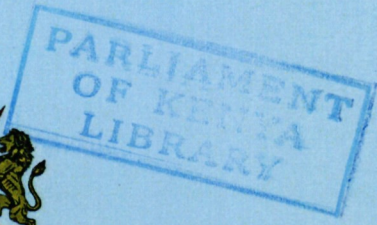
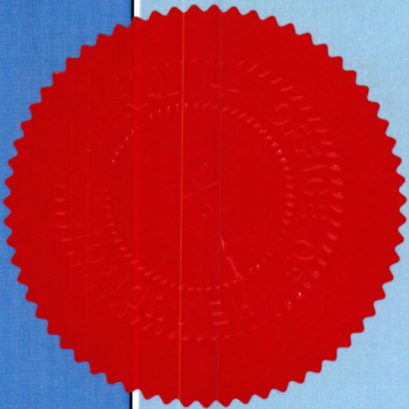


REPUBLIC OF KENYA




**OFFICE OF THE AUDITOR-GENERAL**

*Enhancing Accountability*



## REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
OF DATE: 05 APR 2022	DAY: TUE.
TABLED BY: Lam	
CLERK-AT THE TABLE: M. WANJIKU mm	

**THE AUDITOR-GENERAL**

**ON**

**INDEPENDENT ELECTORAL AND  
BOUNDARIES COMMISSION**

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



**INDEPENDENT ELECTORAL AND BOUNDARIES COMMISSION**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE, 2021**

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

## TABLE OF CONTENTS

KEY COMMISSION INFORMATION AND MANAGEMENT.....	3
THE IEBC COMMISSION.....	6
REVIEW OF IEBC PERFORMANCE IN 2020/2021FY .....	12
CORPORATE GOVERNANCE STATEMENT .....	16
MANAGEMENT DISCUSSION AND ANALYSIS.....	18
ENVIRONMENTAL & SUSTAINABILITY REPORTING .....	20
CORPORATE SOCIAL RESPONSIBILITY (CSR) .....	22
STATEMENT OF THE ACCOUNTING OFFICER RESPONSIBILITIES .....	23
REPORT OF THE CHAIRPERSON .....	24
REPORT OF THE SECRETARY/CHIEF EXECUTIVE OFFICER.....	25
REPORT OF THE INDEPENDENT AUDITOR .....	27
STATEMENT OF FINANCIAL PERFORMANCE.....	28
STATEMENT OF FINANCIAL POSITION .....	29
STATEMENT OF CASH FLOWS.....	30
STATEMENT OF CHANGES IN NET ASSETS.....	31
STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS.....	32
SIGNIFICANT ACCOUNTING POLICIES .....	33
NOTES TO THE FINANCIAL STATEMENTS .....	39
PROGRESS ON FOLLOW UP OF AUDIT RECOMMENDATIONS .....	50

# KEY COMMISSION INFORMATION AND MANAGEMENT

## 1. Background information

The Independent Electoral and Boundaries Commission is a Constitutional body established under Article 88 of the Constitution of Kenya and is a body corporate pursuant to Article 253 of the Constitution of Kenya. As per Article 88 of the Constitution of Kenya 2010, the Commission is responsible for conducting or supervising referenda and elections to any elective body or office established by the constitution, and any other elections as prescribed by an Act of Parliament. Article 88 and IEBC Act 2011 further enumerate the mandate of the Commission to include, inter alia, continuous registration of voters, revision of the voter's roll; delimitation of constituencies and wards boundaries; regulation of political parties process; development of a code of conduct for candidates and parties and monitoring of compliance with legislation on nomination of candidates by parties.

## 2. General Information

The Independent Electoral and Boundaries Commission is established under Article 88 of the Constitution of Kenya, 2010 and is a legal entity. It is operationalized through IEBC Act 2011.

The IEBC Act provides that the funds of the Commission are held in a fund known as the Independent Electoral and Boundaries Commission Fund. The fund has not been operationalized.

The Commission is required to prepare and submit its annual financial statements to the Auditor General by 30<sup>th</sup> September every year and a copy to the Controller of Budget, the National Treasury and the Commission of Revenue of Allocation as stipulated in Section 81 of the Public Finance Management Act, 2012.

## 3. Key Management

The Commission's day-to-day activities are run by the Secretariat. The secretariat's management was as follows:

- |     |                       |  |
|-----|-----------------------|--|
| (a) | Marjan H. Marjan      | Ag. Commission Secretary/CEO.                          |
| (b) | Obadiah Keitany       | Ag. Deputy CEO/Director Finance                        |
| (c) | Lorna Agnes Onyango   | Director Human Resources and Administration.           |
| (d) | Joyce Ekuam           | Ag. Director Voter Education and Partnerships.         |
| (e) | Dr. Catherine Kamindo | Ag. Director Research and Development.                 |
| (f) | Michael Ouma          | Ag. Director Information and Communication Technology. |
| (g) | Rasi Masudi           | Director Voter Registration and Elections Operations.  |
| (h) | Michael Goa           | Director Legal Affairs and Public Affairs.             |
| (i) | Osman H. Ibrahim      | Director Audit Risk and Compliance.                    |
| (j) | Harley K. Mutisya     | Director Supply Chain Management.                      |

#### 4. Fiduciary Management

The key management personnel who held office during the 2020/2021 financial year ended 30<sup>th</sup> June, 2021 and had direct fiduciary responsibility were:

No.	Designation	Name
1.	Ag. Commission Secretary/CEO	Marjan H. Marjan.
2.	Ag. Deputy CEO/Director Finance	Obadiah K. Keitany.
3.	Director Supply Chain Management	Harley K. Mutisya.
4.	Director Audit Risk & Compliance	Osman H. Ibrahim.
5.	Director Human Resources & Administration	Lorna A. Onyango.
6.	Ag. Director Information & Communication Technology	Michael Ouma.
7.	Director Voter Registration & Elections Operations	Rasi M. Masudi.
8.	Ag. Director Research & Development	Dr. Catherine Kamindo.
9.	Ag. Director Voter Education & Partnerships	Joyce Ekuam.
10.	Director Legal Affairs & Public Affairs	Michael Goa.

#### 5. Fiduciary Oversight Arrangements

##### **Audit and Finance Committee activities**

The Commission has in place a Finance and Procurement Committee consisting of at least two Commissioners. The Committee has an oversight role over all finance and procurement matters. The Committee meets at least once a month. The Commission has in place an independent Audit Committee that is chaired by a non-executive member. The Audit, Risk and Compliance Committee oversees the internal audit activity charged with the responsibility of continuous review and providing assurance on effectiveness of the Commission's Governance, Risk and Control.

##### **Parliamentary Accounts Committee (PAC) activities**

The Commission appears before PAC to respond to unresolved audit issues on invitation of PAC. The Commission has received PAC recommendations up to 2017/2018 FY and are currently being implemented. The Commission is yet to appear before PAC for the 2018/2019 and 2019/2020 financial year audit issues.

##### **Development Partner Oversight activities**

For the period under review, the Commission did not receive any support from development partners. However, the Commission receives funding during electioneering period under UNDP Basket fund which is implemented under Direct Implementation Method (DIM) coordinated by UNDP. The Commission is currently engaging with various development partners for possible budgetary support.

##### **External/Statutory Audit Activities**

The Commission is annually subjected to audit by the Office of the Auditor General as required by law. OAG undertakes; Continuous, Systems and Annual audits on the Commission finances and operation activities. In special circumstances, OAG conduct Special Audits.

##### **Budgetary Control Activities**

The Office of Controller of Budget (COB) of Kenya is an independent office established to oversee implementation of the budgets of the National and County Governments by authorizing withdrawal from public funds.

The Commission files the required quarterly and annual budget implementation reports to the Officer of the Controller of Budget. Further, the Commission has put in place a standing committee on Budget Implementation which advises the Commission on budgetary matters.

The Commission is committed to compliance and prudence in the management of the finances, collaborates with the relevant statutory oversight bodies and continues to undertake internal financial reviews whose outcome enables the Commission to strengthen its operational and financial systems.

**6. Commission Bankers**

Central Bank of Kenya  
Haille Sellasie Avenue  
P.O. Box 60000-00200  
NAIROBI.

Kenya Commercial Bank Ltd.  
University Way Branch  
P.O. Box 4012-00300  
NAIROBI.

**7. Commission Auditors**

The Auditor General  
Kenya National Audit Office  
Anniversary Towers  
P.O. Box 30084- 00100  
NAIROBI.

**8. Commission Headquarters**

The Independent Electoral and Boundaries Commission  
Anniversary Towers, 6<sup>th</sup> Floor,  
P.O Box 45371-00100  
NAIROBI.

**9. Principal Legal Advisor**

The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112-00200  
NAIROBI.

