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THE-TABLE:

CHRISTINE NDIRITU

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL COUNCIL FOR POPULATION  
AND DEVELOPMENT**

**FOR THE YEAR ENDED  
30 JUNE, 2021**

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
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*NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT*

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDING**

**30<sup>TH</sup> JUNE 2021**

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

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

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

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

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

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

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

“Population issues” mean:

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

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

***Vision of the Council***

Quality Population for a Prosperous Kenya

***Mission of the Council***

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

***Objectives of the Council***

***Strategic Objective 1:***

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

***Strategic Objective 2:***

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

***Strategic Objective 3:***

To provide evidence based information for decision making

***Strategic Objective 4:***

To create awareness on population and development issues

***Strategic Objective 5:***

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

***Strategic Objective 6:***

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

***Strategic Objective 7:***

To Improve NCPD visibility

**Core Values**

Evidence based, Professionalism, Integrity, Inclusiveness, Flexibility

**(c) Key Management**

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

- Director General (CEO)
- Senior Management

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**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2021 and who had direct fiduciary responsibility were:

<b>NO</b>	<b>Designation</b>	<b>Name</b>
1	Director General (CEO)	Dr. Mohamed A. Sheikh
2	Director Technical Services	Peter Arisi Nyakwara
3	Director Corporate Services	Margaret Muthoni Mwangi
4	Deputy Director CAPE	Lucy Kimondo
5	Deputy Director Policy & Research	Catherine Wanjiru Ndei
6	Deputy Director Programmes, Coordination & monitoring	Hosea Nzomo Mulatya
7	Ag. Deputy Director Finance & Accounting	John Makau Kimwele
8	Deputy Director HR & Administration	Dorothy Adhiambo Oliech
9	Chief Internal Auditor	Susan Njeri Meshack
10	Deputy Director Planning, Budgeting, Monitoring and evaluation and Resource Mobilization	Shelmith Mugo
11	Chief Public Relations Officer	Francis Mwongela
12	Chief Information Communication & Technology Officer	Samuel Lubanga
13	Chief Supply Chain Management Officer	William Ochola

**(e) Fiduciary Oversight Arrangements**

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

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

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

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

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

**(f) Entity Headquarters**

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

**(g) Entity Contacts**

Telephone :( 254) 2711600  
E-mail: [info@ncpd-ke.org](mailto:info@ncpd-ke.org)  
Website: [www.ncpd-ke.org](http://www.ncpd-ke.org)

**(h) Entity Bankers**

1. ABSA Bank of Kenya  
Hurlingham Branch  
P.O. Box 30074  
GPO 00100  
Nairobi, Kenya

2. NCBA  
Mama Ngina Branch  
P.O Box 30437  
00100 - Nairobi  
Kenya

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**(i) Independent Auditors**


The Auditor General  
Office of 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




**2. THE BOARD OF DIRECTORS/COUNCIL**

Ref	Directors	Details
1.	 <b>Hon. David Ngugi,</b> <b>HSC, MBA, ACII, AIK</b> <b>(Board Chair)</b>	<p>Hon. David Ngugi holds a Masters Degree in Strategic Management from Moi University and currently serves as the Board’s Chairperson.</p> <p>He brings to the Board a wealth of experience in governance and strategic Management</p>
2.	 <b>Amb. Mohamed Mahat</b> <b>(Member)</b>	<p>Ambassador Mohamed Mahat is a distinguished Diplomat.</p> <p>He has served as Kenya’s Ambassador in various States and is currently stationed at Ministry of Foreign Affairs.</p> <p>Amb. Mohamed Mahat is the current Secretary General for SUPKEM.</p> <p>He Brings to the Board a wealth of experience in Public sector and International relations.</p>
3.	 <b>Rev. Chris Kinyanjui Kamau</b> <b>(Member)</b>	<p>Rev. CS Chris Kinyanjui Kamau is a member of the Anglican Church of good standing, ordained to priesthood at the Anglican Diocese.</p> <p>He is an advocate of the High Court of Kenya and Holds a Masters in law.</p> <p>He is currently the General Secretary at the National Council of Churches of Kenya (NCK).</p> <p>He brings to the Board experience in leadership and corporate governance.</p>




<p>4.</p>	 <p><b>Ms. Jacinta Mutegi.</b> <b>(Member)</b></p>	<p>Jacinta Mutegi has extensive experience in health sector management.</p> <p>She holds a Master’s in Organizational Development from the United States International University as well as a Masters of Arts in project management from the University of Nairobi and a Bachelors of Environment from Kenyatta University.</p> <p>She currently serves as the Executive Secretary for the Conference of Catholic Bishops– (KCCB).</p> <p>She brings to the Board experience in overseeing high level strategic partnerships, advocacy and network coordination of health services.</p>
<p>5.</p>	 <p><b>Ms. Anne Ileri</b> <b>(Member)</b></p>	<p>Anne Ileri is an accomplished legal and Gender specialist.</p> <p>She earned her LL. B hons degree from Moi University in Kenya and has a post graduate diploma in Legal studies from the Kenya School of law. She is a member of the Kenyan Bar and has nine years post admission experience. Anne has also earned a post graduate diploma in human rights and gender equality from Uppsala University in Sweden.</p> <p>She is currently the Chief Executive Director of FIDA Kenya. Anne Brings to the Board a wealth of experience in human rights and gender equality.</p>

<p>6.</p>	 <p><b>Mr. Fredrick Mujumba</b> (Member)</p>	<p>He is an accomplished, capable and result driven Educationist with 14 years' experience as a technical teacher.</p> <p>He holds a Post Graduate Diploma in Leadership Development in ICT and Knowledge Society Masters of Business Administration degree (Finance) and Bachelor's Degree in Technology Education (Electrical).</p> <p>He currently serves at the Ministry of Education in the General, Early learning and Basic Education department.</p> <p>He brings to the Board a wealth of experience in leadership development and ICT.</p>
<p>7.</p>	 <p><b>Dr. Charles N. Lange</b> (Member)</p>	<p>Dr. Charles N. Lange is a research specialist in Biodiversity, Ecology and Entomology.</p> <p>He is currently the Deputy Director for Environmental Planning and Research Coordination at the National Environment Management Authority (NEMA), Kenya.</p> <p>He brings to the Board a wealth of experience in research and environmental planning that is key population development.</p>





<p>8.</p>	 <p><b>Dr. Musa Arusei</b> <b>(Member)</b></p>	<p>He is an accomplished academician and research specialist with more than 14 years' experience as a Lecturer in a number of Kenya's Public universities.</p> <p>He holds hold a Masters of Science (Geochemistry) from the University of Leeds, UK and a Doctor of Philosophy (Geochemistry) from Moi University.</p> <p>He is currently a Lecturer at Eldoret University in Eldoret.</p> <p>He brings to the Board a wealth of experience in scientific research and leadership.</p>
<p>9.</p>	 <p><b>Dr. Patrick Amoth, EBS</b> <b>(Member)</b></p>	<p>Dr. Patrick Amoth is a medical doctor with a Masters of Medicine (MMed) degree in Obstetrics/Gynecology from University of Nairobi.</p> <p>He is currently the Director General for Public Health at the Ministry of Health Kenya and serves as a Board Member at the World Health Organization.</p> <p>He brings to the Board a wealth of experience in developing national guidelines on standards of health care for both clinical and community health practice in Reproductive health.</p>

<p>10.</p>	 <p><b>Mr. Waweru Kamau</b> <b>(Member)</b></p>	<p>Mr. Waweru Kamua works in the State department of Planning and represents the Principal Secretary.</p>
<p>11.</p>	 <p><b>Ms. Isabella Ndolo</b> <b>(Member)</b></p>	<p>Isabella Ndolo is a Development and Gender Practitioner</p> <p>She Hold a Bachelors Degree in Development, Leadership and Management from St. Paul’s University and currently pursuing a Masters in Gender and Development at Kenyatta University.</p> <p>She is currently the CEO Maendeleo Ya Wanawake Organization (MYWO).</p> <p>She brings to the Board Wealth of experience in Community Development and Gender Equality.</p>
<p>12.</p>	 <p><b>Dr. Mohamed Sheikh</b> <b>(Secretary to the board)</b></p>	<p>Dr. Mohamed Sheikh is a Medical Doctor. He holds a Masters Degree in International Public Health and a second Masters in Maternal and Child health.</p> <p>He previously served as the Head of Family Health Department, Ministry of Health Kenya and also served as the provincial director of medical services, North Eastern province of Kenya</p>

