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NAIROBI

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Council for Population and Development set out on pages 1 to 27 which comprise the statement of financial position as at 30 June, 2014, and the statement of financial performance, statement of changes in assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (IPSAS) accrual basis and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 13 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with provisions of Section 15 of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards on Auditing (ISA). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

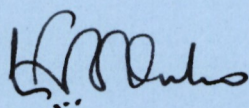
1.0 Property, Plant and Equipment

(i) As previously reported in the last two financial years, the property, plant and equipment balance of Kshs.72,565,519.00 as at 30 June 2014 excludes the undetermined value of various parcels of land situated at Upper Hill in Nairobi, Murang'a and Kisii. Ownership documents for the land were not available for audit verification. Additional information indicates the land in Upper Hill - plan No.93637/11/724 measuring 0.63 hectares has been allocated to a private developer.

(ii) Further, as similarly observed in the previous year, ownership documents for two motor vehicles registration numbers GK T925 and GK U206 could not be verified as the vehicles were registered in the names of other parties. As a result, it has not been possible to confirm that the property, plant and equipment balance of Kshs.72,565,519.00 is fairly stated as at 30 June 2014.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the National Council for Population and Development as at 30 June 2014 and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (IPSAS) accrual basis and comply with the National Coordinating Agency for Population Development Order, 2004.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

9 January 2015



NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2014**

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

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I. 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, the NCPD is represented by the Cabinet Secretary for Devolution and Planning who is responsible for the general policy and strategic direction. The NCPD is represented by the board of directors who are responsible for the general policy and strategic direction of the Council.

(b) Principal Activities

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

- Analyze 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. The role of the Board is to run the Council. 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

A well managed population for quality life

Mission of the Council

To provide leadership in the development, coordination and implementation of population and related policies and programmes for improved quality of life

Objectives of the Council

Strategic Objective 1:

To enhance awareness on Population issues (Fertility, Mortality, Migration)

Strategic Objective 2:

To Improve Knowledge and Information base on Population Issues

Strategic Objective 3:

To improve Policy Framework and Environment on Population Issues

Strategic Objective 4:

To increase resources for population related programmes

Strategic Objective 5:

To enhance capacity for programme planning, coordination and M&E

Strategic Objective 6:

To satisfy customers with services provided by the Council

Core Values

Integrity, Team work, innovation, Non- Discrimination, Quality services

(c) Key Management

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

- Director General (CEO)
- Senior Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2014 and who had direct fiduciary responsibility were:

NO	Designation	Name
1	Director General(CEO)	Dr. Josephine Kibaru-Mbae
2	Director Technical Services	George Alusa Kichamu
3	Director Corporate Services	Margaret Muthoni Mwangi
4	Deputy Director CAPE	Peter Nyakwara
5	Deputy Director Policy & Research	Vane Lumumba
6	Deputy Director Programmes ,Coordination& monitoring	Hosea Nzomo Mulatya
7	Deputy Director Finance & Accounting	Maurice Midenyo Opiyo
8	Deputy Director HR & Administration	Dorothy Oliech
9	Chief Internal Auditor	Taslim Mueni Wason

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 of the best interest of the Council. They have a fiduciary duty of due care skill and diligence

The board has appointed the Audit and finance Committees which meet quarterly. The audit committee of the board is charged with oversight of financial reporting and disclosure. Committee members are drawn from members of the company'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 an entity'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 General Purposes and a Technical Committee. Drawn from the board of directors. They offer advice and guidance and leadership of financial matters, Human resources and any other matters that require direction. The technical committee provided guidance and leadership on technical Population matters and reviews the activities and programmes

(e) Entity Headquarters

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

(f) Entity Contacts

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

(g) Entity Bankers

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

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. THE BOARD OF DIRECTORS

<p>1. Dr. Abdisalan M Noor</p>	<p>Born on 1975 holds PhD, Epidemiology BSc (Hons), Geo-Spatial & Space Technology, University Nairobi Chairman NCPD Board, Honorary Lecturer; Head Spatial Epidemiology Unit KEMRI University; Department of Geospatial & Space Technology; Research fellow in Public Health & Tropical Medicine. Board member in various organizations</p>
<p>2. Prof. Edward Mburugu</p>	<p>Born on 22nd May 1945; holds PhD in Sociology; MSc in Sociology & Demography; BA Sociology, History, Economics & Education Professor of Sociology in University of Nairobi; Associate Dean, Faculty of Arts, Teaching and Supervision. Board member in various organization and special appointments.</p>
<p>3. Lorna Ottaro</p>	<p>Born on 19th April 1948; holds Post Graduate Diploma in Education; Bachelor of Science. Worked as Deputy Director of Education Ministry of Education; Assistant Director of Education Ministry of Education; Deputy Secretary General Kenya National Commission for UNESCO; Dean of Curriculum Thogoto Teachers College; Principal in Ngara Girls, Mutuini High, Butere Girls & Madzuu Girls and a board member for various organizations</p>
<p>4. Adan Wachu</p>	<p>Born on 20th May 1959. And holds Bachelor's Degree in Management General; Diploma in Management. Secretary General SUPKEM; Executive Chairman Walu Insurance Brokers & Insurance Brokerage; Chairman of Inter Religious Council of Kenya; Executive Chairman Mowab Cleaning Services; Paralegal Officer Judicial Service Commission. Board member in a number of organizations.</p>
<p>5. Rev. Canon Peter Karanja</p>	<p>Born on 27th June 1960; holds BA Hons (Philosophy & Literature), Master of Divinity. He is the General Secretary, NCKK; also worked as Provost All Saints Cathedral (ACK); Secretary General Church Army Africa; Lecturer Carlile College; Company Director KEM Trust Ltd. Teacher Alliance High School</p>
<p>6. Rev. Father Wambugu</p>	<p>Born on 30th Oct. 1964. Holder of Bachelor of Sacred Theology; Bachelor of Philosophy (Hons.). Secretary General Kenya Episcopal Conference; Provincial Secretary, Official Chaplain of the Sisters of Mary Immaculate; Archdiocesan Secretary Cum Vice Chancellor/Notary; Board member in a number of organizations.</p>