## THE IEBC COMMISSION



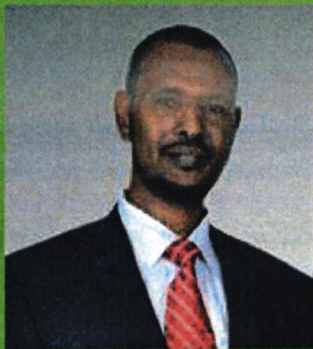
**Chairperson: Mr. Wafula W. Chebukati**

### **Key Qualifications:**

- Master of Business Administration from Jomo Kenyatta University of Agriculture and Technology.
- Bachelor of Law Degree from the University of Nairobi.
- Post Graduate Diploma from the Kenya School of Law.

### **Experience:**

- Over 31 years' experience in legal practice specializing in litigation and dispute resolution, conveyancing, labour laws, company mergers and acquisitions, Maritime and treaties
- Works on a full-time basis as a chairperson of the Commission.
- Chairs the Legal Affairs and Compliance Committee, the Dispute Resolution Committee and the Electoral Code of Conduct Committee.



**Commissioner: Prof. Abdi Yakub Guliye**

### **Key Qualifications:**

- PhD in Animal Nutrition from Rowett Research Institute/ University of Aberdeen, Scotland, UK
- Master of Science in Animal Production from University of Aberdeen, Scotland, UK
- Bachelor of Science in Animal Production from Egerton University.

### **Experience:**

- Prof. Guliye has over 27 years of university teaching experience, of which in the last 7 years he had additional administrative/ managerial roles. He also served in various Boards of Institutions/Organizations, having chaired committees such as Audit and Risk Management as well as Finance.
- He Chairs Research, Technology and Strategy Committee and is also a member of the Audit Risk and Compliance Committee.



**Commissioner: Mr. Boya Molu**

**Key Qualifications:**

- Master's in Business Administration (HR Management Option), Periyar University, India.
- Bachelor of Business Administration from Karnatak University, India.
- Higher National Diploma in Human Resources Management (KNEC), IHRM Kenya.

**Experience:**

- Has over 15 years' experience in Human Resource Management and administration mainly in public sector.
- Prior to joining the Commission Mr. Molu served in various capacities at the Central Bank of Kenya (CBK) and the Judiciary in Human Resource and Administration Directorate.
- Also served as a council member of the Institute of Human Resources Management (IHRM) Kenya.
- Chairs the Human Resource, Administration and Training Committee.

## THE IEBC MANAGEMENT TEAM



**Name: Marjan H. Marjan**

**Ag. CEO/Commission Secretary**

**Profession/Qualifications:**

- MBA in Strategic Management - University of Nairobi (UoN);
- BCom (Accounting Option) - (UoN);
- Certified Public Accountant (CPA-K);
- Certified Information Systems Auditor (CISA);
- Certified Internal Auditor (CIA);
- Certification in Control Self-Assessment (CCSA)
- Certified Quality Assessor (CQA);
- Practicing Member of ICPAK in good standing;
- Member of Information Systems Audit & Control Association (ISACA);
- Member of Institute Internal Auditor (IIA).



**Name: Obadiah K. Keitany**

**Ag. Deputy CEO/Director Finance**

**Profession/Qualifications:**

- MBA Finance – University of Nairobi (UoN);
- BCom Insurance (UoN);
- Certified Public Accountant (CPA-K);
- Certified Internal Auditor (CIA);
- Certified Information Systems Auditor (CISA);
- Certified Public Secretary (CPS-K);
- Certified Quality Assessor (CQA);
- Post Graduate Diploma in Corporate Governance (KCA);
- Member of ICPAK in good standing;
- Member of Information Systems Audit & Control Association (ISACA);
- Member of Institute of Internal Auditors (IIA);
- Member of Institute of Certified Secretaries of Kenya.



**Name: Osman H. Ibrahim**

**Director Audit Risk and Compliance**

**Profession/Qualifications:**

- Masters in Business Administration in Finance (MBA);
- Bachelor of Commerce from the University of Nairobi;
- Certified Public Accountant (CPA-K);
- Member of ICPAK in good standing.



**Name: Michael Goa**

**Director Legal and Public Affairs.**

**Profession/Qualifications:**

- Executive MBA;
- Bachelor of Law degree (LLB) - University of Nairobi;
- Post Graduate Diploma in Legal Education (Kenya School of Law);
- Certified Public Secretary;
- Advocate of the High Court of Kenya;
- Commissioner of Oaths;
- Notary Public;
- Member of the Institute of Certified Public Secretaries of Kenya.



**Name: Dr. Catherine M. Kamindo**

**Ag. Director Research Boundaries & Development**

**Profession/Qualifications:**

- PhD Education Policy and Management- University of Durham (UK);
- Master of Education Educational Administration- Kenyatta University;
- Bachelor of Education - Kenyatta University;
- Certificate in Strategic Communication- The World Bank;
- Certificate in Management of Democratic Elections in Africa- University of South Africa;
- Professional Certificate in Electoral Processes-International Centre for Parliamentary Studies (UK);
- Full Member (FKIM) Kenya Institute of Management;
- African Union Certified Long and Short-Term Elections Observer;
- Kenya Association of Educational Administration (KAEM);
- American Political Science Association (APSA).



**Name: Joyce Ekuam**

**Ag. Director Voter Education, Partnerships & Communication**

**Profession/Qualifications:**

- Master of Education Management-Egerton University;
- Bachelor of education -Kenyatta University;
- Certificate in Strategic Leadership Development- Kenya School of Government;
- Certificate in Senior Management Course - Kenya School of Government;
- Certificate in Peer Counseling - Kenya Institute of Professional Counselling;
- Member Public Relations Society of Kenya (PRSK);
- Member (FKIM) Kenya Institute of Management.



**Name: Rasi Masudi**

**Director Voter Registration and Electoral Operations**

**Profession/Qualifications:**

- Executive MBA;
- Bachelor of Science in Agricultural Economics;
- Diploma in Farm Management.



**Name: Harley Kisyula Mutisya**

**Director Supply Chain Management**

**Profession/Qualifications:**

- PHD in Business Administration (UoN);
- MBA in Procurement & Supply Chain Management (UoN);
- BCOM in Supply Chain Management (UoN);
- Diploma in Logistical Management from Cerford Institute;
- Certified Procurement and Supply Professional (CPSP-K);
- Chartered Associate (ACI Arb);
- Member Kenya Institute of Supplies Management (KISM);
- Certified Practitioner-(KISM);
- Fellow Logistics Society of Kenya;
- Member Chartered Institute of Procurement and Supply (UK);



**Name: Michael Ouma**

**Ag. Director ICT**

**Profession/Qualifications:**

- MBA, Strategic Management - UoN
- B. Tech. in Electrical & Communications Engineering – Moi University.



**Name: Lorna A. Onyango**

**Director Human Resource & Administration**

**Profession/Qualifications:**

- Master of Business Administration (HRM);
- Post Graduate Diploma;
- Bachelor of Arts (Sociology) (UoN);
- Certificate, Human Resource Audit;
- Certificate, Payroll Management;
- Licensed Human Resource Professional;
- Member, Institute of Human Resource Management (IHRM), Kenya.

## REVIEW OF IEBC PERFORMANCE IN 2020/2021FY

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

IEBC has three strategic pillars and objectives within its Strategic Plan for the FY 2019/2020-2023/2024.

These strategic pillars are as follows:

Pillar 1: Managing Elections.

Pillar 2: Institutional Transformation.

Pillar 3: Trust and Participation.

The Commission develops its annual work plans based on the above three pillars. Assessment of the Commission's performance against its annual work plan is done on a quarterly basis. The Commission achieved its performance targets set for its 2020-2024 strategic pillars, as indicated in the table below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
<b>Pillar 1: Managing Elections</b>	Strengthen Electoral, Legal framework and Enforcement.	All Electoral Laws reviewed and harmonized by August.  The percentage reduction in reported cases of electoral offences by Political Parties, Candidates and other Stakeholders.	Workshops Public participation JLAC for consultation on the Commission's proposals.  Stakeholder engagement with IEBC External Counsel.	Drafted, approved and submitted to parliament the following bills: <ul style="list-style-type: none"> <li>• Draft Referendum Bill,2020.</li> <li>• Draft IEBC (Amendment) Bill,2020.</li> <li>• Draft Election Financing Regualtions,2020.</li> </ul> 8 cases on electoral malpractices and violation of the electoral code of conduct.

