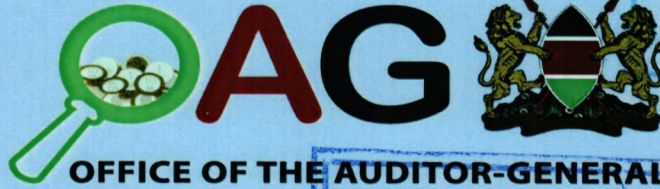


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OF

THE AUDITOR-GENERAL

ON

**NEW PARTNERSHIP FOR AFRICA'S
DEVELOPMENT/AFRICA PEER REVIEW
MECHANISM (NEPAD/APRM) KENYA
SECRETARIAT**

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



NEPAD APRM KENYA SECRETARIAT

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**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDING JUNE 30, 2020**

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

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Key Information and Management

(a) Background information

New Partnership for Africa's Development (NEPAD) Agency, now AUDA-NEPAD, is the technical arm of the African Union AU responsible for championing, facilitating and coordinating development initiatives in the continent. The primary objective of the Agency is eradication of poverty, promotion of sustainable growth and development, and women empowerment through strategic partnerships. The African Peer Review Mechanism (APRM) was initiated in 2002, and established in 2003 by the African Union in the framework of the implementation of NEPAD. AUDA-NEPAD Agency reports to the Heads of States and Government Orientation Committee (HSGOC) while the APRM Continental Secretariat reports to the African Peer Review (APR) Forum of Heads of States and Government participating in the APRM. The APRM is a voluntary "Self-Assessment" Governance tool by African countries focusing on the promotion of good governance and transformative leadership for sustainable socio- economic development. It focuses on governance under four thematic areas: Democracy and Political Governance, Economic Governance Management, Corporate Governance and Socio-Economic Development.

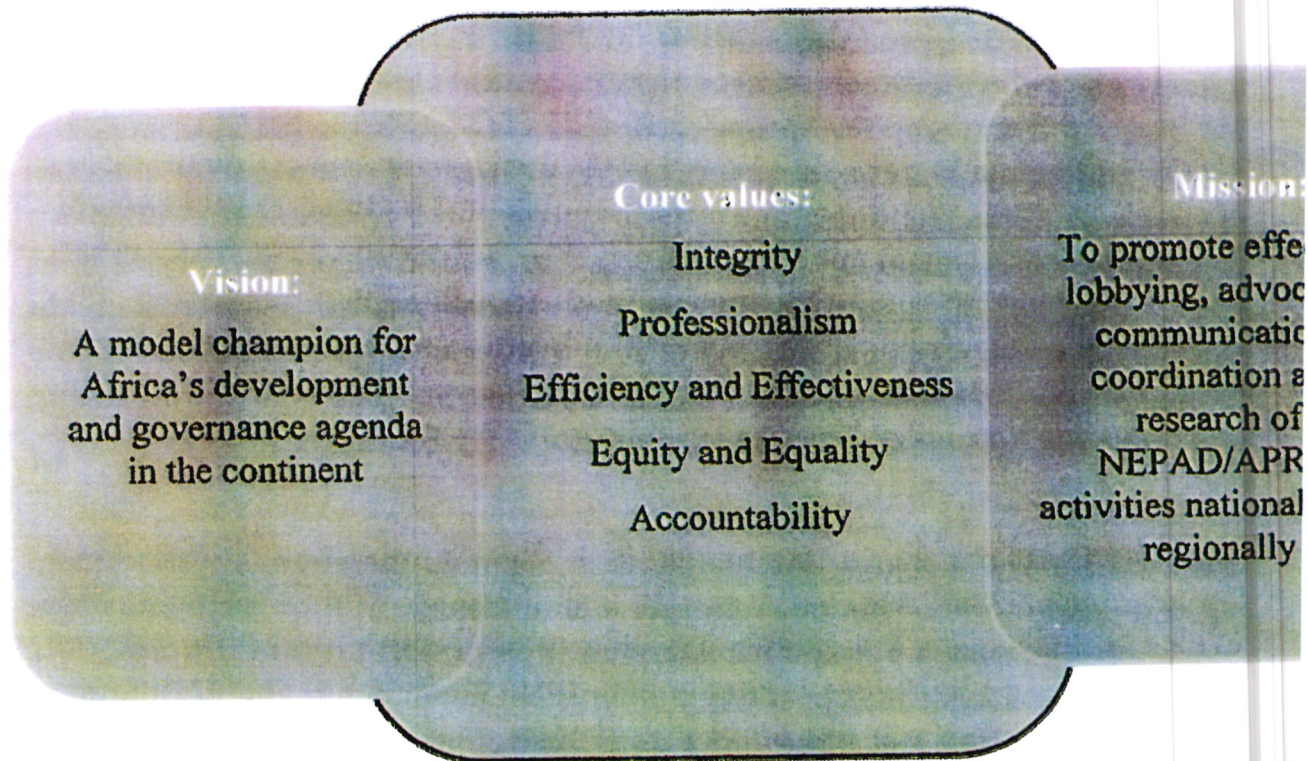
The NEPAD/APRM Kenya Secretariat is a Semi-Autonomous Government Agency under The National Treasury and Planning. The Secretariat was established through a Presidential Executive order Gazette Notice No. 6225 of 2002 and was further reconstituted in June 2016, merging the NEPAD National Steering Committee and the Africa Peer Review Mechanism (APRM) National Governing Council into one body, NEPAD/APRM Kenya Governing Council. The Secretariat is headed by a Chief Executive Officer appointed by the Cabinet Secretary in charge of State Department for Planning. At the continental level, NEPAD and APRM are two separate entities.

The NEPAD/APRM Kenya Secretariat has a unified administrative structure at the national level and is responsible for coordinating the AU programmes and projects through the Ministries, Counties, Departments, Agencies (MCDAs), Development Partners and other stakeholders.

Administratively, the Secretariat is headed by the National Governing Council for policy direction while the Chief Executive Officer is in charge of day-to-day operations. It has three key directorates; AUDA-NEPAD Programmes; APRM and Governance; Corporate Services.

(b) Principal Activities

The Secretariat draws its activities from the mandate assigned to it through Gazette Notice No.4651. The principal activity of the Secretariat is to coordinate, facilitate, and monitor implementation of African Union (AU) development and governance agenda. Implementation of the mandate is anchored on the Secretariat Strategic Plan 2018-2022.



Core Mandate

- i. Promote Kenya's effective participation in activities of the New Partners for Africa's Development (NEPAD) and the Domestication of the African Union (AU) Mission Core Principles and Values
- ii. Promote leadership, guidance and direction on the implementation of African Peer Review Mechanism (APRM) in Kenya
- iii. Sustain the integrity of the APRM process, keeping it transparent, inclusive and accountable to the citizens of Kenya
- iv. Transmit the APRM review/progress reports to the APR Panel of Emirate Persons, the Head of State, and any other relevant national and African Union organs as specified by the APRM rules
- v. Monitor and report on progress realized in the implementation of the African National Programme of Action
- vi. Provide policy guidance in cascading the APRM as a governance tool to counties

- vii. Serve as the Regional NEPAD/APRM co-ordinator for Eastern African Countries.
- iii. Co-ordination of NEPAD activities in the Eastern African region in liaison with the NEPAD Continental Secretariat with the aim of incorporating and promoting Kenya's interests in NEPAD
- ix. Design, develop and implement necessary measures to identify and address governance issues affecting Kenya's performance in national, regional and global governance surveys and indices
- x. Provide guidance for structured engagement with local and international agencies undertaking and disseminating reviews on Kenya's Governance to ensure accuracy of facts and fidelity to best-practices on objective reporting.

The NEPAD/APRM Kenya Secretariat day-to-day management is under the following key organs:

(c) Key Management

Name	Responsibility
National Governing Council (NGC)	Council/ Policy
Ag. Chief Executive Officer	Accounting Officer
Director, APRM & Governance	Programmes
Ag. Director, NEPAD Programmes	Programmes
Ag. Director, Corporate Services	Corporate Services

(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:

<p>Ag. Chief Executive Officer</p> <ul style="list-style-type: none"> • Benson Mapesa, B.A (Econ)., M.A. (Econ), M.A(EPM)
<p>Director, APRM & Governance</p> <ul style="list-style-type: none"> • Peter N. Kimemia, B.A., PGDip (Diplomacy) M.A (Economics), MSocSci (Rural Development)
<p>Ag. Director, NEPAD Programmes</p> <ul style="list-style-type: none"> • Taubman O. Olang, B.A., M.A.(EPM)
<p>Ag. Director, Corporate Services</p> <ul style="list-style-type: none"> • Ezekiel G. Manyara, B.A (Econ). Msc (Int. Dev't & Cooperation)

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and Financial Statements for the year ended June 30th 2017

(d) **Fiduciary Oversight Arrangements (National Governing Council Committees)**

Finance, and Administration Committee

- 1. Dr. Monica Kerretts-Makau (*Chair*)
- 2. Mr. James Maina (*Member*)
- 3. Mr. Anthony Muriu (*Member*)
- 4. Mr. Joshua Mwangemi (*Member*)
- 5. Ms. Nelly Nasike (*Member*)
- 6. Ms. Nimo Maimuna Mohamed (*Member*)

Audit and Risk Management Committee

- 1. Hon. Elias Mbau (*Chair*)
- 2. Mr. Michael Kisilu (*Member*)
- 3. Mr. Anthony Muriu (*Member*)
- 4. Mr. Joshua Mwangemi (*Member*)
- 5. Ms. Nimo Maimuna Mohamed (*Member*)

Technical Committee

- 1. Mr. Michael Kisilu (*Chair*)
- 2. Dr. Monica Kerretts (*Member*)
- 3. Mr. James Maina (*Member*)
- 4. Hon. Elias Mbau (*Member*)
- 5. Ms. Nelly Nasike (*Member*)

- (e) **Headquarters**
P.O. Box 46270-00100,
Liaison House, 4th Floor
State House Avenue
Nairobi, Kenya
- (f) **Contacts**
Telephone:
+25420 2733735/38/42
E-mail: info@nepadkenya.org
Website: www.nepadkenya.org
- (g) **Bankers**
Co-operative Bank of Kenya
Co-operative House Branch
P.O. Box 48231 - 00100, Nairobi,
Kenya
- (h) **Independent Auditors**
Office of the Auditor General
Anniversary Towers,
University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya
- (i) **Principal Legal Adviser**
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

National Governing Council (NGC) Members



Prof. Michael Chege, B.A., MSc, PhD, E.B.S

Chairman (Non-Executive)

Prof. Chege was appointed the Chair of the NEPAD/APRM Kenya Governing Council on 24th June 2016. He was been re-appointed to chair the Council from 22nd June 2019. He also serves as a board member for the Kenya Institute of Public Policy Research and Analysis (KIPPRA) where he chairs the Programmes Committee. He is also the chairman of the African Leadership Institute, a local NGO that provides training for young Kenyans with potential to be future African leaders.

Born on 30th January 1946, Professor Chege holds a Bachelor's Degree in Economics and Government, Master of Science Degree, and a PhD in Public Policy and Political Economy of Development. He has taught at the University of Nairobi, University of Geneva (Switzerland) and the University of Florida, Gainesville, where he served as the Director of the Centre for African Studies for eight years. He has also served as Policy Advisor to the Ford Foundation, and the National Treasury. In other capacities, he has been a consultant with the World Bank, UNDP, Rockefeller Foundation, SIDA, the Aga Khan Foundation, among other international organizations.

Michael Kisilu, BSc, MIBA

Member (Non-Executive)



Mr. Kisilu was re-appointed to NEPAD/APRM Kenya Governing Council in June 2019 as a Council member after a previous term of 3 years. He chairs the Technical Committee of the Council, and is a member of the Audit and Risk Management Committee. Mr. Kisilu holds a Bachelor of Science degree in Tourism Management from Moi University, and a Master of International Business Administration degree, concentration in Strategic Management, from USIU-Africa. He is currently pursuing his doctoral studies in Tourism Management at Kenyatta University's School of Hospitality, Tourism and Leisure Studies.

Mr. Michael Kisilu is currently the Principal Officer, Alumni Relations at United States International University (USIU)- Africa and has also worked as an Adjunct Faculty in USIU-Africa. In October 2015, Mr. Kisilu was appointed by His Excellency Uhuru Kenyatta, the President of the Republic of Kenya, to serve in the Kenya Utalii College Council for a period of three years.

Mr. Kisilu also actively serves as a Board Member of Kambiti Primary School, since 2015; and the Mbaikini High School, since 2019. Mr. Kisilu was born on 4th July 1974

Antony Muriu, BA, MA



Member (Non-Executive)

Mr Antony Muigai Muriu, born in 1966, is the Alternate to the Principal Secretary, National Treasury. Mr. Muriu is the Director of Planning and Project Monitoring Unit of the National Treasury. He joined the NEPAD/APRM Council in October 2016 and is a member of the Finance and Administration Committee as well as Audit and Risk Management Committee. Antony is a long serving Civil Servant with over 25 years' experience. Mr. Muriu has served in several boards among them the Kenya National Bureau of Statistics (KNBS) and Kenya Tourism Board (KTB). He holds a Bachelors of Arts Degree in Economics and Master's Degree in International Development Studies from the Graduate Institute of Policy Studies in Tokyo, Japan.

Mr. Muriu has worked in many Ministries and served in numerous Committees and Taskforces in the Government of Kenya.

James Maina, BA, MA



Member (Non-Executive)

James is an alternate to the Principal Secretary, Planning. He is also the Director, Macro and International Relations Directorate under the State Department for Planning. He joined the Council in January 2020 and is a member of both Technical Committee; and the Finance and Administration Committees. Born in 1970, James is career civil servant with over 20 years' working experience in Macro and International relations. He holds both Masters and Bachelor's degrees in Economics from University of Nairobi. James has also attended short courses on strategic leadership, Global WTO and negotiations, private sector driven

development, performance management, fiscal decentralization, managing market economies in a globalizing world and external resource management. James has a wide experience National Development Planning; Economic Policy Formulation and Implementation; Budgeting and Budget Execution; Strategic Planning; Performance Contracting and management; Negotiations for Multilateral and Bilateral Cooperation Frameworks; Conference/Convention Coordination, Management and Logistics as well as Management of South-South and Triangular Cooperation.

Dr. Monica Kerretts-Makau

Member (Non-Executive)

Dr. Monica Kerretts-Makau is Academic Director & Professor of Practice at Thunderbird School of Global Management Africa Hub. She is a Certified CMA/IFC Board Governance Trainer and has facilitated several training programs. She joined NEPAD/APRM Kenya Council on 21st October 2016 and was re-appointed to the Council on 11th October 2019. Prof. Kerretts-Makau chairs the Finance and Administration Committee and is a member of Technical Committee.

