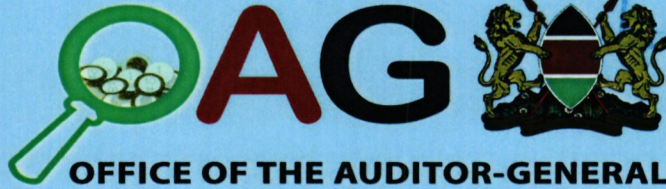


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THE NATIONAL ASSEMBLY	
DATE: 02 MAR 2022	
DAY: WEDNESDAY	
TABLED BY:	MAJORITY WHIP
CLERK-AT-THE-TABLE:	HON. E. WANGWE
	SAMUEL KALAMA.

REPORT

OF

THE AUDITOR-GENERAL

ON

**NATIONAL COUNCIL FOR POPULATION
AND DEVELOPMENT**

**FOR THE YEAR ENDED
30 JUNE, 2020**



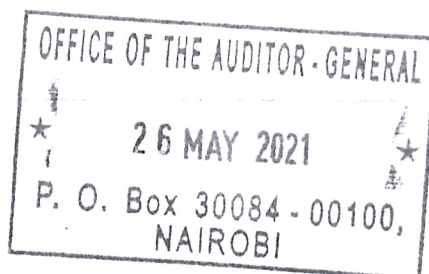


NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

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



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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The National Council for Population and Development was established as a State Corporation on 29th October, 2004 through the legal Notice No. 120 contained in the Kenya Gazette Supplement No. 68. At Cabinet level, NCPD is represented by the Cabinet Secretary for The National Treasury who is responsible for the general policy and strategic direction. NCPD is governed by a Board of Directors which is responsible for the general policy and strategic direction of the Council.

(b) Principal Activities

The principal activity/mission/mandate of the National Council for Population and Development is to:

- Analyse population issues and develop policies related to population
- Provide leadership and mobilize support for population programmes including coordinating population programmes implemented by different organizations
- Assess the impact of population programmes and make recommendations arising from such assessments
- Assist other organizations in dealing with population issues
- Identify and advise on population issues that may not be adequately or appropriately dealt with by the Government
- Advocate for political and other support to address population issues.

“Population issues” mean:

- a) Issues that relate to, arise from, or influence mortality, reproduction or migration; and
- b) Other issues that relate to population; “Population Programmes” means programmes addressing population issues.

The Council has a Board whose membership is drawn from key Government Ministries handling population related issues, civil society and private sector organizations. A Chairman, who is appointed by the President for a period of three (3), years, heads the Board. The Director General, who is appointed by the Board, is the Chief Executive Officer of the Council and the secretary to the Board.

Vision of the Council

Quality Population for a Prosperous Kenya

Mission of the Council

To Provide Excellent Leadership in Population Policy Development and Its Implementation for Sustainable Development

Objectives of the Council

Strategic Objective 1:

To coordinate implementation of population policies and programme and integration of population variables in development planning at national and county levels

Strategic Objective 2:

To align the population policy with national, regional and international agenda

Strategic Objective 3:

To provide evidence based information for decision making

Strategic Objective 4:

To create awareness on population and development issues

Strategic Objective 5:

To enhance advocacy for the support of P&D policies and programmes

Strategic Objective 6:

To Improve financial, human capacity and internal systems for the implementation of population programme

Strategic Objective 7:

To Improve NCPD visibility

Core Values

Evidence based, Professionalism, Integrity, Inclusiveness, Flexibility

(c) Key Management

The National Council for Population and Development's day-to-day management is under the following key organs:

- Director General (CEO)
- Senior Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

NO	Designation	Name
1	Director General (CEO)	Dr. Mohammed A. Sheikh
2	Director Technical Services	Peter Arisi Nyakwara
3	Director Corporate Services	Margaret Muthoni Mwangi
4	Deputy Director CAPE	Lucy Kimondo
5	Deputy Director Policy & Research	Catherine Wanjiru Ndei
6	Deputy Director Programmes, Coordination & monitoring	Hosea Nzomo Mulatya
7	Deputy Director Finance & Accounting	Taslim Mueni Wason
8	Deputy Director HR & Administration	Dorothy Adhiambo Oliech
9	Chief Internal Auditor	Susan Njeri Meshack
10	Deputy Director Planning, Budgeting, Monitoring and evaluation and Resource Mobilization	Shelmith Mugo
11	Chief Public Relations Officer	Francis Mwongela

(e) Fiduciary Oversight Arrangements

The Board of the National Council for Population & Development has the overall fiduciary responsibility of providing oversight and policy direction and ensuring that all activities are in the best interest of the Council. They have a fiduciary duty of due care, skill and diligence.

The Board has appointed the Audit and Risk Committee which meets quarterly. The Audit committee is charged with oversight of financial reporting and disclosure. Committee

members are drawn from members of the council's Board of Directors, with a chairperson selected from among the committee members

The committee is responsible for oversight of the financial reporting process, and receipt of audit results both internal and external. The committee assists the Board of Directors fulfil its corporate governance and overseeing responsibilities in relation to the council's financial reporting, internal control system, risk management system and internal and external audit functions. Its role is to provide advice and recommendations to the Board within the scope of its terms of reference / charter.

The Council has Finance and Administration and Technical Committees whose membership is drawn from the Board of Directors. The Finance and Administration committee offers advice and guidance and leadership of financial matters, Human resource and any other matters that require direction. The Technical committee provides guidance and leadership on technical Population matters and reviews the activities and programmes.

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(f) Entity Headquarters

P.O. Box 48994-00100
Chancery Building
Valley Road
Nairobi, KENYA

(g) Entity Contacts

Telephone :(254) 2711600
E-mail: info@ncpd-ke.org
Website: www.ncpd-ke.org

(h) Entity Bankers

1. ABSA Bank of Kenya
Hurlingham Branch
P.O. Box 30074
GPO 00100
Nairobi, Kenya
2. National Commercial Bank of Africa
Mama Ngina Branch
P.O Box 30437
00100 - Nairobi
Kenya



(i) Independent Auditors



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



(j) Principal Legal Adviser

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



THE BOARD OF DIRECTORS

 <p>Mr. Samuel E. Kona</p>	<p>Board Chairman</p>	<p>Mr Samuel E. Kona is a mediation, governance and conflict resolution expert with over 26 years of substantive experience in the sectors.</p> <p>Mr. Sam Kona holds a Masters Degree in Conflict Resolution from Lancaster University in the United Kingdom and currently serves as the Board’s Chairperson.</p> <p>He brings to the Board a wealth of experience in governance and conflict resolution.</p>
 <p>Amb. Mohamed Mahat</p>	<p>Board Member</p>	<p>Ambassador Mohamed Mahat is a distinguished Diplomat.</p> <p>He has served as Kenya’s Ambassador in various States and is currently stationed at Ministry of Foreign Affairs.</p> <p>Amb. Mohamed Mahat is the current Secretary General for SUPKEM.</p> <p>He Brings to the Board a wealth of experience in Public sector and International relations.</p>
	<p>Board Member</p>	<p>Rev. CS Chris Kinyanjui Kamau is a member of the Anglican Church of good standing, ordained to priesthood at the Anglican Diocese.</p> <p>He is an advocate of the High Court of Kenya and Holds a Masters in law.</p> <p>He is currently the General Secretary at the National Council of Churches of Kenya (NCCCK).</p> <p>He brings to the Board experience in leadership and</p>



		<p>corporate governance.</p>
	<p>Board Member</p>	<p>Jacinta Mutegi has extensive experience in health sector management. She holds a Master’s in Organizational Development from the United States International University as well as a Masters of Arts in project management from the University of Nairobi and a Bachelors of Environment from Kenyatta University.</p> <p>She currently serves as the Executive Secretary for the Conference of Catholic Bishops– (KCCB). She brings to the Board experience in overseeing high level strategic partnerships, advocacy and network coordination of health services.</p>
	<p>Board Member</p>	<p>Anne Ileri is an accomplished legal and Gender specialist.</p> <p>She earned her LL.B hons degree from Moi University in Kenya and has a post graduate diploma in Legal studies from the Kenya School of law. She is a member of the Kenyan Bar and has nine years post admission experience. Anne has also earned a post graduate diploma in human</p>