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
	Elections operations implemented for enhanced voter experience.	Conduct all by-elections within the statutory timelines.	<ul style="list-style-type: none"> <li>Sourcing of election materials.</li> <li>Training of Election officials.</li> <li>Nominations.</li> <li>Polling.</li> <li>Tallying.</li> </ul>	Seventeen (19) by-elections conducted, two (2) Senatorial, five (5) Member of the National Assembly and twelve (12) Members of County Assembly.
		Conduct referendum	Signature verification	4,352,037 signatures verified.
		Reduce time taken to process a voter on polling day.		An average time taken to process voters during by-elections was 6 minutes per voter.
	Register eligible Kenyan Citizens as voters.	Number of eligible voters registered	<ul style="list-style-type: none"> <li>Continuous voter registration.</li> <li>Continuous cleaning of register.</li> </ul>	Total registered voters 19,721,161.
	Equity in Representation in Parliament and County Assembly levels. Delimitation of Electoral Areas.	Review of Electoral Boundaries.	<ul style="list-style-type: none"> <li>Stakeholder participation.</li> <li>Forums Consultations with relevant authorities.</li> </ul>	Draft Strategy in Voter Education, Partnership and Communication Strategy Development.
<b>Pillar 2: Institutional Transformation</b>	Enhance IEBC's Human Resource capacity.	A performance management policy.	Stakeholder participation.	Policy developed and launched.
	Strengthen corporate governance and communication in IEBC.	A risk-based Annual Internal Audit Plan developed and implemented. Quarterly progress reports on risk management Developed. The IEBC Risk Register reviewed.	<ul style="list-style-type: none"> <li>Development of annual audit plan.</li> <li>Continuous audit reviews Quarterly Risk review plans Desktop reviews.</li> </ul>	<ul style="list-style-type: none"> <li>10 Quarterly internal audits.</li> <li>22 Risk Reviews conducted.</li> <li>IEBC Risk Register Updated.</li> </ul>

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
	Re-engineer business processes across IEBC's Operations.	Policies, procedures and operational manuals developed and established by December, 2015. Review the Commission organization Structure.	<ul style="list-style-type: none"> <li>Restructuring.</li> <li>Review of policies and procedures manual.</li> <li>Consultative forums.</li> </ul>	<ul style="list-style-type: none"> <li>Approved the Reviewed Commission Structure.</li> <li>Approved and commissioned five (5) operational manuals (Finance and Accounts, Procurement, HRA, Risk and Audit).</li> </ul>
	Provide adequate office space and a conducive work environment.	Acquire and own office facilities for the IEBC Headquarters and field offices by 2020.	Sourcing funds Office reallocation Construction of warehouses and county and constituency offices.	<ul style="list-style-type: none"> <li>Commenced the construction of 5 county warehouses (Wajir, Garissa, Kakamega, Machakos, Isiolo counties).</li> <li>Developed a preliminary report on the construction of the Uchaguzi Centre.</li> </ul>
<b>Pillar 3: Trust and Participation</b>	Empower Kenyans to Effectively participate in the electoral process.	Percentage of Kenyans directly or indirectly reached with voter education information prior to an electoral activity.	<ul style="list-style-type: none"> <li>Continuous voter education.</li> <li>Review Workshops and for an advertisements.</li> </ul>	<ul style="list-style-type: none"> <li>36.67% voter turnout in the by-elections.</li> </ul>
	Strategic Partnership and Collaboration with Stakeholders	Accreditation of election observers during key electoral processes	<ul style="list-style-type: none"> <li>Briefings.</li> <li>Accreditations.</li> </ul>	<ul style="list-style-type: none"> <li>453 Observers were accredited for the 19 by-elections and 99 observers accredited to observe BBI support signature verification exercise.</li> <li>1517 Long-Term Observers.</li> </ul>
	Empowering political parties and independent candidates to effectively participate in the electoral Process.	Strengthen collaboration with the Office of the Registrar of Political Parties.	<ul style="list-style-type: none"> <li>Political party liaison meeting.</li> <li>Training of political parties.</li> </ul>	<ul style="list-style-type: none"> <li>Collaboration framework approved.</li> </ul>

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
	Enhanced mechanisms for liaison with Political Parties.	Number of Political Parties Liaison Committee (PPLC) meetings held.	<ul style="list-style-type: none"> <li>• Meetings.</li> <li>• Stakeholder forums.</li> </ul>	<ul style="list-style-type: none"> <li>• Twelve (12) Political Parties Liaison Committee (PPLC) meetings held in the period under review.</li> </ul>

## CORPORATE GOVERNANCE STATEMENT

The Commission is accountable to the public and stakeholders through Parliament for ensuring that it complies with the highest standards of corporate governance and operational ethics. The Commission has embraced corporate governance by promoting the right corporate culture and values.

The Commission exercises reasonable care to ensure that the management of the Commission is carried out in the best interest of the citizens of Kenya. The overall management of the Commission is the responsibility of the Commissioners.

The Commission recognizes the need to conduct its affairs with integrity and in accordance with generally accepted corporate practices and internationally developed principles of corporate governance.

### **The Commission**

The size, composition and appointment of the Commission is prescribed by Article 250 of the Constitution and by the IEBC Act 2011. There were three Commissioners who worked on a full-time basis during the year under review. Each member was appointed to serve for a single term of six years.

The Commission is well composed in terms of range and diversity of skills, knowledge, age and experience in various sectors which makes it effective and provides an appropriate skills balance for the oversight of the Commission's mandate.

### **The Commission Committees and their Responsibilities**

The Commission delegates certain functions to committees without abdicating its own responsibilities. The Commission has developed a committee structure that assists in the execution of its duties, powers and authorities. The Committees are appropriately constituted drawing membership from amongst the Commissioners with the appropriate set of skills and experience and directors co-opted from various directorates.

The Commission has in place an independent Audit Committee that is chaired by a non-executive member. It also has two independent audit committee members, from the National Treasury and Ministry of ICT, and one Commissioner.

**The Audit, Risk and Compliance Committee:** Oversees the internal audit activity charged with the responsibility of continuous review and providing assurance on effectiveness of the Commission's Governance, Risk and Control.

**Human Resource Training and Administration Committee:** Provides advisory and oversight on human resource management, training and development, facilities and general administration.

**Finance and Procurement Committee:** The main role of the Finance and procurement Committee is to provide financial oversight for the Commission. The responsibilities include oversight over; Budgeting and budgetary control, Procurement, Financial management and reporting. It ensures compliance with relevant laws, Regulations and international standards especially Public Financial Management (PFM) Act, Public Procurement and Asset Disposal (PPAD) Act and Accounting Standards.

Elections and Technical Operations Committee (ETOC) provides oversight on voter registration and election operations planning, boundary delimitation and risk monitoring and compliance.

Research, Technology and Strategy Committee provides oversight on the formulation and integration of ICT in the management of elections and research and planning.

Legal Affairs and Compliance Committee oversees settlement of disputes relating to or arising from nominations, electoral code of conduct, campaign finance and code of ethics compliance. It also provides oversight on legal reforms, implementation of regulations and corporate governance.

The Commission has the following committees and conducted the meetings as per the table below;

S/No.	Committee	Key Responsibility	No. of Meetings
1.	Plenary.	Oversight, Strategy and Policy Formulation.	10
2.	Finance and Procurement Committee.	Procurement and Finance Oversight.	4
3.	Audit and Risk Committee.	Oversight on Governance, Risk and Compliance.	4
4.	Human Resources, Training and Administration Committee.	Advisory and Oversight on Human Resource functions.	9
5.	Legal Affairs and Compliance.	Legal Oversight and Compliance.	2
6.	Research, Technology and Strategy Committee.	Oversight on Election Planning and Implementation.	3
7.	Election Technical Operations Committee (ETOC).	Technical oversight on voter registration and election operations planning, boundary delimitation and review.	2

### **Impartiality and Independence of Members**

Every member of the Commission and employee shall perform their functions impartially and independently without influence from any person, authority or organization.

### **Disclosure of Conflict of Interests**

If a member of the Commission or an employee is directly or indirectly interested in any matter before the Commission and is present at any meeting of the Commission at which the matter is the subject of consideration, he/she shall as soon as practicable disclose the fact and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the matter or be counted in the quorum of the meeting during consideration of the matter.

A member or employee whose personal interest conflicts with their official duties shall in writing, declare as soon as practicable the personal interests to their supervisor or other appropriate person or body and comply with any directives given to avoid the conflict and refrain from participating in any deliberations with respect to the matter.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Operational and Financial Performance

The Commission successfully conducted nineteen (19) by-elections during the period under review. These were two (2) Senatorial, five (5) Member of the National Assembly and twelve (12) Members of County Assembly. The Commission further successfully verified 4.4 million Building Bridges Signatures within the statutory timeline.

The Commission received exchequers amounting Kshs. 4.991 billion as at 30th June 2021. These funds were utilized to fund the by-elections, Building Bridges Initiative (BBI) signature verification, boundaries review preliminary activities and other operations of the Commission.

Due to budgetary constraints, the Commission has not been able to settle pending bills amounting Kshs. 2.299 billion as of 30th June 2021. The bulk of these pending bills relate to 2017 General Election legal fees and ICT technology bills. A detailed listing of these bills has been provided as an annex to this report.

## Compliance with Statutory Requirements

The Commission complied with its tax obligations and all its statutory obligations in the implementation of its mandate.