Dr. Kerretts -Makau previously served as a Board Director in other companies such as: Bank of Africa (2013 to 2015) chairing the Credit Committee and the Governance & HR committee; and CCK (2010 to 2014) chairing the Audit Committee. She has also served as change advisor to the Judiciary (2012-2015). Prof. Kerretts-Makau has received a number of awards including: Top 100 Influential Africans 2017 and Top 100 Reputational Africans 2018. She is an addicted Gardener & passionate environmentalist. She can be reached on twitter @monicakerretts and Instagram as @kanakegardens. She was born on 26th April 1974.

Hon. Elias P. Mbau, PhD. BA (Econ), MBA,

Member (Non-Executive)

Hon. Elias Mbau joined NEPAD/APRM Kenya Governing Council on 22nd June 2019. Hon. Mbau is a Certified Public Secretary Kenya (CPS-K). He chairs Audit and Risk Management Committee and is a member of Technical Committee. He holds a PhD in Public Finance (University of Nairobi), Master of Business Administration in Marketing (Kenyatta University) and Bachelor of Arts (Economics) from the University of Nairobi. Previously, he served as the Chair of CDF Board (2015-2017); Member of Parliament for Maragua and Chair Parliamentary Budget Committee (2008-2013); Lecturer at United States International University (2000-2002); Director, Royal Communications (K) Ltd (1996-) and Economist, Ministry of Planning (1988-1992). He was born on 29th March 1961.





Joshua Mwangemi,
Dip. Telecoms, Dip. Langue De Francaise
Member (Non-Executive)

Mr. Joshua Mwangemi, is a transport solution and innovation expert. He was appointed to the National Governing Council on 11th October 2019 and serves as a member of Finance and Administration; and Audit and Risk Management Committees. He holds a Diploma in Telecommunications and Langue de Francaise. He also holds a Certificate in Renewable Energy from Denmark and Wind Technology from Sweden. Mr. Mwangemi previously worked in ICL as a Country Engineer in charge of ATMs Kenya, Uganda Tanzania and at Siemens as Country Manager. He was born on 16th May 1962.



Nimo Maimuna Mohamed, Dip., B.A.
Member (Non-Executive)

Nimo Maimuna Mohamed joined the Council on 11th October 2019 and is a member of Finance and Administrative Committee as well as Audit and Risk Management Committee. She is an educationist holding a Bachelors of Education from Kampala University and a diploma in education from same institution. She has experience in developing curriculum to accommodate different learning styles and maximizing student's comprehension. She has experience in consultancy working for United Nations Scientific and Cultural Organization (UNESCO). She was born on 23rd October 1976.



Nelly W.W. Nasike, B.A., M.A.

Member (Non-Executive)

Nelly is the alternate to the Principal Secretary in the Ministry of Foreign Affairs. She is a Senior Foreign Service Officer at the Africa and AU Directorate, Ministry of Foreign Affairs. Born on 9th October, 1982, Nelly is a Career Civil Servant with over 13 years' experience at the Ministry of foreign Affairs. She has also served in the capacity of First Secretary at the Kenya Embassy in Japan. Nelly holds a Masters Degree in Diplomacy and International Affairs, with a focus on International Security and Conflict Resolution, and, a Bachelors Degree in Tourism Management. She has extensive knowledge and experience in International relations operations, particularly African Union

Operations, regional peace and security matters, Regional integration, and Bilateral and multilateral cooperation matters. She joined the Council in September 2019. She is a member of the Technical, and the Finance & Administration Committees.



Benson Mapesa, B.A (Econ) M.A. (Econ), M.A. (EPM)

Ag. CEO, (Executive) - Ex-officio

Benson Mapesa is a career civil servant with 25 years of work experience. He holds a Master of Arts Degree in Economic Policy Management; Master of Arts in Economics and Bachelor of Arts (Economics). He is currently pursuing a PhD Course in Governance. Prior to joining the Secretariat, he served as a Chief Economist in the Macroeconomic Planning and International Cooperation Directorate in the State Department for Planning. He was instrumental in coordination of National Economic Policy Formulation and promotion of Regional and International Economic Cooperation towards realization of

Vision 2030. Some of the current key activities that he undertook include development of the First, Second and Third Medium Term Plans of the Kenya Vision, preparation of policy briefs and advice to the ministry itself and line ministries on national economic issues, regional and international economic cooperation, coordination and promotion of South – South Cooperation and other economic partnership activities, negotiator on development matters on the Economic Partnerships Agreements between the East African Community and the EU and research and development activities. He was born on 23rd November 1967.

Management Team



Benson Mapesa,
Ag. Chief Executive Officer
B.A (Econ) M.A. (Econ), M.A. (EPM)



Taubman O. Olang,
Ag. Director, NEPAD Programmes
B.A., M.A. (EPM)



Peter N. Kimemia,
Director, APRM & Governance
B.A., PGDip (Diplomacy) M.A
(Economics), MSocSci (Rural
Development)



Ezekiel G. Manyara,
Ag. Director, Corporate Services
B.A (Econ). Msc (Int. Dev't &
Cooperation)

Chairman's Statement



On behalf of the Governing Council of NEPAD/APRM, it gives me great pleasure to present the Annual Report and Financial Statements for the year ended 30th June 2020. I am delighted to share with you the events of the financial year, our milestones in success, the challenges that remain, and what we are looking forward to in the Financial Year 2020/21.

The FY 2019/20 oversaw the Secretariat participate in a number of significant and strategic events as per the mandate accorded to it by the Government of the Republic of Kenya. The first among these is providing the necessary technical backup to H.E the President of the APRM Forum

during the 33rd Africa Union (AU) Heads of State and Government Summit held on the 21st January to 10th February, 2020.

The Secretariat also attended a virtual meeting for National Governing Councils on the Africa Governance Report (AGR) 2021: Africa Governance Futures 2063, where Kenya's input was recognized and nominated to be among the countries to undergo AGR. The Secretariat also participated in the virtual Special Meeting of the Committee of APRM Focal Points and presented a draft report on the implementation progress of NpoA. The contribution of H.E the President of the Republic of Kenya towards the revitalization of the APRM was recognized by a special AU award.

In collaboration with the Council of Governors, and with the support of some external donors, the Secretariat is working on cascading Peer Review Mechanism (modelled on APRM) to our county governments.

Another key milestone was the convening of a three-day Ministerial meeting for the footprint countries for Lamu Port South Sudan Ethiopia Transport Corridor (LAPSSET) in collaboration with the Office of the High Representative for Infrastructure Development in Africa and United Nations Economic Commission for Africa. The Secretariat also participated in the Economic Commission for Africa's Sixth Session of Africa Regional Forum on Sustainable Development (ARFSD) held in Victoria Falls, Zimbabwe. The Secretariat has also worked closely with the UNECA to strengthen the training of economists and statisticians in Kenya.

Further, in a bid to seek strong partnerships, NEPAD/AFPRM officers and the United Nations Economic Commission for Africa met with the Northern Corridor Transit and Transport Coordination Authority (NCTTCA) and explored areas of collaboration and synergy for three institutions. The Secretariat also visited Yatta farm in Machakos County in response to the expectations of CAADP Compact (Agreement) of 2010 whose goal is to harness the agricultural capacity of African Nations and encourage youth involvement in agricultural activities.

As a member of the technical working group and steering committee of the Agricultural Technical and Vocational Education Training (ATVET) Programme under CAADP, the Secretariat is working with the German Government to support state departments in the Ministry of Agriculture, Livestock and Fisheries to enhance the CAADP programme.

The Secretariat has in the FY 2019/20 benefitted from a fully-constituted National Governing Council where four new members came on board. These members are; an Alternate to the Principal Secretary, State Department for Planning, Mr. James Maina; an Alternate to the Principal Secretary, Foreign Affairs, Ms. Nelly Nasike; Council Members Mr. Joshua Mwangemi and Ms. Nimo Maimuna Mohamed.

Despite these achievements, the execution of planned activities faced several challenges among them limited financial resources and delayed disbursement of funds. The relentless efforts and goodwill of the staff has held steady and the Secretariat is committed to execute its mandate.

The Board would like to recognize the support it has continued to receive from the Cabinet Secretary National Treasury and Planning, and from the Principal Secretary, State Department for Planning.

Lastly, NEPAD/AFPRM Kenya Governing Council and the entire Secretariat, wishes to thank the Government of the Republic of Kenya for its continued support in the past year and it would like to take this opportunity to appreciate all the stakeholders who have believed in us and supported us.



Prof. Michael Chege
Chairman

Report of the Chief Executive Officer



Dear Stakeholders,

It is with great pleasure that I present the NEPAD-APRM Kenya Secretariat annual report and Financial Statements for the year ended 30th June 2020, in compliance with the Public Finance Management Act 2012. This report consists of the Secretariat's operations based on activities and initiatives implemented within the year under review. It also highlights the Secretariat's performance made possible by a professional and committed team, guided by the NEPAD/APRM Kenya Governing Council.

During the year under review, the Secretariat undertook various activities geared towards promoting sustainable development and good governance through advocacy and facilitation of African Union priority programmes and projects in Kenya and the Eastern Africa region. It is worth noting that this is in line with its mandate, vision and mission. In this regard, various Secretariat activities were successfully undertaken during the year under review, notwithstanding the COVID-19 pandemic which hindered several activities in the 4th Quarter of the financial year. Despite this, the Secretariat continues to move forward in its endeavours to promote Sustainable Development and Good Governance for the good of future generations.

During the financial year 2019/20, the Secretariat received a total of Kshs. 228,515,000 from the National Treasury and Planning, an increase from the previous year where it received Kshs. 193,564,700

To this end, the Government continues to be the Secretariat's main source of funding for its operations. Further, the Secretariat continues to implement various strategies to limit expenditure therefore enabling it realise savings. I therefore underscore the continued Government support through the State Department for Planning during the year under review.

The Secretariat undertook various activities during the year under review. Key among these is the participation in the 33rd African Union (AU) Heads of State and Government Summit held in Addis Ababa, Ethiopia. During the Summit, countries (including Kenya)

shared their experiences on the implementation of the Africa Union Agenda 2063. This included good practices, lesson learnt and challenges. The Kenya delegation to this meeting was led by the Principal Secretary, State Department for Planning. H.E. President of the Republic of Kenya was also recognised for his input regarding revitalization of the APRM Process. In this regard, a Legacy Report during his tenure as the Chair of the APR Forum was handed over to the Government of Kenya through Cabinet Secretary, National Treasury and Planning.

The Secretariat in collaboration with the Office of the High Representative for Infrastructure development in Africa and United Nations Economic Commission for Africa (ECA) convened a three-day Ministerial meeting for the footprint countries for Lamu Port South Sudan Ethiopia Transport (LAPSSET) Corridor. This meeting culminated in the signing of a Memorandum of Understanding among the three countries which reassured their commitment to the implementation of the project.

The financial year also saw the dissemination of Kenya's 2nd APRM Country Review Report to 16 counties with an aim of enhancing good governance in the country and popularizing CPRM as tool for promoting good governance in the Counties and acceleration of development.

It is worth noting that, despite the challenges experienced during the period under review, the Secretariat continued to undertake its mission for the promotion of effective lobbying, advocacy, coordination and research of NEPAD and APRM activities both nationally and regionally. As the COVID-19 pandemic hindered various planned activities, the Secretariat continued to work virtually. This involved participation in various virtual meetings and conferences and constant coordination and lobbying for the execution of various development initiatives as highlighted extensively in this report.

As the Ag. CEO, I take this opportunity to recognize that good leadership with supportive oversight from the Council as well as committed staff members were the critical success factors that enabled realization of these tremendous results. I am therefore urge the Secretariat at all levels through empowerment and motivation to continue the great journey to further bring development to Kenya and the Eastern Africa Region.

I sincerely thank the Members of the National Governing Council and the staff Secretariat for their dedication and passion to attain the Secretariat's Mission and Vision for the development agenda.



Benson Mapesa,

A.g Chief Executive Officer

NEPAD/APRM Kenya Secretariat Performance for FY 2019/2020

NEPAD and APRM Directorate have four strategic/thematic pillars within its Strategic Plan for the FY 2019-2022. These strategic pillars are as follows:

- Pillar 1: Industrialization, Science, technology and Innovation
- Pillar 2: Industrialization, Science, technology and Innovation
- Pillar 3: Natural resources governance and food security
- Pillar 4: Regional Integration, Infrastructure (Energy, Water, ICT, Transport) and Trade)

- Pillar 1: Democracy and Political Governance (DPG)
- Pillar 2: Economic Governance and Management (EGM)
- Pillar 3: Corporate Governance (CG)
- Pillar 4: Broad-based Sustainable Socio-economic Development (SED)

NEPAD Directorate



APRM Directorate



The Directorates developed their annual work plans based on the above pillars. The Secretariat achieved the performance targets set for the FY 2019/2020 period for its directorate's strategic pillars, as indicated in the diagram below:

NEPAD Directorate

	Strategic Pillar	Objective	Planned Activities	Output	Indicators	Target	Achievement	
1.	Human Capital Development (Skills, Youth Development and Women Empowerment)	To impart life skills and enhance empowerment for the youth, women and persons with disability	Skills Initiative for Africa (SIFA): Organize Sensitization Workshops for TVET institutions on the financing facility of the SIFA	Reports developed	Report	2	Organized workshop: Kisumu and Mombasa TVETs and sector inst (Trained 1 officials)	
2.			Facilitate capacity building on community health, nursing and midwifery in liaison with AUDA-NEPAD and Ministry of health	Enhanced Capacity on maternal and community health Concept note developed		1	Concept note developed in consultation with key stakeholders	
3.			Held a meeting with UNFPA to follow up on the concept note done to train midwives in Uasin Gishu (Eldoret) in collaboration with Moi University.	Ongoing				
4.			Follow – up on Skills Initiative for Africa at Kenya Coast National Secretariat In Mombasa, Kenya 24-25th October 2019	Project Status Reports	M and E Report	1	Fast track implementation announced in window 1	
5.			Undertook a training on “Strengthening the Capacities of African Governments for Integrating Accountability in National Development Planning” 14 – 21 December 2019	Enhance technical capacity of Kenyan planning and statistics officers	Training Report	1	55 planning statisticians	
6.			Participated in the Economic Commission for Africa’s Sixth session of Africa Regional Forum on Sustainable Development (ARFSD)	Capacity building for economist on the ECA Integrated Planning and monitoring tool Kit for the Agenda 2063 and SDGs	Workshop report	1	Capacity building for ECA Integrated Planning monitoring for the Agenda 2063 and SDG in 4th quarter	

