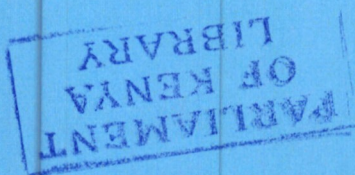
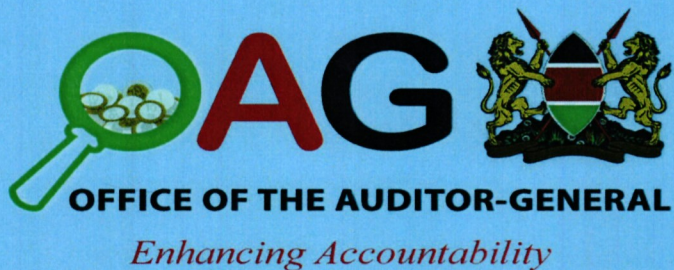


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

**INDEPENDENT POLICING OVERSIGHT
AUTHORITY**

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

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30684 - 00100, NAIROBI
REGISTRY

31 MAR 2021

RECEIVED



Independent Policing
Oversight Authority

INDEPENDENT POLICING OVERSIGHT AUTHORITY (IPOA)

**REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

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

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Reports and Financial Statements
For the year ended June 30, 2020

TABLE OF CONTENTS

	Page
I. KEY ENTITY INFORMATION AND MANAGEMENT	3
II. FOREWORD BY THE BOARD CHAIRPERSON.....	16
III. STATEMENT OF PERFORMANCE AGAINST MDA'S PRE-DETERMINED OBJECTIVES	18
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/ SUSTAINABILITY.....	20
V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES	26
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE AUTHORITY	27
VII. STATEMENT OF RECEIPTS AND PAYMENTS.....	28
VIII. STATEMENT OF ASSETS AND LIABILITIES.....	29
IX. STATEMENT OF CASH FLOWS	30
X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	31
XI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT	32
XII. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT.....	33
XIV. SIGNIFICANT ACCOUNTING POLICIES	34
XV. NOTES TO THE FINANCIAL STATEMENTS.....	38
XVI. PROGRESS ON FOLLOW UP OF PRIOR YEARS AUDITOR'S RECOMMENDATIONS.....	43
XVII. ANNEXURES	44
ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE	44
ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER	46

I. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background Information

Incorporation/Objectives

The Independent Policing Oversight Authority (IPOA) was established through Act No. 35 of 2011.

The objectives of the Authority are to:

- 1) Hold the Police accountable to the public in the performance of their functions;
- 2) Give effect to the provision of Article 244 of the Constitution that the Police shall strive for professionalism and discipline and shall promote and practice transparency and accountability; and
- 3) Ensure independent oversight of the handling of complaints by the National Police Service.

Principal Functions

The principal functions of the Authority are to:

- 1) Investigate any complaints related to disciplinary or criminal offences committed by any member of the National Police Service, whether on its own motion or on receipt of a complaint, and make recommendations to the relevant authorities, including recommendations for prosecution, compensation, internal disciplinary action or any other appropriate relief, and shall make public the response received to these recommendations;
- 2) Receive and investigate complaints by members of the Police Service;
- 3) Monitor and investigate policing operations affecting members of the public;
- 4) Monitor, review and audit investigations and actions taken by the Internal Affairs Unit of the Police Service in response to complaints against the Police and keep a record of all such complaints regardless of where they have been first reported and what action has been taken;
- 5) Conduct inspections of Police premises, including detention facilities under the control of the Service;
- 6) Co-operate with other institutions on issues of Police oversight, including other State organs in relation to services offered by them;
- 7) Review the patterns of Police misconduct and the functioning of the internal disciplinary process;
- 8) Present any information it deems appropriate to an inquest conducted by a court of law;
- 9) Take all reasonable steps to facilitate access to the Authority's services to the public;
- 10) Subject to the Constitution and the laws related to freedom of information, publish findings of its investigations, monitoring, reviews and audits as it seems fit, including by means of the electronic or printed media;
- 11) Make recommendations to the Police Service or any State organ;
- 12) Report on all its functions under its Act or any written law; and
- 13) Perform such other functions as may be necessary for promoting the objectives for which the Authority is established.

Vision

A transformational civilian oversight Authority that promotes public trust and confidence in the National Police Service.

Mission

To conduct independent and impartial investigations, inspections, audits and monitoring of the National Police Service to enhance professionalism and discipline of the Service.

Core Values

- *Independence*
- *Integrity and Accountability*
- *Impartiality*
- *Professionalism*
- *Accessibility*

b) Board and Senior Management Staff

Members of the Board:



Anne Makori
Chairperson

Mrs. Anne Makori is the Chairperson of the Independent Policing Oversight Authority Board. She holds a Law Degree (LLB Hons) from the University of Nairobi, a Postgraduate Diploma from the Kenya School of Law, and a Postgraduate Diploma in Human Resource Management and a Masters in Leadership. She is a Certified Public Secretary (C.P.S.) K., a Certified Professional Trainer and a certified professional mediator.

Anne has vast experience spanning over 20 years with exposure at both Board and management levels in the government, Media Industry, Finance Sector (Banking), and Legal Practice where she specialized in civil litigation, conveyancing and corporate law. Mrs. Makori has also undertaken Human Resource Consultancy at both local and international level.

She is an experienced leader in the areas of Strategy Development and implementation, Company Secretarial, Organizational Review, Performance Management, Culture and Change Management as well as Business Development having previously given oversight and leadership at different levels including serving as a General Manager in charge of Business Development, Legal and Human Resources.

Mrs. Makori is a member of Law Society of Kenya (LSK), Institute of Certified Public Secretaries of Kenya (ICPSK) and the Institute of Human Resource Management (IHRM). She is also actively involved in community service in the areas of education, literacy and language development for small and marginalized community groups as well supporting Churches.



Dr. Jonathan Lodompui, PhD
Vice Chair Person

Dr. Lodompui is the Vice Chairperson at IPOA. He holds a PhD in Political Science and Public Administration with a bias in Conflict Transformation, a master's degree in International Relations and Diplomacy and a bachelor's degree in Public Administration and Political Science biased on Reforms and Transformational Development all from the University of Nairobi. He also holds two Diplomas.

He has management experience in various organizations and in national consultancies in transformative development, peace building, conflict management and security matters. He has presented locally and internationally and contributed in academic journals including; Conflict Analysis and Mapping in Kenya, Impoverishment of the Pastoralists Groups in Kenya, fathers are parents too, the Collapse of the EAC in 1977, the National interest of Tanzania, Samburu Origins, Migrations and Settlement and Internal and external conflict triggers.

He is the immediate former Director for the Enablers and Macros Directorate at the Kenya Vision 2030 Delivery Secretariat, which is charged with coordination of the implementation of infrastructure projects. Previously, he worked with the Military as an Air Force Officer, the Child Fund as a Regional Coordinator, Teachers Service Commission as a Chief Research Officer, and a Director at Kenya Vision 2030 Secretariat. He also taught at various universities including the University of Nairobi, Technical University of Kenya, Africa Nazarene University, and the United States International University.



Dr. Jimmy Mwithi, PhD
Commissioner

Dr. Mwithi is a holder of Doctor of Philosophy (PhD), Leadership and Governance from the Jomo Kenyatta University of Agriculture and Technology. He also holds a master's degree in Business Administration (MBA) Strategic Management – Kenya Methodist University (KeMU) and Bachelor of Arts (Hons) Criminology - Egerton University. He is a fellow at the Kenya Institute of Bankers (FKIB); a full Member of the Kenya Institute of Management (MKIM) and a Certified Fraud Examiner (CFE). He has attended several courses on management, leadership, and governance.

He has served in various capacities in the Public and Private sector for 29 years and has dealt with strategy/ policy formulation, capacity building programs, intelligence collection, investigations and prosecution of criminal & civil cases. He previously worked at the Kenya Police Service, Efficiency Monitoring Unit (Office of the President), Kenya Anti-Corruption Commission, Consolidated Bank of Kenya Limited and a University Lecturer. He has published Journals on Leadership & Governance, Strategy formulation and Security.

He is a former Chairman of the Association of Certified Fraud Examiners (ACFE) Kenya Chapter and former Chairman of the Kenya Bankers Association (KBA), Security Committee. He is a member of the Authority's Risk and Audit Committee.



Fatuma Mohamed
Commissioner

Fatuma is a Gender and Governance Specialist who holds a Masters and Bachelor's Degree in Gender and Development Studies from the University of Nairobi. She has over 20 years' experience in policy-related development issues, policy formulations, dealing with stakeholders, donor organizations and local communities.