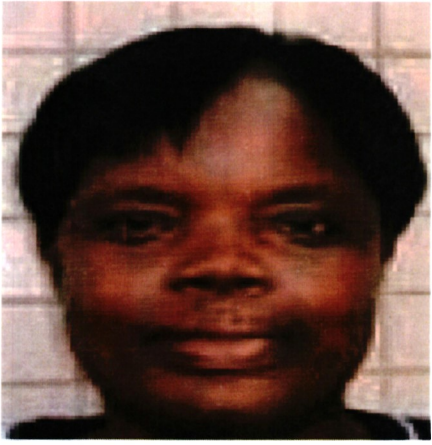



**3. MANAGEMENT TEAM**

X	Management	Qualification	Area of responsibility
1.	 Dr. Mohamed Sheikh	Masters in International Public Health Masters in Maternal & Child Health	Director General
2.	 Peter Arisi Nyakwara	Masters in Demography	Director Technical Services
3.	 Margaret M Mwangi	Masters of Business Administration - Finance	Director Corporate Services



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4.	 Lucy Kimondo	Masters in Population Studies	Advocacy & Public Education
5.	 Catherine Ndei	Masters in Applied Research	Policy & Research
6.	 Hosea Nzomo Mulatya	Masters of Arts (Population Studies) Master of Arts (Environmental Planning and Management)	Programmes Coordination
7.	 CPA John Makau Kimwele	Masters of Science Finance and Investment (MSc-Finance)  Bcom-Accounting  Member of ICPAK	Finance and Accounting

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8.	 <p>Dorothy A. Oliech</p>	<p>Masters of Business Administration – Human Resource</p> <p>Higher Dip in HRM</p>	<p>Human Resources &amp; Administration</p>
9.	 <p>Susan Njeri Meshack</p>	<p>Masters of Business Administration – Finance</p> <p>Member of ICPAK</p>	<p>Chief Auditor Internal</p>
10.	 <p>William O. Ochola</p>	<p>Post. Grad. Dip in Procure, BA Economics</p>	<p>Supply Chain Management</p>
11.	 <p><b>Shelmith Mugo</b></p>	<p>Masters of Arts – Economics</p> <p>Member of ICPAK</p>	<p>Planning, M&amp;E and Resource Mobilization</p>

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12.	 <p><b>Francis Mwangela</b></p>	Masters of Arts – Communication Studies	Chief Public Relations Officer
13.	 <p><b>Samuel Lubanga</b></p>	Masters                   in Information                Technology Management	Chief Information, Communication and Technology

#### **4. CHAIRMAN'S STATEMENT**

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

During the year 2020-2021 the Council made important strides in ensuring sustainable long-term success of population programmes. The Council held the ICPD+25 summit successfully. Advocacy programme at NCPD remained strong. New advocacy activities were initiated at the Council level to reach out to County Assembly members, National and County Government leaders for political and financial support of population and development programmes.

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

The Council signed a performance Contract with the State Department of Planning in 2020/2021. The evaluation process has not been done but the self-evaluation ranked the Council as "Very Good", which signifies commitment of the Board and Management to execute its duties and responsibilities and meeting the set targets and objectives.

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

  
**Hon. David Ngugi**

**Board Chairman**

**Date:** .....04/02/2022.....

## **5. REPORT OF THE DIRECTOR GENERAL**

The National Council for Population and Development (NCPD) is a Semi-Autonomous Agency (SAGA) in The National Treasury and Planning. The Council Provides leadership in Population Policy development and implementation of Population programme in Kenya aimed at achieving the national development aspirations including the goals of the Kenya's Vision 2030. The Council has maintained a team of technical officers who are assigned different duties and responsibilities in order to meet its both policy and management obligations.

The Council successfully hosted the Nairobi Summit on International Conference on Population and Development @25 (ICPD25) from 12<sup>th</sup> -14<sup>th</sup> November 2019. During the year under review, various reports, plans and strategies were, developed on population and development issues that include:

- Nairobi Summit on ICPD25 report,
- Action Plan for the implementation of the 17 ICPD25 Kenya Country Commitments,
- 1st Annual Progress Report on the implementation of the ICPD25 Kenya Country Commitments covering the period from 1st July 2019 to 30th June 2020,
- Demographic Road Map for Kenya 2020-2030, State of Kenya Population reports 2019, 2020 and 2021,
- Kenya Demographic Dividend Effort Index Report 2021,
- Draft National Population Policy, Population Policy briefs and Advisory Papers on population and development. These reports, plans and strategies were disseminated using various channels to various stakeholders to inform policy and programmes at national and county level. The undertaking of these activities was supported by the government of Kenya and development partners including the the United Nations Population Fund (UNFPA), Population Reference Bureau (PRB), Gemen Foundation for World Population (DSW) among others.

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

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

### **Financial Statements**

The Financial Statement for the financial year 2020/2021 is NCPD's record of financial transactions, obligations and value of assets. The accounts are submitted having been discussed

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and approved by the Board. During the 2020/2021 Financial Year, the Council received a government grant of Kshs 338,460,000 for its operations. It also received additional resources of Kshs 17,584,254 from Development partners for scheduled development activities. The Board was fully briefed and updated, on the financial implications, of the programmed activities of the Council, and appraised on any constraints. With regard to the efficiency of the operating systems, the Board did note and appreciate the adoption by management of a computerized financial management system. Overall, the Board was satisfied that the Council's financial operations were prudent and generally satisfactory.

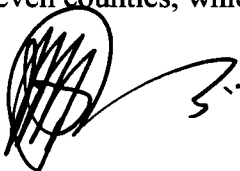
**Results**

In its efforts to raise additional funds, engaged a number of development partners to support its programmes. The Government of Kenya maintained its financial support for programmed activities. However, the Council still requires additional funding to fully achieve its mandate and follow the new constitution, by devolving its services to all the Counties.

**Staff Recruitment and its Implications**

Early in 2019, the Council commissioned a study to review and recommend appropriate staff levels, job designations and remunerations by Ministry of Public Service and Gender. The report was completed and the council is in the process of seeking the necessary approvals to facilitate implementation. During the 2020/2021 Financial Year, the Council continued to implement the recommendation on the Salaries and Remuneration Commission on the affected offices. The Council is still lobbying for more funds to recruit personnel for key positions at the headquarters and the forty-seven counties, which are not currently funded.

**Dr. Mohamed A. Sheikh**  
**Director General**



Date: .

02.02.2022

**6. STATEMENT OF NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT  
 PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/2021**

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

The National Council for Population (NCPD) has three results areas/key issues and seven strategic objectives within its current Strategic Plan for year 2020/2021 FY. These results areas/key issues are indicated in the table below:

**Table 1: NCPD Strategic Issue/Key Result Area and Objectives, FY 2020/2021**

<b>Key Result Area/Key Issue</b>	<b>Strategic Objectives</b>
Programme Coordination on Population Issues	1. To coordinate implementation of population policies and programme and integration of population variables in development planning at national and county levels
Research and Policy Development	2. To align the population policy with national, regional and international agenda
Advocacy and Public Education	3. To provide evidence based information for decision making
	4. To increase awareness on population and development issues
	5. To enhance advocacy for the support of Population and Development policies and programme
Institutional Capacity	6. To improve financial, human capacity and internal systems for the implementation of the population programme
	7. To improve NCPD visibility

National Council for Population and Development (NCPD) develops its annual work plans based on the above results areas/key issues. Assessment of the Board Performance against its annual work plan is carried out on quarterly basis. The Council achieved its performance targets set for FY 2020/2021 period for its four results areas/key issues as indicated in the table below:

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**Table 2: NCPD Strategic Issue/Key Result Area, objectives, key performance indicators, activities and achievements FY 2020/2021**

