

REPUBLIC OF KENYA



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REPORT

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ON

**NATIONAL COHESION AND INTEGRATION
COMMISSION**

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

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 MAR 2025	DAY: Tuesday
TABLED BY:	Hon Owen Baya m.p Deputy Majority leader
CLERK-AT THE-TABLE:	Gertrude Chebet



NATIONAL COHESION AND INTEGRATION COMMISSION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING

30TH JUNE, 2024

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

National Cohesion and Integration Commission
Annual Report and Financial Statements
For the year ended June 30, 2024.

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1. Acronyms and Definition of Key Terms

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

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2. Key Entity Information and Management

(a) Background information

The Commission is a statutory body established under the National Cohesion and Integration Act (Act No. 12 of 2008) and is domiciled in Kenya. The Commission is represented by the Commissioners who are responsible for the general policy and strategic direction of the Commission.

(b) Principal Activities

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

(c) Key Management

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

- Commission Secretary/CEO
- Management

(d) Fiduciary Management

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

No.	Designation	Name
1.	Ag. Commission Secretary/CEO	Harrison Kariuki
2.	Director Research & Knowledge Management	Millicent Okatch
3.	Deputy Director Human Resources	Caroline Gateru
4.	Deputy Director Procurement	John-David Odhiambo
5.	Head of Finance	Catherine Njuki

(e) Fiduciary Oversight Arrangements

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

- Finance and General-Purpose committee
- Audit and Risk Committee
- Ministry of Interior and National Administration
- Office of the Auditor General
- Public Investment Committee on Governance and Education
- Public Accounts Committee
- National Cohesion and Equal Opportunities and Regional Integration Committee
- Public Procurement Regulatory Authority
- Development partners

(f) Commission Headquarters

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

(g) Commission Contacts

Telephone: 020-258701/2/3 Cell: 0702-777000
E-mail: info@cohesion.go.ke
Website: www.cohesion.go.ke
Toll free SMS 1547
Coast region 0115333000
North eastern 0115333111
Upper eastern 0115333222
Upper rift 0115333444
Central region 0115333555
Nyanza region 0115333888

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(h) Commission's Bankers

Kenya Commercial Bank
Sarit Centre Branch
P.O. Box 48400 - 00100
Nairobi

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

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

3. The Commissioners

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



**COMMISSIONER WAMBUI NYUTU
OGW**

Vice Chairperson & Chairperson Human Resource Committee

Master's Degree in Business Administration- Strategic Management

Bachelor of Laws (LLB)
Advocate of the High Court

Chairperson of the Human Resource Management Committee

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

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



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

Master's Degree in Telecommunication
System Engineering

Bachelor's Degree in Electronics and
Telecommunication Engineering

Chairperson Finance and General-
Purpose Committee

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

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



COMMISSIONER **HON.**
ABDULAZIZ FARAH
Executive Master of Business
Administration (EMBA)

Bachelor of Education (Arts)

Member Audit and Risk Management
Committee

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

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

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



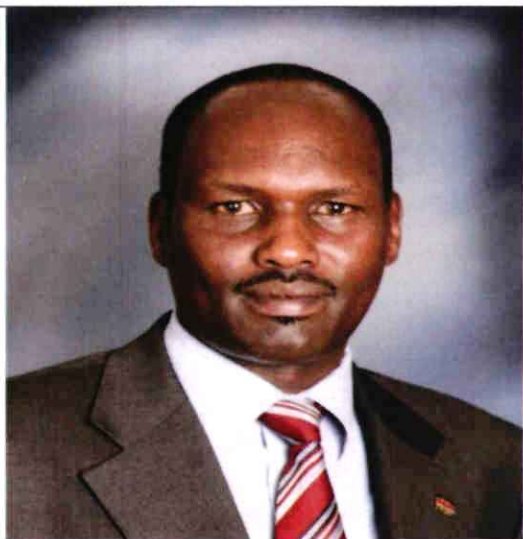
**COMMISSIONER DR DANVAS
MAKORI**

Doctor of Theology

Master of Arts Biblical Theology

Chairman Technical Committee

Biblical Theology of the International Christian University and a Bachelors of Arts in Theology from the Jameson Christian College. He was born on 18th June, 1981. Commissioner Danvas was the County Executive Committee (CEC) of Finance and County Executive Committee (CEC) Agriculture, Livestock, Development and Fisheries in Nairobi County Government. At the Commission, Dr Makori chairs the Technical Committee and is a full-time commissioner.



COMMISSIONER SAM KONA

Masters in Conflict Resolution

Bachelor of Education (Science)

Member Technical Committee

Commissioner Sam Kona is a conflict resolution, governance and stability expert with over 25 years' experience in public, private and civil society sectors. He has carried out extensive research and managed dozens of projects in sub-Saharan Africa with particular focus on conflict early warning systems, post-conflict reconstruction, peacebuilding, mediation, governance and security. Sam has held senior leadership roles in government, including serving as Chairman of the National Council for Population and Development and Kerio Valley Development Authority.

A distinguished program leader, Sam has worked as a senior manager with international agencies and organizations such as the United States Agency for International Development, Development Alternatives Incorporated, Centre for Conflict Resolution at the University of Cape Town, South Africa, Chemonics International, and Centre for Humanitarian Dialogue and Oxfam GB. While at the Centre for Conflict Resolution, he spearheaded national dialogue programs in Sudan, Swaziland,



		<p>South Africa and Lesotho, in addition to facilitating dialogue and mediation trainings across Africa. Between 2008 and 2011, he led mediation processes and established peace caravans to support the Kofi Annan-mediated Kenya National Dialogue and Reconciliation process in the aftermath of the 2007-2008 post-election violence.</p> <p>Sam played a major role in the development of conflict early warning mechanisms for Africa's Regional Economic Communities, as well as national early warning systems for Kenya, Uganda, Ethiopia, South Sudan and Sudan. He teaches conflict resolution and dialogue, negotiation and mediation at the Kenya School of Government (KSG) and the International Peace Support Training Centre (IPSTC), respectively.</p> <p>Sam holds MA in Conflict Resolution from Lancaster University in the United Kingdom and a Bachelor of Education (Science) from Kenyatta University, Kenya. He was born on 21st July, 1969. He has received many national and international awards and honours for contributions to the field of conflict resolution and peace processes, and efficient delivery of programs. Commissioner Sam is a full time commissioner and is a member of the Technical Committee.</p>
	 <p>COMMISSIONER HON. DORCAS KEDOGO</p>	<p>Commissioner Hon. Dorcas Kedogo is a seasoned Educationist and has over 30 years' experience in education. She holds a Master's Degree in Business Administration from USIU, Bachelor's Degree in Education from the University of Nairobi and a Diploma from Mosoriot Teachers Training College. She was born on 14th May, 1962. Commissioner Hon. Kedogo was a Women Representative for Vihiga County. She served as a Women Representative for KNUT and as a representative of Teachers under the</p>

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	<p>Master’s Degree in Business Administration</p> <p>Bachelor’s Degree in Education</p> <p>Member Technical Committee</p>	<p>Kenya Union of Teachers Vihiga District 2000-2012. She has also served as a teacher in various capacities in her career and spearheaded various developments among the youth as well as the women. She is member of the technical committee and is a full-time commissioner.</p>
	 <p>CPA Harrison Kariuki Ag. CEO/ Commission Secretary Master of Science in Finance</p> <p>Bachelor of Commerce</p> <p>Certified Public Accountant of Kenya CPA(K).</p>	<p>CPA Kariuki is a seasoned Public Finance Expert with over 16 years of work experience in public and private sector finance and Audit. He holds a Master of Science Degree in Finance from the University of Leicester, UK, a Bachelor of Commerce Degree and a Certificate of Public Accounting qualification from the Institute of Certified Public Accountants of Kenya (ICPAK). Harrison also has vast experience in the fields of Public Finance Management, Agribusiness, Business Process Outsourcing, Audit, Finance Management and Small and Medium Enterprise (SME) Management. Prior to joining PKF, Harrison worked as a PFM specialist with the World Bank program - Institutional Development & Capacity Building and the World Bank program – Core Fiduciary Program in the same capacity.</p>

