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OF

THE AUDITOR-GENERAL


ON

NATIONAL CRIME RESEARCH CENTRE

**FOR THE YEAR ENDED
30 JUNE, 2019**



NATIONAL CRIME RESEARCH CENTRE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE, 2019

| | |
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|  THE NATIONAL ASSEMBLY PAPERS L.AID | |
| DATE: 11 AUG 2021 | |
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Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

The National Crime Research Centre (NCRC) is a State Corporation in the Ministry of Interior and Coordination of National Government. The Centre was established by an Act of Parliament, the National Crime Research Act Cap 62 Laws of Kenya. Its objective is to carry out research into the causes of crime and its prevention. Its mandate is to carry out research on crime, root causes, crime prevention and to disseminate research findings and recommendations to the Government agencies concerned with the administration of criminal justice and other stakeholders.

The Government has set up the Centre to address the serious threats to development caused by crime both at County and National levels. NCRC recognizes that everyday crimes, serious and organized crimes affect everyone with impacts felt throughout the public and private sectors. Hence crime management and prevention become paramount because it is noticeably the sphere of national security and public safety.

(b) Principal Activities

Vision

To be a World Class Crime Research Institution

Mission

To provide quality and authentic research into causes of crime, its prevention with a view of achieving a crime free society

Mandate

The mandate of NCRC as stipulated in the National Crime Research Centre Act (Act No. 4 of 1997 revised in 2012) is to carry out research into the causes of crime and its prevention, undertake study on efficacy and adequacy of policies, procedures and systems in criminal justice, to disseminate research findings, provide crime statistics and advisory service to National Council for Administration of Justice and recommendations to institutions that the Council may from time to time determine for appropriate action.

Strategic Objectives

i. To develop a National Crime Year Book on crime trends, roots, consequences and prevention

This was done through: preparation, development and conduct of research in thematic crime categories; collation and analysis of crime reports from other agencies; live streaming of county by county crime profiles on the Centres' Website; and publication of Annual National Crime Year Book.

ii. To enhance access and management of crime

This was realized through establishment and management of a crime data repository systems. The systems assemble, store and analyse data from agencies, data from crime incidences reported through the Mobile Application, secure on line data mining data bases and journals, web-based live streaming of county by county crime profiles, provision of secured access system; and maintenance of the system.

iii. To develop and implement an effective communication strategy to facilitate sharing of crime research information with agencies in the administration of criminal justice, the public and other interested stakeholders

The realization of this objective involves: designing communication policy and strategy, validating, printing, publishing, uploading and launching crime reports; disseminating information through mass media platforms, stakeholder fora, crime research issue briefs, policy briefs and publications; strengthening feedback mechanisms; Media advertisements, exhibitions corporate social responsibility and creation and maintenance of an interactive website.

iv. To enhance human resource capacity that will facilitate crime research work at all levels of Government

This objective was achieved by way of: undertaking a Training Needs Assessment (TNA); Career and Skills based assessment; developing and implementing a training programme; developing Staff Establishment; Staff Grading and Salary Structure; identifying, recruiting, remunerating and retaining staff; developing and implementing

staff medical and welfare scheme; facilitating staff attachment and exchange programme; implementing performance management system; carrying out employee satisfaction surveys; undertaking competency development of internal and external human resource to enhance level of professionalism; develop policy guidelines for effective payroll management; development of a framework to manage internships and attachments; review and re-alignment of Centre's functional and organizational structure to emerging crime prevention needs; and decentralization of administrative and operational functions to Counties to build a critical mass in crime research.

v. **To strengthen and promote inter-agency and collaboration at county, national and international levels**

This was done by developing strong and effective collaboration, partnership and networking through establishment of legal and/or policy frameworks. Specifically, the Centre undertook mapping and listing of potential collaborators and partners; and engage collaborators and partners through Memorandum of Understanding and Agreements.

vi. **To develop and implement relevant ICT policies, standards and procedures**

The Centre expanded and maintained ICT infrastructure and security systems. Specific undertakings were: development of relevant ICT policies, standards and procedures; acquisition of modern and secure ICT accessories; acquisition of secured online system for receiving and sending crime data/information; adoption of secure integrated systems for administrative and technical functions of the Centre (e.g, IFMIS, Payroll System, Digitalized Record Management System); development and implementation of a maintenance plan; and undertaking capacity building of staff.

vii. **To develop and implement a Financial Policy and Funding Strategies**

The Centre undertook formulation and implementation of a Resource Mobilization Strategy. Specifically, the Centre will undertake: Lobbying and consultation with National Treasury, mapping and identified other organisations that can provide funding; consultations with identified funding institutions; participation in the MTEF Budget process; development and submission of funding proposals to Development Partners;

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development of a Technical Assistance Framework; generation of Appropriation In Aid (AIA); development and implementation of a Financial Manual; and conduct regular internal audits and annual external audits.

(c) Key Management

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

- Cabinet Secretary of responsible Ministry as Authorised Officer
- Principal Secretary of responsible Ministry as Accounting Officer
- Governing Council Chairperson and members
- Director/ CEO
- Management and Staff in charge of key divisions.

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

| No. | Responsibility | Name of the Staff |
|-----|-----------------------------------|------------------------------|
| 1. | Director/CEO | Mr. Gerard E. Wandera |
| 2. | Chief Research Officer | Mr. Stephen M. Muteti |
| 3. | Principal Research Officer | Mr. Vincent O. Opondo |
| 4. | Finance & Accounts In-charge | CPA. Josephine Mandere-Akama |
| 5. | Human Resource In-charge | Mr. John Kipkoros |
| 6. | Supply Chain Management In-charge | Mr. Kennedy Kwambai |

(e) Entity Headquarters

ACK Garden Annex - Ground Floor
1st Ngong Avenue, Off Bishop's Road
P.O. Box 21180-00100
Nairobi, Kenya
Telephone No. 0202714735

(f) Entity Contacts

ACK Garden Annex - Ground Floor
1st Ngong Avenue, Off Bishop's Road
P.O. Box 21180-00100
Nairobi, Kenya
Telephone No. 0202714735

(g) Entity Bankers

Kenya Commercial Bank
Milimani Branch
P.O. Box 69696-00400
Nairobi, Kenya
A/C No. 1122479417

(h) Independent Auditors




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





(i) Principal Legal Adviser

The Attorney General
Office of the Attorney General
& Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00100
Nairobi, Kenya




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GOVERNING COUNCIL MEMBERS

| | NAME | DETAILS |
|----|--|--|
| 1. |  Hon. Justice Paul Kihara Kariuki | <p>Attorney General of the Republic of Kenya</p> <p>Chairman, National Crime Research Centre</p> <p>Bachelor of Laws (LLB, Hon)</p> <p>Diploma in Law</p> <p>Date of Birth: 11th May, 1954</p> |
| 2. |  Hon. Justice Jessie Wanjiku Lesiit | <p>Judge of the High Court of Kenya since December 2002</p> <p>Chairperson Legal Committee</p> <p>Bachelor of Laws (LLB, Hon)</p> <p>Diploma in Law</p> <p>Date of Birth: April 1959</p> |
| 3. |  Mr. Joseph Boinnet | <p>Inspector General Kenya National Police Service</p> <ul style="list-style-type: none"> • Masters of Arts (National Security Policy) • Masters of Arts (Diplomatic Studies) • Bachelor of Arts (International Studies and Diplomacy) <p>Date of Birth: 29th November, 1962</p> |




| | | |
|----|--|---|
| 4. |  <p>Mr. Jacob Ondari</p> | <p>Deputy Director of Public Prosecutions</p> <p>Masters in Environmental Law and Policy</p> <p>Bachelor of Law (LLB)</p> <p>Diploma in Law</p> <p>Date of Birth: 1st July, 1968</p> |
| 5. |  <p>Mrs Mary Mbau</p> | <p>Director of Probation & Aftercare</p> <p>Masters in Sociology</p> <p>Bachelor of Arts</p> <p>Date of Birth: 1961</p> |
| 6. |  <p>Mr. Noah Sanganyi. HSC</p> | <p>Director of Children Services</p> <p>Master in Sociology</p> <p>Bachelor of Arts</p> <p>Date of Birth: 1962</p> |
| 7. |  <p>Mr. Isaiah Osugo, CBS</p> | <p>Commissioner General of Prisons, Kenya Prisons Service</p> <p>Professional Investigator</p> <p>Advanced Course in Criminal Investigations</p> <p>Date of Birth: 1st August, 1956.</p> |

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| | | |
|-----|---|--|
| 8. |  <p>Dr. Florence Muli-Musiime</p> | <p>A Social scientist with many years of (post PhD) professional experience at the national, regional and international levels.</p> <p>Ph.D., University of Edinburgh: Jurisprudence</p> <p>MS, Indiana State University: Psychology</p> <p>BA (Hons), Makerere University: Social Work (major in psychiatric social work)</p> <p>Certificate, University of Connecticut: Computers in Management</p> <p>Date of Birth: 14th February, 1949</p> |
| 9. |  <p>Mr. Kenneth Odhiambo</p> | <p>Currently works at The National Treasury</p> <p>Member of Finance & Administration Committee</p> <p>Bachelor of Arts (Political Science)</p> <p>Post Graduate Diploma in Human Resources Management</p> <p>Certificate: Public Finance Management</p> <p>Date of Birth: 11th November, 1965</p> |
| 10. |  <p>CPA Benard N. Bwoma</p> | <p>Internal Audit & Risk Manager NGOs Co-ordination Board</p> <p>Masters Degree in Business Administration (Finance option)</p> <p>Member of (ICPAK) Institute of Certified Public Accountants of Kenya.</p> <p>Date of Birth: 1st January 1972</p> |

| | | |
|------------|--|---|
| <p>11.</p> |  <p>Dr. Robinson Ocharo,</p> | <p>Senior Lecturer & Head, Department of Sociology & Social Work, University of Nairobi</p> <p>PhD in Agricultural Extension</p> <p>Master of Arts (Rural Sociology & Community Development</p> <p>Bachelor of Arts</p> <p>Date of Birth: 1961</p> |
| <p>12.</p> |  <p>Dr. Linda Musumba</p> | <p>Senior Lecturer & Founding Dean, Kenyatta University School of Law, Since 2012 to date. Chairperson Research Committee</p> <p>PhD in Law</p> <p>Master in Law in Development</p> <p>Diploma in Law</p> <p>Bachelor of Law (LLB)</p> <p>Date of Birth: 1973</p> |
| <p>13.</p> |  <p>Dr. Francis K. arap Sang</p> | <p>Assistant Professor of Criminal Justice Program at, United States International University (USIU) Africa</p> <p>PhD in Sociology Washington International University USA</p> <p>Date of Birth: 25th January, 1952</p> |




