finance and Economics. Further, he holds an MSc in Economic Policy Analysis from Addis Ababa University, Ethiopia, has a BA (Economics) and is a Certified Public Accountant of Kenya.</p>


Ref	Board Member	Details
	MSc in Economic Policy Analysis	<p>He is an expert in financial systems development, fiscal management and financial reporting, with proven record of developing and implementing financial and operational controls. He's knowledgeable in application of economic principles and procedures for analyzing financial information in relation to supply and demand, investment, industrial productivity, taxes, among other policy related issues.</p> <p><b>Alternate Director to the Principal Secretary, State Department for National Treasury</b></p>
4.	 <p><b>Mr Aloyce Ratemo</b> Masters in Economic Policy Management</p>	<p>Mr Aloyce Ratemo (born in 1969) is the Director for Planning in the State Department for Trade. He is the designated representative of the Principal Secretary for Trade in the KIPPRA Board. He has over 28 years progressive experience in project planning, coordination, implementation and monitoring and evaluation.</p> <p>He is an Economist and holds a Masters degree in Economic Policy Management from Makerere University, Uganda, and a Bachelor of Arts degree in Economics from the University of Nairobi. He also holds a Diploma in Monitoring and Evaluation from the Institute of Applied Manpower Research in India and various certifications in leadership and management. He is a full member of the Economist Society of Kenya (ESK).</p> <p><b>Alternate Director to the Principal Secretary, State Department for Trade</b></p>
5.	 <p><b>Mr Timothy Gakuu, HSC</b> Master of Arts in Economics</p>	<p>Mr Timothy Gakuu (born in 1966) is the Alternate Director to the Principal Secretary, State Department for Economic Planning in the KIPPRA Board. He is the Acting Economic Planning Secretary in the State Department for Economic Planning.</p> <p>He holds a Master of Arts in Economics from the University of Nairobi and a Bachelor of Arts (Economics) from the same institution.</p> <p>Mr Gakuu has over thirty (30) years of public service experience. He was instrumental in pioneering the National Government Constituencies Development Fund Board, Served in Nuclear Power and Energy Agency (NUPEA), Geothermal Development Company (GDC), Youth Enterprise Development Fund (YEDF) Board, Uwezo Fund, Street Families Rehabilitation Fund and Ant-FGM Board. He served as PS-Alternate</p>

Ref	Board Member	Details
		<p>Director at Energy and Petroleum Regulatory Authority (EPRA).</p> <p><b>Alternate Director to the Principal Secretary, State Department for Economic Planning</b></p>
6.	 <p><b>Ms Anita Chepseba</b> Bachelor of Laws (LLB) degree</p>	<p>Ms Anita Chepseba (born in 1981) is the designated representative of the Attorney General in the KIPPRA Board. She is the Deputy Chief State Counsel in the Office of the Attorney General.</p> <p>Ms Anita has over seventeen years' experience in the practice of law. She holds a Bachelor of Laws (LLB) degree from Moi University and various certifications in the field of International Trade Law, Multilateral Trade Agreements, World Trade Organization and National Biosafety.</p> <p>She has vast experience in vetting, interpreting, and reviewing international legal instruments, negotiating Treaties and Agreements on behalf of the Government, processing requests on international judicial cooperation and providing general legal advice to the Government.</p> <p><b>Representative of the Attorney General</b></p>
7.	 <p><b>Prof. Harrison M. K. Maithya</b> PhD. in Social Anthropology</p>	<p>Prof. Harrison M. K. Maithya (born in 1963) is a Lecturer and currently a Director at South Eastern Kenya University, Wote Campus. He is also an Associate Professor, Department of Sociology, Anthropology and Community Development, South Eastern Kenya University, Kitui with over 27 years of Professional engagement in university teaching, Research, Consultancy and Community service.</p> <p>He holds a PhD in Social Anthropology from the University of London with a specialization in Medical Anthropology and Masters in Anthropology from The University of Nairobi. He has over the years provided consultancy and research services to both National and International Organizations.</p> <p>He is an <b>Independent Director</b> and Chairperson of the Board Programmes Committee.</p>

Ref	Board Member	Details
8.	 <p><b>Ms Fatuma A. Hussein</b> Masters in Community Health and Development</p>	<p>Ms Fatuma A. Hussein (born in 1972) is currently the Managing Director at Vision Quest, a leading regional research and capacity development advisory firm that provides evidence-based solutions for humanitarian and development actors, operating in Kenya, Somalia, South Sudan, Ethiopia, and Uganda. She holds a Masters in Community Health and Development, Great Lakes University, Nairobi.</p> <p>She has over twenty years' experience in the multi-sectoral work at African and devolved units in Kenya. She has continued to bring on board cumulative, multi-disciplinary expertise with professional, intuitive knowledge, passion and practical experience in investment and financial inclusion, development of PPPs, governance and social inclusion, water and environment, local economic development, agriculture, livestock and rural development in both humanitarian and development assistance contexts in various countries.</p> <p>As the Vice President Eastern Africa for WAELE Foundation, she had an opportunity of working with several Heads of States and governments across Africa in women economic and leadership empowerment and peace building and conflict management. She oversees WAELE activities in more than fourteen countries of the Eastern Africa region.</p> <p>Ms Fatuma Hussein is an <b>Independent Director</b>.</p>
9.	 <p><b>Dr Kevin Ongeti Wangwe</b> Master of Medicine in Orthopaedic surgery</p>	<p>Dr Kevin Ongeti Wangwe (born in 1983) is a medical professional with over 10 years of experience. He is a medical Officer at African International University, Nairobi. He is an Orthopaedic Surgeon at Mother and Child Hospital Nairobi and St Teresa Hospital.</p> <p>He holds a Master of Medicine in Orthopaedic surgery and a Master of Science in Anatomy from the University of Nairobi. He has reviewed over eighty (80) peer publications among other presentations made in scientific conferences.</p> <p>Dr Ongeti is an <b>Independent Director</b> and chairperson of the Board Finance Committee.</p>

10.	 <p><b>Dr Boaz Kiprop Cheluget</b>          PhD Business Management and          Administration Strategic Information</p>	<p>Dr Boaz Kiprop Cheluget (born in 1968) is a Statistician with specialization and practice in Strategic Information for National Development planning, monitoring and evaluation. He is a modern Statistical Expert and has worked on software assisted data models to inform population and economic projection, disease surveillance and monitoring, programme funding documents for Global Fund, World Bank and UN assisted SDG acceleration fund that address key government gaps in implementation of agreed development agenda.</p> <p>He has over 25 years' experience having served as a government Statistician in the Ministry of Health, for 6 years, Head Research, Monitoring and Evaluation in the National AIDS Control Programme, Manager Policy Research, Strategic Information and Resource mobilization in the Office of the President, National AIDS Control Council and UN Advisor and Officer in Charge on national development planning, monitoring and evaluation in South Sudan, Lesotho, South Africa, Zimbabwe, Malawi and Kenya.</p> <p>He holds a doctorate in Business Management and Administration Strategic Information (University of Liverpool, UK), MSc Statistics and IT (Leicester University, UK), BSc Mathematical Statistics (University of Nairobi, Kenya) and Post Graduate Diploma in Education (Egerton University, Kenya). He has teaching experience in University of Nairobi and Great Lakes University, Nairobi), Rift Valley Technical Institute and other Institutions.</p> <p>Dr Cheluget is an <b>Independent Director</b> and chairperson of the Board Human Resource and General Purposes Committee.</p>
11.	 <p><b>Mr Joseph K. Tiampati Ole Musuni</b>          Masters in Business Administration</p>	<p>Mr Joseph K. Tiampati Ole Musuni (born in 1961) is an Information, Communications and Technology expert. He has over 17 years progressive experience and has had a solid and accomplished history in Banking, Finance, Social Security, Public Administration and Information, Communications and Technology. He has served in various capacities at Kenya Commercial Bank, National Social Security Fund and the Government of Kenya as the Principal Secretary at the Ministry of Information Communications and Technology.</p> <p>Mr Musuni holds a Masters degree in Business Administration from ESAMI/ Maastricht School of Management and a Bachelor of Science in Mathematics and Computer Science degree from the University of Nairobi. He also holds various certifications in leadership and management.</p>



		Mr Musuni is an <b>independent director</b> .
12.	 <p><b>Prof. Peter Kibet Koech</b> PhD Philosophy</p>	<p>Prof. Peter Kibet Koech (born in 1967) is a Professor of Education, is an Associate Professor and the Director for Open Distance and E-learning at Machakos University. He has over 20 years progressive experience and professional engagement in university teaching, research and consultancy in Curriculum Development and pedagogical issues in Early Childhood Education. He has served in various capacities in universities as Registrar and Associate Dean. He has also served as the Chairman, Uasin Gishu County Education Board.</p> <p>He Professor of Education and holds a Doctorate in Philosophy from Kenyatta University and a Master of Arts degree in Education (Early Childhood Education) from the University of Northern Iowa, Cedar Falls (USA). He also holds a bachelors degree in education (Arts) from Moi University, Eldoret.</p> <p>Prof. Koech is an <b>independent director</b>.</p>
13.	 <p><b>Dr Rose Ngugi</b> PhD in Finance (Financial Markets), Masters and Bachelors degree in Economics</p>	<p>Dr Rose Ngugi (born in 1966) is the Executive Director of the Kenya Institute for Public Policy Research and Analysis and serves as the Secretary to the Board.</p> <p>She is involved in providing technical guidance and capacity building on policy and strategy formulation to the Government of Kenya and other stakeholders, with the overall aim of contributing to the achievement of national development goals. Before then, she was a Senior Advisor in the Office of Executive Director, Africa Group 1, International Monetary Fund, in Washington DC. Dr Ngugi has been a member of the Central Bank of Kenya Monetary Policy Committee and has vast teaching experience at the University of Nairobi, School of Economics.</p> <p>She has published widely, and her research interests are in public policy, financial sector, investments, reforms and institutional issues. She holds a PhD from Business School Birmingham University, UK specializing in Financial Markets, and a Masters and Bachelors degree in Economics from the University of Nairobi, Kenya.</p> <p><b>Executive Director/Secretary to the Board</b></p>

14	 <p><b>Ms Jane Mugambi</b> LLM, Commercial Law Post Graduate Diploma in Law</p>	<p>Ms Jane Mugambi (born in 1987) is the Ag Principal Legal Officer. She holds a Masters degree from the University of Cape Town, Bachelor of Laws from Moi University and Post Graduate Diploma in Law from Kenya School of Law (KSL) with experience spanning over 11 years. She is also an Advocate of the High Court of Kenya and member of the Law Society of Kenya and Institute for Certified Secretaries.</p> <p><b>Ag Principal Legal Officer, Corporation Secretary and Legal Services Department</b></p>
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#### 4. KEY MANAGEMENT TEAM

Ref	Management	Details
1.	 <p><b>Dr Rose Ngugi</b>                      PhD in Finance (Financial Markets)                      Masters in Economics</p>	<p>Executive Director</p>
2.	 <p><b>Dr Eldah Onsomu</b>                      PhD in Economics; Masters in                      Economics</p>	<p>Director, Directorate of Economic Management</p>
3.	 <p><b>CS Irene Mithia</b>                      Masters in Business Administration;                      Bachelor of Science International                      Business CPS(K), Certified Human                      Resource Business Professional; A</p>	<p>Director, Directorate of Corporate Services</p>




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Ref	Management	Details
	<p>member of the Institute of Human Resource Management and Institute of Certified Secretaries of Kenya</p>	
4.	 <p><b>Dr John G. Karanja</b> PhD Finance; MBA (Finance)</p>	<p>Ag. Director, Directorate of Integrated Development and Principal Policy Analyst, Trade and Foreign Policy Department</p>
5.	 <p><b>CPA Teddy Bett</b> Masters in Business Administration (Finance); Bachelor of Commerce (Finance); Certified Public Accountant of Kenya - CPA(K), Financial Analyst (FA), Certified Secretary - CS(K) and Diploma in Contemporary Public Administration (GIMI). A member of Institute of Certified Public Accountants of Kenya (ICPAK), Institute of Certified Secretaries (ICS), Institute of Certified Investments and Financial Analyst (ICIFA) and Centre for Corporate Governance Alumni Network.</p>	<p>Deputy Director, Finance Department</p>

*Kenya Institute for Public Policy Research and Analysis (KIPPRA)  
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Ref	Management	Details
6.	 <p><b>Mr Felix Murithi</b> MPhil in Publishing Studies; BSc Information Sciences; Diploma in Contemporary Public Administration (GIMI)</p>	Deputy Director, Knowledge Management Department
7.	 <p><b>Mr Reuben M. Mauki</b> Master of Business Administration; Bachelor of Commerce - Procurement and SCM option; Contemporary Public Administration Diploma (GIMI) and Professional Diploma in Procurement and Supply (CIPS)</p>	Deputy Director, Supply Chain Management Department
8.	 <p><b>Ms Monica Musumba</b> MBA (Human Resources); Bachelor of Education; Higher National Diploma from the Institute of Human Resource Management and a published author</p>	Deputy Director, Human Resource Management and Administration Department

*Kenya Institute for Public Policy Research and Analysis (KIPPRA)  
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For the Year Ended 30 June 2024*

Ref	Management	Details
9.	 <p data-bbox="432 698 683 752"><b>CPA Faith Musya</b> MBA Finance, CPA(K)</p>	Deputy Director, Internal Audit Department
10	 <p data-bbox="363 1111 746 1167"><b>Dr Eliud Moyi</b> PhD Economics; M.A (Economics)</p>	Deputy Director, Partnerships Department
11.	 <p data-bbox="399 1505 715 1563"><b>Mr Boaz Munga</b> Master of Arts in Economics</p>	Senior Policy Analyst, Social Sector Department

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Ref	Management	Details
12.	 <p><b>Dr Moses Njenga</b> PhD in Economics</p>	<p>Principal Policy Analyst, Private Sector Development Department</p>
13	 <p><b>Dr Humphrey Njogu</b> PhD in Computer Science</p>	<p>Principal Policy Analyst, Infrastructure and Economic Services Department</p>
14.	 <p><b>Mr Joshua Laichena</b> MPhil (Economics); BA (Economics and Sociology)</p>	<p>Senior Policy Analyst, Productive Sector Department</p>

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Ref	Management	Details
14.	 <p><b>Dr Nancy Nafula</b> PhD Economics; MA (Economics)</p>	Principal Policy Analyst, Capacity Building Department
16.	 <p><b>Mr Nahashon M. Mwongera</b> MA (Economics); BA (Economics and Mathematics)</p>	Principal Planning and Strategy Officer, Strategy and Planning Department
17.	 <p><b>Ms Jane Kenda</b> MA Communication Studies; BA Languages and Literary Studies</p>	Principal Corporate Communications Officer, Corporate Communication and Media Division
18.	 <p><b>Mr Kennedy Chongwo</b></p>	Principal ICT Officer, Information and Communication Technology Division

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Ref	Management	Details
	MSc (Information Systems); Bachelor of Science (Mathematics and Physics); Microsoft Certified Professional (MCP), Oracle Certified Associate (OCA)	
19	 <p><b>Ms Jane Mugambi</b> LLM, Commercial Law Post Graduate Diploma in Law</p>	Ag. Principal Legal Officer, Corporation Secretary and Legal Services Department
20	 <p><b>Mr Jackson Kiprono</b> Masters in International Development Studies - National Graduate Institute of Policy Studies (GRIPS) Tokyo, Japan BSc. Statistics - UON</p>	Principal Policy Analyst, Macroeconomics Department

## **5. CHAIRMAN'S STATEMENT**

KIPPRA recorded tremendous achievement in its work plan for the financial year 2023-24. The entire Board of Directors and I continue to work towards supporting the Institute, through the Executive Director, in achieving KIPPRA's strategic objectives to produce evidence-based research that informs public policy decision making, engage strategic stakeholders to debate policy issues and build capacity of professionals in the public policy making process. The Institute surpassed achievement on most of the objectives and their targets for the 2023-24 work plan, which is commendable. The Strategic Plan for 2023/24–2027/28 was completed and launched at the end of the second quarter of the year.

The Institute continued to pursue diversification of its sources of funding and, this year, it generated Ksh 121,552,144 through research conducted on behalf of local and international organizations and government agencies; commercialized capacity development projects; and interest income. The Institute collaborated with other organizations such as the International Food Policy Research Institute (IFPRI), International Potato Centre (CIP), The United States Agency for International Development (USAID), AMREF Health Africa, the United Nations International Children's Emergency Fund (UNICEF), the World Bank, the United Nations Educational, Scientific and Cultural Organization (UNESCO), Kenya National Bureau of Statistics (KNBS), Partnership for Economic Policy (PEP), the Council of Governors (COG), among others. The Institute will continue forging strategic partnerships with both domestic and international organizations to support delivery of its mandate.

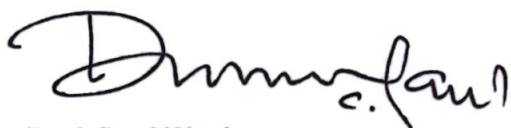
The quality and rigour of our research continues to inform policy debate. This year, the Institute completed 146 research papers in thematic areas with significant focus on addressing emerging policy issues, sustaining human capital development, improving business environment for microenterprises, and promoting governance. The Institute will continue supporting in delivery of the government development priorities stipulated in the Bottom-up Economic Transformation Agenda. Through KIPPRA's capacity building programmes, over 5,000 officers were capacity-built through five (5) broad programmes, namely: the Young Professionals Programme, the KIPPRA Mentorship Programme for Universities, the Commercialized capacity building programme, Youth in Climate Change Action, and the Central Planning and Project Monitoring Directorate (CPPMD) programme. The Institute has also continued to provide policy advisory and technical services by providing support to 27 institutions.

During the year under review, a number of key activities were not completed, which will be prioritized in the following year. Though the Institute has an approved resource mobilization policy, staff exchange programme is yet to be achieved; development of a data management system / data repository was not completed due to inadequacy of funds. The Institute did not finalize the acquisition of land for construction of its proposed KIPPRA research centre, and there were delays in establishing the centre for gender and specialized groups; completion of transitioning of eligible staff to permanent and pensionable terms; and the Institute did not finalized amendment of the KIPPRA Act (although the document was updated with further input from the Board and is ready to proceed to public participation stage).

The Institute will embark on a number of initiatives to resolve the setbacks faced, including implementation of flexible channels for delivery of capacity building programmes; strengthening communication of research findings through operationalizing the KIPPRA

Policy Hub; launching the inaugural edition of the KIPPRA journal; strengthening data management through acquisition of the data management centre and an interactive data repository portal; operationalizing the centre for gender and specialized groups; augmenting resource mobilization to supplement support received from the parent Ministry; acquiring land to construct the KIPPRA research centre; finalizing public participation and amendment of the KIPPRA Act, CAP 112A, Laws of Kenya; transitioning eligible staff to permanent and pensionable terms and operationalizing the pension scheme; and expanding research focused on emerging regional and global policy and socio-economic development issues.

Our achievements must be acknowledged in the context of those that supported us through the year. The Government of Kenya, our parent Ministry, the National Treasury and Economic Planning, the County Governments other development partners and most importantly recognizing the staff that continue to rise to the challenge of making KIPPRA a global benchmark in public policy research and analysis.