 <p>Anne Ileri</p>	<p>rights and gender equality from Uppsala University in Sweden.</p> <p>She is currently the Chief Executive Director of FIDA Kenya. Anne Brings to the Board a wealth of experience in human rights and gender equality.</p>
 <p>Board Member</p>	<p>He is an accomplished, capable and result driven Educationist with 14 years' experience as a technical teacher.</p> <p>He holds a Post Graduate Diploma in Leadership Development in ICT and Knowledge Society, Masters of Business Administration degree (Finance) and Bachelor's Degree in Technology Education (Electrical) .</p> <p>He currently serves at the Ministry of Education in the General, Early learning and Basic Education department.</p> <p>He brings to the Board a wealth of experience in leadership development and ICT.</p>


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<p>Mr. Fredrick Mujumba</p>		
	<p>Board Member</p>	<p>He is a research specialist in Biodiversity, Ecology and Entomology. Currently he is the Deputy Director for Environmental Planning and Research Coordination at the National Environment Management Authority (NEMA), Kenya. He brings to the Board a wealth of experience in research and environmental planning that are key population development.</p>
<p>Dr. Charles N. Lange</p> 	<p>Board Member</p>	<p>He is an accomplished academician and research specialist with more than 14 years' experience as a Lecturer in a number of Kenya's Public universities. He holds hold a Masters of Science (Geochemistry) from the University of Leeds, UK and a Doctor of Philosophy (Geochemistry) from Moi University. He currently a Lecture at Eldoret University in Eldoret. He brings to the Board a wealth of experience in scientific research and leadership.</p>
<p>Dr. Musa Arusei</p>		


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	<p>Board Member</p>	<p>Dr. Patrick Amoth is a medical doctor with a Masters of Medicine (MMed) degree in Obstetrics/Gynecology from University of Nairobi. He is currently the Director General for Public Health at the Ministry of Health Kenya. He brings to the Board a wealth of experience in developing national guidelines on standards of health care for both clinical and community health practice in Reproductive, Maternal, Newborn and Child health, planning, directing and developing preventive and promotive policies at the national level, the formulation and development of national health policies, plans and programmes.</p>
<p>Dr. Patrick Amoth</p>		
<p>Beatrice Manyonge</p>	<p>Board Member</p>	<p>Ms. Beatrice Manyonge works in Ministry of Devolution & Planning and represents the Principal Secretary. She is an Economist by training</p>
	<p>Board Member</p>	<p>Ms. Rahab Muiu is the Maendeleo Ya Wanawake Organization (MYWO) National Chairperson in the Board</p> <p>She brings to the Board over 18 years of progressive experience in Community Development and Gender Programming work.</p> <p>She Brings to the Board a wealth of experience in Projects and Programme management, capacity building, leadership and management, partnership building and networking, resource mobilization and grant management.</p>
<p>Rahab Mwikali Muiu</p>		




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	<p>Director General</p>	<p>Dr. Mohamed Sheikh is a Medical Doctor. He holds a Masters Degree in International Public Health and a second Master in Maternal and Child health. He previously served as the Head of Family Health Department, Ministry of Health Kenya and also served as the provincial director of medical services, North Eastern province of Kenya</p>
<p>Dr. Mohamed Sheikh</p>		




MANAGEMENT TEAM

NAME	QUALIFICATIONS	AREA OF RESPONSIBILITY
	<p>Masters in International Public Health Masters in Maternal & Child Health</p>	<p>Director General</p>
<p>Dr. Mohamed Sheikh</p>		




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 <p>Peter Arisi Nyakwara</p>	<p>Masters in Demography</p>	<p>Director Services Technical</p>
 <p>Margaret M Mwangi</p>	<p>Masters of Business Administration - Finance</p>	<p>Director Services Corporate</p>
 <p>Lucy Kimondo</p>	<p>Masters in Population Studies</p>	<p>Advocacy & Public Education</p>




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 Catherine Ndei	Masters in Applied Research	Policy & Research
 Hosea Nzomo Mulatya	Masters of Arts (Population Studies) Master of Arts (Environmental Planning and Management)	Programmes Coordination
 Taslim Mueni Wason	Masters of Business Administration – Finance Masters of Business Administration - Strategic Management	Finance and Accounting
	Masters of Business	Human Resources &

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 <p>Dorothy A. Oliech</p>	<p>Administration – Human Resource</p> <p>Higher Dip in HRM</p>	<p>Administration</p>
 <p>Susan Njeri Meshack</p>	<p>Masters of Business Administration – Finance</p>	<p>Chief Internal Auditor</p>
 <p>William O. Ochola</p>	<p>Post. Grad. Dip in Procure, BA Economics</p>	<p>Supply Management Chain</p>

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 Shelmith Mugo	Masters of Arts - Economics	Planning, M&E and Resource Mobilization
 Francis Mwangela	Masters of Arts – Communication Studies	Chief Public Relations Officer
 Samuel Lubanga	Masters in Information Technology Management	Chief Information, Communication and Technology

CHAIRMAN'S STATEMENT

The National Council for Population and Development was established as a state corporation in the year 2004. The Council's mandate is to provide guidance and leadership in the management of population matters in the country. Management of the Country's population is vital as it requires matching population growth with the available resources. NCPD has continued to involve stakeholders in the conduct of its affairs to guarantee the support for population programmes.

During the year 2019-2020 the Council made important strides in ensuring sustainable long-term success of population programmes. The Council held the ICPD+25 summit successfully. Advocacy programme at NCPD remained strong. New advocacy activities were initiated at the Council level to reach out to County Assembly members, National and County Government leaders for political and financial support of population and development programmes.

The NCPD Board has appointed Board committees to oversee the affairs of the Council to ensure accountability and transparency. The committees are Audit and Risk, Finance and Administration and the Technical Committee. Each of these committees meets quarterly and report to the main Board.

The Council signed a performance Contract with the State Department of Planning in 2019/2020. The evaluation process has not been done but the self-evaluation ranked the Council as "Very Good", which signifies commitment of the Board and Management to execute its duties and responsibilities and meeting the set targets and objectives.

As a quality-based organization, the Council maintained ISO 9001:2015 certification and ISMS certification status and continued improving its services to both external and internal customers. A re-certification audit was carried out during the year and the Council was able to retain its certified status under ISO standard.

Board Member

[Handwritten Signature]
Date:

REPORT OF THE DIRECTOR GENERAL

The National Council for Population and Development is a semi-autonomous agency in The National Treasury and Planning. She provides leadership in implementation of population and development policy and programmes. In order to meet both policy and management obligations, the Council maintains a team of officers assigned different duties and responsibilities. There were also appointments of new technical and administrative staff to fill existing vacant positions.

During the year NCPD started the process of a major review of Kenya's Population Policy for National Development (Sessional Paper No. 3 of 2012). It also successfully participated in the international, regional and national preparatory activities and hosted the International Conference on Population and Development (ICPD25 Nairobi Summit). In this Summit, Kenya adopted a total of 17 commitments read by HE. The President to accelerate the achievement of the ICPD Programme of Action agreed in 1994 in Cairo Egypt. The National Treasury and Planning was charged with the responsibility of tracking and reporting on the implementation of the ICPD25 Kenya Commitments through the National Council for Population and Development. Already with other stakeholders, an Action Plan to guide the implementation of the commitments up to year 2030 has been developed.

An agreement was also reached with a new development partner to support the Council's *programmes* in the Counties. This led to convening of meetings in 18 Counties with Members of the County Assembly and other county leaders to advocate for support of population and reproductive health programmes and activities.

With the available resources, the Council carried out other important activities during the year such as advocacy with parliamentarians, and other leaders. The Council also undertook public education activities through different media. Family Planning messages were disseminated on both radio and TV, through the support of a number of development partners. NCPD staff and collaborating partners were trained on data management and communication.