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| | | |
|-----|---|--|
| 14. |  <p>Prof. Sylvia Wairimu Kang'ara</p> | <p>Associate Professor of Law & Founding Dean of Riara Law School</p> <p>Advocate of High Court</p> <p>Doctor of Juridical Sciences (SJD)</p> <p>Master of Law (LLM)</p> <p>Diploma in Law</p> <p>Bachelor of Law (LLB)</p> <p>Date of Birth: 1973</p> |
| 15. |  <p>Ms. Jacqueline Mbogo-Asinuli</p> | <p>Chief of Party, Coffey International, Nairobi Jamii Thabiti Programme</p> <p>Master of Arts in Development Studies,</p> <p>Bachelor of Education</p> <p>Date of Birth: 2nd December, 1976</p> |
| 16. | <p>Mr. Gerard E. Wandera</p>  | <p>Director/CEO National Crime Research Centre</p> <p>Masters in Business Administration.</p> <p>Bachelor of Arts (Business Administration & Economics)</p> <p>Higher Diploma in Sales & Marketing</p> <p>Diploma in Purchasing & Supplies</p> <p>Diploma in Crime & Violence Prevention</p> <p>Certificate in Public Policy & Research Consultancy</p> <p>Date of Birth: 27th July, 1969</p> |

MANAGEMENT TEAM

| | |
|---|--|
|  | <p>Master in Business administration Bachelor of Arts (Business Administration & Economics) Higher Diploma in Sales & Marketing Diploma in Purchasing & Supplies Management Diploma in Crime & Violence Prevention Certificate in Public Policy & Research Consultancy</p> |
| <p>Mr. Gerard E. Wandera Director/CEO</p> | |
|  | <p>Master of Arts in Sociology, Bachelor of Arts, Sociology, Higher Diploma Human Resources Management</p> |
| <p>Mr. Stephen M. Muteti; Chief Research Officer</p> | |
|  | <p>Master of Arts Development Studies Bachelor of Arts, Political Science & Sociology Forensic Investigations</p> |
| <p>Mr. Vincent O. Opondo Principal Research Officer</p> | |

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| | |
|---|---|
|  | <p>Masters in Business Administration</p> <p>Bachelor of Commerce, Finance</p> <p>Member of (ICPAK) Institute of Certified Public Accountants of Kenya. Certified Public Secretaries (CS)</p> |
|  | <p>Bachelor of Arts, Political Science & Sociology</p> <p>Higher Diploma in HRM</p> |
|  | <p>Bachelor of Business Management and Information Technology,</p> <p>Post Graduates Diploma in Purchasing & Supplies</p> <p>Certificate in Project Management Member of MKISM, MCIPS</p> |

CPA Josephine N. Akama
Finance and Accounts In-charge

Mr. John Kipkoros
**Human Resource Management Officer
In-charge**

Mr. Kennedy Kwambai
**Supply Chain Management
In-charge**

CHAIRMAN'S STATEMENT

The National Crime Research Centre is a State Corporation established by an Act of Parliament, The National Crime Research Act Cap 62 Laws of Kenya. The Corporation falls under The Department of Interior and Coordination of National Government. It was established to carry out research into the causes of crime, its prevention and to disseminate research findings and recommendations to the Agencies of the Government concerned with Administration of Criminal Justice with a view to assisting them in their policy formulation and planning. Through Executive order number 1/2018, the Centre's mandate was expanded to include crime management. The Financial Year 2018 – 2019 was yet another year of growth for the Centre. I and the entire Governing Council continue to work to support, through the Chief Executive Officer in achieving Centre's strategic objectives to produce evidence-based recommendations to the Criminal Justice System.

During the year, the Centre's mandate was aligned to the Big 4 agenda by identifying the research studies to be carried out in the medium term. To inform policy and planning in the criminal justice system, the Centre undertook eight (8) own crime research reports and two (2) joint crime researches. Six (6) issue briefs were also submitted to various state agencies, eight (8) policy briefs, live streaming of county by county crime profiles uploaded on the website for public use.

The Governing Council acknowledges the dedication of the management and secretariat in the outstanding performance and in appreciation held a bonding session at Nairobi Club where the staff and council members were able to interact away from formal office set up.

The operational capacity challenges which affect the realisation of the Centre's core mandate included low staff level which was below 15% full time in-post against the approved establishment and low budgetary funding, constraints which have played a role in slowing down the Centre's operations.

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The Governing Council in addressing these challenges is closely consulting with the National Treasury and parent Ministry for approval to recruit additional staff to partly bridge the staff shortage and seeking more funding for improved operational capacity.



HON. JUSTICE PAUL KIHARA KARIUKI
ATTORNEY GENERAL/CHAIRMAN
GOVERNING COUNCIL
NATIONAL CRIME RESEARCH CENTRE

REPORT OF THE CHIEF EXECUTIVE OFFICER

One of the National Crime Research Centre statutory obligations is to prepare an annual report that highlights our financial situation as well as provide highlights of collective achievements, institutional challenges and way forward during the year. The 2018/2019 Annual report reflects our dedication to building a strong crime research Centre that will be able to provide evidence based research, build the country's capacity to fight and manage crime, engage policy makers and effectively communicate findings of research, as well as build sufficient partnerships and collaborations that will help the Centre achieve its mandate.

Key Achievements

During the 2018/2019 Financial Year, the Centre carried out a National survey on state of Crime in Kenya, County based crime violence and crime prevention surveys, study on masculinity and intimate partner violence, prepared and shared client specific policy and issue briefs and successfully live streamed on the website county by county crime profiles for the forty-seven (47) counties.

On the institutional management front, the Centre received a Basic Salary Grading Structure approval from Salaries and Remuneration Commission that gave a significant pay rise to staff from the previous scale last reviewed in 2012. The Centre also completed a modern set of modern offices and an acoustic boardroom that can accommodate fifty (50).

The Centre developed and implemented effective communication strategy to facilitate sharing of crime research information with agencies in the administration of criminal justice, the public and other interested stakeholders. This was realized through mass media platforms, stakeholders' fora, issue briefs, publications and interactive website (www.crimeresearch.go.ke).

To enhance Human Resource capacity, the Centre established NCRC Human Resource Capacity and Review Committee and an effective Institutional Structure. This was achieved through sponsorship of staff to management and leadership courses at the Kenya School of Government, ISO 9001; 2015 Quality Management System awareness training, Internship/industrial

**NATIONAL CRIME RESEARCH CENTRE ANNUAL REPORT AND FINANCIAL STATEMENTS
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attachments/apprenticeships to the youths, medical insurance and pension schemes for staff, evaluation of Governing Council members among others.

Financial procedures and funding strategies, the Centre participated in the MTEF budget processes, funding proposals developed and submitted to Development Partners, regular Internal audits conducted and one independent audit by the Office of the Auditor General and submission of quarterly and Annual Reports and Financial Statements as per statutory requirements.

We commit to work diligently and steward the Centre to greater heights in the journey towards a world class crime research institution.