**Prof. Paul Wachana**  
**Chairperson**  
**Board of Directors**

Date: 06/12/2024

## **6. REPORT OF THE EXECUTIVE DIRECTOR**

The Kenya Institute for Public Policy Research and Analysis (KIPPRA) was established to support the government in strengthening the public policy process by developing human and institutional capacity and providing evidence-based policy advice through objective research and analysis. This is in recognition that objective policy formulation, implementation and evaluation plays a critical role in the achievement of the national long-term development agenda. The Institute launched its Strategic Plan for 2023/24–2027/28 and implemented the first year plan, achieving 63 per cent on implementation of activities within the 5 Key Result Areas: Capacity Development for Effective and Inclusive Public Policy (87.62%); High Quality, Relevant and Responsive Policy Research and Analysis (66.98%); Policy Engagement and Outreach (58.00%); Institutional Sustainability (53.48%); and Good Governance and Effective Leadership (96.03%). The pending activities have been incorporated in the 2024/25 workplan.

During the year, in delivery of Capacity Development programmes for effective and inclusive Public Policy, the Institute delivered 5 capacity building programmes, namely: Young Professionals (30 YP enrolled); KIPPRA Mentorship Programme for Universities and TVETS (6 main events conducted under which 3,889 persons were capacity built); Commercialized Capacity building (841 persons capacity-built); Youth in Climate Change Action (110 youths capacity built); and CPPMD programme (219 officers capacity built). A capacity building marketing programme was developed to be implemented from next year, along with scaling up e-learning programmes and the CPPMD programmes.

KIPPRA policy research and analysis activity is guided by the prevailing government development agenda and emerging domestic, regional and international phenomenon. In the year under review, the Institute's thematic research work was packaged in form of research projects to help give focus on a specific policy issue and guide in production of multiple outputs within each research department. The Institute focused on the following project themes, which reflect on the key priorities of the BETA: Revenue potential of value added tax for fiscal sustainability; Access to primary healthcare in for a health nation; Assessing the performance of devolution in the last ten years; Foreign direct investment as a source of investments growth; Forestry management in climate change action; Exploiting the potential of the creative economy; Ease of doing business for micro and small enterprises, and; Accelerating growth of the digital economy. The focus of interdisciplinary research was on 'The future of industrialization in Kenya' (KIPPRA-wide Survey 2024 them); 'Enhancing productivity for sustained inclusive growth' (KER 2024 theme); 'Development aspirations beyond 2030: Leveraging on cities to drive economic growth in Kenya' (Vision 2030 research project theme).

The Institute submitted 1 policy memorandum on Kenya-US FTA; published 146 thematic research outputs; 3 inter-disciplinary research outputs; completed 84 policy analysis outputs; and 3 policy survey reports. To advance its mandate in providing capacities for public policy formulation for the county governments alongside the National Government, the Institute collaborated with the National Treasury and Economic Planning, the Council of Governors and other government agencies to review CIDP 2018/19–2022/23 and to develop a framework for monitoring implementation of the CIDP 2023/24-2027/28 in line with the government priorities under the Bottom-up Economic Transformation Agenda (BETA) and the Fourth Medium Term Plan. The Institute also developed three indices that touch on all

counties, namely the County Business Environment for Microenterprises (CBEM), Public Affairs Index (PAI) and the County Climate Change Preparedness Index (CCCPi).

To enhance policy engagement and outreach, the Institute developed a strategy to guide the establishment of a KIPPRA Virtual Policy Hub (KPH), which will be a web-based platform to facilitate stakeholder engagements through policy seminars, roundtables, dissemination of research findings, capacity building through e-learning approach, research data visualization, and access to the KIPPRA Public Policy Repository. The Institute organized 27 policy roundtables and 31 monthly policy seminars to sharpen ongoing research work; and convened 25 research dissemination workshops; and provided advisory and technical support to Ministries, Departments and Agencies through 27 engagements including Ministry of Environment and Forestry; State Department for Arid and Semi-Arid Lands; National Drought Management Authority; Ministry of Agriculture and Livestock Development; State Department for Industry; Kenya Trade Network Agency; State Department for parliamentary affairs; Office of the Prime Cabinet Secretary; Ministry of Information, Communications and the Digital Economy; The National Treasury & Economic Planning; State Department for Economic planning; Salaries and Remuneration Commission; Ministry of Tourism, Wildlife and Heritage; Ministry of Interior and national administration; Ministry of roads/transport; Ministry of Defense; Ministry of Information, Communications and The Digital Economy; Ministry of Health; Council of Governors; National Council for law reporting; Frontier Counties Development Council; and State Department for Investment Promotion.

In supporting institutional development and sustainability, during the year, the Institute continued implementing the approved resource mobilization policy aimed at attracting both financial and non-financial resources from strategic partners. The Institute generated Ksh 128 million through A-I-A comprising of Capacity Building Programmes (10.59%), demand-driven research projects (46.86%), and financial and other income (42.55%). With regard to demand-driven projects, the Institute implemented 33 projects of which 18 were completed, 5 were at contracting stage, and 10 were ongoing at different stages of completion. The projects were implemented in collaboration with regional and international Institutions among them FANRPAN, UNICEF, UNDP, PEP, AERC, USAID, YARA, AMREF Health Africa, IFPRI, CIP, EC-JRC and TCRA; while local institutions included National Treasury and Economic Planning, COG, NSSF, Nairobi County Government, Kenya Roads Board, Kenya Industrial Property Institute. Continued Government support, new partners, competent staff and prudent use of resources have been instrumental in ensuring sustainability of the Institute.

To enhance operational efficiency and business continuity, the Institute completed development and approval of 5 strategies, namely: Business Continuity Plan; Communication Strategy; Media Engagement Strategy; and Branding Strategy. In addition, the Institute continued to automate various workflows to enhance efficiency and effectiveness in service delivery. This included development of E-recruitment portal, Young Professionals Programme Alumni portal, financial reporting system, and the workplan monitoring and reporting system. Within the next one year, the Institute will finalize development of the contract management and project management system and embark on integrating various automated systems.

During the year under review, the Institute commenced on review of its human resource instruments and documentation and other structures to facilitate transitioning of eligible staff to permanent and pensionable status. The Institute continued working towards achieving

the approved staff establishment of 191, closing the year at 93 staff, of which 9.47 per cent were persons with disability. In addition, to enhance human resource management and welfare, the Institute completed conduct of a culture change audit and commenced development of a culture change strategy; approval of 6 policies, namely Remote Working Policy, Talent Management Policy, Occupational Health and Safety, Succession Management, Dress Code Policy, and Staff Mentorship and Coaching Policy. Within the next four years, the Institute will work towards achieving full staff establishment, along with adopting an expanded organizational structure, which is crucial to delivery of its mandate.



**Dr Eldah Onsomu**  
**Ag. Executive Director, KIPPRA**

Date: 6/12/2024

## 7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2023/2024

KIPPRA has 5 key results areas (KRA) and respective strategic objectives in the current Strategic Plan 2023/24–2027/28: (i) Capacity Development for Effective and Inclusive Public Policy; (ii) High Quality, Relevant and Responsive Policy Research and Analysis; (iii) Policy Engagement and Outreach; (iv) Institutional Sustainability; and (v) Good Governance and Effective Leadership. The 5 KRAs are delivered through 14 Strategic Objectives (SO) and 43 Strategies.

The Institute's annual work plan for 2023/24 was aligned to the above 5 KRAs. In addition, the Institute's Performance Contract (PC) for 2023/24 was aligned to the approved annual work plan for the year. The targets in the core mandate section of the PC were drawn from the annual workplan. Implementation of AGPO, local content in procurement and the 4 cross-cutting indicators in the PC were also implemented through the work plan. The Institute also delivered the core-mandate programmes and re-aligned the PC targets with the government priorities under the Bottom-up Economic Transformation Agenda (BETA). A summary of KIPPRA's performance on delivery of its 2023-2024 workplan is highlighted in table 7.1.

**Table 7.1: Achievements made in the 2023/2024**

KRAs, SOs and KPIs	Activities	Achievements
<b>KRA 1: Capacity Development for effective and inclusive Public Policy</b>		
<b>SO1: Enhance the Scope of the Capacity Building Programmes</b>		
No. of reports produced	4 conducted CBNAs for target market segments ( <i>National; County; Private Sector</i> )	The activity is pending to be undertaken in 2024/25
No. of reviews conducted	1 review of the KMPUS, YP, and commercialized programmes	A review of the three programmes and their guiding policies was completed
Approved capacity building strategy	Develop a Capacity Building Strategy	A capacity building strategy was developed
No. of policies developed	1 certification policy developed	The certification policy was developed and approved for implementation in Q3
Developed policy	Develop a policy for flexible capacity building programmes	A draft of the policy was produced, to be finalized in 2024/25
No. of training modules developed	Develop training modules on e-learning and block release programmes	Drafts of the two policies was produced, to be finalized in 2024/25

No. of training modules and curricula developed No. of training sessions delivered	Develop and implement capacity building programme for CPPMUs officers	Training content for the CPPMD programme was developed. The Institute delivered 5 training sessions to 219 CPPMD participants in Q4
No. of capacity building programmes implemented	Deliver 5 capacity building programmes	Delivered 5 capacity building programmes, namely: Young Professionals; KIPPRA Mentorship Programme for Universities and TVETS; Commercialized Capacity Building; Youth in Climate Change Action; and CPPMD programme
<b>SO2: Enhance Tools for Delivery of the Capacity Building Programmes</b>		
No. of training manuals, schemes of work and trainers' guidelines developed	Develop 4 training manuals Develop 4 schemes of work Develop 4 training guidelines for trainers	Developed and implemented 11 training manuals and corresponding curricular and trainers' guides
<b>SO3: Increase Uptake of Capacity Building Programmes</b>		
Completed, approved capacity building marketing strategy	Develop and implement a capacity building marketing strategy	The capacity building marketing strategy was completed in Quarter 4
No. of capacity building partnerships	Establish 4 partnerships for capacity development	Established 2 partnerships with the International Potato Centre, and the International Food Policy Research Institute (IFPRI)
No. of YPs capacity built	Engage 10 YPs through flexible learning approach and 30 YPs through the physical one-year programme	Engaged 30 YPs through the physical one-year programme  The YPs completed 15 information notes; 30 blogs; 15 discussion papers and 15 policy briefs  Graduation programme for 2022/23 YP cohort was held on 21 <sup>st</sup> December 2023
Supported KMPUT club research activities	Support policy research activities of KMPUTs clubs	6 KMPUS events held at 4 universities (Laikipia, SEKU, Kibabii, Meru); and 2 TVETS (NYS; Sigalagala)

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		<p>1 youth side event held at KIPPRA Annual Regional Conference at Kisumu in June 2024</p> <p>54 training sessions to KMPUTs (through physical and virtual sessions)</p> <p>7 established clubs supported to organize public policy-making mentorship activities at university level; 6 additional policy research and publications clubs established at the universities</p>
No. of capacity building sessions delivered	Deliver 84 capacity building sessions through 5 programmes	Delivered 101 sessions: YP (9); Commercialized programme (29); KMPUT (54); Youth in Climate Change Action (4); CPPMD programme (5)
No. of persons capacity built	Strengthen capacity of 4,200 persons through 5 programmes	Capacity built 5,089 persons: YP (30); Commercialized programme (841); KMPUT (3,889); Youth in Climate Change Action (110); CPPMD programme (219)
<b>KRA 2: High Quality, Relevant and Responsive Policy Research and Analysis</b>		
<b>SO4: Undertake Timely, Relevant and Responsive Policy Research</b>		
No. of policy memorandum	Prepare and submit 7 policy memoranda	Prepared and submitted 1 policy memoranda on the Kenya-US FTA
No. of thematic research reports produced	Publish 140 thematic research outputs	Completed and published 146 outputs comprising of: 48 Discussion papers / Working Papers / Special Papers; 80 Policy Briefs; 2 Proceedings Reports; 5 Journal Articles; and 11 Policy Intelligence Reports (including quarterly market analysis report, quarterly e-newsletter)
No. of interdisciplinary research reports produced	<p>To produce the Kenya Economic Report (KER) 2024</p> <p>To conduct KIPPRA-Wide Survey (KWS) 2024</p>	<p>The KER 2024 under the theme “Enhancing Productivity for Sustained Inclusive Growth” was finalized by 31<sup>st</sup> March 2024</p> <p>The KER 2023 was published and launched.</p>

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	Produce the Kenya Vision 2030 review research report	The KWS 2024 under the theme “ <i>The future of industrialization in Kenya</i> ” was completed. Findings from its 20 research papers were discussed during the KIPPRA Annual Regional Conference in June 2024, in Kisumu County  Vision 2030 research report for 2024 on the theme “Development Aspirations Beyond 2030: Leveraging on Cities to Drive Economic Growth in Kenya” was prepared.
No. of policy analysis outputs published	Publish 57 policy analysis outputs	Completed and published 84 outputs comprising of: 51 blogs, 17 media and 16 policy monitor lead articles  Published 4 quarterly policy monitors
No. of activities carried out for the indices	Develop and update 2 indices for policy analysis	Conducted 3 policy surveys and produced indices and reports on Public Affairs Index (PAI); County Business Environment for Microenterprises (CBEM), and the County Climate Change Preparedness Index (CCCPI)
No. of reviews carried out	Review the research strategy	Review of the research strategy commenced, to be finalized in 2024/25
Established KVPC  No. of engagements  No. of audio / visual content developed	Equip and operationalize KIPPRA Virtual Policy Centre (KVPC)  1 engagement with stakeholders  Develop 2 audio / visual contents	The Institute developed a strategy for implementing the KVPC. The KIPPRA studio was developed; 2 audio- visual recordings were conducted on completed research work on debt sustainability, and policy survey work on County Business Environment for Microenterprises, for dissemination through various Institute’s channels
<b><i>SO5: Diversify Coverage of Policy Research and Analysis</i></b>		
No. of research reports with a county focus produced	Undertake 10 county-based research and analysis	Carried out thematic research on devolution at 10 years; PAI; CBEM; CCPI; Harmonized indicators for the National Information Platform for Food and Nutrition (NIPFN); Smart Cities Study; KER2024; 14 CIDPs review; ASAL counties research; and county youth policy briefs

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County database developed and updated	Develop and update 1 county databases	Developed a database on implementation of the County Integrated Development Plans (CIDP)
No. of research outputs produced	Undertake 1 research on emerging regional and global developments	Produced 3 research outputs on AfCFTA and 1 report on sharing benefits of the Nile River
Regional database developed and updated	Build and maintain 1 regional and global database	To develop the regional and global database
Centre for Gender and Specialized Groups established	Set up the Centre for Gender and Specialized Groups (CGSG).	Commenced process of setting up the CGSG and prepared its work plan for 2024/25
No. of gender-focused research outputs produced	Produce 1 research report on emerging gender agenda	Produced a draft gender book, to be finalized and launched in 2024/25
% of staff capacity built on gendered research approach and tools	Build capacity of 50% of staff on gendered research tools	To build and maintain a gender database in 2024/25 38 staff (41%) were capacity built on gender-related aspects during the year
<b><i>SO6: Enhance Quality in Policy Research and Analysis</i></b>		
Re-engineered peer review process	Re-engineer 1 peer review process	The Institute refined SOPs on research and publications and relevant ISO forms to enhance the publications peer review process
No. of workshops Organized	Organize 1 researcher workshops	A researchers' workshop was held on 21-22 March 2024
Scientific and ethical research policy developed	Develop an ethical research policy	The policy was developed and submitted for approval in June 2024
Guideline developed and approved	Develop guidelines to enhance research quality and publications series	Guidelines on improving the publication series and quality were developed in Quarter 4 and submitted for approval for implementation
Economic Modelling Hub established	Establish and operationalize an Economic Modelling Hub	The economic modeling unit was established, whose component include: KIPPRA-Treasury Macro Model (KTMM), Computable General Equilibrium modeling (CGE), Fiscal Incidence Analysis (KFIA), Futures
% of staff capacity built on fiscal incidence analysis	Build capacity of 50% of staff on fiscal incidence analysis	

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		Foresight, County Statistics, KIPPRA Policy Hub.  A training on FIA was delivered to 13 staff
Reviewed research data management policy	Conduct review of KIPPRA Research Data Management Policy	Review of KIPPRA Research Data Management Policy commenced, to be finalized in 2024/25.
Institutionalized framework for data collection and storage	Develop and institutionalize a framework to guide survey data collection and storage	A draft of the framework to guide survey data collection and storage was prepared, to be finalized in 2024/25
Developed data repository	Establish an interactive KIPPRA Data Repository	The Institute will acquire a system for data management in 2024/25, and develop a corresponding interactive data repository, along with building capacity of staff on its utilization
Software and hardware	Acquire appropriate system for data management	
% of staff capacity-built on data management	Build capacity of 50% of staff on the system	
<b>KRA 3: Policy Engagement and Outreach</b>		
<b>S07: Enhance Visibility and Access to Products and Services</b>		
Branding strategy developed and approved	Develop branding strategy	The branding strategy and manual were developed during the year and were approved for implementation
KIPPRA brand manual updated	Update KIPPRA Brand manual	The Institute rebranded its offices and website to reflect the new vision and mission as per the Strategic Plan
No. of visits to KIPPRA website	Revamped KIPPRA website	The content on the website was updated every week. 248,846 website downloads recorded.
No. of downloads from the website	Achieve 1 million visits	Shared 27,952 hard copy publications with stakeholders
No. of publications distributed to stakeholders	Distribute 30,000 hard copies of KIPPRA publications to stakeholders	
No. of dissemination forums organized	Organize 35 workshops	Organized 25 research dissemination workshops and validation events

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<p>No. of conferences convened</p>	<p>Organize the 7<sup>th</sup> KIPPRA Annual Regional Conference (KARC)</p>	<p>Convened the 7<sup>th</sup> KARC on 26-28 June 2024 at Kisumu County, themed "<i>The future of industrialization in Kenya</i>". Over 600 delegates attended daily</p> <p>4 other events held: Kenya Think Tanks Symposium; Youth in Climate Action Symposium; KER2023 Launch; Kenya @60 Forum</p>
<p>Guidelines on research communication developed</p> <p>No. of trainings/capacity building</p> <p>Media engagement strategy developed</p> <p>No. of research outputs communicated</p> <p>Approved, updated communication strategy</p> <p>Acquired media monitoring system</p>	<p>Develop guidelines on research communication</p> <p>1 capacity building event for staff on research communication</p> <p>Develop and implement partnerships with media</p> <p>10 research outputs communicated</p> <p>Update Communication Strategy</p> <p>Acquire / subscribe to media monitoring service</p>	<p>Guidelines on research communication; and a communication strategy were developed and approved for implementation</p> <p>The Institute built capacity of staff on research communication during the researchers' workshop held in March 2024</p> <p>In 2024/25, the Institute will acquire a system for media monitoring</p>
<p>No. of policy seminars convened</p> <p>No. of roundtable meetings convened</p>	<p>Convene 30 roundtable meetings and 30 policy seminars to promote exchange of views on emerging policy issues</p>	<p>Convened 27 roundtable meetings and 31 policy seminars, most of which were held through online platforms</p>
<p>No. of policy taskforces and working groups engaged in</p> <p>No. of strategic partnerships at national and county level</p> <p>No. of KIPPRA Open Days organized</p>	<p>Participate in policy taskforces and working groups to provide advisory and technical support</p> <p>Convene the Annual Kenya Think Tanks Symposium (KTTS) 2024</p> <p>Organize 1 KIPPRA Open Day</p>	<p>Participated in 27 taskforces and working groups and developed a framework for monitoring provision of advisory and technical services by staff, provided technical support in review of CIDPs for 14 counties and developed a framework for monitoring implementation of CIDPs</p> <p>5<sup>th</sup> KTTS were held on 24<sup>th</sup> and 25<sup>th</sup> April 2024, themed "<i>Advancing Healthcare Futures in Kenya: Preparedness, Financing, Vaccine Manufacturing, Market Efficiency and Strategic Partnerships</i>". The event</p>