<b>Strategic Issue/Key Result Area</b>	<b>Outputs</b>	<b>Objective (s)</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements 2020/21</b>
Programme Coordination on Population Issues	Policies/briefs/position papers /Strategies/Guidelines/ plans/reports on Population issues including DD Coordination Strategy for Kenya prepared and disseminated	To coordinate implementation of population policies and programme and integration of population variables in development planning at national and county levels	Number of Policies/briefs/position papers/Strategies/Guidelines/ reports/ plans Number of ICPD 25 Kenya country commitments coordinated and reports	Develop and disseminate Policies/briefs/position papers/Strategies/Guidelines/ reports/ plans Develop a progress report on the implementation of ICPD25 Kenya Country Commitments	10 Policies/briefs/position papers/Strategies/Guidelines/ reports/ plans developed and disseminated One report prepared and disseminated in high level national forum
	Population Policy for National Development reviewed and a draft prepared	To align the population policy with national, regional and international agenda	Existence of draft National Population Policy	Undertake a review of the Population Policy for National Development (sessional PAPER Number 3 of 2012)	Draft National Population Policy developed through a consultative process involving all the stakeholders
Key stakeholders trained on Population Issues	To provide evidence based	No. of national and county government officers and NCPD Staff trained on	Conduct training of key stakeholders on population issues	15 officers drawn from Key stakeholders trained on Population Issues	

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		information for decision making	Population Projections, research and data analysis		
Advocacy and Public Education	Advocacy and sensitization on Population and Development issues undertaken at national and county levels	To increase awareness on population and development issues	Number of advocacy and sensitization Reports	Undertake Advocacy and sensitization on Population and Development issues at national and county levels	Advocacy and sensitization on Population and Development issues undertaken at national and county levels and 69 reports prepared
		To enhance advocacy for the support of P&D policies and programme	Number of Networks on Population and Development at national and County level	Undertake Establishment and strengthening of the Population and Development networks at national and county levels	Population Networks at county levels.
Institutional Capacity	financial, human capacity and internal systems for the implementation of the population programme improved	To improve financial, human capacity and internal systems for the implementation of the population programme	Number of NCPD Staff trained on various skills	Undertake training of NCPD Staff on various skills	80 NCPD staff trained on various skills to
			Number of ICT hardware and software acquired	Undertake procurement of an assortment of hardware and software	5 computers, procured to improve service delivery at NCPD Headquarter and County offices
			Amount of internal and external resources mobilized	Undertake resource mobilization activities	22M KES Mobilized and NCPD Resource mobilization strategy developed
			To improve NCPD visibility	Develop/review NCPD Brand Book	NCPD Brand book reviewed and developed
	NCPD Visibility Improved	To improve NCPD visibility	Existence of NCPD Brand book	Undertake the development of documentaries and use of social media accounts	PHE documentary, NCPD Annual report developed

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				social media to disseminate messages on Population and development	and 50 messages shared through various media channels including the radio, TV and social media
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## **7. CORPORATE GOVERNANCE STATEMENT**

### **Separation of Duties**

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

### **Responsibilities of Directors**

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

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

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

### **Board Composition**

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

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

The members of the Board were:

- |                        |   |          |
|------------------------|---|----------|
| i. Hon. David Ngugi    | - | Chairman |
| ii. Amb. Mohamed Mahat | - | Member   |
| iii. Dr. Charles Lange | - | Member   |
| iv. Ms. Jacinta Mutegi | - | Member   |

v.	Rev. Chris Kinyanjui Kamau	-	Member
vi.	Dr. Musa Arusei	-	Member
vii.	Fredrick Mujumba	-	Member
viii.	Mr. Waweru Kamau	-	Member
ix.	Rahab Mwikali Muiu	-	Member
x.	Anne Ileri	-	Member
xi.	Dr. Patrick Amoth. EBS	-	Member
xii.	Dr, Mohamed Sheikh	-	Director General

### **Board Meetings – Information for Directors**

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

### **Oversight Role of the Board**

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

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

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

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

### **Conflict of Interest**

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

### **Committees of the Board**

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

#### **1. Audit, Risk and Compliance Committee**

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

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

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

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

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

## **2. Finance and Administration Committee**

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

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

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

## **3. Technical Committee**

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

The members of the Technical Committee were:

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

## **8. MANAGEMENT DISCUSSION AND ANALYSIS**

### **The entity's operational and financial performance**

*The Council Received Kshs 338,460,000 from the Government of Kenya and Kshs 17,584,254 from Development Partners to fulfil its mandate.*

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

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

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

### **Entity's compliance with statutory requirements**

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

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

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

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

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

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

### **Major risks facing the entity**

*The major risks that are:*

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

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

*Another risk the council is exposed to is political especially on pronouncements regarding child birth, shifting government focus, and reorganization in government. This is being mitigated by setting up a Parliamentary Network on Population to advocate for population issues the country and create champions for political support.*

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

**Material arrears in statutory/financial obligations**

*The council implemented job evaluation results for two affected offices. Other offices will be reviewed during the current cycle of job reviews.*

**The entity's financial probity and serious governance issues**

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

## **9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

National Council for Population and Development exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

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

The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

### **ii) Environmental performance**

Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.

### **iii) Employee welfare**

Give account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

### **iv) Market place practices-**

The organisation should outline its efforts to:

**a) Responsible competition practice.**

Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.

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

Explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

**c) Responsible marketing and advertisement**

Outline efforts to maintain ethical marketing practices.

**d) Product stewardship**

Outline efforts to safeguard consumer rights and interests.

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

***Ncpd visits mama fatuma goodwill's children's home***

The National Council for Population and Development (NCPD) team embarked on a Corporate Social Responsibility visit at Mama Fatumas Goodwill Children's Home, Eastleigh, led by the Director General Dr. Mohamed Sheikh.

The council sensitized the children on covid19 pandemic and handed them hand washing sanitizers and face masks; they further made food donations, shoes, clothing and toiletries for their basic necessities and consumption.

Speaking during the visit, the Director General lauded the NCPD staff for marking donations to the less fortunate members of the society and encouraged them to do so more often. He underscored the council's commitment to CSR activities and service to humanity.

This was a CSR activity for the FY 2020/21 where the council donated study materials, shoes, handwash sanitizers, food donations, facemasks and other items worth kshs. 200,000.



## **10. REPORT OF THE DIRECTORS**

The Directors submit their report together with the audited financial statements for the year ended June 30, 2021, which show the state of the *National Council for Population and Development* affairs.

### **i) Principal activities**

The principal activities of the council are;

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

### **ii) Results**

The results of the entity for the year ended June 30, 2021, are set out on page 1

### **iii) Directors**

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

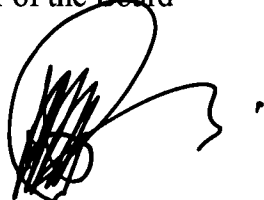
### **iv) Surplus remission**

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. During the year there was no remittance to the Consolidated Fund.

**v) Auditors**

The Auditor General is responsible for the statutory audit of the *National Council for Population and Development* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



Dr. Mohamed A. Sheikh

Secretary to the Board

Nairobi

Date:...

06.09.2022

## **11. STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and through legal notice No.120 contained in the Kenya Gazette Supplement No.68 require the Directors to prepare financial statements in respect of that (National Council for Population and Development (NCPD), which give a true and fair view of the state of affairs of the NCPD at the end of the financial year and the operating results of the NCPD for that year. The Directors are also required to ensure that the NCPD keeps proper accounting records which disclose with reasonable accuracy the financial position of the NCPD. The Directors are also responsible for safeguarding the assets of the NCPD.

The Directors are responsible for the preparation and presentation of the NCPD's financial statements, which give a true and fair view of the state of affairs of the NCPD for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NCPD; (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 NCPD; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

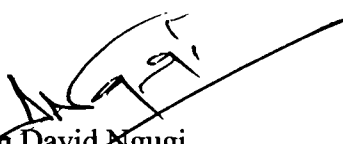
The Directors accept responsibility for the NCPD's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and through legal notice No.120 contained in the Kenya Gazette Supplement No.68 require the Direct. The Directors are of the opinion that the entity's financial statements give a true and fair view of the state of NCPD's transactions during the financial year ended June 30, 2021, and of the NCPD's financial position as at that date.


The Directors further confirms the completeness of the accounting records maintained for the NCPD, which have been relied upon in the preparation of the NCPD's financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

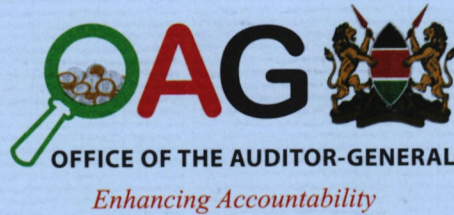
The *NCPD* financial statements were approved by the Board on 30<sup>th</sup> September 2021 and signed on its behalf by:

  
Hon. David Ngugi  
Chairman  
Nairobi  
Date... 04/02/2022

  
Dr. Mohamed A. Sheikh  
Director General  
Nairobi  
Date... 04/02/2022

# REPUBLIC OF KENYA

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Anniversary Towers  
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P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT FOR THE YEAR ENDED 30 JUNE, 2021**

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### PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution of Kenya, 2010, 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 Council for Population and Development set out on pages 1 to 32, which comprise the statement of financial position as at 30 June, 2021, and 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, 2010 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 Council for Population and Development as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and Legal Notice No. 120 dated 29 October, 2004.