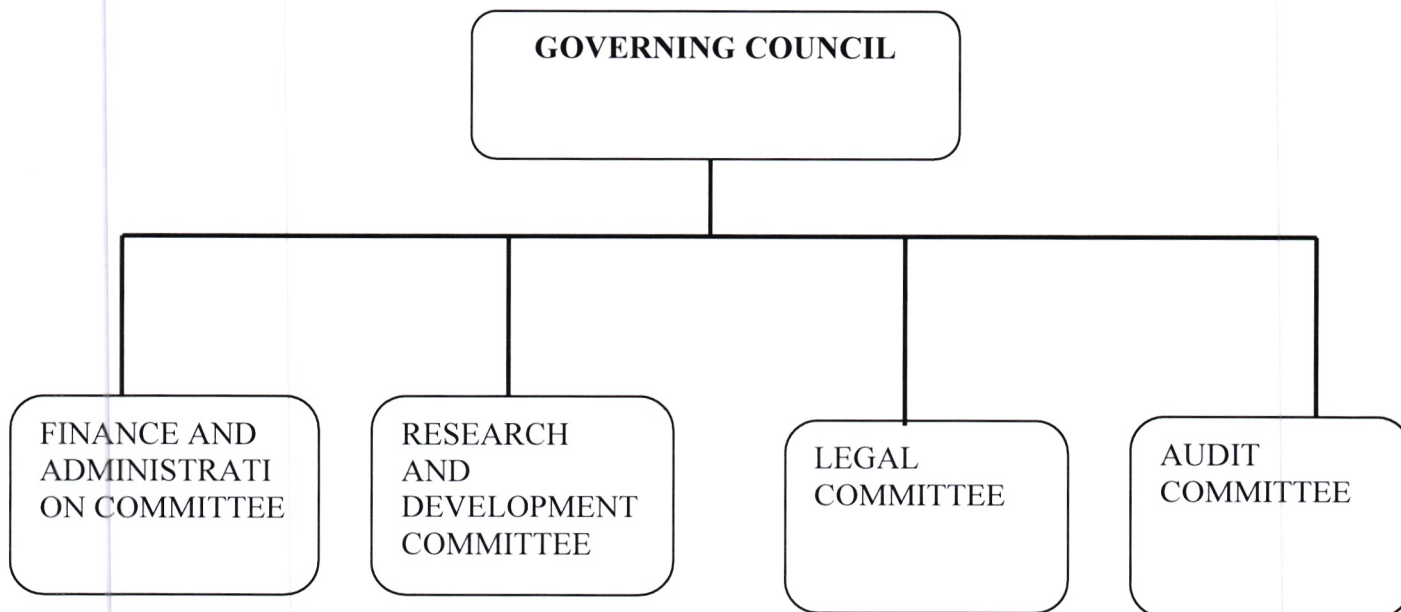


**GERARD E. WANDERA
DIRECTOR/CEO
NATIONAL CRIME RESEARCH CENTRE**

CORPORATE GOVERNANCE STATEMENT

NCRC Governing Council is established under section six (6) of the National Crime Research Centre Act, Cap 62 Laws of Kenya. The Governing Council is committed in ensuring that the Centre conducts its business guided by the Centre's core values that include public safety, integrity, professionalism, transparency and accountability, research confidentiality, collaboration and partnership, creativity and innovation and inclusivity and public participation. The principles and standards adhered to by the Governing Council have been developed with close reference to the Constitution of Kenya 2010 and the Code of Governance for State Corporation (Mwongozo).

i) NCRC Governance Structure



ii) Governing Council size, Composition and Independence

The Governing Council consists of fifteen (15) members; eight (8) being *ex-officio* members by virtue of the various government offices they hold. The Governing Council draws its membership from the key stakeholders in crime prevention and security issues in the Country by seeking representation from the following offices: Office of the Attorney General, Permanent

Secretary to the Treasury, the Chief Justice, Director of Public Prosecutions, Commissioner of Police, Commissioner for Social Services, Commissioner of Prisons, Principal Probation Officer, representatives of universities in Kenya being persons eminently qualified in the fields of criminal law, sociology or criminology and representation from non-governmental organizations. Governing council members are independent of management and owe their duties to the Centre and not their nominating stakeholders when conducting the Centre's business.

iii) Governing Council Appointment, Cessation and Removal

The Cabinet Secretary responsible for the Centre selects and appoints Council members. Every appointment is by name and by notice in the Kenya Gazette. A member ceases to be a council member if they die, resign from the office in which they represent in the Governing Council, is convicted of a criminal offence and sentenced to a term of imprisonment or is adjudged bankrupt. A member is removed from office if they violate the Constitution or any other written law, are found guilty of gross misconduct in performance of their duties, if physically or mentally incapable of performing the functions of a council member, if declared incompetent or neglect their duties or if absent from three consecutive meetings of the Council without a reasonable explanation.

iv) Governing Council Responsibility

The basic responsibility of the Council members is to exercise their best judgment and to act in a manner that they reasonably believe to be in the best interest of the Centre and its stakeholders. In discharging that obligation, the members rely on the honesty and integrity of the Centre's management, staff and its external professional advisors and auditors.

In furtherance of its responsibilities, the Council members undertake the following:

- (a) Determine the Centre's mission, vision, purpose and core values;
- (b) Review, evaluate and approve, on a regular basis, long-term plans for the Centre;
- (c) Review, evaluate and approve the Centre's budget and financial forecasts;

- (d) Review, evaluate and approve major resource allocations and capital investments;
- (e) Ensure that the procurement process is cost-effective and delivers value for money;
- (f) Review and approve the operating and financial results of the Centre;
- (g) Ensure effective, accurate, timely and transparent disclosure of pertinent information on the Centre's operations and performance;
- (h) Ensure that effective processes and systems of risk management and internal controls are in place;
- (i) Review, evaluate and approve the overall Centre's structure, the assignment of senior management responsibilities and plans for senior management development and succession;
- (j) Review, evaluate and approve the remuneration structure of the Centre;
- (k) Adopt, implement and monitor compliance with the Centre's Code of Conduct and Ethics;
- (l) Review on a quarterly basis the attainment of targets and objectives set out in the agreed performance measurement framework with the Government of Kenya;
- (m) Review periodically the Centre's strategic objectives and policies relating to sustainability and social responsibility/investment;
- (n) Enhance the Centre's public image and ensure engagement with stakeholders through effective communication;
- (o) Monitor compliance with the Constitution, all applicable laws, regulations and Standards; and
- (p) Review, monitor and ensure that the Centre is effectively and consistently delivering on its mandate.
- (q) Any other role they are called upon to do by any relevant authority.

v) Council Induction and Continuous Skills Development

New council members undertake an effective induction programme in order to familiarize themselves with their responsibilities as council members, they also familiarize themselves with general principles of corporate governance and council practices. Council members are provided with access to continuing development programs that are designed to keep members abreast with

the latest developments in the research sector's best practice, corporate governance and critical issues relating to the operation of the public sector.

vi) Chairperson and Director/Chief Executive Officer

The roles of the Chairperson of the Governing Council and Director/CEO remain distinct and separate. The Chairperson is primarily responsible for the activities of the Council and its committees. The Director/ CEO is responsible for overseeing the execution of the Council's directions and policies to ensure desirable outcome, effective and efficient running of the Centre from day to day hence serving as the link between the Council and the Management of the Centre.

vii) Council Remuneration

The Council is remunerated as per the guidelines on conditions and terms of service for state corporations' Chief Executive Offices Chairmen and Board Members , Management Staff and Unionisable Staff'' issued on 23rd November 2004 by state corporations Advisory Committee. Council members are paid sitting allowances for every meeting attended.

viii) Council and Committee meetings

The Council and its four committees; Research and Development Committee, Finance and Administration Committee, Legal Committee and the Audit Committee meet at least once in every three months. Council's work plan, together with the calendar of meetings for 2017/2018 was adopted by Council in advance and the same sent to all Council members. Adequate notice is always given for each meeting and the agenda as well as documents for discussion sent to Council members in advance to allow time for appropriate review.

ix) Conflict of interest

Council members are required to declare conflict of interest if and when it arises. The Director/ CEO keeps a record of conflicts of interest declared for accountability purposes.

x) Council Charter

The Governing Council is guided by the Council Charter in carrying out its duties and responsibilities to the Centre. The Council Charter provides for statement of good governance that Council members are required to adhere to, guiding principles, size, composition and appointment of council members, appointment, cessation and removal of council members and practices to be followed by council members.

xi) Governance Audit

The Governing Council ensures that a governance audit of the Centre is undertaken and the same is geared towards ensuring that the Centre conforms to the highest standards of good governance.

Governing Council and Committee meetings held during Financial Year 2018/2019

In Compliance with the National Crime Research Centre Act, Cap 62 LoK and the Code of Governance for State Corporations *Mwongozo*, Council members dedicated adequate time and met as required in order to effectively run business of the Centre. The number of Council and committee meetings as well as attendance of council members is as indicated in the table below:

| | Name | Total No. of Meetings | Governing Council Meetings | | | Finance & Administration | | Research & Development | | Legal | | Audit | | |
|----|----------------------------------|-----------------------|----------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---|---|
| | | | No. of Meetings Scheduled | No. of Meetings Attended | No. of Meetings scheduled | No. of Meetings Attended | No. of Meetings scheduled | No. of Meetings Attended | No. of Meetings scheduled | No. of Meetings Attended | No. of Meetings scheduled | No. of Meetings Attended | | |
| 1. | Hon. Justice Paul Kihara Kariuki | 1 | 10 | 1 | | | | | | | | | | |
| 2. | Dr. Florence Multi-Musiime | 12 | 10 | 10 | | | 3 | 2 | | | | | | |
| 3. | Justice Jessie Wanjiku Lesiit | 10 | 10 | 7 | | | | | 3 | 3 | | | | |
| 4. | Mr. Joseph Boinnet | 12 | 10 | 8 | | | 3 | 1 | | 3 | | | 3 | |
| 5. | Mr. Kenneth Odhiambo | 9 | 10 | 7 | 3 | 2 | | | | | | | | |
| 6. | Mr. Jacob Ondari | 12 | 10 | 8 | 3 | 2 | | | 3 | 2 | | | | |
| 7. | Mr. Noah Sanganyi | 6 | 10 | 5 | | | 3 | 1 | | | | | 3 | |
| 8. | Mr. Isaiiah Osugo | 6 | 10 | 6 | | | | | | | | | 3 | 2 |

NATIONAL CRIME RESEARCH CENTRE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

| | Name | Total No. of Meetings | Governing Council Meetings | | Finance & Administration | | Research & Development | | Legal | | Audit | |
|-----|--------------------------------|-----------------------|----------------------------|--------------------------|--------------------------|--------------------------|------------------------|--------------------------|-----------------|--------------------------|-----------------|--------------------------|
| | | | No. of Meetings Scheduled | No. of Meetings Attended | No. of Meetings | No. of Meetings Attended | No. of Meetings | No. of Meetings Attended | No. of Meetings | No. of Meetings Attended | No. of Meetings | No. of Meetings Attended |
| 9. | Mrs. Mary Mbau | 15 | 10 | 9 | 3 | 3 | | 3 | 3 | | | |
| 10. | Mr. Benard N. Bwoma | 15 | 10 | 9 | 3 | 1 | 3 | 2 | | 3 | 3 | 3 |
| 11. | Dr. Linda Musumba | 12 | 10 | 7 | 3 | 3 | | | | | | |
| 12. | Dr. Robinson Ocharo | 9 | 10 | 7 | | | 3 | 2 | | | | |
| 13. | Dr. Francis Kipkurui arap Sang | 13 | 10 | 10 | | | | | 3 | 3 | | |
| 14. | Prof. Sylvia Wairimu Kang'ara | 11 | 10 | 6 | | | | | 3 | 3 | 3 | 2 |
| 15. | Ms. Jacqueline Mbogo-Asinuli | 12 | 10 | 9 | 3 | 3 | | | | | | |
| 16. | Mr. Gerard E. Wandera | 19 | 10 | 10 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | |

**NATIONAL CRIME RESEARCH CENTRE ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2019**

MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A

i) Operational Performance

| Programme | Key outputs | Key performance indicators | Actual achievement 2016/17 | Achievement 2017/18 | Achievement 2018/19 |
|--|---|--|-----------------------------------|----------------------------|----------------------------|
| Name of programme outcome | | | | | |
| Research on Causes of crime and its prevention | Inform policy and planning in the criminal justice system | Number of institutional research reports | 6 | 7 | 1 |
| | | No. of joint crime researches | 2 | 2 | 2 |
| Disseminate research finding and recommendations to agencies in the criminal justice system and public | Increased access and sharing of crime research information | No. of policy briefs, and workshops | 12 | 21 | 8 |
| | | Publications | 0 | 2 | 3 |
| | | International conference | 1 | 2 | 0 |
| Crime Incidence monitoring | Real-time crime and incidence capture and reporting | Crime research app.(Report a crime/incidence online | 1 | 1 | 1 |
| | | No. of incidences / crime reported | | | |
| Crime data repository management and | Secure National Crime Repository | No. of crime collated reports | 20 | 27 | 27 |
| Crime research collaborative, partnership and networking at all levels of Government | To strengthen and promote inter-agency and collaboration at County and National Govt. | No. of partners and MOU'S signed | 2 | 4 | 2 |
| Administrative Services | ICT infrastructure and security system | % level of infrastructure and security system | 25% | 50% | 65% |

| Programme | Key outputs | Key performance indicators | Actual achievement 2016/17 | Achievement 2017/18 | Achievement 2018/19 |
|-----------|--|---|----------------------------|---------------------|---------------------|
| | Review of NCRC documents | Strategic plan, Policy documents, NCR Act | 2 | 2 | 5 |
| | Customer, Employee Satisfaction, Work Environment Survey | Survey reports | 0 | 1 | 1 |

The Centre's operational performance into detail during the year 2018-2019

Developing a National Crime Year Book on crime trends, root causes, consequences and prevention

- i. Carried out a National survey on Crime Mapping in Kenya, 2018.
- ii. Report writing finalization on the following surveys; Corruption in the public service; Boda Boda motorcycle Transport and Security Challenges and Borderlands crimes and security threats Centre's and Community Service Orders in Kenya. Two of this reports were printed during the quarter
- iii. Criminal Gangs in Kenya and Problem of Chronic Offenders in Kenya.
- iv. Aligned Centre mandate to Big 4 Agenda by identifying the research studies to be carried out in the medium term.
- v. 1st Draft compilation of secondary data on Land-Related Crimes in Kenya
- vi. 1st Draft compilation of secondary data on Youth and Crime in place.
- vii. Proposal/Concept Note on Intimate Partner Violence in place.
- viii. Data coding and entry of 2018 National Crime Mapping Survey ongoing 1st Draft 2018 National Crime Year Book in place.
- ix. Disseminated findings on "The Delivery of Community-based Sentences: The Case of Community Service Orders in Kenya" to 31 key state and non-state institutions
- x. Disseminated findings on "Boda boda Motor cycle transport and Security Challenges in Kenya" to 34 key state and non-state institutions

Submitted issue briefs on crime to the following agencies;

- i) To the PS-State Department of Interior on “Disguised Perpetrators of Corruption: The Case of Unexplained Wealth Accumulation”
- ii) To the PS-State Department of Interior on “Link between Boda boda Transport and Crime”
- iii) To the Secretary, Internal Security-State Department of Interior on “Mapping Chronic Crimes and Offences”
- iv) To the Secretary, Internal Security-State Department of Interior on “State of Organized Criminal Gangs in Kenya”
- v) To the Secretary, Internal Security-State Department of Interior on “Disguised Perpetrators of Corruption: The Case of Unexplained Wealth Accumulation”
- vi) To the Secretary, Internal Security-State Department of Interior on “Study on Root Causes of Unrest Cycle in Schools”
- vii) To the Secretary, Internal Security-State Department of Interior on “Link between Boda Boda Transport and Crime”
- viii) Policy advisory to Probation Department and Aftercare services on prison decongestion through recommendations on the research study on community-based sentences in Kenya.
- ix) Policy advisory to Ministry of Interior and Coordination of National Government on Organized

Research partnerships and Collaborative activities

- i. Funding by the World Bank and implementation of Crime and Violence Prevention Baseline Surveys and Training by NCRC, Kenya School of Government and USIU.
- ii. Possible funding meetings with Dai-NIWETU (A USAID Contractor) on radicalization of prisons
- iii. Partnered with United States International University (USIU)-Africa and Kenya School of Government (KSG) in a Rapid Assessment study on “**Crime and Violence Prevention in Kisumu County**” between 21st and 26th January, 2019.

- iv. Submitted to the Directorate of Criminal Investigations (DCI) areas of collaboration between NCRC and DCI vide letter Ref. No. NCRC/CONF/SECM/VOL.I (30) dated 1st February, 2019.
- v. Hosted research staff from the Prisons Staff Training College of the Kenya Prisons Service who were benchmarking with Research Department of NCRC on 15th February, 2019.
- vi. Signed MOU with the Kenya Institute of Bankers (KIB) on 26th February, 2019 on mutual collaboration in research areas.
- vii. Partnered with staff from Rongo University in a meeting held on 27th February, 2019 on NCRC's establishment of a Journal of Crime and Violence.

Develop and implement an effective communication strategy to facilitate sharing of crime research information with agencies in the administration of criminal justice, the public and other interested stakeholders

This objective has been realized through:

1. Dissemination of crime research information through mass media platforms, stakeholder fora, crime research issue briefs, policy briefs and publications.
2. Creation and maintenance of an interactive website (www.crimeresearch.go.ke). Live reporting on the NCRC website for county specific crime reports. The Council of Governors can track crime patterns and trends of crime in their respective counties.

To enhance human resource capacity that will facilitate crime research work at all levels of Government

This objective is being realized through establishment and enhancement of NCRC's Human Resource Capacity and Review and Establishment of an Effective Institutional Structure.

Results achieved

1. Staff capacity building in professional areas to 5 Management staff who attended senior Management Course and Leadership course at Kenya School of Management.
2. General Training for all staff on orientation to Crime Research methodology by Kenya School of Government, Training on mobile phone crime monitoring system and research methodology.

3. ISO 9001;2015 Quality Management system awareness training held in the Month of May 2018 at the NCRC offices.
4. Sixteen youths were given a chance to undertake internship /industrial attachments/ apprenticeships at the Centre.
5. All staff has a medical Insurance scheme and the Centre has an established pension scheme. NCRC status has 'Public Service' for purposes of pension.
6. The Centre signed and is implementing the 2018/2019 Performance contract while staff are also in the Performance Appraisal management system.
7. Evaluation of the Governing council members and Director. External research officers are trained before proceeding for field work as part of competency development of internal and external human resource to enhance level of professionalism.

To develop and implement relevant ICT policies, standards and procedures

This objective was realized through expansion and maintenance of ICT infrastructure and security systems to 65% as per ICT Government guidelines.

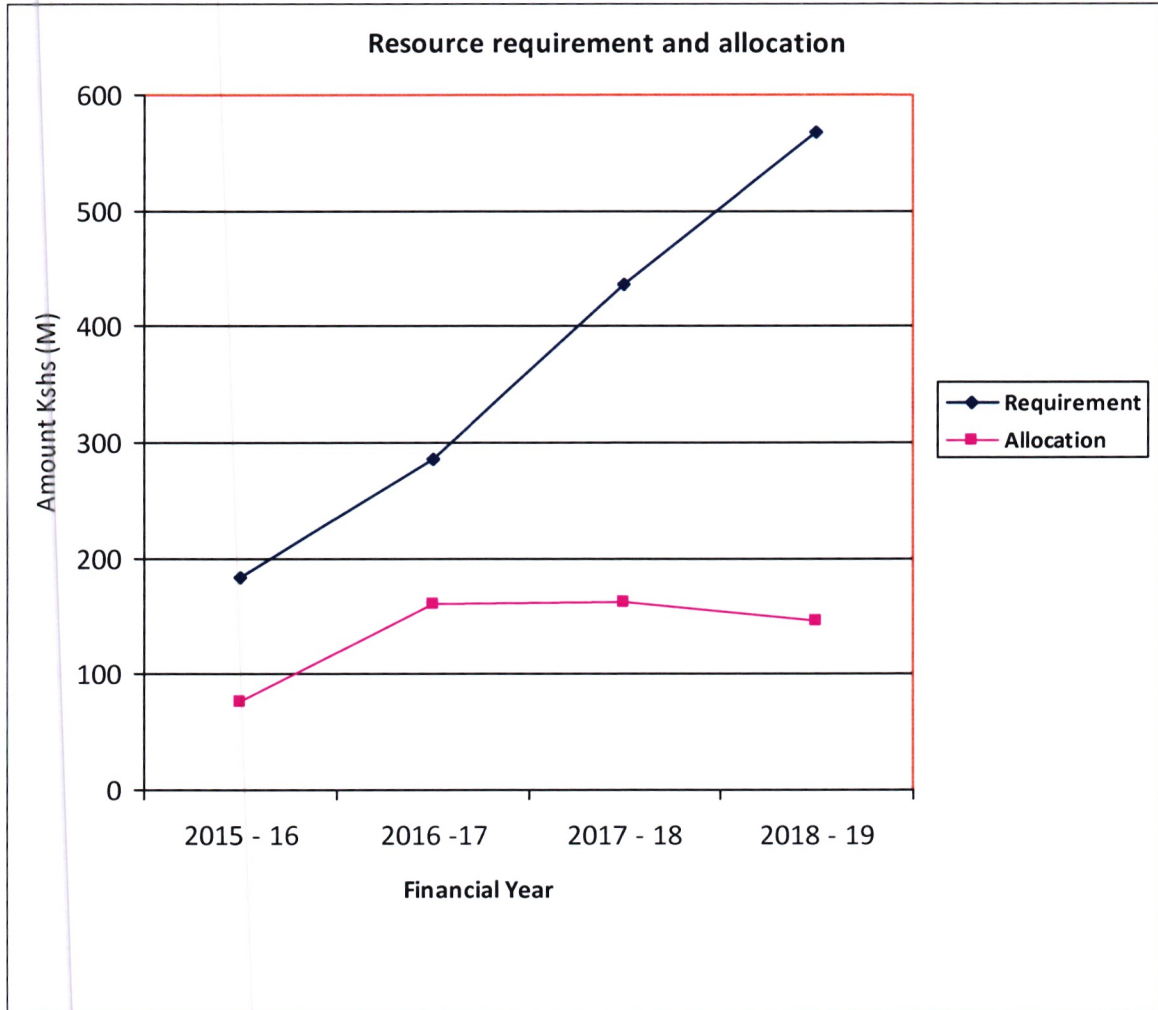
Development and implementation of Financial Policy and Funding Strategies