7. Christine Ochieng	Holds Masters in Women's Law; Bachelor of Laws, Bachelor of Arts (Psychology & Sociology). Worked as Executive Director FIDA Kenya; Senior Policy Advisor Ipas Africa Alliance; National Adviser/Coordinator UNFPA/UNICEF (FGM/C); worked in FIDA Kenya in various capacities and stations
8. Geoffrey M Wahungu	Born in 1968 and holds PhD in Ecology Master's of Science Wildlife Management Bachelor of Science. He is the Director General NEMA; and has Over 15 years as lead consultant in development of Natural Resource Management Plans; Over 10 years in research & monitoring of climate change influence on savanna ecosystem; lead consultant in regional and national ecological, social and Environmental Impact Assessment; Head of Department of Wildlife Management; Dean in a University
9. Francis Kimani	Born in 1954 and he is the holder of PhD – Public Health Management; Master of Medicine (MMed); Bachelor of Medicine & Surgery (MBChB). Worked as Director of Medical Services; Ministry of Health. Senior Deputy Director of Medical Services Ministry of Medical Services. Head Division of Non-Communicable Diseases served in various ranks/position & regions in the Ministry of Health. Serves in various boards.
10. Mwakio Righa	Born on 22 nd Nov. 1954. Holds Master of Economics & Social Studies; BA (Sociology & Public Administration). He is Director for Gender & Social Development; Commissioner for Gender & Social Services; worked as Deputy Commissioner for Gender & Social Services Over 30 years experience in various communities as Social Development Officer and a board member of various organizations.
11. Mr. Stephen Wainaina	Born on 30 th Nov. 1957 and holds MA in Development Economics BA (Hons.) (Economics). He is the Planning Secretary Ministry of Devolution & Planning and worked as Director of Planning Ministry of Planning; Chief Economist ; Deputy Director Central Bureau of Statistics served in several ranks in Central Bureau of Statistics. Worked with UNCHS (Habitat) as Human Settlement Officer.
12. Kiragu Magochi	Ag. Education Secretary
13. Hellen Makone	Holds MBA; BA (Economics & Sociology); Worked as Executive Director MYWO; Consultant UNDP Special Unit, Treasurer MYWO; Constitution of Kenya Review

	Commission; Associate Management Consultant KPMG; Standard Chartered Bank various capacities.
14. Dr. Josephine Kibaru Mbae	Born in 1959. Holder Master of Medicine(OBGYN). She has over 25 years' experience in the public health sector, with about 20 of these years in Leadership and Management positions at different levels of the health sector in the Republic of Kenya. She started at the District level and culminated at the National level as the Senior Deputy Director in charge of Family Health Services in the country. During her tenure in the Ministry of Health she supported the revision and implementation of several policy documents. Dr. Mbae instituted innovations in in-service training in new technologies and supported training institutions to revise their curricula to strengthen pre-service training. She supported national supportive supervision for improvement of service delivery in the districts. She has been the Director General at the East, Central & Southern Africa Health Community (ECSA-HC) from 2010 to 2014.

III. MANAGEMENT TEAM

NAME	QUALIFICATIONS	AREA OF RESPONSIBILITY
Dr. Josephine Kibaru-Mbae	Master of Medicine(OBGYN)	Director General
George Alusa Kichamu	Masters in Demography	Director Technical Services
Margaret M Mwangi	MBA – Finance	Director Corporate Services
Peter A. Nyakwara	Masters in Demography	Comm., Advoacacy & Public Education
Vane B.Lumumba	Masters in Applied Research	Policy & Research
Hosea Nzomo Mulatya	Masters in Demography	Programmes & Monitoring/Coord
Maurice M Opiyo	MBA – Finance	Finance and Accounting
Dorothy A. Oliech	BA – Human Resource & Higher Dip in HRM	Human Resources & Administration
Taslim M. Wason	MBA – Finance	Internal Auditor
William O. Ochola	Post. Grad. Dip in Procure, BA Economics	Supply Chain Management

KEY MANAGER'S PASSPORT SIZE PHOTOS

NAME	PASSPORT SIZE PHOTOS
Dr. Josephine Kibaru-Mbae	
George Alusa Kichamu	
Margaret M. Mwangi	
Peter A. Nyakwara	
Vane B.Lumumba	
Hosea Nzomo Mulatya	

Maurice M Opiyo	
Dorothy A. Oliech	
Taslim M. Wason	
William O. Ochola	
<i>Note: The CEO and the Company has featured both under the 'Board' and 'Management'.</i>	

IV. CHAIRMAN'S STATEMENT

The National Council for Population and Development was established as a state corporation in the year 2004. The council mandate is to provide guidance and leadership in the management of population matters in the country. Management of the Country's population is important as one means to match population growth with available resources. NCPD has continued involving stakeholders in conduct of its affairs to guarantee the support for population programmes. The Council received an international award for developing a Population policy that was all inclusive and comprehensive in addressing population and development issues.

During the year 2013 the Council made important strides in ensuring sustainable long-term success. Advocacy programme at NCPD remained strong. New advocacy activities were initiated at the council level to reach out to County Assembly members and National and County Government leaders for political and financial support of population and development programmes.

The NPCD Board appointed board committees to oversee the affairs of the organisation to ensure accountability and transparency. The committees are Audit, Finance and General Purposes and the Technical Committee. Each of these committees meets quarterly and report to the main board.

The Council signed a performance Contract with the Ministry of Devolution and Planning in 2013/2014 and was ranked "Very Good" which signifies commitment of the board and management to executing its duties and responsibilities and meeting the set targets and objectives.

As a quality based organization the Council maintained ISO 9001:2008 certification status and continued improving its services to both external and internal customers.



Dr. Josephine Kibaru-Mbae
For Board Chairman
29th December 2014

V. REPORT OF THE CHIEF EXECUTIVE OFFICER

Introduction

The National Council for Population and Development, a semi-autonomous agency in the Ministry of Devolution and Planning provides leadership in implementation of population and development policy and programmes. In order to meet both policy and management obligations, the council maintained a team of officers assigned on different duties and responsibilities. During the year 2013-2014 the Council experienced a transition of leadership to the current Director General. There were also appointments of technical and administrative staff and recruitment of new officers to fill existing vacant positions.