### Basis for Opinion

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

### Emphasis of Matter

#### 1.0 Outstanding Tax Refunds

As disclosed in Note 17 to the financial statements, the statement of financial position reflects receivables from non-exchange transactions of Kshs.111,492,325 as at 30 June, 2021. Included in this balance are trade receivables of Kshs.81,240,040, which further include Kshs.500,040 relating to outstanding tax refunds due from the Kenya Revenue Authority (KRA). Management has indicated that they are awaiting for approval from KRA to set off the outstanding tax refunds. However, by the time of finalizing this audit in January, 2022, no approval for set off had been received from KRA.

In the circumstances, it was not possible to confirm whether or when the outstanding taxes would be refunded.

## **2.0 Land without Title Deeds**

The financial statements reflect two (2) parcels of freehold land measuring 0.1 and 0.096 hectares both totalling 0.196 hectares, as disclosed in Note 18 to the financial statements. These parcels of land of unknown value and which have been excluded from the assets schedule, have no ownership documents. Available information indicates that the Management has been in the process of acquiring Titles Deeds for the two parcels since June, 2016.

However, by the time of concluding this audit the Title Deeds were yet to be received by the Council.

In the absence of ownership documents, it was not possible to confirm the rightful ownership of these parcels.

### **Key Audit Matters**

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

### **Other Matter**

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

The statement of comparison of budget and actual amounts reflects a final budget of Kshs.4,442,963 in respect of other income and actual receipts of Kshs.2,332,469, resulting to under-realization of Kshs.2,110,494 or 48%.

In addition, the statement of comparison of budget and actual amounts reflects a final budget of Kshs.47,728,183 in respect of other payments, against actual expenditure of Kshs.25,560,813, resulting to an under absorption of Kshs.22,167,370 or 46%.

Further, out of the budget of Kshs.25,994,737 for grants and subsidies, only Kshs.22,974,964 was utilized, resulting to an under expenditure of Kshs.3,019,773 or 12%.

Management has attributed the under realization of other incomes and under absorption of the budget to the effect of the COVID-19 pandemic.

Consequently, the Council may not have implemented its planned programmes and activities, which may have had a negative impact to provision of services to the people of Kenya.

### **Other Information**

The Directors are responsible for the other information, which comprises the Council information and management, the Report of the Director General, the Corporate Governance Statement, Report of the Directors and the Statement of Directors

Responsibilities. The other information does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance or conclusion thereon.

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

### **Conclusion**

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

### **Basis for Conclusion**

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

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

### **Responsibilities of Management and 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 control 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 its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

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

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

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

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

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

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence which is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions which may cast significant doubt on the National Council for Population and Development ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the National Council for Population and Development to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner which achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the National Council for Population and Development to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

05 April, 2022

**National Council for Population and Development (NCPD)**  
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**13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2020-2021	RESTATED 2019-2020	2019-2020
		Kshs	Kshs	Kshs
<b>Revenue from non-exchange transactions</b>				
Donor Income	6	22,974,964	49,805,747	46,045,392
Transfers from Ministry	7	338,460,000	481,638,685	481,638,685
		<b>361,434,964</b>	<b>531,444,432</b>	<b>527,684,077</b>
<b>Revenue from exchange transactions</b>				
Finance income		-	-	-
Other income	8	2,332,469	12,033,261	12,033,261
<b>Total revenue</b>		<b>363,767,433</b>	<b>543,477,693</b>	<b>539,717,338</b>
<b>Expenses</b>				
Employee costs	9	185,286,749	184,770,711	189,583,368
Remuneration of directors	10	8,317,475	7,174,313	7,174,313
Depreciation and amortization expense	11	18,579,108	20,927,933	20,927,933
Repairs and maintenance	12	17,243,338	5,843,538	5,925,419
Project Expenses	13	22,974,964	49,805,747	46,045,392
Use of Goods and Services	14	196,442,904	194,715,957	200,957,999
Finance costs	15	534,757	932,596	932,595
<b>Total expenses</b>		<b>449,379,295</b>	<b>464,170,794</b>	<b>471,547,020</b>
<b>Other gains/(losses)</b>				
Gain on sale of assets		-	-	-
<b>Other expenses</b>				
<b>Net Surplus for the year</b>		<b>(85,611,862)</b>	<b>79,306,898</b>	<b>68,170,318</b>

The notes set out on pages 6 to 28 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1 to 28 were signed on behalf of the Board of Directors by:

  
 Director General

Dr. Mohamed A. Sheikh

Date 04/02/2022

  
 Chief Accountant

John Makau

ICPAK Member Number:6571

Date 04/02/2022

  
 Board Chair

Hon. David Ngugi

Date 04/02/2022

**National Council for Population and Development (NCPD)**  
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**For the year ended June 30, 2021.**

**14 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021**

	Notes	2020-2021	RESTATED 2019-2020	2019-2020
		Kshs	Kshs	Kshs
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	16	87,224,944	193,107,648	191,195,338
Receivables from exchange transactions	17	111,492,325	51,881,402	51,881,402
		<b>198,717,269</b>	<b>244,989,050</b>	<b>243,076,739</b>
<b>Non-current assets</b>				
Property, plant and equipment	18	50,930,071	64,044,323	64,044,323
Intangible assets	19	4,654,576	7,312,917	7,312,917
		<b>55,584,647</b>	<b>71,357,240</b>	<b>71,357,240</b>
<b>Total assets</b>		<b>254,301,916</b>	<b>316,346,289</b>	<b>314,433,979</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables from exchange transactions	20	26,804,731	2,147,625	2,147,625
Unexpended Grants	21	14,175,545	15,265,162	24,489,432
<b>Total liabilities</b>		<b>40,980,276</b>	<b>17,412,787</b>	<b>26,637,057</b>
<b>Net assets</b>		<b>213,321,639</b>	<b>298,933,501</b>	<b>287,796,921</b>
<b>Capital Reserves</b>				
Accumulated reserves		47,438,087	47,438,087	47,438,087
Accumulated surplus		165,883,552	251,495,414	240,358,834
<b>Total net assets and liabilities</b>		<b>213,321,639</b>	<b>298,933,501</b>	<b>287,796,921</b>

The Financial Statements set out on pages 1 to 28 were signed on behalf of the Board of Directors by:

  
 Director General

Dr. Mohamed A. Sheikh

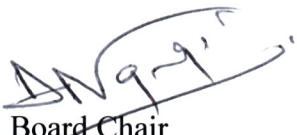
Date 04/02/2022

  
 Chief Accountant

John Makau

ICPAK Member Number:6571

Date 04/02/2022

  
 Board Chair

Hon. David Ngugi

Date 04/02/2022

**15 STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	<b>Capital Fund</b>	<b>Accumulated Reserves</b>	<b>Total</b>
<b>At July 1, 2019</b>	<b>47,438,087</b>	<b>172,188,516</b>	<b>218,978,247</b>
Surplus for the year	-	68,170,318	68,170,318
<b>At June 30, 2020</b>	<b>47,438,087</b>	<b>240,358,834</b>	<b>287,148,565</b>
<b>At July 1, 2019</b>	<b>47,438,087</b>	<b>172,188,516</b>	<b>68,170,318</b>
Surplus for the year	-	79,306,898	79,306,898
<b>Restated at June 30, 2020</b>	<b>47,438,087</b>	<b>251,495,414</b>	<b>147,477,216</b>
<b>At July 1, 2020</b>	<b>47,438,087</b>	<b>251,495,414</b>	<b>298,933,501</b>
Surplus for the year	-	(85,611,862)	(85,611,862)
<b>At June 30, 2021</b>	<b>47,438,087</b>	<b>165,883,552</b>	<b>213,321,639</b>