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4. Management Team

No	Management	Details
1.	 <p>CPA Harrison Kariuki Master of Science in Finance Bachelor of Commerce Certified Public Accountant of Kenya CPA(K).</p>	<p>Ag. Commission Secretary and Accounting Officer</p>
2.	 <p>Ms. Millicent Okatch Masters of Arts Degree in Sociology and Community Development Bachelor of Arts Degree in Sociology and Communication.</p>	<p>Director Research and Knowledge Management.</p>
3.		<p>Deputy Director Peace Building and Reconciliation</p>


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


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

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

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9.	 <p>Simeon Ndiwa</p> <p>Trained Police</p> <p>Higher Training Course</p> <p>Sub County Criminal Investigation Course</p> <p>Subordinate of Inspectorate Prosecution Course</p>	<p>Deputy Director Investigations and Compliance</p>
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5. Chairman's Statement

I am pleased to present the Annual Report and Financial Statement for the year ended 30th June, 2024. In the period under review, the Commission made substantial strides in implementing strategic initiatives outlined in both Road Map to Peaceful elections dubbed Elections Bila Noma and Deepening Peace and Cohesion for Prosperous Kenya 2022-2025 dubbed Amani Kwa Ground, hinged on our Strategic Plan 2020-2025. These initiatives were driven by our mandate to promote equality, foster good relations, and maintain harmony among diverse communities in Kenya. We remained dedicated to eradicating ethnic discrimination and facilitating peaceful conflict resolution, while respecting and valuing the rich diversity that characterizes our nation. Our commitment to supporting the Government's long-term development objectives was unwavering throughout this period.

One of the key areas of focus was enhancing inclusivity in public employment. To address the pressing issue of ethnic discrimination in county governments, we conducted a comprehensive diversity audit. The findings revealed a concerning trend: over 80% of public sector jobs are held by just ten tribes, with Kalenjins, Kikuyus, Luhyas, and Luos comprising the majority. Alarmingly, 29 tribes collectively account for only 1% of public sector employment. This stark disparity highlights the ongoing challenges of minority representation, even ten years after the devolution process began. Our analysis indicated that only 13 out of the 47 counties were in compliance with the County Government Act, which mandates equitable employment practices. In response, we collaborated with the Council of Governors and other stakeholders to revise the Guidelines for County Employment Equity Plans (CEEPs), aiming to promote fair resource distribution and foster inclusivity within public institutions.

In our efforts to ensure peaceful elections, we enhanced coordination with both State and Non-State Peace Actors by developing the "Elections Bila Noma" in preparation for the 2022 General Elections. This roadmap was instrumental in addressing significant obstacles to peaceful electoral processes, such as the pervasive lack of trust among communities, a culture of violence, and deep-seated ethnic polarization. The successful execution of this roadmap contributed significantly to the peaceful conduct of the elections. Furthermore, we re-launched the Uwiano Platform for Peace, a structured framework designed to facilitate conflict prevention and intervention, which involved collaboration with key partners, including government agencies, civil society organizations, and international bodies.

In our pledge to proactive conflict management, we established an Early Warning and Early Response System (EWERS). This system was designed to enhance our capacity for monitoring,

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documenting, and analysing conflict-related information. By providing a user-friendly platform for real-time detection and response, EWERS has significantly improved our ability to intervene promptly in instances of conflict and violence, allowing us to share vital information with stakeholders and ensure timely action.

Furthermore, in partnership with members of the Uwiano Platform, we undertook a comprehensive review of the Kenya Peace Building Architecture (PBA). This review aimed to assess the risks, systems, policies, and legal frameworks related to peacebuilding across 33 counties. The validated report from this review is set to be launched and implemented, further strengthening our peacebuilding efforts. In conjunction with this, we initiated the Social Cohesion Index (SCI) Study to evaluate the state of social cohesion in Kenya, focusing on six key indices: Trust, Peace and Security, Diversity, Equity, Prosperity, and National Identity.

To foster a culture of peaceful coexistence, we organized numerous sensitization forums in educational institutions. These initiatives aimed to cultivate a culture of peace among the youth and included the establishment of Amani Clubs within schools. Our outreach efforts successfully engaged students and educators alike, promoting values of dialogue, understanding, and respect for diversity. Overall, this comprehensive approach reflects our unwavering commitment to enhancing social cohesion and fostering harmony among Kenya's diverse communities. Through strategic interventions, proactive conflict management, and a focus on inclusivity, we are dedicated to building a more peaceful and equitable society for all Kenyans. Our work during this review period underscores the importance of collaboration and community engagement in achieving our shared goals of peace and unity.

Finally, on behalf of the Commissioners and staff, I would like to express our heartfelt gratitude to the Government of Kenya, the Ministry of Interior, Coordination and National Government, our Development partners, the Fourth Estate, the general public, and all other stakeholders. Your financial, technical, and moral support has been invaluable to our work, and we recognize that our achievements would not have been possible without your contributions. Thank you for your continued partnership as we strive to build a more peaceful and inclusive society.



**Rev. Dr Samuel Kobia CBS
CHAIRMAN
NATIONAL COHESION AND INTEGRATION COMMISSION**

6. Report of the Chief Executive Officer

I am pleased to present the National Cohesion and Integration Commission (NCIC) report for the year 2023 to 2024. The Annual Report and Financial Statements, as at 30th June 2024 are a sign of an effective year. Certainly, I am glad to have piloted such a successful team that made such desirable achievements over the past year.

As a Commission we have achieved substantial progress in advancing peace, cohesion, and inclusivity across Kenya. We have rigorously implemented the strategic interventions prescribed in both the Roadmap to Peaceful Elections, Deepening peace and cohesion for a Prosperous Kenya all anchored in our Strategic Plan 2020-2025. Our steadfast adherence to our mandate—to promote equality of opportunity, foster positive relations, and ensure harmonious coexistence among Kenya’s diverse communities—has been demonstrably clear.

We have successfully executed strategies targeting conflict resolution, mediation, and reconciliation. Key to our approach was the deployment of comprehensive conflict scanning and assessment programs, which functioned as an early warning system to proactively identify and address potential conflict areas. Additionally, our focus on capacity building was reflected in the enhancement of training programs designed to equip stakeholders with essential skills for contributing effectively to our mission.

Notably, our examination of inclusivity in public employment opportunities through a diversity and ethnic audit was conducted in the period under review. This ethnic audit for county public service highlighted a significant imbalance in employment distribution across various ethnic communities, with a disproportionate concentration of jobs among a few dominant groups in some counties. Out of the 47 counties ONLY 13 were compliant with NCI Act 2008 and CGA 2012. This finding necessitates ongoing efforts to promote ethnic diversity and balance within public institutions. In response, we have revised the Guidelines for County Employment Equity Plans to better support equitable resource distribution and inclusiveness at the county level.