During the year NCPD carried out a major review of Kenya's national population and development programme under the auspices of International Conference on Population and Development (ICPD 2014) and participated in the United Nations and Africa Union conferences on these themes in New York and Addis Ababa respectively. Other activities included conducting a first ever *National Survey on Male Involvement in Family Planning and Reproductive Health* which was supported by the Government. An agreement was also reached with a new development partner to support Council programmes in the counties. This led to convening of meetings in 15 Counties with County Assembly members and county leadership attending to advocate for support of population and reproductive health programmes and activities.

With available resources the council carried out other important activities during the year. The council continued with advocacy and public education activities. Family Planning messages were disseminated on both radio and TV. Through support of a number of development partners staff from NCPD and collaborating partners were trained in data management and communication under training programmes organized by the council.

Financial Statements

This Financial Statement is NCPD's record of financial transactions, obligations and value of assets. The accounts are submitted having been discussed and approved by the management.

During the 2013/2014 Financial Year, the Council received a government grant of Kshs 389,308,049 for its operations. It also received additional resources of Kshs 54,704,780 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. The board was informed of the expiry of the Capacity building project for Traditional Herbalist on 30th June 2013 and the donor closed the project officially on 5th December 2013. With regard to the efficiency of the operating systems, the Board did note and appreciate the adoption by management of a computerized financial management system. Overall, the Board was satisfied that the Council's financial operations were prudent and generally satisfactory.

Results

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

Staff Recruitment and its Implications

Early in 2006, the Council commissioned a study to review and recommend appropriate staff levels, job designations and remunerations and the review was later updated as recommended by Ministry of State for Public Service in a follow-up study done in the year 2010. During the 2013/2014 Financial Years, the Council continued to implement the study recommendations on a phased approach. The major implication was the resulting higher requirements for staff salaries since these were now pegged on the experience and practice of comparable state corporations. The Council is still lobbying for more funds to recruit personnel for key positions at the headquarters and the forty seven counties which are not currently fully filled. During the 2013/2014 financial year, only 10 officers were deployed to the regions to manage all of the 47 counties. Limitations of funds are a major impediment in achieving optimal level of staffing through a competitive recruitment.



Dr. Josephine Kibaru-Mbae
Director General
29th December, 2014

VI. CORPORATE GOVERNANCE STATEMENT

The National Council for Population is committed to governance policies and practices that promote the thoughtful and independent representation of citizen's interests. For this reason, management of NCPD is directed by Board of Directors. In order to achieve sound and meaningful Corporate Governance, the Board is divided into independent Board Committees that report to the full board.

The composition of board members is well balanced representing various interests in the Population Sector. This Includes representatives from various public institutions, Faith based organisations, Gender, Research institutions and Public interests. The term of the Board is three years. The chairman of the board is appointed by the President with three years

The council also has a strategic plan that contains the vision, mission and strategic objectives. The strategic plan is implemented over a period of five years. The Board of Directors provide the vision and the Mission statement and reviews the implementation of various activities during board meetings.

The allowances of board members are as provided in the government guidelines. The performance of Board members and the chairman is reviewed annually.

The NCPD's management structure is designed to provide conducive environment by which the activities are directed and controlled. It specifies the distribution -responsibilities among different participants in the Council, such as the board, Chief Executive, managers, Regional Coordinators and other stakeholders, and spells out the rules and procedures for making decisions on the NCPD's affairs.

Top management including the Director General, Director Technical and Director Corporate attended a one week corporate training to be sensitized on various thematic areas of corporate governance. There was a follow up training for senior management and Board members during a boards retreat.

The council has a functional audit committee and internal audit department. There are various manuals to guide the implementation of various functions of the council.

Financial statements are discussed and approved by the board before presentation to the Auditor General for Auditing.

Appointment of Director General and senior management personnel are done by the Board of Directors through competitive recruitment by placing advertisements in the news papers for qualified candidates to apply. The remuneration of staff is approved by the board of directors after a detailed job evaluation and benchmarking with other institutions of the same ranking.

To ensure transparency and accountability the council has set up a corruption prevention unit comprising of top management. There is also a management advisory committee. The council is also 2008:9001 ISO certified and various procedures have been set up to ensure maintenance of the status.

The council also has a service charter which clearly details provisions of various services to customers.

VII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

On its inception as a Semi-Autonomous Government Agent (SAGA), the National Council for Population and Development started the implementation of a gender equality-oriented program in line with the Government Policy. The aim of which is to “ensure equal opportunities for men and women in managerial positions and other population related issues”. The CSR programmes are incorporated within the Councils core mandated activities; Development, Coordination and implementation of population and related policies.

The NCPD’s Corporate Social Responsibility is supposed to prepare both men and women for taking responsibility both at work and in matters relating to Reproductive Health, Manageable /household sizes and the relationship between quality life and manageable population and quality of life.

NCPD uses different ways of communication, taking into account the diverse traditions and cultural backgrounds. Discussion forums are created, which are used by everyone to exchange the views on equal rights/emancipation. The forums are also used to help recognize more deeply the problems and barriers for women and men in the family and social life phenomenon

National Council Population Development (NCPD) believes in working closely with all stakeholders and customers in order to build credibility and trust. At the end of every year a customer satisfaction survey is carried out which aims at improvement of quality service.

During the World Population Day the council organised for free medical camps and provision of information on Population & Family Planning. The day’s main focus was on the Youth and at was celebrated at Kajiado District.

In the 2013/14 financial year (FY) The NCPD endeavoured to have the corporate social responsibility in form of tree planting .This was mainly because central part of Kenya mainly receives adequate rainfall and once the trees planted they would grow improve on the environment.

As the FY progressed the NCPD management narrowed down to Kirinyaga County mainly due to the fact that during the month of June the County had some showers of rain that were higher than other counties in the Central region. The months of June to August are very cold in Central region and these cold months are characterized by some spells of rainfall.

CSR is an organization’s/company’s sense of responsibility towards the community and environment (both ecological and social) in which it operates.

CSR may also be referred as corporate citizenship and can involve incurring short – term costs that do not provide an immediate financial benefit to the company but instead promote positive social and environmental change.