		<p>brought together participants from over 50 Kenyan think tanks, stakeholders from the private sector, academia and the public sector. A communique and proceedings report were produced</p> <p>A KIPPRA Open Day was held in November 2023, simultaneous with celebration of Kenya@60</p>
No. of CSR events organized	Organize 4 impactful CSR activities	<p>The Institute organized 5 CSR events to plant 4,550 trees in promoting the National Tree Growing Restoration Campaign. KIPPRA participated in planting 1,000 trees at Kamarach Primary School in Eldoret on 1st September 2023; partnered with the Green Africa Foundation to plant trees at the Konza Technopolis, Machakos County; planted 100 trees at Likoni; collaborated with the Kenya Forest Service on 25th November 2023 to plant 350 indigenous trees at Kereita forest; planted 1,000 mangrove trees in collaboration with Dabaso Creek Conservation Group in Kilifi County on 20<sup>th</sup> January 2024; 26<sup>th</sup>–27<sup>th</sup> January 2024 re-planted 670 trees at the WRTI site on 26<sup>th</sup> and 27<sup>th</sup> January 2024; planted 2,100 trees at the Kenya Wildlife Service Training Institute (WRTI) in Naivasha on 2<sup>nd</sup> May 2024</p>
Acquired customer relationship management system	Acquire Customer Relationship Management System (CRM)	The Institute will acquire the CRM system in 2024/25 to enhance customer service
No. of customized products and services	1 repackaged KIPPRA product / service to suit the needs of different stakeholders	Packaged the popular version of the KER 2024 in both braille and infographics formats
<b>SO8: Build Sustainable Networks and Partnerships</b>		
Strategic partnerships established	Establish 2 strategic partnerships	The Institute developed a partnership with USAID to implement two projects on health and ASALs; KIPPRA-UNICEF partnership; World Bank-KIPPRA partnership on Fiscal

		Incidence Analysis; and with UNESCO Chair on Foresight Futures
Guidelines for staff exchange programme developed	Develop and implement guidelines for staff exchange programme	A staff exchange programme policy was developed, to be incorporated in the reviewed HR Instruments. The staff exchange programme will be implemented from 2024/25
No. of staff participating in exchange programme	Facilitate 4 staff to participate in the exchange programme	
<b>KRA 4: Institutional Sustainability</b>		
<b>SO9: Enhance Productivity Through Human Capacity Development and Welfare Improvement</b>		
No. of in-post staff No. of interns and industrial attachees engaged Gender mainstreaming ratio	Recruit additional staff to achieve the approved establishment of 171 Engage 16 interns and 32 industrial attachees Achieve 50:50 gender balance	The Institute recruited additional staff and had in-post staff of 93 by close of the year; achieved 9.47% of in-post staff who are PWD Engaged 29 interns and 33 industrial attachees During the year, 57% of in-post staff were male while 43% were female
Human resource instruments reviewed Approved succession planning policy Approved succession planning policy	Review the human resource instruments Institutionalize succession planning Institutionalize succession planning	The institute prepared a draft of the reviewed instruments to be finalized in 2024/25 A succession planning policy was developed and approved for implementation A succession planning policy was prepared, approved and implemented
Annual productivity index report	Implement productivity improvement measurement programme	The Institute developed productivity measurement metrics and compiled relevant data for estimation of the productivity measurement based on data from 2020/21-2022/23. A draft of the workplace productivity improvement strategy was developed
% of compliance with annual health and safety audits	Implement OSHA health and safety activities; achieve 85%	The institute achieved 80% on implementation of OSHA requirements

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% of eligible staff transitioned to permanent and pensionable	Transition 100% of all eligible staff to permanent and pensionable terms	The Institute continued putting in place various structures for transitioning eligible staff to permanent and pensionable terms
No. of culture audits conducted	Conduct 1 culture change audit	The Institute conducted a cultural audit and produced a report and implementation plan
No. of reports on culture change activities	Quarterly reports on implementing a culture change programme	A cultural change strategy will be finalized
% of staff rewarded, recognized and sanctioned	100% eligible staff rewarded / recognized and/or sanctioned	Implemented the approved policy on rewards, recognition and sanctions. All eligible staff were recognized on 21 <sup>st</sup> December 2023
No. of staff who received Presidential awards / commendation	1 staff receiving Presidential awards / commendation	1 staff member and 1 Board member received presidential commendation
No. of reports on mentorship and coaching programme	Annual report on implementation of staff mentorship and coaching programme	The Institute brought on board a research mentor and developed and implemented a mentorship programme
No. of reports on skills development	Annual report on Identification of skills needs for the Institute	A skills gap analysis and a training needs analysis were conducted, reports produced and implementation plan developed. The Institute also developed a three-year training plan.  Facilitated staff to attend short courses to enhance their skills; sensitized staff on 17 aspects
<b>SO10: Enhance and Strengthen the Financial Sustainability of The Institute</b>		
Strategic partners for institutional funding	Increase collaborations with strategic partners	The Institute raised Ksh125 million through A-I-A from commercialized capacity building programme (10.59%); demand-driven research projects (46.86%); and financial income (42.55%)
Institutional funding A-I-A generated through commercialized capacity building programme; demand driven research projects; and other sources (Ksh million)	Raise Ksh 155.5 million from capacity building programmes (40 million); demand-driven research projects (Ksh 75.5 million); and other incomes (Ksh 40 million).  100% acquisition of land for KIPPRA research centre achieved	The Institute did not have pending bills by 30 <sup>th</sup> June 2024  Implemented 33 demand-driven projects of which 18 were completed, 5 were at contracting stage and 10 were ongoing at different stages

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<p>% of acquisition of land for KIPPRA research centre</p>		<p>The Institute is exploring various options for establishing the proposed research centre</p>
<p><b>SO11: Institutional efficiency and effectiveness</b></p>		
<p>Operational ICT systems % of ERP modules operational Approved data protection policy</p>	<p>Quarterly reports on utilization / Optimized ICT systems Develop a data protection policy</p>	<p>The Institute developed a draft of its ICT policy, to be finalized at the beginning of 2024/25. All modules in the ERP were optimized during the year to enhance workflow processed and operational efficiency Enhanced security of the Institute's ICT network</p>
<p>Reports on monitoring implementation of the strategic plan and workplan Approved, reviewed M&amp;E framework</p>	<p>Develop the Monitoring and Reporting System (MRS) Update the M&amp;E Framework</p>	<p>The workplan monitoring module of the MRS was developed; to be rolled out from July 2024 The Institute reviewed and updated its M&amp;E framework</p>
<p>Updated supplier register Quarterly reports on implementation of the procurement and asset disposal plans</p>	<p>Implement procurement, asset management and disposal plans Award contracts worth Ksh 108,018,364 through Access to Government Procurement Opportunities (AGPO) Award contracts worth Ksh 144,024,485 through promotion of local content in procurement</p>	<p>Prepared quarterly reports and procurement tracker on implementation of the procurement plan Awarded contracts worth Ksh 123,118,784 to AGPO group (Youth, Women and PWDs) Awarded contracts worth Ksh 208,297,033 through promotion of local content in procurement The Institute continued registering suppliers through the automated supplier registration portal Disposed obsolete, surplus and unserviceable assets in Q2 and Q4</p>
<p>No. of service delivery systems automated</p>	<p>Automate 3 workflows and optimize the ERP system Align the Citizens Service Delivery Charter to new</p>	<p>The Institute automated 3 workflows including monitoring and reporting of workplan activities; young professionals' alumni portal; calendar of events; and E-recruitment portal</p>

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Implementation of Citizen's Service Delivery Charter	mission and vision of KIPPRA	Updated the Citizens Service Delivery Charter to align with new vision and mission reflected in the strategic plan, including the sign language video
<b>SO12: Integrate Knowledge Management Practices in KIPPRA Processes and Activities</b>		
No. of reports on Knowledge Management practices	Quarterly reports on building capacity for Knowledge Management	Conducted a knowledge management capability assessment. The Institute will develop a knowledge management self-service portal
No. of knowledge sharing forums	Build and maintain inventory of knowledge assets	One community of practice established on "Kenya Futures Foresight Community of Practice"
No. of Communities of Practice (COP) established	Conduct 1 knowledge management capability assessment	The Institute continued putting in place structures and guidelines for establishment of its public policy journal
No. of reports on knowledge processes mapped	Publish 1 yearbook	A concept for development of the yearbook was prepared
No. of uploads to the KIPPRA Public Policy Repository (KPPR)	Upload 500 policy documents to KPPR	As at 30th June 2024 the KPPR had 3,633 policy documents (884 national, 1,885 county and 864 KIPPRA). 446 new policy documents uploaded on the KPPR during the year
No. of downloads from KPPR	Quarterly KPPR usage metrics	199,990 downloads recorded on the KPPR
<b>KRA 5: Good Governance and Effective Leadership</b>		
<b>SO13: Promote Good Corporate Governance</b>		
Legal and regulatory compliance policy and strategy	Conduct governance and legal audit  Develop legal and regulatory compliance policy and strategy	Conducted legal compliance audit and commenced implementing recommendations  To conduct governance audit in 2024/25
KIPPRA Amendment Bill	Finalize KIPPRA Amendment Bill	The amendment bill was revised. Stakeholder participation will be held in FY2024/25.

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External Quality Assessment (EQA)	Enhance quality awareness	An EQA was conducted, and the report finalized. An implementation matrix was prepared.
No. of peer reviewers training conducted	Conduct External Quality Assessment	Audit peer reviewers were appointed and trained for 1 week.
No. of peer reviews conducted	Conduct 1 peer reviewers training Conduct 1 peer review	The peer review process will be conducted in 2024/25
Audit strategy developed	Develop and implement an Audit Strategy and review of audit and BAC instruments	Internal audit strategy developed; review of audit and BAC instruments completed
Internal audit and BAC instruments developed		
Systems Audit report	Conduct Systems Audit and monitor implementation of recommendations	Conduct of a systems audit commenced, to be finalized in 2024/25
No. of risk management reports	4 Quarterly risk management reports	The Institute operationalized the Integrated Risk Management Policy and Framework. 4 quarterly risk management reports were produced; Risk management champions were appointed and trained in risk management. The Institute implemented risk management action plans
Risk assurance report	Training for risk management champions Carry out risk assurance of the Institute	Risk assurance conducted and report completed; implementing recommendations
Developed and approved business continuity plan	Develop Business Continuity Plan	The Institute developed a business continuity plan and commenced its implementation
Full Board in place	Ensure KIPPRA has a full Board in place	Full Board was in place throughout the year
<b><i>SO14: Entrench National Values and Principles of Governance</i></b>		
Annual presidential report prepared and submitted	Prepare the annual Presidential report on National Values and Principles of Governance and submit to the	Implemented 4 commitments on mainstreaming national values and principles of governance under the PC indicator in line with PC guidelines for 2023/2024; submitted the annual

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	Directorate of National Cohesion and Values by 15th July 2024	report by 15th July 2024 in the prescribed format
% of staff sensitized on National Values and Principles of Governance	Create awareness amongst staff on National Values and Principles of Governance	All staff were sensitized on National values and Principles of Governance each quarter of the year. A children's book on National Value and Principles of Governance was packaged and share with various stakeholders
Compliance report prepared and submitted to PSC	Participate in annual evaluation by the PSC on Public Service values	Finalized the compliance report in Quarter 1 and submitted to the PSC.

\*\*KRA = Key Result Area; SO = Strategic Objective; KPI = Key Performance Indicator

## **8. CORPORATE GOVERNANCE STATEMENT**

KIPPRA practices good corporate governance to achieve the best possible level of organizational performance. Effective governance is the most fundamental among imperatives for successful, effective and sustainable think tanks. It was recognized from the onset of KIPPRA's establishment that for the Institute to support policy formulation within the Government of Kenya, both operational autonomy and an effective governance framework were requisite for the Institute to effectively achieve its mandate. The Institute adhered to the Mwongozo Code of Governance for State Corporations in its use of public resources. The Institute relied on the leadership and guidance of the Board of Directors, who gave the Institute strategic direction, safeguarded the Institute's resources, and monitored corporate performance.

### **Board charter**

The Board Charter was reviewed and aligned to the Mwongozo Code of Governance and approved by the Board in December 2020. The conduct of the Board is governed by the terms of the Board Charter ensuring that its role is independent from that of Management and that there is no conflict of interest affecting the duties of the Directors to the Institute. The Board has delegated the responsibility for the day-to-day business of the Institute to the Executive Director.

### **Process of appointment and removal of Directors**

Pursuant to section 7 of the KIPPRA Act, members of the Board are appointed by the Cabinet Secretary, National Treasury and Economic Planning while the Chairperson of the Board is appointed by President through a Gazette Notice.

During the financial period 2023/2024, the KIPPRA Board was not fully constituted. As at 30<sup>th</sup> June 2024, the Board had a membership of twelve (12) excluding the Executive Director. The members of the Board of Directors who served during the year are shown on page xi to xvii.

During the year, the term of office for Ms Phoebe Nkaabu and Dr Chris Galgallo expired on 24<sup>th</sup> August 2023. Prof Peter Koech Kibet was appointed *vide* Gazette Notice No. 14719 published on 2<sup>nd</sup> November 2023 with effect from 3<sup>rd</sup> November 2023. Mr Joseph Tiampati Ole Musuni was appointed *vide* Gazette Notice No. 15248 published on 10<sup>th</sup> November 2023 with effect from 9<sup>th</sup> November 2023. Mr Aloyce Ratemo replaced Dr Fred Simiyu as the Alternate to the PS, State Department for Trade with effect from 13<sup>th</sup> September 2023. Dr Indeje Wanyama replaced Mr Samuel Wambugu as the Alternate to the PS, State Department for National Treasury with effect from 28<sup>th</sup> March 2024. Mr Timothy Gakuu, HSC replaced Mr John Olela as the Alternate to the PS, State Department for Economic Planning with effect from 9<sup>th</sup> April 2024.

The appointment letter for Dr Boaz Cheluget, who was appointed *vide* Gazette Notice No. 7487 published on 9<sup>th</sup> June 2023 but the Institute had not received his appointment letter as at 30<sup>th</sup> June 2023, was received on 13<sup>th</sup> July 2023 and the member successfully onboarded.

Mr Goerge Okeyo was appointed *vide* Gazette Notice No. 13862 published on 13<sup>th</sup> October 2023 with effect from the same date but did not present himself for onboarding.

**Table vi (1): Composition of Board and Board Committees.**

S/No.	Members	Full Board	Programs Committee	Human Resource and General Purposes Committee	Finance Committee	Audit Committee
1.	Prof Benson A Ateng'	✓ *				
2.	Ms Christine Wanjala	✓	✓			✓ *
3.	Prof Harrison Maithya	✓	✓ *	✓		
4.	Ms Fatuma Hussein	✓	✓	✓		
5.	Prof Peter Kibet Koech	✓	✓		✓	
6.	Mr Joseph Musuni	✓		✓		✓
7.	Dr Boaz Cheluget	✓		✓ *	✓	
8.	Dr Indeje Wanyama	✓			✓	✓
9.	Dr Kevin Ongeti	✓	✓		✓ *	
10.	Mr Aloyce Ratemo	✓		✓	✓	
11.	Mr Timothy Gakuu, HSC	✓	✓			✓
12.	Ms Anita Chepseba	✓		✓		✓

\* Chairperson

#### **Roles and Responsibilities of the Directors.**

The roles and responsibilities of members are outlined in section 8 of KIPPRA Act, CAP 112A, Laws of Kenya. Organizational goals and values of the Institute are stated and articulated in the Institute's Strategic Plan, Annual Work Plans, and Service Charter. The Institute is running a five-year strategic plan that is implemented through annual work plans. The Strategic Plan is reviewed mid-way, while annual work plans are reviewed on a quarterly basis. Implementation of the Strategic Plan, Work Plan, and Service Charter is monitored through the annual Performance Contract agreement signed between the Board and the Government (parent Ministry), between the Executive Director and the Board, and between the Executive Director and Heads of Departments.

**Table vi (2): Number of Board meetings held.**

S/No.	Description	No. of meetings held
1	Full Board	8*
2	Human Resource & General-Purpose Committee	7**
3	Programs Committee	5
4	Finance Committee	5
5	Audit Committee	5
<b>Total</b>		<b>30</b>

\*The Board held a special meeting on 25<sup>th</sup> July 2023 to deliberate on separation of roles between Board of Directors and Management following directive from the Head of Public Service.

\*\*The Committee held two special meetings on 26<sup>th</sup> July 2023 and 4<sup>th</sup> August 2023 relating to recruitment.

#### **Board and member performance.**

The Board and Board Committees are required to meet at least quarterly or as required. The Committees have been set up with clear terms of reference to facilitate efficient and effective decision making of the Board in discharging its duties, powers and authorities.

#### **a) Board Meetings**

S/No.	Name	No. of meetings During the year	No. of meetings attended
1.	Prof Benson Ateng	8	8 out of 8
2.	Ms Christine Wanjala	8	8 out of 8
3.	Prof Harrison Maithya	8	7 out of 8
4.	Ms Phoebe Nkaabu	8	3 out of 8
5.	Dr Chris Galgallo	8	3 out of 8
6.	Ms Fatuma Hussein	8	8 out of 8
7.	Dr Fred Simiyu	8	3 out of 8
8.	Dr Kevin Ongeti	8	7 out of 8
9.	Mr Samuel Wambugu	8	6 out of 8
10.	Mr John Olela	8	5 out of 8
11.	Ms Anita Chepseba	8	7 out of 8
12.	Dr Boaz Cheluget	8	8 out of 8
13.	Mr Aloyce Ratemo	8	5 out of 8
14.	Mr Joseph Musuni	8	4 out of 8
15.	Prof Peter Kibet Koech	8	4 out of 8
16.	Dr Indeje Wanyama	8	2 out of 8
17.	Mr Timothy Gakuu	8	2 out of 8

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\* The term of office for Ms Phoebe Nkaabu and Dr Chris Galgallo expired on 24<sup>th</sup> August 2023. Prof Peter Koech Kibet was appointed on 3<sup>rd</sup> November 2023. Mr Joseph Tiampati Ole Musuni was appointed on 9<sup>th</sup> November 2023. Mr Aloyce Ratemo replaced Dr Fred Simiyu with effect from 13<sup>th</sup> September 2023. Dr Indeje Wanyama replaced Mr Samuel Wambugu with effect from 28<sup>th</sup> March 2024. Mr Timothy Gakuu, HSC replaced Mr John Olela effect from 9<sup>th</sup> April 2024.

**b) Programmes committee**

The Programmes Committee is charged with the review of annual and quarterly work plans, and Performance Contracts.

S/No.	Name	No. of meetings During the year	No. of meetings attended
1.	Prof Harrison Maithya	5	4 out of 5
2.	Ms Christine Wanjala	5	5 out of 5
3.	Dr Kevin Ongeti	5	5 out of 5
4.	Ms Fatuma Hussein	5	4 out of 5
5.	Mr John Olela	5	2 out of 5
6.	Prof Peter Kibet Koech	5	2 out of 5
7.	Mr Timothy Gakuu	5	0 out of 5

\*Prof Peter Kibet Koech was appointed to the Committee during the Board meeting held on 25<sup>th</sup> January 2024. Mr Timothy Gakuu was appointed to the Committee on 21<sup>st</sup> June 2024 hence no meetings attended.