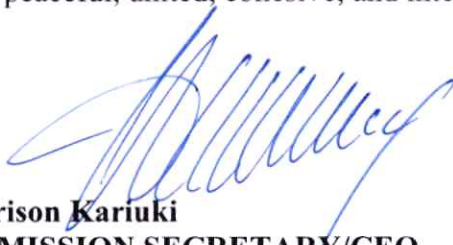
In cognizance of the critical role human resource play in an organization, the Commission maintained a strong human capital with skilled and competent staff. To maintain ongoing proficiency in service delivery, the Commission has persistently invested in talent development, providing targeted employees with support for training in various pertinent areas. Consequently, the Commission’s team has remained resolute, dedicated, and loyal in executing the Commission’s mandate. I extend my sincere gratitude to them for their unwavering dedication and hard work.

The achievements that have been realised this year is a testament of our commitment which would not have been possible without the support of the policy makers and the secretariat. Hence I extend

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my utmost gratitude to the Chairman and Commissioners for their constant guidance and timely decision-making; passion in fund raising and championing unchartered ground. I wish to thank the Secretariat for their unwavering dedication in delivering such outstanding results.

I also thank the Government of Kenya- through the Ministry of Interior and Coordination and donors for their technical and financial support, which has been very instrumental in realizing our success. Finally, I am grateful to the Members of the Fourth estate who have remained critical partners in guaranteeing that peace and cohesion agenda is disseminated to all Kenyans. Their role in ensuring peaceful coexistence in Kenya is much appreciated as we all work towards a peace, just and cohesive nation. I am confident that the Commission is in the right trajectory towards ensuring a peaceful, united, cohesive, and integrated just Kenyan society.



CPA Harrison Kariuki
Ag. COMMISSION SECRETARY/CEO
NATIONAL COHESION AND INTEGRATION COMMISSION

7. Statement of Performance against Predetermined Objectives for FY 2023/24

The National Cohesion and Integration Commission has four strategic Key Result Areas (KRAs) and 12 objectives within the current Strategic Plan 2020-2025. These strategic Key Result Areas are as follows:

- KRA 1: Elimination of ethnic discrimination in public institutions
- KRA 2: Peaceful co-existence between and among ethnic communities
- KRA 3: Reduction of hate speech, ethnic contempt and ethnic based political violence
- KRA 4: Organisation capacity strengthening

The Commission develops its annual work plans based on the above four KRAs as stipulated in the Strategic Plan 2020-2025. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Commission achieved its performance targets set for the FY 2023/2024 period for its four KRAs, as indicated in the diagram below:

Strategic Pillar/Theme/ Issues	Objectives	Key Performance Indicators	Activities	Achievements
KRA 1: Elimination of ethnic discrimination in public institutions	Improve inclusivity in public employment opportunities	Number of Sectors Audited	Conduct ethnic and diversity audits of employment in five public sectors (County Governments, parastatals, Public Universities, Constitutional Commissions and Public Service)	Ethnic and Diversity Audit of County Public Service conducted and the Report launched and disseminated.
		Number of Parastatals that have submitted data	Conduct ethnic and diversity audits of employment in for 218 parastatals	45 parastatals have submitted data and follow-up on the remaining is ongoing
		Tools, Methodology and indices identified	Conceptualise the Social Cohesion Index	Tools methodology and parameters identified validated and adopted
		Guidelines reviewed and validated	Review of the Guidelines for County Employment Equity Plans	County Employment Equity Plans reviewed and validated
KRA 2: Peaceful Co-		Number of conflict scans	Enhance conflict mitigation	4 conflict scans conducted in Isiolo,

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existence between and among ethnic communities			through conflict Hotspot scans	Kilifi, Elgeyo Marakwet and Kisumu –Kericho Counties
	To mitigate and resolve violent conflicts,	Number of dialogues/ mediation forums conducted	Facilitate intra and inter community dialogues/media tion to resolve conflicts and violence	10 inter and intra community mediation, dialogue and reconciliation forums conducted in 9 Counties namely, Kericho, Kisumu, Garissa, Samburu, Marakwet, Wajir, Kilifi, Mombasa and Nakuru Counties
	To increase knowledge appreciation and embracing of diversity	Number of stakeholders and actors sensitized	Training of local peace actors, stakeholders, women and youth on peace and cohesion	310 stakeholders trained on peace and cohesion
	Increase public understanding and practice of non-discrimination	Number of people reached and sensitized	Conduct sensitisation forums on peace, cohesion and integration	3,881 people from 15 Counties sensitized on peace and cohesion
KRA 3: Reduction of hate speech, ethnic contempt and ethnic based political Violence	To reduce incidences of hate speech in public spaces	Number of incidences identified for investigation	Monitor , collect and analyse incidences of hate speech in public spaces	797 incidences identified and analysed for investigation
		Number of cases investigated and prosecuted	Investigate cases and forward for investigation	62 cases have been managed. 3-before Court, 40-under investigation, 9- under conciliation and 10 - concluded
		Number of consultative forums conducted	Conduct advocacy forums on review and strengthening the NCI Act	2 advocacy forums conducted with Members of the Senate and National Assembly Committees on equal opportunity and cohesion
	To reduce incidences of ethnic-based violence during political processes	Number of Intelligence reports	Conduct investigations of ethnic contempt and misuse social media in	1 investigation conducted and report developed and disseminated

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			Trans-Nzoia County.	
		Number of conflict scans and scenario building sessions conducted	Conduct conflict hotspot risk assessments	Rapid conflict assessments conducted in Baringo, Isiolo and Elgeyo Marakwet and a report developed and disseminated
KRA4: Organisation capacity strengthening		Number of customers engaging in feedback	Develop and implement customer feedback mechanisms.	Customer feedback mechanism developed and implemented
			On-boarding services on E-Citizen Platform	Services on-boarded on E-Citizen Platform
		Number of staff recruited	Enhance staff capacity and delivery	26 staff recruited and inducted
		Number of work plans developed and disseminated	Develop and submit Annual and quarterly work plans	1 annual work plan and 4 quarterly work plans developed and implemented
		Number of reports developed and disseminated	Develop and submit Annual and quarterly reports	1 annual report and 4 quarterly reports developed and disseminated
		Number of staff recruited	Enhance staff capacity and delivery	The Commission oriented its 26 newly recruited members of staff.
		Reports developed and disseminated	Developed and implemented annual work plan, quarterly work plans and prepared annual and quarterly reports	1 Quarterly work plans; 1 Quarterly reports;
		Mid-term review of the strategic plan 2020-2025 conducted	Conduct a mid-term review of the Strategic plan 2020-2025 and document achievements	A review of the strategic plan conducted

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		Enhancing ICT	Evaluation of Staff performance and progress	Implementation of the Performance Appraisal System (PAS)
			Alignment with Government Standards	Migration to government domain .go.ke
		Strategic Partnerships	Number of partnerships established	Signed MoUs with ; Free Pentecostal Fellowship Kenya (FPFK); National Counter Terrorism Centre (NCTC) and UNESCO/KNATCOM
		Enhance and monitor performance	Develop Performance Management System and contracting for staff	Performance Management System for the Commission developed and the Performance Contract (PCs) for staff developed and signed
		Number of staff trained	Training of staff on required capacity areas	
		Number of online meetings and forums hosted	Enhance use of technology to improve delivery of services	Facilitated 15 virtual meetings digitisation and virtual engagements
		Number and types of IEC materials developed and disseminated	Design, produce, and disseminated assorted IEC materials	Over 200 assorted IEC materials disseminated
	Promote Corporate Social Responsibility	Participation in the National Tree Planting Day In Isiolo and Mombasa Counties	Over 3000 trees planted	Corporate Social Responsibility
	Enhanced Staff Capacity and Productivity	Employee Satisfaction Survey Conducted	67% satisfaction index	Enhanced Staff Capacity and Productivity

8. Corporate Governance Statement

Our Approach

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

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

Separation of Roles and Responsibilities

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

How we divide up our responsibilities

Commission Chairman

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

Commission Secretary/Chief Executive Officer

- Responsible for day-to-day leadership, management and control of the Commission. Recommending Key Result Areas to the Commission and ensuring that the KRA's and decisions of the Commission are implemented.