The following have been implemented:

1. Consultations with identified funding institutions undertaken.
2. Participation in MTEF Budget processes.
3. Funding proposals developed and submitted to Development Partners.
4. Regular internal audits conducted and one external audit by Office of the Auditor General.
5. Submission of quarterly and Annual Report and Financial Statements as per statutory requirements.

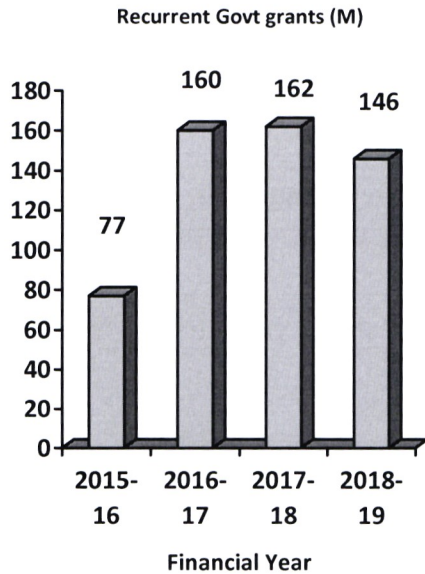
ii) Financial Performance

a) Resource Requirement vs Resource Allocation

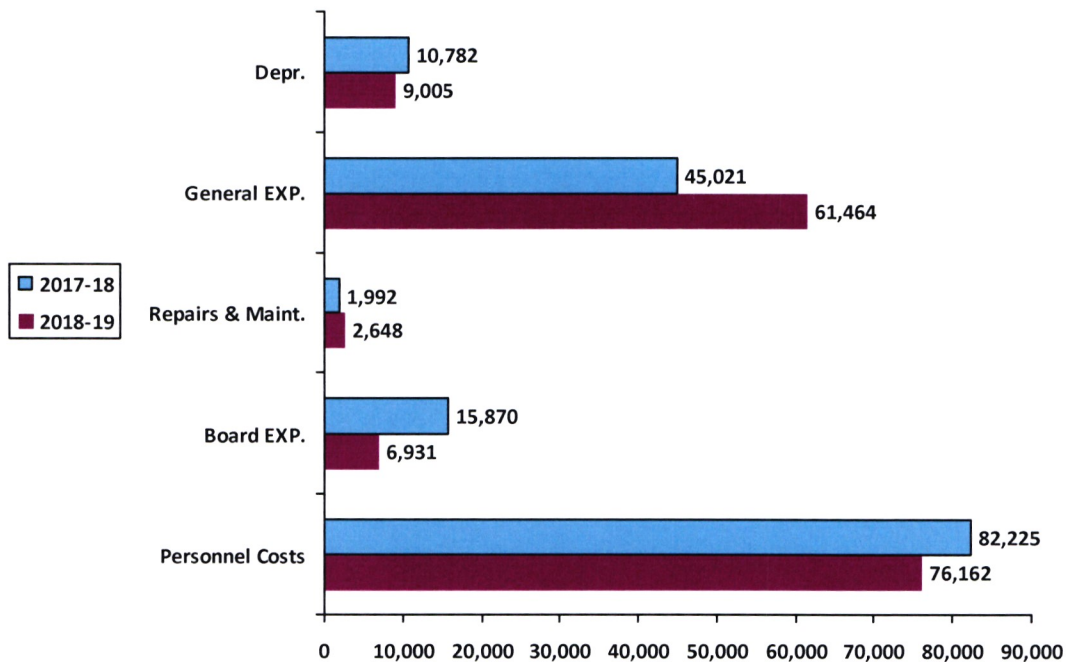


Over the years the Centre allocation is less than the resource requirement by a huge margin hence not able to optimally achieve its mandate.

b) Recurrent Government Grants



c) Recurrent Expenditure analysis FY 2017/18 AND 2018/19



iii) Entity's Compliance with Statutory Requirements

There is no major noncompliance that is likely to expose the organization to potential liability.

iv) Key Projects and Investment decisions the entity is planning to implement

No project is being implemented at the moment due to lack of budgetary allocations. The Centre has a plan to construct a data repository during the MTEF period subject to availability of funds.

v) Major Risks facing the entity

Due to budgetary constraints and late receipt of transfer of the grants the Centre is exposed to the both operational and liquidity risks.

Human capacity risk in that the Centre has below 15% of staff compared to the approved staff establishment of 217 staff.

vi) Material Arrears in Statutory/Financial Obligations

No material arrears in statutory and financial obligations for the Centre.

vii) The Entity's financial probity and serious Governance issues

Below 15% full time staff in-post against the approved staff establishment hence lack of capacity in terms of personnel and skill.

viii) Centre's Challenges

- i. Below 15% full time staff in-post against the approved staff establishment
- ii. Budgetary constraints
- iii. Over dependence on over 330 part time research staff
- iv. The level of security systems on the premises considering the type and manner of data held at the Centre.

ix) Centre's Opportunities

- i. Recognition of crime as a challenge in the realization of Kenya Vision 2030 and Big 4 Agenda.
- ii. Development partners' support and good will
- iii. Collaboration, partnership and networking with relevant government agencies
- iv. Advancements in ICT based-research
- v. Devolution to Counties
- vi. Government commitment to reforms and international conventions
- vii. Large pool of competent professionals in the labour market

x) Entity's compliance with statutory requirements

The Centre has complied on the payment of statutory deductions.

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2019 which show the state of the Centre's affairs.

Principal activities

The objectives of NCRC is to carry out research into the causes of crime and its prevention and to disseminate research finding and recommendations to the Government agencies concerned with the administration of criminal justice system.

The Centre is mandated to undertaken six principle activities which forms its strategic themes. The activities include development of the Kenya Annual Crime Year Book, National Crime Data Repository Unit and Systems, National Crime Research Communication Strategy, Human Resource Capacity in crime research at all levels of Government and Crime Management.

Results

The results of the entity for the year ended June 30, 2019 are set out on page 36 to 54

Directors

The members of the Governing Council who served during the year are shown on page 6 to 10. During the year, the tenure of the Governing Council lapsed in the month of May 2019 and they were all re-elected other than two members Dr. Florence Muli- Musiime and Mr. Bernard Bwoma whose two year term of three years came to an end.

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 financial statements after the end of each financial year. The entity did not make any surplus during the year Financial Year 2018 Nil and hence no remittance to the Consolidated Fund.

Auditors

The Auditor General is responsible for the statutory audit of the Centre in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2019.

By Order of the Governing Council



DIRECTOR/ CEO
NATIONAL CRIME RESEARCH CENTRE

DATE: 30/03/2020

STATEMENT OF GOVERNING COUNCIL MEMBERS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Governing Council members to prepare financial statements in respect of the entity, which give a true and fair view of the state of affairs of the Centre at the end of the financial year and the operating results of the entity for that year. The Governing Council members ensures that the Centre keeps proper accounting records which disclose with reasonable accuracy the financial position and are also responsible for safeguarding the assets of the entity.

This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Centre; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Governing Council members accept responsibility for the entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Governing Council members are of the opinion that the entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Governing Council members further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the Financial Statements

The Centre's Financial Statements were approved by the Audit Committee on 6th December, 2019 and signed on its behalf by:



DIRECTOR/CEO



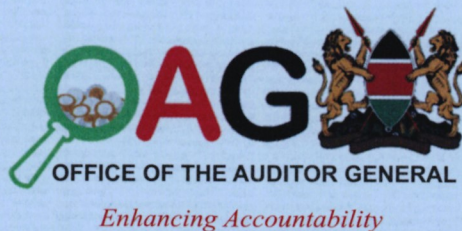
G.C MEMBER



G.C MEMBER

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL CRIME RESEARCH CENTRE FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Crime Research Centre set out on pages 36 to 55, which comprise the statement of financial position as at 30 June, 2019, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of knowledge and belief were necessary for the purpose of the audit.

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Crime Research Centre as at 30 June, 2019, and of its financial performance and its cash flows for the year ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Public Finance Management Act, 2012 and the National Crime Research Centre Act.