**c) Human Resource and General-Purpose Committee**

The Human Resource and General-Purpose Committee advises the Board on organizational structure, administration, human resource policy and capacity enhancement/building, reviews the salaries, benefit packages and service contracts, recruitment of senior staff ensuring that these are competitively structured and linked to performance. The Committee also makes recommendations for broad guidelines that promote operational efficiency.

S/No.	Name	No. of meetings During the year	No. of meetings attended
1.	Dr Chris Galgallo	7	3 out of 7
2.	Dr Fred Simiyu	7	3 out of 7
3.	Ms Phoebe Nkaabu	7	3 out of 7
4.	Ms Anita Chepseba	7	5 out of 7
5.	Prof. Harrison Maithya	7	6 out of 7
6.	Dr Boaz Cheluget	7	4 out of 7
7.	Mr Aloyce Ratemo	7	3 out of 7
8.	Mr Joseph Musuni	7	2 out of 7
9.	Ms Fatuma Hussein	7	2 out of 7

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*Dr Boaz Cheluget and Ms Fatuma Hussein were appointed to the Committee on 14<sup>th</sup> August 2023. Dr Boaz Cheluget was appointed as Chairperson of the Committee on 26<sup>th</sup> October 2023. Mr Joseph Musuni was appointed to the Committee on 25<sup>th</sup> January 2024.*

**d) Finance Committee**

The Finance Committee reviews annual budgets and procurement plans, quarterly and annual financial reports.

S/No.	Name	No. of meetings During the year	No. of meetings attended
1.	Dr Kevin Ongeti	5	5 out of 5
2.	Ms Phoebe Nkaabu	5	2 out of 5
3.	Dr Chris Galgallo	5	2 out of 5
4.	Mr Samuel Wambugu	5	5 out of 5
5.	Dr Boaz Cheluget	5	2 out of 5
6.	Mr Aloyce Ratemo	5	2 out of 5
7.	Prof. Peter Kibet Koech	5	1 out of 5
8.	Dr Indeje Wanyama	5	0 out of 5

*Dr Boaz Cheluget, Mr Aloyce Ratemo and Prof. Peter Kibet Koech were appointed to the Committee on 14<sup>th</sup> August 2023, 26<sup>th</sup> October 2023 and 25<sup>th</sup> January 2024, respectively. Dr Indeje Wanyama was appointed to the Committee on 21<sup>st</sup> June 2024 hence no meetings attended.*

**e) Audit Committee**

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

S/No.	Name	No. of meetings During the year	No. of meetings attended
1.	Ms Christine Wanjala	5	5 out of 5
2.	Mr. Samuel Wambugu	5	5 out of 5
3.	Dr Fred Simiyu	5	2 out of 5
4.	Ms Anita Chepseba	5	3 out of 5
5.	Mr John Olela	5	3 out of 5
6.	Mr Joseph Musuni	5	1 out of 5
7.	Mr Timothy Gakuu	5	0 out of 5
8.	Dr Indeje Wanyama	5	0 out of 5

*\*Mr Joseph Musuni was appointed to the Committee on 25<sup>th</sup> January 2024. Dr Indeje Wanyama and Mr Timothy Gakuu were appointed to the Committee on 21<sup>st</sup> June 2024 hence no meetings attended.*

**f) Ad-hoc Committees**

No Ad-hoc committee was constituted during the Financial Year under review.

**Induction and training**

The Board attended the training program for Public Sector Boards facilitated by the Kenya School of Government from 20<sup>th</sup> to 22<sup>nd</sup> November 2023.

The Board underwent an induction programme for board members facilitated by the Institute for Certified Secretaries in conjunction with SCAC from 29<sup>th</sup> to 31<sup>st</sup> January 2024. Further, during a Board retreat held from 26<sup>th</sup> to 28<sup>th</sup> February 2024, the Board received sensitization on Culture Change by Strategic Synergy Consultants Ltd, Audit Governance Documents by the Public Sector Accounting Standards Board (PSASB) and was inducted by the KIPPRA Management.

**Succession plan**

The Board reviewed, evaluated, and approved the overall Institute structure, the assignment of senior management responsibilities and plans for senior management development and succession. The Board considered and approved the KIPPRA Succession Management Policy on 26<sup>th</sup> October 2023.

**Board Performance**

The Board undertakes an annual evaluation of its performance and effectiveness to identify the areas for improvement and addresses them. Performance evaluation is conducted with the assistance of SCAC, an independent party. Board Evaluation for the FY 2022/23 was conducted on 24<sup>th</sup> July 2023. The Board received and adopted the Board Performance Evaluation Report for FY 2022/23 on 14<sup>th</sup> August 2023. The Corporate Board performance stood at a score of 96.44%.

**Conflict of interest, board remuneration, ethics, and governance audit**

The Board continued to implement the KIPPRA Conflict of Interest Policy. A conflict-of-interest register was maintained and filled before start of all Board meetings.

Board members were remunerated for their services in accordance with the prevailing relevant legislative provisions and/or guidance from the relevant authority. The breakdown of the board remuneration is captured in note number thirty-one (Note No.31)

The Board adopted, implemented, and monitored compliance with the Institute's Code of Conduct and Ethics.

## **Mwongozo Compliance**

The Board has continued to implement the Mwongozo Code of Governance for State Corporations. The Code is implemented on a “comply or explain basis” recognizing that state corporations are at different levels of compliance with corporate governance norms.

The Code stipulates that the Board membership of all state corporations shall be between seven and nine members. The Institute has not complied with this requirement since the KIPPRA Act CAP 112A, Laws of Kenya, provides for thirteen board members excluding the Executive Director. The Institute has compiled proposals for amendment on review of the KIPPRA Act which include review of the Board membership to nine members. Once the KIPPRA Bill is developed and enacted, the Institute will be compliant with this requirement.

The Code also stipulates that Board meetings should be held at least four times a year, and not more than four months shall elapse between the date of one meeting and the date of the next meeting. A schedule of dates of the meetings will be agreed upon by the Board members and set out in the Board Almanac. The full Board and the Board Human Resources and General Purposes Committee held eight meetings and seven meetings respectively, during the year under review exceeding the number of meetings set out in the Board calendar. This was necessitated by Head of Public Service Circular No. OP/CAB.9/1A dated 3<sup>rd</sup> April 2023 on Separation of Roles between the Boards of Directors and Management of State Corporations and Agencies as well as the recruitment of Research Mentor and Deputy Director, Partnerships positions that fall under Board purview.

## **Whistle blowing Policy**

On 17<sup>th</sup> December 2020, the Board approved the Institute's Whistle Blower Policy. The Policy was established to provide a framework and procedures to encourage and protect employees from reprisals that are or may be taken against them for making protected disclosures in accordance with the provisions of the Public Officers Ethics Act, Anti-Corruption and Economic Crimes Act and the Witness Protection Act.

## **Communication and reporting to stakeholders**

KIPPRA has developed communication policy and procedures, which provide guidelines on internal and external communication. They outline what should be communicated to internal and external stakeholders as well as the specific channels to be used for each type of communication.

The Institute also has a communication strategy to enhance awareness and effective communication of its products and services to stakeholders. The strategy identifies categories of stakeholders and their specific communication needs, their preferred channels of communication and specific timeliness when they are to receive the information. The communication strategy has key performance indicators that can be measured and evaluated to ensure KIPPRA's communication goals are met.

The Institute's citizens' delivery charter is another tool that ensures timely provision of services and products to customers. This includes promptly responding to enquiries and timely resolution of complaints. Tools also have been developed to monitor the implementation of the charter.

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The Institute conducts regular internal and external customer surveys to determine satisfaction levels among the Institute's customers and to identify areas of improvement.

The Board approved the KIPPRA Communication Strategy (2023/24 – 2025/26) and Stakeholder Engagement Policy on 28<sup>th</sup> March 2024.

## 9. MANAGEMENT DISCUSSION AND ANALYSIS

### Section A

#### KIPPRA's operational and financial performance

KIPPRA is supported by the National Government through the State Department of Economic Planning by way of transfer of funds for operational use. These funds are channelled to the Institute through its bank account after this has been budgeted for and approved by the Board of Directors. During the year, the State Department for Economic Planning transferred a total of Ksh 527.965 million. The Institute also realized Ksh 52.796 million in other grants for the National Information Platform for Food and Nutrition (NIPFN). Appropriations in Aid (A.I.A) accounted for Ksh 128.106 million; Ksh 58.138 million from rendering of services, Ksh 16,260 million from capacity building programmes and Ksh 46.316 million from bank interest. Other Incomes (KIPPRA Regional Conference, Sale of KIPPRA Publications, gain on disposal of motor vehicle and reimbursements from ACBF for administration costs incurred.) accounted for Ksh 2.233 million.

#### Summary of financial results;

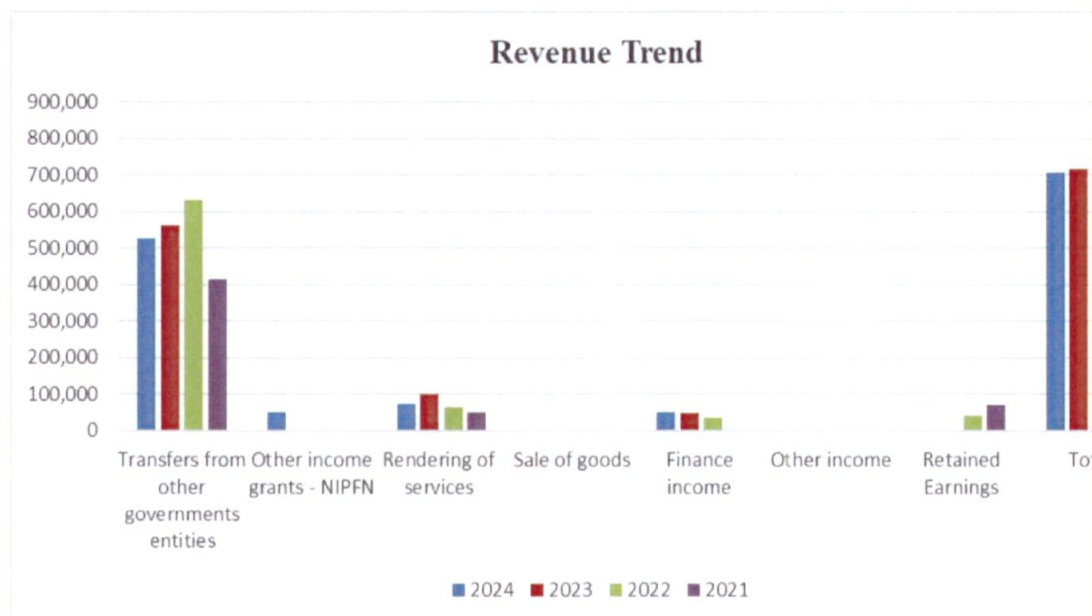
#### i. Revenue

##### a. Tabulated revenues "Ksh 000"

S/No	Description	2024 Ksh '000'	2023 Ksh '000'	2022 Ksh '000'	2021 Ksh '000'
1	Transfers from other government entities	527,965	563,968	633,607	414,280
2	Other income grants – NIPFN	52,796	-	-	-
3	Rendering of services	74,398	100,691	63,892	53,838
4	Sale of goods	59	147	61	74
5	Finance income	46,316	50,203	34,433	22
6	Other income	777	2,806	1,498	3,462
7	Retained Earnings	0	-	43,769	71,624
	<b>Total</b>	<b>702,311</b>	<b>717,815</b>	<b>777,260</b>	<b>543,300</b>

##### b. Trend

## KIPPRA's operational and financial performance



The graph above provides a trend of revenues realized in FY 2023/24. From the graph exchequer releases accounted for 75% of the revenues realized, Appropriations in Aid (A.I.A) 17%, while other grants for the National Information Platform for Food and Nutrition (NIPFN realized 8%.

### i. Expenditure

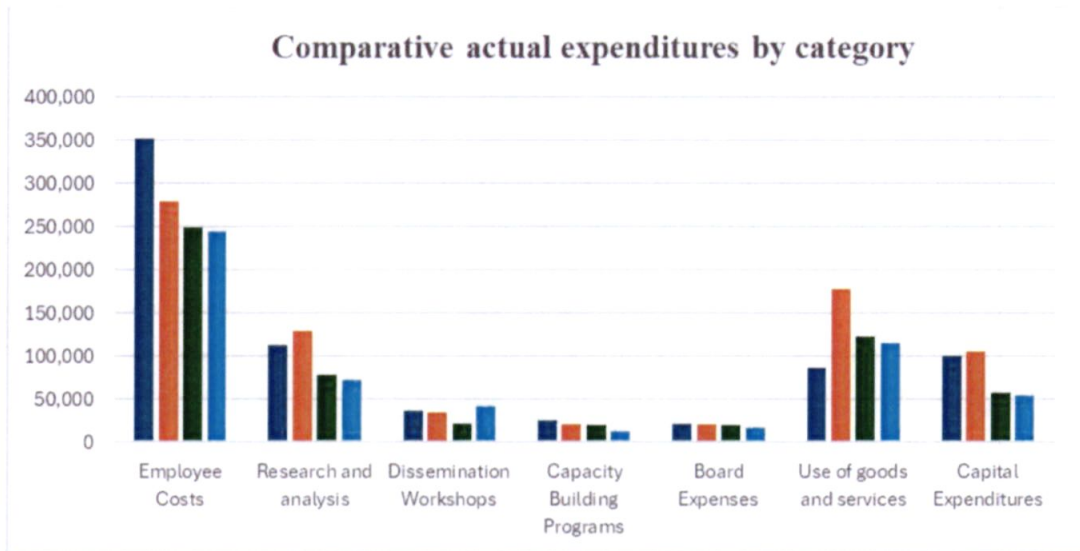
The Graph below provides a comparison between expenditures incurred in FY 2022/23, FY 2021/22 and FY 2020/21. From the graph there was an overall 2% decreases in spending in FY 2023/24.

#### a. Tabulated Expenditure “Ksh 000”

S/No	Description	2024	2023	2022	2021
1	Employee Costs	336,918	279,817	249,053	245,349
2	Research and analysis	110,687	129,769	78,779	72,852
3	Dissemination Workshops	36,641	35,078	20,993	41,769
4	Capacity Building Programs	24,925	21,264	20,190	12,761
5	Board Expenses	23,165	21,892	19,384	17,761
6	Use of goods and services	80,235	177,639	122,212	115,557
7	Capital Expenditures	100,594	105,839	56,899	54,593
	<b>Total</b>	<b>713,165</b>	<b>771,298</b>	<b>557,419</b>	<b>536,810</b>

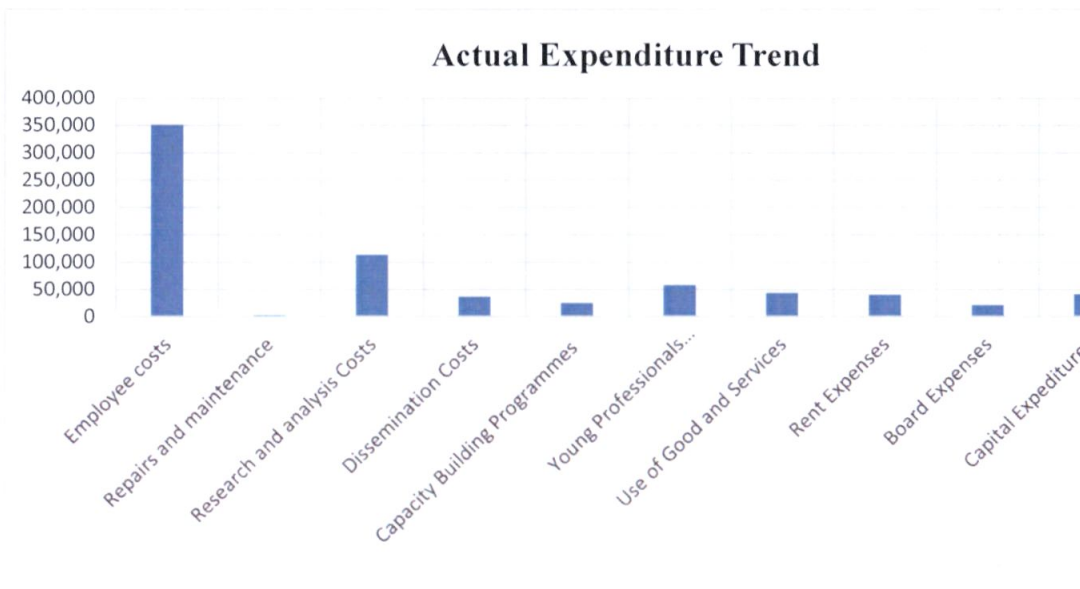
**KIPPRA's operational and financial performance**

**b. Trend**



**FY 2023/2024 Actual expenditure Trend**

In fulfilment of its mandate, the Institute incurred expenses on various line items. Personnel emoluments accounted for 48%, use of goods accounted for 6% with Board allowances accounting for 4% of total expenses. Research and Analysis costs accounted for 15%, dissemination costs 5%, and capacity building programmes costs 4% of the total expenses. Capital expenditure accounted for 6% representing the Young Professionals programme costs while purchase of fixed assets had 8 % of the total expenses.



## Section B

### Entity's compliance with statutory requirements

The Institute has complied with PFM Act 2012 and PPAD Act 2015 and their respective regulations. It has also complied with other legal requirements such as submission of statutory deductions i.e. timely remittance of NHIF, NSSF, PAYE, NITA, HELB, VAT withholding and Income tax withholding.

### Access to Government Procurement Opportunities (AGPO)

As provided by PPAD Act 2015, in the FY 2023/24, the Institute awarded a total of Ksh 123,118,784 to the AGPO in line with 30% AGPO allocation. Women were awarded 75 contracts amounting to Ksh 57,799,088 the Youth 37 contracts amounting to Ksh 60,075,649 and 15 contracts were awarded to PWDs amounting to Ksh 5,244,047 which surpassed the 2% target. The Institute also in compliance to awarding at least 40% of the total value of the procurement budget to goods and services produced locally awarded Ksh 208,297,033 against an annual target of Ksh 137,028,728.96.

## Section C

### Key projects and investment decisions the entity is planning/implementing

	Project Name	Institution / Client
1.	KIPPRA Young Professional Programme	Youth from Public and Private sectors

## Section D

### Major risks facing the Institute

**Major operational risks in the Institute:** During the workplan year, the Institute faced 6 operational risks namely: Research Peer Review risks; Breakdown of photocopier machines or printers; Monitoring risks; Project closure risks; Physical security risks; and Employee relations risks.

**Addressing the risks:** The Institute has adopted a robust risk management approach and practices aimed at ensuring achievement of its key objectives. Among mitigation measures adopted include the following:

#### a) Research Peer Review risks

The research ISO policy and procedures and the Strategy and Planning ISO policy and procedures were reviewed to improve on conduct of peer review process, through addition of role of the two Directors in ensuring quality of research papers from proposal stage to publication; and in reviewing research papers under their purview. The research peer review form was improved upon and adopted as an ISO9001:2015 form. Draft guidelines for standardizing KIPPRA research papers have been developed and are at review and approval stage.

**b) Breakdown of photocopier machines or printers**

Repair of photocopiers will be done through Request for Proposal. The Institute will consider having a Service Level Agreement with a service provider, especially for new machines.