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- Ensure that the Commission has in place proper internal controls as well as a robust system of risk management.
- Constructively challenge the Commissioners and monitor the delivery of the KRAs within the risk and control environment set by the Commission.

Commission Composition

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

The nominees are forwarded to the National Assembly for vetting upon which they are submitted to the President for appointment. The process of removal of a Commissioner of NCIC is as provided by Section 23 of the National Cohesion and Integration Act, 2008. Currently the Commission has a chairman and six (6) Commissioners however, the NCI Act provides that there should be seven (7) Commissioners.

Roles and functions of Commissioners

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

Committees

The Commission constituted committees arising from the need to align them according to the NCI Act No. 12 of 2008 as stipulated in the Commission Charter Article 13. Further, the State department of Public Service gave a recommendation to have the Committees reduced to four (4) for effective management and deliver of service to the public. Thus, the Commission adopted and established the following Statutory Committees.

- i) Finance and General-Purpose Committee
- ii) Human Resource Management Committee
- iii) Technical Committee
- iv) Audit and Risk Management Committee
- v) Adhoc Committee (This is constituted on a need basis)

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The Committees are constituted as follows;

Finance and General-Purpose Committee

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

Human Resource Management Committee

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

Technical Committee

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

Audit and Risk Management Committee

- | | |
|-----------------------------|------------------------------------|
| 1. Simon Owawa Nyamolo | - Committee Chairperson |
| 2. Prof. Emmy Jerono Kipsoi | - Independent Member |
| 3. Faith Waithira | - National Treasury Representative |
| 4. Abdulaziz Farah | - Commission Representative |

*Prof Emmy Kipsoi served as a member until March 2024.

Adhoc Committee (1st July 2023 -30th April 2024)

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

Training of the Commissioners and its Committees

4 Commissioners underwent training by the Kenya Revenue Authority Training School in Mombasa.

A training needs assessment and skills gap has also been conducted on the team and same is being addressed in intervals as per budgetary allocations

Commission Charter

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

Number of Commission meetings held during the Financial Year 2023 / 2024

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

Attendance to meetings by members

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

Commission and Member performance

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

An independent audit Committee has now been fully constituted in accordance with the audit committee guidelines issued by the National Treasury though this has happened way after the financial year of reporting ended.

Conflict of Interest Management

In every business of the Commission, its committees and sub-committees before any proceedings are tabled and deliberated all members are invited to look at the agenda items and express

themselves on whether they have any personal interest in the items for discussion. Such declaration of interest or lack of the same is recorded in a register called the '**declaration of interest register**' as is kept by the Commission Secretary. This process is observed with strict adherence to best corporate governance practice without fail.

Commissioners Remuneration

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

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

Ethics, Conduct and Governance Audit procedure

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

Succession Planning at the Commission

The NCI Act 2008 as amended provides that the term of the current Commissioners will be for six (6) years. The current Commissioners were appointed in November 2019. The term of the current Commissioners therefore will end in October 2025.

9. Management Discussion and Analysis

Operational and financial performance

During the period under review, the Commission successfully implemented strategic interventions as envisioned in the Roadmap to Peaceful Elections and the Strategic Plan 2020-2025. The key interventions were also informed by the Commission's statutory mandate of promoting equality of opportunity, good relations, harmony and peaceful coexistence as well as elimination of all forms of ethnic discrimination, peaceful resolution of conflicts and respect for diversity among Kenya communities. The Commission was steadfast and committed to continue promoting the Government's long-term development goals and plans. In line with this, the Commission progressively implemented peace and cohesion strategies which included: conflict scans and assessments, conflict resolution, mediation, dialogue and reconciliation, sensitization, capacity building on peace and cohesion, strengthening early warning and early response mechanisms, enhancing inclusivity in employment and hate speech management among other key strategies.

To improve inclusivity in public employment opportunities and eliminate ethnic discrimination in public institutions the Commission conducted the diversity and ethnic audit of employment in County Public Service (CPS). The report highlighted that over 80% of jobs in the country are dominated by 10 tribes led by Kalenjins (15.83%), Kikuyus (15.77%), Luhyas (11.6%) and Luos (9.81%) while 1% of jobs represent 29 tribes. The report further validates the fact that the minority are still far from achieving adequate representation in the county employment post 10 years of devolution. In its findings, the report revealed that only 13 out of the 47 counties are compliant with the County Government Act in regards to employment. In addition, the Commission in collaboration with CoG and other partners reviewed the Guidelines for County Employment Equity Plans (CEEPs) whose aim is to promote equity in the distribution of resources within Counties for inclusiveness and shared prosperity.

To strengthen early warning and early response the Commission developed an Early Warning and Early Response System (EWERS) aimed at enhancing monitoring, documentation and analysis of conflict related information. The EWERS system provides real-time, and a user-friendly platform that enables timely detection and response to conflict and violence incidences and alerts. The system further has enhanced timely interventions as well as information sharing with key stakeholders on emerging conflict situations and early warning signs of potential conflicts thus enabling timely responses and interventions.

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In the period under review the Commission collaborated with the Uwiano Platform members co-chaired by National Steering Committee of Peacebuilding and Conflict management (NSC) in undertaking the review of the Kenya Peace Building Architecture (PBA). The PBA review aimed at assessing the risks, systems, policies and legal frameworks, peacebuilding architecture, digital peacebuilding, financing as well as mapping of peacebuilding stakeholders in 33 Counties across the Country. The PBA report was validated and is the process of being launched and subsequently disseminated and implemented. The Commission during the period under review commenced the Social Cohesion Index (SCI) Study aimed at assessing the state of social cohesion in the Country. The study is structured around six key indices namely; Trust, Peace and Security, Diversity, Equity, Prosperity and National Identity.

To promote peaceful coexistence, the Commission conducted a series of targeted engagements and sensitization forums institutions of learning with an aim of promoting and inculcating a culture of peace in learning institutions through sensitizations and launch of Amani Clubs in the schools. The Commission further conducted the Kenya National Amani debate as well as the National Essay Writing Competition. Following these engagements, a total of towards this end the Commission conducted sensitization for Amani club members' in 12 Secondary and two Universities Schools reaching a total of 5,520 students.

In its efforts to mitigate and resolve communal conflicts, the Commission conducted 4 conflict hotspot risk assessments in Baringo, Isiolo and Elgeyo Marakwet and in Kisumu-Kericho Counties as well as 10 inter and intra community mediation, dialogue and reconciliation forums in 9 Counties namely, Kericho, Kisumu, Garissa, Samburu, Marakwet, Wajir, Kilifi, Mombasa and Nakuru Counties. The dialogue forums improved intercommunal relations and cessation of conflicts through community peace pacts and declarations. The Commission also trained and strengthened the capacity of peace actors and stakeholders through targeted trainings on peace and cohesion in 7 counties reaching a total of 527 people. Additionally, through public forums and platforms the Commission further sensitized 9,380 people as well as that rover 10 million Kenyans with peace messaging through an integrated media campaign.