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**16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2020-2021	RESTATED 2019-2020	2019-2020
		Kshs	Kshs	Kshs
<b>Cash flows from operating activities</b>				
<b>Receipts</b>				
Public contributions and donations	6	22,974,964	49,805,747	46,045,39
Government grants and subsidies	7	338,460,000	481,638,685	481,638,68
Finance income		-	-	
Other income, rentals and agency fees	8	2,332,469	12,033,261	12,033,26
<b>Total Receipts</b>		<b>363,767,433</b>	<b>543,477,693</b>	<b>539,717,33</b>
<b>Payments</b>				
Compensation of employees	9	185,286,749	184,770,711	189,583,36
Goods and services	10,12,14	222,003,717	207,733,808	214,057,73
Finance cost	15	534,757	932,596	932,59
Project Expenses paid	13	22,974,964	49,805,747	46,045,39
<b>Total Payments</b>		<b>430,800,187</b>	<b>443,242,861</b>	<b>450,619,08</b>
<b>Changes in Working capital</b>				
(Increase)/ decrease in debtors	17	(59,610,924)	(23,183,816)	(23,183,816)
Increase / (decrease) in payables	20	24,657,106	(7,039,294)	(7,039,294)
Increase / (decrease) in unexpended grants	21	(1,089,617)	6,720,688	15,944,95
<b>Net changes in working capital</b>		<b>(36,043,435)</b>	<b>(23,502,421)</b>	<b>(14,278,151)</b>
<b>Net cash flows from operating activities</b>		<b>(103,076,189)</b>	<b>76,732,410</b>	<b>74,820,10</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant, equipment and intangible assets	18	(2,153,782)	(1,635,842)	(1,635,842)
Purchase of intangible assets	19	(652,733)	-	
Proceeds from sale of property, plant and Equipment		-	-	
<b>Net cash flows used in investing activities</b>		<b>(2,806,516)</b>	<b>(1,635,842)</b>	<b>(1,635,842)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(105,882,702)</b>	<b>75,096,571</b>	<b>73,184,26</b>
Cash and cash equivalents at 1 JULY	16	193,107,647	118,011,077	118,011,07
<b>Cash and cash equivalents at 30 JUNE</b>	16	<b>87,224,945</b>	<b>193,107,647</b>	<b>191,195,33</b>

The Financial Statements set out on pages 6 to 28 were signed on behalf of the Board of Directors by:

Director General

Dr. Mohamed A. Sheikh

Date

04/02/2022

Chief Accountant

John Makau

ICPAK Member Number:6571

Date

04/02/2022

Board Chair

Hon. David Ngugi

Date

04/02/2022

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**17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021**

	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference		% of Utilization
	2020-2021	Kshs	2020-2021	Kshs	2020-2021	Kshs	2020-2021	Kshs	2020-2021	Kshs	
<b>Revenue</b>											
Public contributions and donations	64,184,028		(41,209,064)		22,974,964		22,974,964		-		100%
Government grants and subsidies	481,638,685		(143,178,685)		338,460,000		338,460,000		-		100%
Finance Income	4,087,950		(4,087,950)		-		-		-		0%
Income brought forward	-		112,367,648		112,367,648		112,367,648		-		
Other Income	4,442,963				4,442,963		2,332,469		2,110,494		52%
<b>Total income</b>	<b>554,353,625</b>		<b>(76,108,051)</b>		<b>478,245,574</b>		<b>476,135,080</b>		<b>2,110,494</b>		
<b>Expenses</b>											
Compensation of employees	193,757,370		(5,969,685)		187,787,685		185,286,749		2,500,936		99%
Other payments (Director remuneration & Repairs and Maintenance)	49,978,719		(2,250,536)		47,728,183		25,560,813		22,167,370		54%
Finance cost	3,513,866		(2,979,109)		534,757		534,757		-		100%
Use of goods and services	220,176,939		(23,699,657)		196,477,283		196,442,904		34,379		99.98%
Grants and subsidies paid (Project expenses)	67,203,801		(41,209,064)		25,994,737		22,974,964		3,019,773		88%
Depreciation & Amortization	19,722,930				19,722,930		18,579,108		1,143,822		94%
<b>Total expenditure</b>	<b>554,353,625</b>		<b>(76,108,051)</b>		<b>478,245,574</b>		<b>449,379,295</b>		<b>28,866,280</b>		
<b>Surplus for the period</b>	-		-		-		<b>26,755,786</b>		<b>(26,755,786)</b>		

**Budget notes**

- (i) **Other income** – The Entity intended to sell vehicles during the year, however due to COVID-19 the activity did not materialize.
- (ii) **Goods and services** – Included in this item line, were travel activities which due to COVID 19, there were restrictions which curtailed the movements.
- (iii) **Grants and subsidies** – Most of the activities were reduced as a result of COVID-19 movement restrictions.

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

### **1. General Information**

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

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

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *NCPD*.

The financial statements have been prepared in accordance with the PFM Act, through legal notice No.120 contained in the Kenya Gazette Supplement No.68 require the Direct, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2021.*

Standard	Impact
<p>Other Improvements to IPSAS</p>	<p><b>Applicable: 1<sup>st</sup> January 2021:</b></p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.  Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets.  Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs).  Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p> <p><i>(The standard was not applicable to the entity during the year)</i></p>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.*

<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity’s future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p><i>(The standard was not applicable to the entity during the year)</i></p>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> </ul>

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Standard	Effective date and impact:
	<p>(c) The impact of such social benefits provided on the entity’s financial performance, financial position and cash flows.</p> <p><i>(The standard was not applicable to the entity during the year)</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1st January 2023:</b></p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><i>(The standard was not applicable to the entity during the year)</i></p>

*iii. Early adoption of standards*

The NCPD did not early – adopt any new or amended standards in year 2020/2021.

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Fees, taxes and fines**

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

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

**Interest income**

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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

**b) Budget information**

The original budget for FY 2020-2021 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 additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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 xxx of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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

**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.

The rate of depreciation is as follows:

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

**d) Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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

**e) Contingent liabilities**

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

**f) Contingent assets**

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

**g) Nature and purpose of reserves**

The Council creates and maintains reserves in terms of specific requirements.

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

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

**i) Service concession arrangements**

The Council analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Council recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**j) Cash and cash equivalents**

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

**k) Comparative figures**

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

**l) 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, 2021.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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

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

The preparation of the NCPD's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. During the year there were no judgements, estimates or assumptions made

**Estimates and assumptions**

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

**Useful lives and residual values**

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

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

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6. Public Contributions and Donations**

Description	2020-2021	RESTATED	2019-2020
	KShs	2019-2020	KShs
PRB	-	-	-
PRB Kshs	3,647,710	69,750	69,750
UNFPA	17,054,707	44,766,504	41,006,149
Unicef	-	3,019,773	3,019,773
CHAI	292,747	-	-
World Bank	98,000	42,660	42,660
Kuhri Kshs	1,881,800	1,907,060	1,907,060
<b>Total (Note 21)</b>	<b>22,974,964</b>	<b>49,805,747</b>	<b>46,045,392</b>

The NCPD received restricted donations from several development partners. The Grants are recognized as income on a systematic and rational basis over the period necessary to match them with the related project costs

**7. Transfers from Other Government Entities**

Description	2020-2021	2019-2020
	KShs	KShs
<b>Unconditional grants</b>		
Operational Grant	322,960,000	418,396,997
Development Grant	15,500,000	63,241,688
<b>Total government grants and subsidies</b>	<b>338,460,000</b>	<b>481,638,685</b>

Included in the operation grant is an amount of Kes.80,740,000.40 which was received in the FY 2021/2022

**8. Other Income**

Description	2020-2021	2019-2020
	KShs	KShs
Disposal of assets	38,608	-
Miscellaneous Receipts	2,293,861	12,033,261
<b>Total Other Income</b>	<b>2,332,469</b>	<b>12,033,261</b>

**9. Employee Costs**

Description	2020-2021	RESTATED	2019-2020
	KShs	2019-2020	KShs
Basic salary and wages	165,498,849	165,441,128	170,253,785
Other Allowances	108,298	486,931	486,931
Gratuity & Pensions	16,557,633	18,842,652	18,842,652
Leave allowance	3,121,969	-	-
<b>Employee costs</b>	<b>185,286,749</b>	<b>184,770,711</b>	<b>189,583,368</b>

*National Council for Population and Development (NCPD)*  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**10. Board /Council Expenses**