**c) Monitoring risks**

During FY2023/24, the Institute developed a web-based monitoring and reporting system (MRS) to improve efficiency in tracking delivery of workplan targets and outputs across all functions. The MRS will be rolled out from July 2024. The Institute also reviewed its M&E framework to be implemented over the period 2024/25 – 2027/28. The new framework is aligned to activities in the strategic plan for FY2023/24 – 2027/28. The management will continue reviewing progress on workplan implementation on a quarterly basis.

**d) Project closure risks**

The Institute has prepared a Project Closure template to be approved for implementation. The Partnerships function ISO policies and Procedures has been reviewed to provide clarity on project management. The Institute will ensure collect all pending payments from finalized demand driven projects in order to close the projects. In addition, during FY2024/25, the Institute will finalize development of the Contract and Project Management module in the ERP, to enhance tracking of implementation of client projects.

**e) Physical security risks**

During the year, the Institute enhanced the CCTV system which is working well. The management ensured all the main entrance doors were repaired and are working well. In FY2024/25, the Institute will standardize all the main doors on 2<sup>nd</sup>, 5<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> floor offices through fixing stronger, reliable doors. A sensitization to all staff on office security was delivered.

**f) Employee relations risks**

The Institute is implementing provision in the complaint handling mechanism and the Human Resource Manual to ensure all internal complaints arising within a quarter are addressed promptly. During the year, the Institute continued to conduct HR clinics and other engagement forums to ensure emerging staff issues are addressed promptly. In FY2024/25, the Institute will complete review of the HR Instruments as well as integrate the Code of Conduct in the HR manual.

**Section E**

**Material arrears in statutory and Other financial obligations**

KIPPRA does not have loan default, pending bills, tax default, outstanding staff & pension obligations/actuarial deficit on pension schemes and non-payment of dividends & loan redemption to the National Exchequer.

## **Section F**

### **The Institute's Financial probity and serious governance issues**

There is no financial improbity reported by internal audit/Board audit committee, external auditors, or other National Government Agencies providing oversight and there are no governance issues among the Board of directors and senior management including conflict of interest.

## **Section G**

### **Future Developments and other information**

KIPPRA intends to construct it's own headquarters once the land is acquired. This will also host the KIPPRA Campus where capacity building of young professionals and public officers shall be carried out.

## **10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

KIPPRA aims to deliver on its mandate sustainably while prioritizing customer and citizen needs through relevant services and operational excellence.

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

The KIPPRA's Strategy Plan for 2023/24-2027/28, titled "driving inclusion through transformative processes," is founded on values like knowledge, inclusivity, professionalism, patriotism, responsiveness, and accountability. Recognized among the top five think tanks in Sub-Saharan Africa over the past five years, KIPPRA's success is attributed to its impactful capacity development programs, timely policy research and analysis, advisory support in evidence-based public policy formulation, and stakeholder engagement.

The strategic plan aligns with the Kenyan Constitution, KIPPRA Act, policy priorities in the fourth Medium Term Plan, the Bottom-up Economic Transformation Agenda (BETA), and various global commitments, including the African Union Agenda 2063, Sustainable Development Goals, and climate change frameworks. Annual work plans, developed in consultation with various stakeholders, ensure implementation. Key result areas include:

1. Capacity Development for Effective and Inclusive Public Policy
2. High-Quality, Relevant, and Responsive Policy Research and Analysis
3. Policy Engagement and Outreach
4. Institutional Sustainability
5. Good Governance and Effective Leadership

The institute is ISO 9001:2015 certified, and high-quality, customer-focused services. With 93 staff members out of an approved 171, efforts are ongoing to achieve full staffing for efficient mandate delivery.

KIPPRA enjoys substantial government support, receiving 75% of its budget from the exchequer. Additional resources are mobilized through demand-driven research projects and commercialized capacity-building programs. Plans to construct its own premises within the strategic plan period are part of KIPPRA's long-term sustainability strategy.

### **ii) Environmental performance**

KIPPRA is committed to environmental sustainability, implementing recommendations from the Environmental Impact Assessment Report. Measures include:

- Quarterly reports to the National Environmental Management Authority (NEMA)
- Well-labeled waste bins for recycling
- Encouraging energy and water conservation through reminder stickers
- Installing and annually servicing fire extinguishers

*Kenya Institute for Public Policy Research and Analysis (KIPPRA)  
Annual Report and Financial Statements  
For the Year Ended 30 June 2024*

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To enhance biodiversity, KIPPRA has engaged in various tree-planting initiatives, contributing to Kenya's goal of increasing forest cover to 10% by 2032. Over the review period, KIPPRA planted 6,230 trees, participating in events across various locations. Key activities include:

- Green Africa Foundation tree planting in Konza Metropolis, Machakos
- Collaborated with Hatua Network Library in Likoni to plant 110 trees.
- Planted 350 trees in Kereita Forest during the Forest Run Challenge, and raising funds to rehabilitate key water towers.
- Collaborated with the Wildlife Research Training Institute to plant 2,670 trees at Naivasha Game Farm during a staff team-building retreat and re-planting exercise.
- Planted 100 trees at KWS in Naivasha on National Tree Planting Day, and 1,000 trees at Chemargat Primary School and Kamarach.
- Partnered with Dabaso Creek Conservation Group, planted 1,000 trees in Malindi for wetland conservation.

These efforts demonstrate KIPPRA's commitment to environmental conservation, contributing to a sustainable future for generations to come.



**iii) Employee welfare**

Recruitment at the Institute is based on fair competition and merit, ensuring representation from Kenya's diverse communities and equal opportunities for all genders, youths, ethnic groups, persons with disabilities, and minorities. It emphasizes affirmative action, gender balance, and inclusion of persons with disabilities, with at least a third of employees being of either gender. External recruitment advertisements are widely shared, including with the Public Service Commission, County Assemblies, Council of Governors, and NCPWD fuzu portal. Recruitment is guided by the KIPPRA HR Policy & Procedure Manual 2020 and the PSC HR Policy Manual 2016. Recruitment policies are reviewed annually through the ISO process and in line with government guidelines.

Career progression follows approved guidelines reviewed every three years, prioritizing internal promotions and detailing procedures for internal and external recruitment. A training plan addresses performance gaps, with training sessions conducted for 89 staff members in FY2023/2024. Policies for succession, talent management, mentorship, and coaching are in place to build staff capacity.

Staff performance is managed through annual work plans, quarterly reviews, and end-of-year evaluations, aiming to reward performance fairly and support organizational objectives. The Institute recognizes exemplary performance through commendation letters, recognition certificates, and various awards. The KIPPRA Reward, Recognition, and Sanctions Policy outlines levels of recognition and types of rewards.

The KIPPRA Occupational Health and Safety policy promotes a safe work environment to reduce accidents and improve productivity. The Health and Safety Committee leads awareness activities and ensures compliance with safety standards, including training staff in first aid and maintaining appropriate insurance covers.

**iv) Market place practices**

**a) Responsible Competition Practice**

KIPPRA ensures that the suppliers are accorded opportunities without discrimination. This is done through rotation of registered suppliers when issuing requesting for quotations as well as ensuring that procurement that are done through open tender are advertised through media with wide coverage. The bidding documents used have clauses on fraud and corruption whereby bidders are required to certify that they have taken steps to ensure that no person acting for them or on their behalf engages in any type of Fraud and Corruption. The bidders are also required to sign the certificate of independent tender determination to confirm that there has been no consultation, communication, agreement or arrangement with any competitor that would lead to bid collusion.

**b) Responsible Supply chain and supplier relations**

Suppliers' payments are processed without delay once delivery and inspection of goods is concluded. This is done through coordination between Supply Chain Management and Finance departments. They are also given feedback after the procurement process is finalized through notification of award or regret letters stating reasons why they were unsuccessful in the tendering process. Suppliers are also

sensitized on Public Procurement and Asset Disposal Act and Regulations to offer them capacity building on the legal framework guiding procurement in public sector.

**c) Responsible marketing and advertisement**

The institute allows continuous registration of eligible suppliers, contractors and service providers through the supplier portal (<https://procurement.kippira.or.ke/>). Further all tenders are advertised in the Public Procurement Information Portal and the institute's website so as to reach a wide scope of interested bidders.

**d) Product stewardship**

KIPPRA which is ISO certified has in place policies and Procedures on Control of Non-conforming Outputs which covers the detection of non-conforming products and services within KIPPRA's operations and taking the necessary corrective or preventive actions to avoid unintended use or delivery. The non-confirming outputs may be identified during production, inspection, testing, verification, or outputs returned by customers, during service delivery, during internal and external quality audits, after service delivery, and through customer feedback.

KIPPRA ensures that outputs (both products and services) that do not conform to requirements of the customers are identified and controlled to prevent their unintended use or delivery. Where non-conformity is detected during processing, it is suspended until action is taken to eliminate the detected non-conformity.

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

KIPPRA seeks to be a good corporate citizen in all aspects of its operations and activities. To this end, the institute's commitment to be social and economic responsible has been seen through implementation of various impactful Corporate Social Responsibility / Community Engagements as a way of giving back to the community. In the FY 2023/2024, KIPPRA implemented the following CSR activities.

**a) Sossit Talent Festival**

KIPPRA staff participated in Sossit Talent Festival event that was held at Kapkatet, Kericho County on March 29<sup>th</sup> & 30<sup>th</sup> 2024 and donated six trophies. The event was aimed to bring youths and community for knowledge and awareness creation and to instil social value and disability mainstreaming.



**b) Baraka Children's Home**

KIPPRA staff also visited Baraka children's home in Malindi and donated charitable items on January 20<sup>th</sup> 2024.



**c) Hatua Network Community Library, Likoni**

KIPPA staff conducted a pre-visit to Hatua Network Community Library in Likoni, which provides scholarship and mentorship programs to the locals, on 3rd May 2024. The purpose was to conduct a needs assessment to donate the necessary school curriculum books to equip students with learning materials.

The Institute donated 79 books inclusive of curriculum and Swahili story books on May 13<sup>th</sup>, 2024.



## **11. REPORT OF THE DIRECTORS**

The Directors submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Institute's affairs.

### **i) Principal activities**

The principal activity of the Institute is to provide quality public policy advice to the Government of Kenya and other stakeholders by conducting objective research and analysis and through capacity building to contribute to the achievement of national development goals.

### **ii) Results**

The results of the Institute's Financial Performance for the year ended 30<sup>th</sup> June 2024 are set out on page 1.

### **iii) Directors**

The members of the Board of Directors who served during the year are shown on page xi to xvii. During the year, the term of office for Ms Phoebe Nkaabu and Dr Chris Galgallo expired on 24<sup>th</sup> August 2023. Prof Peter Koech Kibet was appointed *vide* Gazette Notice No. 14719 published on 2<sup>nd</sup> November 2023 with effect from 3<sup>rd</sup> November 2023. Mr Joseph Tiampati Ole Musuni was appointed *vide* Gazette Notice No. 15248 published on 10<sup>th</sup> November 2023 with effect from 9<sup>th</sup> November 2023. Mr Aloyce Ratemo replaced Dr Fred Simiyu as the Alternate to the PS, State Department for Trade with effect from 13<sup>th</sup> September 2023. Dr Indeje Wanyama replaced Mr Samuel Wambugu as the Alternate to the PS, State Department for National Treasury with effect from 28<sup>th</sup> March 2024. Mr Timothy Gakuu, HSC replaced Mr John Olela as the Alternate to the PS, State Department for Economic Planning with effect from 9<sup>th</sup> April 2024. The appointment letter for Dr Boaz Cheluget, who was appointed *vide* Gazette Notice No. 7487 published on 9<sup>th</sup> June 2023 but the Institute had not received his appointment letter as at 30<sup>th</sup> June 2023, was received on 13<sup>th</sup> July 2023 and the member successfully onboarded. Mr Goerge Okeyo was appointed *vide* Gazette Notice No. 13862 published on 13<sup>th</sup> October 2023 with effect from the same date but did not present himself for onboarding as at 30<sup>th</sup> June 2024.

### **iv) Auditors**

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

By Order of the Board



**Dr Eldah Onsomu**  
**Ag. Executive Director/Secretary to the Board**

Date: 6/12/2024

## 12. STATEMENT OF DIRECTORS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Directors to prepare financial statements in respect of the Institute, which give a true and fair view of the state of affairs of the Institute at the end of the financial year and the operating results of the Institute for that year. The Directors are also required to ensure that the Institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the Institute. The Directors are also responsible for safeguarding the assets of the Institute.

The Directors are responsible for the preparation and presentation of the Institute's financial statements, which give a true and fair view of the state of affairs of the Institute for and as at the end of the financial year ended on June 30, 2024. 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 Institute; (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 Institute; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Institute'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 State Corporations Act. The Directors are of the opinion that the Institute's financial statements give a true and fair view of the state of Institute's transactions during the financial year ended June 30, 2024, and of the Institute's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the Institute, which have been relied upon in the preparation of the Institute's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors have assessed the Institute's ability to continue as a going concern. Nothing has come to the attention of the Directors to indicate that the Institute will not remain a going concern for at least the next twelve months from the date of this statement.

### Approval of the financial statements

The Institute's financial statements were approved by the Board on 2<sup>nd</sup> August 2024 and signed on its behalf by:



Prof. Paul Wachana.  
Chairperson of the Board

Date: 06/12/2024

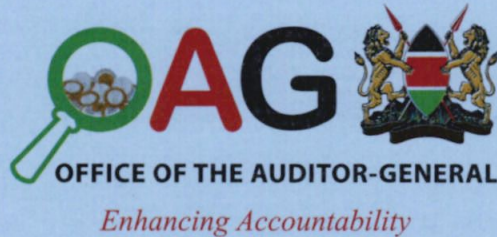


Dr Eldah Onsomu  
Ag. Executive Director/  
Secretary to the Board

Date: 6/12/2024

# REPUBLIC OF KENYA

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON KENYA INSTITUTE OF PUBLIC POLICY RESEARCH ANALYSIS (KIPPRA) FOR THE YEAR ENDED 30 JUNE, 2024**

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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.
- 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.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, 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

#### **Qualified Opinion**

I have audited the accompanying financial statements of Kenya Institute for Public Policy Research and Analysis (KIPPRA) set out on pages 1 to 41, which comprise of the

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*Report of the Auditor-General on Kenya Institute of Public Policy Research Analysis (KIPPRA) for the year ended 30 June, 2024*

statement of financial position as at 30 June, 2024, the statement of financial performance, the statement of changes in net assets, the statement of cash flows, and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 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 Kenya Institute for Public Policy Research and Analysis as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Kenya Institute for Public Policy Research and Analysis Act, 2006 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Misstatement of Property, Plant and Equipment**

The statement of financial position reflects property plant and equipment balance of Kshs.363,717,645 as disclosed in Note 22 to the financial statement which includes land valued at Kshs.250 million measuring 2.57 hectares in Upper Kabete allocated to the Institute and issued with a title deed. The land was meant for construction of the Institute's Headquarters. However, as previously reported, the Director of Veterinary Services (DVS) wrote to the KIPPRA Management informing them that the land was among other irregularly allocated parcels of land which were hived off from the Veterinary land at Kabete and its development would curtail the operations of Central Veterinary Laboratories. The issue was referred to the National Land Commission and the DVS disallowed any development thereon.

In 2016, the Institute initiated the construction of offices on the land, but the State Department of Livestock proposed an alternative piece of land on the basis that the current land was not ideal as it is within the Kabete Veterinary Bio-Facilities and drainage. The construction project was therefore halted. However, as at 30 June, 2024, the Institute had not been allocated an alternative piece of land and could not also access the allocated parcel of land as the Department of Veterinary Services had fenced it off.

In the circumstances, the ownership, accuracy and fair statement of property, plant and equipment balance of Kshs.363,717,645 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of Kenya Institute of Public Policy Research Analysis 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 qualified opinion.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.933,273,439 and Kshs.814,330,092 respectively resulting to an under-realization of Kshs.118,943,347 or 13% of the budget. However, the Institute spent an amount of Kshs.813,152,183 against actual receipts of Kshs.814,330,092 resulting to an under-utilization of Kshs.1,177,909 of actual receipts.

The under-realization and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit section of the report, including in relation to these matters. Accordingly, the audit included the performance of procedures designed to respond to the assessment of the risks of material misstatement of the financial statements. The results of the audit procedures, including the procedures performed to address the matters above, provide the basis for my audit opinion on the accompanying financial statements.

### **Other Matter**

#### **Unresolved Prior Year Matter**

In the audit report of the previous year, an issue was raised under the Report on Financial Statements. However, Management had not resolved the issue as at 30 June, 2024

### **Other Information**

The Directors are responsible for the other information set out on page v to lxiv which comprise of Key Entity Information and Management, The Board of Directors, Key Management Team, Chairman's Statement, Report of the Executive Director, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Institute's 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. In my opinion, except for the matter described below, I confirm that the other information is not materially inconsistent with the financial statements.

## 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 effects of the matter 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**

#### **Failure to Conduct a Governance Audit**

During the year under review, the Board of directors did not subject the Institute to an annual governance audit. This was contrary to the guidelines of Mwongozo Code of Conduct clause 1.13 that requires the Board, in consultations with the Oversight Office, ensure that it subjects the organization to an annual governance audit by a member regulated by the Institute of Certified Public Secretaries of Kenya (ICPSK) and accredited for that purpose.

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis of Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether 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 the Board of Directors**

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 Institute'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.