She is a trained mediator with experience in fostering peaceful coexistence, conflict management and national cohesion. She founded the Women Centre for Peace and Development, an NGO that empowers marginalized women in peace, security and education through economic and political participation in the Northern Counties of Kenya. She has knowledge of the relevant national and international gender and human rights instruments, convention and legislation.

Fatuma was a Commissioner with the National Cohesion and Integration Commission and also served as a part time lecturer at the Egerton University's Institute of Women Gender and Development Studies. She is a member of the National Women Steering Committee which advocates for the implementation of the two-third constitutional gender rule. She also served at the Barclays Bank (K) Ltd. in several capacities. She is the chairperson of the Communication and Outreach Committee of the IPOA Board.



***Doreen Muthaura, MBS
Commissioner***

Ms. Muthaura is an advocate of the High Court of Kenya, an expert in Legislative Drafting, Law Reform, Policy Formulation and evidence based Regulatory Impact Assessment (RIA).

She holds a Master's Degree in Law (LLM – Distinction) from the University of London, Law Degree (LLB Hons.) from Moi University, a postgraduate Diploma in Legal Studies from the Kenya School of Law, a Postgraduate Diploma in Legislative Drafting from the Royal Institute of Public Administration (RIPA – International) London, a Postgraduate in Evidence Based Policy Formulation and Translating Policy into Legislation from RIPA International London, Certificate in Effective Governance, Leadership and Integrity from the Griffith University, Queensland Australia.

She has served in various capacities in the Public and Private sectors. She was the Vice Chairperson and Commissioner at the Kenya Law Reform Commission, from 2013 to 2018 where she chaired the Committee on Law Reform, Policy Formulation and Legislative Services, spearheaded and drafted the first Legislative Process Guide in Kenya, participated in the drafting of over 60 model laws for County Governments customization and adoption, developed several Government policies and other legal instruments. She is a law lecturer and has trained County Attorneys and other senior Government officers.

She worked for the Commission for the Implementation of the Constitution (CIC) from 2011 where she participated extensively in drafting laws required by the Fourth Schedule to the Constitution. Ms Muthaura was instrumental in drafting the National Police Service Act, National Police Service Commission Act, Independent Policing Oversight Authority Act, Kenya Defence Forces Act, Power of Mercy Act, National Security Council Act, National Intelligence Service Act, amongst others.

She is also a Parliamentary Counsel having worked for the Office of the Attorney-General, State Law Office, and Legislative Drafting Department. At the AG Chambers, she drafted several legal instruments, Bills and subsidiary legislation and offered high profile legal and legislative advice to the Government of Kenya.

She participated in various taskforces and committees including the Taskforce on the Review of the Mandatory Nature of the Death Penalty in Kenya and has also undertaken law reform and legislative drafting consultancies at both local and international levels. She is a Member of the Law Society of Kenya, the East African Law Society, the Commonwealth Association of Lawyers, the Commonwealth Association of Legislative Counsel (CALC), the Chevening Scholars Alumni, the Federation of Women Lawyers Kenya Chapter FIDA-K and an Australian Award Fellow.

She is also actively involved in community service in the areas of human rights, education as well supporting women, churches and other charity organizations. She chairs the Human Resource Committee of the IPOA Board.



Dr. Walter Owen Ogony
Commissioner

Dr. Ogony, a distinguished medical practitioner, is a former Chief Medical Specialist at the Kenyatta National Hospital and Assistant Director of the Surgical Division. He has served in Public Service for 35 years, including 27 at Kenyatta National Hospital where he rose to the Chief Specialist position.

He holds a Master's Degree in Medicine from the University of Nairobi, Postgraduate Diploma from University of London, and Fellowship of the Eastern Africa College of Ophthalmologists. He is a registered and licenced member of the Medical Practitioners and Dentists Board and also a member of the Kenya Medical Association and Ophthalmological Society of Kenya.

He is vastly experienced in medical practice having initially worked as a general practitioner, then later as a specialist, medical education and management. He is conversant with matters pertaining to work injury and benefits. Throughout, Dr. Ogony has upheld professional and personal ethics, integrity and honesty. He chaired and also sat as member of several Taskforces and Committees of the Kenyatta National Hospital while in service.

He has attended several courses including, Senior Management Course at the Kenya School of Government, Corporate Governance, BIDE Performance Contracting, Industrial Relations at FKE and Trustee Development Programme Kenya. He is a past Chair and member of the Board of Governors of Sidindi Secondary School and a past member of the Nairobi Health Management Board. In 2012, His Excellency the President awarded Dr. Ogony the Order of the Grand Warrior (OGW) for his exemplary service to the nation.



Praxedes Tororey
Commissioner

Ms. Tororey holds a Master's degree in Women's Law from the University of Zimbabwe and pursuing another Masters in Diplomacy and Foreign Policy at Moi University. She also holds a Bachelor of Laws (LLB) from the University of Nairobi, Diploma in International Environmental Law-making and Diplomacy from University of Joensuu, Diploma in Women's Law and a Diploma in Law from the Kenya School of Law and Certificates in Management and Strategic Reform of Electoral Processes,

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Reports and Financial Statements
For the year ended June 30, 2020

Legal Audits, Legislation Drafting, Mediation, Arbitration, Conflict Management and Dispute Resolution, Strategic Leadership Development Programme and Corporate Governance.

Praxedes has twenty-six years of Public Service experience having worked as Magistrate in Narok, Nanyuki, Karatina and Machakos Law Courts. She participated in the development of the Judiciary Bench Book for Magistrates in criminal proceedings and also developed a training manual on application of Human Rights Instruments in Courts by Judicial Officers.

She served as an in-house General Counsel with State Corporation and Constitutional Commission in Public Sector Management, Constitutional Development, Administration of Justice, Human Rights, Devolution, Policy and Legislative Drafting, Elections management, Management of Forests and Corporate Governance including development of National Anti-corruption frameworks. She was Director, Legal and Public Affairs at Independent Electoral and Boundaries Commission (IEBC). Among other achievements, she supported the transition of Kenya's electoral management body from ECK, IIEC to the IEBC and developed the Referendum Regulations, 2010 together with the Referendum Media Guidelines of the same year.

Ms Tororey also served as the Corporation Secretary and Head of Legal Services at the Kenya Forest Service. At KFS, she helped develop the Board Code of Conduct, Code of Conduct for disciplined officers, four (4) Subsidiary Legislations under the Forest Act and a litigation strategy for the Service. She also trained Forest Officers in prosecutions and oversaw their Gazettement.

She is a member of the International Commission of Jurists (Kenya Chapter), Law Society of Kenya, FIDA-Kenya and Kenya Women Judges Association, Associate Member of the Chartered Institute of Arbitrators, Member, Consolata Friends Association (Flora Chapel Branch), Vice Chairperson, One More Day for Children and a life member of the Red Cross Society of Kenya.

She has undertaken various leadership responsibilities including; Chairing the Review of Electoral Laws Taskforce and Referendum Technical Committee (IEBC), member to the Taskforce on Review of Legal, Policy and Institutional Framework for fighting Corruption in Kenya, 2015, Secretary, Legal Reforms, Electoral Code of Conduct and Compliance Committee (IEBC), Taskforce Member, National Steering Committee on Devolved Government; Chairperson Court Users Committee, Registrar of Titles, Ministry of Lands, Past Secretary, Jurist of the Year – International Commission of Jurists (ICJ). Ms Tororey is the Chairperson of the Technical Services Committee.



Hon. John Waiganjo
Commissioner

Hon. John Waiganjo is an Advocate of the High Court with a Law Degree from the University of Nairobi and a Postgraduate Diploma in Law from the Kenya School of Law. He was admitted to the Bar in 1996.

He represented the Ol Joro Orok Constituency in Parliament between 2013 to 2017, where he was credited for making more than 360 presentations. In Parliament, he was a member of the Departmental Committee on Justice and Legal Affairs where his name is synonymous with the Penal Code (Amendment) Bill and the Criminal Procedure Code (Amendment) Bill which sought to abolish the death penalty. Championing for proper procedures to be followed during drafting and enactment of laws by various State agencies, Hon. Waiganjo supported the Parliamentary Committee on Delegated Legislation's rejection of PSV regulations developed by the National Transport and Safety Authority which had not been tabled in Parliament arguing that it was only Parliament that could make laws.

Hon. Waiganjo is also a Co-Convenor of the Kenya Parliamentary Human Rights caucus and a member of the Law Society of Kenya. He is senior partner at J.M. Waiganjo and Company Advocates, an avid sports fan and a black belt in Shoto Kan martial artist. Hon. Waiganjo is the Chairperson of the Finance and Administration Board Committee.