Basis for Qualified Opinion

Unsupported Prior Year Adjustments

The statement of changes in net assets reflects a prior year adjustment of Kshs.188,885 relating to inventories which, as disclosed in Note 21 to the financial statements, was due to under valuation of the inventory balance as at 30 June, 2018 by Kshs.188,885. However, supporting documents for the adjustment were not provided for audit.

In the circumstances, the accuracy of the retained surplus reflected in the statement of changes in net assets could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Crime Research Centre 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 qualified audit opinion.

Key Audit Matters

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

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 matter 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

Unpaid Audit Fees

As disclosed in Note 20 to the financial statements, the statement of financial position reflects an accounts payables balance of Kshs.3,645,484 which includes an amount of Kshs.928,000 being audit fees payable to the Auditor-General out of which a balance of Kshs.696,000 related to financial years 2014/2015, 2015/2016 and 2016/2017. Management has not provided an explanation for non-payment of the pending bills.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Centre's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of intention to terminate the Centre or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect

a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Centre's

ability to continue 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 Centre to cease to continue 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 Centre to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

13 July, 2021

NATIONAL CRIME RESEARCH CENTRE ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2019

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

| | Notes | 2018-2019 Kshs | 2017-2018 Restated Kshs |
|---|-------|---------------------|-------------------------------|
| Revenue from Non-Exchange Transactions | | | |
| Transfers from Government | | | |
| Recurrent | 12 | 146,588,400 | 162,700,000 |
| Total Income | | 146,588,400 | 162,700,000 |
| Expenditure | | | |
| Use of goods and services | 13 | 160,700 | 344,900 |
| Employee Costs | 14 | 75,892,611 | 82,224,922 |
| Remuneration to Governing Council | 15 | 7,200,757 | 15,870,832 |
| Repairs and Maintenance | 16 | 2,650,624 | 1,991,572 |
| General Expenses | 17 | 61,054,041 | 44,676,512 |
| Depreciation Expense | 22 | 9,005,251 | 10,782,654 |
| Total Expenditure | | 155,803,284 | 155,891,392 |
| Deficit/Surplus | 31 | (9,214,884) | 6,808,608 |

The notes set out on pages 43 to 55 form an integral part of this Financial Statements.
The Financial Statements set out on pages 37 to 41 were signed on behalf of the Board of Directors by:



Director/C.E.O
Gerard E. Wandera

Date... 30/03/2020



Head of Finance
CPA Josephine Mandere -Akama
ICPAK Member Number: 9950

Date... 30/03/2020



Chairman
Hon Justice Paul Kihara Kariuki

Date... 30/03/2020

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2019

| | Notes | 2018-2019 Kshs | 2017-2018 Restated Kshs |
|-------------------------------|-------|-------------------|-------------------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | 18 | 2,265,248 | 5,132,084 |
| Accounts Receivable | 19 | 7,450,486 | 7,745,482 |
| Inventory | 21 | 3,163,778 | 3,496,997 |
| Total Current Assets | | 12,879,512 | 16,374,563 |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 22 | 49,377,677 | 57,153,480 |
| Total Assets | | 62,257,189 | 73,528,043 |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | 20 | 3,645,484 | 5,701,454 |
| Total Liabilities | | 3,645,484 | 5,701,454 |
| Net Assets | | 58,611,705 | 67,826,589 |
| Reserves | | | |
| Retained Surplus | | 58,611,705 | 67,826,589 |



Director/C.E.O
Gerard E. Wandera



Head of Finance
CPA Josephine Mandere -Akama
ICPAK Member Number: 9950



Chairman
Hon Justice Paul Kihara Kariuki

Date 30/03/2020

Date 30/03/2020

Date 30/03/2020

NATIONAL CRIME RESEARCH CENTRE ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2019

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30TH JUNE, 2019

| | NOTES | Retained Surplus | Total |
|-------------------------|-------|-------------------|-------------------|
| | | Kshs | Kshs |
| At July 1, 2017 | | 56,813,344 | 56,813,344 |
| Prior year Adjustment | 21 | 4,015,752 | 4,015,752 |
| Inventory Adjustment | 21 | 188,885 | 188,885 |
| Surplus for the period | | 6,808,608 | 6,808,608 |
| At June 30,2018 | | 67,826,589 | 67,826,589 |
| At July 1, 2018 | | 67,826,589 | 67,826,589 |
| Deficit for the period | 31 | (9,214,884) | (9,207,184) |
| At June 30, 2019 | | 58,611,705 | 58,611,705 |



Director/C.E.O
Gerard E. Wandera

Date... 30/03/2020



Head of Finance
CPA Josephine Mandere -Akama
ICPAK Member Number: 9950

Date... 30/03/2020




Chairman
Hon Justice Paul Kihara Kariuki

Date... 30/03/2020

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30TH JUNE, 2019

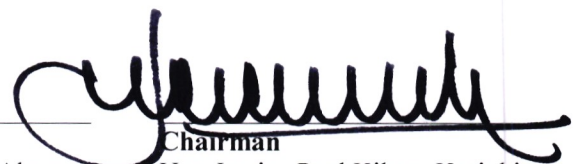
| | Notes | 2018-2019 Kshs | 2017-2018 Kshs |
|--|-------|--------------------|---------------------|
| Cash flows from operating activities | | | |
| Surplus/ (Deficit) for the Year | | (9,214,884) | 6,808,608 |
| Adjusted for: | | | |
| Depreciation | 22 | 9,005,251 | 10,782,654 |
| Cash Generated from within Changes in Working Capital | | (209,633) | 17,591,262 |
| Increase/Decrease in Debtors | 19 | 294,996 | 1,553,113 |
| Increase/Decrease in Creditors | 20 | (2,055,970) | 659,774 |
| Changes in Inventory | 21 | 333,221 | (3,308,112) |
| Net Cash Flow Operating Activities | | (1,427,753) | (1,095,225) |
| Cash Flow from Investing Activities | | | |
| Purchase of Assets | 22 | (1,229,447) | (25,560,571) |
| Net Cash Flow Investing Activities | | (1,229,447) | (25,560,571) |
| Increase in Cash and Cash Equivalents | | (2,866,834) | (9,064,534) |
| Cash and Cash Equivalent at the Beginning | | 5,132,084 | 14,196,618 |
| Cash and Cash Equivalent at the End | | 2,265,248 | 5,132,084 |



Director/C.E.O
Gerard E. Wandera



Head of Finance
CPA Josephine Mandere -Akama
ICPAK Member Number: 9950



Chairman
Hon Justice Paul Kihara Kariuki

Date... 30/03/2020

Date... 30/03/2020

Date... 30/03/2020

NATIONAL CRIME RESEARCH CENTRE ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2019

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE
YEAR ENDED 30 JUNE 2019

| | | Original Budget | Adjustment | Final Budget | Actual | Performance Difference Kshs | % Performance Difference |
|----------------|---|--------------------|--------------------|--------------------|--------------------|-----------------------------------|--------------------------------|
| | | 2018-2019 | 2018-2019 | 2018-2019 | 2018-2019 | | |
| Revenue | | | | | | | |
| | Grants from the Government of Kenya | 162,700,000 | 16,111,600 | 146,588,400 | 146,588,400 | 0 | |
| | Balance BF | 5,132,084 | 0 | 5,132,084.00 | 5,132,084 | 0 | |
| | Total Recurrent Income | 167,832,084 | 16,111,600 | 151,720,484 | 151,720,484 | 0 | |
| No | Expenses | | | | | | |
| 1 | Personnel emoluments | 63,397,000 | 12,765,346 | 76,162,346 | 75,892,611 | 269,735 | 0.35% |
| 2 | Governing Council Expenses | 6,900,000 | 31,022 | 6,931,022 | 7,200,757 | -269,735 | -3.89% |
| 3 | Rentals of produced Assets | 25,000,000 | -2,414,903 | 22,585,097 | 22,585,097 | 0 | 0% |
| 4 | Use of Goods and Services | 316,000 | 400 | 316,400 | 160,700 | 155,700 | 49.2% |
| 5 | Routine Maintenance - Vehicles and other Transport Equipment | 2,000,000 | 647,624 | 2,647,624 | 2,650,624 | -3,000 | -0.11% |
| 6 | Research Studies | 33,074,084 | -12,994,241 | 20,079,843 | 20,079,843 | 0 | 0% |
| 7 | Other General Expenses | 27,545,000 | -9,476,999 | 18,068,001 | 18,228,401 | -160,400 | -0.89% |
| | TOTALS | 158,232,084 | -11,441,751 | 146,790,333 | 146,798,033 | -7,700 | 0% |



Director/C.E.O
Gerard E. Wandera



Head of Finance
CPA Josephine Mandere -Akama
ICPAK Member Number: 9950



Chairman
Hon Justice Paul Kihara Kariuki

Date... 30/03/2020

Date... 30/03/2020

Date... 30/03/2020

NOTES ON STATEMENT OF BUDGET

- i) The Centre had a reconciled cash balance of Kshs 5,132,084. This is due to the accrual basis of accounting of which in the previous year the centre had payables of Kshs 5,701,454
- ii) The budget was revised downwards following a Government directive to all ministries Departments and Agencies to rationalize by 8% in order to align the budget to the revised fiscal framework underpinning the National Budget to support the Big Four Agenda and emerging National Government priorities. During the second quarter a further reduction was made that saw the Centre's budget reduce to Kshs 146.588 Million.
- iii) Due to the above changes and other unforeseen expenditure in the various vote lines the budget was amended and approved by the Governing Council.
- iv) The financial statements is prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, The budget is prepared on a cash basis and eventually restated to accrual. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.
- v) Variance on Use of goods and services were subscriptions amount prepaid during the year.
- vi) The expenses set out in the statement of comparison of budget and actual amounts for the year ended 30th June 2019 were consolidated on note 17 as general expenses.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The National Crime Research Centre (NCRC) is a corporate body established under the *National Crime Research Act, Cap 62, No.4 of 1997* of the Laws of Kenya with the mandate to carry out research on crime, the causes, crime prevention and to disseminate research findings and recommendations to the Government agencies concerned with the administration of criminal justice and other stakeholders.