Description	2020-2021	2019-2020
	KShs	KShs
Chairman's Honoraria	960,000	960,000
Directors emoluments	7,357,475	6,214,313
<b>Total director emoluments</b>	<b>8,317,475</b>	<b>7,174,313</b>

**11. Depreciation and Amortization**

Description	2020-2021	2019-2020
	KShs	KShs
Property, plant and equipment	15,268,034	19,712,147
Intangible assets	3,311,074	1,215,786
<b>Total depreciation and amortization</b>	<b>18,579,108</b>	<b>20,927,933</b>

**12. Repairs and Maintenance**

Description	2020-2021	RESTATED 2019-2020	2019-2020
	KShs	KShs	KShs
Repair of Motor Vehicle	7,271,304	3,116,241	3,198,122
Plant, Machinery & Equipment	3,180,166	1,772,421	1,772,421
Building repairs	6,791,868	954,876	954,876
<b>Total repairs and maintenance</b>	<b>17,243,338</b>	<b>5,843,538</b>	<b>5,925,419</b>

**13. Project expenses**

Description	2020-2021	RESTATED 2019-2020	2019-2020
	KShs	KShs	KShs
PRB KSHS*	3,647,710	69,750	69,750
Kuhri Kshs*	1,881,800	1,907,060	1,907,060
UNFPA	17,054,707	44,766,504	41,006,149
UNICEF/UNESCO	-	3,019,773	3,019,773
World Bank	98,000	42,660	42,660
CHAI project	292,747	-	-
<b>Total Project Expenses</b>	<b>22,974,964</b>	<b>49,805,747</b>	<b>46,045,392</b>

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**14. Use of goods and services**

Description	2020-2021	RESTATED 2019-2020	2019-2020
	KShs	KShs	KShs
GOK -Utilities Supplies and Services	1,439,109	1,101,666	1,101,666
GOK-Communication Supplies and Services	15,531,709	10,980,180	10,980,180
GOK-Domestic Travel & Subsistence & Other	58,631,685	27,858,955	27,858,955
GOK-Foreign Travel & Subsistence & Trans	18,375	1,151,291	1,151,291
GOK-Printing Advert Info Supplies & Serv	7,068,717	17,716,623	17,716,623
GOK -Rentals of Produced Assets	29,263,136	27,801,738	27,801,738
GOK -Training Expenses	3,405,789	4,466,210	4,466,210
GOK -Hospitality supplies and Services	19,983,076	11,222,598	11,222,598
Insurance	33,227,705	16,960,761	16,960,761
GOK-Office and General supplies & service	7,594,565	2,814,499	2,814,499
GOK -Fuel and Lubricants	7,787,900	5,432,000	5,432,000
Other Operating expenses	3,616,651	58,291,989	64,534,031
Contracted Professional Services	4,983,344	7,907,391	7,907,391
Membership to Partners ,UNFPA	1,354,585	-	-
Research Feasibility Study & Design	2,536,559	1,010,055	1,010,055
<b>Total Use of Goods and Services</b>	<b>196,442,904</b>	<b>194,715,957</b>	<b>200,957,999</b>

**15. Finance costs**

Description	2020-2021	2019-2020
	KShs	KShs
PRB (US\$)	19,971	1,022
PRB khs	3,330	1,020
KUHRI-Kshs	-	18,454
UNFPA	18,750	140,176
UNICEF		9,650
Recurrent	179,064	281,508
Development	469,601	833,210
miscellaneous	24,470	43,167
World Bank	-	90
CHAI	52,243	-
Forex loss /(gain)	(232,672)	(395,701)
<b>Total finance costs</b>	<b>534,757</b>	<b>932,595</b>

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**16. Cash and Cash Equivalents**

Description	2020-2021	RESTATED 2019-2020	2019-2020
	KShs	KShs	KShs
Current account	87,224,944	193,107,648	191,195,338
<b>Total cash and cash equivalents</b>	<b>87,224,944</b>	<b>193,107,648</b>	<b>191,195,338</b>

**16 (a) Detailed Analysis of the Cash and Cash Equivalents**

			2020-2021	RESTATED 2019-2020	2019-2020
Financial institution	Account number	Foreign Amount	KShs	KShs	KShs
		@			
<b>a) Current account</b>		<b>107.75</b>			
BBK -Recurrent	045-1547933		10,408,176	112,390,597	106,842,261
BBK-Development	045-1548190		31,811,460	37,405,584	31,817,340
BBK-Miscellaneous	045-1099655		22,053,561	19,949,657	19,949,657
BBK-Miscellaneous dollar	221012119	\$91,213.89	9,828,297	9,727,060	9,727,060
CBA-Kuhri (US\$) (Bill & Melida gates)	6427120167	\$23,226.84	2,502,692	2,493,923	2,493,923
CBA-Kuhri Kshs (Bill & Melida gates)	6427120151		1,431,056	2,448,598	2,448,598
CBA-PRB Kshs (USAID)	6427120172		1,610,127	266,784	266,784
CBA-PRB (US\$) (USAID)	6427120015	\$9,142.41	985,095	973,871	973,871
CBA-UNFPA	6427120041		1,144,581	4,082,153	13,306,423
CBA-UNICEF	6427120028		3,229,880	1,167,566	1,167,566
CBA-SDI-HFA-World Bank			625,589	625,589	625,589
CBA-MACRO (US\$) (USAID)	6427120036	\$10,990.48	1,184,224	1,170,732	1,170,732
CBA-LQAS Dollar (USAID)	6427120104	\$3,807.02	410,206	405,533	405,533
<b>Grand total</b>			<b>87,224,944</b>	<b>193,107,648</b>	<b>191,195,338</b>

*<https://www.centralbank.go.ke/rates/forex-exchange-rates/> at 30 June 2021*

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**17. Receivables from Non-Exchange Transactions**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
<b>Current receivables</b>		
Trade Receivables	81,240,040	500,040
Inter-Account borrowings	1,599,202	14,692,400
Prepayments (Rent and Insurance)	-	31,295,695
Other receivables	536,274	
Imprest Account - Main	27,159,759	3,933,267
PRB Imprest	-	-
KURHI KSHS IMPREST ACCOUNT	894,800	1,362,000
Imprest World Bank	(750)	98,000
UNFPA Imprest	-	
CHAI Imprest	63,000	
Less: Provision for Bad debts	-	-
<b>Total receivables</b>	<b>111,492,325</b>	<b>51,881,402</b>

*(Trade receivables of Kes.500,040 relates to payment made to KRA on wrong PRN, while Kes.80,740,000.40 relates to operational grants which was received in the month of July 2021)*

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**18. Property, Plant and Equipment**

	Motor Vehicles	Computers	Office Equipment	Furniture fittings	Total
<b>FY2020/2021</b>	<b>25%</b>	<b>30%</b>	<b>12.50%</b>	<b>12.50%</b>	
<b>Cost</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
At 1 July 2020	167,088,844	38,117,899	14,017,337	21,808,842	241,032,922
Additions	-	1,107,472	-	987,698	2,095,170
Disposal	-	-	-	-	-
<b>As at 30th June 2021</b>	<b>167,088,844</b>	<b>39,225,371</b>	<b>14,017,337</b>	<b>22,796,540</b>	<b>243,128,092</b>
<b>DEPRECIATION</b>					
At 1 July 2020	127,543,512	27,511,100	10,180,723	11,753,265	176,988,599
Charge for the year	9,886,333	3,514,281	479,577	1,380,409	15,260,600
Disposal	-	-	-	-	-
<b>As at 30th June 2021</b>	<b>137,429,845</b>	<b>31,025,381</b>	<b>10,660,299</b>	<b>13,133,674</b>	<b>192,249,200</b>
<b>NET BOOK VALUE</b>					
At 30th June 2021	29,658,999	8,199,989	3,357,038	9,662,866	50,878,892

**FY 2019/2020**

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

Excluded in the Asset schedule is two parcels of Freehold land Block III/110 (0.1hectares) and KSI/37/2007/03 (0.096hectares) in Muranga and Kisii respectively ,the council is in the process of acquiring Title Deeds.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**19. Intangible Assets (Software)**