The Board of Directors are responsible for overseeing the Institute'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 for 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 IFPP 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 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


27 December, 2024

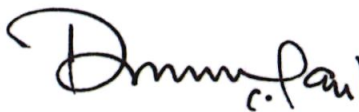
14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from other governments entities	6 c	547,175,767	526,683,561
		<b>547,175,767</b>	<b>526,683,561</b>
<b>Revenue from exchange transactions</b>			
Rendering of services	7	74,398,910	100,691,946
Sale of goods	8 a	59,100	147,200
Finance income	9	46,316,669	57,770,478
Other income	8 (b)	777,465	2,085,916
<b>Total Revenue from exchange transactions</b>		<b>121,552,144</b>	<b>160,695,540</b>
<b>Total revenue</b>		<b>668,727,911</b>	<b>687,379,101</b>
<b>Expenses</b>			
Use of goods and services	11	334,141,151	338,065,621
Employee costs	12	337,246,188	279,816,682
Board Expenses	13	23,165,094	21,892,144
Depreciation and amortization expense	14	34,295,854	25,165,648
Repairs and maintenance	15	2,542,958	1,555,251
Finance Costs / Bank Charges	16	934,810	756,748
<b>Total expenses</b>		<b>732,326,056</b>	<b>667,252,094</b>
<b>Other gains/(losses)</b>			
Gain/Loss on foreign exchange transactions	10	(6,028,865)	13,225,716
<b>Surplus/ (deficit) before tax</b>		<b>(69,627,010)</b>	<b>33,352,723</b>
Taxation	17	15,462,752	23,626,941
<b>Surplus/(deficit) for the period/year</b>		<b>(85,089,762)</b>	<b>9,725,781</b>

The notes set out on pages 7 to 48 form an integral part of these Financial Statements.  
The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

  
Dr Eldah Onsomu  
Ag. Executive Director

  
CPA Teddy Bett  
Deputy Director, Finance  
ICPAK M/No. 11072

  
Prof. Paul Wachana  
Board Chairperson

Date: 6/12/2024

Date: 6/12/2024

Date: 06/12/2024

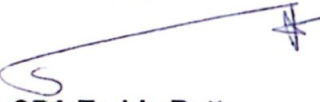
15. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	19	835,372,383	897,174,587
Receivables from Exchange Transactions	21	28,974,797	18,432,258
<b>Total Current Assets</b>		<b>864,347,180</b>	<b>915,606,845</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	22	363,717,645	357,219,297
Intangible Assets	23	8,565,481	7,673,497
<b>Total Non- Current Assets</b>		<b>372,283,127</b>	<b>364,892,794</b>
<b>Total Assets</b>		<b>1,236,630,307</b>	<b>1,280,499,639</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	24	73,590,152	21,977,631
Current Provision	25	8,400,000	13,828,699
Deferred Income	27	132,134,618	168,663,963
EFD-Kenya Account	19	0	5,462,522
<b>Total Current Liabilities</b>		<b>214,124,770</b>	<b>209,932,814</b>
<b>Non-Current Liabilities</b>			
Non-Current Employee Benefit Obligation	28	58,753,883	80,633,260
<b>Total Non- Current Liabilities</b>		<b>58,753,883</b>	<b>80,633,260</b>
<b>Total Liabilities</b>		<b>272,878,653</b>	<b>290,566,074</b>
<b>Net Assets</b>		<b>963,751,654</b>	<b>989,933,565</b>
<b>Financed By.</b>			
Accumulated Surplus		449,724,832	576,500,781
Capital Fund		274,107,822	173,513,783
Revaluation Reserve		239,919,000	239,919,000
<b>Total Net Assets</b>		<b>963,751,654</b>	<b>989,933,564</b>
<b>Total Net Assets and Liabilities</b>		<b>1,236,630,307</b>	<b>1,280,499,639</b>

The financial statements set out on pages 1 to 5 were signed on behalf of the Board of

Directors by:

  
Dr Eldah Onsomu  
Ag. Executive Director

  
CPA Teddy Bett  
Deputy Director, Finance  
ICPAK M/No. 11072

  
Prof. Paul Wachana  
Board Chairperson

Date: 6/12/2024

Date: 6/12/2024

Date: 06/12/2024

16.STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024

Description	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/ Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>As at July 1, 2023</b>	-	(10,081,000)	0	632,079,000	0	68,000,000	689,998,000
Issued new capital	-	-	-	(65,304,000)	-	65,304,000	-
Revaluation gain	-	250,000,000	-	-	-	-	250,000,000
Transfer of excess depreciation on revaluation	-	-	-	-	-	-	-
Deferred tax on excess depreciation	-	-	-	-	-	-	-
Fair value adjustment on investments	-	-	-	-	-	-	-
Surplus/ deficit for the year	-	-	-	9,725,781	-	-	9,725,781
Capital/development grants received during the year	-	-	-	-	-	40,209,783	40,209,783
Transfer of depreciation/amortization from capital fund to retained earnings	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-
Interim dividends paid	-	-	-	-	-	-	-
Proposed final dividends	-	-	-	-	-	-	-
<b>As at June 30, 2023</b>	-	239,919,000	-	576,500,781	0	173,513,783	989,933,564
<b>As at July 1, 2023</b>	0	239,919,000	-	576,500,781	-	173,513,783	989,933,564
Transfer of retained earnings to capital fund.	-	-	-	(41,686,187)	-	41,686,187	-
Issue of new share capital	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-
Transfer of excess depreciation on revaluation	-	-	-	-	-	-	-
Surplus/ (deficit) for the year	-	-	-	(85,089,762)	-	-	(85,089,762)
Capital/development grants received during the year	-	-	-	-	-	58,907,852	58,907,852
Transfer of depreciation/amortization from capital fund to retained earnings	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-
Interim dividends paid	-	-	-	-	-	-	-
Proposed final dividends	-	-	-	-	-	-	-
<b>As at June 30, 2024</b>	0	239,919,000	0	449,724,832	0	274,107,822	963,751,654

## 17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

		2023-2024	2022-2023
	Notes	Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other governments entities	6 d	527,965,000	563,967,603
Development partners grants	6	52,795,767	0
Rendering of services	7	70,872,751	100,691,946
Other income	8 b	777,465	1,896,048
Sale of goods	8 a	59,100	147,200
<b>Total receipts</b>		<b>652,470,083</b>	<b>666,702,797</b>
<b>Payments</b>			
Use of goods and services	11 b	302,556,865	348,443,511
Employee costs	12 b	336,782,083	274,087,291
Board Expenses	13 a	21,814,584	21,403,932
Repairs and maintenance	15 a	852,079	1,389,401
<b>Total payments</b>		<b>662,005,611</b>	<b>645,324,135</b>
<b>Net cash flows from/(used in) operating activities</b>		<b>(9,535,528)</b>	<b>21,378,661</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE and Intangible assets	18 b	(36,786,187)	(65,629,628)
Proceeds from sale of PPE	8	0	189,868.00
Finance income	9	46,316,669	57,770,478
Young Professionals Programme Costs	18 a	(55,768,294)	(40,209,782.82)
<b>Net cash flows from/(used in) investing activities</b>		<b>(46,237,812)</b>	<b>(47,879,065)</b>
<b>Cash flows from financing activities</b>			
Accumulated funds used to financing NIPFN Project activities		0	(7,219,991)
<b>Net cash flows from financing Activities</b>		<b>0</b>	<b>(7,219,991)</b>
<b>Net increase/(decrease) in cash &amp; Cash Equivalent</b>		<b>(55,773,340)</b>	<b>(19,280,413)</b>
Cash and cash equivalents at 1 July	19	897,174,587	916,455,000
Adjusted for:			
Gain/Loss on foreign exchange transactions		(6,028,865)	
<b>Cash and cash equivalents at 30 June</b>	19	<b>835,372,383</b>	<b>897,174,587</b>

18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30  
JUNE 2024

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs'000'	Kshs'000'	Kshs'000'	Kshs'000'	Kshs'000'	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
<b>Revenue</b>						
Recurrent Grant	525,780,000	(31,400,000)	494,380,000	494,380,000	-	100%
Development Grant	68,000,000	(22,000,000)	46,000,000	46,000,000	-	100%
Other Capital Grant (Deferred Income)	72,284,402	-	72,284,402	41,686,187	30,598,215	58%
Development Partners (EU-NIPFN & UNICEF)	34,250,623	22,749,377	57,000,000	52,795,767	4,204,233	93%
Rendering of Services	105,500,000	-	105,500,000	75,235,475	30,264,525	71%
Finance Income	50,000,000	-	50,000,000	46,316,669	3,683,331	93%
Other Income	108,109,037	-	108,109,037	57,915,994	50,193,043	54%
<b>Total Income</b>	<b>963,924,062</b>	<b>(30,650,623)</b>	<b>933,273,439</b>	<b>814,330,092</b>	<b>118,943,347</b>	
<b>Expenses</b>						
Use of Goods and Services	346,024,406	9,412,090	355,436,496	334,141,151	21,295,345	94%
Employee costs	442,817,481	(27,920,000)	414,897,481	337,246,188	77,651,293	81%
Remuneration of Directors	18,893,391	4,700,000	23,593,391	23,165,094	428,297	98%
Taxation	12,000,000	3,507,287	15,507,287	15,462,752	44,535	100%
Repairs and Maintenance	1,500,000	650,000	2,150,000	2,542,958	(392,958)	118%
<b>Total Recurrent Expenditure</b>	<b>821,235,278</b>	<b>(9,650,623)</b>	<b>811,584,655</b>	<b>712,558,144</b>	<b>99,026,511</b>	
<b>Capital Expenditure</b>						
Young Professionals Program	70,404,582	(10,879,300)	59,525,282	58,907,852	617,431	99%
Fixed Assets & Operating System Costs	72,284,202	(10,120,700)	62,163,502	41,686,187	20,477,315	67%
<b>Total Capital Expenditure</b>	<b>142,688,784</b>	<b>(21,000,000)</b>	<b>121,688,784</b>	<b>100,594,039</b>	<b>21,094,746</b>	
<b>Total Expenditure (Recurrent &amp; Capital)</b>	<b>963,924,062</b>	<b>(30,650,623)</b>	<b>933,273,439</b>	<b>813,152,183</b>	<b>120,121,256</b>	
<b>Surplus for the period</b>				<b>1,177,909</b>	<b>(1,177,909)</b>	

**Reconciliation of comprehensive income and Surplus for the period**

Description	Amount "Kshs"
<b>Comprehensive income (Statement of financial performance)</b>	<b>(85,089,762)</b>
<b>Add:</b> Provision for Depreciation	34,295,854
Foreign Exchange Loss	6,028,865
Development Grant	46,000,000
Drawings from retained Earnings	100,536,991
<b>Less:</b> Capital Costs	
i) Young Professional Programme costs	(58,907,852)
ii) Fixed Assets & Operating System Costs	(41,686,187)
<b>Surplus for the period (Statement of comparison of budget and actual amounts)</b>	<b>1,177,909</b>

**Budget notes**

**1. Revenue**

- a) European Union (NIPFN) and UNICEF grants: The Institute received project fund in April 2024 from the development partners.
- b) Rendering of Services: The Institute had committed to putting more effort into generation more appropriations in Aid in FY 2023/24 Performance Contract. Although there was some improvement of revenue realized during the year compared to last year, the Institute was not able to realize the projected revenue. The Institute will fast track the implementation of the resource mobilization strategy to ensure project revenues are realized in future.
- c) Finance Income: The Institute performed exemplarily well in realizing income earned from bank deposits.
- d) Other incomes: Projection was to fund commitments through withdrawal from retained earnings. Some of the projected projects were not finalized during the year, thus the projected earnings were not used.

**2. Operating Costs**

- a) Compensation to employees: Variance was a result of impending recruitments and replacements.
- b) Use of goods: Variance resulted from NIPFN project activities not carried out during the year. This was attributable to delays in disbursement (Funds received in April 2024) for the project which was at the no-cost extension phase.
- c) Fixed Assets & Operating System Costs: The variance represents funds earmarked for the partitioning of office space. The contract will be fully executed in the next financial year.

## **19. NOTES TO THE FINANCIAL STATEMENTS**

### **1. General Information**

Kenya Institute for Public Policy Research and Analysis (KIPPRA) is established by and derives its authority and accountability from KIPPRA Act, CAP 112A, Laws of Kenya. The Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institute's principal activity is to develop human and institutional capacities for the Government of Kenya and other stakeholders by conducting objective research and analysis and through capacity building to contribute to the achievement of national development goals.

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

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Institute's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Institute. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

#### ***i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.***

There were no new and amended standards issued in the financial year.

#### ***ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.***

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>

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Standard	Effective date and impact:
	<p><i>The Institute have lease for its rental premises. The standard will have an impact in reporting the same going forward.</i></p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><b><i>The Institute does not have Non- Current Assets Held for Sale hence the standard does not have an impact to the Institute.</i></b></p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><b><i>The standard will have an impact in the Institute's reporting going forward.</i></b></p>
<p>IPSAS 46 Measurement</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul>

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Standard	Effective date and impact:
	<p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><b><i>The standard will have an impact in the Institute's reporting going forward.</i></b></p>
<p>IPSAS 47- Revenue</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><b><i>The Institute has revenues from non-exchange transactions, therefore, the standard will have an impact in the Institute's reporting going forward.</i></b></p>
<p>IPSAS 48- Transfer Expenses</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><b><i>The Institute does not have transfers to other entities hence the standard will not have an impact to the Institute's reporting.</i></b></p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><b><i>The Institute provides for the retirement of its employees. The standard will have an impact in the Institute's reporting going forward.</i></b></p>

***iii. Early adoption of standards***

The Institute did not early – adopt any new or amended standards in the financial year 2023/2024.

**Notes to the financial statements (continued)**

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Fees, taxes and fines**

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

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Institute and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

**ii) Revenue from exchange transactions**

**Rendering of services**

The Institute recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Institute.

**Interest income**

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

## **Dividends**

Dividends or similar distributions must be recognized when the shareholder's or the Institute's right to receive payments is established.

## **Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

## **b) Budget information**

The original budget for the Current FY 2023/2024 was approved by the National Assembly on May 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Institute upon receiving the respective approvals to conclude the final budget. Accordingly, the Institute recorded additional appropriations in January 2024 and April 2024 budget following the governing body's approval.

The Institute'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 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 18 of these financial statements.

## **c) Taxes**

### **Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Institute operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary

differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable Institute and the same taxation authority.

#### **Sales tax**

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

#### **d) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

#### **e) Property, plant and equipment**

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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 Institute 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.

**Property, plant and equipment (Continued)**

Depreciation on other assets is calculated on the straight-line balance basis to write down the cost of each asset, or the re-valued amount, to its residual value over its estimated useful life using the following annual rates:

S/No.	Description	Rate %
1.	Computers	33.3
2.	Motor vehicles	25.0
3.	Office Furniture and Fittings	12.5
4.	Office Equipment's	12.5

**f) Leases**

Finance leases are leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Institute. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Institute also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Institute will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Institute. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**g) 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 period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

**Summary of Significant Accounting Policies (Continued)**

#### **h) Research and development costs**

The Institute expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Institute can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

#### **i) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Institute does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Institute's financial statements.

A financial instrument is any contract that gives rise to a financial asset of one Institute and a financial liability or equity instrument of another Institute. At initial recognition, the Institute measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

#### **a) Financial assets**

##### **Classification of financial assets**

The Institute classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit based on both the Institute's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an Institute has made irrevocable election at initial recognition for particular investments in equity instruments.

### **Subsequent measurement**

Based on the business model and the cash flow characteristics, the Institute classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

#### **Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

#### **Fair value through net assets/ equity**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

#### **Trade and other receivables**

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

#### **Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the Institute manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

#### **Impairment**

The Institute assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Institute recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

### **b) Financial liabilities**

#### **Classification**

The Institute classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

#### **j) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Institute.

#### **k) Provisions**

Provisions are recognized when the *Institute* 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. Where the *Institute* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

#### **l) Social Benefits**

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The Institute recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the Institute will incur in fulfilling the present obligations represented by the liability.

#### **m) Contingent liabilities**

The Institute does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

#### **n) Contingent assets**

The Institute does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Institute in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**o) Nature and purpose of reserves**

The Institute creates and maintains reserves in terms of specific requirements. The Institute retains reserves meant to be utilized to fund its mandate.

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

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

**q) Employee benefits**

**Retirement benefit plans**

The Institute provides retirement benefits for its employees and directors. 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 further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**r) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

**s) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**t) Related parties**

The *Institute* regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the *Institute*, or vice versa. Members of key management are regarded as related parties and comprise the Board of Directors, the Executive Director and senior managers.

**u) Service concession arrangements**

The *Institute* analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Institute* recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Institute* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**v) 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 NCBA Bank and Kenya Commercial Bank (KCB) at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**w) Comparative figures**

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

**x) 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, 2024.

**5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the *Institute's* financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

**Estimates and assumptions.**

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

**Useful lives and residual value**

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

- a) The condition of the asset based on the assessment of experts employed by the Institute.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 24. 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.

In the process of applying the Institute's accounting policies, management has made judgments in determining:

- Whether assets are impaired
- The classification of financial assets and leases
- Provisions and contingent liabilities

**6. a) Transfers from Other Government entities**

Description	FY 2023-24	FY 2022-23
	Kshs	Kshs
<b>Unconditional grants</b>		
Operational grant	481,965,000	526,683,561
Operational grant - Receivable	12,415,000	-
Other grants	52,795,767	-
Development Grant	46,000,000	37,284,042
<b>Total Unconditional Grants</b>	<b>593,175,767</b>	<b>563,967,603</b>
<b>Unconditional grants</b>		
Other Organizational Grants (specify)	-	-
<b>Total government grants and subsidies</b>	<b>593,175,767</b>	<b>563,967,603</b>

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

Name of the Entity sending the grant	Amount recognized to Statement of Financial performance Kshs	Amount deferred under deferred income Kshs	Amount recognized in capital fund. Kshs
State Department for Economic Planning	593,175,767	-	593,175,767
<b>Total</b>	<b>593,175,767</b>	<b>-</b>	<b>593,175,767</b>

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**c) Transfers from Ministries, Departments and Agencies (MDAs) - Reconciliation**

Unconditional grants	FY 2023-24
Operational grant	481,965,000
Other grants	52,795,767
Operational grant – Recurrent grant receivable as of 30 <sup>th</sup> June 2024	12,415,000
<b>Total Recurrent Grant (to statement of financial performance)</b>	<b>547,175,767</b>
Development Grant	46,000,000
<b>Total government grants and subsidies</b>	<b>593,175,767</b>

**d) Breakdown as captured in Cashflow statement**

Unconditional grants	FY 2023-24
Operational grant	481,965,000
Development Grant	46,000,000
<b>Total transfers from other governments entities</b>	<b>527,965,000</b>
Other grants – Development partners grants	52,795,767

**7. Rendering Of Services – Appropriations in Aid (A.I.A)**

Description	FY 2023-24	FY 2022-23
	Kshs	Kshs
Training Fees- Capacity Building courses	16,260,587	17,419,256
Service Fees (Research consultancy)	58,138,323	83,272,690
<b>Total Appropriations In Aid (A.I.A)</b>	<b>74,398,910</b>	<b>100,691,946</b>

**a) Research Consultancy Schedule**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
AERC - GPIR Grant	186,935	2,438,690
Brookings - Analyzing constraints to urban related growth in Africa MMC	-	3,162,500
UN-Wider - Savings Book Project	-	3,909,195
ACODE - Convening an East African Green Economy Hub: Towards Natural Capital Based Economies	-	123,846
Mastercard - PEP study on empirical review of youth employment policies and their impact in Kenya.	3,995,600	2,357,500
FAO - An Assessment of Cash- Plus Option for Social Protection for Agriculture-dependent households and training Government Officers on Applied Research Methods.	728,633	3,747,243
AERC - Impact of Covid 19 Pandemic and Livelihoods in Africa	-	126,500
ACBF - Refining Long-term strategic vision and Development of Strategic plan 2023-27	-	1,942,449
ACET - Preparation of Kenya Country Economic Transformation Outlook (CETO).	-	3,002,765
PPRA - Assessment of the uptake of 30% procurement spend set aside for YWP	-	3,332,977
AERC - Understanding the short- and long-term effects of Covid-19 on Kenya's Health Sector	-	1,004,870
UNDP - Review of CIDP II and Development of CIDP III	-	13,795,881
World Resource Institute Analyzing existing economic models used by the Government in assessing green transition	3,055,033	16,474,542

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SAIIA - Consultancy services for the preparation of a policy brief	402,616	311,791
UNICEF- Child Sensitive Budgeting project		3,361,200
FANARPAN - Ukana Ustawi and ClimBer Initiatives in Kenya	1,069,470	685,860
IFPRI - Development of Public Spending Datasets, and Public Spending Analysis in 2022	5,580,271	7,312,697
Kenya Roads Board - Development of KRB Strategic Plan for 2023-2027	2,642,102	3,963,153
ACBF - In- Country data collection for Design and Development of Local Partner Identification platform	-	2,530,000
AERC - Leveraging on special drawing rights for sustaining economic recovery	276,243	430,560
KIPI - Consultancy for Development of Strategic plan 2023-2027	1,723,537	1,723,537
State Department for Youth	17,580,952	7,534,933
AERC Grant_ Data Governance -RC23521	766,440	-
AERC Grant	1,200,000	-
Development Initiatives - Support to progress GPI to the next level; Localize GPI in the National Context	938,700	-
FAO - Analyzing Public Expenditure towards Food and Agriculture in Kenya	1,088,645	-
AERC Grant	2,010,695	-
AERC -Identifying Institutional Structures for Data Policy and Governance Frameworks in Kenya.	441,725	-
PEP - Develop a National Engagement Report-Earth4all Kenya Report	737,550	-
AERC - Data collection Grant	1,185,693	-
FARA - Strengthening Evidence-Based Policy Practice for Sustainable Food Systems under the EU-AU Partnership	7,809,796	-
AERC - Leveraging on special drawing rights for sustaining economic recovery	803,795	-
AERC - Experimetal Economics Research Pilot Survey	87,165	-
Vital Strategies- RESET Project	3,826,724	-
<b>Total revenue from research consultancy</b>	<b>58,138,323</b>	<b>83,272,690</b>