During the period under review the Commission strengthened the capacity of the Multiagency Taskforce to effectively manage hate speech, ethnic contempt and political incitement. The Multi-agency working group comprises of 13 state agencies, namely, NCIC, Independent Electoral and Boundaries Commission (IEBC), National Intelligence Service (NIS), Ethics and Anti-Corruption Commission (EACC), Office of the Director of Public Prosecutions (ODPP), Office of the Registrar of Political Parties (ORPP), Office of the Attorney General, National Police Service

(NPS), Directorate of Criminal Investigations (DCI), Media Council of Kenya (MCK), Communication Authority of Kenya (CAK), Ministry of Information, Communications and Technology and National Steering Committee on Peace Building and Conflict Management (NSC). In addition, the Commission developed and implemented the Political Decency and Peace Accountability Charter and engaged political leaders across the counties to sign and commit to promote and maintain peace during and after the general elections. Eighty-six Secretary Generals of all Registered Political Parties and four Presidential Candidates signed the charter in addition to over 10,000 political leaders and aspirants.

During the period under review the Commission undertook monitoring and analysing of incidences of hate speech in public spaces and flagged 797 incidences. During the period the Commission managed 62 cases have been managed. 3 are before Court, 40 are under investigation, 9 under conciliation while 10 cases have been concluded. The Commission also strengthened the institutional capacity through strategic partnerships, digitization, staff capacity development, reporting, performance management as well as promotion of institutional branding and visibility. To implement these strategic initiatives, the Commission utilised funds received from the Government of Kenya (GoK) amounting to Kshs 545,850,000 million and funds from development partners amounting to Kshs 23,335,400 million

Compliance with Statutory Requirements

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

Major Risks facing the Commission

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

- **Strategic Risks-** This is a material present or future risk that arise from fundamental decisions that affects the commission’s mandate. The strategic plan of the commission is a five-year plan approved by the Commissioners. Currently, the recommendations by the National Dialogue Committee (NADCO) poses as a strategic risk to the Commission.
- **Financial Risks-** Being a statutory body funded by Government of Kenya, the reduction on budget across all arms of government is a high-risk factor to the commission. Insufficient budget to operationalize the commission mandate and delayed funding from ex-chequer are financial risks to the commission
- **Technological Risks-** These include; overreliance on vendors, malfunctioning of IT systems and equipment, technological changes, increased demand for digital services and cyber security threats.
- **Operational Risks-** This risk involves inability to provide the core services especially to the clientele (public) resulting from inadequate staffing and human capacity development, inadequate resource allocation, weak implementation capacity, inadequate internal processes and unforeseen national or international pandemics.

Review of the Sector

The peacebuilding and cohesion sector in Kenya continue to be faced by a multiplicity of challenges, key among them, inter-and intra-community disputes as well as boundary and land disputes. Exclusion, inequality and discrimination in resource distribution and access to services at county levels have intensified conflicts. Other conflict dynamics that have taken root include cattle rustling, election-related violence, radicalisation and terrorism, and conflicts over natural resources. The threats to peace is further aggravated by, among others, high rate of unemployment particularly among the youth, high poverty levels notably in rural areas and urban informal settlements, and politics of ethnicity.

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

The peacebuilding architecture in the Country for a long time has not been effectively coordinated and lacks a clear and guiding financing framework which causes duplication of roles and

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competition for the limited available resources among several agencies. In view of this the Government of Kenya, with the support of the United Nations supported a comprehensive review of Kenya's Peacebuilding Architecture. This review process was conducted through an inclusive consultative process which included extensive quantitative and qualitative field research country-wide; thematic consultations on emerging challenges such as climate change, regional prevention, displacement and refugees, digital peacebuilding, and consultations with national stakeholder groups. The findings of the review have provided clear recommendations to prevent violence and sustain peace by setting Kenya's own New Agenda for Peace.

10. Environmental and Sustainability Reporting

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

i) Sustainability strategy and profile

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

ii) Environmental performance

The Commission in its operations have embraced efforts geared towards environmental sustainability through economic and prevention strategies. To this end the Commission has adopted environmentally friendly technology and equipment for instance printers that enable printing back-to-back in addition to encouraging staff to use electronic documents which have resulted in reduction of carbon footprints. The Commission has also invested in a fleet of vehicles that are efficient. Eco-friendly and low on carbon emissions. All these efforts are aimed at promoting environmental management practices and procedures that are sustainable.

iii) Employee welfare

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

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

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

iv) Market place practices-

The Commission has made an effort to ensure:

Responsible Supply chain and supplier relations

Our suppliers are experts in the wide range of goods and services we require to help the commission in achieving its objectives. By working with them, we not only deliver services to the public responsibly, but improve our collective impact, ensuring sustainable supply chains, reducing our environmental impact and making positive contributions to society.

v) Corporate Social Responsibility / Community Engagements

In the spirit of the Commissions clarion call of “One Nation One People One Destiny” the Commission undertook impactful Corporate Social Responsibility (CSR) initiatives reaching out to the public and enhance its brand visibility. These initiatives include environmental care such as tree planting, school clinics to inculcate peace and cohesion among the youth, and sponsorship of awards and cultural events at community and institutional level. The commission engaged in the tree-planting exercise on 10th May 2024 in collaboration with other government agencies, non-governmental organizations (NGOs), and local communities. Program and Principal Officers represented NCIC in the following regions: Coast, Upper Rift, Central Rift, and Upper Eastern. By participating, the commission demonstrated its commitment to addressing climate change through

responsible environmental stewardship. The activity highlighted the importance of collective national efforts to foster environmental sustainability, peace, and unity.

On 26th October, 2023 the commission also participated in the Mashujaa Campus Expo week organized by University and Colleges and Students Association of Kenya (UCSPAK) to engage and train youth on peace and security. The event was held at the University of Nairobi. It served as a platform to unite students and facilitate the coordination of activities and initiatives aimed at fostering peace in institutions of learning.

The Commission has institutionalised an elaborate internship programme aimed at offering on the job learning and training opportunities for graduates. During the year under review the internship programme benefitted a total of 22 graduates (10 male and 12 females) drawn from various counties across the country.

11. Report of the Commissioners

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

i) Principal activities

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

ii) Results

The results of the entity for the year ended June 30, 2024, are set out on page 1 - 5

iii) Commissioners

The Commissioners who served during the year are shown on pages vi - xii.

iv) Auditors

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

By Order of the Commission



CPA Harrison Kariuki
Ag. COMMISSION SECRETARY/CEO



Date

12. Statement of Commissioners Responsibilities

Section 81 of the Public Finance Management Act, 2015 requires the Commissioners to prepare financial statements in respect of that Commission, which give a true and fair view of the state of affairs of the Commission at the end of the financial year/year and the operating results of the Commission for that year. The Commissioners are also required to ensure that the Commission keeps proper accounting records which disclose with reasonable accuracy the financial position of the Commission. The Commissioners are also responsible for safeguarding the assets of the Commission.

The Commissioners are responsible for the preparation and presentation of the Commission's financial statements, which give a true and fair view of the state of affairs of the Commission for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting year; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Commission; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Commission; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Commissioners accept responsibility for the Commission's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Commissioners are of the opinion that the Commission's financial statements give a true and fair view of the state of Commission's transactions during the financial year ended June 30, 2024 and of the Commission's financial position as at that date. The Commissioners further confirm the completeness of the accounting records maintained for the Commission, which have been relied upon in the preparation of the Commission's financial statements as well as the adequacy of the systems of internal financial control.

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

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Approval of the financial statements

The Commission's financial statements were approved by the Commission on 28th September, 2024 and signed on its behalf by:



**Rev. Dr. Samuel Kobia, CBS
COMMISSION CHAIRPERSON
SECRETARY**



**CPA Harrison Kariuki
Ag. COMMISSION**

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REPORT OF THE AUDITOR-GENERAL ON NATIONAL COHESION AND INTEGRATION COMMISSION FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Cohesion and Integration Commission as set out on page 1 to 20 which comprise of the statement of financial position as at 30 June, 2024, the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of

significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Cohesion and Integration Commission as at 30 June, 2024, and of its financial performance and cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters which, 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 Information

The Fund Management is responsible for the other information set out on page ii to xl which comprise of Key Entity Information and Management, The Commissioners, Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Commissioners, and Statement of Commissioners Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion

on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

1. Long Outstanding Payables

The statement of financial position reflects a balance of Kshs.39,034,016 in respect of non-current liabilities as disclosed in Note 15b to the financial statements. Included in the amount are creditors amounting to Kshs.30,266,016 who offered goods and services in the financial year 2022/2023 but were yet to be paid. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates.