Financial Statements

The Financial Statement for the financial year 2019/2020 is NCPD's record of financial transactions, obligations and value of assets. The accounts are submitted having been discussed and approved by the Board. During the 2019/2020 Financial Year, the Council

received a government grant of Kshs 481,638,685 for its operations. It also received additional resources of Kshs 58,442,500 from Development partners for scheduled development activities. The Board was fully briefed and updated on the financial implications of the programmed activities of the Council and appraised on any constraints. With regard to the efficiency of the operating systems, the Board did note and appreciate the adoption by management of a computerized financial management system. Overall, the Board was satisfied that the Council's financial operations were prudent and generally satisfactory.

Results

In its efforts to raise additional funds, the Council undertook to provide technical services to other organizations and in the process charge an appropriate fee. Through this method, the Council was able to accrue some amount of AIA. The Council also facilitated a number of collaborating partners, including providing working space. The Government of Kenya increased its financial support for programmed activities. However, the Council still requires additional funding to fully achieve its mandate and follow the new constitution, by devolving its services to all the Counties.

Staff Recruitment and its Implications

Early in 2006, the Council commissioned a study to review and recommend appropriate staff levels, job designations and remunerations and the review was later updated as recommended by ministry of State for Public Service in a follow, up study done in the year 2010. During the 2019/2020 Financial Year, the Council continued to implement the study recommendation on a phased approach. The major implication was the resulting higher requirements for staff salaries since these were now pegged on the experience and practice of comparable state corporations. The Council is still in negotiations with SRC to implement the recommendations.

The Council is still lobbying for more funds to recruit personnel for key positions at the headquarters and the forty-seven Counties which are not currently fully filled.


Dr. Mohamed A. Sheikh
Director General

Date:


MANAGEMENT DISCUSSION AND ANALYSIS

The entity's operational and financial performance

The Council Received Kshs 481,638,685 from the Government of Kenya and Kshs58, 442,500 from Development Partners to fulfil its mandate.

The Council justified its case of budget deficit and received 21 million in the year 2019 -2020 and is awaiting feedback from SRC to facilitate implementation of the same.

The Councils Past performance may not reflect the future as the problem of underfunding was addressed and the Council's recurrent budget enhanced.

A parliamentary network on population is now functional to advocate for matters pertaining to Population with a view of ensuring that Population growth matches the available resources.

The major challenge to the Council has been inadequate funding and inadequate technical staff.

Entity's compliance with statutory requirements

The National Council for Population and Development complied with the statutory requirements and there were no major non-compliance that may expose the entity to potential contingent liabilities.

Key projects and investment decisions the entity is planning/implementing

The major project being implemented by the council is Formulation, Coordination, Monitoring & Evaluation of Population & Development Policies and Programs. The project covers a number of activities that are planned to achieve the stated objective. These will be conducted through strengthening policy implementation including advocacy for population issues, coordination, monitoring and evaluation. The broad activities supported include (i) Coordinating population programmes by all stakeholders, Conducting relevant surveys on topic issues, preparation of State of Kenya Population Report. (ii) M & E of projects, (iii) Advocacy for population issues including Reproductive, Maternal New born, Child Adolescent and Health (RMNCAH) in the counties (iv) updating of population policy related instruments and, (v) implementation of interventions for realization of Demographic Dividend roadmap for Kenya including research, modeling and knowledge sharing.

The project is expected to achieve the following social economic benefits:

- Increased uptake of Maternal, Child health and Family planning services
- Harnessing of economic, health and education opportunities for youth (Demographic Dividend) in 47 counties
- sustainable population that matches available resources
- Reduction in maternal and infant mortality especially in the counties

The project is financed through grants from UNFPA, World Bank, USAID, Bill and Melinda Gates and JHPIEGO

Major risks facing the entity

The major risks that are:

Liquidity. The council is service Organization with major donors being GOK and development partners who may change their priorities due to competing needs. This is being mitigated by diversifying sources of finances.

The council is also exposed to legal risks as it is formed through a legal notice. A draft bill is already in place to mitigate against this risk.

Another risk the council is exposed to is political especially on pronouncements regarding child birth, shifting

government focus, and reorganization in government. This is being mitigated by setting up a Parliamentary Network on Population to advocate for population issues the country and create champions for political support.

Another risk is Market Risk. Some NGOs are competing with NCPD in carrying out the population related activities. This will be mitigated by the legal instruments.

Material arrears in statutory/financial obligations

The council has not implemented the results of the job evaluation results to staff. The Council is still awaiting feedback from the commission.

The entity's financial probity and serious governance issues

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

CORPORATE GOVERNANCE STATEMENT

Separation of Duties

The independence of the Board from the Council's management is ensured by the separation of the functions of the Chairman and Director General and a clear definition of their responsibilities in the Board Charter. This helps the Council achieve an appropriate balance of power, increased accountability and improved decision making.

Responsibilities of Directors

Ultimately, the Board determines the Council's strategic objectives, values, key policies and procedures in accordance with best practice. It is responsible for establishing and maintaining the overall internal controls of financial, operations and compliance functions as well as monitoring performance of the executive management.

The Board has delegated the authority for day to day management of the Council to the Director General. However, it retains overall responsibility for the Council's financial performance, compliance with laws and regulations, risk management and monitoring of its operations as well as ensuring competent management of the Council's business.

The Board sets the strategic intent of the Council, its objectives and values. It ensures that procedures and policies are in place to protect the Council's assets and reputation. The Board reviews the strategic direction and adopts strategic plans proposed by Management

Board Composition

The Board of directors comprise of a non-executive chairman who is an independent director, two other independent directors, whose membership is drawn from key Government Ministries handling population related issues, civil society and private sector organizations. A Chairman, who is appointed by the President for a period of three (3), years, heads the Board. The Director General, who is appointed by the Board, is the Chief Executive Officer of the Council and the secretary to the Board.

The directors have a wide range of skills and experience and each offers independent judgment and knowledge to Board discussions.

The members of the Board were:

- | | | |
|-------------------------------|---|----------|
| i. Mr. Samuel Kona | - | Chairman |
| ii. Amb. Mohamed Mahat | - | Member |
| iii. Dr. Charles Lange | - | Member |
| iv. Ms. Jacinta Mutegi | - | Member |
| v. Rev. Chris Kinyanjui Kamau | - | Member |

vi. Dr. Musa Arusei	-	Member
vii. Fredrick Mujumba	-	Member
viii. Beatrice Manyonge	-	Member
ix. Rahab Mwikali Muiu	-	Member
x. Anne Ileri	-	Member
xi. Dr. Patrick Amoth	-	Member
xii. Dr, Mohamed Sheikh	-	Director General

Board Meetings – Information for Directors

The directors are given appropriate and timely information on key activities of the Council regularly and on request in order to carry out their roles. Specifically, the Directors are provided with all available information in respect of items to be discussed at a meeting of the Board or committee prior to the meeting. The Board members have open access to management through the Chairman and Director General. Regular presentations are made by management to the Board. Board Committees and directors may seek briefing from management on specific matters as well as seek independent professional advice.

Oversight Role of the Board

The Board provides strategic direction with a focus on consistent performance in an atmosphere of transparency and accountability whilst also reviewing and monitoring proper corporate governance.

The Board retains full and effective control over the Council and monitors Management's implementation of the plans and strategies it sets. It ensures ethical behaviour and compliance with relevant laws and regulations, audit and accounting principles, corporate policies and procedures and the Code of Ethics. It strives to act above and beyond the minimum requirements and benchmark performance against best practices.

In accordance with the principles of good corporate governance, each Director undertakes to always act in the best interest of the Council and exercise his/her power in the execution of duties in good faith and acts with care and prudence.

Each director is fully aware that the Board is responsible for determining the Council's vision, mission and values, deciding its strategic objectives, ensuring establishment of the organizational structure and procedures to achieve the objectives, ensuring effective control over the Council and accounting to its stakeholders.

Conflict of Interest

The directors of the Council are under a fiduciary duty to act honestly and in the best interests of the Council. Any business transacted with the National Council for Population and Development must be at an arm's length and fully disclosed to the Board which must consider and approve it. A director must refrain from discussing or voting on matters with a potential for conflict of interest.