Senior Management Staff:



Maina Njoroge

Director/CEO & Board Secretary

Mr Njoroge holds a Master in Business Administration (MBA) degree in Finance, and a Bachelor of Commerce (Accounting) degree from the University of Nairobi. He has attended the Senior Management Leadership Programme (SMLP) at Strathmore Business School (Strathmore University) and Antai College of Economics and Management (Shanghai Jiao Tong University, China). He has attended several local, regional and international training courses in finance, management and strategic leadership.

He is a Certified Public Accountant of Kenya, CPA (K), and a Certified Investment and Financial Analyst. He is member of the Institute of Certified Public Accountants of Kenya (ICPAK), Kenya Institute of Management (KIM), Institute of Certified Investment and Financial Analysts (ICIFA), and Institute of Directors (Kenya).

He has vast experience in finance and accounting spanning over 25 years. He has a track record of accomplishment in financial management in both private and public sectors. Additionally, he has substantial experience in human resource, strategic and administrative management, and has special interest in corporate governance and investments. He has experience in managing multi-donor grants and writing funding proposals. He has previously worked with an auditing firm and as Senior Accountant, Chief Accountant and Finance and Administration Manager with large manufacturing and service industry firms.

Before joining IPOA in 2013, Mr Njoroge worked with the Kenya Institute of Public Policy Research and Analysis (KIPPRA) as Finance and Administration Manager and later Finance and Investments Manager for seven years where he managed a large portfolio of donor funds, including grants from

USAID, EU, ACBF, IDRC/TTI, and Brookings Institution, and several projects commissioned by local and international organizations. He was IPOA's Director Business Services from 2013 to 2018 before being appointed the Director/ CEO. He is currently serving as a member of the Audit Committee at the Office of the Director of Public Prosecutions (ODPP).



Stephen Wetheo Musau

Director, Inspections, Research and Monitoring

Mr Musau holds a Master of Arts in Human Rights and Conflict Management from the School of Advanced Studies (Pisa, Italy) and Bachelors of Arts Degree majoring in Economics and Sociology from Egerton University. He also holds diplomas in International Law and Human Rights (University of Helsinki); Organisation Development and Management (Kenya Institute of Management) and Security in Peacekeeping Missions training at Centre of Excellence for Stability Police Units (CoESPU-Vicenza, Italy). He also holds certificates in Peace Operations from School of Peace Operations (Netherlands); International Investigations; Proposal Writing, Logframe Analysis and Report Writing; Participatory Monitoring, Evaluation and Learning;

He worked and has sat on the Boards of several civil society organisations since 1999 in various capacities including being in the Board and most recently in Cambodia with an international non-governmental organisation. He has a wealth of experience in human rights; advocacy and civic engagements and networking. He has a keen interest in monitoring and documentation of human rights issues related to security and law enforcement.

Mr Musau's other skills and competencies include facilitation and training on development issues such as change management; Human Rights Based Approaches (HRBA) to programming and development; conflict prevention, management and transformation; and participatory monitoring and evaluation.



David Nderitu

Director, Complaints and Legal Services

Mr Nderitu is an advocate of the High Court of Kenya having been called to the bar in 1995. He holds a law degree (LLB) from the University of Nairobi and a post graduate diploma in law from Kenya School of Law. He also holds a Master's degree in political science (MPA) from Eastern Washington University (EWU) (USA), specializing in public administration. Mr. Nderitu has been in legal practice in Kenya for over 20 years. Before joining IPOA he served as a senior assistant director of public prosecutions at ODPP.



Jeremiah Arodi

Director, Investigations

Jeremiah holds a Bachelor of Science Degree from Kenyatta University and Master of Arts in Security Management from Egerton University and Master of Science in Governance, Peace and Security at African Nazarene University. He has extensive experience in Forensics Crime Scene Management and general investigations. Jeremiah served for seven years in the National Police Service in the Directorate of Criminal Investigations. He later joined the EACC where he worked in the Investigations Directorate for six years. Jeremiah has specialised training in Forensic Crime Scene Management by the FBI, Prevention Interdiction and Investigations on acts of Terrorism through the Terrorism Assistance Programme by United States of America Department of Justice. He has also attended FBI training in Crime Scene



Eunice Juma

Director, Business Services

Eunice Juma's experience spans over fifteen years in finance, project management and human resource management. Prior to joining IPOA she was the Board Secretary of the County Public Service Board of Tana River and a council member of the Murang'a University of Technology for a period of four and a half years and two years respectively. Previously she worked in various positions with ICPSK, National Environment Management Authority, Kenya Red Cross Society and Eldoret Hospital among others. She holds Master of Business Administration (MBA) Finance option, Master of Arts in Project Planning & Management both from the University of Nairobi and a Bachelor of Commerce degree (Accounting option) from the Catholic University of Eastern Africa. She is also a Certified Public Accountant of Kenya (CPAK) and a Certified Secretary (CS). She has undertaken training in corporate governance and performance management.

c) Fiduciary Management:

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

	Name	Designation
1	Maina Njoroge	Director/CEO & Board Secretary
2	Eunice Juma	Director, Business Services
3	Stephen Musau	Director, Inspections Research and Monitoring
4	Jeremiah Arodi	Director, Investigations
5	David Nderitu	Director, Complaints & Legal Services
6	Agatha Chepkoech	Chief Accountant

d) Fiduciary Oversight Arrangements

The Authority has five standing Committees which are aligned to the Authority's mandate and functions. The Committees have been set up with clear terms of reference to facilitate efficient and effective decision-making in discharging its duties, powers, and authorities as they meet from time to time.

The Finance and Administration Committee reviews annual budgets and procurement plans, quarterly and annual financial reports. The Committee also provides oversight on ICT and administration issues within the Authority.

The Technical Services Committee provides oversight over the Authority's core functions i.e. complaints management, legal services, investigations, inspections, research, and monitoring functions.

The Human Resource Committee is responsible for organizational structure, recruitment of staff, development of human resource policy, staff training and development, review of salaries and benefit packages. The Committee also makes recommendations for broad guidelines that promote operational efficiency.

The Communication and Outreach Committee is charged with the Authority's communication and outreach function and programs.

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

Finance & Administration Committee:

Hon. John Waiganjo (Chair)
 Fatuma Mohamed
 Jonathan Lodompui (Co-Convener)

Technical Services Committee:

Praxedes Tororey (Chair)
 Dr. Walter Ogony (Co-Convener)
 Jonathan Lodompui

Human Resource Committee:

Doreen Muthaura (Chair)
 Praxedes Tororey
 Hon. John Waiganjo

Communications & Outreach Committee:

Fatuma Mohamed (Chair)
 Doreen Muthaura
 Hon. John Waiganjo

Audit & Risk Committee

Irene Cheronu (Chair)
Josephine Mandere
Dr. Jimmy Mwithi
Willis Okwacho (Representative, The National Treasury)

4) IPOA Headquarters

ACK Garden Annex,
2nd/3rd Floor,
1st Ngong Avenue,
P O Box 23035-00100 GPO,
NAIROBI.

e) IPOA Contacts

Telephone: (+254) 20 4906 000
E-mail: info@ipoa.go.ke
Website: www.ipoa.go.ke

Regional Offices

Garissa:

IPOA House, Off Kismayu Road,
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P.O Box 1261-70100, Garissa,
Tel: 0777 040400.
E-mail: garissa@ipoa.go.ke

Mombasa:

Jubilee Insurance Building (Arcade) along
Moi Avenue,
P.O Box 99758- 80107 Kilindini, Mombasa,
Tel: 0799 019998.
E-mail: mombasa@ipoa.go.ke

Kisumu:

Central Square Building, Opposite Barclays
Bank,
P.O Box 3560-40100, Kisumu
Tel: 0799 862244.
E-mail: kisumu@ipoa.go.ke

Kakamega:

Daaron Foundation Trust Building, Opposite
Nala Community Hospital,
P.O. Box 1642-50100, Kakamega,
Telephone: 020 440 3549.
Email: kakamega@ipoa.go.ke

Nakuru:

Assumption Centre, Opposite St. Paul
University,
P.O. Box 2400-20100, Nakuru,
Telephone: 020 440 1076.
Email: nakuru@ipoa.go.ke

Meru:

Ntara Place,
P.O. Box 203-60200, Meru,
Telephone: 020 201 7237.
Email: meru@ipoa.go.ke

Nyeri:

County Mall, Next to Veterinary Department,
P.O. Box 30-10100, Nyeri,
Telephone: 020 200 4664.
Email: nyeri@ipoa.go.ke

Eldoret:

Kerio Valley Development Authority (KVDA)
Annex Plaza,
P.O. Box 109-30100, Eldoret,
Telephone: 020 440 3548.
Email: eldoret@ipoa.go.ke

f) Bankers

The Central Bank of Kenya,
Haile Selassie Avenue Street,
P O Box 60000, 00200 City Square,
Tel: 2860 000,
NAIROBI.