The Government has set up the Centre to intentionally address the serious threat caused by crime both at the levels of the society in general and development in particular. Crime and its prevention is noticeably the sphere of national security with immediate and commonplace implications for the public. The NCRC recognizes that everyday crimes -serious and organized, affects everyone with impacts felt throughout the public and private sectors, undermining communities, destroying lives and costing Kenyans significant amount of resources each year. Based on the far-reaching effects of crime on the country's social and economic well-being and international reputation, and in order to effectively put together evidenced based policies for intervention, the NCRC serves a critical constituency in in national crime management.

In carrying out its mandate, the Centre undertakes and disseminates research on crime trends, causes, consequences and its prevention. In addition, the Centre collects, collates and analyses crime data in order to inform policy decisions. The Centre is guided by the core values of professionalism, integrity, partnership and concern for public safety.

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on accrual Basis Financial Reporting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the entity. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost. The cash flow statement is prepared using the indirect method.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

The entity receives Government grants through the Ministry of Interior and Coordination of National Government. Revenue is recognized once received.

b) Budget Information

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single line statement to determine the needs of the entity. Even with the adoption of the accrual basis there is some basis, timing or entity differences that would require reconciliation between the actual comparable amounts presented as a separate additional financial statement of comparison of budget and actual amounts especially provisions of gratuity that is payable after successful completion of the contact period.

c) Property, Plant and Equipment – IPSAS 17

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. The Centre has no intangible assets now.

Depreciation rates are as below:

The assets are depreciated annually on reducing balance basis and charged to the statement of comprehensive income at the rates shown below;

| | |
|------------------------|-------|
| Furniture and Fittings | 12.5% |
| Office Equipment's | 12.5% |
| Computers | 33% |
| Motor Vehicles | 25% |

Full depreciation is charged in the year of acquisition and none in the year of disposal.

d) Inventory

The Centre inventory comprises of consumable stores at the end of the financial year. Inventory is valued at an average cost as at the end of the financial year.

e) Operating 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 lease term.

f) 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:

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

g) Provisions – IPSAS 19

Provisions are recognized when the Entity has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate is made of the amount of the obligation. The Centre gives provision for gratuity as per staff's contract.

h) Changes in accounting policies and estimates – IPSAS 3

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

i) Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and cash at bank.

j) Comparative figures

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

k) Contingent liabilities

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

l) Contingent assets

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

4. FINANCIAL RISK MANAGEMENT

The entity's activities expose it to a variety of financial risks including credit and liquidity risks. The company's financial risk management objectives and policies are detailed below:

(i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as the landlord and the one off amount rent to Office of the Attorney general.

(ii) Liquidity risk

The Centre's liquidity risk focuses on unpredictability of changes in the in the release of Exchequer and late release of funds from the mother Ministry. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

5. RELATED PARTY RELATIONSHIPS

Nature of related party relationships

The Entity regards a related party as a person or an entity with the ability to exercise control or exercise significant influence over its operating and financial decisions.

The Centre is related to:

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management Personnel;
- iv) Governing Council Members;

6. EMPLOYEE BENEFITS

(i) Retirement benefit plans

The Entity provides retirement benefits for its staff and gratuity for the contracted staff. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

7. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

8. ACCOUNTS RECEIVABLES

All revenue is invoiced and recorded when service has been provided. When circumstances dictate, that repayment will not be received it is treated as an accounts receivable for reporting purposes. In case the account will not be collected, the receivable is written off from the books.

9. ACCOUNTS PAYABLES

This are money owed by the Center to its customers by the end of the financial year.

10. SUBSEQUENT EVENTS

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2019.

11. TAXATION

The Centre is nonprofit Semi-Autonomous Government Agency (SAGA) and is exempted from taxes by an Act of Parliament.

12. REVENUE FROM NON-EXCHANGE TRANSACTIONS INCLUDE

| | 2018-2019 | 2017-2018 |
|--------------------------|---------------------------|---------------------------|
| | Kshs | Kshs |
| Transfer from Government | <u>146,588,400</u> | <u>162,700,000</u> |
| Total Income | <u>146,588,400</u> | <u>162,700,000</u> |

The budget was revised downwards following a Government directive to all ministries Departments and Agencies to rationalize by 8% in order to align the budget to the revised fiscal framework underpinning the National Budget to support the Big Four Agenda and emerging National Government priorities. During the second quarter a further reduction was made that saw the Centre's budget reduce to Kshs 146.588 Million.

13. USE OF GOODS AND SERVICES

| | 2018-2019 | 2017-2018 |
|---------------|-----------------------|-----------------------|
| | Kshs | Kshs |
| Subscriptions | <u>160,700</u> | <u>344,900</u> |
| Total | <u>160,700</u> | <u>344,900</u> |

In the prior year the Use of Goods expense was reported under General expenses.

14. PERSONNEL COSTS

| | 2018-2019 | 2017-2018 |
|--------------------------------------|--------------------------|--------------------------|
| | Kshs | Kshs |
| Basic Salaries – Permanent Employees | 24,847,578 | 21,638,985 |
| House Allowance | 12,257,741 | 10,923,664 |
| Entertainment Allowance | 2,495,160 | 1,920,000 |
| Responsibility Allowance | 8,227,678 | 7,440,000 |
| Transport Allowance | 2,850,194 | 2,602,000 |
| NSSF | 57,200 | 48,800 |
| Government Pension | 2,805,210 | 2,684,736 |
| Leave Allowance | 2,270,866 | 3,364,451 |
| Non-Practice Allowance | 300,000 | 300,000 |
| Other Allowance | 1,645,888 | 1,499,576 |
| Medical Expenses | 7,232,184 | 8,102,166 |
| Extraneous Allowance | 1,924,267 | 1,568,000 |
| Gratuity | 1,488,000 | 1,409,880 |
| Club Allowance | 49,500 | - |
| Stipend | 625,000 | 739,166 |
| Wages | 573,869 | 410,433 |
| Domestic Travel | 3,440,041 | 6,532,400 |
| Foreign Travel | 43,848 | 8,340,665 |
| Research Allowance | <u>2,758,387</u> | <u>2,700,000</u> |
| Total | <u>75,892,611</u> | <u>82,224,922</u> |

15. REMUNERATION TO GOVERNING COUNCIL MEMBERS

| | 2018-2019 | 2017-2018 |
|------------------------------------|-------------------------|--------------------------|
| | Kshs | Kshs |
| Boards, Committees and Conferences | 7,200,757 | 15,060,832 |
| Chairman Honoraria | <u>-</u> | <u>810,000</u> |
| Total | <u>7,200,757</u> | <u>15,870,832</u> |

The Governing Council expenses were high the previous year due to the Benchmarking trip that was held to enable the Centre to develop the strategic criteria for prioritizing research themes.

16. REPAIRS AND MAINTENANCE

| | 2018-2019 | 2017-2018 |
|---------------------------------------|-------------------------|-------------------------|
| | Kshs | Kshs |
| Routine Maintenance of Motor Vehicles | 1,993,961 | 1,415,525 |
| Maintenance of Other Assets | <u>656,663</u> | <u>576,047</u> |
| Total | <u>2,650,624</u> | <u>1,991,572</u> |

The Centre two motor vehicles are fully depreciated hence the high cost of maintenance

17. GENERAL EXPENSES

| | 2018-2019 | 2017-2018 |
|--|--------------------------|--------------------------|
| | Kshs | Restated Kshs |
| Communication | 1,998,915 | 1,861,533 |
| Printing, Advertising, Subscriptions | 801,409 | 280,347 |
| Training Expenses | 1,997,216 | 1,354,982 |
| Office and General Supplies and Services | 3,943,671 | 3,033,792 |
| Fuels, Oils and Lubricants | 1,802,498 | 1,595,442 |
| Finance and Insurance | 723,374 | 898,733 |
| Rentals | 22,585,097 | 21,944,073 |
| Hospitality Supplies and Services | 2,714,358 | 2,351,095 |
| Research, Feasibility Studies | 20,079,843 | 7,630,215 |
| Review of Policy Documents | 2,597,120 | 1,976,800 |
| Specialized Services | 538,873 | 556,000 |
| Audit Fee | 232,000 | 232,000 |
| Staff Debt | 7,700 | - |
| Conference and Delegations | <u>1,031,967</u> | <u>961,500</u> |
| Total | <u>61,054,041</u> | <u>44,676,512</u> |

Research expenses during the financial year 2018-2019 increased by Kshs 12,449,628 due to a National research survey on crime mapping in Kenya. In the prior year the Centre dwelt on finalizing already surveyed research studies that were at various levels.

NATIONAL CRIME RESEARCH CENTRE ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2019

18. CASH AND CASH EQUIVALENTS

| | 2018-2019 | 2017-2018 |
|--------------|-------------------------|-------------------------|
| | Kshs | Kshs |
| Cash at Bank | 2,064,607 | 5,017,422 |
| Cash at Hand | <u>200,641</u> | <u>114,662</u> |
| Total | <u>2,265,248</u> | <u>5,132,084</u> |

The amount is held at Kenya Commercial Bank, Milimani Branch Nairobi, Kenya, and Account Number 1122479417.