Most of the organizations which carry out CSR focus more towards the impact on the community than to the organization. In the light of this the Council decided to have a tree planting exercise in Kirinyaga County in Central region using two approaches;

By creating public awareness on population and development issues;

By actual tree planting of 500 indigenous tree seedlings This activity was undertaken on 30th June 2013. The NCPD staff together with the community planted 500 tree seedlings in Kirinyaga County. The Central region office worked with the Kirinyaga Kenya Forest Service (KFS) regional office to procure and prepare the ground for the planting the trees. The target was to plant all the 500 trees in Kangaita forest. However, since the Council wanted the community to participate, 156 trees were planted in Kaara-ini primary school and the remaining 344 were planted in Kangaita forest.

The council carried out its mandate of creating public awareness of population and development issues before the tree planting.

The area chief mobilised the community in Kaara-ini location to attend a public baraza where the Director General (DG), NCPD Dr. Josephine Kibaru gave a public address. The DG elaborated on the importance of having a manageable family and the impact of environment degradation due to population explosion. The major highlights in her address were;

- 1) Couples should have the number of children they are able to provide for quality education, health care and other basic needs.
- 2) When couples have the number of children they are able to cater for, they are able to save resources and hence the surplus could be used for investment.
- 3) When population expands to unmanageable numbers people start encroaching in the forests. This leads to deforestation and lead to lack of rainfall in addition to other environmental hazards like global warming.

The head teacher Kaara-ini primary school Mrs. Mwai had set aside an area where all the 156 trees were planted. The Council engaged the participation of class 7 and 8 primary schools pupils of school. The pupils were happy to be part of the tree planting and they promised to take care of the trees and ensure that they did not dry up.

Together with the KFS, the Council staff proceeded to plant the other 344 trees in Kangaita forest. The community that live near the forest had been mobilized and the planting of trees took place in collaboration with the community.

CONCLUSION

The staffs of the Council were very happy to be part of this venture of CSR and by the end of the day the Council had achieved its objective of planting 500 indigenous trees. The Council was able to give back to the community, and left an indelible mark in the community in Kaara-ini and Kangaita.

VIII. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2014 which show the state of the *National Council for Population and development* affairs.

The Board presents financial statements for the year ended 30 June 2014.

	2014	2013
Income	Kshs	Kshs
GOK		
Income Government of Kenya	389,308,049	244,612,690
Donor Income	54,704,780	111,537,241
Other Income	6,156,763	4,195,407
Interest Income	13,697	31,248
Total Income	450,866,936	360,376,586
Expenditure		
Total expenditure	462,341,594	346,082,666
Surplus/Deficit	(11,474,658)	14,293,920

Principal activities

The principal activities of the entity are;

MANDATE

The Council was established as a state corporation through the legal Notice No. 120 contained in the Kenya Gazette Supplement No. 68 dated 29th October, 2004 and is charged with the following functions:-

- Analyze 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. The role of the Board is to run the Council. 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.

Directors

The members of the Board of Directors who served during the year are shown on page VI In accordance with Regulation in the legal Notice No. 120 contained in the Kenya Gazette Supplement No. 68 dated 29th October, 2004.

Auditors

The Auditor General is responsible for the statutory audit of the National Council for Population and Development in accordance with the Section 68K of the Public Finance Management (PFM) Act, 2012.

IX. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 68K of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Directors to prepare financial statements in respect of that National Council for Population and Development (NCPD), which give a true and fair view of the state of affairs of the Council at the end of the financial year/period and the operating results of the *NCPD* for that year/period. The Directors are also required to ensure that the Council keeps proper accounting records which disclose with reasonable accuracy the financial position of the Council. The Directors are also responsible for safeguarding the assets of National Council for Population and Development.


The Directors are responsible for the preparation and presentation of Council's financial statements, which give a true and fair view of the state of affairs of *NCPD* for and as at the end of the financial year (period) ended on June 30, 2014. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Council; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for *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 and the State Corporations Act. The Directorate is of the opinion that Council's financial statements give a true and fair view of the state of *NCPD*'s transactions during the financial year ended June 30, 2014, and of the *NCPD*'s financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for *NCPD*, which have been relied upon in the preparation of *NCPD*'s financial statements as well as the adequacy of the systems of internal financial control.

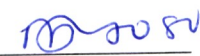
Nothing has come to the attention of the Directors to indicate that *NCPD* will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The *NCPD*'s financial statements were approved by the Board on 29th September 2014 and signed on its behalf by:



Dr. Josephine Kibaru-Mbae
Director General



Mrs. Margaret M Mwangi
Director Corporate Services

X. STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June 2014

	Notes	2013-2014	2012-2013
		Kshs	Kshs
Revenue from Non Exchange Transactions			
GOK			
Income Government of Kenya	1	389,308,049	314,193,351
Donor Income	2	54,704,780	150,402,721
		444,012,829	464,596,072
Revenue from Exchange Transactions			
Other Income	3	6,156,763	5,989,282
Interest Income	4	13,697	32,690
		6,170,460	6,021,972
Total Revenue		450,183,289	470,618,044
Expenditure			
Employee Benefits Expense	5	142,563,299	145,041,867
Board Expense	6	4,633,312	3,005,800
Depreciation	7	21,898,421	17,991,298
Repairs & Maintenance	8	10,699,371	6,718,217
General Expenses	9	220,568,636	124,591,384
General Expenses -Project	10	61,707,720	148,710,429
Finance Costs	11	270,836	226,364
Total expenditure		462,341,594	446,285,359
Other Gains or loses			
Profit on disposal of Assets	12	683,646	479,626
Surplus		(11,474,658)	24,812,311

The notes set on pages 9 to 25 form an integral part of this statement

X11. STATEMENT OF FINANCIAL POSITION
As at 30 June 2014

	Notes	2013-2014 Kshs	2012-2013 Kshs
ASSETS			
Current Assets			
Cash & Cash Equivalents	13	54,489,676	50,444,892
Receivables from exchange transactions	14	13,416,743	7,926,690
		67,906,418	58,371,583
Non - Current Assets			
Property Plants & Equipments	7	72,565,519	61,567,518
		72,565,519	61,567,518
Total Assets		140,471,937	119,939,101
Current Liabilities			
Trade & Other Payables from Exchange transactions	15	10,198,091	3,963,838
Deferred incomes	16	30,852,807	28,963,206
Sub-total		41,050,898	32,927,044
Non Current Liabilities			
Non - Current Liabilities		-	-
Net Assets			
Reserves		47,438,087	23,554,446
Accumulated Surplus		51,982,952	63,457,610
Sub-Total		99,421,039	87,012,057
		140,471,937	119,939,101
Total Net Assets & Liabilities			

The financial Statements set out on pages 1 - 4 were signed on behalf of the board of directors by:

Director General.....