The National Bank of Kenya,
Hill Branch,
NHIF Building,
NAIROBI.

The Co-operative Bank of Kenya Ltd,
Co-operative House Branch,
Haile Selassie Avenue,
P.O. Box 48231 -00100 GPO,
NAIROBI.

g) Independent Auditors

Auditor General,
Kenya National Audit Office (KENAO),
Anniversary Towers,
P O Box 49384, 00100 GPO,
NAIROBI.

h) Principal Legal Adviser

The Attorney General,
State Law Office and Department of Justice,
Harambee Avenue
P.O. Box 40112, 00200 City Square,
NAIROBI.

II. FOREWORD BY THE BOARD CHAIRPERSON

On behalf of the Board, Management and Staff, I am pleased to present the Independent Policing Oversight Authority's Financial Statements for the year ended 30th June 2020.

During the period under review, the Authority received Kshs. 787,702,347 (96%) from the exchequer out of the Kshs. 819,933,966 allocations in the recurrent budget estimates. The Authority's budget was revised downwards by Kshs. 72,766,034 from Kshs. 892,700,000 to Kshs. 819,933,966 in the Supplementary Estimates II in April 2020 due to the effects of Covid-19 pandemic.

During the period, the Authority recorded a total expenditure of Kshs. 786,409,733 of which Kshs. 448,248,206 (57%) was on compensation of employees; Kshs. 259,467,883 (33%) on goods and services; Kshs. 6,068,532 (0.8%) on social security benefits; and Kshs. 72,625,112 (9.2%) on acquisition of assets. The Authority absorbed 96% of the total budget, as compared to 92% recorded during the 2018/19 financial year.

During the period, the Authority received and processed 2,991 complaints on police misconduct. The Authority conducted 493 inspections of police facilities, monitored 76 police operations, and completed 777 investigation cases. Further, the Authority submitted 114 completed investigation files to the Office of the Director of Public Prosecutions for further action. Additionally, the Authority developed 4 policy briefs on thematic issues. To facilitate efficient receipt and processing of complaints, the Authority established a Toll-Free Call Centre.

The Authority established a Mortgage and Car Loans Scheme, with a seed capital of Kshs. 24m. Continuous improvement of staff welfare remains key towards attracting and retaining high calibre compliment of employees.

The Authority commissioned an End-Line Survey on Policing Standards and Gaps in Kenya. The study was a follow-up to the Baseline Survey conducted in 2013 and compared a set of indicators to understand the extent to which IPOA and its partners had (or not) addressed policing standards in Kenya.

The Authority's performance was affected during the months of March to June due to the scaling down of operations occasioned by the cessation of movement, and containment measures announced by the Government towards prevention of the spread of Covid-19.

During the year, the Authority developed a 5-year Strategic Plan (2019/24). The Plan outlines four Key Result Areas (KRAs) aimed at guiding its strategic direction during the next five years. The four KRAs are; 1) Police accountability; 2) Stakeholder cooperation and complementarity; 3) Research and information management; and 4) Institutional capacity. The KRAs are to be achieved through the following strategic objectives:

KRA 1: Police accountability – To build public confidence and trust in policing, and to enhance compliance with human rights standards and fundamental freedoms;

KRA 2: Stakeholder cooperation and complementarity - To strengthen cooperation with and complement state and non-state actors;

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Reports and Financial Statements
For the year ended June 30, 2020


KRA 3: Research and information management - To generate knowledge for evidence-based policy, strategy and decision-making, and to facilitate utilization of knowledge; and

KRA 4: Institutional capacity - To promote corporate governance, strengthen human resource capacity, ensure institutional financial sustainability, and strengthen business systems and internal processes.

Inadequate funding remains one of the key challenges. It is hoped that the National Assembly and the National Treasury will favourably consider the Authority's annual requests for enhanced budget allocations for full implementation of its annual work programmes and the Strategic Plan.

The Authority would like to express its thanks and appreciation for the continued support and cooperation received from its key stakeholders that include the Ministry of Interior and Coordination of National Government, the Office of Director of Public Prosecutions, the Judiciary, Kenya National Commission on Human Rights, Ethics and Anti-Corruption Commission, Commission on Administrative Justice, National Police Service, National Police Service Commission, Witness Protection Agency, and non-state actors.

Last but not least, the Authority acknowledges the support and role played by its development partners towards the realization of the policing oversight initiatives and police reform agenda in Kenya.



Anne Makori
23rd September 2020

III. STATEMENT OF PERFORMANCE AGAINST MDA'S PRE-DETERMINED OBJECTIVES

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of the IPOA's five-year Strategic Plan (2019-2024) are to:

- 1) Build public confidence and trust in policing - prevention of police misconduct, effective complaints management, enhance compliance with legal framework, and enhance monitoring, review and audit the functions of the Internal Affairs Unit of the National Police Service;
- 2) Enhance compliance with human rights standards and fundamental freedoms - investigations of police misconduct, and strengthen inspection of police premises and detention facilities;
- 3) Strengthen cooperation with and complement state and non-state actors - enhance cooperation, and complementarity;
- 4) Generate knowledge for evidence-based policy, strategy and decision making - strengthen research and enhance sharing of research outputs;
- 5) Facilitate utilization of knowledge for evidence-based, strategy and decision making - enhance uptake of research findings and recommendations, and institutionalize information management;
- 6) Promote corporate governance - enhance Board and management capacity, visibility and corporate image, and improve the level of service delivery to the public, and enhance risk management and audit;
- 7) Strengthen human resource capacity - align HR practice to policy, legal framework and best practice, strengthen organizational learning and development, enhance employee performance management system, improve and support employee welfare, and enhance work environment; and
- 8) Ensure institutional financial sustainability - enhance resource mobilization, and resource management.

Progress on attainment of Strategic Development Objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below is the progress on attaining some of the stated objectives:

MDA Program	Objective	Outcome	Indicator	Performance
Police oversight services	To promote public trust and confidence in the	Enhanced police accountability.	Number of complaints received and processed.	2,991
			Number of investigations completed.	777

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Reports and Financial Statements
For the year ended June 30, 2020

MDA Program	Objective	Outcome	Indicator	Performance
	National Police Service.		Number of files submitted to the ODPP for further action.	114
			Number of police facilities and premises inspected.	493
			Number of police operations monitored.	76
		Stakeholder Cooperation and Complementarity strengthened.	Number of consultative meetings held with external stakeholders.	12 counties visited targeting National Government Administration Offices, National Police Service Command and County Governments, Huduma Centers, regional offices of the Office of the Director of Public Prosecutions, Kenya National Commission on Human Rights, Kenya Forest Service and Kenya Wildlife Services.
			Publish IPOA performance reports and other thematic reports.	2 bi-annual reports and 4 thematic reports published and disseminated
		Enhanced Research and Information Management.	Establishment of a call centre to facilitate toll free lodging of complaints through a toll-free line.	Toll Free Call Centre established (Code 1559) operationalised.
			Developed 4 policy briefs on thematic issues.	4 policy briefs developed.
		Institutional capacity strengthened.	Staff members facilitated to undertake various courses.	14 ¹
			Mortgage and car loan scheme established.	Established with a seed capital of Kshs. 24 million
			Proportion of funds absorbed.	96%

¹ Training affected by emergence of COVID 19

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/ SUSTAINABILITY

The Independent Policing Oversight Authority (IPOA) was established through an Act of Parliament No. 35 of 2011 to hold the Police accountable to the public in the performance of their functions, give effect to the provision of Article 244 of the Constitution that the Police shall strive for professionalism and discipline and shall promote and practice transparency and accountability; and ensure independent oversight of the handling of complaints by the National Police Service.

The Authority's objective is to promote public trust and confidence in the National Police Service by conducting independent and impartial investigations, inspections, audits and monitoring of the National Police Service to enhance professionalism and discipline of the Service. The objective guides the Authority deliver its strategy, founded on four key result areas: Police Accountability, Stakeholder Cooperation and Complementarity, Research and Information Management and Institutional Capacity.

Below is a brief highlight of our achievements in each pillar;

1. Sustainability Strategy and Profile

The Authority has continued to make sustainable and business continuity efforts to ensure that the institution remains a going concern. Such efforts have included reaching out to the National Assembly and the National Treasury for enhanced annual budgets to sustain its operations, and implementation of its functions and mandate. Further, the Authority has engaged development partners such as the US Government, UNODC, British High Commission in Kenya, International Justice Mission, GIZ to provide technical support in form of ICT equipment and training.

Accordingly, the Authority technical staff has benefitted from appropriate local and international training. The development partners have on several occasions sponsored the Board and Management for experiential study tours in the UK and South Africa. During these tours, the Authority has benchmarked with similar institutions such as the Independent Office of Police Conduct (IOPC, UK) and Independent Police Investigative Directorate (IPID, South Africa). The trainings have enabled the Authority to ensure high standards and best world practice in its investigations, inspections and monitoring of police operations.