Committees of the Board

The board has three committees: Audit and Risk Committee, Finance and administration Committee and Technical Committee which have specific and detailed terms of reference as summarized below:

1. Audit, Risk and Compliance Committee

The Audit Committee meets at least four times a year, with authority to convene additional meetings, as circumstances require. Its primary responsibilities are to assist the Board in ensuring integrity of the Council's Financial Statements, review the Council's internal control systems, monitor and review the effectiveness of the internal audit function, and ensuring the Council's compliance with legal and regulatory requirements. The Audit Committee has authority to conduct or authorize investigations into any matter within its scope of responsibility.

The Audit committee develops and implements a risk management framework, policies, procedures and standards. It also monitors the Council's compliance with the relevant laws and regulations and reviews management's implementation and maintenance of appropriate systems, procedures and Codes of Conduct in accordance with the Council's policy guidelines regarding identification, analysis, mitigation and control of risks.

The Audit Committee regularly reports to the Board about committee activities and issues that arise with respect to the quality or integrity of the Council's internal control, compliance with legal requirements, performance and independence of the Council's independent auditors, and the performance of the internal audit function. The Council's Chief Internal Auditor acts as the secretary of the committee and senior management regularly attend the committee meetings.

The members of the Audit, Risk and Compliance Committee were:

- | | | |
|-------------------------------|---|--------------------|
| i) Rev. Chris Kinyanjui Kamau | - | NCKK - Chairperson |
| ii) Anne Ileri | - | FIDA |
| iii) Dr. Patrick Amoth | - | MOH |
| iv) Rahab Muiu | - | MYWO |
| v) Chief Internal Auditor | | |

2. Finance and Administration Committee

The Finance and Administration Committee meets at least four times a year or at such other times as the Chairman of the Committee shall require. Its primary purpose is to determine the Council's finance, accounting and human resource administration policies and strategies and to consider the proposed strategies. It also maintains an interactive strategic planning, implementation and monitoring process with management.

The members of the Finance, Strategy and Business Development Committee were:

- | | | | |
|------|-------------------|---|----------------------|
| i. | Amb. M. A. Mahat | - | Supkem - Chairperson |
| ii. | Jacinta Mutegi | - | KCCB |
| iii. | Fredrick Mujumba | - | Min. of Education |
| iv. | Beatrice Manyonge | - | Min. of Planning |

3. Technical Committee

The Committee meets at least four times a year or at such other times as the Chairman of the Committee shall require. The Committee is responsible for reviewing proposed projects and its implementation procedures to ensure adequacy and efficiency.

The members of the Technical Committee were:

- | | | | |
|------|-------------------|---|-------------------|
| i. | Dr. Musa Arusei | - | Moi University |
| ii. | Fredrick Mujumba | - | Min. of Education |
| iii. | Dr. Patrick Amoth | - | MOH |
| iv. | Anne Ileri | - | FIDA |
| v. | Beatrice Manyonge | - | Min. of Planning |

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a responsible corporate citizen, The National Council for Population and Development carries out CSR. In year 2019-20 NCPD had organized the following CSR activities. However, due Covid 19 the council was unable to undertake the scheduled CSR activities.

- Visit to Mama FATUMA’S Children’s home in Nairobi’s Eastleigh estate
- A tree planting activity in a primary school which was to be identified

Besides the scheduled CSR activities the National Council for Population and Development (NCPD) participated in the 5th Edition of this year’s First Lady’s Half Marathon held on 8th March 2020 within Nairobi city.



REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2020 which show the state of the *entity's* affairs.

Principal activities

The principal activities of the entity are;

- Analyse population issues and develop policies related to population
- Provide leadership and mobilize support for population programmes including coordinating population programmes implemented by different organizations
- Assess the impact of population programmes and make recommendations arising from such assessments
- Assist other organizations in dealing with population issues
- Identify and advise on population issues that may not be adequately or appropriately dealt with by the Government
- Advocate for political and other support to address population issues.

Results

The results of the entity for the year ended June 30, 2020 are set out on page 1

Directors

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

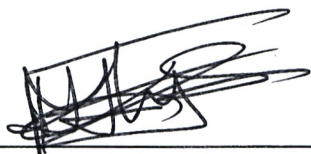
Dividends/Surplus remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The entity is not under regulatory bodies and hence not entitled for remittance to consolidated fund account.

Auditors

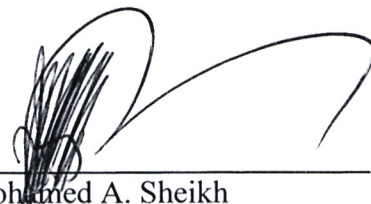
The Auditor General is responsible for the statutory audit of the *entity* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By Order of the Board



Board Member
Nairobi

Date: ... 25/10/2021



Dr. Mohamed A. Sheikh
Director General
Nairobi

Date: ... 25/10/2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The Directors are responsible for the preparation and presentation of the *entity's* financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *entity*; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *entity*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the *entity'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. The Directors are of the opinion that the *entity's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2019, and of the *entity's* financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity's* financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the *entity* 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 *entity's* financial statements were approved by the Board on 30th September, 2020 and signed on its behalf by:



Board Member
Nairobi

Date: 25/09/2021

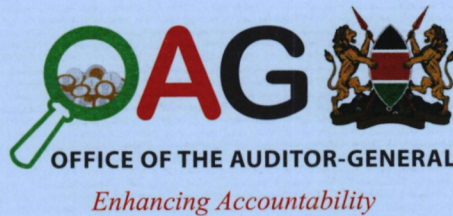


Dr. Mohamed A. Sheikh
Director General
Nairobi

Date: 28/09/2021

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Council for Population and Development set out on pages 1 to 24, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, the statement of changes in net assets, the statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Council for Population and Development as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Legal Notice No.120 dated 29 October, 2004 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Adjustments

The statement of changes in net assets reflects accumulated reserves balance of Kshs.240,358,834 as at 30 June, 2020 which includes an adjustment amount of Kshs.3,767,697 described as "adjustment for the imprest bad debts recorded as a single entry in the system" and other adjustment for long outstanding bank reconciling items of Kshs.648,356. However, the details of the adjustments and supporting documents were not provided for audit.

Under the circumstances, the accuracy of accumulated reserves balance of Kshs.240,358,834 as at 30 June, 2020 could not be confirmed.

2. Unsupported Property Plant and Equipment

The statement of financial position reflects property plant and equipment balance of Kshs.64,044,323 and as disclosed in Note 20 of the financial statements. However, the balances in the fixed assets register provided in support was not in agreement with the

financial statements. There was also no reconciliation provided to explain the variance. Further two vehicles with registration numbers KBQ 282D and KAY 231L currently in use by the council have no log books.

Consequently, the accuracy, ownership and completeness of the property plant and equipment balance of Kshs.64,044,323 as at 30 June, 2020 could not be confirmed.

3. Variances in Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balances of Kshs.191,195,338 and as disclosed in 18 to the financial statement. However, the following unsatisfactory issues were noted: -

- 3.1 Bank reconciliation statement for recurrent account reflects payments in cashbook but not recorded in bank of Kshs.7,741,157 whose particulars were not provided for audit review. Included in this amount are three (3) cheque of April and September, 2019 totalling to Kshs.5,829,408 that are stale but were yet to be reversed or replaced;
- 3.2 Transfer of development account of Kshs.2,686,377 dated 26 April, 2019 remained uncleared as at 30 June, 2020 and continues to reflect as uncredited receipts in the bank reconciliation statement despite the long duration that has lapsed;
- 3.3 The development bank reconciliation statement reflects payments in the cashbook but not recorded in bank of Kshs.5,673,334 whose particulars were not provided for audit verification. Of the amount, cheques amounting to Kshs.6,825,677 were stale but had not been reversed or replaced;
- 3.4 The development bank reconciliation statement reflects cash book opening balance of Kshs.54,745,988 while the actual cashbook opening balance reflects Kshs.18,862,166. The variance of Kshs.35,883,822 has not been explained;
- 3.5 UNFPA bank reconciliation statement reflects payments in cashbook but not in the bank totalling Kshs.394,789 whose payee details were not provided; and
- 3.6 Payments totalling Kshs.1,215,367 in the development bank reconciliation statement reflects payee details described as various. There were no supporting documents provided in support of the transactions. Although Management explained the payments were in respect to Daily Subsistence Allowance (DSA), the balances were not included in the outstanding imprest listing at the end of the year.