**b) Capacity Building Programmes**

Source	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Makueni County	107,219	434,519
Financial Services Centre	-	127,000
State Department for Devolution	-	679,680
Uongozi Institute	-	89,700
Nyandarua County	-	10,663,088
Adrian Njoroge	-	109,100
Rono Clinton	-	109,100
KU Teaching & Referral Hospital	-	109,100
Nairobi County	-	3,216,569
Eswatini Economic Policy Analysis & Research Centre	-	1,881,400
Bungoma County	109,100	-
Fish Levy Trust Fund	56,800	-
Kenya Academy of Sports	109,100	-
Business Registration Service Board	284,000	-
NuPEA	568,000	-
Central Bank of Somali	1,461,958	-
Kenya Industrial Estates	218,200	-

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Kenya National Comm for Human Rights	107,218	-
Institute of Economic Affairs	109,100	-
International Development Law Organization	2,454,000	-
KASNEB	109,100	-
Cooperative Bank	30,100	-
Nandi County	107,219	-
Energy and petroleum Regulatory Authority	756,176	-
State Department for Cabinet Affairs	214,438	-
U.S. Disbursing Officer Symbol	53,100	-
Masinde Murilo University	3,014,800	-
Hellen Muriithi	61,400	-
Finn Church Aid	61,400	-
Parliamentary Service Commission	654,600	-
CARE Kenya	2,087,400	-
IGRTC	1,420,050	-
Tanzania Communication Regulatory Authority (TCRA)	2,106,109	-
<b>Total revenue from Capacity Building Programmes</b>	<b>16,260,587</b>	<b>17,419,256</b>

**(c) Revenue from Capacity Building Programmes- Reconciliation**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
<b>Revenue earned from Capacity Building Programmes</b>	16,260,587	17,419,256
Less: Training fees receivable	(3,526,159)	-
<b>Total Revenue realized during the year</b>	<b>12,734,428</b>	<b>17,419,256</b>

**8. Other Income**

**(a) Sale of Goods**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Sale of KIPPRA Publications	59,100	147,200
<b>Total other Income</b>	<b>59,100</b>	<b>147,200</b>

**(b) Other Miscellaneous Income**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
KIPPRA Regional Conference	710,365	895,000
Disposal of Assets	-	189,868
Other income (Gain on Disposal of Motor vehicles; ACBF Reimbursements)	67,100	1,001,048
<b>Total Other Miscellaneous Income</b>	<b>777,465</b>	<b>2,085,916</b>

**9. Finance Income**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Interest from Bank deposits	46,316,669	57,770,478
<b>Total finance income</b>	<b>46,316,669</b>	<b>57,770,478</b>

NB: This is interest earned on our current bank account balances.

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**10. Other Gains**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Foreign exchange gain/(loss)	(6,028,865)	13,225,716
<b>Total other gains</b>	<b>(6,028,865)</b>	<b>13,225,716</b>

**(a) Computation of foreign exchange gain**

Description	FY 2023-2024	FY 2022-2023	Gain / Loss
	Rate @129.5270	Rate @140.5235	
Exchange Rate Adjustment of USD 548,253.05	71,013,572.81	77,042,437.47	(6,028,865)
<b>Total</b>	<b>71,013,572.81</b>	<b>77,042,437.47</b>	<b>(6,028,865)</b>

**11. Use of Goods and Services**

Description	2023-2024	2022-2023
	Kshs	Kshs
Professional Services	10,763,303	5,279,091
Audit Fees	900,000	2,695,000
Research and Capacity Building Costs	168,639,997	186,138,453
Insurance	1,275,268	1,520,723
Legal Expenses	2,947,187	2,392,626
Postage	713,605	1,212,255
Printing and Stationery	4,974,907	3,162,661
Rent expenses	39,820,711	30,988,153
Training	11,222,666	14,993,647
Travel, Subsistence & Other Allowances	18,534,901	19,201,558
Other General Expenses*	74,348,607	70,227,065
<b>TOTALS</b>	<b>334,141,151</b>	<b>337,811,232</b>

**a) Other General Expenses Include**

Description	2023-2024	2022-2023
	Kshs	Kshs
Motor vehicle expenses	3,274,058	4,005,108
Telephone	1,477,479	1,632,559
Internet	2,395,598	1,258,867
Library	4,520,623	5,010,342
Monitoring & Evaluation Expenses	10,917,270	13,936,050
Other expenses	37,000,614	35,484,139
ICS (PFM) Costs	1,974,916	-
ICS (Internal Audit Quality Assurance) Costs	4,388,049	-
Tax Provision	7,500,000	7,500,000
Provision for Audit Fees	900,000	1,400,000
Additional Provision for Accrued Leave		254,389
<b>TOTALS</b>	<b>74,348,607</b>	<b>70,481,454</b>

**b) Use of Goods and Services Reconciliation**

Description	2023-2024	2022-2023
	Kshs	Kshs
Total of Use of Good & Services (Less Rent expense and Research costs)	125,680,444	120,939,015

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Tax Paid	15,462,752	23,626,940
Rent Paid during the year (Note 11c)	31,193,952	32,576,564
Research Costs paid during the year (Note 11e)	157,107,516	176,729,243
Accrued Expenses – (Use of Good & Services)	(18,487,799)	(6,185,000)
Less: Provisions (Note 26)	(8,400,000)	-
<b>Actual Payment for Use of Goods &amp; Services</b>	<b>302,556,865</b>	<b>347,686,763</b>

**c) Rent Expenses**

Description	2023-2024	2022-2023
	Kshs	Kshs
Prepaid rent b/f	5,735,736	4,147,325
Rent paid during the year (c/flow)	31,193,952	32,576,564
Accrued / (Prepaid) rent c/f	2,891,023	(5,735,736)
<b>Actual Rent expense for the year</b>	<b>39,820,711</b>	<b>30,988,153</b>

**d) Research and Capacity Building Costs breakdown**

Description	2023-2024	2022-2023
	Kshs	Kshs
Research and analysis	101,626,023	105,338,249
Dissemination Workshops	33,027,645	35,105,881
Capacity Building Programs	24,925,427	21,263,486
Research Publications	9,060,901	24,430,837
<b>Total Research Costs</b>	<b>168,639,997</b>	<b>186,138,453</b>

**e) Research and Capacity Building Costs Reconciliation**

Description	2023-2024	2022-2023
	Kshs	Kshs
Total Research Costs	168,639,997	186,138,453
Accrued Costs	(11,532,481)	(9,409,210)
<b>Actual Research &amp; Capacity Building Costs Paid during the year</b>	<b>157,107,516</b>	<b>176,729,243</b>

**12. Employee Costs**

Description	2023-2024	2022-2023
	Kshs	Kshs
Basic Salaries	159,654,187	128,165,638
House Allowances	42,791,442	32,663,780
Commuter Allowances	9,438,688	7,063,000
Telephone Allowances	1,350,927	2,425,662
Other Remunerative Benefits*	15,421,401	12,469,744
NSSF Employer Contribution	1,777,680	552,920
Housing Levy Employer Contribution	3,227,717	-
Employer contribution to health insurance schemes	35,073,581	25,606,215
Gratuity	48,548,294	38,703,070
Other employee related costs *	19,962,271	32,166,654
<b>Employee costs</b>	<b>337,246,188</b>	<b>279,816,682</b>

**\* a) Other Remunerative Benefits include:**

Description: Other Employee related costs breakdown	2023-2024	2022-2023
	Kshs	Kshs
Responsibility Allowance	4,443,257	4,306,000
Leave Allowance	6,127,663	5,378,674

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Special Duty Allowance	1,495,570	872,969
Acting Allowance	1,335,163	1,498,696
Salaries for staff on deployment	17,587	30,695
Entertainment Allowance	455,000	-
Salary Arrears	1,547,161	382,709
<b>Total other employee related costs</b>	<b>15,421,401</b>	<b>12,469,744</b>

*\*Other employee related costs include:*

<b>Description</b>	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Recruitment Costs	1,466,290	12,005,806
Group life Insurance	2,409,344	1,118,437
Casual wages	16,086,637	19,042,411
<b>Total other employee related costs</b>	<b>19,962,271</b>	<b>32,166,654</b>

**b) Employment Costs Reconciliation**

<b>Description</b>	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Total Employment Costs	337,246,188	279,816,682
Accrued costs	(464,105)	(5,729,391)
<b>Actual Payment for Employment Costs</b>	<b>336,782,083</b>	<b>274,087,291</b>

**13. Board Expenses**

<b>Description</b>	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Chairman/Directors' Honoraria	1,020,000	1,020,000
Sitting allowances	6,211,743	4,499,300
Medical Insurance	605,287	605,287
Induction and Training	2,826,900	2,955,100
Other allowances (Board related expenses e.g., Mileage claims, Per diems)	12,501,164	12,812,457
<b>Total</b>	<b>23,165,094</b>	<b>21,892,144</b>

**a) Board Expenses Reconciliation**

<b>Description</b>	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Total Board Expenses	23,165,094	21,892,144
Accrued Expenses	(1,350,510)	(488,212)
<b>Actual Payment for Board Expense</b>	<b>21,814,584</b>	<b>21,403,932</b>

**14. Depreciation and Amortization Expense**

<b>Description</b>	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Property, plant and equipment	29,790,199	21,121,892
Intangible assets	4,505,656	4,043,756
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>34,295,854</b>	<b>25,165,648</b>

**15. Repairs and Maintenance**

Description	2023-2024	2022-2023
	Kshs	Kshs
Property & Equipment	2,542,958	1,541,651
Other repairs and maintenance	-	13,600
<b>Total repairs and maintenance</b>	<b>2,542,958</b>	<b>1,555,251</b>

**a) Repair and Maintenance Costs Reconciliation**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Total Repair and Maintenance Costs</b>	<b>2,542,958</b>	<b>1,555,251</b>
Accrued Costs	(1,690,879)	(165,850)
<b>Actual Repair and Maintenance Costs</b>	<b>852,079</b>	<b>1,389,401</b>

**16. Finance Costs/ Bank Charges**

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Charges	934,810	756,748
<b>Toal Bank Charges</b>	<b>934,810</b>	<b>756,748</b>

**17. Taxation**

Description	2023-2024	2022-2023
	Kshs	Kshs
Tax Paid	15,462,752	23,626,940
<b>Tax paid during the year</b>	<b>15,462,752</b>	<b>23,626,940</b>

**18. Capital Expenditure**

**(a) Young Professionals Programme**

Description	2023-2024	2022-2023
	Kshs	Kshs
Monthly Allowances	35,143,226	25,440,000
Medical	634,230	1,721,302
Research and operating costs	23,130,396	13,048,481
<b>Total Young Professionals Program costs</b>	<b>58,907,852</b>	<b>40,209,783</b>

**i) Young Professionals Programme Cost Reconciliation**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Total Young Professionals Programme Costs</b>	<b>58,907,852</b>	<b>40,209,783</b>
Accrued Costs	(3,139,558)	-
<b>Actual Young Professionals Programme Costs</b>	<b>55,768,294</b>	<b>40,209,783</b>

**b) Fixed Assets & Operating Systems**

Description	2023-2024	2022-2023
	Kshs	Kshs
Furniture & Fittings	12,543,747	34,713,979
Computers	1,693,600	16,069,160
Office Equipment's	8,533,200	11,969,689
Motor Vehicles	13,518,000	-
Intangible Assets	5,397,640	2,876,800
<b>Total Fixed Assets &amp; Operating Systems Costs</b>	<b>41,686,187</b>	<b>65,629,628</b>

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**i) Fixed Assets & Operating Systems' Cost Reconciliation**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Total Fixed Assets &amp; Operating Systems Costs</b>	<b>41,686,187</b>	<b>65,629,628</b>
Accrued Costs	(4,900,000)	-
<b>Actual Fixed Assets &amp; Operating Systems Costs</b>	<b>36,786,187</b>	<b>65,629,628</b>

**19. Cash & Cash Equivalents**

Description	2023-2024	2022-2023
	Kshs	Kshs
Current account	<b>835,372,383</b>	<b>897,174,587</b>
Savings account	-	-
On - call deposits	-	-
Others – Cash in hand	-	-
<b>Total cash and cash equivalents</b>	<b>835,372,383</b>	<b>897,174,587</b>

**Detailed Analysis of the Cash and Cash Equivalents**

Financial institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
<b>a) Current account</b>			
1) NCBA Bank (USD)	6433060047	71,013,573	72,816,186
2) NCBA Bank	6433060052	824,114	45,101,594
3) NCBA Bank	6433060073	1,102,402	1,066,171
4) NCBA Bank	6433060094	(1,317,254)	31,496,878
5) NCBA Bank	6433060115	652,294,543	645,972,322
6) NCBA Bank	6433060107	58,753,883	80,633,260
7) NCBA Bank (USD)	6433060136	-	3,041,290
8) NCBA Bank	6433060128	-	2,421,232
9) Kenya Commercial bank	1254842756	52,701,123	14,625,655
<b>Sub- total</b>		<b>835,372,383</b>	<b>897,174,587</b>
<b>b) On - call deposits</b>	-	-	-
<b>Sub- total</b>	-	-	-
<b>c) Fixed deposits account</b>	-	-	-
<b>Sub- total</b>	-	-	-
<b>d) Staff car loan/ mortgage</b>	-	-	-
<b>Sub- total</b>	-	-	-
<b>e) Others(specify)</b>	-	-	-
Cash in transit	-	-	-
Cash in hand	-	-	-
Mobile money accounts	-	-	-
<b>Sub- total</b>	-	-	-
<b>Grand total</b>		<b>835,372,383</b>	<b>897,174,587</b>

*NB: The EFD Project was closed in FY 2023/24 hence closure of the two (2) bank accounts in NCBA Bank.*

**Conversion of USD to KES**

Account Name	Account No.	Currency	Amount
KIPPRA -Projects	6433060047	USD	548,253.05
Account Name	Account No.	Currency	Amount

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KIPPRA -Projects	6433060047	USD	518,178.00
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**20. Accumulated funds used to finance NIPFN activities.**

Descriptions	2023-2024	2022-2023
	Kshs	Kshs
Staff Salaries	-	746,722.00
Research Costs	-	-
Publication Costs	-	259,200.00
Support to KIPPRA Conference	-	6,214,069.20
<b>Total Financing</b>	<b>-</b>	<b>7,219,991.20</b>

**21. Receivables from Exchange Transactions**

**(a) Receivables from Exchange Transactions (Current)**

Descriptions	2023-2024	2022-2023
	Kshs	Kshs
<b>Current receivables</b>		
Project Income receivable	8,120,707	8,120,707
Recurrent Grant Receivable	12,415,000	-
Training fees receivable	3,526,159	-
Rent deposit	4,215,465	4,215,465
ACBF Receivables	365,606	28,490
Prepaid Rent	-	5,735,736
Car park deposits	331,860	331,860
Salary Advance	-	-
<b>Total current receivables</b>	<b>28,974,797</b>	<b>18,432,258</b>

**(b) Ageing analysis for Receivables from exchange transactions**

Description	FY 2023-24		FY 2022-2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	16,306,765	56%	9,669,468	52%
Between 1- 2 years	-	-	4,215,465	23%
Over 3 years	12,668,032	44%	4,547,325	25%
<b>Total (a+b)</b>	<b>28,974,797</b>		<b>18,432,258</b>	

Notes to the Financial Statements (Continued)

22. Property, Plant and Equipment

Description	Land	Motor Vehicles	Furniture & Fittings	Office Equipment	Computer Equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As of 1 <sup>st</sup> July, 2023	250,000,000.00	17,389,483	99,500,153	41,922,216	38,720,693	447,532,545
Additions during the Year	-	13,518,000.00	12,543,747	8,533,200	1,693,600	36,288,547
Disposal during the Year	-	-	-	-	-	-
Revaluation Reserve						-
<b>As of 30th June, 2024</b>	<b>250,000,000</b>	<b>30,907,483</b>	<b>112,043,900</b>	<b>50,455,416</b>	<b>40,414,293</b>	<b>483,821,092</b>
Additions during the period		-	-	-	-	-
Disposal during the period	-	-				-
<b>As of 30th June, 2024</b>	<b>250,000,000</b>	<b>30,907,483</b>	<b>112,043,900</b>	<b>50,455,416</b>	<b>40,414,293</b>	<b>483,821,092</b>
<b>Depreciation</b>						
As of 1 <sup>st</sup> July, 2023	-	10,585,610	34,879,056	20,505,867	24,342,716	90,313,248
Depreciation for the year	-	5,630,623	12,692,908	4,840,143	6,626,524	29,790,199
Disposal for the period	-	-	-	-	-	-
<b>As of 30th June, 2024</b>	<b>-</b>	<b>16,216,233</b>	<b>47,571,964</b>	<b>25,346,010</b>	<b>30,969,240</b>	<b>120,103,447</b>
Charge for the period	-	5,630,623	12,692,908	4,840,143	6,626,524	29,790,199
Depreciation on Disposal	-	-	-	-	-	-
<b>As of 30th June, 2024</b>	<b>250,000,000.00</b>	<b>14,691,250</b>	<b>64,471,936</b>	<b>25,109,407</b>	<b>9,445,053</b>	<b>363,717,645</b>
<b>Net book value as of 30th June 2024</b>	<b>250,000,000.00</b>	<b>14,691,250</b>	<b>64,471,936</b>	<b>25,109,407</b>	<b>9,445,053</b>	<b>363,717,645</b>
<b>Net book value as of 30th June 2023</b>	<b>250,000,000.00</b>	<b>6,803,873</b>	<b>64,621,097</b>	<b>21,416,350</b>	<b>14,377,977</b>	<b>357,219,297</b>

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

*N/B: KIPPRA was allocated land measuring 2.570 hectares by Government of Kenya in August 2010 situated in Kabete – Kangemi. In October 2011, the parcel of Land was valued at Ksh 64 million by Ministry of Lands. The land's utilization was disputed by the Ministry of Agriculture, Livestock & Fisheries and proposed an alternative that has never materialized to date. On 24<sup>th</sup> August 2016, KIPPRA Land was valued at Kes. 250 million by Ministry of Lands and Physical Planning and these amounts were adopted by the Institute on 30<sup>th</sup> June 2023.*

Property plant and Equipment includes the following assets that are fully depreciated:

Description	Cost or valuation
Plant and Machinery	-
Motor Vehicles including Motorcycles	7,439,483
Computers and Related Equipment	22,016,526
Office Equipment, Furniture and Fittings	15,345,188
<b>Total</b>	<b>44,801,197</b>

**23. Intangible Assets – Software Costs**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Cost</b>		
<b>At beginning of the year</b>	27,120,800	24,244,000
Additions	5,397,640	2,876,800
<b>At end of the year</b>	<b>32,518,440</b>	<b>27,120,800</b>
Additions–internal development	-	-
<b>At end of the year</b>	<b>32,518,440</b>	<b>27,120,800</b>
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	19,447,303	15,403,547
Amortization	4,505,656	4,043,756
<b>At end of the year</b>	<b>23,952,959</b>	<b>19,447,303</b>
Impairment loss	-	-
<b>At end of the year</b>	<b>23,952,959</b>	<b>19,447,303</b>
<b>NBV</b>	<b>8,565,481</b>	<b>7,673,497</b>

**24. Trade and Other Payables**

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Trade payables	62,922,554	16,248,240
Payments received in advance	-	-
Employee payables	7,230,992	5,729,391
Third-party payments	-	-
Other payables	-	-
<b>Total trade and other payables</b>	<b>73,590,152</b>	<b>21,977,631</b>

Ageing analysis: (Trade and other payables)	FY 2023-24	% of the Total	FY 2022-23	% of the Total
Under one year	73,590,152	100%	21,977,631	100%
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total (tie to above total)</b>	<b>73,590,152</b>	<b>100%</b>	<b>21,977,631</b>	<b>100%</b>

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**25. Current Provisions**

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Ksh
Balance b/d (1.07.2023)	-	-	-	-
Additional Provisions		-	8,400,000	8,400,000
Provision utilized		(-)	-	(-)
<b>Total provisions as at 30.6.2024</b>	-	-	8,400,000	8,400,000

NB: Other provision comprises of Tax and Audit fees provision for at Kshs. 7,500,000 and Kshs. 900,000

**26. Finance Lease Obligation**

Description	FY 2023-24	FY 2022-23
	Kshs	Kshs
At the start of the year	28,139,000	19,951,000
Additional provision	-	8,188,000
Paid during the year	(-)	(-)
<b>At end of the year</b>	<b>28,139,000</b>	<b>28,139,000</b>

**Maturity Analysis**

Period	Amount (Kshs)
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 and onwards	28,139,000
Less: Unearned Interest	(-)
<b>Total</b>	<b>28,139,000</b>

**Analysed as:**

Description	Amount (Kshs)
Current	28,139,000
<b>Total</b>	<b>28,139,000</b>

NB: Finance lease represents the rent obligation.