Strategic Pillar	Objective	Planned Activities	Output	Indicators	Target	Achievement
		Facilitate implementation of UN Development Account for accountability in planning processes and collaboration with UNECA	Report developed		1	ECA sent mission to the country to discuss the implementation of training for Core modellers of a Kenya –ECA Macro model
		CAADP Participate in National and Continental meetings on the implementation of CAADP	Report developed	Report	1	Participated in African Green Revolution Forum 2019 held in Accra, Ghana
						Kenya presented efforts put in place to have data systems that enable evidenced based reporting on CAADP.
Natural resources governance and food security	To promote agricultural production and natural resource management	Validation of Kenya's Biennial report on CAADP by Ministry of Agriculture	Report Validated	Report	1	Workshop held and report validated
		Participated in the African Macro Regional Agriculture Policy Workshop - Kenya, on 30 October 2019.	Harnessed contribution of small farms and small food businesses on food and nutrition security, through the assessment of their role and positioning in the food systems at regional level	Workshop Report	1	
		Field tour of the Yatta farm in Machakos County.	A report to harness the agriculture capacity of African Nations and to involve the youth in agriculture	Field Report	1	Deliver on expectations of CAADP Compact (Agreement) of 2010 whose desire is to harness the agriculture capacity of African Nations and to involve the youth in agriculture

	Strategic Pillar	Objective	Planned Activities	Output	Indicators	Target	Achievement
12.			<p>Coordinate regional Workshop on developing a regional PPP framework in collaboration with the AUDA-NEPAD Agency and UNECA (PIDA Model law)</p> <p>Collaboration with Regional, Continental and international bodies for inclusive and sustainable development agenda</p>	PPP concept note developed	PPP Concept Note	1	The met worked with AUDA-NEPAD to develop the Africa regic frame.
13.	Regional Integration, Infrastructure (Energy, Water, ICT, Transport) and Trade	To promote national and regional connectivity to trade, through facilitation of infrastructure development	Convened a three day Ministerial meeting for the footprint countries for Lamu Port South Sudan Ethiopia Transport Corridor (LAPSSET).	Signed memorandum of understanding to fast-track and facilitate funding for implementation of LAPSSET.	MOU	1	A signed M facilitate fu hasten implement the project the three c
14.			Undertook a working visit to the Northern Corridor Transit and Transport Coordination Authority (NCTTCA) to explore on areas of partnership and synergy for the three institutions.	A proposal to co-host the planned African Continental Free Trade Area (AfCFTA) Conference on Africa's transit and transport corridor, in mid-2020.	Field Report		Initiated p co-host (A Conferenc Africa's tra transport mid-2020.
15.			NEPAD Steering Committee	Meeting Report	Report	1	Kenya's p were sub during th
16.			Undertook Monitoring and Evaluation on implementation of PIDA projects: <ul style="list-style-type: none"> • Bogoria Geothermal Project • Menengai phase II • Zambia-Tanzania-Kenya Power Connectivity • Ethiopia-Kenya power connectivity <p>Integration roads,</p>	M&E report	Report	2	The M&E identifiec capacity ; on the pr

Strategic Pillar	Objective	Planned Activities	Output	Indicators	Target	Achievement
		<p>Corridor Project Components in Kenya</p> <p>Tour of Lamu port and highways and Tour of Hawassa</p> <p>Monitoring implementation of LAPSSET highways</p> <ul style="list-style-type: none"> Exchange programme on implementation of PICI between Kenya and Namibia, Kenya and Nigeria 	Report	Report	1	<p>UNECA Mission on next support for the implementation of LAPSSET</p> <p>The Mission by Dr. Adeyinka was successful. Meetings organized with State department for Transport, LAPSSET State Department for Planning and the Ambassador of Ethiopia</p>
		Participated in the Presidential Infrastructure Championing Initiative (PICI) Senior Officials Technical Task Team (PICI TTT) Workshop, 07-08 October 2019.	Compiled status report submitted for to the PICI-Africa-wide Inter-Ministerial Committee	Workshop report	1	LAPSSET project reviewed during the African Union Summit 2020
		Participated in the packaging of PIDA priority projects for Acceleration Under the EAC-based Multimodal Corridors (EMCs): Interim Report - October 21-22, 2019	Review and validate EAC-Based Multimodal Multisector Corridors projects for enhanced bankability	Workshop Report	1	Validated EAC-Based Multimodal Multisector Corridors projects
		Participated in the PIDA Week - 2019: 25 th – 29 th November 2019, Cairo, Egypt.	A fostered connections between infrastructure and multi-sectoral development in Africa	Workshop report		Bilateral meeting was held with NEPAD-AUDA on strategies to enhance PPP projects in EAC and strengthening partnership between AUDA NEPAD and the Secretariat
		Facilitate establishment of AUDA-NEPAD Regional Office and promote ABNE activities in the country	AUDA-NEPAD office established	AUDA-NEPAD regional office	1	Regional ABNE office established
Industrialization, Science, Technology and Innovation	To promote industrialization through promotion of science and innovation	Establishment of AUDA NEPAD Regional offices in Nairobi, Kenya	Regional office established		1	Office operationalized

	Strategic Pillar	Objective	Planned Activities	Output	Indicators	Target	Achievem
23.	Cross-cutting Issues		Participated in the 33rd African Union (AU) Heads of State and Government Summit which was held from 21st January to 10th February, 2020	<i>Status report on Agenda 2063: Evidence-Based Reporting for Collective Reflection and Coordinated Action on AGENDA 2063 Implementation – 6th - 8th February</i>	Report		1

APRM Directorate

Strategic Objectives	Objectives	Activities	Output	Performance Indicator	Expected Outcome	Achievements
<p>to promote learning, linking and leveraging JDA-NEPAD/APRM programs both nationally and regionally</p>	To Cascade APRM to the Counties	Mobilization of Stakeholders at the counties	Counties peer reviewed	County Peer Review report(s)	Improved governance systems at the Counties	Ongoing
		Pilot the CPRM tools			County Governments Reviewed	
	To document the First Second Country Review in Kenya	Capacity build Counties on CPRM	Counties trained	Number of Counties staff/officer trained	CPRM Mainstreamed in the Counties	Ongoing
		Involvement of stakeholders through consultations and meetings		Number of documentary on Country reviews	Effective Policy formulation and Planning System from the CRR recommendations	Documentary Developed
	To Disseminate the 2 nd APRM Country Review Report	Dissemination of the 2 nd APRM Country Review Report	Counties sensitized	Number of Counties where 2 nd CRR is disseminated	Dissemination Reports APRM /CPRM Mainstreamed in the Counties	Report disseminated in 16 Counties during the period under review
		Translation of the popular version of 2 nd APRM Country Review Report to Kiswahili	Kiswahili popular version Published	Kiswahili popular version	Effectiveness and efficiency in dissemination of the 2 nd APRM CRR	English Popular version translated and published to Swahili
	Track the implementation of key priority policies, strategies and programmes at the County, National and Regional level to enhance cooperation with Regional Economic Communities (RECs)	Consultation Workshops	Progress reports	An annual report on implementation of SDGs and African Agenda 2063	Mainstreaming of SDGs and African Agenda 2063 in development planning	
		Monitoring of the Key Priority Policies, targeted SDGs 16 at the County and	Outcome	APR Forum	Improved	Kenya's

			APR forum Summit meetings	documents for APR Forums	reports	governance and diplomatic profile for the Nation	Position interest capture the outcome
			Participate in High Level Political Forum on 'Africa's progress in SDG 16:	Outcome document	Forum report on SGD 16 at the Continent, Regional and National Level	Strengthening and Mainstreaming governance in various sectors	
25.	To promote good governance practices at the National and the County level	i. To Monitor progress on implementation of NPoA	Stakeholders Consultative and Informative Meetings with Relevant Ministries Responsible	NPoA Progress Report	A NPoA progress report	Development of annual progress report on the implementation of NPOA	Draft develop
			Monitor the implementation of NPoA by county				
		Convene Technical committee meetings for key stakeholders in the implementation of NPoA	Reports on implementation on NPoA	Quarterly Reports	Enhanced monitoring and evaluation of NPoA at the National and County level		
		ii. to track implementation of SDGs and African Agenda 2063	Convene Key Stakeholders meetings on SDGS and Agenda 2063 progress National and County Level	Stakeholders Reports	Number of progress reports	SDGs and African Agenda 2063 mainstreamed in institutional and policy frameworks	Ongo
		iii. To Review and analyze the prioritized NPoA targets in all the 47 CIDPs		Report on NPoA priorities for the Counties	Number of reports for Counties	The NPoA targets mainstreamed and prioritized by counties	Ongo

	iv.		Reports on implementation of NPoA by counties	Bi annual reports	Status on the implementation of NPoA	Ongoing
	v. Track governance indices and prepare status reports	Monitor National Governance Indicators Relevant Stakeholders workshops and Consultative meetings	Reports analyzing the governance indices	Number of reports on governance indices	Improved governance	Ongoing
	vi. To Partner with Open Government Partnership (OGP) vii. To Improve the Public Sector Performance through County Peer Review Mechanism	Mobilization of Resources for CPRM from OGP & its Stakeholders Public Sector Performance Cluster Meetings with OGP Monitoring of the Commitment 5	Reports on Commitment 5	Number of Cluster Meetings Number of Reports	Improved governance partnerships with like-minded Organizations Improved governance at the National and County Level Promote good governance practises and facilitate peer learning among Counties	Ongoing
To enhance research capacity of the Secretariat as part of knowledge management	Forge collaboration with key research institutions to carry out research on topical issues related to good governance issues and policies	Train staff on research Consultation meetings with research institutions	Research reports conducted on good governance issues and policies	Number of research done on good governance and policies	Governance issues mainstreamed in policy formulation	Ongoing
			Officers trained	Number of officers trained	Increased capacity on research governance issues and policies	

27.	To mobilize adequate resources to finance the Secretariat programmes	i. To collaborate with development partners partner	Proposal writing Roundtable meetings with development partners for collaboration and resource mobilization for APRM Programmes	Round table meeting held on resource mobilization	Quarterly Round table meetings reports	Increased external funding/ resources	Proposed development program in UNDP, A and DFI
		ii. To Provide technical inputs to the Secretariat's and Ministry's Budget	Stakeholders meetings and workshops	The secretariat's and ministerial Budget	Number of APRM input for the Budget	APRM programmes linked to national Policy, plans and budget	Ongoing
		iii. To Prepare the department's budget and Cash Plan	Consultation Budget workshops	Department budget and cash plan	Annual departmental budget and cash plan	Efficient utilization of allocated funds	Department input in Ministry budget capture
		iv. Production of Departmental 2019/20 Procurement plan	Assessing the Procurement APRM Plan	Departmental Procurement plan	Annual departmental Procurement plan Progress reports	Efficient utilization of allocated funds	Procurement Plan development
28.	To develop capacity to enhance efficiency and transparency in service delivery	i. To Identify capacity gaps and train all staff on relevant skills at once a year	Preparation of Department's training plan	Needs Assessment Exercise progress report	A needs assessment Plan Annual departmental Training Plan	Competent staff	Accomplished
			APRM staff meetings	Staff trained	Quarterly training reports/ number of staff trained	Improved capacity on Knowledge and Skills	

		Report on the implementation of ministerial Performance contracts targets under APRM	Performance contract progress reports	Quarterly reports on Ministerial PC Targets	Improved service delivery	
		Hold Departmental Training Committee meetings	Minutes of Departmental Training Committee	Number of Minutes	Improved capacity on Knowledge and Skills	
	ii. To Implement PAS and link Departments Work Plan targets with individual officers PAS	Regular follow up meetings with Individual officers Work Plan and the Department's Work Plan	Individual PAS linked to Work Plan	Number of duly filled PAS forms by staff	Improved service delivery	
		Participate in Secretariat's MHRMAC and MTC	Minutes of MTC/MHRMAC meetings	Number of MTC/MHRMAC Minutes	Competent staff and improved and efficient service delivery	
	To Prepare Information Education and Communication (IEC) materials for APRM programmes	Regular consultative meetings with stakeholders and communication departments	IEC materials on APRM and CPRM	Number of IEC Materials	Enhanced awareness on APRM Programmes CPRM sensitization Materials	IEC materials prepared and disseminated during the dissemination of the 2 nd APRM Country Review Report for Kenya. Ongoing Quarterly Magazine Publication
		awareness on APRM programmes during annual devolution conference regional fora, other events relevant to the APRM issues	Reports on devolution outcomes on APRM issues	Number of report on fora /workshop reports	Enhanced public participation and visibility of APRM programmes	Accomplished as well as ongoing activity on relevant events to APRM Programmes

Corporate Governance Statement

Corporate Governance is a process through which the Council directs, controls institutional operations and is held accountable. It offers a good framework for engagement and synergy between the Governing Council, management and stakeholders for sustainable benefit of the Secretariat. NEPAD/APRM Kenya has put in place systems to ensure that high standards of corporate governance are maintained at all levels. This statement of corporate governance provides an update of NEPAD/APRM Kenya Governance performance to date.

Appointment of Council Members

The Council Members are appointed by the Cabinet Secretary responsible for the State Department for Planning for a renewable three-year term. Any removal of a Council member shall be through a formal revocation.

The Council is the highest governing body of the Secretariat. It exercises leadership, enterprise integrity and judgment in directing the Secretariat so as to achieve continued prosperity for the Secretariat and its stakeholders.

National Governing Council Meetings

The Council's Charter provides for quarterly meetings and special meetings on need basis for the proper discharge of its functions. A schedule of meetings is agreed upon at the beginning of a financial year for effective planning and participation.

During the year under review, the Council met three (3) times for regular meetings as required and held additional six special meetings. The special meetings were occasioned by active involvement of the council in the recruitment of the Secretariat's substantive Chief Executive officer.

The table below presents attendance of members to the Council meetings:

NGC Member	Attendance
1. Prof. Michael Chege	10
2. Michael Kisilu	9
3. Anthony Muriu	5
4. Dr. Monica Kerretts-Makau	4
5. James Maina	4
6. Joshua Mwangemi	8

7. Nimo Mohamed	6
8. Nelly Nasike	7
9. Hon. Elias Mbau	9
10. Joshua Opiyo	4

*Mr. Joshua Opiyo, the Alternate to the Principal Secretary, Planning has since retired as from December 2019 and has been replaced by James Maina.

NGC Committees

There are three NGC Committees which are the Audit and Risk Committee, Finance and Administration Committee and the Technical Committee which are established with written terms of reference detailing their mandates, authority and duties.

The Committee attendances for the meetings were as follows;

1. Technical Committee

The key duty of the Technical Committee is to provide direction in execution of the Secretariat's mandate through NEPAD and APRM related programs. Below is the summary of the attendance for the year under review:

Name	Attendance
Michael Kisilu	2
Joshua Opiyo *	2
James Maina	0
Dr. Monica Kerretts-Makau	0
Nelly Nasike	1

*Mr. Joshua Opiyo has since retired with effect from December 2019 and has been replaced by Mr. James Maina.