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

2. Failure to Remit Value Added Tax

The statement of financial position reflects current liabilities of Kshs.52,430,637 which, as disclosed in Note 15a to the financial statements, includes Value Added Tax (VAT) of Kshs.3,627,996 owed to the Commissioner of Domestic Taxes that had not been settled as at 30 June, 2024. As reported in the previous year, the amount has been outstanding for more than two years. This was contrary to Regulation 23 (2a) of the Public Finance Management (National Government) Regulations, 2015 which states that, an Accounting Officer shall comply with any tax, levy, duty, pension, commitments and audit commitments as may be provided for by legislation.

Further, review of payments details and payment vouchers in respect of contracted services and rental expenses revealed that an amount of Kshs.775,527 being 2% of Value Added Tax (VAT) was not withheld as required by Section 42A(4c) of the Tax Procedures Act, 2015 which requires that 2% of tax should be withheld on payments which attract tax.

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

3. Irregular Acting Beyond Six (6) Months

Review of the Commissions records revealed that, the position of the Commission Secretary became vacant in May, 2023 and an officer was appointed in an acting capacity effective 5 May, 2023. The acting appointment should have terminated on 6 November, 2023 but as at the time of the audit in October 2024, the position had not been substantively filled and the officer was still drawing acting allowance and other reimbursable allowances pursuant to the provisions of his appointment letter. This was contrary to Section 34 of the Public Service Commission Act, 2017 which provides that a person shall not be appointed to hold a public office in an acting capacity for more than six months. Although Management explained that recruitment of a substantive CEO/Commission Secretary was put on hold pending outcome of a court case, documentary evidence in support of the position was not provided for audit review.

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

4. Appointment of Commissioners and Payment of Unapproved Salaries and Benefits

The Commission as a statutory body was created under the National Cohesion and Integrated Act (Act No.12) of 2018 and hence not through a Constitutional provision. The Chairman was appointed on 18 November, 2019 for a single term of six years vide Gazette Notice No.10893 pursuant to Section 17(1)(a) the National Cohesion and Integration Act. The other Commissioners were also appointed on 18 November, 2019 for a single term of six years vide Gazette Notice No.10894 pursuant to Section 17(1)(b) of the Act.

On 7 November, 2018, a petitioner went to court seeking certain orders relating to the appointment of the Commissioners. In a judgement delivered on 14 January, 2019, the Court, in paragraph 48 of the judgement in petition number 385 of 2018, made the sought orders and declared that appointment made pursuant to Section 17(1)(a) and (b) of the National Cohesion and Integration Act No.12 of 2018 and the procedure for nominating Commissioners of the NCIC by the National Assembly under the 1st Schedule of the Act was unconstitutional, and therefore invalid, null and void.

Although the judgement predated the appointment of the current team of Commissioners, no explanation was provided on why the appointment of the current Commissioners in April 2020 was made in contempt of the above judgement. Further, the Commissioners have been drawing salaries and other benefits meant for Constitutional Commissions and Independent Offices. The letters of appointment expressly provided that the Commissioners were appointed on full time basis for a single term of 6 years. However, such terms are only applied to a member of a Constitutional Commission or the holder of an Independent Office in terms of Article 250(6)(a) of the Constitution. In addition, vide circular number OP/SCAC.9/1/5/2(2) of 28 April, 2015, the Chief of Staff and Head of the Public service directed that the provisions of MWONGOZO be complied with by all State Corporations specifically on appointment of Chairpersons, Board Members and CEO of State Corporations.

In the circumstances, the legal existence of the Commissioners under the current terms could not be confirmed.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause

me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Enhancement of Governance Systems for Security Related Expenditures

During the year under review, the Commission incurred some expenditures on confidential security operations. A certificate of confidential expenditure was issued, supported by a declaration from the Accounting Officer affirming proper use of funds in compliance with Regulation 101(5) of the Public Finance Management (National Government) Regulations, 2015.

There is need, however, to enhance accountability of confidential expenditures through review of the Regulations to clearly define entities eligible for confidential security related expenditures and to specify what constitutes security related operations. Further, entities should establish internal oversight mechanisms and processes that include detailed budget projections and post-operation financial summaries to address risks and ensure responsible use and accountability of the funds, beyond the certificate.

The measures will strengthen governance, foster trust, and ensure funds are utilised responsibly without compromising State security.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management is aware of the intention to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements

are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 December, 2024

**National Cohesion and Integration Commission
Annual Report and Financial Statements
For the year ended June 30, 2024.**


14. Statement of Financial Performance for the year ended 30 June 2024


	Note	2023-2024	2022-2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other government entities	5	545,850,000	382,941,400
Public contributions and donations	6	23,335,400	71,752,606
Total revenue		569,185,400	454,694,006
Expenses			
Use of goods and services	7	264,743,564	331,038,957
Employee costs	8	252,860,286	227,113,800
Depreciation and amortization expense	9	25,984,781	30,557,612
Repairs and maintenance	10	20,438,567	21,227,220
Total expenses		564,027,199	609,937,590
Surplus (deficit)for the period		5,158,201	(155,243,584)

The notes set out on pages 6 to 26 form an integral part of these Financial Statements.

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


.....
Harrison Kariuki
Ag. Commission
Secretary/CEO
28th September, 2024


.....
Catherine Njuki
Head of Finance
ICPAK M/No:6758
28th September, 2024

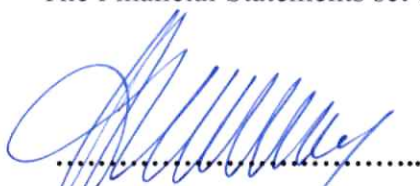

.....
Rev. Dr. Samuel Kobia CBS
Commission Chairman
28th September, 2024

**National Cohesion and Integration Commission
Annual Report and Financial Statements
For the year ended June 30, 2024.**

15. Statement of Financial Position as at 30 June 2024

	Note	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	11	16,799,697	2,803,481
Receivables from non-exchange transactions	12	61,226,151	61,212,904
		78,025,847	64,016,385
Non-current assets			
Property, plant and equipment	13	140,938,964	163,098,032
Intangible assets	14	680,154	1,020,181
		141,619,118	164,118,213
Total assets		219,644,966	228,134,597
Liabilities			
Current liabilities	15	52,430,637	99,821,134
Non-current liabilities	15b	39,034,016	7,764,000
Total liabilities		91,464,653	107,585,134
Net assets		128,180,313	120,549,464
Represented by			
Accumulated surplus		113,728,845	108,570,644
Capital Fund		14,451,467	11,978,820
Net Assets		128,180,313	120,549,464

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



Harrison Kariuki
Ag. Commission
Secretary/CEO
28th September, 2024



Catherine Njuki
Head of Finance
ICPAK M/No:6758
28th September, 2024



Rev. Dr. Samuel Kobia CBS
Commission Chairman

28th September, 2024

National Cohesion and Integration Commission
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16. Statement of Changes in Net Assets for the year ended 30 June 2024