<b>Description</b>	<b>Cost</b>	<b>WIP</b>	<b>Total</b>
	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
<b>COST</b>			
At 1 July 2020	3,647,358	6,329,131	9,976,489
Additions	652,733	-	652,733
	6,329,131	(6,329,131)	-
<b>As at 30th June 2021</b>	<b>10,629,222</b>	<b>-</b>	<b>10,629,222</b>
<b>AMORTIZATION</b>			
At 1 July 2020	2,663,572	-	2,663,572
Charge for the year	3,311,074	-	3,311,074
<b>As at 30th June 2021</b>	<b>5,974,646</b>	<b>-</b>	<b>5,974,646</b>
<b>NET BOOK VALUE</b>			
At 30th June 2021	<b>4,654,576</b>	<b>-</b>	<b>4,654,576</b>

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

**20. Trade and other payables**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
Trade payables	100,857	100,857
Other payables - Inter account borrowings	26,703,874	-
Gratuity & Pensions	-	2,046,768
<b>Total trade and other payables</b>	<b>26,804,731</b>	<b>2,147,625</b>

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**21. Unexpended grants**

Donor	USAID - PRB USD	USAID - PRB Kshs	USAID - MACRO	UNFPA	UNICEF / UNESCO	World Bank	CHAI	Bill & Melida gates - Kshs	Bill & Melida gates - US\$	USAID Demographic Dividend LQAS	Total
<b>As at 1 July 2019</b>	<b>936,264</b>	<b>333,119</b>	<b>1,124,307</b>	<b>1,800,253</b>	<b>96,989</b>	<b>669,301</b>		<b>1,566,167</b>	<b>1,628,622</b>	<b>389,452</b>	<b>8,544,474</b>
Funds Received from Development Partners	-	-	-	59,152,413	4,100,000	-		4,087,950	758,447	-	68,098,810
Project funds refunds	-	-	-	(21,314,255)	-	-		-	-	-	(21,314,255)
Project funds transfer	-	-	-	15,011,159	-	-		-	-	-	15,011,159
Total Project Expenditure		(69,750)		(41,006,149)	(3,019,773)	(42,660)		(1,907,060)			(46,045,392)
Forex gain/(loss)	38,630	4,435	46,425	(196,822)		97,038		81,995	106,854	16,081	194,636
<b>As at 30 June 2020</b>	<b>974,894</b>	<b>267,804</b>	<b>1,170,732</b>	<b>13,446,599</b>	<b>1,177,216</b>	<b>723,679</b>		<b>3,829,052</b>	<b>2,493,923</b>	<b>405,533</b>	<b>24,489,432</b>
<b>As at 1 July 2019</b>	<b>936,264</b>	<b>333,119</b>	<b>1,124,307</b>	<b>1,800,253</b>	<b>96,989</b>		<b>669,301</b>	<b>1,566,167</b>	<b>1,628,622</b>	<b>389,452</b>	<b>8,544,474</b>
Funds Received from Development Partners	-	-	-	49,456,666	4,100,000	-		4,087,950	758,447	-	58,403,063
Project funds refunds	-	-	-	(21,314,255)	-	-		-	-	-	(21,314,255)
Project funds transfer	-	-	-	18,809,864	-	-		-	-	-	18,809,864
Total Project Expenditure		(69,750)		(44,766,504)	(3,019,773)	(42,660)		(1,907,060)			(49,805,747)
Forex gain/(loss)	38,630	4,435	46,425	236,305	-	97,038		81,995	106,854	16,081	627,763
<b>Restated at 30 June 2020</b>	<b>974,894</b>	<b>267,804</b>	<b>1,170,732</b>	<b>4,222,329</b>	<b>1,177,216</b>	<b>723,679</b>		<b>3,829,052</b>	<b>2,493,923</b>	<b>405,533</b>	<b>15,265,162</b>
<b>As at 1 July 2020</b>	<b>974,894</b>	<b>267,804</b>	<b>1,170,732</b>	<b>4,222,329</b>	<b>1,177,216</b>	<b>723,679</b>		<b>3,829,052</b>	<b>2,493,923</b>	<b>405,533</b>	<b>15,265,162</b>
Funds Received from Development Partners	-	5,000,000	-	18,980,050	-	2,461,357		-	381,491	-	26,822,898
Other receipts				15,160							15,160
Project funds refunds	-	-	-	(4,859,434)	-	-		-	-	-	(4,859,434)
Project funds transfer	-	-	-	-	-	-		400,388	(400,388)	-	(0)
Total Project Expenditure	-	(3,647,710)	-	(17,054,707)	-	(292,747)		(1,881,800)	(98,000)	-	(22,974,964)

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Forex (gain)/loss	30,173	(6,637)	13,492	(140,067)	(703)	-	(90)	(21,784)	27,666	4,673	(93,277)
<b>As at 30 June 2021</b>	<b>1,005,066</b>	<b>1,613,457</b>	<b>1,184,224</b>	<b>1,163,331</b>	<b>1,176,513</b>	<b>2,168,610</b>	<b>625,589</b>	<b>2,325,856</b>	<b>2,502,692</b>	<b>410,206</b>	<b>14,175,545</b>
Bank balance as at 30/06/2021	985,095	1,610,127	1,184,224	1,144,581	3,229,880		625,589	1,431,056	2,502,692	410,206	
<b>variance between bank balance and unexpended balances reconciled as below;</b>	<b>(19,971)</b>	<b>(3,330)</b>	<b>-</b>	<b>(18,750)</b>	<b>(115,243)</b>		<b>-</b>	<b>(894,800)</b>	<b>-</b>	<b>-</b>	
Bank charges	19,971	3,330		18,750	52,243						
Imprest				-	63,000			894,800			
<b>Total</b>	<b>19,971</b>	<b>3,330</b>	<b>-</b>	<b>18,750</b>	<b>115,243</b>	<b>-</b>	<b>-</b>	<b>894,800</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unexpended grant Recognized</b>											
<b>FY 2020-2021</b>	<b>-</b>	<b>3,647,710</b>	<b>-</b>	<b>17,054,707</b>	<b>-</b>	<b>292,747</b>	<b>98,000</b>	<b>1,881,800</b>	<b>-</b>	<b>-</b>	<b>22,974,964</b>
<b>FY 2019-2020 - Restated</b>	<b>-</b>	<b>69,750</b>	<b>-</b>	<b>44,766,504</b>	<b>3,019,773</b>	<b>-</b>	<b>42,660</b>	<b>1,907,060</b>	<b>-</b>	<b>-</b>	<b>49,805,747</b>
<b>FY 2019-2020</b>	<b>-</b>	<b>69,750</b>	<b>-</b>	<b>41,006,149</b>	<b>3,019,773</b>	<b>42,660</b>		<b>1,907,060</b>	<b>-</b>	<b>-</b>	<b>46,045,392</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**22. Related Party Transactions**

**Nature of related party relationships**

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

**Government of Kenya**

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

	2020-2021	2019-2020
	KShs	KShs
<b>Transactions with related parties</b>		
<b>Grants from the Government</b>		
Grants from National Government	338,460,000	481,638,685
<b>Total</b>	<b>338,460,000</b>	<b>481,638,685</b>
<b>Key management compensation</b>		
Directors' emoluments	8,317,475	7,174,313
Compensation to the CEO	1,880,000	1,880,000
Compensation to key management	38,853,060	38,853,060
<b>Total</b>	<b>49,050,535</b>	<b>47,907,373</b>

**23. Restatement movement**

Description	MOVEMENT	RESTATED	
	2019-2020	2019-2020	2019-2020
	KShs	KShs	KShs
BBK -Recurrent	5,548,337	112,390,597	106,842,261
BBK-Development	5,588,244	37,405,584	31,817,340
UNFPA Bank	(9,224,270)	4,082,153	13,306,423
Unexpended grants	9,224,270	15,265,162	24,489,432
Use of goods & services - Other			
Operating expenses	(6,242,043)	58,291,989	64,534,031
Employment cost	(4,812,657)	165,441,128	170,253,785
Repairs & Maintenance-Motor vehicles	(81,881)	5,843,538	5,925,419
Project expenses	3,760,355	49,805,747	46,045,392
Restricted donor funds - UNFPA	(3,760,355)	44,766,504	41,006,149
<b>Total</b>	<b>0</b>	<b>493,292,402</b>	<b>504,220,232</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**24. Financial Risk Management**

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

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

**i) Credit risk**

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

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**Financial Risk Management**