Under the circumstances, the accuracy and completeness of the cash and cash equivalent balances of Kshs.191,195,338 as at 30 June, 2020 could not be confirmed.

4. Unexpended Grants

The statement of financial position reflects unexpended grants balance of Kshs.24,489,432 and as disclosed under Note 23 to the financial statements. Included in the balance is unsupported amount of Kshs.194,636 indicated as forex gain adjustment. However, the computations in support to the forex gain in Note 23 does not agree with the bank closing balance in Note 18(a).

Consequently, the accuracy and completeness of the unexpended grants balance of Kshs.24,489,432 as at 30 June, 2020 could not be confirmed.

5. Unsupported Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions of Kshs.51,881,402 and as disclosed in Note 19 to the financial statements. However, Included in this amount are other receivables (Inter-borrowings) of Kshs.14,692,400. The amount represents inter project borrowings within the organization but no corresponding liability in the financial statements has been disclosed.

The 2019-2020 ledger for daily subsistence allowances reflects balance brought forward of Kshs.9,328,481 that was subsequently cleared during the year under review. However, the surrender vouchers in support of the surrender of the imprests for 2016/2017, 2017/2018 and 2018/2019 financial years were not provided for audit review.

Under the circumstances, the accuracy and completeness of receivables from exchange transactions balance of Kshs.51,881,402 as at 30 June, 2020 could not be confirmed.

6. Variance Between the Ledger and Financial Statements

The following balances in the statement of financial performance where at variance with the ledgers presented in support as detailed out below: -

Item	Ledger Balance (Kshs.)	Financial Statement Balance (Kshs.)	Variance (Kshs.)
Other Income	7,911,455	12,033,261	4,121,806
Repairs of Motor Vehicles Note 13	3,283,212	3,198,122	85,090

The differences between the two sets of records have not been explained or reconciled.

Consequently, the accuracy and completeness of other income and repairs of motor vehicles of Kshs.12,033,261 and Kshs.3,198,122 respectively, could not be confirmed.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and the Report on Lawfulness and Effectiveness in Use of Public Resources, However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular Ref: No. AG.4/16/3 Vol.1(9) dated 24 June, 2020.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Council to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Council to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 February, 2022



STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2019-2020	RESTATED 2018-2019	2018-2019
		Kshs	KShs	Kshs
Revenue from non-exchange transactions				
Donor Income	6	46,045,392	22,410,570	21,927,070
Transfers from Ministry	7	481,638,685	466,601,685	466,601,685
		527,684,077	489,012,255	488,528,755
Revenue from exchange transactions				
Finance income	8	-	8,270	8,270
Other income	9	12,033,261	3,545,779	3,545,779
Total revenue		539,717,338	492,566,304	492,082,804
Expenses				
Employee costs	10	189,583,368	166,948,732	167,797,822
Remuneration of directors	11	7,174,313	3,948,000	3,948,000
Depreciation and amortization expense	12	20,927,933	27,097,474	27,097,474
Repairs and maintenance	13	5,925,419	8,994,651	8,994,651
Project Expenses	14	46,045,392	22,410,570	21,927,070
General expenses	15	200,957,999	183,028,085	168,738,618
Finance costs	16	932,595	1,235,520	1,235,520
Total expenses		471,547,020	413,663,032	399,739,154
Other gains/(losses)				
Gain on sale of assets	17	-	156,000	156,000
Net Surplus for the year		68,170,318	79,059,272	92,499,649

The notes set out on pages 5 to 24 form an integral part of these Financial Statements

National Council for Population and Development
Annual Reports and Financial Statements
For the year ended June 30, 2020

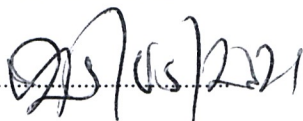
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Notes	2019-2020	RESTATED 2018-2019	2018-2019
		Kshs	KShs	Kshs
Assets				
Current assets				
Cash and cash equivalents	18	191,195,338	118,011,077	117,362,721
Receivables from exchange transactions	19	51,881,402	28,697,586	34,797,511
		243,076,739	146,708,663	152,160,232
Non-current assets				
Property, plant and equipment	20	64,044,323	82,120,628	82,120,628
Intangible assets	21	7,312,917	8,528,703	8,528,703
		71,357,240	90,649,331	90,649,331
Total assets		314,433,979	237,357,994	242,809,563
Liabilities				
Current liabilities				
Trade and other payables from exchange transactions	22	2,147,625	9,186,919	5,130,663
Unexpended Grants	25	24,489,432	8,544,474	9,027,974
Total liabilities		26,637,057	17,731,392	14,158,636
Net assets		287,796,921	219,626,602	228,650,927
Capital Reserves				
Accumulated reserves		47,438,087	47,438,087	47,438,087
Accumulated surplus		240,358,834	172,188,516	181,212,841
Total net assets and liabilities		287,796,921	219,626,602	228,650,927

The Financial Statements set out on pages 1 to 24 were signed on behalf of the Board of Directors by:

Director General
 Dr. Mohamed A. Sheikh

Date.....


 25/05/2021

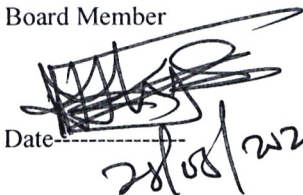
Deputy Director
 John Makau
 ICPAK Member Number:6571

Date

25-05-2021

Board Member

Date


 28/05/2021

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2020**

	Capital Fund	Accumulated Reserves	Total
At July 1, 2018	47,438,087	88,713,191	136,151,278
Surplus for the year	-	93,633,435	93,633,435
Additions for the year			
At June 30, 2019	47,438,087	182,346,627	229,784,714
At July 1, 2018	47,438,087	88,713,191	136,151,278
Surplus for the year		79,059,272	79,059,272
Adjustment for the imprest bad debts which was recorded as a single entry in the system	-	3,767,697	3,767,697
Adjustment for long outstanding bank reconciling items		648,356	648,356
Restated at June 30,2019	47,438,087	172,188,516	218,978,247
At July 1, 2019	47,438,087	172,188,516	218,978,247
Surplus for the year	-	68,170,318	68,170,318
At June 30, 2020	47,438,087	240,358,834	287,148,565

(Capital fund relates to the assets which were donated by Ministry when the state corporation was starting its autonomous operations)

National Council for Population and Development
Annual Reports and Financial Statements
For the year ended June 30, 2020

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2019-2020	RESTATED 2018-2019	2018-2019
		Kshs	KShs	Kshs
Cash flows from operating activities				
Receipts				
Public contributions and donations	6	46,045,392	22,410,570	21,927,070
Government grants and subsidies	7	481,638,685	466,601,685	466,601,685
Finance income	8	-	8,270	8,270
Other income, rentals and agency fees	9	12,033,261	3,545,779	3,545,779
Total Receipts		539,717,338	492,566,304	492,082,804
Payments				
Compensation of employees	10	189,583,368	166,948,732	167,797,822
Goods and services	11,13,15	214,057,732	195,970,736	181,681,268
Finance cost	16	932,595	1,235,520	1,235,520
Project Expenses paid	14	46,045,392	22,410,570	21,927,070
Total Payments		450,619,087	386,565,558	372,641,680
Changes in Working capital				
(Increase)/ decrease in debtors	19	(23,183,816)	4,653,543	(5,862,435)
Increase / (decrease) in payables	22	(7,039,294)	1,199,855	(2,856,401)
Increase / (decrease) in unexpended grants	25	15,944,958	(6,067,289)	(5,583,789)
Net changes in working capital		(14,278,151)	(213,891)	(14,302,625)
Net cash flows from operating activities		74,820,100	105,786,854	105,138,498
Cash flows from investing activities				
Purchase of property, plant, equipment and intangible assets	20	(1,635,842)	(37,173,251)	(37,173,251)
Purchase of intangible assets	21	-	(2,951,358)	(2,951,358)
Proceeds from sale of property, plant and Equipment		-	456,000	456,000
Net cash flows used in investing activities		(1,635,842)	(39,668,609)	(39,668,609)
Net increase/(decrease) in cash and cash equivalents		73,184,260	66,118,245	65,469,889
Cash and cash equivalents at 1 JULY	18	118,011,077	51,892,832	51,892,832
Cash and cash equivalents at 30 JUNE	18	191,195,337	118,011,077	117,362,721