2. Finance and Administration Committee

This is the Committee that oversees the support activities and sustainability of the Secretariat. This includes finances, human resource issues, strategy, administration and institutional sustainability. The below is summary of the Finance and Administration Committee performance during the year under review:

Name	Attendance
Dr. Monica Kerretts-Makau	4
Joshua Opiyo*	2
Antony Muriu	3
James Maina	1
Joshua Mwangemi	2
Nelly Nasike	2
Nimo Maimuna	2

**Mr. Joshua Opiyo has since retired with effect from December 2019 and has been replaced by Mr. James Maina.*

3. Audit and Risk Management Committee

The duties of the Audit, Risk & Compliance Committee are based on six broad functions namely the Internal Control, Risk Management & Compliance, Financial Reporting, Internal Audit, External Audit, Compliance with laws and regulations and Compliance with the Secretariat's Code of Conduct and ethical guidelines functions. Below is the summary of attendance to Audit and Risk Management Committee:

Name	Attendance
Hon. Elias Mbau	1
Antony Muriu	1
Michael Kisilu	1
Nimo Maimuna	0
Joshua Mwangemi	0

Board Charter

The Charter is a critical corporate governance tool of the Council which documents the composition, roles and responsibilities of the Council. This ensures effectiveness of each Council member's contribution in the governance of the institution by facilitating independent judgment, decision making and professional competencies.

In the performance of its functions, the Council:

- Seeks policy guidance and direction from the NEPAD/APRM Focal Point, the Cabinet Secretary for National Treasury and Planning;
- Holds quarterly meetings and such additional meetings in such places and at such times as the Council shall consider necessary for the proper discharge of its functions;
- Carries out or cause to be carried out such studies or research as may inform the activities of the NEPAD and the APRM in Kenya; and
- Have powers for the proper execution of its mandate, including the power to regulate its procedures.

Role of the Council

1. The Council offers strategic guidance, leadership and control of the Secretariat activities by clearly defining the strategic purpose, objectives and values; evaluates the strategic direction and adopts the annual work plans to support the management operations at the Secretariat.
2. The Council constitutes and reviews the structure of the NGC Committees and approves reports and performance of each Council Committee. It also approves the Quarterly and Annual Reports and financial statements.
3. The Council assesses performance of the Management against targets and objectives as set out in the Secretariat's strategic plan as well as against best international practices.
4. The Council considers and gives consent to the Secretariat's overall budget and specific proposals for capital expenditure & acquisitions and strategic opportunities.
5. It reviews succession planning for the management team and approves senior executive appointments, organizational changes and remuneration.

Induction and training

The Secretariat has an elaborate framework to ensure that the Council effectively carries out its mandate. In terms of induction, newly appointed members to the Council embark on a detailed programme to familiarize themselves with the operations of the Secretariat. Relevant background material is provided and a formal meeting is organized for interaction with Senior Management. For continuous improvement, topical courses are organized for the members to enhance their oversight role. In terms of evaluation, plans are undertaken to have members undergo a sensitization forum on performance evaluation before each one of them is evaluated.

Conflict of Interest

Members are required to disclose to the Council real or potential conflict of interest, which comes to their attention, whether directly or indirectly. The statutory duty to avoid situations in which they have or may have interests that conflict with those of the Secretariat has been observed by the Council. All transactions with all parties, Council Members or related parties are carried out at an arms' length policy. After an appointment to the National Governing Council, Members are required to make a formal declaration of any interest they may have in the course of their engagement with the Secretariat.

NGC Members Remuneration

During every Council meeting, present Council Members are entitled to a sitting allowance of Kshs 20,000 per sitting, lunch allowance (in lieu of lunch being provided), accommodation allowance and mileage reimbursement where applicable within government set limits for state corporations. The Chairman receives monthly honorarium of Kshs 80,000 and Kshs 7,000 airtime allowance.

Code of Ethics

The Secretariat is committed to high standards of integrity, behavior and ethics. All employees of the Secretariat are expected to avoid activities and financial interests which could give rise to conflict of interest with their responsibilities in the Secretariat. Strict rules of conduct embedded in the Secretariat's Human Resources Policies and Procedures Manual apply to the entire Secretariat's staff.

Management Discussion and Analysis

Introduction

This discussion and analysis provide an overview of the financial position and results of activities of NEPAD/APRM Secretariat for the FY year ended 30th June 2020. Comparative information for the year ended 30th June 2019, has been provided where applicable. This overview has been prepared by management and should be read in conjunction with the financial statements and the footnotes that follow this section.

NEPAD/APRM is governed by a Council, who are independent, mandated to oversee the running of the Secretariat. They hold regular meetings to discuss management affairs of the Secretariat and activities to achieve the objective and vision. The full Council has committees who also meet regularly to oversee operations in their respective areas. The Council oversees the operations of The Secretariat through its subcommittees on Audit and Risk Management Committee, Finance and Administration Committee and a Technical Committee

Financial Highlights

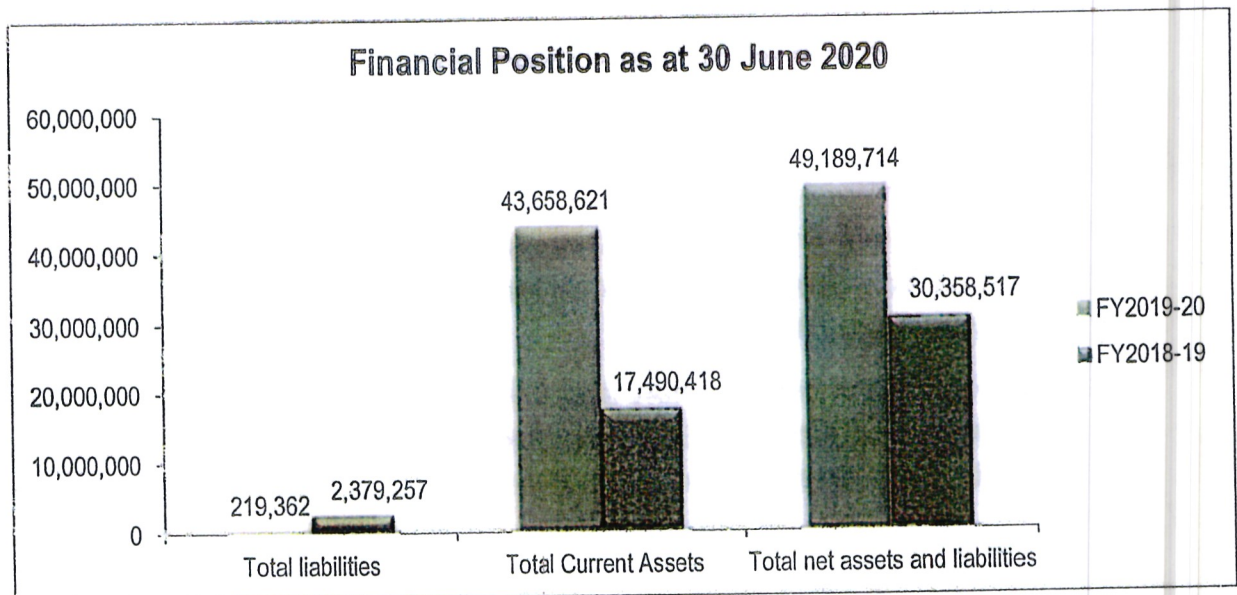
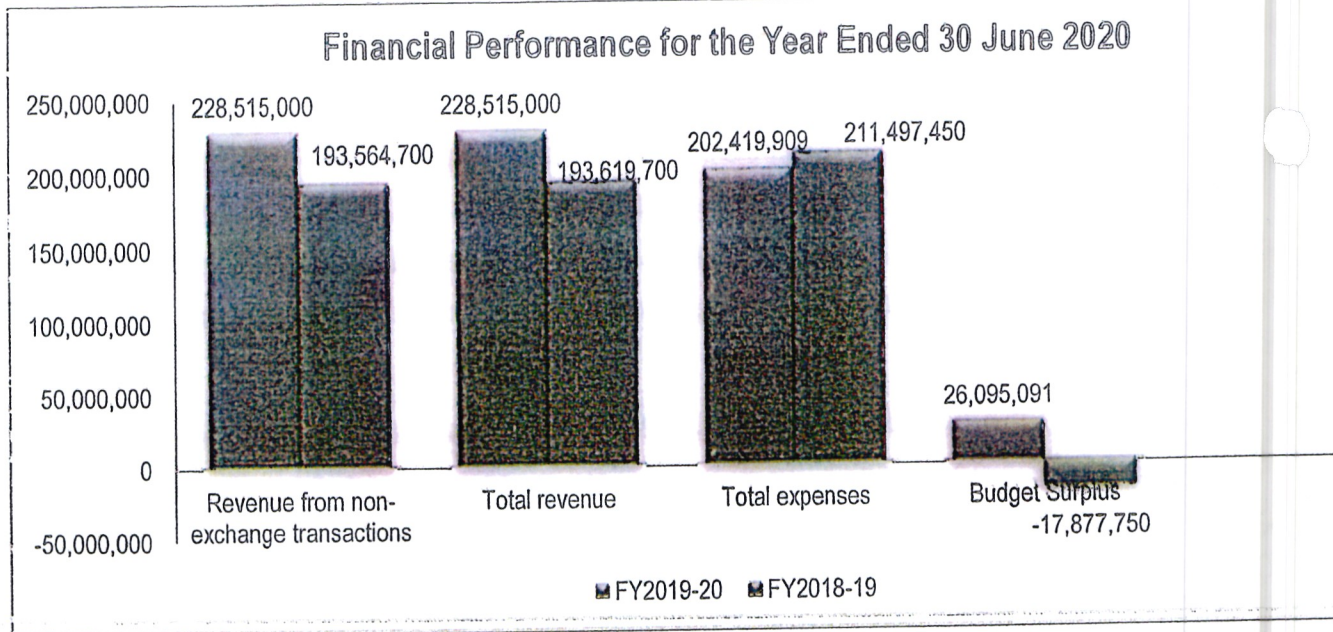
Financial Performance

During the financial year the Secretariat recorded increased total revenue of KES 228,515,000. This was primarily due to a receipt of the same amount as Transfers from the State Department for Planning.

Net Cash flow from operating activities was KES 25,526,854 whereas the Total Net Assets and liabilities of KES 49,189,714 were reported with cash equivalents of KES 37,796,365. The secretariat closed the year with a Budget Surplus of KES. 27,729,806.

A summary is illustrated here below:

Financial Performance for the Year Ended 30 June 2020			
	FY2019-20	FY2018-19	
Revenue from non-exchange transactions	228,515,000	193,564,700	18% ↑
Total revenue	228,515,000	193,619,700	18% ↑
Total expenses	202,419,909	211,497,450	-4% ↓
Budget Surplus	26,095,091	- 17,877,750	52% ↑



Revenue

Revenue from non-exchange transactions totalled KES 228,515,000.

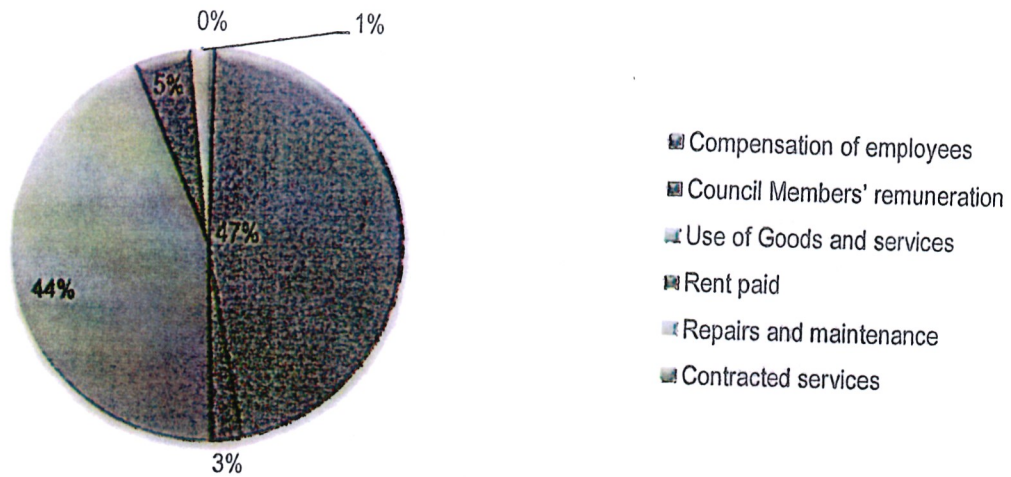
Income

Transfers from State Department for Planning still remain the main source of income for the Secretariat.

Expenses

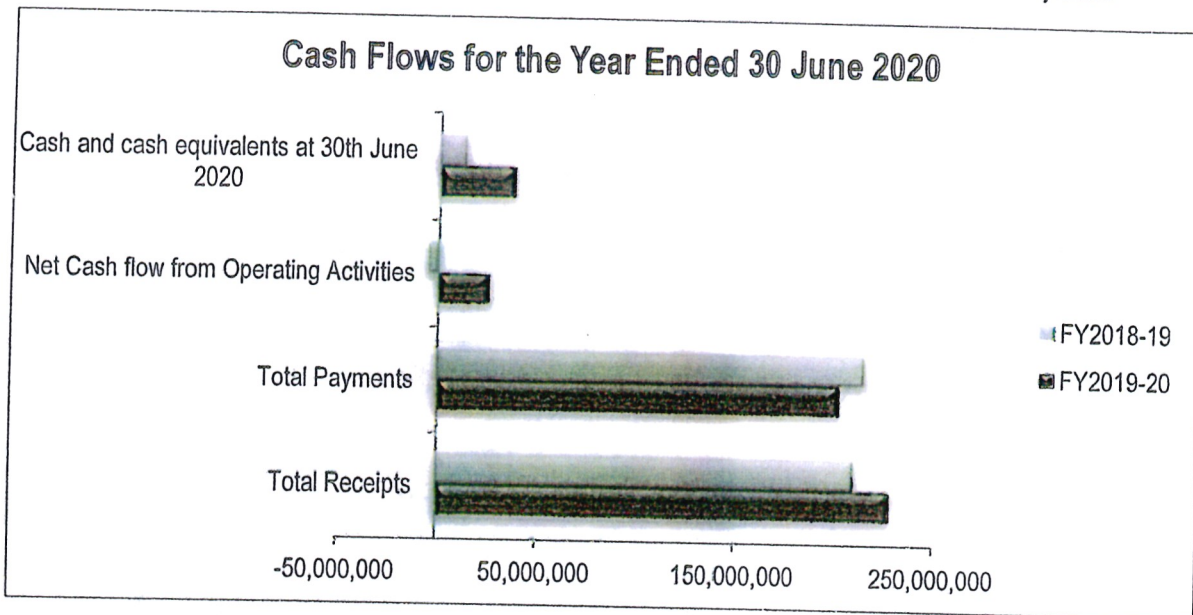
The annual expenses reduced to KES 202,419,909 majorly due to reduction in cost for contracted services however there were new employees and new board members who joined the organisation and a raise in salaries hence an increase in staff and board member costs.