## Key Projects and Investment

The Commission had planned to construct its own building to house its head office to enhance security and efficiency in its operations. However, the project was funded during the period under review. The commission will continue to pursue funding to implement the project since the Commission offices are currently located in a rented building which is not conducive for its operations due to congestions, uncontrolled movement in and out of the offices and disruptions to the business enterprises during heightened political activities.

## Risk Management Activities

The Commission has put in place a risk management framework for risk identification and mitigation. Further, it has embedded risk management in all its planning, execution, evaluation and business continuity arrangements.

Some of the key risks facing the Commission include:

- **Strategic Risks:** These are risks that affect the ability to carry out the long-term goals and objectives as articulated in the IEBC Policy.
- **Compliance Risks:** These are risks associated with non-compliance with applicable laws and regulations which could result in litigation and conflicts of interest.
- **Political Risks:** This is a major risk factor affecting staff performance and safety. These risks could also be attributed to political perception of major political parties on the Commission's role.
- **Reputational Risks:** The risk of significant negative public opinion and or perception that results in a critical loss of confidence in the institution.

- **Financial Risks:** The risk of financial loss that may include ineffectiveness of internal controls, financial processes for reporting, budgeting, and fiscal stewardship as well as the monitoring of full financial and performance reporting. These risks may also affect the ability to acquire assets, technology, etc.
- **Technological Risks:** This a possibility of failure of technology employed by the Commission in the conduct of elections and rapid technological change resulting to obsolescence.
- **Operational Risks:** The risk of direct or indirect loss or inability to provide core services, especially to stakeholders, resulting from inadequate or failed internal processes, resources (including human resources, equipment malfunction), and systems.

### **Statutory and Financial Obligations**

During the period under review, the Commissions continued to defray some bills as first charge against 2020/2021 financial year budget and from supplementary funding from the National Treasury. As at the 30<sup>th</sup> June 2021, the Commission had paid pending bills amounting Kshs. 672.576 million leaving a balance of Kshs. 2.299 billion consisting of Kshs.1.316 billion 2017 General Election petition pending bills and Kshs 996 million ICT and other pending bills.

### **Financial Probity and Governance**

To obtain assurance on compliance and prudence in the management of the election finances, the Commission has collaborated with the relevant statutory oversight bodies and continues to undertake internal financial reviews whose outcome enables the Commission to strengthen its operational and financial systems. The Commission further approved Finance and Accounts; Procurement and Human Resource and Administration Policies and Procedures Manuals for implementation.

## ENVIRONMENTAL & SUSTAINABILITY REPORTING

The Independent Electoral and Boundaries Commission is a credible electoral management body that strives to meet the democratic aspirations of the people of Kenya.

Our Mission is to conduct transparent, efficient, and impartial elections; and undertake boundary delimitation for equitable representation and sustainable democracy.

In its endeavors to achieve its mandate, the Commission is guided by the following principles and core values:

- Adherence to the rule of law - We conduct our businesses within the law.
- Inclusivity - We respect gender, race, class and disability in the conduct of electoral activities.
- Integrity - We conduct our affairs with utmost honesty.
- Accountability - We endeavor to be responsible for our actions.
- Teamwork - We work collaboratively as colleagues to achieve Commission goals.
- Innovativeness - We transform the electoral process by exceeding the expectations of Kenyans.

### **i. Sustainability strategy and profile**

The Independent Electoral and Boundaries Commission is a Constitutional body established under Article 88 of the Constitution of Kenya and is a body corporate pursuant to Article 253 of the Constitution of Kenya.

The Constitution of Kenya 2010, IEBC Act 2011 and the Elections 2011 have been the greatest sustainability pillars of the Commission and the achievements of its mandate. The National Assembly has enacted and or amended several Statutes that enable the Commission to carry out its mandate. The role played by the State and Non-State Stakeholders and Partners in the election process have sustained the operations and the implementation of the key commission strategies.

To effectively sustain its operations, the Commission has put in place structures, strategies, policies and procedures to support its operations. In the achievement of its mandate, the commission has anchored its operations and strategy in three main pillars: Managing of elections, institutional transformation and enhancing of public trust.

The Commission, over the years has developed well trained and experienced staff on matters election operations and technology. To this end it has received benchmarking delegations from Africa and beyond. Further, it has well established structures in its county and constituency offices spread across country.

### **ii. Employee Welfare**

The Commission policy on recruitment ensures the Commission's commitment to ensuring that the one third gender rule is observed as well promotes affirmative action to ensure diversity in the workplace. The Commission's Shortlisting and Interview Guidelines ensure that recruitment processes are geared towards observing and promoting regional and gender balance.

Currently the percentage gender distribution is 35% female and 65% male, while the ethnic representation within the Commission is forty-three (43) ethnic tribes out the forty-six (46) existing ethnic communities.

The Commission supports officers to be in good professional standing with their professional bodies by facilitating their Annual Subscription and Continuous Professional Development (CPD) training. In addition, the staff are trained in career development courses, specialized skills and seminars and workshops.

The Commission has a robust Performance Management System (PMS) that include Target Setting and the Annual Performance Appraisals. The Commission also recommend honors and awards and issues commendation letters in recognition of exemplary performance.

**iii. Market place practices**

The Commission operates in an environment with a wide range of risk profiles, making free and fair election competitive focus in a very competitive elective political environment. Election code of conduct provides the commission and the public with details of malpractices that may impair competitive elections. It provides guidelines, addressing such issues as election fraud, bribery, violence, conflicts of interest, among other election irregularities.

The Commission has consistently applied the most competitive procurement method based on the prevailing procurement laws and regulation with emphasis on maximizing value for money. And equity in the procurement processes. The Commission also conducts due diligence on third parties to ensure that it engages the right supplier in its procurement.

The Commission has established responsible supplier relationship by strict compliance to the public procurement and asset disposal processes and principles as laid down in the public procurement and asset disposal legislative framework. Further, the Commission has enhanced its communication as a tool in bettering the management of the existing suppliers. The use of online procurement modules has further enhanced efficiency hence increased trust in our procurement process. This has made suppliers to have a better understanding of the Commission's business goals.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Commission's overriding Corporate Social Responsibility theme is "Connecting with the Voter".

In the period under review, the Commission undertook several CSR initiatives most of with other humanitarian initiatives. During the annual voter education week that was held between Monday, June 14<sup>th</sup> and Sunday, June 20, 2021 in all 47 counties and 290 constituencies countrywide, the Commission undertook CSR activities in various parts of the Country.

These activities included:

- i. Donation of sanitary towels, sanitizers, stationeries, hand washing tanks and soaps and footballs to various schools.
- ii. Sponsoring football tournaments for schools and visited children homes and donating of foodstuffs
- iii. Open air markets clean up.
- iv. Initiated Uchaguzi Club in Moi University.

Further, the Commission has institutionalized the management of school student council elections, where the Commission uses the opportunity to inculcate democratic tenets in the learner's minds. The school council elections are regularly coordinated by the Commission's County and constituency offices in their respective electoral area.

## STATEMENT OF THE ACCOUNTING OFFICER RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012, requires the Accounting Officer to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Commission as at the end of each financial year and of its operating results. It also requires the Accounting Officer to ensure that the Commission maintains proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Commission. The Accounting Officer is also responsible for safeguarding the Commission's assets.

The Accounting Officer is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (IPSAS) and in a form that complies with the standards prescribed by the Public Sector Accounting Standards Board (PSASB). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, safeguarding the assets, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Accounting Officer accepts responsibility for financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Accounting Officer is of the opinion that the financial statements give a true and fair view of the state of financial affairs of the Commission and of its financial position. The Accounting Officer further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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



**Marjan Hussein Marjan**

**Ag. Commission Secretary/CEO**

## REPORT OF THE CHAIRPERSON

I am pleased to present the Commission's annual financial statements for the year ended 30<sup>th</sup> June 2021.

The Commission successfully conducted nineteen (19) by-elections during the period under review. These were two (2) Senatorial, five (5) Member of the National Assembly and twelve (12) Members of County Assembly. The Commission successfully verified 4.4 million Building Bridges Signatures within the statutory timeline. The Commission further developed and launched for implementation the 2020/21-2023/24 Strategic Plan, Election Operation Plan (EOP) and Boundaries Review Operations Plan (BROP).

In the 2020/2021 financial year, the Commission was allocated Kshs. 5.309 billion under the recurrent vote and Ksh.75 million under development vote. The Commission received exchequer amounting Kshs. 4.920 billion for recurrent expenditure but incurred total expenditure of Kshs. 4.831 billion. The Commission also received exchequer amounting to Ksh. 71 million for the construction of five (5) county warehouses.

Looking forward to the National Treasury to provide adequate budget allocation and timely release of exchequer to fund the planned 2022 General election activities and settle pending bills amounting Kshs. 2.299 billion. Some of these bills continue to attract interest due to non-payment.