To entrench its mandate, the Authority has recently made submissions to the Building Bridges Initiative Committee to have IPOA included among the Constitutional Commissions under Chapter 15 of the Constitution. This will give the Authority the required constitutional protection and sustainability.

In July 2014, the Authority challenged the police recruitment process due to various irregularities and failure to comply with regulations and the Constitution. The exercise was annulled by the Court of Appeal in May 2015.

For four consecutive financial years the Authority has received Financial Reporting (FiRe) Award in the Constitutional Commissions and Independent Offices category. In November 2019 and November 2018, the Authority was the 1st runner's up in the FiRe Award in the Constitutional Commissions and Independent Offices category under IPSAs cash accounting category.

In October 2016, the Authority received two FiRe Awards - the best in application of the International Public Sector Accounting Standards (Cash Basis) in the Ministries, Departments and Agencies category, and the best in the Constitutional Commissions and Independent Offices category.

During the 2018/19 financial year, the Authority was the 1st runner's up in the Financial Reporting (FiRe) Award in the Constitutional Commissions and Independent Offices category under IPSAs cash accounting a position it has maintained since 2017/18 financial year.

The Authority was the winner of the 2016 Institution Award in the Huduma Ombudsman Award conducted by the Ombudsman (Commission for Administrative Justice).

So far, the Authority has recorded 7 successful convictions of police officers, 3 of which have received the highest penalty of death sentence. One of the death sentences involved a high police rank of an Officer Commanding a Police Station. Currently, the Authority has over 80 ongoing cases before the Courts against offending police officers.

To serve the public effectively, the Authority has established 8 regional offices in Mombasa, Kisumu, Garissa, Meru, Nyeri, Nakuru, Eldoret and Kakamega with over 100 officers deployed across these stations with adequate resources to enable them execute the Authority's mandate at the local level. The Authority plans to open 2 additional regional officers, and is also exploring the option of deploying its services at all the Huduma Centres across the country.

2. Environmental Performance

In alignment with a clean and safe environment for all, the Authority endeavours to maintain a paperless office and has automated a number of its processes. The automation has been made possible through the robust Enterprise Content Management (ECM) system with connectivity to all the Authority's eight regional offices. In addition, the Authority ensures safe disposal of waste by depositing all waste material dedicated bins for external disposal.

3. Employee Welfare

The Authority's hiring process is guided by its Human Resource Policies and Procedures Manual. The basis of appointments and promotions is fair competition and merit while considering representation of Kenya's diverse communities, regional balance and marginalized groups in particular women and persons with disability. The Authority's current establishment has employees from nearly all ethnic groups in Kenya. The women representation is above the 30%.

The Authority has continued to support the Staff Welfare Scheme and registration of a Sacco Cooperative Society for its employees. In January 2018, the Authority implemented the Staff Retirement Benefits Scheme for its employees in Job Grades 4-9. The scheme is being managed by the Jubilee Insurance Company Ltd, and currently has assets in excess of Kshs. 100m.

During the 2019/20 financial year, the Authority established a mortgage and car loans scheme with an initial seed capital of Kshs. 24m. The Authority is making efforts to reach out to the National Assembly and National Treasury for enhancement of the Scheme's Fund to over Kshs. 100m so as to benefit a large number of employees. The Scheme is being managed by the Cooperative Bank of Kenya Ltd.

On medical, the Authority has sourced a competitive insurance cover for its employees, and during the 2019/20 financial year offered two employees ex-gratia support where the officers exhausted their requisite limits under the medical cover.

The Authority offers its employees with socio-psycho counselling services, particularly the investigators who attend postmortem examinations to manage stress and trauma associated with their

work. The Authority has thus established a counselling unit with two counsellors who brief and debrief the officers before and after such strenuous and stressful activities.

Due to the staff welfare measures that the Authority has put in place, the rate of turnover has remained impressive with an average of 6% during the 2017/18 and 2018/19 financial years, and below 3% in 2019/20 financial year.

Stakeholders are engaged by the Authority to give inputs in the policy being developed and validate the draft policies before implementation. While developing the current Human Resource Policies and Procedures Manual the Authority consulted widely with various stakeholders among them the Salaries and Remuneration Commission (SRC) to advise on salary structure and job grading, and the Directorate of Public Service Management (DPSM) to develop the organizational structure and optimal staff establishment. The Authority has continued to engage the SRC, DPSM and the Public Service Commission, as necessary on human resource policies and regulations.

The Human Resource Policies and Procedures Manual provides for amendments from time to time as and when necessary. The Manual is currently undergoing a comprehensive review process is being considered to allow for improvement. The review process is led by the Kenya School of Government and has wide engagement with the Board Management, Staff, and other stakeholders.

The Authority makes budget provisions for staff training in each financial year to offer training opportunities to its staff for upskilling to improve their work performance and prepare for career growth. The employees training needs are identified during the annual staff performance appraisal arising from the performance gaps on particular soft and technical skills noticed in the current job or for future career advancements.

Employees are also encouraged to consider personal development through self-sponsored courses by providing for study leave to enable them sit for their examinations for courses approved by the Authority as bearing relevance for their career growth and development.

The Authority has institutionalized a hybrid performance management system which integrates the Result Based Approach (Performance Monitoring and Evaluation Sub-System (PMESS) and Performance Appraisal Sub-System (PASS). This is anchored on Balance Score Card perspective with a view to cascading corporate strategic objectives to all performance levels.

In section 13 of the Human Resource Policies and Procedures Manual, IPOA recognizes and commits itself to the achievement of the highest practical standards of healthy working environment at the workplace as required by Occupational Safety and Health Act, 2007 and other Labour Laws.

The Authority has established a Safety, Health and Environment Committee and registered all its workplaces with the Directorate of Occupational Health and Safety. The Authority has also taken WIBA Plus (Group Personal Accident) Insurance Cover to guard against risks associated with occupational injuries, illnesses or fatalities. The Authority has also taken a Group Life Insurance Cover for all its employees.

In addition, the Authority has installed first aid facilities in all its offices, and offered officers with training on first aid. The Authority has further installed fire-fighting equipment within all its offices, and trained fire marshals.

4. Market Place Practices

a) Responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

The Authority has established a Corruption Prevention Committee which is chaired by the CEO to oversee detection, prevention, investigation and resolution of corruption in the Authority. The Authority has also developed a Corruption Prevention Policy to guide its fight against corruption. Attention is accorded to Corruption Risk Assessment to inform priorities for annual action on activities to prevent corruption.

The Authority strives to implement measures to combat and reduce corruption and ensures all employees sign and subscribe to the Code of Conduct and Ethics as provided for in the Public Officers Ethics Acts, 2003 and Leadership and Integrity Act, 2012. The Authority also maintains Complaints, Gifts and Conflict of Interest registers for appropriate declarations.

All officers are also required to declare their Income, Assets and Liabilities (DIALs) at the point of employment (Initial declaration), every two years (biannual declaration) and upon exit (final declaration). Registers are maintained accordingly, and returns done to EACC.

Since inception, the Authority has had no reported incidents of corruption involving its employees. During procurement process, the Authority requires the bidders to sign an Integrity Pact to ensure that there is no collusion between such entities and its staff. During all its meetings, members of each committee are required to declare their conflicts of interest in any of the items listed in the agenda for discussion.

As an independent body, the Authority is politically neutral and observes the principles of impartiality and rules of natural justice in performance of its functions and dealing with all stakeholders. The Authority has endeavored to serve members of the public with respect, dignity and courtesy. The Authority treats its clients with compassion and empathy.

The Authority has encouraged and supported its employees who are members of professional institutions such as ICPAK, Law Society of Kenya, Kenya Institute of Supply Management, Public Relations Society of Kenya, and Institute of Human Resource Management.

The Authority has continued to pay the employees' annual subscriptions to their respective institutions, ensuring that the employees remain in good standing in their professions. The Authority has also continued to support the employees to attain their required annual Continued Professional Development hours with their respective institutions.

b) Responsible Supply chain and supplier relations - good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices

The Authority maintains responsible supply chain and supplier relations by ensuring that procurement of goods and services is done in a fair, equitable, transparent, competitive and cost-effective manner as required by Article 227 (1) of the Constitution.

The Authority adheres to the government procurement laws as required. For example, when using Request for Quotations (RFQ) procurement method, the Authority ensures suppliers in the prequalified and registered lists are rotated, as necessary, so that each supplier gets a chance to do business with the

Authority. Special groups under AGPO are also given opportunity to supply goods and services to the Authority as per the Public Procurement and Asset Disposal Act, 2015 requirements of preferences and reservations of 30% procurement for the special groups.