Director Corporate Services.....

Date.....29/12/2014

Date.....29/12/14

XIII. STATEMENT OF CHANGES IN ASSETS
For the year ended 30 June 2014

	Capital Reserve	Accumulated Surplus	Totals
As at 1st July 2012	23,679,244	38,645,299	62,324,543
Surplus for the Year Adjusted	(124,798.00)	24,812,311	24,687,513
As at 30th June 2013	23,554,446	63,457,610	87,012,056
As at 1st July 2013	23,554,446	63,457,610	87,012,056
Surplus for the Year		(11,474,658)	(11,474,658)
Disposal Ac	(100,451)	-	(100,451)
Revaluation Reserve	23,984,092	-	23,984,092
As at 30th June 2014	47,438,087	51,982,952	99,421,039

XIV. STATEMENT OF CASH FLOWS

	Notes	2013-2014	2012-2013
Cash flows from operating activities		Kshs	Kshs
Surplus		(11,474,658)	24,812,311
Add: Items not involving cash movement			
Depreciation		21,898,421	17,991,298
Profit on disposal		(683,646)	(479,626)
Adjustments			
Sub-total		9,740,116	42,323,983
Increase/Decrease in debtors		(5,490,052)	(7,465,179)
Increase/decrease in creditors		6,234,253	(2,938,891)
Increase/decrease in deferred incomes		1,889,601	(10,150,761)
Net cash flows from operations		12,373,918	21,769,152
Cash flows from investing activities			
Purchase of Assets (Reversed)		14,670,000	-
Purchase of Assets		(23,984,134)	(30,022,570)
Cash received		985,000	857,000
Cash flows from financing activities			
Net increase/Decrease in cash & cash equivalents		4,044,784	(7,396,418)
Bank & cash equivalent at beginning		50,444,891	57,841,309
Bank & cash equivalent at end	15	54,489,675	50,444,891

XV: STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Performance Difference
	2013/2014	2013/2014	2013/2014	2013/2014	2013/2014
Revenues	KSH		KSH	KSH	KSH
Government Grant- Recurrent	175,680,269	33,174,000	208,854,269	208,854,269	-
Other income	6,170,460	-	6,170,460	6,170,460	-
Gains on Disposal	683,650	(4)	683,646	683,646	-
Brought Forward (BFWD)	12,911,959	-	12,911,959	12,911,959	-
Government Grant- Development	225,720,000	(46,727,785)	178,992,215	178,992,215	-
Project Income	54,704,780	-	54,704,780	54,704,780	-
Total	475,871,118	(13,553,789)	462,317,329	462,317,329	-
Expenses					
Basic salaries - permanent employees	90,197,358	(2,197,358)	88,000,000	87,947,891	52,109
Personal allowances paid as part of salary		-			-
House Allowance	26,200,000	(200,000)	26,000,000	25,990,875	9,125
Other Remunerative Allowances	8,372,000	628,000	9,000,000	9,004,167	(4,167)
Telephone Allowance	2,702,820	(422,820)	2,280,000	2,279,839	161
Leave expenses/ Acting Allowance	2,800,000	50,000	2,850,000	2,851,874	(1,874)
Medical Expense	172,000	(1,730)	170,270	170,270	-
		-			-
Transfer Allowance	300,000	(200,000)	100,000	101,006	(1,006)

Gratuity & Pensions	14,909,030	(691,000)	14,218,030	14,217,376	654
Hospitality supplies and services		-			-
NCPD Council Expense	5,000,000	(367,000)	4,633,000	4,633,312	(312)
Routine maintenance - vehicles and other transport equipment		-			-
Maintenance expenses motor vehicles	5,000,000	1,405,727	6,405,727	6,342,204	63,523
Routine maintenance - other assets					
Maintenance of Plant Machinery & Equipment	1,134,000	(158,000)	976,000	974,126	1,875
Maintenance of building & stations	2,000,000	1,380,000	3,380,000	3,383,041	(3,041)
Utilities supplies and services					
Electricity	300,000	(133,000)	167,000	166,783	217
Water	100,000	(15,000)	85,000	84,387	613
Communication supplies and services					
Courier and postal	500,000	5,000	505,000	505,604	(604)
Telephone, Telex , Facsimile and Mobile Phone services	4,500,000	1,090,000	5,590,000	5,589,352	648
Domestic travel and subsistence and other transportation costs					
Travel Costs (Airline ,Bus Railway	2,122,600	(162,600)	1,960,000	1,955,459	4,541
Accommodation	2,125,720	(811,720)	1,314,000	1,313,840	160
Daily Subsistence	2,381,200	3,857,800	6,239,000	6,238,625	375
Sundry Item	140,030	(1,030)	139,000	138,180.00	820
Foreign travel and subsistence and other transportation costs					
Travel Costs (Airline ,Bus Railway	600,000	(363,000)	237,000	237,350	(350)

Accommodation	-	17,000	17,000	17,000	-
Daily Subsistence	500,000	(323,500)	176,500	176,500	-
Sundry Item	100,000	(80,000)	20,000	20,060	(60)
Printing, advertising and information supplies and services		-			-
Advertising, Awareness and publicity	5,250,000	5,702,569	10,952,569	10,952,569	-
Trade shows and Exhibitions	1,500,000	(100,000)	1,400,000	1,400,605	(605)
Media Campaigns on Population Issues	40,000,000	36,211,268	76,211,268	63,716,540	12,494,728
Rentals of produced assets					
Rent \$ Rates	21,668,610	4,041,390	25,710,000	25,764,372	(54,372)
Hire of Transport	2,600,000	(800,000)	1,800,000	1,799,584	416
Training expenses					
Travel, Accommodation, Tuition fees, & Training	5,750,000	(1,590,000)	4,160,000	4,160,550	(550)
Hospitality supplies and services					
Catering Services(Reception), Accommodation, Gifts, food & drinks	6,523,250	3,476,750	10,000,000	10,018,906	(18,906)
Boards, Committees, Conferences & Seminars	4,500,000	(1,648,000)	2,852,000	2,852,532	(532)
Insurance Cost					
Group Medical / Group Life/Group PA	12,000,000	316,000	12,316,000	12,423,019	(107,019)
Motor Vehicles Insurance	3,000,000	(550,000)	2,450,000	2,441,322	8,679
Other Assets	1,000,000	(1,000,000)	-	-	-
Specialized materials and supplies					
Purchase of uniform & clothing	1,500,000	(842,000)	658,000	521,290	136,710
Office and general supplies and services					