I wish to register and applaud the Members and Staff of the IEBC as well as all partners and stakeholders for their support towards fulfilling Commission's mandate as enshrined in the Constitution of Kenya 2010.

In Conclusion, I wish to convey the gratitude of the Commission to the National Government, the National Treasury, Parliament, partners, stakeholders and staff of the Commission for their continued support towards fulfilling our mandate.



**W.W. Chebukati**

Chairperson

## REPORT OF THE SECRETARY/CHIEF EXECUTIVE OFFICER

The Independent Electoral and Boundaries Commission hereby submit its Financial Statements for Financial Year 2020/2021. During the period under review, the Commission was allocated a total of Ksh. 5,308,633,000 for recurrent expenditure to implement its programmes and activities. Further, the Commission was allocated Ksh. 75,000,000 for development expenditure for the construction of county warehouses. The Commission realized 91% and 95% absorption rates for recurrent and development expenditures respectively.

The Financial Statements comprise of the Statement of the Financial Performance, Statement of the Financial Position, Statement of Changes in Net Assets, Statement of Cash Flows and Statement of Combined Budget Execution. The Commission has continued to ensure probity and prudence in the management of its resources in accordance to the provisions of the Public Finance Management Act, 2012 and the attendant Regulations. The Statements of the Commission are also prepared in conformity to the International Public Sector Accounting Standards (IPSAS) on prudent financial management and reporting.

The mandate of the Commission is derived from Article 88 of the Constitution of Kenya, 2010 and statutory instruments that include; the IEBC Act, 2011, the Elections Act, 2011 and the attendant election regulations. The Commission is responsible for enforcing the Electoral Code Conduct and monitoring compliance relating to the nomination of candidates by parties. It also conducts investigation of electoral malpractices in Kenya.

The Mission of the Commission is to conduct transparent, efficient, and impartial elections; and undertake boundary delimitation for equitable representation and sustainable democracy. This is reflected in the conduct of the elections and the election related activities in a manner that consistently deliver the desired results. During the reporting period, the Commission successfully conducted nineteen (19) by-elections without any legal contestation. These were two (2) Senatorial, five (5) Member of the National Assembly and twelve (12) Members of County Assembly. It is worth noting that the Commission has successfully incorporated Covid -19 pandemic mitigation protocols in its electoral operations as guided by the Ministry of Health.

The Commission has continued to undertake continuous voter registration across the country and update the roll/register of voters. During the period under review, the registered number of voters stood at 19,711,240.

Public trust and participation is key pillar in the commissions strategic direction aimed at instilling confidence and trust in the electoral processes among citizens. In cognizance of this the commission has continued to work very closely with various electoral stakeholders to ensure transparency and inclusivity in the electoral process. During the reporting period, the Commission accredited 453 observers for the by-elections, 99 BBI observers and 1,517 long term observers.

The Commission further, successfully verified 4.4 million Building Bridges Initiative Signatures within the statutory timeline and forwarded the referendum bill to all the counties as required by law. In addition, the Commission developed and launched for implementation the 2020/21-2023/24 Strategic Plan, Election Operation Plan (EOP) and Boundaries Review Operations Plan (BROP).

In addition, the Commission developed and submitted to Parliament for consideration and enactment, the draft Referendum Bill, 2020, draft Independent Electoral and Boundaries (Amendment) Bill, 2020 and the Election Campaign Financing (Amendment) Bill, 2020. The Commission would be pleased to have the bills enacted in readiness for the 2022 General Election.

The Commission recognizes that risk management and assurance are important corporate governance pillars. To this end, it has embedded a robust risk management framework in all its operations and functions.

The Commission has put in place continuous risk assessment and mitigation strategies to enhance internal controls and compliance by undertaking enterprise wide risk management training, established risk register and continuous review of Commission's processes and operations.

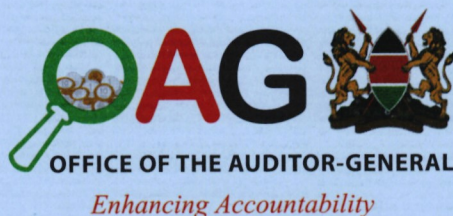
I wish to thank the Chairperson, Commissioners and members of staff for their dedication and commitment in realization of the set goals and objectives. I salute all partners and stakeholders for their support towards fulfilling Commission's mandate as enshrined in the Constitution of Kenya 2010.



**Marjan Hussein Marjan**

**Ag. Commission Secretary/CEO**

# 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 INDEPENDENT ELECTORAL AND BOUNDARIES COMMISSION FOR THE YEAR ENDED 30 JUNE, 2021**

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### PREAMBLE

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

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

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of Independent Electoral and Boundaries Commission set out on pages 28 to 56, which comprise of the statement of

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*Report of the Auditor-General on Independent Electoral and Boundaries Commission for the year ended 30 June, 2021*

financial position as at 30 June, 2021, and the statement of financial performance, statement of cash flows, statement of changes in net assets, and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters 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 Independent Electoral and Boundaries Commission as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Long Outstanding Accounts Receivables**

As previously reported, the statement of financial position reflects balances of Kshs.11,160,000 and Kshs.26,193,000 in respect of accounts receivables and car loan accounts receivables, respectively which have been outstanding for more than fourteen (14) years since 2008. As disclosed in Notes 10 and 11 to the financial statements, the amounts relate to imprests and salary advances held by staff and outstanding car loans to commissioners of the defunct Electoral Commission of Kenya. The funds were recovered from their final dues but retained by The National Treasury. Management has however indicated that the Commission is engaging The National Treasury with a view of getting the money refunded or obtaining an approval to write it off from the Commission's accounting records but this has not been issued.

In the circumstances, the recoverability of the long outstanding accounts receivables balance and car loans amounting to 37,353,000 could not be ascertained.

#### **2. Property, Plant and Equipment**

As disclosed in Note 12 to the financial statements, the statement of financial position reflects property, plant and equipment balance of Kshs.1,763,349,000. Review of the balances revealed the following unsatisfactory matters:

##### **2.1. Untitled Land and Buildings**

As reported in the previous years, the balance excludes the cost of fifty-six (56) parcels of land on which the commission's office blocks have been constructed in the counties.

Further, the Commission is yet to obtain ownership documents for eighty-five (85) parcels of land allocated by the National and County Governments and whose values have also not been included in the financial statements. The financial statements also excludes the value of a parcel of land located in Mandera whose value has not been determined and

is a subject of ownership dispute between the commission and the County Government of Mandera.

In addition, as reported in the previous years, although the Commission maintained an asset register which was not comprehensive as provided under Regulation 143(2) of the Public Finance Management (National Government) Regulations, 2015.

## **2.2. Unconfirmed Ownership and Valuation of Motor Vehicles**

The balance includes motor vehicles with a carrying amount of Kshs.57,743,000. However, examination of the motor vehicles status report as at 30 June, 2021 revealed that out of the two hundred and fifty-six (256) motor vehicles, three (3) motor boats and two (2) folk lifts, only the cost of one hundred and fifty-six (156) motor vehicles was included in the balance indicated. Further, two hundred and ten (210) motor vehicle logbooks and still registered under the defunct Electoral Commission of Kenya and have not been transferred to Independent Electoral and Boundaries Commission while eighty-six (86) motor vehicles, three (3) motor boats and one (1) folk lift were grounded with some being unserviceable and having been idle for over three (3) years.

In the circumstances, it has not been possible to ascertain the accuracy, completeness and ownership of the property, plant and equipment balance of Kshs.1,763,349,000.

## **3. Undisclosed and Lack of Valuation of Inventories**

The statement of financial position reflects total assets balance of Kshs.1,950,580,000. However, the Commission held significant quantities of strategic and non-strategic election materials in various stores located in various warehouses at its county and constituency offices. These include items of undetermined values inherited from the defunct Electoral Commission of Kenya. Further, as reported in the previous years, the values of these inventories have not been determined and disclosed in the financial statements.

Consequently, the accuracy and completeness of the total assets balance of Kshs.1,950,580,000 reflected in the statement of financial position as at 30 June, 2021 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Independent Electoral and Boundaries Commission 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 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.

## **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous years, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular Ref: AG.4/16/2 Vol.3(72) dated 30 June, 2021.

## **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**

#### **Long Outstanding Court Awards**

As reported in the previous years, the statement of financial position as at 30 June, 2021 reflects receivables from non-exchange transactions balance of Kshs.16,837,000 which, as disclosed in Note 9 to the financial statements includes Appropriations-In-Aid (AIA) receivables amounting to Kshs.5,396,000. The balance relates to amounts due from court cases which were decided in the year 2013 and costs awarded to the Commission. However, Management has not demonstrated the measures taken to collect the amounts awarded or collect the revenue due as required under Regulation 64(1) of the Public Finance Management (National Government) Regulations, 2015.