**27. Deferred Income**

Description	FY 2023-24	FY 2022-23
	Kshs	Kshs
National government (GoK)	132,134,618	168,663,963
International funders	-	-
Public contributions and donations	-	-
<b>Total deferred income</b>	<b>132,134,618</b>	<b>168,663,963</b>

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*NB: Represents receipts of development grant from 2010 to 2019 ear marked for the construction of KIPPRA Research Centre and capital commitments for NIPFN Project and Young Professionals Program commitments at the end of the year.*

The deferred income movement is as follows:

Description	National government	International funders	Public contributions and donations	Total
Balance brought forward	168,663,963	-	-	168,663,963
Additions	(36,529,345)	-	-	(36,529,345)
Transfers to Capital fund		-	-	
Transfers to income statement	-	-	-	-
Other transfers	-	-	-	-
<b>Balance carried forward</b>	<b>132,134,618</b>	<b>-</b>	<b>-</b>	<b>132,134,618</b>

## 28. Employee Benefit Obligations

### Retirement benefit Asset/ Liability

The Institute operates a gratuity scheme for qualifying employees which qualifies as a defined benefit scheme. Under the plan, the employees are entitled to 31% of their monthly basic salary for every month of service. The monthly gratuity is paid to a separate gratuity bank account maintained internally by the Institute from where gratuity is paid out from whenever a staff contract comes to an end or whenever an employee leaves employment.

Description	Defined benefit plan (Gratuity)	Post-employment medical benefits	Other Benefits:	2023-2024	2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Current benefit obligation	58,753,883	-	-	58,753,883	80,633,260
Non-current benefit obligation	-	-	-	-	-
<b>Total employee benefits obligation</b>	<b>58,753,883</b>	<b>-</b>	<b>-</b>	<b>58,753,883</b>	<b>80,633,260</b>

### Recognition of Retirement Benefit Asset/ Liability

#### a) Amounts recognised in the Statement of Financial Position

Description	FY 2023-24	FY 2022-23
	Kshs	Kshs
Present value of internally funded obligations	80,633,260	80,633,260
The movement in the defined benefit obligation over the year was as follows:		
At start of year	80,633,260	63,853,452
Utilized during the year	(70,427,731)	(21,923,262)
Charge to profit or loss	40,339,583	38,703,070
Less: Current accrued provision	8,208,771	-
At end of year	<b>58,753,883</b>	<b>80,633,260</b>

The Institute also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Institute's obligation under the scheme is limited to specific contributions legislated from time to time. Other than NSSF the Institute operates a gratuity scheme for qualifying employees which qualifies as

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a defined benefit scheme. Under the plan, the employees are entitled to 31% of their monthly basic salary for every month of service. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

## 29. Non-Current Provisions

Description	Long service leave	Bonus Provision	Gratuity provisions	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at the beginning of the year	-	-	80,633,260	-	80,633,260
Additional Provisions	-	-	40,339,583	-	40,339,583
Provision utilised	(-)	(-)	(70,427,731)	-	(70,427,731)
Change due to discount and time value for money	-	-	-	-	-
Less: Current accrued provision	(-)	(-)	8,208,771	(-)	(8,208,771)
Balance at the end of the year	-	-	58,753,883	-	58,753,883

## 30. Cash Generated from Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Surplus for the year before tax	(84,761,551)	9,980,170
<b>Adjusted for:</b>		
Depreciation	29,790,199	21,121,892
Non-cash grants received	(-)	(-)
Contributed assets	(-)	(-)
Amortization	4,505,656	4,043,755
Gain /(Loss) on foreign exchange transactions	6,028,865	-
Contribution to provisions	8,400,000	8,900,000
Contribution to impairment allowance	-	-
Finance income	(46,316,669)	(57,770,478)
Finance cost	-	24,383,689
<b>Working Capital adjustments</b>		
Increase in inventory	-	(-)
Increase in receivables	16,278,275	4,968,194
Increase in deferred income	(33,966,533)	(31,723,426)
Increase in payables	70,699,129	21,977,631
Increase in payments received in advance (Ongoing Projects' income)	7,952,725	15,751,623
<b>Net cash flow from operating activities</b>	<b>(21,389,904)</b>	<b>21,633,050</b>

## 31. Financial Risk Management

The Institute's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Institute's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Institute does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The Institute's financial risk management objectives and policies are detailed below:

i) **Credit risk**

The Institute has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Institute's management based on prior experience and their assessment of the current economic environment.

**Financial Risk Management**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at 30 June 2024</b>				
Receivables from exchange transactions	28,974,797	-	-	28,974,797
Receivables from non-exchange transactions	-	-	-	-
Bank balances	835,372,383	-	-	835,372,383
<b>Total</b>	<b>864,347,180</b>	-	-	<b>864,347,180</b>
<b>As at 30 June 2023</b>				
Receivables from exchange transactions	18,432,258	-	-	18,432,258
Receivables from non-exchange transactions	-	-	-	-
Bank balances	897,174,587	-	-	897,174,587
<b>Total</b>	<b>915,606,845</b>	-	-	<b>915,606,845</b>

**Financial Risk Management**

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

ii) **Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Institute's directors, who have built an appropriate liquidity risk management framework for the management of the Institute's short, medium and long-term funding and liquidity management requirements. The Institute manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Institute under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table

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are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 5 months
	Ksh'000'	Ksh'000'	Ksh'000'
<b>As at 30 June 2024</b>			
Trade payables	70,699,129	-	-
Current portion of borrowings	-	-	-
Provisions	-	-	8,400,000
Deferred income	-	-	134,697,430
Employee benefit obligation	-	-	58,753,883
<b>Total</b>	<b>70,699,129</b>	<b>-</b>	<b>201,851,313</b>
<b>As at 30 June 2023</b>			
Trade payables	21,977,631	-	-
Current portion of borrowings	-	-	-
Provisions	-	-	4,928,699
Deferred income	-	-	168,663,963
Employee benefit obligation	-	-	80,633,260
<b>Total</b>	<b>21,977,631</b>	<b>-</b>	<b>254,225,922</b>

**iii) Market risk**

The Institute has put in place an internal audit function to assist it in assessing the risk faced by the Institute on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Institute's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Risk Management Committee. The Institute's Strategy and Planning Department is responsible for the development of detailed risk management policies (subject to review and approval by Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Institute's exposure to market risks or the way it manages and measures the risk.

**a) Foreign currency risk**

The Institute has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Institute manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

**b) Interest rate risk**

Interest rate risk is the risk that the Institute's financial condition may be adversely affected as a result of changes in interest rate levels. The Institute's interest rate risk arises from bank deposits. This exposes the Institute to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Institute's deposits.

**Management of interest rate risk**

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To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

**Fair value of financial assets and liabilities**

**a) Financial instruments measured at fair value.**

**Determination of fair value and fair values hierarchy**

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Institute's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Institute considers relevant and observable market prices in its valuations where possible.

**Financial Risk Management**

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30 June 2024</b>				
<b>Financial Assets</b>				
Quoted equity investments	-	-	-	-
<b>Non- financial Assets</b>				
Investment property	-	-	-	-
Land and buildings	250,000,000	-	-	250,000,000
	<b>250,000,000</b>	-	-	<b>250,000,000</b>
<b>As of 30<sup>th</sup> June 2023,</b>				
<b>Financial Assets</b>				
Quoted equity investments	-	-	-	-
<b>Non- financial Assets</b>				
Investment property	-	-	-	-
Land and buildings	250,000,000	-	-	250,000,000
	<b>250,000,000</b>	-	-	<b>250,000,000</b>

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

**iv) Capital Risk Management**

The objective of the Institute's capital risk management is to safeguard the Institute's ability to continue as a going concern. The Institute capital structure comprises of the following funds:

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Description	FY 2023-24	FY 2022-23
	Kshs	Kshs
Revaluation reserve	239,919,000	239,919,000
Retained earnings – realized during the year	450,053,043	576,500,781
Capital reserve	-	-
<b>Total funds</b>	<b>689,972,043</b>	<b>816,419,781</b>
Total borrowings	-	-
Less: cash and bank balances	835,372,383	897,174,587
Net debt/ (excess cash and cash equivalents)	145,400,340	80,754,806
<b>Gearing</b>	<b>17%</b>	<b>9%</b>

## 32. Related Party Disclosures

### Nature of related party relationships

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

### Government of Kenya

The Government of Kenya is the principal shareholder of the KIPPRA, holding 100% of the Institute's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Institute, both domestic and external.

### Other related parties include:

- i) The Parent Ministry; The National Treasury & Economic Planning, State Department for Economic Planning
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of directors.

Description	FY 2023-24	FY 2022-23
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>Sales to related parties</b>		
<b>Total</b>	-	-
<b>B) purchases from related parties</b>		
<b>Total</b>	-	-
<b>Grants /transfers from the government</b>		
Grants from national govt	593,175,767	563,967,603
Grants from county government	-	-
Donations in kind	-	-
<b>Total</b>	<b>593,175,767</b>	<b>563,967,603</b>
Expenses incurred on behalf of related party		
<b>Total</b>	-	-
<b>Key management compensation</b>		
Directors' emoluments*	23,165,094	21,892,144
Compensation to key management	98,506,677	111,476,601
<b>Total</b>	<b>714,847,538</b>	<b>727,148,745</b>

Notes to the Financial Statements (Continued)

Breakdown of Director's emoluments

S/No	Name	Honoraria	Sitting Allowances	DSA	Mileage	Board Induction / Training	Board Medical Cover / GPA	FY 2023-24
								Kshs
1	Prof. Benson Ateng'	1,020,000	800,000	364,000	90,174	-	-	2,274,174
2	Ms Anita Chepseba	-	680,000	236,600	90,680	-	-	1,007,280
3	Dr Fred Simiyu	-	24,000	72,800	79,232	-	-	176,032
4	Dr Indeje Wanyama	-	180,000	72,800	2,000	-	-	254,800
5	Mrs Christine Wanjala	-	920,000	1,019,200	530,739	-	-	2,469,939
6	Ms Fatuma Hussein	-	680,000	218,400	49,944	-	-	948,344
7	Dr Kevin Ongeti	-	800,000	636,600	656,943	-	-	2,093,543
8	Prof. Harrison Maithya	-	760,000	637,000	431,768	-	-	1,828,768
9	Mr Timothy Gakuu	-	160,000	109,200	68,080	-	-	337,280
10	Mr Aloyse Ratemo	-	460,000	200,200	24,000	-	-	684,200
11	Dr Boaz Cheluget	-	680,000	746,200	652,576	-	-	2,078,776
12	Mr Joseph Musuni	-	400,000	163,800	329,520	-	-	893,320
13	Prof. Peter Kibet	-	380,000	254,800	232,170	-	-	866,970
14	Mr Samuel Wambugu	-	560,000	127,400	96,462	-	-	783,862
15	Mr Joseph Tiampati	-	20,000	36,400	29,624	-	-	86,024
16	Dr Chris Galgallo Ali	-	240,000	309,400	226,000	-	-	775,400
17	Mr John Olela	-	480,000	145,600	81,908	-	-	707,508
18	Ms Phoebe Nkaabu	-	240,000	309,400	280,343	-	-	829,743
19	Board Induction / Training	-	-	-	-	2,113,334	-	2,113,334
20	Board Medical Cover / GPA	-	-	-	-	-	605,287	605,287
<b>Total</b>								<b>21,814,584</b>

### 33. Contingent Assets and Contingent Liabilities

#### Contingent Liabilities

Description	FY 2023-24	FY 2022-23 Reinstated
	Kshs	Kshs
<b>Contingent Liabilities</b>	-	-
Court Case against the Entity	71,127,954	71,127,954
Bank Guarantees in Favour of Subsidiary	-	-
Others (Specify)	-	-
<b>Total</b>	<b>71,127,954</b>	<b>71,127,954</b>

#### Court Cases & Contracts

Description	FY 2023-24	FY 2022-23
	Kshs	Kshs
Court case Mr. Nicholas Ogola's against KIPPRA	21,794,904	21,794,904
Court case Prof. Mwangi Kimenyi's against KIPPRA	45,000,000	45,000,000
Court case Manaseh Otieno Oiro against KIPPRA	168,186	168,186
Arbitration case Josim Instantaneous Consortium (K) Ltd against KIPPRA	4,164,864	4,164,864
<b>Total</b>	<b>71,127,954</b>	<b>71,127,954</b>

*N/B: The court case are all Employment and Labour related.*

### 34. Capital Commitments

Capital Commitments	FY 2023-24	FY 2022-23
	Kshs	Kshs
Authorised for	-	-
Authorised and contracted for	33,629,536	20,107,000
<b>Total</b>	<b>33,629,536</b>	<b>20,107,000</b>

*(NB: Capital commitments will be carried out in the next financial year disclosed in accordance with IPSAS 17. They represent commitments that were authorised, contracted and those already contracted for and ongoing).*

### 35. Events after the Reporting Period

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

### 36. Ultimate And Holding Entity

The Kenya Institute of Public Policy Research and Analysis is a State Corporation under the National Treasury and Economic Planning, State Department for Economic Planning. Its ultimate parent is the Government of Kenya.

### 37. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

36. Appendices

**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.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	KIPPRA Land	This is being pursued through the PS Economic Planning and Public Investment Committee of Parliament	Not Resolved	June 2025

  
 \_\_\_\_\_  
 Executive Director

Date: 6/12/2024

**APPENDIX II: PROJECTS IMPLEMENTED BY THE INSTITUTE**

Projects implemented by the Institute Funded by development partners and/ or the Government.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
KIPPRA Young Professional Programme		GoK	One year Program – Continuous in Cohorts	N/A	No	Yes

**Status of Projects completion**

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	KIPPRA Young Professional Programme	59,525,282	59,525,282	100%	58,525,282	58,525,282	GoK

**APPENDIX III: INTER-ENTITY TRANSFERS**

<b>ENTITY NAME:</b>		Kenya Institute for Public Policy Research and Analysis (KIPPRA).		
<b>Breakdown of Transfers from the State Department for Economic Planning for FY 2023/2024</b>				
<b>a.</b>	<b>Recurrent Grants</b>			
		<b><u>Bank Statement Date</u></b>	<b><u>Amount (Ksh)</u></b>	<b><u>Indicate the FY to which the amounts relate</u></b>
		07.08.2023	43,815,000	FY 2023/24
		07.09.2023	43,815,000	FY 2023/24
		17.10.2023	43,815,000	FY 2023/24
		01.11.2023	43,815,000	FY 2023/24
		08.12.2023	43,815,000	FY 2023/24
		03.01.2024	43,815,000	FY 2023/24
		06.02.2024	43,815,000	FY 2023/24
		12.03.2024	43,815,000	FY 2023/24
		11.04.2024	43,815,000	FY 2023/24
		02.05.2024	43,815,000	FY 2023/24
		12.06.2024	43,815,000	FY 2023/24
		11.07.2024	12,415,000	FY 2023/24
		<b>Total</b>	<b>494,380,000</b>	

<b>ENTITY NAME:</b>		Kenya Institute for Public Policy Research and Analysis (KIPPRA).		
<b>Breakdown of Transfers from the State Department for Economic Planning for FY 2023/2024</b>				
<b>b.</b>	<b>Development Grants</b>			
		<b><u>Bank Statement Date</u></b>	<b><u>Amount (Ksh)</u></b>	<b><u>Indicate the FY to which the amounts relate</u></b>
		26.09.2023	17,000,000	FY 2023/24
		08.01.2024	5,525,750	FY 2023/24
		22.03.2024	5,666,666	FY 2023/24
		27.03.2024	11,474,250	FY 2023/24
		27.03.2024	5,666,666	FY 2023/24
		09.04.2024	5,666,666	FY 2023/24
		30.04.2024	5,666,667	FY 2023/24
		27.06.2024	(10,666,665)	FY 2023/24
		<b>Total</b>	<b>46,000,000</b>	

**APPENDIX IV: TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/D evelopment/ Others	Total Amount - KShs	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
State Department for Economic Planning	Various as Appendix v	Recurrent	481,965,000	494,380,000	-	-	12,415,000	-	494,380,000
State Department for Economic Planning	Various as Appendix v	Development	46,000,000	-	-	-	-	-	46,000,000
<b>Total</b>			<b>527,965,000</b>	<b>494,380,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>540,380,000</b>

**APPENDIX V: INTER-ENTITY CONFIRMATION LETTER**

Name of Transferring entity.....

Name of Beneficiary entity.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 <sup>th</sup> June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
The Institute did not have transfers in the year					
Total					

I confirm that the amounts shown above are correct as of the date indicated.

**Head of Accounts Department - Disbursing Entity:**  
 Name ..... Sign ..... Date .....

**Head of Accounts Department - Beneficiary Entity:**  
 Name ..... Sign ..... Date.....

**APPENDIX VI: REPORTING OF CLIMATE RELEVANT EXPENDITURES**

Project Name	Project Description	Project Objectives	Project Activities	Quarter "Ksh"				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Youth in climate change	Youth in climate change action	Bring together youth in Climate change arena and provide a	Youth climate change symposium	715,700	-	-	-	GoK	KIPPRA
Climate change preparedness Index	Develop climate change preparedness Index for Kenya	Examine the status of climate change preparedness across Kenyan Counties	Conduct survey on Climate change preparedness	-	-	-	3,106,400	Projects	World Resource Institute
Corporate Social Responsibility	Corporate Social Responsibility	Environmental conservation	Tree planting activities	144,200	548,100	159,400	361,500	GoK	KIPPRA
	<b>TOTALS</b>			<b>859,900</b>	<b>548,100</b>	<b>159,400</b>	<b>3,467,900</b>		

**APPENDIX VII: REPORTING ON DISASTER MANAGEMENT EXPENDITURE**

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
<b><i>– The Institute did not have any expenditure on disaster to report on.</i></b>						