General office supplies Pencils, Biro's,	3,123,000	1,813,000	4,936,000	4,936,714	(714)
Supplies, Accessories, for computers & printers	4,360,000	295,967	4,655,967	4,665,967	(10,000)
Sanitary & cleaning Materials	400,000	(111,000)	289,000	289,190	(190)
Fuel and lubricants					
Refined Fuels and lubricants for transport	3,123,000	1,003,000	4,126,000	4,126,121	(121)
NCPD Support for county Advocacy workshops with MCAs	4,000,000	863,000	4,863,000	4,862,934	66
Other Operating Expenses					
Contracted Guards and Cleaning Services	1,300,000	154,000	1,454,000	1,454,041	(41)
Membership Fees and dues and subscriptions to professional and Trade Bodies	160,000	590,000	750,000	768,170	(18,170)
Legal Fees	1,200,000	(1,200,000)	-	-	-
Contracted Professional Services	3,000,000	2,650,948	5,650,948	5,650,530	418
Audit Fees Provision	371,200	-	371,200	371,200.00	-
Membership fees and dues and sub. to inter.org.					
Contributions to UNFPA	900,000	(15,000)	885,000	885,000	-
Contributions to Partners in Population and Development	1,800,000	(42,000)	1,758,000	1,758,000	-
					-
Refunds to tenders'	30,450	-	30,450	30449	1
WORLD Population Expenses	56,200	-	56,200	56200	(0)
Research Feasibility & Design/GOK support to projects	104,721,570	(68,124,570)	36,597,000	36,596,295	705
Dissemination of Population Policy	330,000	-	330,000	323,738	6,262
Other Expenses	500	-		500	-

			500		
Foreign Travel	1,299,160	-	1,299,160	1,299,158	2
Project Expenditure	61,707,700	-	61,707,700	61,707,720	(20)
Finance Cost	270,840	-	270,840	270,836	4
Purchase of office furniture and general equipment					
Purchase of office and General equipment, Vehicles	6,268,880	3,045,120	9,314,000	9,314,000	-
Total Expenditure	475,871,118	(13,553,789)	462,317,329	449,757,173	12,560,156
Surplus for the Period	-	-	-	12,560,156	12,560,156

XV1: NOTES TO THE FINANCIAL STATEMENTS

1. Statement of compliance and basis of preparation – IPSAS 1

The National Council for Population and Development's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the entity. The accounting policies have been consistently applied to all the years presented. This is the first time adoption of IPSAS. Accounts were previously prepared using the International Financial Reporting Standards.

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

2. Summary of significant accounting policies

a) Revenue recognition

i) Revenue from non-exchange transactions – IPSAS 23

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on 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.

ii) Revenue from exchange transactions – IPSAS 9

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labourhours incurred to date as a percentage of total estimated labour hours.

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

b) Budget information – IPSAS 24

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the entity. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

e) Property, plant and equipment – IPSAS 17

All property, plant and equipment are stated at net book value and modified to include revaluations, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. 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.

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. Entity to state the reserves maintained and appropriate policies adopted.

l) Changes in accounting policies and estimates – IPSAS 3

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

m) Employee benefits – IPSAS 25

Retirement benefit plans

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

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

n) Foreign currency transactions – IPSAS 4

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

p) Related parties – IPSAS 20

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

r) Cash and cash equivalents

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

s) Comparative figures

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

t) Significant judgments and sources of estimation uncertainty – IPSAS 1

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

State all judgements, estimates and assumptions made: e.g

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 36.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Assumptions were used in determining the provision for rehabilitation of landfill sites. Landfill areas are

Rehabilitated over years and the assumption was made that the areas stay the same in size for a number of years.

Provision is made for the estimated cost to be incurred on the long-term environmental obligations, comprising expenditure on pollution control and closure over the estimated life of the landfill. The provision is based on the advice and judgment of qualified engineers.

The estimates are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money.

The increase in the rehabilitation provision due to passage of time is recognized as finance cost in the statement of financial performance.

The cost of ongoing programs to prevent and control pollution and rehabilitate the environment is recognized as an expense when incurred.

u) Subsequent events – IPSAS 14

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2014.

REVENUE FROM NON-EXCHANGE TRANSACTION

NOTE I: INCOME FROM GOVERNMENT OF KENYA

Recurrent	208,854,269	205,474,000
Development	178,992,215	96,000,000
Income BFWD	<u>12,911,959</u>	<u>25,631,310</u>
	400,758,443	327,105,310
Less: Income for uncompleted Activities	<u>11,450,394</u>	<u>12,911,959</u>
	389,308,049	314,193,351

NOTE2: DONOR REVENUE

Project/Source		2013/14 Income	2012/13 Income
PRB		31,529,054	23,328,763
PRB Kshs		731,812	-
UNIAIDS		-	30,711,147
Kfw (Germany)11		-	26,537
MACRO		1,276,360	3,742,419
UNFPA Revenue Through Treasury		25,130,280	69,523,821
KUHRI Kshs		553,032	570,810
MDG		-	438,479
Kuhri US\$		8,044,740	10,706,045
JSDF		2,873,458	26,640,168
Demographic Dividend LQAS		1,568,771	-
GOK/UNFPA		-	605,796
UNIAIDS		2,399,685	-
AED		-	159,983
Total Income & Expenditure	A	74,107,192	166,453,968
Adjustment of Income for activities running beyond the accounting period.			
Macro		954,458	705,402
PRB		9,455,731	7,134,014
PRB kshs		1,039,939	731,812.35
UNIAIDS		2,391,607	2,399,685.00
Demographic Dividend LQAS		1,128,793	-
JSDF		2,184,242	2,873,458
Kuhri US\$		1,581,963	2,093,732
Kuhri Kshs		665,678	113,143
Total deferred Income	B	19,402,412	16,051,246
Actual Income for Year	A-B	54,704,780	150,402,721
		74,107,192	166,453,968