	Capital Fund	Retained Earnings	Total
	Kshs	Kshs	Kshs
At 1 July 2020	8,847,000	160,630,510	169,477,510
Total comprehensive surplus for the period	-	78,628,931	78,628,931
At 30 June 2021	8,847,000	239,259,440	248,106,440
Total comprehensive surplus for the period	-	24,554,788	24,554,788
At 30 June 2022	8,847,000	263,814,228	272,661,228
Total comprehensive surplus for the period		- 155,243,584	- 155,,764
Donations	3,131,820		
At 30 June 2023	11,978,820	108,570,644	120,549,464
Total comprehensive surplus for the period		5,158,201	5,158,201
Donations	2,472,647		2,472,647
At 30 June 2024	14,451,467	113,728,845	128,180,313

**National Cohesion and Integration Commission
Annual Report and Financial Statements
For the year ended June 30, 2024.**

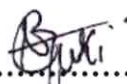
17. Statement of Cash Flows for the year ended 30 June 2024

	Note	2023-2024	2022-2023
		Kshs	Kshs
Surplus for the period		5,158,201	(155,243,584)
Adjustments for:			
Depreciation & amortization	9	25,984,781	30,557,612
Operating surplus before working capital changes		31,142,983	(124,685,972)
Decrease /(Increase) in trade and other receivables		(13,247)	10,454,603
Increase /(Decrease) in trade and other payables		(16,120,480)	54,458,001
Cash generated from operating activities		15,009,256	(59,773,368)
Cash flows from investing activities			
Purchase of property, plant & equipment	13	(1,013,040)	(17,372,861)
Net cash flows used in investing activities		(1,013,040)	(17,372,861)
Net Increase / Decrease in cash		13,996,216	(77,146,229)
Cash & cash equivalent at the beginning of the period		2,803,481	79,949,710
Cash & cash equivalents at the end of the period		16,799,697	2,803,481


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



Harrison Kariuki
Ag. Commission
Secretary/CEO
 28th September, 2024



Catherine Njuki
Head of Finance
ICPAK M/No:6758
 28th September, 2024



Rev. Dr. Samuel Kobia CBS
Commission Chairman
 28th September, 2024

National Cohesion and Integration Commission
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18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024

	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	% of Utilization
	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	
Revenue						
Government grants and subsidies	545,850,000	-	545,850,000	545,850,000	-	
Public contributions and donations	-	23,335,400	23,335,400	23,335,400	-	
Total income	545,850,000	23,335,400	569,185,400	569,185,400	-	
Expenses						
Compensation of employees	246,000,000	-	246,000,000	252,860,286	(6,860,286)	103
Rent paid	54,685,247	-	54,685,247	50,559,470	4,125,778	92
Repairs and maintenance	17,567,809	-	17,567,809	20,438,567	(2,870,758)	116
Other expenses	27,596,944	23,335,400	250,932,344	240,168,876	10,763,468	96
Total expenditure	545,850,000	23,335,400	569,185,400	564,027,199	5,158,201	99
Surplus for the period				5,158,201		

- i) *The Commission in the year reviewed recruited new staff in the month of October 2024. The incidental costs related to the hiring led to the over expenditure in the budget line.*
- ii) *The Commission's fleet of motor vehicles is aged and the vehicles are constantly breaking down leading to increased costs of repairs and maintenance.*

**National Cohesion and Integration Commission
Annual Reports and Financial Statements
For the year ended June 30, 2024.**

19. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

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

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

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

3. Adoption of New and Revised Standards

The Commission did not adopt any new or amended standards in year ended June 2024.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Public Contributions and Donations

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

**National Cohesion and Integration Commission
Annual Reports and Financial Statements
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Notes to the Financial Statements (Continued)

ii. Transfers from other government entities

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

b) Budget information

The original budget for FY 2023-2024 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

c) Property, plant and equipment

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

National Cohesion and Integration Commission
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Notes to the Financial Statements (Continued)

Full year depreciation is charged in the year of purchase and none in the year of disposal. Depreciation is calculated using the reducing balance method to write down the cost of each asset to its residual value over its estimated useful life using the following annual rates.

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

d) Intangible assets

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

e) Inventories

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

f) Provisions

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

Where the Commission 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.

Notes to the Financial Statements (Continued)

a) Employee benefits

Retirement benefit plans

The Commission provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior years. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Summary of Significant Accounting Policies (Continued)

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

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

b) Related parties

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

**National Cohesion and Integration Commission
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For the year ended June 30, 2024.**

Notes to the Financial Statements (Continued)

c) Cash and cash equivalents

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

d) Accounts payables

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

e) Comparative figures

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

f) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

g) Provisions

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

National Cohesion and Integration Commission
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Notes to the Financial Statements (Continued)

5. TRANSFERS FROM GOVERNMENT

Description	2023-2024	2022-2023
	KShs	KShs
Unconditional Grants		
Operational grant	545,850,000	342,760,000
Other grants		40,181,400
Total Government grants and subsidies	545,850,000	382,941,400

b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES (MDAs)

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year
	Kshs	Kshs	Kshs	Kshs
Ministry of Interior and Coordination of National Government	545,850,000	-	-	545,850,000
Total	545,850,000	-	-	545,850,000

6. PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2023-2024	2022-2023
	Kshs	Kshs
UNDP	21,801,465	68,509,990
UNESCO	601,200	
CIPESA	932,735	
GIZ	-	2,168,136
Swedish Embassy	-	403,000
Mary Hoch Foundation	-	671,480
Total transfers and sponsorships	23,335,400	71,752,606

**National Cohesion and Integration Commission
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Notes to the Financial Statements (Continued)

7. USE OF GOODS AND SERVICES

Description	2023-2024	2022-2023
	Kshs	Kshs
Printing, Advertising and Information Supplies	6,954,355	21,953,511
Audit fees	1,044,000	1,044,000
Bank charges	1,826,062	2,161,471
Hospitality & Conferences	11,659,904	13,641,383
Contracted guards and cleaning services	3,533,417	3,446,001
Contracted professional services	6,106,520	6,055,317
Domestic travel and subsistence	104,249,906	124,544,501
Electricity	402,857	935,810
Foreign travel and subsistence	10,002,334	9,976,484
Fuel and oil	13,518,006	15,555,860
Hire charges	3,533,000	1,744,800
Insurance	35,884,747	41,083,336
Internet connectivity	2,262,040	1,816,964
Membership fees, dues, subscriptions	558,940	211,956
Postage	2,416,402	64,470
Office and general supplies	3,384,399	2,963,250
Project sponsorships	1,574,000	35,801,504
Rental	50,559,470	43,924,755
Telecommunication	1,295,753	1,575,215
Training	3,914,453	2,530,160
Water and sewerage	63,000	8,210
Total general expenses	264,743,564	331,038,957

8. EMPLOYEE COSTS

	2023-2024	2022-2023
	Kshs	Kshs
Salaries and wages	231,274,375	209,949,385
Employee related costs - contributions to pension schemes	16,328,306	14,107,609
Contribution to medical aid	166,544	1,153,806
Gratuity	1,897,200	1,881,700
Employer contribution to housing	3,097,511	-
Employer contribution to training	96,350	21,300
Employee costs	252,860,286	227,113,800

**National Cohesion and Integration Commission
Annual Reports and Financial Statements
For the year ended June 30, 2024.**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. DEPRECIATION AND AMORTIZATION EXPENSE

	2023-2024	2022-2023
	Kshs	Kshs
Property, plant and equipment	25,644,755	30,047,599
Intangible assets	340,026	510,014
Total depreciation and amortization	25,984,781	30,557,612

10. REPAIRS AND MAINTENANCE

Description	2023-2024	2022-2023
	Kshs	Kshs
Vehicles	15,060,500	14,334,167
Furniture & office equipment	571,300	5,104,260
Computers	4,806,767	1,788,793
Total repairs and maintenance	20,438,567	21,227,220