Expenses by Category



Assets

Current assets comprised of cash equivalents of KES 37,796,365 and Receivables from non-exchange transactions of KES. 5,862,256 at the end of the year.



Program activities planned and budgeted for quarter 3 and 4 were not executed due to COVID-19 pandemic. The activities include 2nd Phase of the Country Review Report Dissemination, 34th Annual African Union Summit, Development of Africa's Governance Report (AGR) and Launch of the LAPSSET 1st Berth.

OPERATIONAL HIGHLIGHTS



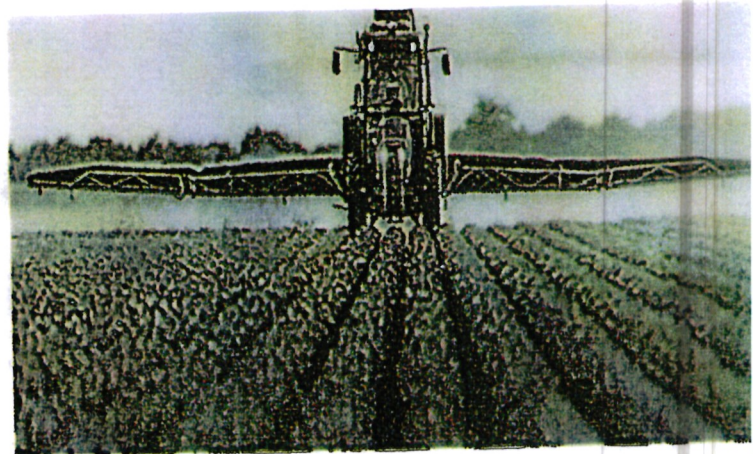
Skills Initiative for Africa (SIFA) project

The Secretariat, organized two workshops to sensitize stakeholders regarding the newly opened window for submission of proposals for the SIFA programme. The Secretariat in collaboration with Ministry of Education therefore held sensitization

workshops for the SIFA Programme in Kisumu and Mombasa Counties. During the exercise, that aimed to empower the institutional heads of technical and vocational training institutions, a total of 120 principals of TVETs in the country were trained.

Comprehensive Africa Agriculture Development Programme (CAADP).

The Secretariat participated in the African Green Revolution Forum 2019 held in Accra, Ghana. The workshop discussed the role of digital innovations to inform the 2nd biannual review report to track CAADP goals and targets set out in the 2014 Malabo Declarations. During the event, Kenya showcased the efforts put in place to have data systems that enable evidence based reporting on CAADP. In the same period, the Secretariat participate in a workshop to validate Kenya's Bi-annual report on CAADP by the Ministry of Agriculture.



LAPSSET Corridor project.



In Monitoring and Evaluation (M&E) of PIDA projects in the country – The Secretariat undertook an M&E field exercise of the Lamu Port-South Sudan-Ethiopia-Transport corridor project (LAPSSET). The project strengthens Kenya's position as a gateway and a transport and logistics hub to the East African sub-region and the Great Lakes region to facilitate trade, promote regional economic integration and interconnectivity between African countries. Consequently, the field visit resulted into fruitful

discussions with GDC, TDB Bank and NEPAD (K) on funding possibilities of a selected phase of the integration roads as well as purchase of a generator well head for Geothermal Development Company project, Baringo-Silali.

Implementation of PICI Projects Between Kenya – Namibia and Kenya - Nigeria

Regarding the LAPSSET Corridor Project Components, the Secretariat hosted Dr. Adeyinka from UNECA to discuss possible support for an exchange study tour on implementation of PICI projects between Kenya – Namibia and Kenya - Nigeria. The Secretariat also facilitated meetings between Dr. Adeyinka and the State Department for Transport, LAPSSET Authority, State Department for Planning and the Ethiopian Ambassador to Kenya. During the mission, the following actionable areas were identified: Preparations for the Launch of the 1st Berth launch should involve all stakeholders including the partner countries; Development of an animation to highlight investment opportunities within LAPSSET; proposed investor conference to market the LAPSSET project; proposed exchange visit to Lagos Abidjan Corridor to enable adoption of best practices.

Ministerial meeting for the footprint countries for LAPSSET

The Secretariat in collaboration with the Office of the High Representative for Infrastructure development in Africa and United Nations Economic Commission for Africa convened a three day Ministerial meeting for the footprint countries for Lamu Port South Sudan Ethiopia Transport Corridor (LAPSSET). The meeting was attended by representatives from three countries; South Sudan, Ethiopia and Kenya and Chaired by H.E Raila Odinga, the High Representative for Infrastructure development in Africa.

PPP Framework

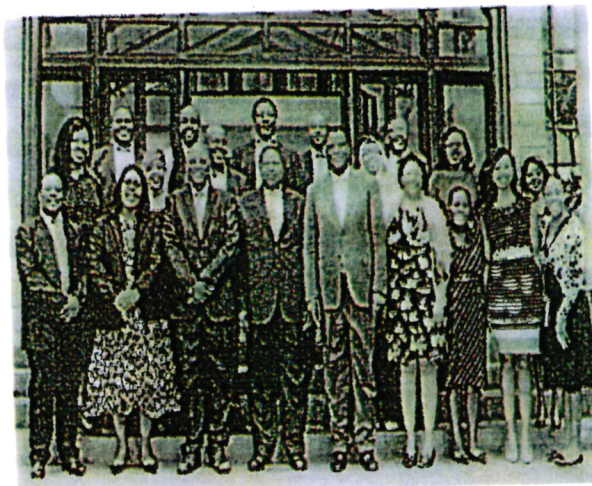
In its effort to coordinate a regional workshop on developing a regional PPP framework, the Secretariat worked in collaboration with the AUDA-NEPAD Agency, EAC and UNECA to develop the Eastern Africa Region PPP framework using the PIDA Model law. This is an effort aimed at enhancing collaboration with Regional Continental and international bodies for an inclusive and sustainable development agenda.

NEPAD Steering Committee Meeting

In an effort to ensure Kenya's participation in the NEPAD Steering Committee of the Africa Union Heads Of State and Government, the Secretariat attended the year's NEPAD Steering Committee Meeting. The committee meeting prepared a report detailing LAPSSET programme status to be presented to the Heads of State and Government Orientation Committee during the January 2020 African Union Summit.

AUDA-NEPAD Eastern Africa regional office

In the year under review, the Secretariat coordinated the relocation of AUDA NEPAD Regional offices to Nairobi. The office is operationalized and ABNE programme



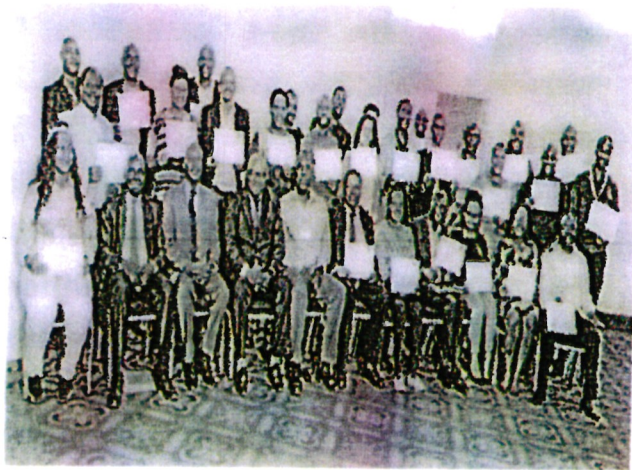
previously hosted in Kampala Uganda has been relocated to Kenya. The Secretariat also facilitated the launch of AUDA-NEPAD eastern Africa regional office in Nairobi.

The relocation of the two offices to Kenya shall provide a distinctive mechanism for regional cooperation, coordination and collaborative actions to harness resources and expertise from a wide range of stakeholders and interest groups.

Staff from AUDA-NEPAD African Biosafety Network of Expertise and NEPAD/APRM Kenya Secretariat

Kenyan Planners and Statisticians Training

In the year under review, NEPAD/APRM Kenya Secretariat, UN Economic Commission for Africa (UNECA) undertook training for economist and statisticians from the State Department of Planning on “Strengthening the Capacities of African Governments for Integrating Accountability in National Development Planning”. The main objective of the training was to enhance the technical capacity of Kenyan Planners and



Statisticians in implementing the national development strategies to enhance integration accountability in national planning processes. Further, the training workshop was geared towards filling the capacity gaps identified by case studies undertaken on the subject in Kenya. A total of 55 economist and statisticians were trained.

Participant’s from the Economist and Statisticians State Department of Planning after Training

UNECA Development Account Project

The Africa Capacity Building Foundation (ACBF) held a meeting to discuss the implementation of the UNECA Development Account Project aimed at entrenching accountability in planning process through data and statistics. The Mission discussed the training for core modellers of a Kenya-UNECA Macro Model.

Northern Corridor Transit and Transport Coordinating Authority Meeting

The Secretariat also participated in the 31st Council of Ministers Meeting under the theme, *“Leveraging Trade Opportunities for Regional Integration”* organized by the Northern Corridor Transit and Transport Coordinating Authority in Mombasa. The Council of Ministers is the highest policy making body among the NCTTCA member States of Kenya, Uganda, DRC, Rwanda, Burundi and Southern Sudan. During the event, the Republic of Kenya assumed the Chairmanship. Major outcomes were: East African countries to fast track the Single African Air Transport Market; development of the Standard Gauge Railway for all Northern Corridor Member States; Development of port infrastructure and inland waterways within the Northern Corridor should be given priority; Kenya, Uganda and Rwanda to mobilize resources for the construction

of the petroleum product pipeline from Eldoret to Kigali through Kampala

Officers from the Secretariat and United Nations Economic Commission for Africa undertook a working visit to the Northern Corridor Transit and Transport Coordination Authority (NCTTCA) to explore on areas of partnership and synergy for the three institutions. The mission’s objective was to assess the status of the Corridor operations and management systems. The team held a series of meetings with stakeholders in the Corridor: Mombasa Ports Authority. The Corridor management team led by the CEO among others. The forthcoming Transit Corridor Forum to enhance implementation of AfCFTA was also discussed.

African Union (AU) Heads of State and Government Summit

The Secretariat participated in the 33rd African Union (AU) held from 21st January to 10th February, 2020 in Addis Ababa, Ethiopia. The Summit was preceded by the 39th Ordinary Session of the Permanent Representatives’ Committee from 21st – 22nd January 2020 and the 36th Ordinary Session of the Executive Council held on 6th – 7th February, 2020. The Summit comprised of statutory meetings and side events, and was held under the African Union’s theme for the year 2020; silencing the Guns: Creating Conducive Conditions for African Development. During the session, Ken

attended the following meetings during the Summit:

African Union Member States Reporting on Agenda 2063: Evidence-Based Reporting for Collective Reflection and Coordinated Action on AGENDA 2063 Implementation – 6th - 8th February, 2020. Kenya presented its status report on the implementation of Agenda 2063. The meeting was led by the Principal Secretary for Planning.

37th Session of NEPAD Heads of State and Government Orientation Committee (HSGOC) – AUDA-NEPAD 8th February, 2020. During the meeting Member States received the status report on the implementation of the Presidential Infrastructure Champion Initiative (PICI) projects in Africa presented by the AUDA-NEPAD CEO, Dr. Mayaki. In the session, Kenya's progress report on the implementation of LAPSSET project was tabled and adopted. In addition, President Paul Kagame was elected new Chairman of the HSGOC, a seat previously held by President Macky Sall.

CAADP Compact (Agreement)

The NEPAD/APRM Kenya Secretariat undertook a working visit to Yatta farm in Vachakos County. This activity was in response to the expectations of CAADP Compact (Agreement) of 2010 whose

desire is to harness the agriculture capacity of African Nations and to involve the youth in agriculture. The NEPAD Kenya Secretariat being a member of the technical working group and steering committee of the Agricultural Technical and Vocational Education Training (ATVET) Programme under CAADP, is working with the German Government through its development agency (GIZ) to support state departments in the Ministry of Agriculture, Livestock and Fisheries to revitalise the CAADP programme.

Africa Regional Forum on Sustainable Development (ARFSD)

The Secretariat also participated in the Economic Commission for Africa's Sixth session of Africa Regional Forum on Sustainable Development (ARFSD) held in Victoria falls, Zimbabwe. The Conference was designed as an action-oriented gathering for member States and other stakeholders to explore and agree on solutions and transformative actions that would enable the countries to achieve the goals of the 2030 Agenda and Agenda 2063, within the set time frame. Among the key outcomes are: need to strengthen financing mechanisms for the two agendas; Every effort must be made to have quality and timely data and statistics to ensure results-based monitoring and evaluation; Young people must be empowered with technological skills and included in the conceptualization,

implementation and monitoring of efforts to accelerate the implementation of programmes for the achievement of the Sustainable Development Goals, capitalizing on the opportunities afforded by the fourth industrial revolution; Women's involvement in science had been slow and, for that reason, more women should be involved in science, technology, engineering and mathematics.

During the conference, the NEPAD Kenya team, meet the Director of Institute of economic Planning and Development (IDEP). The Director agreed to work with the Secretariat to organize for a capacity building for economist on the ECA Integrated Planning and monitoring tool Kit for the Agenda 2063 and SDGs;

Mid Wife Training

The NEPAD programme held a meeting with UNFPA as a follow up on the concept note done to train midwives in Uasin Gishu (Eldoret) in collaboration with Moi University. UNFPA has agreed to collaborate with NEPAD/APRM Kenya to support the initiative.

Regional Approach to Mitigate the Impact of COVID-19

The Secretariat took part in a virtual interactive discussion organized by the African Union Development Agency-NEPAD together with the eight (8)

Regional Economic Communities discuss the regional measures required systematically mitigate the impact COVID-19. Specifically, the discussion highlighted existing strategies, and interrogated current challenges and opportunities in the development and implementation of innovative regional response strategies to COVID-19 in Africa. It also discussed modalities for mobilisation of resources to support regions in the containment of the COVID-19 pandemic, and mitigation of its socio-economic impact among other topics.

Grand Inga project and hydroelectricity in the DRC

The President of the Democratic Republic of Congo (DRC), His Excellency Félix Antoine Tshisekedi Tshilombo, in collaboration with the African Union Development Agency (AUDA-NEPAD) and the High Representative of the African Union (AU) for infrastructure development in Africa, His Excellency Rael Odinga, organized a virtual Pan-African Conference on the Grand Inga project and hydroelectricity in the DRC and its internal and external connectivity known as the "worldwide energy" concept - WWE. Due to its major impact at continental level, the Grand Inga project is a priority project of the AU Agenda 2063 and its various components are also part of the Progr

for Infrastructure Development in Africa – Priority Action Projects (PIDA – PAP).