National Council for Population and Development
 Annual Reports and Financial Statements
 For the year ended June 30, 2020

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
 FOR THE YEAR ENDED 30 JUNE 2020**

	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference	
	2019-2020	Kshs	2019-2020	Kshs	2019-2020	Kshs	2019-2020	Kshs	2019-2020	Kshs
Revenue										
Public contributions and donations	64,184,028				64,184,028		46,045,392		18,138,636	
Government grants and subsidies	481,638,685				481,638,685		481,638,685		-	
Finance Income	4,087,950				4,087,950		-		4,087,950	
Other Income	4,442,963				4,442,963		12,033,261		(7,590,298)	
Total income	554,353,625				554,353,625		539,717,338		14,636,288	
Expenses										
Compensation of employees	193,757,370				193,757,370		189,583,368		4,174,003	
Goods and services	6,895,624				6,895,624		13,099,732		(6,204,108)	
Finance cost	3,513,866				3,513,866		932,595		2,581,271	
Other payments	220,176,939				220,176,939		200,957,999		19,218,940	
Grants and subsidies paid	67,203,801				67,203,801		46,045,392		21,158,409	
Depreciation & Amortization	19,722,930				19,722,930		20,927,933			
Total expenditure	511,270,531				511,270,531		471,547,020		40,928,514	
Surplus for the period	43,083,095				43,083,095		68,170,318		(26,292,226)	

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The National Council for Population and Development was established as a State Corporation on 29th October, 2004 through the legal Notice No. 120 contained in the Kenya Gazette Supplement No. 68. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya.

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 *entity's* accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*.

The financial statements have been prepared in accordance with the PFM 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. Relevant new standards and amendments to published standards effective for the year ended 30 June 2018

Standard	Impact
IPSAS 39: Employee Benefits	Applicable: 1st January 2018 The objective to issue IPSAS 39 was to create convergence to changes in IAS 19 Employee benefits. The IPSASB needed to create convergence of IPSAS 25 to the amendments done to IAS 19. The main objective is to ensure accurate information relating to pension liabilities arising from the defined benefit scheme by doing away with the corridor approach.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2018

Standard	Effective date and impact:
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019: The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only) Business combinations and combinations arising from non-exchange transactions which are covered purely under Public Sector combinations as amalgamations.

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2018.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions – IPSAS 23

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on approval by parliament through the appropriation and the supplementary bill upon printing of the printed estimates and supplementary estimates.

Grants from Donor

Grants received for specific purposes are treated as deferred income and are only credited to statement of financial performance when activities for which they were provided have been undertaken.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions – IPSAS 9

Rendering of services

The council 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 completion of activities.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

The council is a service organisation and does not render any services for a fee. It is therefore not therefore pay taxes.

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.

b) Budget information – IPSAS 24

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the council. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts. The movements in the budgets were as a result of deductions in the revised estimates by the Government. Some Activities under the UNFPA were financed through Government Funding.

c) Property, plant and equipment - IPSAS 17

All property, plant and equipment are stated at net book value and modified to include revaluations, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment - IPSAS 17 (continued...)

for nil or nominal consideration the asset is initially measured at its fair value. Full year's depreciation is recognized in the year of purchase.

The rate of depreciation is as follows:

Furniture and Fittings	12.50%
Computers and Accessories	30%
Office equipment	12.50%
Motor Vehicles	25%

d) Intangible assets - IPSAS 31

The council entered into a consultancy to install an ERP system of Kshs 8,417,331.00. As at June 2017, the process of installation was not complete. The cost of work in progress was Kshs 6,329,131. When the ERP is commissioned, it will be recognised as an intangible asset and amortized for three years.

e) Provisions

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

Where the Entity 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.

f) Contingent liabilities

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

g) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. The capital reserves were created when the council become a SAGA and assets transferred to it.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Changes in accounting policies and estimates -IPSAS 3

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

i) Employee benefits - IPSAS 25

Retirement benefit plans

The Council provides retirement benefits for its employees. Defined contribution plans are postemployment benefit plans under which a council pays 15% and employee 7.5% contributions into to a custodian & Fund manager (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets today 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.

The council also provides for 31% Gratuity for employees on contract a term which is paid upon expiry of the contract.

j) Foreign currency transactions - IPSAS 4

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. While preparing the financial statements the closing rate was used and the difference accounted for in the statement of financial performance. Exchange differences arising from reporting 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. The transactions in foreign exchange are for grants and funds are wired in foreign currency and converted at the time of transactions. These are short term projects negotiated every year and there is therefore the risk of fluctuations in the rate is minimal.

k) Related parties – IPSAS 20

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at the various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imp rests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

m) Comparative figures

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

n) Subsequent events – IPSAS 14

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, 2018.

o) Financial Risk Management – IPSAS 30

Currently, the Entity does not face any financial risk in terms of credit risk, Liquidity risk and market risk

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Entity'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. State all judgements, estimates and assumptions made: e.g.

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 Entity 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 Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Useful lives and residual values

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

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

6 PUBLIC CONTRIBUTIONS AND DONATIONS

The Entity received restricted donations from several development partners. The Grants are recognized as income on a systematic and rational basis over the period necessary to match them with the related project costs. Details of the donor funds are tabulated below;

Description	2019-2020 KShs	RESTATED	
		2018-2019 KShs	2018-2019 KShs
PRB	-	-	-
PRB Kshs	69,750	10,061,865	10,061,865
UNFPA	41,006,149	131,600	131,600
Unicef	3,019,773	-	-
World Bank	42,660	10,288,365	10,269,060
Kuhri Kshs	1,907,060	1,928,740	1,464,545
Total (Note 25)	46,045,392	22,410,570	21,927,070

7 TRANSFERS FROM OTHER GOVERNMENTS

Description	2019-2020 KShs	RESTATED	
		2018-2019 KShs	2018-2019 KShs
Unconditional grants			
Operational Grant	418,396,997	307,601,685	307,601,685
Development Grant	63,241,688	159,000,000	159,000,000
Total government grants and subsidies	481,638,685	466,601,685	466,601,685

Included in the operational grant is Kshs. 21,000,000 for implementation of the SRC recommendations

8 FINANCE INCOME

Description	2019-2020 KShs	RESTATED	
		2018-2019 KShs	2018-2019 KShs
PRB	-	8,270	8,270
Other Interest	-	-	-
Total finance income	-	8,270	8,270

9 OTHER INCOME

Description	2019-2020	RESTATED	
		2018-2019	2018-2019
	KShs	KShs	KShs
Disposal of assets	-	115,900	115,900
Miscellaneous Receipts	12,033,261	3,429,879	3,429,879
Total Other Income	12,033,261	3,545,779	3,545,779

10 EMPLOYEE COSTS

Description	2019-2020	RESTATED	
		2018-2019	2018-2019
	KShs	KShs	KShs
Basic salary and wages	170,253,785	102,634,453	103,483,543
Temporary staff wages	-	1,417,755	1,417,755
House Benefit and Allowances	486,931	45,451,091	45,451,091
Travel, motor car, accommodation, subsistence and other allowances	-	3,161,893	3,161,893
Gratuity & Pensions	18,842,652	10,162,100	10,162,100
Leave allowance	-	3,687,398	3,687,398
Stipend for interns	-	434,042	434,042
Employee costs	189,583,368	166,948,732	167,797,822

11 REMUNERATION OF DIRECTORS

Description	2019-2020	RESTATED	
		2018-2019	2018-2019
	KShs	KShs	KShs
Chairman's Honoraria	960,000	160,000	160,000
Directors emoluments	6,214,313	3,788,000	3,788,000
Total director emoluments	7,174,313	3,948,000	3,948,000