NOTE 3: OTHER INCOME

	2013/14	2012/13
Sale of tender Documents & Assets	560,100	1,254,500
Gain on conversion of Opening Balance	-	251,790
Commissions	63,650.35	51,196
Fees on Executing Projects	3,197,363	2,552,763
Foreign currency gain	(132,972)	(255,017)
Support by Donors for GOK activities	2,468,622	2,134,051
Total	6,156,763	5,989,282

NOTE 4 INTEREST INCOME

	2013/14	2012/13
JSDF	-	17,656
KUHRI	-	361
PRB	13,697	8,343
MDG	-	6,330
	13,697	32,690

**NOTE 5: EMPLOYEE
BENEFIT**

		2013/2014	2012/2013
2100/000	Employees	128,244,916	131,394,327
2200/405	Transfer Allowance	101,006	504,334
2200/406	Gratuity & Pensions	14,217,376	13,143,207
	Total Employee Benefit	142,563,299	145,041,867

NOTE 6 :BOARD EXPENSE

	2013/2014	2012/2013
Board Expense	<u>4,633,312</u>	<u>3,005,800</u>

NOTE7: ASSETS SCHEDULE

	Land & Buildings[1 ¹]	Furniture fittings	Computers	Office Equipment[2]	Motor Vehicles	Total
At 1st July 2013 (NBV)	-	4,959,707	4,059,403	10,358,837	42,189,571	61,567,518
Prior Period Adjustments ²		-	-	-	(14,670,000)	(14,670,000)
Adjusted Cost		4,959,707	4,059,403	10,358,837	27,519,571	46,897,518
Additions ³	-	1,711,344	5,433,000	39,790	16,800,000	23,984,134
Revaluations ⁴	-	1,315,473	(1,603,903)	(1,489,237)	25,761,759	23,984,092
Disposal					(401,805)	(401,805)
As at 30th June 2014	-	7,986,524	7,888,500	8,909,390	69,679,525	94,463,939
DEPRECIATION						
As at 1st July 2013	-	3,266,246	4,269,520	4,225,327	34,435,541	46,196,635
Disposal of Motor Vehicle					(651,072)	(651,072)
Prior Period Adjustment Land ⁵		-	-	-	(3,667,500)	(3,667,500)
Charge for the year	-	998,316	2,366,550	1,113,674	17,419,881	21,898,421
As at 30th June 2014	-	4,264,562	6,636,070	5,339,001	47,536,850	63,776,483
NET BOOK VALUE						
At 30th June 2014	-	6,988,209	5,521,950	7,795,716	52,259,644	72,565,519
At 30th June 2013	-	4,959,707	4,059,403	10,358,837	42,189,571	61,567,518

¹ Excluded in the value of assets is land at Upper Hill which was initially allocated to the council and later allocated to a private developer. The council is also following up on ownership documents of land at Kisii and Murang'a

² Three Landover's were included in the value of assets b/wd. They were replaced with Ford Everest.

³ These were additions in the current year. Three motor vehicles purchased in the current year were included in the valuation report and adjustment was done.

⁴ The revaluation reserve was computed using the next book value brought forward in July 2013.

⁵ This was the depreciation charged on the land rovers.

NOTE 8: REPAIRS & MAINTENANCE

2800/000	Repair of Motor Vehicle	6,342,204	4,088,497
2850/000	Repair of other Assets	4,357,167	2,629,720
		10,699,371	6,718,217

NOTE 9: GENERAL EXPENSES

		2013/2014	2012/2013
2250/000	GOK -Utilities Supplies and Services	251,171	350,670
2300/000	GOK-Communication Supplies and Services	6,094,956	5,922,121
2350/000	GOK-Domestic Travel & Subsistence & Other	9,646,104	8,067,860
2400/000	GOK-Foreign Travel & Subsistence & Trans	450,910	97,650
2450/000	GOK-Printing Advert&Info Supplies & Serv	76,069,714	38,173,492
2500/000	GOK -Rentals of Produced Assets	27,563,956	24,666,875
2550/000	GOK -Training Expenses	4,160,550	2,357,904
2600/000	GOK -Hospitality supplies and Services	12,871,438	9,562,680
2630/000	Insurance	14,864,341	9,112,685
2650/000	Specialised materials & supplies	521,290	651,895
2700/000	GOK-Office and General supplies & servic	9,891,871	6,904,325
2750/000	GOK -Fuel and Lubricants	4,126,121	3,161,885
2755/00	MCA workshops	4,862,934	-
2760/000	Other Operating expenses	7,872,741	7,672,119
2760/000	Audit fees	371,200	371,200
2900/000	Membership to Partners, UNFPA	2,643,000	2,597,778

2995/012	Other Operating Expenses	-	42,020
2995/015	Refunds to tenders	30,449	83,700
2995/020	Borrowed Funds -UNFPA WPD	56,200.45	-
2997/300	Other Operating Expenses	-	82,360
2997/500	Printing Advertising Supplies & Services	-	1,104,700
2997/700	Research Feasibility Study & Deseign	36,596,295	-
2997/702	UNDP-Disemination of Population Policy	323,738	3,399,217
2997/705	Other Expense	500	-
4800/004	Foreign Travel-UNFPA	1,299,158	208,250
	Total Operating Expense	<u>220,568,636</u>	<u>124,591,384</u>

NOTE:10 GENERAL EXPENSES PROJECT

	2013/2014	2012/2013
PRB	1,961,122	1,734,170
PRB KSHS	19,752,971	13,634,890
UNIAIDS	22,670	28,253,170
MACRO	341,352	2,930,431
UNFPA Revenue Through Treasury	32,161,305	69,530,123
KUHRI uS4	2,151,822	2,167,500
Kuhri Kshs	4,157,795	6,697,409
Demographic Dividend LQAS	471,848	-
JSDF Herbalists	686,835	23,762,737
Total Project Expense	<u>61,707,720</u>	<u>148,710,429</u>