19. RECEIVABLES

| | 2018-2019 | 2017-2018 |
|---|-------------------------|-------------------------|
| | Kshs | Kshs |
| Customer Prepayments – Training Bond | 174,375 | - |
| Lloyd Masika - Rental Deposits | 1,949,026 | 1,949,026 |
| Lloyd Masika- Parking Fees Deposit | 108,000 | 108,000 |
| Staff Debtors | - | 7,700 |
| CIC Insurance Ltd | 4,618,922 | 4,086,095 |
| Lloyd Masika - Rent | - | 1,594,661 |
| Safaricom Limited | 4,500 | - |
| Postal Corporation of Kenya | 4,725 | - |
| Kenya Postel Directory | 108,993 | - |
| The Standard Group | 128,325 | - |
| Google Cloud | 6,572 | - |
| Vista Prime Ltd | 18,755 | - |
| Institute of Certified Public Accountants | 11,200 | - |
| Public Relations Society of Kenya | 5,000 | - |
| Human Resource Institute | 4,500 | - |
| Kenya Library Infor. Services | 135,000 | - |
| CIC Insurance GPA | <u>172,593</u> | <u>-</u> |
| Total | <u>7,450,486</u> | <u>7,745,482</u> |

20. PAYABLES

| | 2018-2019 | 2017-2018 |
|-------------------------------|-------------------------|-------------------------|
| | Kshs | Kshs |
| Office of the Auditor General | 928,000 | 696,000 |
| Government Pension | - | 751,017 |
| Gratuity | 1,066,618 | 3,900,017 |
| Leave Provision | 1,650,866 | - |
| Alexander Forbes | <u>-</u> | <u>354,420</u> |
| Total | <u>3,645,484</u> | <u>5,701,454</u> |

21. INVENTORIES

| | 2018-2019 | 2017-2018 |
|--------------|-------------------------|-------------------------|
| | Kshs | Restated |
| | Kshs | Kshs |
| Inventory | <u>3,163,778</u> | <u>3,496,997</u> |
| Total | <u>3,163,778</u> | <u>3,496,997</u> |

Stock comprises of consumable stores for office use that had not been issued as at the close of the financial year.

The inventory for the financial year 2017-2018 was undervalued by Kshs 188,885. The figure of Kshs 3,308,112 has been adjusted upwards by Kshs 188,885 to Kshs 3,496,997 has been adjusted as per IPSAS 3 Paragraph 47 and 48.

NATIONAL CRIME RESEARCH CENTRE ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2019

22. PROPERTY PLANT AND EQUIPMENT

| COST | 12.50% | 12.50% | 33.00% | 25.00% | Total |
|---------------------------------|----------------------|------------------|-------------------|-------------------|--------------------|
| | Furniture & Fittings | Equipment's | Computers | Motor Vehicles | |
| Bal B/f 01.07.17 | 40,368,684 | 3,092,250 | 13,056,504 | 24,438,724 | 80,956,162 |
| Additions 2017/18 | 25,291,571 | - | 269,000 | - | 25,560,571 |
| Disposal | - | - | - | - | - |
| As at 30.06.18 | 65,660,255 | 3,092,250 | 13,325,504 | 24,438,724 | 106,516,733 |
| Additions 2018/19 | 151,300 | 771,580 | 306,567 | - | 1,229,447 |
| Disposal | - | - | - | - | - |
| As at 30.06.19 | 65,811,555 | 3,863,830 | 13,632,071 | 24,438,724 | 107,746,180 |
| DEPRECIATION | | | | | |
| AS AT 30.06.17 | 15,081,241 | 1,194,306 | 8,847,500 | 13,457,552 | 38,580,599 |
| Depreciation for the Yr 2017/18 | 6,322,377 | 237,243 | 1,477,741 | 2,745,293 | 10,782,654 |
| Disposal | - | - | - | - | - |
| AS AT 30.06.18 | 21,403,618 | 1,431,549 | 10,325,241 | 16,202,845 | 49,363,253 |
| Depreciation for the Yr 2018/19 | 5,550,992 | 304,035 | 1,091,254 | 2,058,970 | 9,005,251 |
| Disposal | - | - | - | - | - |
| AS AT 30.06.19 | 26,954,610 | 1,735,584 | 11,416,495 | 18,261,815 | 58,368,504 |
| NET BOOK VALUE | | | | | |
| AS AT 30.06.19 | 38,856,945 | 2,128,246 | 2,215,576 | 6,176,909 | 49,377,676 |
| AS AT 30.06.18 | 44,256,637 | 1,660,701 | 3,000,263 | 8,235,879 | 57,153,480 |

23. BANK BALANCE

The Centre had a bank balance brought forward Kshs. 5,132,084/- which was included in the budget of the current year and utilized as per the Governing Council approval. In the current year the Centre had reconciled cash and cash equivalents of Kshs 2,265,248/- in its Kenya Commercial Bank Account.

24. PRIOR YEAR ADJUSTMENTS IPSAS 3

The Centre shall correct material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by: (a) Restating the comparative amounts for prior period(s) presented in which the error occurred; or (b) If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

When it is impracticable to determine the cumulative effect, at the beginning of the current period, of an error on all prior periods, the Centre shall restate the comparative information to correct the error prospectively from the earliest date practicable.

25. EVENTS AFTER THE REPORTING PERIOD

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

26. ULTIMATE AND HOLDING ENTITY

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

27. CURRENCY

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

28. NATURE AND PURPOSE OF RESERVES

The Centre does not maintain any capital reserves and has therefore disclosed the net assets on the face of the statement of financial position. The same has been expounded on the statement of changes in net assets for the period under review. Retained earnings arise from the surpluses for prior years.

29. INTER ENTITY TRANSFERS

The Centre receives a one-line Budget as a transfer from the Ministry of Interior and Coordination of National Government as indicated below:

| No | Type of Transfer | Transfer Date | Amount | Financial Period |
|-------------------|------------------|---------------|-----------------------|------------------|
| 1. | Grant | 13/08/2018 | 37,395,000.00 | FY 2018/2019 |
| 2. | Grant | 30/10/2018 | 35,899,200.00 | FY 2018/2019 |
| 3. | Grant | 01/02/2019 | 36,647,100.00 | FY 2018/2019 |
| 4. | Grant | 07/05/2019 | 36,647,100.00 | FY 2018/2019 |
| TOTAL KSHS | | | 146,588,400.00 | |

30. Staff Debt Write off

An amount of Kshs 7,700 brought forward staff debt was written off during the year. This was done after approval was given by the Governing Council.

31. Deficit for the financial year 2018-2019

The deficit of Kshs 9,214,884 was as a result of depreciation expense of Kshs 9,005,251 which is non cash item.

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The Centre had obtained a qualified report on the basis of the two issues indicated on the table below for the period ending 30th June, 2018.

| Ref. No. on the External Audit, Report | Issue/ Observation's from Auditor | Management Comments | Focal Point person to resolve the issue | Status | Timeframe |
|--|--|--|---|-----------|-----------|
| 1. Cash and Cash Equivalent | Non-disclosure of two cheques totalling to Kshs 10,833 whose clearance status as at 31 st March ,2019 was not disclosed | The cheques have been written back to the cashbook | Accountant | Finalized | - |
| 2. Prior Year Adjustment | Schedule of the consumable store adding up to 4,015,752 was not provide for audit review The treatment was against paragraph 47 of IPSAS No. 3 on Accounting policies, changes in Accounting Estimates and Errors | The stock take schedule for the consumable stores is available for audit review. IPSAS 3 Paragraph 47 and 48 has been complied with. The value of stock was undervalued by Kshs 188,885/- This amount has been restated in the Financial statements for the year 2017-2018 | Accountant | Finalized | - |

.....
GERARD E. WANDERA
DIRECTOR/CEO
NATIONAL CRIME RESEARCH CENTRE

.....
HON. JUSTICE PAUL KIHARA KARIUKI
CHAIRMAN
NATIONAL CRIME RESEARCH CENTRE

Date... 30/03/2020

Date... 30/03/2020

NATIONAL CRIME RESEARCH CENTRE ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2019

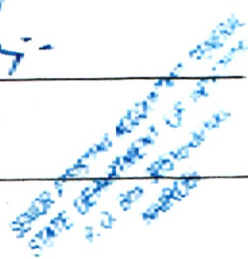
APPENDIX II: CONFIRMATION OF INTER ENTITY TRANSFERS

| Confirmation of amounts received by National Crime Research Centre as at 30 th June 2019 | | | | | | | |
|---|----------------|-----------------------|-----------------------|-----------------------------|-------------------------|---|-------------------------|
| Amounts Disbursed by Ministry of Interior as at 30 th June 2019 | | | | | | | |
| No | Date Disbursed | Recurrent Kshs a | Development Kshs b | Inter-Ministerial Kshs c | Total Kshs d=(a+b+c) | Amount received by NCRC as at 30 th June 2019 e | Differences Kshs =(d-c) |
| 1. | 13/08/2018 | 37,395,000.00 | | | 37,395,000.00 | 37,395,000.00 | 0.00 |
| 2. | 30/10/2018 | 35,899,200.00 | | | 35,899,200.00 | 35,899,200.00 | 0.00 |
| 3. | 01/02/2019 | 36,647,100.00 | | | 36,647,100.00 | 36,647,100.00 | 0.00 |
| 4. | 07/05/2019 | 36,647,100.00 | | | 36,647,100.00 | 36,647,100.00 | 0.00 |
| TOTAL KSHS | | 146,588,400.00 | 0.00 | 0.00 | 146,588,400 | 146,588,400 | 0.00 |

I confirm that the amounts shown above are correct as of the date indicated

Head of Accounts, State Department of Interior

Name: JAMES K. KAAORI
 Signature: [Handwritten Signature]
 Date: 03/09/20



Head of Accounts, National Crime Research Centre

Name: THE GAUCHA MANDERE
 Signature: [Handwritten Signature]
 Date: 09/2020