APRM network meeting on national Planning

The 3rd APRM network meeting on national Planning as a best practice of deepening collaboration to support evidence-based decisions. This is aimed at ensuring institutions and governments are well equipped to deliver on the SDG's and enable countries overcome any public governance challenges irrespective of their income levels. The event was held in Mombasa Kenya, attended by the following member states: Republic of South Africa (one as a co-chairperson); Republic of Uganda (one as a Co-Chairperson), Republic of Chad, Republic of Congo Brazzaville, Republic of Ghana, Republic of Kenya, Republic of Mozambique, Republic of Niger and Republic of Senegal. Major commitments made included encouraging member countries to create bilateral working relationships; creating framework for documenting and sharing of best practices; countries to ensure data reliability in planning; countries to focus on megatrends and integrate in planning; development; and develop progress reports in respect to the African agenda 2063 aspirations.

National Structures Technical Workshop

We participated in the National Structures Technical Workshop of the National Structures held in Abidjan. The meeting discussed the importance of having strong national structures that will enable credible and effective governance assessment as well as peer reviews process in APRM participating countries.

Technical Meetings

Mid-Year Technical Meetings that inform the Summit Decisions which place obligations on Member States held in South Africa. These meetings included: High level Workshop on APRM as an Early Warning Tool for Conflict Prevention in Africa; Youth Network workshop on the Ndjamenas's Declarations; Meeting of the APR Panel of Eminent Persons.

The Gender Agenda on the Continent

The Secretariat facilitated the Continental APRM Secretariat to undertake Gender Study Consultations in Kenya; The APRM Continental Secretariat has taken a few initiatives to advance the gender agenda on the continent by promoting Gender equality and women empowerment; achieve gender mainstreaming throughout governance structures as well as create networks and relationships for the actualization of Agenda 2063 and Sustainable Development Goals (SDGs) 2030. It is against this background that the APRM is in the process of finalizing a Gender Study on the nexus between Governance, Peace and Security.

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African Guidance Note on Corporate Governance

The Secretariat Facilitated and coordinated the development of African Guidance Note on Corporate Governance by the Continental Secretariat; As part of the Institutional Support Project of the African Development Bank, the APRM Continental Secretariat has embarked on the development of an African Union Guidance Note on Corporate Governance which will constitute standards intended to guide member states on best practice of corporate governance in Africa. The APRM, therefore selected various country consultation Missions in its efforts to gather key data from the private sector and other stakeholders to inform the development of the African corporate governance standards.

Regional experience sharing and sensitization workshop

We participated in the regional experience sharing and sensitization workshop in Ghana. During the workshop Kenya shared her experience in the alignment of APRM, NPoA with NDP and other national development frameworks and Kenya's proposed county revision system. Lessons learnt were aimed to assist and encourage other countries to undergo such reviews and cascade APRM to sub-national levels.

Economic Commission for Africa's Sixth session

Secretariat also participated in the Economic Commission for Africa's Sixth session of Africa Regional Forum on Sustainable Development (ARFSD) held in Victoria falls, Zimbabwe. The Conference was designed as an action-oriented gathering for member States and other stakeholders to explore and agree on solutions and transformative actions that would enable the countries to achieve the goals of the 2030 Agenda and Agenda 2063, within the set time frame. Among the key outcomes are:

- There was an urgent need to strengthen financing mechanisms for the two agendas;
- Every effort must be made to have quality and timely data and statistics to ensure results-based monitoring and evaluation;
- Young people must be empowered with technological skills and included in the conceptualization, implementation and monitoring of efforts to accelerate the implementation of programmes for the achievement of the Sustainable Development Goals, capitalizing on the opportunities afforded by the fourth industrial revolution;
- Women's involvement in science had been slow and, for that reason, more women should be involved in

science, technology, engineering and mathematics;

Country Review Report

Disseminated the 2nd APRM Country Review Report in 16 counties with an aim of enhancing good governance as well as balanced socio-economic development in the country and popularizing County Peer Review Mechanism (CPRM) as a tool to promote good governance in the Counties and acceleration of development. Led by the PS Planning and the NEPAD/APRM Kenya Governing Council, the team received positive feedback on how to successfully cascade APRM to counties from stakeholders who included Governors, Civil Society, Faith Based Organizations, Politicians, Youths, Women, Academia and Private Sector among others.

The APRM Directorate also participated in the following activities:

- i. Workshop on development of guidelines for the APRM National Structures in Abidjan, Cote D' Ivoire;
- ii. Part of the taskforce on implementation of SDGs held at the UAE on 7th -12 January, 2020.
- iii. Sixth African Regional Forum for sustainable development (ARFSD) held on 24th -27th February, 2020 at Victoria Falls, Zimbabwe.
- iv.

APR Summit in Addis Ababa

The Directorate participated in the APR Summit in Addis Ababa, Ethiopia where Kenya's interest and positions on governance issues were well captured and articulated. During the Summit, H.E The President of the Republic of Kenya was recognised for his input regarding revitalization of the APRM Process. A legacy report on his tenure as the chair of the APR Forum was handed over to the Cabinet Secretary, The National Treasury & Planning on his behalf;

The Directorate developed a draft progress report on the Implementation of National Plan of Action (NPOA) in consultation with various stakeholders including Ministry's Departments and Agencies; engaged development partners who included AfDB, UNDP and DFID and shared CRPM proposal seeking financial support for CRPM implementation.

Mitigation against Covid-19 Pandemic

Following the Covid-19 Pandemic, the Secretariat participated in the virtual Special APRM Focal Points meeting held on 19th May 2020. Under the guidance of Hon. Senzo Mchunu of South Africa, Chairman of the Committee of Focal Points, it was also agreed that a subsequent session be held on 17th June, 2020. 30 member states of the APRM participated in the meeting. During the

meeting, the Continental Secretariat reported on its operations as ongoing despite the challenges posed by COVID-19 pandemic. The meeting also considered and approved the APRM Continental work plan for 2020, emphasizing on the responses to COVID-19 under strategic and programmatic aspects.

During the meeting, the APRM Focal Points also directed the Continental Secretariat to utilize virtual online platforms to conduct Country Review Missions for 2020 including the ones for Niger, Nigeria, Ghana, Namibia, Sierra Leone and Tanzania. The Member States also agreed on the possibility of using online platforms and tools to carry out the Country Self-Assessment exercises. It was also noted that Kenya's targeted review scheduled to take place during the second half of 2021 focusing on the Big 4 Agenda and the cross-cutting issues realised from the 2nd Country Review Report.

In June, the Secretariat participated in the virtual 31st APRM Focal Points meeting which drew the participation of the Office of the Cabinet Secretary, National Treasury and Planning - Kenya's APRM Focal Point. The meeting deliberated various matters including the revised Guidelines for Conducting Targeted Review Missions and Country Review Missions in the context of COVID-19 Project Proposal on National Planning and

Best Practice (APRM Secretariat); the 4th APRM Annual Methodology Forum (2020); The African Governance Report – Africa Governance Future 2063, (2021).

Africa Governance Report (AGR) 2021

As part of the process of developing the Africa Governance Report (AGR) 2021, the APRM Continental Secretariat held virtual consultations with stakeholders throughout the continent. As part of this process, the APRM invited the Secretariat and the office of the Cabinet Secretary, National Treasury and Planning - Kenya's APRM Focal Point to a virtual meeting on 4th June 2020. The purpose of the meeting was to update the Focal Points on the AGR 2021 development process. Secondly, the meeting engaged the Focal Points on planning for the next steps of the AGR 2021 research survey activity, to

be conducted within selected countries including Kenya.

National Governance Report (NGR)

Kenya, having been selected to be the pilot country with regards to the development of the Kenya's National Governance Report (NGR), the Secretariat participated in several virtual meetings with members of the APRM Continental office leading to the development of draft Terms of References, Budget and Roadmap for the implementation and development of the NGR. The finalised TORs, Budget and Roadmap will then be submitted to the continental office structures for the required procedures and approvals before advertisement to the Kenyan public for consultancy services in the Month of July 2020.



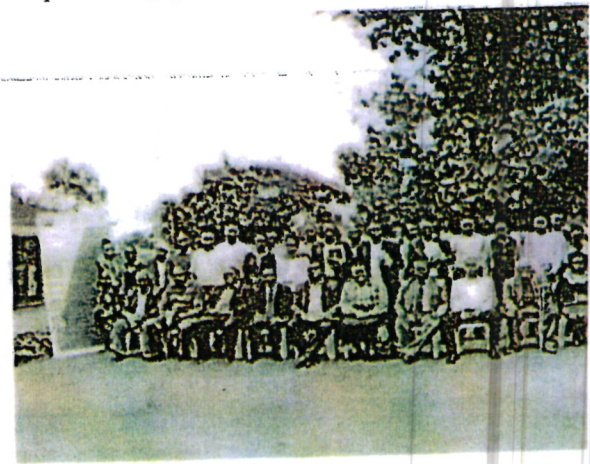
NEPAD/APRM team Meeting at Hon. Majala Mlagu, Deputy Governor's office in Mwatete Taita Taveta County



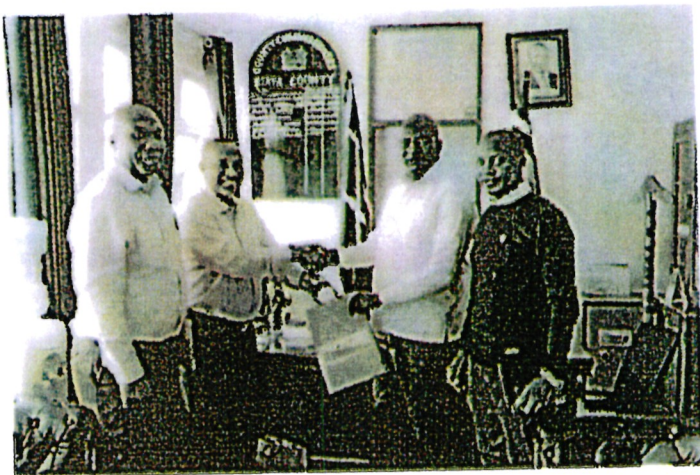
H.E Prof. Charles Ngome Kibanani, Deputy Governor for Bungoma County receives copies of 2nd CRR after public engagement of the report



Courtesy Meeting at Governor Hon. Kiratu Murungi Meru County before meeting participants for dissemination



Participants during the dissemination of Kenya's 2nd APRM Country Review Report led by H.E. Susan K OGW, Deputy Governor for Kericho County in AC Cathedral Grounds, Kericho Town, Kericho County



Siaya County Commissioner Mr. M.N. Ole Tialal receives copies of the 2nd CRR from Mr. Joshua Mwangemi. Looking on are Mr. Joshua Opiyo (left) and Mr. Erick Kiilu (right)



H.E. Josphat Nanok, Governor for Turkana County (second from left) peruses through the 2nd CRR receiving it from the NEPAD/APRM Kenya Secret Team. On his immediate left is his deputy H.E H Emuria Lotethiro and other Turkana County Officials

Corporate Social Responsibility Statement/Sustainability Reporting

The Secretariat exists to transform lives through sustainable development and good governance. This is our purpose; the driving force behind everything we do. During the year, the Secretariat undertook various corporate social responsibility activities.



National tree planting day, Narok

As a moral obligation to the environment, the Secretariat partnered with stakeholders in the National tree planting day event held in Narok County on 30th November 2019. The Principal Secretary, State Department for Planning, Mr. Saitoti Torome, led and officiated the ceremony and tree planting exercise. During the event, the Secretariat sensitized the locals on the dangers of deforestation to mitigate its effects on

sustainable livelihoods.



Standard Chattered Marathon

The Secretariat participated in the Nairobi Standard Chattered Marathon whose aim was to raise funds that will go towards "Future makers", the bank's new community initiative aimed at supporting and empowering the youth in Kenya.

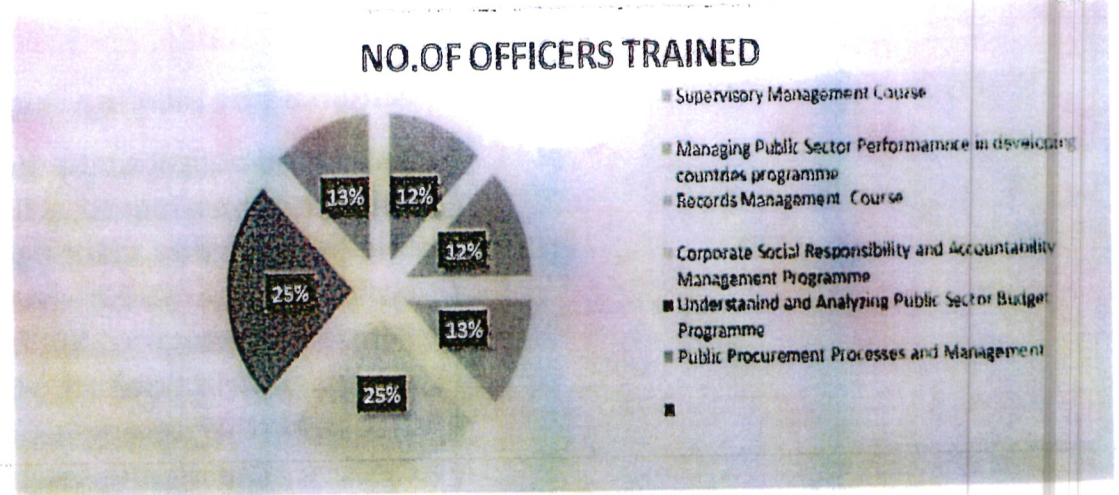


Beyond Zero Half Marathon

The Secretariat also participated in the Beyond Zero Initiative which uses the Half Marathon as the anchor fundraising platform, raising funds and resources to bring to focus key challenges facing Kenyans and build strategic partnerships that will address these challenges.

The Secretariat has been on the forefront in ensuring that members of staff attain the

right skills and competencies for upward job mobility. In this regard, officers are trained on various competencies as shown.



Report of the Council Members

Members of the Governing Council submit their report together with the audited financial statements for the year ended June 30, 2020 which shows the state of the Secretariat affairs.

Principal activities

The principal functions of NEPAD/APRM Kenya Governing Council include:

- Seeking policy guidance and direction from the NEPAD/APRM Focal Point, the Cabinet Secretary for Planning;
- Holding quarterly meetings and such additional meetings in such places and at such places and at such times as the Council shall consider necessary for the proper discharge of its functions;
- Carrying out or cause to be carried out such studies or research as may inform the activities of the NEPAD and the APRM in Kenya; and
- Having powers for the proper execution of its mandate including the power to regulate its procedures

Results

The results of the NEPAD/APRM Kenya Secretariat for the year ended June 30, 2020 are set out on page 1 – 27

Council Members

Members of the Council who served during the year 2019/2020 are shown on page ix-xv. During the year 2019/20, Nelly Nasike from the Ministry of Foreign Affairs, Mr. James Maina, Alternate to the Principal Secretary, Planning, Mr. Joshua Mwangemi and Ms. Nimo Mohamed were appointed to join the Council. Dr. Monica Kerretts-Makau was reappointed to the Council for a further period of three years.