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, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

## Basis for Conclusion

### 1. Outstanding Accounts Payables

As disclosed in Note 14 to the financial statements, the statement of financial position reflects accounts payables totalling to Kshs.2,299,626,000 as at 30 June, 2021 (2019/2020: Kshs.3,124,814,000) that were not settled during the current financial year but were instead carried forward to 2021/2022 financial year.

Failure to settle bills during the year in which they relate adversely affects the provisions of the subsequent years to which they have to be charged.

### 2. Status of Critical Election Equipment

The Commission procured and distributed forty-five thousand (45,000) KIEMs kits during the financial year 2016/2017. However, the kits status report as at 30 June, 2021 indicated that only forty-four thousand, nine hundred and ninety-three (44,993) kits existed resulting in an unexplained variance of seven (7) kits. In addition, the status report indicated that some of the kits had missing components, damaged components and had not been tested for functionality.

Further, the Commission also procured and distributed a total of fifteen thousand (15,000) Biometric Voters Registration (BVR) kits in the 2012/2013 financial year. However, the data provided at the Headquarters indicated that only eleven thousand and seventy-five (11,075) kits were available, resulting in an unexplained variance of three thousand, nine hundred and twenty-five (3,925) kits. The BVR kits status report as at 30 June, 2021 showed that there were a total of two thousand, four hundred and thirty-five (2,435) kits with various faults.

In addition, the status report as at 30 June, 2021 indicated other critical election equipment items that were missing as follows:

<b>Component</b>	<b>Number Missing</b>
Laptops	392
Hard Disks	1315
Finger print Scanners	116

<b>Component</b>	<b>Number Missing</b>
Webcam Cameras	408
USB Hubs	1062
Chargers	104
Flash disks A&B	8041

In the circumstances, evidence of existence of effective internal controls including security on assets could not be confirmed.

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

### **Responsibilities of Management and the Commissioners**

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 overall governance.

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

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 Commission'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 Commission 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 Commission 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.

  
CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**14 March, 2022**

## STATEMENT OF FINANCIAL PERFORMANCE

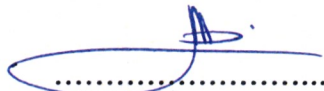
For the Year Ended 30th June, 2021			
	Note	2020/2021 Unaudited Kshs 000	2019/2020 Audited Kshs 000
<b><u>Incomes</u></b>			
Transfers from Other Governments	1	4,991,329	4,663,947
Other Incomes	2	3,556	891
<b>Total Incomes</b>		<b>4,994,885</b>	<b>4,664,838</b>
<b><u>Expenses</u></b>			
Use of Goods & Services	3	(1,256,940)	(942,999)
Employee Costs	4	(2,828,972)	(2,596,999)
Commissioners Expenses	5	(7,082)	(7,105)
Depreciation & Amortization	6	(629,496)	(889,137)
Repairs & Maintenance	7	(109,067)	(50,285)
<b>Total Expenditure</b>		<b>(4,831,557)</b>	<b>(4,486,525)</b>
<b>Surplus</b>		<b>163,328</b>	<b>178,313</b>

The significant accounting policies and notes on page 33 to 49 form an integral part of these financial statements.

## STATEMENT OF FINANCIAL POSITION

As at 30th June, 2021			
	Note	2020/2021 Unaudited Kshs 000	2019/2020 Audited Kshs 000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	8	131,519	88,448
Receivables from Non-Exchange Transactions	9	16,972	21,903
Accounts Receivable	10	11,160	11,160
Car Loan Accounts Receivable	11	26,193	26,193
		<b>185,844</b>	<b>147,704</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	12	1,763,349	2,318,020
Intangible Assets	13	1,386	1,980
		<b>1,764,735</b>	<b>2,320,000</b>
<b>Total Assets</b>		<b>1,950,580</b>	<b>2,467,703</b>
<b>Current Liabilities</b>			
Accounts Payable	14	(2,299,626)	(3,124,814)
Provision for Gratuity	15	(19,330)	(33,755)
Refundable Deposits	16	(43,908)	(36,998)
<b>Total Current Liabilities</b>		<b>(2,362,865)</b>	<b>(3,195,567)</b>
<b>Net Liabilities</b>		<b>(412,285)</b>	<b>(727,864)</b>
<b>Financed by:</b>			
Accumulated Fund		766,366	602,732
Revenue Reserve		(1,178,651)	(1,330,596)
<b>Net Liabilities</b>		<b>(412,285)</b>	<b>(727,864)</b>

The significant accounting policies and notes on page 33 to 49 form an integral part of these financial statements.



Marjan H. Marjan  
ICPAK M/No. 2786  
Ag. Commission Secretary



Obadiah K. Keitany  
ICPAK M/ No. 3055  
Director Finance



W.W. Chebukati  
Chairperson

## STATEMENT OF CASH FLOWS

As at 30th June, 2021			
	Note	2020/2021 Unaudited Kshs 000	2019/2020 Audited Kshs 000
<b><u>Cash flows from Operating Activities:</u></b>			
Operating Surplus/(Deficit)		163,328	178,313
Transfers to Exchequer	17	(32,699)	(47,724)
<b>Adjustments for Non-Cash Items:</b>			
Depreciation & Amortization	6	629,496	889,136
Accruals Adjustment	14	57,337	26,993
Negotiation Savings	14	138,996	284,471
<b>Changes in Working Capital:</b>			
(Increase)/Decrease in Non-Exchange Transactions	9	4,931	12,190
Increase/(Decrease) in Accounts Payables	14	(825,188)	(1,209,466)
Increase/(Decrease) in Provision for Gratuities	15	(14,425)	(1,153)
Increase/(Decrease) in Refundable Deposits	16	6,910	(745)
<b>Net Cash Flow from Operating Activities</b>		<b>128,687</b>	<b>132,016</b>
<b><u>Cash flows from Investing Activities:</u></b>			
Purchase of Property, Plant & Equipments	13	(74,294)	(15,996)
Proceeds from Disposal of Equipment	24	62	-
Increase in Staff Mortgage & Car Loan Scheme	18	(11,384)	(126,200)
<b>Net Cash Flow from Investing Activities</b>		<b>(85,616)</b>	<b>(142,196)</b>
<b><u>Cash flows from Financing Activities:</u></b>			
Cash flows from Financing Activities		-	-
<b>Net Cash Provided by Financing Activities</b>		-	-
Net Decrease in Cash & Cash Equivalent		43,072	(10,180)
Cash & Cash Equivalent at Beginning		88,448	98,627
<b>Cash &amp; Cash Equivalents at the End</b>	<b>8</b>	<b>131,519</b>	<b>88,448</b>

The significant accounting policies and notes on page 33 to 49 form an integral part of these financial statements.

## STATEMENT OF CHANGES IN NET ASSETS

For the Year Ended 30th June, 2021				
	Note	Revenue Reserve	Accumulated Fund	Total
		KShs. 000	KShs. 000	KShs. 000
<b>Balance as at 30th June 2019</b>		<u>(1,382,708)</u>	<u>312,347</u>	<u>(1,070,362)</u>
Surplus/(Deficit) for the Year		178,313	-	178,313
Unutilized Funds returned to N.Treasury	18	-	(47,724)	(47,724)
ICT Equipments Adjustment	13	-	55,196	55,196
Adjustment for PPE			(402)	(402)
Dep. of ICT Assets Adjustment	13		(28,150)	(28,150)
Accruals Adjustment	15	-	26,993	26,993
Negotiation Savings	15	-	284,471	284,471
Rounding Off Variances		-	1	1
Transfers to Staff Car & Mortgage Fund	19	(126,200)	-	(126,200)
<b>Balance as at 30th June 2020</b>		<u>(1,330,596)</u>	<u>602,732</u>	<u>(727,864)</u>
Surplus/(Deficit) for the Year		163,328	-	163,328
Unutilized Funds Returned to N.Treasury	18	-	(32,699)	(32,699)
Rounding Off Variances		-	0.3	0.3
Accruals Adjustment & Credit Notes	15	-	57,337	57,337
Negotiation Savings			138,996	138,996
Transfers to Staff Car & Mortgage Fund	19	(11,384)	-	(11,384)
<b>Balance as at 30th June 2021</b>		<u>(1,178,651)</u>	<u>766,366</u>	<u>(412,285)</u>

The significant accounting policies and notes on page 33 to 49 form an integral part of these financial statements.

## STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS

IEBC BUDGET EXECUTION STATEMENT				
AS AT 30TH JUNE, 2021				
Item	Approved Budget Annual	Actual Payments Jul- Jun	Variance	Performance Percentage
<u>Incomes</u>	KShs '000	KShs '000	KShs '000	
Exchequer Releases - Recurrent Vote 2031	5,308,633	4,920,449	388,184	93%
Exchequer Releases - Development Vote 2031	75,000	70,880	4,120	95%
Appropriation in Aid	-	3,556	- 3,556	-
<b>Total Income</b>	<b>5,383,633</b>	<b>4,994,885</b>	<b>388,748</b>	<b>93%</b>
Management of Electoral Processes				
<u>Expenditure</u>				
Wages and Salary Contributions	2,323,526	2,313,939	9,587	100%
Social Contributions	196,487	177,866	18,621	91%
Goods and Services	2,215,165	2,027,496	187,670	92%
Routine Maintenance	223,288	139,920	83,368	63%
Social Security Benefits	73,155	32,019	41,136	44%
Acquisitions of Fixed Capital Assets	84,033	74,144	9,889	88%
Domestic Lending and On-lending	11,573	11,573	-	100%
<b>Sub-Total</b>	<b>5,127,227</b>	<b>4,776,956</b>	<b>350,271</b>	<b>93%</b>
Delimitation of Electoral Boundaries				
Wages and Salary Contributions	21,916	19,463	2,453	89%
Goods and Services	177,858	102,162	75,697	57%
Routine Maintenance	26,233	-	26,233	0%
Acquisition of Fixed Capital Assets	30,398	5,036	25,362	17%
<b>Sub-Total</b>	<b>256,406</b>	<b>126,661</b>	<b>129,746</b>	<b>49%</b>
<b>Total Expenditure</b>	<b>5,383,633</b>	<b>4,903,617</b>	<b>480,016</b>	<b>91%</b>

Note 19 (Budget Information & Other Disclosures) provides explanations on material utilization differences.

# SIGNIFICANT ACCOUNTING POLICIES

For the Year Ended 30<sup>th</sup> June, 2021

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

The Commission's financial statements have been prepared in accordance with and comply with the International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Commission and all values are rounded to the nearest thousand (Kshs 000) which may in some cases make the added decimal balances to vary. The accounting policies have been consistently applied in all the years presented.

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

## 2. Summary of Significant Accounting Policies:

### a) Revenue Recognition - Revenue from Non-Exchange Transactions (Fees, Charges and Fines) – IPSAS 23

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

#### Transfers from Other Government Entities

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

#### Interest Income

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

### b) Budget Information – IPSAS 24

The annual budget is prepared and presented in a single statement to determine the needs of the Commission. The Commission has adopted the standard which requires budget information to be presented in the financial statements.

## SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the Year Ended 30<sup>th</sup> June, 2021

### c) Taxes – IAS 12

#### Income tax

Income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Commission operates and generates taxable income.

Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of Financial Performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### d) 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 Commission 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 depreciation rates are 30% for Computers, 25% for motor vehicles, 12.5% for office equipment and 12.5% for furniture and fittings on reducing balance basis.

### e) Intangible Assets – IPSAS 31

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

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

The amortization rate for intangible assets of the Commission is 30% on reducing balance basis.

## SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the Year Ended 30<sup>th</sup> June, 2021

### f) Research and Development costs

The Commission expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Commission can demonstrate:

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

### g) Provisions – IPSAS 19

Provisions are recognized when the Commission has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Commission expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

### h) Contingent Liabilities

The Commission 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.

### i) Contingent Assets

The Commission 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 Commission 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

## SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the Year Ended 30<sup>th</sup> June, 2021

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.

### **j) Nature and Purpose of Reserves**

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

### **k) Changes in Accounting Policies and Estimates – IPSAS 3**

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

### **l) Employee Benefits – IPSAS 25**

#### **Retirement Benefit plans**

The Commission provides retirement benefits for its full-time employees. It operates a defined contribution plan which is a post-employment benefit plan under which the Commission pays fixed contributions into a separate Commission (fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. The Scheme is administered by ICEA Lions Asset Management Ltd.

### **m) Foreign Currency Transactions – IPSAS 4**

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

### **n) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

### **o) Comparative Figures**

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

## SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the Year Ended 30<sup>th</sup> June, 2021

### p) Significant Judgments and Sources of Estimation Uncertainty – IPSAS 1

The preparation of the Commission'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.

#### Estimates and Assumptions

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

#### Useful Lives and Residual Values

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

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

#### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in the note on provision for gratuity.

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

### q) Subsequent Events – IPSAS 14

There have been no events subsequent to the financial year end with a significant impact on the financial statements.

## SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the Year Ended 30<sup>th</sup> June, 2021

### r) Inventories – IPSAS 12

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

### 3. Adoption of New and Revised Standards

#### i) Relevant new standards and amendments to published standards effective for the year ended 30 June 2021.

Standard	Effective date and impact:
<b>Standard:</b> <b>IPSAS 39:</b> <b>Employee</b> <b>Benefits</b>	<b>Applicable: 1st January 2018</b> The objective of IPSAS 39 was to create convergence to changes in IAS 19 Employee benefits. The IPSASB needed to create convergence of IPSAS 25 to the amendments done to IAS 19. It was intended to ensure accurate information relating to pension liabilities arising from the defined benefit scheme. Not applicable to IEBC. Pension scheme that is administered by trustees.

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

Standard	Effective date and impact:
<b>Standard:</b> <b>IPSAS 40:</b> <b>Public Sector</b> <b>Combinations</b>	<b>Applicable: Applicable: 1st January 2019</b> <b>Impact:</b> The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3-Business combinations and combinations arising from non-exchange transactions which are covered purely under Public Sector combinations as amalgamations. Not Applicable to IEBC.

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30<sup>th</sup> June, 2021

## 1. Transfers from Other Governments

Description	2020/2021	2019/2020
	Unaudited	Audited
	Shs 000	Shs 000
<b>Unconditional Grants</b>		
<b>Operational Grant:</b>		
Total Received in Q1	894,370	692,517
Total Received in Q2	899,443	1,521,835
Total Received in Q3	1,017,167	931,096
Total Received in Q4	2,109,470	1,518,499
<b>Sub Total</b>	<b>4,920,449</b>	<b>4,663,947</b>
<b>Development Grant:</b>		
Total Received in Q4	70,880	-
<b>Sub Total</b>	<b>70,880</b>	<b>-</b>
<b>Total</b>	<b>4,991,329</b>	<b>4,663,947</b>

The Commission did not receive any funding from donors and international bodies.

## 2. Other Incomes

Description	2020/2021	2019/2020
	Unaudited	Audited
	Shs 000	Shs 000
Nomination Fees & Charges Collected	2,160	508
Sale of Tender Documents, Registers & Maps	1,396	306
Fines & Penalty Charges on Aspirants	-	77
<b>Total</b>	<b>3,556</b>	<b>891</b>

The nomination fees received in the year were from the candidates cleared to contest in the by - elections.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year Ended 30<sup>th</sup> June, 2021

### 3. Use of Goods and Services

Description	2020/2021	2019/2020
	Unaudited	Audited
	Shs 000	Shs 000
Utilities, Supplies & Services	12,079	12,238
Communications, Supplies & Services	53,365	205,455
Printing & Advertising	38,818	24,225
Rentals of Produced Assets	358,357	262,623
Training Expenses	99,696	47,838
Hospitality Supplies & Services	206,754	44,746
Insurance Costs	228,491	226,703
Legal Dues, Arbitration & Compensation	79,149	21,081
Specialized Materials & Supplies	53,812	9,074
Bank Services, Commission & Charges	542	510
Membership Fees, Dues & Subscriptions	5,425	2,842
Contracted Professional Services	1,080	-
Contracted Technical services	720	-
Contracted Guards	8,822	7,207
Witness Expenses	-	270
Parking Charges	11,071	7,235
Office & General Supplies & Services	52,818	28,281
Fuel, Oil & Lubricants	45,942	42,670
<b>Total</b>	<b>1,256,940</b>	<b>942,999</b>

### 4. Employee Costs

Description	2020/2021	2019/2020
	Unaudited	Audited
	Shs 000	Shs 000
Salaries & Wages - Permanent Employees	1,128,398	1,239,307
Salaries & Wages -Contractual Employees	218,782	61,879
Personal Allowances	986,223	910,250
Contributions to Pensions & Health Schemes	177,866	177,273
Domestic Travel & Subsistence & Other	295,848	195,056
Foreign Travel & Subsistence	4,261	1,400
Accrued Gratuity Expense	17,594	11,834
<b>Total</b>	<b>2,828,972</b>	<b>2,596,999</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year Ended 30<sup>th</sup> June, 2021

### 5. Commissioners Expense

Description	2020/2021	2019/2020
	Unaudited	Audited
	Shs 000	Shs 000
Commissioners' Travelling & Accommodation Expenses	5,235	5,485
Commissioners' Airtime Allowances	540	1,620
Commissioners' Club Membership Subscription	1,307	-
<b>Total</b>	<b>7,082</b>	<b>7,105</b>

The Commissioners are paid facilitative allowances and mobile airtime as per the SRC rates and their employment contract. They draw their salaries from the Consolidated Fund administered by the National Treasury.