All goods and services are procured openly, and contracts are awarded to the most responsive bidder. The Authority pays its suppliers promptly for the goods, services and works delivered and accepted by the Authority. The Authority honours contracts that are entered between our suppliers and the Authority. So far, the Authority has had no legal dispute with any of its suppliers since inception. The Authority maintains a cordial business relationship with all its suppliers and service providers, and engages them frequently to review performance.

c) Responsible marketing and advertisement - efforts to maintain ethical marketing practices

The Authority has developed Communication and Outreach Departmental Work Processes and Procedures Manual, a Communication Policy and a Communication Strategy which are all geared towards ensuring that the Authority's communication, advertisement and branding efforts are done within ethical and lawful practices. Further, all outgoing communication from the Authority is conceived with respect to the socio-cultural diversity of the people of Kenya and addresses their unique communication needs with specificity.

Due its nature of work, the Authority does not advertise or market its services. However, the Authority has continued to engage the public to promote awareness of its mandate, and has in the past rolled out several outreach initiatives in more than 25 counties for this purpose. The Authority has often issued press statements to inform the public on its uptake efforts of complaints against the police, particularly on high public interest cases. The Authority has also engaged in responsible update of its mandate on social media platforms. Additionally, the Authority has ensured that all its reports are uploaded to its Website for ease of access to the public.

d) Product stewardship - efforts to safeguard consumer rights and interests

In alignment to its core institutional value of professionalism, the Authority constantly endeavours to dispense its mandate in an expert manner to all clients; especially victims of police actions by ensuring that employees are equipped with appropriate tools and skills. Additionally, IPOA's Strategic Plan (2019-2024) strategically captures institutional capacity building as a critical key result area. This seeks to promote corporate governance, strengthen human resource capacity, ensure institutional financial sustainability and strengthening of business systems and internal processes to ensure quality and sustainable focus of all its programmes and activities on professional policing for the benefit of all Kenyans and Kenyan residents.

The Authority has elaborate quality assurance strategies to ensure that it delivers quality services to its clients. In addition, such services are offered with utmost confidentiality. All the Authority's employees have signed the Oath of Secrecy to protect confidential information and data that they come across in the course of their work.

5. Community Engagements

The IPOA Act purposes to hold the police accountable for their actions, ensure they always strive for professionalism and discipline and practice transparency and accountability. Further, the Act mandates the Authority to take all reasonable steps to facilitate access to the Authority's services for the public

to enable receipt and investigation of complaints related to disciplinary or criminal offences committed by police officers.

To realise this community service responsibility, the Authority has developed a robust communication and outreach strategy that seeks to empower the public through community engagements with information and education about their rights as envisioned in the constitutional Bill of Rights. To date, IPOA has visited over 75% of the counties in Kenya promoting cordial police/public social relationships and professional policing practice through capacity building of police officers on responsible and lawful policing. During these engagements, IPOA gave out information, education and education materials for sustained messaging. The impact of these community social investment programmes has seen increased police professionalism, police accountability and responsible citizenry.

The Authority has established a counselling unit which offers socio-psycho services to the complainants who have gone through traumatic experiences in the hands of the police. This support assists the complainants to recover and able to write the required statements to facilitate investigations of their cases. The services are offered free of charge, and the Authority bears the travelling costs for the counsellors to be able to reach the complainants required such services outside Nairobi.

During the 2019/20 financial year, the Authority established a free toll call centre to enable the members of the public to report incidents of police misconduct. The Authority has also established eight regional offices to serve the members of the public at the local level to avoid incurring travel and accommodation costs in Nairobi. The Authority has also taken the responsibility of meeting witness expenses in form of travel and accommodation.

V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in-charge of the Independent Policing Oversight Authority (IPOA) is responsible for the preparation and presentation of the Authority's financial statements, which give a true and fair view of the state of affairs of the Authority for and as at the end of the financial year ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of IPOA 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 Authority; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in-charge of IPOA accepts responsibility for the Authority's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Authority's financial statements give a true and fair view of the state of IPOA's transactions during the financial year ended June 30, 2020, and of the Authority's financial position as at that date. The Accounting Officer in-charge of the Independent Policing Oversight Authority further confirms the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the Authority's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of IPOA confirms that the Authority has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Authority's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, the Accounting Officer confirms that the Authority's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The Authority's financial statements were approved and signed by the Accounting Officer on *23rd September 2020*.



Maina Njoroge
Accounting Officer/CEO



Eunice Juma
Director Business Services (ICPAK Member No.8567)

REPUBLIC OF KENYA

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Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON INDEPENDENT POLICING OVERSIGHT AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Independent Policing Oversight Authority set out on pages 28 to 43, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation – recurrent for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Independent Policing Oversight Authority as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Independent Policing Oversight Authority Act No. 35 of 2011.

Basis for Opinion

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

Key Audit Matters

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

Other Matter

Pending Bills

As disclosed in Note 12.1 to the financial statements, Independent Policing Oversight Authority had pending bills totaling Kshs.4,636,480 as at 30 June, 2020 which were not settled during the year but were instead carried forward to the financial year 2020/2021. Failure to settle bills during the year to which they relate adversely affects the provisions of the subsequent year to which they have to be charged.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether 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 (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Authority's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Authority 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 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 Authority's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied

in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of 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 policies and procedures may deteriorate.


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

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

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Authority to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

18 May, 2021

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Reports and Financial Statements
For the year ended June 30, 2020

VII. STATEMENT OF RECEIPTS AND PAYMENTS

		2019/2020	2018/2019
	Note	Kshs.	Kshs.
RECEIPTS			
Exchequer releases	1	787,702,347	806,548,849
A.I.A (Sale of Tender)	2	-	5,000
TOTAL RECEIPTS		787,702,347	806,553,849
PAYMENTS			
Compensation of employees	3	448,248,206	422,532,981
Use of goods and services	4	259,467,883	316,630,677*
Social security benefits	5	6,068,532	-
Acquisition of assets	6	72,625,112	52,085,540
TOTAL PAYMENTS		786,409,733	791,249,198
SURPLUS/(DEFICIT)		1,292,614	15,304,651

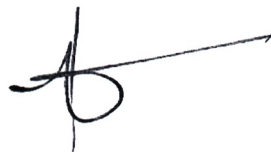
**Included in the Kshs. 316,630,677 for use of goods and services during the 2018/19 financial year is Kshs. 49,836,490.45 for social security services. The expenditure on use of goods and services was thus Kshs. 262,186,042.50.*

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements

The financial statements were approved on *23rd September 2020* and signed by:



Maina Njoroge
Accounting Officer/CEO



Eunice Juma
Director Business Services (ICPAK Member No.8567)

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Reports and Financial Statements
For the year ended June 30, 2020

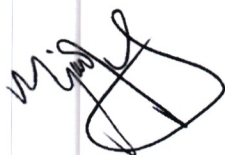
VIII. STATEMENT OF ASSETS AND LIABILITIES

		2019/2020	2018/2019
	Note	Kshs.	Kshs.
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank balances	7	30,571,412	18,934,089
Total Cash and Cash Equivalents		30,571,412	18,934,089
TOTAL FINANCIAL ASSETS		30,571,412	18,934,089
LESS: FINANCIAL LIABILITIES			
Accounts payables			
Deposits-Third party payments	8	5,278,798	3,629,438
Staff car loan and Mortgages		24,000,000	-
NET FINANCIAL ASSETS		1,292,614	15,304,651
REPRESENTED BY:			
Fund balance brought forward	9	15,304,651	19,231
Adjusted for: returns to Exchequer	10	(15,304,651)	(19,231)
Surplus/(Deficit) for the year*		1,292,614	15,304,651
NET FINANCIAL POSITION		1,292,614	15,304,651

*An amount of Kshs. 1,292,614, being the unutilized funds during the year was returned to the exchequer after the end of the financial year.