12 DEPRECIATION AND AMORTIZATION EXPENSE

Description	2019-2020	RESTATED	
		2018-2019	2018-2019
	KShs	KShs	KShs
Property, plant and equipment	19,712,147	25,881,688	25,881,688
Intangible assets	1,215,786	1,215,786	1,215,786
Total depreciation and amortization	20,927,933	27,097,474	27,097,474

13 REPAIRS AND MAINTENANCE

Description	2019-2020	RESTATED	
		2018-2019	2018-2019
	KShs	KShs	KShs
Repair of Motor Vehicle	3,198,122	5,967,405	5,967,405
Plant, Machinery & Equipment	1,772,421	1,790,296	1,790,296
Building repairs	954,876	1,236,950	1,236,950
Total repairs and maintenance	5,925,419	8,994,651	8,994,651

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 PROJECT EXPENSES

Description	2019-2020	RESTATED	
		2018-2019	2018-2019
	KShs	KShs	KShs
PRB KSHS*	69,750	10,061,865	10,061,865
Kuhri Kshs*	1,907,060	1,928,740	1,464,545
UNFPA	41,006,149	131,600	131,600
UNICEF/UNESCO	3,019,773	-	-
World Bank	42,660	10,288,365	10,269,060
Total Project Expenses	46,045,392	22,410,570	21,927,070

15 GENERAL EXPENSES

Description	2019-2020	2018-2019	
		2018-2019	2018-2019
	KShs	KShs	KShs
GOK -Utilities Supplies and Services	1,101,666	1,281,384	1,281,384
GOK-Communication Supplies and Services	10,980,180	4,155,953	4,155,953
GOK-Domestic Travel & Subsistence & Other	27,858,955	48,624,615	39,296,135
GOK-Foreign Travel & Subsistence & Trans	1,151,291	708,832	708,832
GOK-Printing Advert Info Supplies & Serv	17,716,623	30,202,533	26,182,771
GOK -Rentals of Produced Assets	27,801,738	24,089,881	24,089,881
GOK -Training Expenses	4,466,210	4,984,795	4,984,795
GOK -Hospitality supplies and Services	11,222,598	19,026,593	19,026,593
Insurance	16,960,761	21,845,513	21,845,513
GOK-Office and General supplies & service	2,608,699	11,437,482	10,496,257
GOK -Fuel and Lubricants	5,637,800	1,036,350	1,036,350
Other Operating expenses	64,534,031	420,323	420,323
Contracted Professional Services	7,907,391	5,578,690	5,578,690
Membership to Partners ,UNFPA	-	2,010,000	2,010,000
Research Feasibility Study & Design	1,010,055	7,625,142	7,625,142
Total general expenses	200,957,999	183,028,085	168,738,618

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

16 FINANCE COSTS

Description	2019-2020	RESTATED	
		2018-2019	2018-2019
	KShs	KShs	KShs
PRB (US\$)	1,022	2,263	2,263
PRB khs	1,020	24,456	24,456
KUHRI-Kshs	18,454	69,286	69,286
UNFPA	140,176	12,033	12,033
UNICEF	9,650	-	-
Recurrent	281,508	472,631	472,631
Development	833,210	274,927	274,927
miscellaneous	43,167	279,367	279,367
World Bank	90	176,662	176,662
Forex loss /(gain)	(395,701)	(76,103)	(76,103)
Total finance costs	932,595	1,235,520	1,235,520

17 GAIN ON SALE OF ASSETS

Description	2019-2020	RESTATED	
		2018-2019	2018-2019
	KShs	KShs	KShs
Profit on disposal of Motor vehicles	-	156,000	156,000
Total gain on disposal	-	156,000	156,000
Summary			
Cost/ Valuation		300,000	300,000
Accumulated Depreciation			
NBV		300,000	300,000
sold at		456,000	456,000
Gain on disposal		156,000	156,000

18 CASH AND CASH EQUIVALENTS

Description	2019-2020	RESTATED	
		2018-2019	2018-2019
	KShs	KShs	KShs
Current account	191,195,338	118,011,077	117,362,721
Total cash and cash equivalents	191,195,338	118,011,077	117,362,721

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18 (a). DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

Financial institution	Account number	Foreign Amount	2019-2020	RESTATED	
			KShs	2018-2019	2018-2019
			KShs	KShs	KShs
		@			
a) Current account		106.5224			
BBK -Recurrent	045-1547933		106,842,261	47,328,052	47,328,052
BBK-Development	045-1548190		31,817,340	32,161,600	32,161,600
BBK-Miscellaneous	045-1099655		19,949,657	21,016,401	20,905,883
BBK-Miscellaneous dollar	221012119	\$ 91,315	9,727,060	9,088,705	9,088,705
CBA-Kuhri (US\$) (Bill & Melida gates)	6427120167	\$ 23,412	2,493,923	1,628,622	1,628,622
CBA-Kuhri Kshs (Bill & Melida gates)	6427120151		2,448,598	1,648,162	1,578,876
CBA-PRB Kshs (USAID)	6427120172		266,784	320,754	258,725
CBA-PRB (US\$) (USAID)	6427120015	\$ 9,142	973,871	936,264	936,264
CBA-UNFPA	6427120041		13,306,423	1,603,431	1,603,431
CBA-UNICEF	6427120028		1,167,566	96,989	96,989
CBA-SDI-HFA-World Bank			625,589	668,339	261,816
CBA-MACRO (US\$) (USAID)	6427120036	\$ 10,990	1,170,732	1,124,307	1,124,307
CBA-LQAS Dollar (USAID)	6427120104	\$ 3,807	405,533	389,452	389,452
Grand total			191,195,338	118,011,077	117,362,721

<https://www.centralbank.go.ke/rates/forex-exchange-rates/> at 30 June 2020

19 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020	RESTATED	
	KShs	2018-2019	2018-2019
Current receivables			
Trade Receivables	500,040	500,040	4,667,737
Other Receivables (Inter-borrowings)	14,692,400	-	55,641
Prepayments (Rent and Insurance)	31,295,695	28,082,746	28,082,746
Imprest Account - Main	3,933,267	-	5,160,784
PRB Imprest	-	16,800	16,800
KURHI KSHS IMPREST ACCOUNT	1,362,000	-	464,195
Imprest World Bank	98,000	98,000	117,305
Less: Provision for Bad debts	-	-	(3,767,697)
Total receivables	51,881,402	28,697,586	34,797,511

(Trade receivables of Kes.500,040 relates to payment made to KRA on wrong PRN)

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

20 PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles	Computers	Office Equipment	Furniture fittings	Total
FY2019/2020	25%	30%	12.50%	12.50%	
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2019	167,088,844	36,639,517	13,859,877	21,808,842	239,397,080
Additions	-	1,478,382	157,460		1,635,842
Disposal		-	-	-	-
As at 30th June 2020	167,088,844	38,117,899	14,017,337	21,808,842	241,032,922
DEPRECIATION					
At 1 July 2019	114,361,734	22,965,329	9,632,635	10,316,754	157,276,452
Charge for the year	13,181,777	4,545,771	548,088	1,436,511	19,712,147
Disposal					-
As at 30th June 2020	127,543,512	27,511,100	10,180,723	11,753,265	176,988,599
NET BOOK VALUE					-
At 30th June 2020	39,545,332	10,606,799	3,836,614	10,055,577	64,044,323

FY 2018/2019

At 1 July 2018	147,578,844	22,454,358	13,859,877	18,630,750	202,523,829
Additions	19,810,000	14,185,159	-	3,178,092	37,173,251
Disposal	(300,000)	-	-	-	(300,000)
As at 30th June 2019	167,088,844	36,639,517	13,859,877	21,808,842	239,397,080
DEPRECIATION					
At 1 July 2018	96,586,031	17,104,963	9,028,743	8,675,027	131,394,764
Charge for the year	17,775,703	5,860,366	603,892	1,641,727	25,881,688
Disposal					-
As at 30th June 2019	114,361,734	22,965,329	9,632,635	10,316,754	157,276,452
NET BOOK VALUE					-
At 30th June 2019	52,727,110	13,674,188	4,227,242	11,492,088	82,120,628