Dividends/Surplus remission

NEPAD/APRM Kenya Secretariat is a coordinating non-enterprising entity.

Auditors

The Auditor General is responsible for the statutory audit of the NEPAD/APRM Kenya Secretariat in accordance with Article 229 of the Constitution of Kenya 2010 the Public Audit Act 2015 for the year ended June 30, 2020.

By Order of the NEPAD/APRM Kenya Governing Council



Chairman

National Governing Council

Date: 7/04/2021

Statement of Council Members' Responsibilities

Section 81 of the Public Finance Management Act, 2012 requires an Accounting Officer for a National Government owned Entity to prepare a report for the financial year in respect of that entity. The report should give a true and fair view of the state of affairs of the entity at the end of the financial year/period and the operating results of the entity for that period. The Council is required to ensure that the Secretariat keeps proper accounting records which disclose with reasonable accuracy the financial position of the Secretariat. Finally, the Council is also responsible for safeguarding the assets of the Secretariat.

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

The Council accepts responsibility for the Secretariat's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with the accrual basis of the International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Council is of the opinion that the Secretariat's financial statements give a true and fair view of the state of the Secretariat's transactions during the financial year ended June 30, 2020 and of the Secretariat's financial position as at that date. The Council further confirms the completeness of the accounting records maintained for the Secretariat which have been relied upon in the preparation of the Secretariat's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Council to indicate that the Secretariat will remain a going concern for at least the next twelve months from the date of the financial statement.

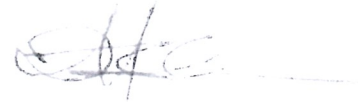
Approval of the annual report and financial statements

The *Secretariat's* annual report and financial statements were approved by the Council on 7/04/2021 2021 and signed on its behalf by:



Chairman

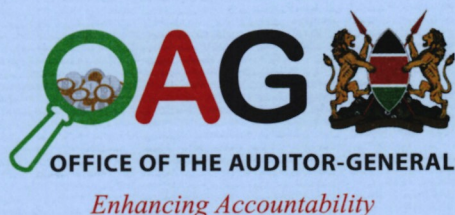
National Governing Council



Chief Executive Officer

NEPAD/APRM Kenya Secretariat

REPUBLIC OF KENYA



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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT/AFRICA PEER REVIEW MECHANISM (NEPAD/APRM) KENYA SECRETARIAT FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of the New Partnership for Africa Development /Africa Peer Review Mechanism (NEPAD/APRM) Kenya Secretariat set out on pages 22 to 46, which comprise statement of financial position as at 30 June, 2020, statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the NEPAD/APRM Kenya Secretariat as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the New Partnership for Africa Development /Africa Peer Review Mechanism NEPAD/APRM Kenya Secretariat 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. I have determined that there are no key audit matters to report in the year under review.

Other Matter

1.0 Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects budgeted and actual receipts totalling Kshs.228,515,000, and budgeted and actual expenses totalling Kshs.228,515,000 and Kshs.200,785,194 respectively resulting in under-expenditure of Kshs.27,729,806. Management attributed the under-expenditure to the Covid-19 pandemic that caused program activities planned for the third and fourth quarters of the year to be suspended.

2.0 Prior Year Issues

The audit report for the previous year (2018/19) reported on lack of reconciliation for the cash and cash equivalent balance totaling Kshs.1,787,624 reflected in the financial statements. Management's report on progress made in resolving the matter at Appendix 1 to the financial statements indicates that the matter was still pending as at 30 June, 2020.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Irregularities and Overspending on Use of Goods and Services

Examination of records on use of goods and services expenditure totalling Kshs.98,487,906 incurred in the year under review indicated the following irregularities:

1.0 Hospitality Supplies and Service

The statement of financial performance reflects use of goods and services expenditure totalling Kshs.98,487,906, as further disclosed in Note 8 to the financial statements. The balance includes expenditure on hospitality supplies and services totalling Kshs.22,227,016 which in turn includes meal allowances totalling Kshs.10,889,460 paid out to a task force and a finance and accounts team in the normal course of their duties as employees of the Secretariat. The payments were made as follows:

Expenditure Description		Amount (Kshs.)
1.	Meal Allowances	4,515,460
2.	Task Force Allowances	5,209,000
3.	Allowances to Finance and Accounts Team	640,000
4.	Allowances Paid for Preparing the 3 rd Quarter Report	525,000
	Total	10,889,460

Further, contrary to the National Treasury circular No.MSPS.2/1A VOL.XLVIII/ (119) dated 2 August, 2013, the allowances paid to the task force were not supported with returns to the Head of Public Service.

In view of the anomalies cited, the validity of the expenditure totalling Kshs.10,889,460 incurred on payment of the allowances could not be confirmed.

2.0 Renewal of Medical Insurance Contract

Examination of expenditure records indicated that the Secretariat incurred staff medical insurance costs totalling Kshs.10,505,479 in the year under review. The payments were made under a renewed contract which varied some of the terms and conditions in the expired one. However, the renewal was not executed in accordance with Section 139 of the Public Procurement and Assets Disposal Act, 2015. The provision requires the Accounting Officer to approve any extension of an existing contract but only after recommendation by an Evaluation Committee supported by a professional opinion provided by the Head of Procurement. Tender Evaluation Committee minutes recommending the renewal were not provided for audit review.

As a result, the renewed contract and the expenditure totalling Kshs.10,505,479 incurred thereof may have been irregular.

3.0 Office and General Supplies

Expenditure records indicated that Kshs.204,000 was paid to a vendor for supply of computer-printer ink tonners. However, attachments to the payment voucher indicated that the Tender Evaluation Committee recommended the award of the contract on 27 May, 2020, nine (9) days after the goods were delivered on 18 May, 2020. Therefore, the contract was executed before it was procured, contrary to the procurement procedures and principles prescribed in the Public Procurement and Assets Disposal Act, 2015.

4.0 Overspending on Training Programs

Training expenses totalling Kshs.7,355,705 incurred during the year under review included per diem allowances payments totalling Kshs.1,491,300 paid to officers undertaking training at Kenya School of Government in programmes that ordinarily have a residential option that would have cost the Secretariat Kshs.410,000 and resulted to savings totalling Kshs.1,081,300.

Consequently, it was not possible to confirm whether value for money was realized on expenditure totalling Kshs.1,491,300 incurred on the per diem allowances.

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 INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and National Governing Council

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

In preparing the financial statements, Management is responsible for assessing the ability of the Secretariat to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the Secretariat, or cease operations, or have no realistic alternative but to do so.

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

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

The National Governing Council is responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Secretariat 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all

relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 February, 2022

Statement of Financial Performance for the Year Ended 30 June 2020

	Notes	FY2019-20	FY2018-19
		Kshs.	Kshs
Revenue from non-exchange transactions			
Transfers from State Department for Planning	7	228,515,000	193,564,700
Sub-total		228,515,000	193,564,700
Revenue from exchange transactions			
Other income			55,000
Total revenue		228,515,000	193,619,700
Expenses			
Use of goods and services	8	98,487,906	118,156,566
Employee costs	9	91,030,683	81,822,404
Remuneration of Council Members	10	5,345,400	2,680,000
Depreciation and amortization expense	11	3,741,330	4,953,487
Repairs and maintenance	12	3,114,170	3,150,833
Contracted services	13	700,420	734,160
Total expenses		202,419,909	211,497,450
Net Surplus/(Deficit) for the year		26,095,091	- 17,877,750

The notes set out on pages 27 to 45 form an integral part of these Financial Statements

Statement of Financial Position as at 30 June 2020

	Notes	FY2019-20 Kshs	FY2018-19 Kshs
Assets			
Current assets			
Cash and cash equivalents	14	37,796,365	13,390,677
Receivables from non-exchange transactions	16	5,862,256	4,099,741
Total Current Assets		43,658,621	17,490,418
Non-current assets			
Property, plant and equipment	17	5,531,092	12,868,099
Total Non-current assets		5,531,092	12,868,099
Total assets		49,189,714	30,358,517
Liabilities			
Current liabilities			
Trade and other payables from non-exchange transactions	18	219,362	2,379,251
Total Current Liabilities		219,362	2,379,251
Total liabilities		219,362	2,379,251
Net assets			
Revaluation Reserves			6,380,000
Accumulated Surplus		48,970,352	21,599,266
Total net assets and liabilities		49,189,714	30,358,517

The Financial Statements set out on pages 22 to 26 were signed on behalf of the NEPAD/APRI Kenya Governing Council by;



Benson M. Mapesa
Ag. Chief Executive Officer

Date.....



CPA Miriam N. Sindiyo
Deputy Director
ICPAK Mno. 10743

Date.....



Prof. Michael Chege
Chairman
National Governing Council
Date.....

Statement of Changes in Net Assets for the Year Ended 30 June 2020

Financial Year	Accumulated surplus(Deficit)	Revaluation reserve	Total
Balance as 1 st July 2017	46,440,221	-	-
Surplus for the year 2017/18	389,558	-	-
Depreciation for the year 2017/18	(7,739,926)	-	-
Balance as at 30th June 2018	39,089,853	-	-
Balance as at 1 st July 2018	39,089,853	-	-
Adjustment for accumulated depreciation overcharge 2018/19	387,157	-	-
Deficit of the year	(17,877,750)	-	-
Balance as at 30th June 2019	21,599,260	6,380,000	27,979,260
Adjustment for depreciation for FY2018/19	1,276,000*	-	-
Adjusted balance – 30th June 2019	22,875,260	-	-
Balance as at 1 st July 2019	21,599,260	6,380,000	27,979,260
Surplus for the year	26,095,092	(6,380,000)*	-
Balance as at 30th June 2020	48,970,352	0	48,970,352

* Prior year adjustment on depreciation and revaluation written off due to retention of cost model for assets.

Statement of Cash Flows for the Year Ended 30 June 2020

		2019-20	2018-2019
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Government grants		228,515,000	210,661,783
Other income		-	55,000
Total Receipts		228,515,000	210,716,783
Payments			
Compensation of employees		94,673,259	91,216,176
Council Members' remuneration	10	5,345,400	2,680,000
Use of Goods and services		89,424,844	107,998,357
Rent paid		9,730,055	9,764,653
Repairs and maintenance	12	3,114,170	3,150,833
Contracted services	13	700,420	734,160
Total Payments		202,988,144	215,544,179
Net Cash flow from Operating Activities		25,526,854	-4,827,396
Cash flows from investing activities			
Purchase of property, plant, equipment		-1,121,166	-
Net cash flows used in investing activities		-1,121,166	-
Cash flows from financing activities			
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		24,405,688	-4,827,396
Cash and cash equivalents at 1st July 2020		13,390,677	18,218,073
Cash and cash equivalents at 30th June 2020	15	37,796,365	13,390,677

Statement of Comparison of Budget and Actual Amounts for the Year Ended 30 June 2020

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% variance	Notes
	a	b	c = a+b	d	e = c-d	f = e/c	
	FY2019-2020	FY2019-2020	FY2019-2020	FY2019-2020	FY2019-2020	FY2019-2020	
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	(%)	
Government grants and subsidies	228,515,000	-	228,515,000	228,515,000			
Sale of Tender							
Surplus brought forward							
Total income	228,515,000	-	228,515,000	228,515,000		-	
Expenses							
Compensation to Employees	86,500,000	6,500,000	93,000,000	92,516,227	483,773	1%	
Remuneration of Council members	4,500,000	900,000	5,400,000	5,345,400	54,600	1%	
Contracted Services	720,000	-	720,000	700,420	19,580	3%	
Repairs and Maintenance	1,500,000	1,635,000	3,135,000	3,114,170	20,830	1%	
Operational Expenses	135,295,000	-9,035,000	126,260,000	98,643,933	27,151,023	27%	(a)
Total	228,515,000	-	228,515,000	200,785,194			
Budget Surplus/(Deficit)	-	-		27,729,806	-		

a) Program activities planned and budgeted for during the 3rd and 4th quarter part of the year were not executed due to COVID-19 pandemic. The activities were:

- i. 2nd Phase of the Country Review Report Dissemination
- ii. 34th Annual African Union Summit
- iii. Development of Africa's Governance Report (AGR)
- iv. Launch of the LAPSSET 1st Berth

Notes to the Financial Statements

1. General Information

The NEPAD/APRM Kenya Secretariat is established by and derives its certainty and accountability (locus standi as a Secretariat) from the Kenya Gazette Notice No.4651. The Secretariat's principle mandate is to consistently promote sustainable socio-economic development and good governance based on the premises of the African Union Mission core principles and values.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment.

The financial statements have been prepared in accordance with the PFM Act, International Public Sector Accounting

Standards -IPSAS 1 (Presentation of Financial Statements) with particular emphasis on Accrual basis of accounting and relevant legal framework of the Government of Kenya, especially the Public Sector Accounting Standards Board of Kenya.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Secretariat and all values are rounded to the nearest Shilling (Kshs). The accounting policies have been for the third time applied to the reporting period of (1st of July 2019 to 30th June 2020).

3. Adoption of New and Revised Standards

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2020

ii. LATEST IPSASs

<p>IPSAS 40: Public Sector Combinations</p>	<p>Applicable: 1st January 2019</p> <p>The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations.</p> <p><i>The standard did not have an impact on NEPAD/APRM (K) Secretariat.</i></p>
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and; • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>The new standard did not have an impact on NEPAD/APRM (K) Secretariat.</i></p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; <p>and</p> <ul style="list-style-type: none"> (c) The impact of such social benefits provided on the entity's financial

performance, financial position and cash flows.

The new standard did not have an impact on NEPAD/APRM (K) Secretariat.

<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.
	<p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><i>The new standard did not have an impact on NEPAD/APRM (K) Secretariat</i></p>
<p>Other Improvements to IPSAS</p>	<p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard <p><i>The new standard did not have an impact on NEPAD/APRM (K) Secretariat</i></p>

- iii. **Early adoption of standards**
During the year, the Secretariat did not early – adopt any new or amended standard

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Taxes

The Secretariat has been classified as a Semi-Autonomous Government Agency relies on Government funding thus not subject to the provision of section 219(2) of the Public Finance Management Regulations under the Public Finance Management Act. The Secretariat is an agent for Kenya revenue authority with the mandate to withhold tax and remit to Kenya Revenue Authority. The withheld taxes are recognised as current liabilities until paid to the relevant authority.

ii) Transfers from other government entities

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

related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds. NEPAD/APRM Kenya Secretariat receives its budget inform of recurrent grants from the State Department for Planning and it was appropriately recognized in the statement of financial performance.

b) Budget information

The budget for FY 2019-20 was approved by the Council of the Secretariat. Subsequent revisions were made to the approved budget in accordance with specific approvals from the appropriate authorities. The Secretariat budget for the year was Ksh. 228,515,000 which was the final budget.