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The financial statements were approved on 23rd September 2020 and signed by:



Maina Njoroge
Accounting Officer/CEO



Eunice Juma
Director Business Services (ICPAK Member No.8567)

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Reports and Financial Statements
For the year ended June 30, 2020

IX. STATEMENT OF CASH FLOWS

		2019/2020	2018/2019
	Note	Kshs.	Kshs.
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Exchequer releases from the National Treasury	1	787,702,347	806,548,849
A.I.A (Sale of Tender Documents)	2	-	5,000
Total Receipts for operating income		787,702,347	806,553,849
Payments for operating expenses			
Compensation of employees	3	(448,248,206)	(422,532,981)
Use of goods and services	4	(259,467,883)	(316,630,677)
Social security benefits	5	(6,068,532)	
Adjusted for:			
Changes in receivables		-	-
Returns to Exchequer		(15,304,651)	(19,231)
Net cash flow from operating activities		58,613,075	67,370,960
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of assets	6	(72,625,112)	(52,085,540)
Net cash flows from investing activities		(72,625,112)	(52,085,540)
CASH FLOW FROM BORROWING ACTIVITIES			
Domestic currency/domestic deposits (A/cs payable)		25,649,360	2,899,943
Net cash flow from financing activities		25,649,360	2,899,943
NET INCREASE IN CASH & CASH EQUIVALENT		11,637,323	18,185,363
Cash and cash equivalent at BEGINNING of the year		18,934,089	748,726
Cash and cash equivalent at END of the year		30,571,412	18,934,089

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on *23rd September 2020* and signed by:



Maina Njoroge
Accounting Officer/CEO



Eunice Juma
Director Business Services (ICPAK Member No.8567)

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Reports and Financial Statements
For the year ended June 30, 2020

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization actual
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases from the National Treasury	892,700,000	(72,766,034)	819,933,966	787,702,347	32,231,619	96%
A.I.A-Sale of Tender	-	-	-	-	-	-
Sub-Total	892,700,000	(72,766,034)	819,933,966	787,702,347	32,231,619	96%
PAYMENTS						
Compensation of employees	479,920,000	(5000,000)	474,920,000	448,248,206	26,671,794	94%
Use of goods and services	299,780,000	(37,510,146)	262,269,854	259,467,883	2,801,971	99%
Social security benefits	18,000,000	(8,500,000)	9,500,000	6,068,532	3,431,468	64%
Acquisition of assets	95,000,000	(21,755,888)	73,244,112	72,625,112	619,000	99%
TOTALS	892,700,000	(72,766,034)	819,933,966	786,409,733	33,524,233	96%

Notes:

- a) IPOA had no revenue during the reporting period.
- b) Commentary on significant underutilisation (Below 90%)
 - The unutilised social security amount is gratuity payable to an officer who tendered a notice of intention to resign after an appointment as a judge.

The changes of Kshs. 72,766,034 between the original budget and the final budget resulted from budget cuts in the budget Supplementary Estimates.

The financial statements were approved on *23rd September 2020* and signed by:



Maina Njoroge
Accounting Officer/CEO



Eunice Juma
Director Business Services (ICPAK Member No.8567)

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Reports and Financial Statements
For the year ended June 30, 2020

XI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	A	B	C = a+b	D	E = c - d	F = e / c %
RECEIPTS						
Exchequer releases from the National Treasury	892,700,000	(72,766,034)	819,933,966	787,702,347	32,231,619	4%
A.I.A-Sale of Tender	-	-	-	-	-	-
Sub-Total	892,700,000	(72,766,034)	819,933,966	787,702,347	32,231,619	4%
PAYMENTS						
Compensation of employees	479,920,000	(5000,000)	474,920,000	448,248,206	26,671,794	6%
Use of goods and services	299,780,000	(37,510,146)	262,269,854	259,467,883	2,801,971	1%
Social security benefits	18,000,000	(8,500,000)	9,500,000	6,068,532	3,431,468	36%
Acquisition of assets	95,000,000	(21,755,888)	73,244,112	72,625,112	619,000	1%
TOTALS	892,700,000	(72,766,034)	819,933,966	786,409,733	33,524,233	4%

Notes:

- (a) The total Exchequer receipts amounted to 96% of the final budget, or 4% budget utilization difference.
- (b) Compensation to staff recorded a budget utilization difference of 6%, use of goods and services, 1%, social security benefits 36%, and acquisition of assets, 1%
- (c) The overall 4% budget underutilization difference was mainly due to the delay in replacement of officers who exited the Authority.

The financial statements were approved on 23rd September 2020 and signed by:



Maina Njoroge
Accounting Officer/CEO



Eunice Juma
Director Business Services (ICPAK Member No.8567)

INDEPENDENT POLICING OVERSIGHT AUTHORITY**Reports and Financial Statements****For the year ended June 30, 2020****XII. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT**

The Authority did not have a development budget in the reporting period.

XIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
Programme 1: Policing Oversight Services					
Sub-Programme 1: Policing Oversight Services	892,700,000	(72,766,034)	819,933,966	786,409,733	33,524,233
Total	892,700,000	(72,766,034)	819,933,966	786,409,733	33,524,233

Notes:

- The Authority has only one Programme - Policing Oversight Services.
- The Authority's original approved budget was Kshs. 892,700,000. However, the budget was revised downwards by Kshs. 72,766,034 to Kshs. 819,933,966 during Supplementary Estimates II.
- The total expenditure during the period amounted to Kshs. 786,409,733 and only Kshs. 33,524,233 (4% of the total revised budget) was not utilised due to delay in recruitment of replacement officers.

The financial statements were approved on *23rd September 2020* and signed by:



Maina Njoroge
Accounting Officer/CEO



Eunice Juma
Director Business Services (ICPAK Member No.8567)

XIV. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash Basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy notes below. In addition, the financial statements are in compliance with the Public Finance Management Act, 2012, Public Finance Management Act Regulations, 2015, Public Audit Act, 2015, and in line with the requirements of IPOA Act, 2011. This cash basis of accounting has been supplemented with accounting for: (a) receivables that include imprest and salary advances and (b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all years presented, unless otherwise stated.

2. Reporting entity

The financial statements are for the Independent Policing Oversight Authority (IPOA). The financial statements encompass the entity as specified under section 81 of the PFM Act 2012.

The Authority did not implement any development projects during the reporting period.

3. Reporting currency

The financial statements are presented in Kenya Shillings (Kshs.), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant accounting policies

The Accounting policies set out in this section have been consistently applied to all years presented.

a) Recognition of receipts

The Authority recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Authority.

- **Transfers from the Exchequer:**

Transfers from Exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the Authority.

- **External assistance**

The Authority does not receive cash grants and loans from development partners.

In case of grants in kind are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

During the year ended 30th June 2020, there were no instances of non-compliance with the terms and conditions which have resulted in cancellation of external assistance.

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Reports and Financial Statements
For the year ended June 30, 2020

- **Other receipts:**

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements at the time the associated cash is received.

Recognition of payments:

The Authority recognises all expenses when the event occurs and the related cash has actually been paid out by the Authority.

- **Compensation of employees**

Salaries and wages, allowances, statutory contributions for employees are recognized in the period when compensation is paid.

- **Use of goods and services:**

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

- **Interest on borrowing**

The Authority has no loans.

- **Repayments of borrowing (Principal Amount)**

The Authority has no loans.

- **Acquisition of fixed assets:**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt as a payment.

A fixed asset register is maintained by the Authority and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

5. In-kind contributions

In-kind contributions are donations that are made to the Authority in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Authority includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

6. Third party payments

The Authority had no third-party payments in the reporting period.

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Reports and Financial Statements
For the year ended June 30, 2020

7. 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.

Restriction on cash:

Restricted cash represents amounts that are limited or restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in the deposit bank account are restricted for use in refunding third party deposits. As at 30th June 2020, this amounted to Kshs. 5,278,798 compared to Kshs. 3,629,438 in prior period as indicated on notes 7 and 8.

There are no other restrictions on cash during the year.

8. Accounts receivable

For the purposes of these financial statements, imprest and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

9. Accounts payable

For the purpose of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

10. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Authority at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The Authority's budget was approved by parliament in **June 2019**

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Reports and Financial Statements
For the year ended June 30, 2020

for the period 1st July 2019 to 30th June 2020 as required by Law and there were two supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

12. Comparative figures

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

13. 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 30th June 2020.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: (i) restating the comparative amounts for prior period(s) presented in which the error occurred; or (ii) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 26 explaining the nature and amounts.