NOTE 11: FINANCE COST		
	2013/2014	2012/2013
	Kshs	Kshs
PRB (US\$)	2,198	8,631
prb khs	6,402	3,167
Macro (US\$)	-	1,313
UNIAIDS	-	2,500
UNFPA	6,535	16,102
Kuhri US\$	7,558	9,520
Demographic Divided LQAS	1,090	-
UNICEF	-	800
Macro 146	-	2,200
Recurrent	56,524	53,085
Development	63,677	51,584
miscellaneous	25,594	15,493
Kuhri Kshs	7,059	2,619
Kuhri US\$	7,558	0
Miscellaneous dollar	14,801	5,300
JSDf Herbalists	10,005	18,051
Bank Charges RPC	21,403	-
unaids	2,100	-
AED	38,332	36,000
Total Finance Cost	270,836	226,364

NOTE 12: GAIN ON DISPOSAL OF MOTOR VEHICLE

DESCRIPTION	KAV 591 E	KBB 863S	KAW 124Z	TOTAL
	Kshs	Kshs	Kshs	Kshs
Cost/ Valuation	290,813	370,800	290,813	952,426
Depreciation 2011	72,703	92,700	72,703	238,107
Net Book Value 2011	218,110	278,100	218,110	714,320
Depreciation 2011	54,527	69,525	54,527	178,580
Net Book Value 2012	163,582	208,575	163,582	535,740
Depreciation 2012	40,896	52,144	40,896	133,935
Net Book Value 2013	122,687	156,431	122,687	401,805
Depreciation 2013	30,672	39,108	30,672	100,451
Net Book Value 2014	92,015	117,323	92,015	301,354
Disposal Amount	380,000	350,000	255,000	985,000
GAIN ON DISPOSAL	287,985	232,677	162,985	683,646
ACCUMULATED DEPRECIATION	198,798	253,477	198,798	651,072

KAV 431 E

Cost/ Valuation	517,000
Depreciation 2010	129,250
Net Book Value 2010	387,750
Depreciation 2011	96,938
Net Book Value 2011	290,813
2012 Depr	72,703
Net Book Value 2012	218,109
2013 Depre	54,527
NBV	
2013	163,582
Cash Paid	375,000
Profit on Disposal	211,418

Motor Vehicle Account Disposal

KBB 863S

Cost/ Valuation	659,200
Depreciation 2010	164,800
Net Book Value 2010	494,400
Depreciation 2011	123,600
Net Book Value 2011	370,800
Depreciation 2012	92,700
NBV	
2012	278,100
Deprec 2013	69,525
NBV	
2013	208,575
Cash Received	480,000

Profit on Disposal **271,425**

Analysis
 Net Book Value 496,209
 Accumulated Depre 679,991

Equipments Account

Radio Cassette Deck Sansui

Cost/ Valuation 8,900
 Depreciation 2010 1,113
 Net Book Value 2010 **7,788**
 Depreciation 2011 973
 Net Book Value 2011 6,814
 2012 Depr 852
 Net Book Value 2012 5,962
 2013 Depre **745**
 NBV
 2013 5,217
 Cash Paid 2,000
 Profit /loss on Disposal **(3,217)**
 Accumulated
 Depreciation 2,938
 Profit/loss on disposal 479,626
 Cash Paid 857,000
 To Reserves (Depr.
 2013) 124,798

NOTE 13 CASH & CASH EQUIVALENTS

AC/NO	Donor/ Project	F currency	2013/2014	2012/2013
			Amount KSHS	Amount KSHS
045-1547933	Recurrent		13,063	8,927,922
045-1548190	Development		11,437,331	3,984,038
015 7377035	UNFPA		(8,214)	(7,102)
015 7377515	MACRO (US\$)	10,896	954,458	705,402
015 7377507	PRB (US\$)	107,942	9,455,731	7,134,014
	prb kshs		1,039,939	731,812
015 7377027	UNICEF		8,784	8,784
045-1548204	NCAPD		8,104,235	8,032,305
0157377 043	UNFPA GOK		605,796	605,796
	PWC UNIAIDS		2,391,607	2,399,685
1291116	Miscellaneous Dollar	152,463	13,355,791	11,296,037

64271200099	MDG Dollar	5,014	439,223	431,201
6427120104	LQAS Dollar	12,886	1,128,793	14,744
6427120117	KfW 11(Euro)	235	28,063	24,736
642712008	Parliamentary		175,318	175,318
6427120125	JSDF		2,184,242	1,663,143
ICA1110000997	JSDF		-	1,213,815
6427120138	KSPA MACRO	1,402	122,812	120,569
6421120146	KSPA MACRO		79,643	79,642
1099655	MISCELLANEOUS		85,651	123,983
6427120151	Kuhri Kshs		665,678	113,143
6427120167	Kuhri US\$	18,059	1,581,963	2,093,732
	RPC VARIOUS		639,766	572,172
			54,489,676	50,444,893

NOTE 14 RECEIVABLES FROM EXCHANGE TRANCACTIONS

		Ledger Kshs	Bank Balances Kshs	Balance Kshs
2997/910	Borrowed-UNFPA	7,045,597	-	7,045,597
8250/000	Salary Advance Account			
8250/002	Seif Muturi Kamau	0	-	0
8250/003	James Macharia	8,330	-	8,330
8250/030	Dorothy Achieng	0	-	0
8250/031	David Ochieng	-	-	-
8250/036	John Anapiu	91,302	-	91,302
8250/042	Brigidit Mkongo	0	-	0
8300/000	Imprest Account			
8300/060	Lorna Gathua	16,605	-	16,605
8360/000	Development Imprest account			
8360/001	Ken Lwak Gao	67,689	-	67,689
8360/007	Rose A. B. Wakuloba	-	-	-
8360/009	Micheal Oruru	5,625	5,625.00	0
8360/016	Jane Wanjaria	30,218	30,218.00	-
8360/017	Odour Onyango	37,540	37,540.00	-
8360/019	Sammy Tanui	6,978	4,232.00	2,746