**Repairs and maintenance costs for computers includes costs relating to renewal of anti-virus and other licenses used in the Commission*

11. CASH AND CASH EQUIVALENTS

Description	2023-2024	2022-2023
	Kshs	Kshs
Current account	16,799,697	- 15,719,061
Total cash and cash equivalents	16,799,697	-15,719,061

11(a) DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

Description		2023-2024	2022-2023
Financial institution	Account number	Kshs	Kshs
a) Current account			
Kenya Commercial bank	1118919238	8,196,883	-18,522,542
National Bank of Kenya	0102815036400	8,602,814	2,803,481
Grand total		16,799,697	-15,719,061

**National Cohesion and Integration Commission
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For the year ended June 30, 2024.**

Notes to the Financial Statements (Continued)

12. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CURRENT)

Description	2023-2024	2022-2023
	Kshs	Kshs
Current receivables		
Imprest		
GOK	43,373,427	35,443,497
SIDA	3,225,750	3,225,750
UNDP	-	1,446,150
Total imprest	46,599,177	40,115,397
Staff advances	-	59,584
Bank Guarantee	-	3,100,000
Prepayments	13,968,044	16,844,788
Other receivables	658,930	1,093,135
Total current receivables	61,226,151	61,212,904

13. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles	Furniture & Fittings	Computers & Printers	Total
Cost or Valuation:	Kshs	Kshs	Kshs	Kshs
At 1 July 2021	162,760,623	142,384,666	54,957,082	360,102,372
Additions during the year	16,780,000	39,974,248	1,578,800	58,333,048
At 30th June 2022	179,540,623	182,358,914	56,535,882	418,435,420
Additions during the year	1,800,000	17,969,201	735,480	20,504,681
As at 30th June 2023	181,340,623	200,328,116	57,271,362	438,940,101
Additions during the year	-	975,227	2,510,460	3,485,687
As at 30th June 2024	181,340,623	201,303,343	59,781,822	442,425,788
Depreciation and impairment				
At 1 July 2021	135,534,669	32,789,008	47,143,489	215,467,167
Depreciation	11,001,489	16,657,551	2,668,264	30,327,304
As at 30th June 2022	146,536,157	49,446,559	49,811,753	245,794,470
Depreciation	8,701,116	18,860,195	2,486,288	30,047,599
As at 30th June 2023	155,237,274	68,306,754	52,298,041	275,842,069
Depreciation	6,525,837	16,624,574	2,494,344	25,644,755
As at 30th June 2024	161,763,111	84,931,327	54,792,385	301,486,824
Net book values				
At 30 June 2024	19,577,512	116,372,015	4,989,437	140,938,964
At 30 June 2023	26,103,349	132,021,362	4,973,321	163,098,032
At 30 June 2022	33,004,466	132,912,355	6,724,129	172,640,949

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Notes to the Financial Statements (Continued)

14. INTANGIBLE ASSETS-SOFTWARE

Description	2023-2024	2022-2023
	Kshs	Kshs
Cost		
At beginning of the year	5,859,740	5,859,740
Additions		-
At end of the year	5,859,740	5,859,740
Amortization and impairment		
At beginning of the year	4,839,559	4,329,546
Amortization	340,026	510,014
At end of the year	5,179,586	4,839,559
NBV	680,154	1,020,181

15. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

a) CURRENT LIABILITIES

Description	2023-2024	2022-2023
	Kshs	Kshs
OAG	1,044,000	1,044,000
Commissioner of Domestic Taxes	3,627,996	3,627,996
Cash at bank	-	18,522,542
Other creditors	47,758,641	76,626,596
Total trade and other payables	52,430,637	99,821,134

b) NON-CURRENT LIABILITIES

Description	2023-2024	2022-2023
	Kshs	Kshs
OAG	5,220,000	4,176,000
Life Insurance claim payable	3,588,000	3,588,000
Creditors	30,226,016	
Total trade and other payables	39,034,016	7,764,000

Notes to the Financial Statements (Continued)

16. Financial Risk Management

(i) Credit Risk Management

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

(ii) Employee Benefit Obligations

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

(iii) Liquidity Risk Management

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

(iv) Market Risk

NCIC is not exposed to market risk.

(v) Capital Risk Management

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

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Notes to the Financial Statements (Continued)

17. Related Party Disclosures

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

18. Events after the Reporting Year

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

19. Contingent Liabilities

The Commission has a case in court that has not been determined. The outcome of the case is not expected to affect the financials of the Commission and therefore no provisions have been provided.

20. Ultimate and Holding Entity

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

21. Currency

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

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20. Appendix

Appendix 1: Implementation Status of Auditor-General's Recommendations

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

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

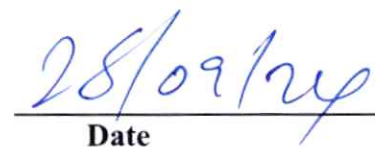
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	balance of Kshs99,821,134 as disclosed in Note 15 to the financial statements which includes VAT of Kshs 3,627,996 owed to the Commissioner of Domestic Tax that had not been settled as at 30 June 2023, out of which Ksh 2,561,823 are taxes brought forward from the previous year. This is contrary to Section 23(2) of Public Finance Management (National Government) Regulations 2015 which states that an Accounting officer shall comply with any tax, levy, duty, pension, commitments and audit commitments as may be provided by legislation.	the Kenya Revenue Authority		<i>PIC of the National Assembly</i>
	Review of the staffing levels in the Internal Audit Department revealed that the Department has only one member of Staff after the resignation of the Head of the Unit. The member of staff in the Department is currently place in a middle level management at scale NCIC 5. Further, the current staff establishment	The recruitment process to fill the position of the Head of Internal Audit was successfully concluded. We are currently awaiting the selected candidate to officially report in the 2023/2024 financial year.	<i>Not Resolved</i>	<i>Awaiting invitation from the PIC of the National Assembly</i>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>provides for only two Auditors in the Internal Audit Department, which may not be adequate to ensure adequate risk management and governance. This is contrary to Part 3.4 of Mwongozo Code of Conduct for State Corporations which requires that the Internal Auditor be a senior member of Management, professionally qualified and in good standing in a professional body responsible for regulating Auditors. Further, the Head of Public Service Circular reference no. OP/CAB.9/1A dated 11 March, 2020 directed that all Head of Internal Audit should be placed between level 2 and 3 of the grading structures.</p>			


 Commission Secretary/CEO


 Date

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Appendix II: Transfers from Other Government Entities

Name of Ministry, Department or Agency	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount – KES	Statement of Financial Performance	Total Transfers during the Year
Ministry of Interior and National Administration	03/08/2023	Recurrent	90,975,000	90,975,000	90,975,000
Ministry of Interior and National Administration	18/08/2023	Recurrent	45,487,500	45,487,500	45,487,500
Ministry of Interior and National Administration	26/10/2023	Recurrent	45,487,500	45,487,500	45,487,500
Ministry of Interior and National Administration	06/11/2023	Recurrent	45,487,500	45,487,500	45,487,500
Ministry of Interior and National Administration	01/12/2023	Recurrent	45,487,500	45,487,500	45,487,500
Ministry of Interior and National Administration	02/01/2024	Recurrent	90,975,000	90,975,000	90,975,000
Ministry of Interior and National Administration	11/03/2024	Recurrent	45,487,500	45,487,500	45,487,500
Ministry of Interior and National Administration	29/04/2024	Recurrent	90,975,000	90,975,000	90,975,000
Ministry of Interior and National Administration	12/06/2024	Recurrent	45,487,500	45,487,500	45,487,500
Total			545,850,000	545,850,000	545,850,000