15. Related party transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Reports and Financial Statements
For the year ended June 30, 2020

XV. NOTES TO THE FINANCIAL STATEMENTS

1. EXCHEQUER RELEASES

	2019/2020	2018/2019
	Kshs.	Kshs.
Total Exchequer Releases for Quarter 1	194,588,115	230,557,285
Total Exchequer Releases for Quarter 2	160,838,952	172,107,750
Total Exchequer Releases for Quarter 3	222,016,368	167,841,200
Total Exchequer Releases for Quarter 4	210,258,912	236,042,614
Total	787,702,347	806,548,849

2. APPROPRIATION IN AID

	2019/2020	2018/2019
	Kshs.	Kshs.
Sale of Tender	-	5,000
Total	-	5,000

3. COMPENSATION OF EMPLOYEES

	2019/2020	2018/2019
	Kshs.	Kshs.
Basic salaries of permanent employees	284,492,985	268,859,347
Basic wages of temporary employees	878,633	22,585,652
Personal allowances paid as part of salary	100,437,123	80,033,404
Compulsory National Social Security Schemes	1,039,800	1,026,000
Compulsory National Health Ins. Schemes	4,144,200	4,076,450
Staff Pension	57,255,465	45,952,128
Total	448,248,206	422,532,981

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. USE OF GOODS AND SERVICES

	2019/2020	2018/2019
	Kshs.	Kshs.
Utilities	706,342	494,431
Specialized materials and supplies	-	51,000
Communication, supplies and services	8,934,514	10,776,564
Domestic travel and subsistence	29,137,063	38,477,031
Foreign travel and subsistence	1,977,006	4,729,335
Printing, advertising/inform supplies & services	7,284,813	7,873,930
Rentals of produced assets	73,405,626	69,365,821
Training expenses	3,514,200	7,409,609
Hospitality supplies and Services	12,209,036	16,248,344
Insurance costs	58,538,353	52,184,410
Office and general supplies and services	8,689,712	8,547,447
Other operating expenses	33,187,884	32,741,871
Routine maintenance – motor vehicles	8,210,707	6,298,663
Fuel oil and lubricants	9,916,477	6,998,586
Gratuity	-	49,836,490
Routine maintenance – other assets	3,756,150	4,597,145
Total	259,467,883	316,630,677

5. SOCIAL SECURITY BENEFITS

	2019/2020	2018/2019
	Kshs.	Kshs.
Gratuity	6,068,532	-
Total	6,068,532	-

6. ACQUISITION OF ASSETS

a) Non-Financial Assets

	2019/2020	2018/2019
	Kshs.	Kshs.
Refurbishment of buildings	1,455,000	30,808,006
Purchase of motor vehicles	46,626,000	10,367,866
Purchase of office furniture/equipment	494,000	8,927,545
Purchase of specialized plant/equipment	50,112	1,982,123
Sub-Total	48,625,112	52,085,540

b) Financial Assets

	2019/2020	2018/2019
	Kshs.	Kshs.
Housing Loans to Public Servants (Staff car loan & Mortgages)	24,000,000	-
Sub -Total	24,000,000	-
Total Assets	72,625,112	52,085,540

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. BANK ACCOUNTS

Name of Bank, Account No. & currency	Amount in Bank account currency	Type of Account	2019/2020	2018/2019
			Kshs.	Kshs.
Central Bank of Kenya, Account No. 1000181559	Kshs.	Recurrent	1,292,614	15,304,651
Central Bank of Kenya 165, Account No. 1000182717	Kshs.	CBK165	-	-
Central Bank of Kenya, Account No. 1000182393	Kshs.	Deposit	5,278,798	3,629,438
National Bank of Kenya, Account No. 001094661400	Kshs.	Current	-	-
Co-operative Bank of Kenya, Account No.01141865999900*	Kshs.	Fund	24,000,000	-
Total	Kshs.		30,571,412	18,934,089

**During the year, the Authority, through an approval of the National Treasury, opened a commercial bank Account No. 01141865999900) with the Co-operative Bank of Kenya Ltd, held at the Co-operative House Branch, Co-operative House Building, Nairobi for the Staff Mortgage and Car Loans Scheme.*

8. ACCOUNTS PAYABLE

Description	2019/2020	2018/2019
	Kshs.	Kshs.
Retention – office refurbishment	4,713,598	3,099,438
Deposits – IPOA Staff Welfare	565,200	530,000
Staff Mortgage and Car Loans Scheme	24,000,000	-
Total	29,278,798	3,629,438

Notes:

The Authority has established a staff welfare. The staff monthly contributions to the welfare deducted from staff through the payroll are transferred to the Deposit Account awaiting the Welfare to open its bank account.

9. FUND BALANCE BROUGHT FORWARD

Description	2019/2020	2018/19
	Kshs.	Kshs.
Bank accounts	18,934,089	748,726
Temporary imprest	-	-
Accounts payables	(3,629,438)	(729,495)
Total	15,304,651	19,231

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Reports and Financial Statements
For the year ended June 30, 2020

10. PRIOR YEAR ADJUSTMENTS

<i>Description</i>	2019/2020	2018/19
	Kshs.	Kshs.
Adjustments on bank account balances	15,304,651	(19,231)

The prior year adjustments related to fund balances brought forward from the previous period and surrendered back to the Exchequer during the subsequent financial year.

11. RELATED PARTY DISCLOSURES

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the Independent Policing Oversight Authority:

- Key management personnel that include the Commissioners, Accounting Officer and directors.

Related party transactions:

<i>Description</i>	2019/2020	2018/2019
	Kshs.	Kshs.
Key management salaries (CEO & Directors)	25,564,630	24,115,458
Board Salaries	63,782,256	53,167,880
Total	89,346,886	77,283,338

12. OTHER IMPORTANT DISCLOSURES

12.1 PENDING ACCOUNTS PAYABLE (Annex 1)

Non-Financial Assets	Balance b/f FY2018/19	Additions during the period	Paid during the year	Balance C/F FY 2019/20
	Kshs.	Kshs.	Kshs.	Kshs.
Office partitioning project	-	1,737,430	-	1,737,430
Supply of goods	-	270,640	-	270,640
Supply of services	-	2,628,410	-	2,628,410
Total	-	4,636,480	-	4,636,480

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12.2 PENDING STAFF PAYABLES (Annex 2)

	Balance b/f 2018/2019	Additions during the period	Paid during the year	Balance C/F FY 2019/20
	Kshs.	Kshs.	Kshs.	Kshs.
Middle management	30,010	-	30,010	-
Others - staff payroll deductions	-	-	-	-
Total	30,010	-	30,010	-

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Reports and Financial Statements
For the year ended June 30, 2020

XVI. PROGRESS ON FOLLOW UP OF PRIOR YEARS AUDITOR'S RECOMMENDATIONS

The Authority did not have any matter arising from the external audit of the 2018/19 financial year.

Reference No. on the external audit report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe:
-	-	-	-	-	-



Maina Njoroge
Accounting Officer/CEO



Eunice Juma
Director Business Services (ICPAK Member No.8567)

INDEPENDENT POLICING OVERSIGHT AUTHORITY

Reports and Financial Statements

For the year ended June 30, 2020

XVII. ANNEXURES

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
	A	B	C	d=a-c		
Construction of buildings						
1. Neoscape Arch Systems	3,192,430	23/04/2020	1,455,000	1,737,430	-	Refurbishment of IPOA Eldoret regional office - KVDA Annex Plaza
Sub-Total	3,192,430		1,455,000	1,737,430		
Supply of goods						
2. Colour Print Ltd	120,640	9/12/2019	-	120,640	-	Roll up banners
3. Laredo Supplies Ltd	150,000	7/04/2020	-	150,000	-	Branded note books
Sub-Total	270,640		-	270,640	-	
Supply of services						
4. Lloyd Masika Limited	2,563,430	29/04/2020	-	2,563,430	-	ACK Garden Annex - 2 nd & 3 rd floors service charge
5. Rovel Group Kenya Limited	64,980	22/06/2020	-	64,980	-	Servicing and memory reset of walkthrough metal detector
Sub-Total	2,628,410		-	2,628,410	-	
Grand Total	6,091,480			4,636,480	-	

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Reports and Financial Statements
For the year ended June 30, 2020

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020 d=a-c	Outstanding Balance 2019	Comments
Middle Management		a	b	c	d=a-c		
1. Ambrose Musyoka	5	30,010	July 2018	30,010	-	-	July 2018 net salary - Paid in full during FY 2019/20
Sub-Total							
Grand Total		30,010		30,010	-	-	

INDEPENDENT POLICING OVERSIGHT AUTHORITY
Reports and Financial Statements
For the year ended June 30, 2020

ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the Year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) 2019/2020
Office refurbishment (2 nd , 3 rd and 4 th Floors, ACK Garden Annex, 1 st Ngong Avenue, Nairobi, and regional offices)	108,355,494	1,455,000	-	-	109,810,494
Motor vehicles	149,328,980	46,626,000	-	-	195,954,980
Office equipment, furniture and fittings	43,938,957	494,000	-	-	44,432,957
ICT equipment, software and other ICT assets*	11,857,073	50,112	-	-	11,907,185
Total	313,480,504	48,625,112	-	-	362,105,616

***Notes:**

The Authority disclosed all the donated assets in the fixed assets register as at 30th June 2020. Some of the ICT equipment and accessories were donated by the US Government. In the fixed assets register, the donated assets were not assigned any value since the ownership has not been passed to IPOA. The US Government has the right of disposal. When some of the items were donated, the US government did not disclose the value of the assets to the Authority. All the ICT equipment and other ICT assets disclosed in the above summary of fixed assets register were procured using GOK funds (Exchequer).