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21 INTANGIBLE ASSETS-SOFTWARE

Description	Cost KShs	WIP KShs	Total KShs
COST			
At 1 July 2019	3,647,358	6,329,131	9,976,489
Additions		-	-
As at 30th June 2020	3,647,358	6,329,131	9,976,489
AMORTIZATION			
At 1 July 2019	1,447,786	-	1,447,786
Charge for the year	1,215,786	-	1,215,786
As at 30th June 2020	2,663,572	-	2,663,572
NET BOOK VALUE			
At 30th June 2020	983,786	6,329,131	7,312,917

COST			
At 1 July 2018	696,000	6,329,131	7,025,131
Additions	2,951,358		2,951,358
As at 30th June 2019	3,647,358	6,329,131	9,976,489
AMORTIZATION			
At 1 July 2018	232,000	-	232,000
Charge for the year	1,215,786	-	1,215,786
As at 30th June 2019	1,447,786	-	1,447,786
NET BOOK VALUE			
At 30th June 2019	2,199,572	6,329,131	8,528,703

22 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	RESTATED		
	2019-2020 KShs	2018-2019 KShs	2018-2019 KShs
Trade payables	100,857	4,996,987	36,000
Employee advances	-	-	904,731
Gratuity & Pensions	2,046,768	4,189,932	4,189,932
Total trade and other payables	2,147,625	9,186,919	5,130,663

Reduction of gratuity is caused by

- i) DG Retired in January and a new DG was appointed and joined in march 2020
- ii) DTS contract ended in November and a new one took effect in December

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

23 UNEXPENDED GRANTS

Donor	USAID - PRB USD	USAID - PRB Kshs	USAID - MACRO	UNFPA	UNICEF / UNESCO Unicef	World Bank	Bill & Melida gates - Kuhri Kshs	Bill & Melida gates - Kuhri US\$	USAID Demographic Dividend LQAS	Total
As at 1 July 2018	6,628,282	1,934,984	1,108,923	1,691,853	96,989	1,471,166	(310,893)	1,606,336	384,123	14,611,763
Funds Received from Development Partners	2,905,374			240,000		9,486,500				12,631,874
Project funds transfer	(8,460,000)	8,460,000					3,805,800			3,805,800
Total Project Expenditure		(10,061,865)		(131,600)	-	(10,269,060)	(1,464,545)			(21,927,070)
Forex gain/(loss)	(137,392)		15,384					22,285	5,329	(94,393)
As at 30 June 2019	936,264	333,119	1,124,307	1,800,253	96,989	688,606	2,030,362	1,628,622	389,452	9,027,974
Adjustment for the period						(19,305)	(464,195)			(483,500)
Restated at 30 June 2019	936,264	333,119	1,124,307	1,800,253	96,989	669,301	1,566,167	1,628,622	389,452	8,544,474
As at 1 July 2019	936,264	333,119	1,124,307	1,800,253	96,989	669,301	1,566,167	1,628,622	389,452	8,544,474
Funds Received from Development Partners	-	-	-	59,152,413	4,100,000	-	4,087,950	758,447	-	68,098,810
Project funds refunds	-	-	-	(21,314,255)	-	-	-	-	-	(21,314,255)
Project funds transfer	-	-	-	15,011,159	-	-	-	-	-	15,011,159
Total Project Expenditure		(69,750)		(41,006,149)	(3,019,773)	(42,660)	(1,907,060)			(46,045,392)
Forex gain/(loss)	38,630	4,435	46,425	(196,822)		97,038	81,995	106,854	16,081	194,636
As at 30 June 2020	974,894	267,804	1,170,732	13,446,599	1,177,216	723,679	3,829,052	2,493,923	405,533	24,489,432

Unexpended grant Recognized

FY 2019-2020	-	69,750	-	41,006,149	3,019,773	42,660	1,907,060	-	-	46,045,392
FY 2018-2019	-	10,061,865	-	131,600	-	10,288,365	1,928,740	-	-	22,410,570

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

24 RESTATED MOVEMENT

The entity has restated financial statements for the FY2018/2019 in order to reflect the true and fair view for the financial year as shown below;

Description	MOVEMENT	RESTATED	
	2018-2019	2018-2019	2018-2019
	KShs	KShs	KShs
GOK-Domestic Travel & Subsistence & Other	9,328,481	48,624,615	39,296,135
Trade Receivables	(4,167,697)	500,040	4,667,737
Imprest Account - Main	(5,160,784)	-	5,160,784
Provision for Bad debts	3,767,697	-	(3,767,697)
Accumulated Surplus	(9,024,325)	172,188,516	181,212,841
GOK-Printing Advert Info Supplies & Serv	4,019,762	30,202,533	26,182,771
GOK-Office and General supplies & service	941,225	11,437,482	10,496,257
Trade creditors	4,960,987	4,996,987	36,000
BBK-Miscellaneous	110,518	21,016,401	20,905,883
CBA-Kuhri Kshs (Bill & Melida gates)	69,286	1,648,162	1,578,876
CBA-PRB Kshs (USAID)	62,029	320,754	258,725
CBA-SDI-HFA-World Bank	406,523	668,339	261,816
Total	5,313,702	291,603,831	286,290,129

25 RELATED PARTY BALANCES

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, Board of directors and Government of Kenya

	2019-2020	2018-2019
	KShs	KShs
Transactions with related parties		
Grants from the Government		
Grants from National Government	481,638,685	466,601,685
Total	481,638,685	466,601,685
Key management compensation		
Directors' emoluments	7,174,313	3,948,000
Compensation to the CEO	1,880,000	5,952,000
Compensation to key management	38,853,060	37,704,340
Total	47,907,373	47,604,340

The Director General's remuneration is only for four since he reported to the council from First march, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

26 EVENTS AFTER THE REPORTING PERIOD

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

27 ULTIMATE AND HOLDING ENTITY

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of planning and Development. Its ultimate parent is the Government of Kenya.

28 CURRENCY

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

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS


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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		•			

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.


 Director General
 Date 28/08/2021


 Deputy Director – Finance and Accounts
 Date 25-05-2021

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APPENDIX II: INTER-ENTITY TRANSFERS

ENTITY NAME:		NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT		
Break down of Transfers from the State Department of Planning and Development				
FY 19/20				
a. Recurrent Grants				
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Ministry of Planning and Development	9.8.2019	37,581,605.80	FY 2019/2020
	Ministry of Planning and Development	2.9.2019	24,659,408.00	FY 2019/2020
	Ministry of Planning and Development	27.9.2019	24,659,407.00	FY 2019/2020
	Ministry of Planning and Development	31.10.2019	28,230,938.25	FY 2019/2020
	Ministry of Planning and Development	19.11.2019	66417,728.00	FY 2019/2020
	Ministry of Planning and Development	10.12.2019	30,179,116.00	FY 2019/2020
	Ministry of Planning and Development	23.12.2019	30,179,114.00	FY 2019/2020
	Ministry of Planning and Development	3.2.2020	22,046,795.00	FY 2019/2020
	Ministry of Planning and Development	2.3.2020	30,349,012.00	FY 2019/2020
	Ministry of Planning and Development	27.3.2020	13,744,579.00	FY 2019/2020
	Ministry of Planning and Development	5.5.2020	27,581,606.00	FY 2019/2020
	Ministry of Planning and Development	3.6.2020	35,883,822.00	FY 2019/2020
	Ministry of Planning and Development	3.6.2020	21,000,000.00	FY 2019/2020
	Ministry of Planning and Development	29.6.2020	35,883,821.00	
		Total	418,396,997.05	
b. Development Grants				
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Ministry of Planning	16.10.2019	29,500,000.00	FY 2019/2020

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	and Development			
	Ministry of Planning and Development	31.10.2019	18,991,688.00	FY 2019/2020
	Ministry of Planning and Development	18.6.2020	14,750,000.00	FY 2019/2020
		Total	63,241,688.00	

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

Chief Accountant
National Council for Population and Development

Sign  -----