In line with IPSAS 24 (Presentation of Budget Information in Financial

Statements), the budget has been developed in IPSAS's cash basis, the

same accounts classification basis and for the same period as the financial statements. The Secretariat's budget was approved as required by the Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the Secretariat's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

expected to be used during more than one period, and it is probable that the future economic benefits associated with the item will flow steadily given that their respective costs are capable of being measured reliably.

Under IPSAS 17, the Secretariat's asset policy on all the non-current assets in form Property plant and equipment is the cost model; that is Cost less accumulated depreciation.

c) Property Plant and Equipment

The Secretariat recognises assets in accordance to IPSAS 17(Property plant and equipment) where assets are those that are considered as tangible in nature and held for use in the production or supply of goods and services for rental to others, or for administrative purposes and are

The Secretariat had previously intended to change the policy under which the assets are recognized but this has not been adopted by the Council hence necessitated the need to retain the cost model. The prior year adjustment on depreciation has been done and the revaluation reserve written off in the current year.

The assets are categorised and depreciated on a straight line basis as follows:

Item	Rate
Motor Vehicle	20%
Furniture and Fittings	12.5%
Computers	30%
Office Equipment	12.5%

d) Leases

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the period under review. In this regard, the Secretariat operates from a rented office space whose expense is duly recognized as an operating expense.

e) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as

intangible assets when the Entity can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

During the period under review, the Secretariat did not carry out research

f) Intangible Assets

Following IPSAS 31(Intangible Assets), the Secretariat recognises intangible assets to consist of computer software purchased for use in the organisation as an Enterprise Resource Planning (ERP) system. This item is amortised at the rate of 30% per annum on a straight line basis over their useful

lives as estimated by management from time to time. However, during the year no intangible assets existed.

g) Inventories

The Secretariat has adopted IPSAS12: (Inventories). It measures all its stock based on their fair value as at the date of acquisition because all its inventories are acquired through a

non-exchange transaction. The stock held as consumables for the use in the normal operations are expensed upon purchase.

h) Provisions

Under IPSAS 19(Provisions, Contingent Liabilities and Contingent Assets) provisions are recognised when the Secretariat has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. During the period, the Secretariat did not recognise any contingent liability.

i) Employee Benefit

The Secretariat contributes to the National Social Security Fund (NSSF). This is a defined contribution scheme registered under the Social Security

k) Staff Annual Leave Accrual

Employee entitlements to annual leave are recognised when they accrue. A provision is made for the estimated liability for annual leave as a result of services rendered by the employee up to the end of the financial year.

l) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate

Act. The Secretariat's obligation under the scheme is limited to specific monthly contributions legislated from time to time and are currently fixed at Kshs. 1,080/= per employee per month. The Secretariat's contributions to NSSF in respect of current service have been charged to the statement of performance for the year.

j) Staff Gratuity

The Secretariat had thirty members of staff as at the end of the year, which are all employed on a 3-year renewable contract basis and are eligible to gratuity upon expiry off their respective contract terms. The Secretariat therefore operates a separate Gratuity Account for them where the amounts equivalent to 31% of the employee's monthly basic salary is remitted. Movements in this account are clearly tabulated and accounted in the financial statements.

of exchange on the date of the transaction. During the period under review, the Secretariat operations that were involving foreign currency were handled through the Kenya Shilling based on the prevailing exchange rate.

m) Cash and Cash Equivalents

Cash and cash equivalents comprise of cash at bank. The bank account balances include amounts held at the Co-operative Bank of Kenya at the end

of the financial year. For the purposes of these financial statements, cash and cash equivalents also include advances to authorized public officers which were not accounted for at the end of the financial year.

n) Related Parties

Following IPSAS 20 (Related party disclosures), the Secretariat regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over it, or vice versa. Members of key management are regarded as related parties and comprise of the Chairman and Members of the National Governing Council, Chief Executive Officer and directors.

o) Comparative Figures

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

p) Subsequent Events

In accordance to IPSAS 14 (Events after the reporting period), there have been no events subsequent to the previous financial year end that are of significant impact on the financial statements for the year ended June 30, 2020.

5. Significant judgments and sources of estimation uncertainty

The management under IPSAS 3 (Accounting Policies, Changes in Accounting Estimates and Errors), has to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period in conformity with IPSAS requirements. The uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

6. Transfers from Other Governments

There were no transfers from other governments

7. (a) Transfers from Government

Description	2019-2020	2018-2019
	KShs	KShs
Unconditional grants		
Operational grant	228,515,000	193,564,700
Total	228,515,000	193,564,700

(b) Transfers from Ministries, Departments and Agencies

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	2019-2020
			KShs	KShs	KShs
State Department for Planning	228,515,000	-	-	228,515,000	228,515,000
Total	228,515,000	-	-	228,515,000	228,515,000

8. Use of Goods and Services

Description	FY2019-2020	FY2018-2019
	KShs	KShs
Utilities Supplies and Services	771,639	780,336
Communication Supplies and Services	3,934,789	5,077,635
Domestic Travels and Subsistence	25,125,021	35,008,292
Foreign Travels and Subsistence	12,019,526	14,633,910
Printing, Information Supplies & Services	378,440	5,449,946
Advertising	134,212	1,668,446
Office Rent	9,740,921	9,764,753
Training Expenses	7,355,705	6,565,548
Hospitality Supplies and Services	22,227,016	19,358,056
Insurance Costs	11,469,813	10,422,519
Office and General Supplies and Services	1,151,861	3,372,865
Fuel, Lubricants, and Oil	1,882,300	2,654,055
Consulting Fees	0	898,012
Other Operating Expenses *Note 8a	2,076,439	2,502,193
Purchase of uniforms	220,224	-
Total good and services	98,487,906	118,156,566

8a Other Operating Expenses

Description	FY2019-2020	FY2018-2019
	KShs	KShs
Courier & Postal Expenses	15,200	103,400
Bank Charges	238,610	245,900
Membership Subscription	42,100	62,400
Parking Fees	1,094,940	1,099,680
Subscriptions to newspapers	321,093	294,657
Tree planting	60,900	350,000
Other expenses	303,596	346,156
Total	2,076,439	2,502,193

9. Employee Costs

Description	FY2019-2020	FY2018-2019
	KShs.	KShs
Salaries and wages*	41,415,033	40,890,046
Employee related costs - contributions to pensions and medical aids	12,745,503	12,862,931
Travel, motor car, accommodation, subsistence and other allowances	5,685,295	4,683,290
Housing benefits and allowances	19,469,908	16,384,032
Other allowances	11,312,184	6,581,985
Social contributions-NSSF	402,760	420,120
Employee costs	91,030,683	81,822,404

* The increase in Salaries was due to implementation of the salary harmonization a recommended by the Salaries and Remuneration Commission.

10. Remuneration of Council Members

Description	FY2019-2020	FY2018-2019
	KShs	KShs
Chairman's Honoraria	960,000	960,000
Council Members' emoluments	4,385,400	1,720,000
Total director emoluments	5,345,400	2,680,000

11. Depreciation and Amortization Expense

Description	FY2019-2020	FY2018-2019
	KShs	KShs
Property, plant and equipment (see note 17)	3,741,330	4,953,487
Total depreciation and amortization	3,741,330	4,953,487

12. Repairs and Maintenance

Description	FY2019-2020	FY2018-2019
	KShs	KShs
Computer, Equipment and Furniture	639,939	244,220
Vehicles	2,474,231	2,906,613
Total repairs and maintenance	3,114,170	3,150,833

13. Contracted Services

Description	FY2019-2020	FY2018-2019
	KShs	KShs
Office Cleaning Services	634,420	668,160
Office Flower Grooming	66,000	66,000
Total contracted services	700,420	734,160

14. Cash and Cash Equivalents

Description	FY2019-2020	FY2018-2019
	KShs	KShs
Current account	37,796,365	13,390,677
Total cash and cash equivalents	37,796,365	13,390,677

15 (a). Detailed Analysis of the Cash and Cash Equivalents

Financial institution	Account number	FY2019-2020	FY2018-2019
		KShs	KShs
a) Current account			
Co-operative Bank of Kenya	01136006041100	37,796,365	13,390,677
Sub- total		37,796,365	13,390,677
Grand total		37,796,365	13,390,677

16. Detailed Analysis of the Receivables from Exchange Transactions

Description	FY2019-2020	FY2018-2019
	KShs.	KShs.
Other debtors (non-exchange transactions)		
Staff temporary imprests	1,064,255	0
Salary advance to staff	913,075	497,934
Sub-total	1,977,330	497,934
Prepayments (Insurance & rent)		3,601,807
Medical	2,798,792	2,458,835
Motor vehicle	92,438	129,347
Group life	168,822	175,956
WIBA	44,860	46,788
Rent & Service charge	780,014	790,881
Sub-Total	3,884,926	3,601,807
Grand Total	5,862,256	4,099,741

17. Property, Plant and Equipment

	Motor vehicles	Furniture and Fittings	Computers	Other-Office Equipment	Total
Cost	Shs	Shs	Shs	Shs	Shs
At 1 July 2019	29,716,797	5,911,620	3,738,777	9,695,846	49,063,040
Additions	-	-	996,166	125,000	1,121,166
As at 30 June 2020	29,716,797	5,911,620	4,734,943	9,820,846	50,184,206
Depreciation					
At 1 July 2019	28,592,061	3,848,754	3,291,490	5,179,479	40,911,784
Depreciation charge for the year	1,124,736	738,953	650,086	1,227,606	3,741,381
As at 30 June 2020	29,716,797	4,587,707	3,941,526	6,407,085	44,653,115
Net book values					
As at 30 June 2020	0	1,323,914	793,418	3,413,761	5,531,095

* The Secretariat retains the cost model for valuation of assets and necessary prior year adjustments have been made to the class of motor vehicles .

18. Trade and Other Payables from Exchange Transactions

Description	FY2019-2020	FY2018-2019
	KShs	KShs
Trade payables	219,362	2,379,257
Total trade and other payables	219,362	2,379,257

19. Fixed Asset Register

NEPAD/APRM Kenya Secretariat Asset Register as at 30th June 2020

During The Year, the Secretariat acquired Property, Plant and Equipment of 1,121,166.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Secretariat's income or the value for money for the involved activities. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the

iv) Foreign currency risk

The Secretariat has minimal transactional currency exposures. Such exposures arise from the foreign exchange rates fluctuations during participation in the African Union Summits, international Conferences and learning exchange visits.

22. Related Party Balances

Nature of related party relationships

Entities and other parties related to the entity include those parties who

Audit and Risk Management Committee.

The Secretariat has developed detailed risk management policy (subject to review and approval by National Governing Council) for the to day implementation. The NGC Audit and Risk Management Committee as an oversight to the implementation of the approved appropriate management policies within Secretariat.

v) Capital Risk Management

The objective of the entity's capital management is to safeguard Board's ability to continue as a going concern.

have ability to exercise control over operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal financier of the Council and the Secretariat. During the period under review, Government support to the budget was 100%. The related parties during the year were; -

- i) The State Department for Planning
- ii) NEPAD/APRM Kenya National Governing Council
- iii) Key management

Transactions with related parties		FY2019-2020	FY2018-2019
		Ksh	Ksh
a)	Grants from Government	228,515,000	193,564,700
b)	Remuneration of Council members		
	• Chairman’s Honoraria	960,000	960,000
	• Council emoluments	4,385,400	1,720,000
	Total	5,345,400	2,680,000
c)	Key Management >Compensation to the CEO	5,913,679	2,941,248
	>Other management	13,394,067	15,938,508
	Total	19,307,746	18,879,936

vi) Segment Reporting

NEPAD/APRM Kenya Secretariat does not have any branches/reporting segments. All operations are managed from the registered office.

Contingent Assets and Contingent liabilities

The Secretariat does not have pending court cases or bank guarantees.

vii) Capital Commitments

The Secretariat is a non-enterprising Government entity without capital commitments.

viii) Dividends/Surplus Remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited

Appendix 1: Progress on Follow up of Auditor Recommendations

The audit issue relates to the financial year ended 30th June 2018.

Reference no. on the external audit report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>1. Cash and Cash Equivalents The cash and cash equivalent figure of Kshs.1, 787,624 could not be reconciled to the accounting records provided for audit.</p>	<p>The difference of Ksh. 1,782,641 was a result of an understatement of insurance expense occasioned by transitioning from cash to accrual basis of accounting since some payment was not recognized in the period under review.</p>	<p>Ezekiel Manyara -Director Corporate Services</p>	<p>Not resolved</p>	<p>30th September 2020</p>

Signature  Date 7/04/2021

enson M. Mapesa
 g. Chief Executive Officer

Appendix II: Projects Implemented by the Entity

Projects

Projects implemented by the State Corporation/ SAGA Funded by development partners

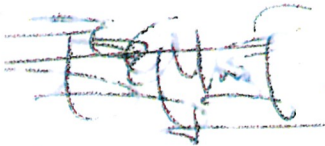
Status of Projects completion

NEPAD/APRM Kenya Secretariat is a coordinating institution and does not implement projects and programmes directly. Therefore, during the period under review, Secretariat did not directly implement projects or programme.

ndix III: Inter-Entity Transfers

ENTITY NAME		NEPAD/APRM KENYA SECRETARIAT	
Breakdown of Transfers from the State Department for Planning			
FY 2019/20			
Recurrent Grants	Bank Statement Date	Amount (Ksh.)	Financial Year
	09-08-19	19,042,916.65	FY2019/20
	02-09-19	14,674,129.00	
	27-09-19	14,674,129.00	
	31-10-19	20,013,758.35	
	10-12-19	22,926,284.00	
	23-12-19	22,926,283.00	
	03-02-20	19,042,916.00	
	02-03-20	19,042,917.00	
	27-03-20	19,042,917.00	
	05-05-20	19,042,917.00	
	03-06-20	19,042,917.00	
	29-06-20	19,042,916.00	
TOTAL		228,515,000	

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


 Director Corporate Services
 AD/APRM Kenya Secretariat


 Head of Accounting Unit
 State Department for Planning

Appendix IV: Recording of Transfers from Other Government Entities

The Secretariat did not receive transfers from other government entities except State department for Planning during the financial year 2019/2020.

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/ Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
			-	-	-	-	-	-	
			-	-	-	-	-	-	
Total			-	-	-	-	-	-	