	<b>Total amount Kshs</b>	<b>Fully performing Kshs</b>	<b>Past due Kshs</b>	<b>Impaired Kshs</b>
<b>As at 30 June 2021</b>				
Receivables from non exchange transactions	111,492,325	111,492,325	-	-
Bank balances	87,224,944	87,224,944	-	-
<b>Total</b>	<b>198,717,269</b>	<b>198,717,269</b>	-	-
<b>As at 30 June 2020</b>				
Receivables from non exchange transactions	51,881,402	51,881,402	-	-
Bank balances	193,107,648	193,107,648	-	-
<b>Total</b>	<b>244,989,050</b>	<b>244,989,050</b>	-	-

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The board of directors sets the entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the entity's directors, who have built an appropriate liquidity risk management framework for the management of the NCPD's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**Financial Risk Management**

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30 June 2021</b>				
Trade payables	-	-	100,857	100,857
Other payables	26,703,874	-	-	26,703,874
Employee benefit obligation	-	-	-	-
Unexpended grants	-	-	14,175,545	14,175,545
<b>Total</b>	<b>26,703,874</b>	<b>-</b>	<b>14,276,402</b>	<b>40,980,276</b>
<b>As at 30 June 2020</b>				
Trade payables	-	-	100,857	100,857
Other payables	-	-	-	-
Employee benefit obligation	-	2,046,768	-	2,046,768
Unexpended grants	-	-	15,265,162	15,265,162
<b>Total</b>	<b>-</b>	<b>2,046,768</b>	<b>15,366,019</b>	<b>17,412,787</b>

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

**25. Ultimate and Holding Entity**

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the National Treasury and Planning. Its ultimate parent is the Government of Kenya.

**26. Currency**

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

**APPENDIX**

**APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
		Waiting for audited report		

**Guidance Notes:**

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

Director General



Date... 04/02/2022

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**APPENDIX II: INTER-ENTITY TRANSFERS**


<b>ENTITY NAME:</b>				
<b>Break down of Transfers from the State Department of Planning and Development</b>				
<b>FY 2020/2021</b>				
<b>a.</b>	<b>Recurrent Grants</b>			
		<b><u>Bank Statement</u></b>	<b><u>Amount</u></b>	<b><u>FY 2020/2021</u></b>
		<b><u>Date</u></b>	<b><u>(KShs)</u></b>	
	Ministry of Planning and Development	08.09.2020	26,913,334	FY 2020/2021
	Ministry of Planning and Development	08.9.2020	26,913,333	FY 2020/2021
	Ministry of Planning and Development	13.10.2020	26,913,332	FY 2020/2021
	Ministry of Planning and Development	09.12.2020	26,913,333	FY 2020/2021
	Ministry of Planning and Development	22.01.2021	26,913,333	FY 2020/2021
	Ministry of Planning and Development	22.01.2021	26,913,333	FY 2020/2021
	Ministry of Planning and Development	03.03.2021	26,913,334	FY 2020/2021
	Ministry of Planning and Development	03.05.2021	26,913,334	FY 2020/2021
	Ministry of Planning and Development	25.06.2021	26,913,333	FY 2020/2021
	Ministry of Planning and Development	05.07.2022	53,826,667	FY 2020/2021
	Ministry of Planning and Development	25.08.2022	26,913,333	FY 2020/2021
		<b>Total</b>	<b>322,960,000</b>	
<b>b.</b>	<b>Development Grants</b>			
		<b><u>Bank Statement</u></b>	<b><u>Amount</u></b>	<b><u>FY 2020/2021</u></b>
		<b><u>Date</u></b>	<b><u>(KShs)</u></b>	
	Ministry of Planning and Development	28//08/2020	7,750,000	FY 2020/2021
	Ministry of Planning and Development	17/06/2021	7,750,000	FY 2020/2021
		<b>Total</b>	<b>15,500,000</b>	

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

Chief Accountant

NCPD

Sign

  
 04/02/2022

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**ANNEX – 1 FOREX DIFFERENCE**

Unexpended forex  
computation

As at 30 June 2021	974,893.50	1,620,094.00	1,170,732.00	1,303,398.00	1,177,216.00	2,168,610.00	625,679.30	2,347,640.00	2,475,026.00	405,532.90	14,268,821.70
Bank	985,094.68	1,610,127.00	1,184,224.22	1,144,581.00	3,229,879.85		625,589.30	1,431,055.87	2,502,692.01	410,206.41	13,123,450.33
<b>variance</b>	<b>10,201.18</b>	<b>(9,967.00)</b>	<b>13,492.22</b>	<b>(158,817.00)</b>	<b>2,052,663.85</b>	<b>(2,168,610.00)</b>	<b>(90.00)</b>	<b>(916,584.13)</b>	<b>27,666.01</b>	<b>4,673.50</b>	<b>(1,145,371.37)</b>
<b>Variance should be as a result of bank charges and imprest charges</b>	19,971.00	3,330.00		18,750.00	52,243.00			894,800.00			94,294.00
<b>imprest</b>				-	63,000.00						957,800.00
<b>Total</b>	<b>19,971.00</b>	<b>3,330.00</b>	<b>-</b>	<b>18,750.00</b>	<b>115,243.00</b>	<b>-</b>	<b>-</b>	<b>894,800.00</b>	<b>-</b>	<b>-</b>	<b>1,052,094.00</b>
<b>Difference should be as a result of forex difference</b>	<b>30,172.18</b>	<b>(6,637.00)</b>	<b>13,492.22</b>	<b>(140,067.00)</b>	<b>(703.15)</b>		<b>(90.00)</b>	<b>(21,784.13)</b>	<b>27,666.01</b>	<b>4,673.50</b>	<b>(93,277.37)</b>

Note: Unexpended balance should be same as bank balance as an indication of unspent funds

Forex bank balance

Bank Name	Opening balance	@106.5224	Closing balance	@107.75	Forex gain
Barclays Bank -Miscellaneous Dollar Acc.	91,314.69	9,727,059.93	9,716,198.73	9,828,296.65	
Commercial bank of Africa-Kurhi US\$	23,412.19	2,493,922.67	2,473,951.21	2,502,692.01	
Commercial Bank of Africa -PRB	9,142.41	973,871.45	9,142.41	985,094.68	
Commercial Bank of Africa - Macro (USAID)	10,990.48	1,170,732.31	10,990.48	1,184,224.22	
Commercial Bank of Africa-LQAS	3,807.02	405,532.91	3,807.02	410,206.41	
		<b>14,771,119.27</b>		<b>14,910,513.96</b>	<b>139,394.69</b>

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**ANNEX 2 – JOURNAL ENTRIES**

No.	Account			
	Code	Description	Debit	Credit
1a	8420/000	Fuel	2,500,000	
	2630/907	Medical Insurance	10,613,745	
	2630/901	Group Insurance	680,782	
	2630/904	Motor Insurance	758,426	
	2800/1010	Vehicle maintenance	885,115	
	2850/201	Repairs and Maintenance	785,276	
	2850/204	Maintenance computers	991,507	
	2500/603	Rent and rates	14,080,845	
	8200/010	Prepayments-Insurance		31,295,696
	<i>(Booking of receipts in bank statement but omitted in the cash book)</i>			
2		Kuhri project expense	1,362,000	
		World Bank project expense	98,000	
		Kuhri imprest		1,362,000
		World Bank imprest		98,000
	<i>( Expensed imprest omitted now recorded)</i>			
3		Unexpended funds	93,277	
		Forex gain		93,277
	<i>(Being forex gain on unexpended grants now recognized)</i>			
4		Bank Accounts	139,395	
		Forex gain		139,395
	<i>(Being forex gain on the bank balances now recognized)</i>			
5	8400/000	Barclays Bank -Re-Current		6,327,009
	8420/000	Barclays Bank Development Proper		5,673,334
	4650/803	Stale cheques	12,000,343	
	<i>(Reversal of wrong entries posted in the current year)</i>			
6	2997/904	ICPD+25 (Other operating expenses)		7,105,805
	2800/101	Maintenance Expenses -Motor Vehicles		81,881
	2100/000	GOK-Basic Salaries -Permanent Employees		4,812,657
	8400/000	Barclays Bank -Re-Current	6,327,009	
	8420/000	Barclays Bank Development Proper	5,673,334	
	<i>(Restatement of FY2019/2020 wrong entries booked in cash book now adjusted)</i>			
7	1000/010	Recurrent Grants receivable	80,740,000	
		Recurrent Government Funding		80,740,000
	<i>(Being grants receivable now posted in the books of account)</i>			