### 6. Depreciation and Amortization Expense

Description	2020/2021	2019/2020
	Unaudited	Audited
	Shs 000	Shs 000
Property, Plant & Equipment	628,902	888,288
Intangible Assets	594	849
<b>Total</b>	<b>629,496</b>	<b>889,137</b>

### 7. Repairs & Maintenance Expenditure

Description	2020/2021	2019/2020
	Unaudited	Audited
	Shs 000	Shs 000
Routine Maintenance of Vehicles	14,926	46,138
Routine Maintenance of Other Assets	94,141	4,147
<b>Total</b>	<b>109,067</b>	<b>50,285</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year Ended 30<sup>th</sup> June, 2021

### 8. Cash and Bank

Bank Account Information	2020 / 2021 Unaudited KSh 000	2019 /2020 Audited KSh 000
KCB IEBC Mombasa A/c - 1116811162	121.21	1,032.48
KCB IEBC Kwale A/c - 1213387787	29.00	0.01
KCB IEBC Kilifi A/c - 1116804042	594.18	1,004.71
KCB IEBC Tana River A/c - 1213382645	8.59	684.15
KCB IEBC Lamu A/c - 1213649188	13.01	172.50
KCB IEBC Taita Taveta A/c - 1213372356	785.30	568.53
KCB IEBC Garissa A/c - 1116817365	8.83	1,821.09
KCB IEBC Wajir A/c - 1116539934	100.23	36.42
KCB IEBC Mandera A/c - 1116539934	60.31	6.36
KCB IEBC Marsabit A/c - 1212713311	12.57	0.32
KCB IEBC Isiolo A/c - 1116800543	0.67	-
KCB IEBC Meru A/c - 1116774127	9.02	52.32
KCB IEBC Tharaka Nithi A/c - 1213689465	7.75	313.52
KCB IEBC Embu A/c - 1213760690	11.10	236.00
KCB IEBC Kitui A/c - 1213362768	115.58	2,308.05
KCB IEBC Machakos A/c - 1116791366	616.94	58.40
KCB IEBC Makueni A/c - 1213508398	2,504.39	324.36
KCB IEBC Nyandarua A/c - 1213379695	1,935.43	51.89
KCB IEBC Nyeri A/c - 1116756439	6.08	1,354.12
KCB IEBC Kirinyaga A/c - 1213919738	308.60	508.40
KCB IEBC Murang'a A/c - 1213929717	5.98	66.21
KCB IEBC Kiambu A/c - 1116811553	1.47	758.59
KCB IEBC Turkana A/c - 1213415977	2.64	28.60
KCB IEBC West Pokot A/c - 1213417163	3.76	0.82
KCB IEBC Samburu A/c - 1214135293	5.58	3.51
KCB IEBC Trans Nzoia A/c - 1214152538	4.60	5.86
KCB IEBC Uasin Gishu A/c - 1116791110	4.58	31.57
KCB IEBC E.Marakwet A/c -1213364442	2.92	7.36
KCB IEBC Nandi A/c - 1213934052	2.07	1.39
KCB IEBC CEM Baringo A/c - 1213382173	10.88	189.54
KCB IEBC Laikipia A/c - 1213935350	4.72	3.25
KCB IEBC Nakuru A/c - 1116816857	18.48	10.53
KCB IEBC Narok A/c - 1213928338	3.47	4.21
KCB IEBC Kajiado A/c - 1213407435	15.97	35.33
KCB IEBC Kericho A/c - 1213840767	6.28	7.26
KCB IEBC Bomet A/c - 1116805243	5.85	1.53
KCB IEBC Kakamega A/c - 1116744694	5.98	4.73
KCB IEBC Vihiga A/c - 1213361087	4.49	3.02
KCB IEBC Bungoma A/c - 1116566443	558.56	141.55
KCB IEBC Busia A/c - 1213393167	1.50	3.00
KCB IEBC Siaya A/c - 1213697832	12.15	66.39
KCB IEBC Kisumu A/c - 1116780445	4.77	7.86
KCB IEBC Homa Bay A/c - 1214158560	46.79	336.82
KCB IEBC Migori A/c - 1213543320	70.46	42.18
KCB IEBC Kisii A/c - 1116811235	9,879.37	486.49
KCB IEBC Nyamira A/c - 1213365708	117.16	723.90
KCB IEBC Nairobi A/c - 1116817721	28.80	14.48
CBK IEBC Recurrent A/c - 1000181729	21,432.00	11,457.14
CBK IEBC Deposit A/c - 1000181931	43,908.67	36,998.42
CBK IEBC Development A/c - 1000182148	-	-
KCB IEBC University Way A/c - 1117602532	37,833.33	26,281.43
KCB IEBC Dollar A/c - 1211876888	104.37	104.52
KCB IEBC Call A/c	10,000.00	-
KCB IEBC Salary Control A/c - 1126334723	162.83	86.50
<b>Total</b>	<b>131,519.27</b>	<b>88,447.58</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year Ended 30<sup>th</sup> June, 2021

### 9. Receivables from Non-Exchange Transactions

Description	2020/2021	2019/2020
	Unaudited	Audited
	Shs 000	Shs 000
Outstanding Imprests	1,683	391
Salary Advances	796	797
Prepayments	9,097	15,319
AIA Receivables (Court Awards)	5,396	5,396
<b>Total</b>	<b>16,972</b>	<b>21,903</b>

### 10. ECK Accounts Receivable

The uncleared old balances of Kshs 11,160,000 consists of Electoral Commission of Kenya staff salary advances and imprests that were outstanding at the time the defunct Electoral Commission of Kenya was disbanded in 2008.

The Commission has provided evidence to the National Treasury's Old Balances Taskforce that the amounts were recovered from the terminal dues and final salaries and wages to the Electoral Commission of Kenya staff.

### 11. ECK Car Loan Accounts Receivable

The former Ministry of Justice, National Cohesion & Constitutional Affairs recovered Kshs. 26,193,965.00 on account of car loan recoveries, Kshs. 11,160,000 on account of imprests/advances from the Commissioners and Staff of the defunct Electoral Commission of Kenya (ECK) and forwarded to the National Treasury after the disbandment of the ECK.

The Commission requested the Permanent Secretary to the National Treasury to refund the car loan recoveries and imprests/advances or authorize the Commission to write off the same from the books of accounts as per Section 69 (1)-(4) of the PFMA, 2012 and the PFMA 2012, Regulations. The Commission is yet to receive any feedback.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year Ended 30<sup>th</sup> June, 2021

### 12. Property, Plant and Equipment Movement Schedule (Ksh.000)

	Office Buildings Kshs. '000	Computers & Equipment Kshs. '000	Motor Vehicles Kshs. '000	Office Equipment Kshs. '000	Furniture and Fittings Kshs. '000	Totals Kshs. '000
<b>Cost:</b>						
As at 30th June 2020	132,806	14,478,369	718,117	366,765	99,425	15,795,480
Additions	-	300	-	-	3,114,713	3,414
Buildings Under Construction (WIP)	70,880	-	-	-	-	70,880
Disposals	-	(258)	-	-	-	258
As at 30th June 2021	203,686	14,478,411	718,117	366,765	102,539	15,869,517
<b>Depreciation:</b>						
As at 30th June 2020	(19,292)	(12,533,129)	(641,126)	(224,922)	(58,992)	(13,477,461)
Acc. Dep. on Disposals	-	196	-	-	-	196
Charge for the Year	(2,838)	(583,643)	(19,248)	(17,730)	(5,443)	(628,902)
As at 30th June 2021	(22,129)	(13,116,576)	(660,374)	(242,652)	(64,435)	(14,106,168)
<b>Net Carrying Amount:</b>						
As at 30th June, 2021	181,556	1,361,834	57,743	124,112	38,104	1,763,349
As at 30th June, 2020	113,514	1,945,240	76,990	141,842	40,433	2,318,020

The Commission capitalized five (5) office buildings that were under construction as at the end of financial year. Value of these buildings as per the certificate of completion was Kshs.70,879,952/- No depreciation has been factored on buildings under construction.

### 13. Intangible Assets Movement Schedule

	2020/2021 Kshs. '000	2019/2020 Kshs. '000
<b>Cost:</b>		
As at 1st July, 2020	66,871	66,871
Additions	-	-
As at 30th June 2021	66,871	66,871
<b>Amortization:</b>		
As at 1st July, 2020	(64,891)	(64,042)
Charge for the Year	(594)	(849)
As at 30th June 2021	(65,485)	(64,891)
<b>Net Carrying Amount</b>	<b>1,386</b>	<b>1,980</b>

The intangible assets consist of elections transmission system, exchange server systems, OMR scanner software, antivirus software, research/SPSS software, accounting software and security access control systems.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year Ended 30<sup>th</sup> June, 2021

### 14. Recurrent Accounts Payable

Description	2020/2021	2019/2020
	Unaudited	Audited
	Shs 000	Shs 000
Accounts Payables b/f	3,124,814	4,334,280
Accruals in the year	52,281	213,048
Accruals & Credit Notes Adjustments	(57,337)	(26,993)
Negotiation Savings	(138,996)	(284,471)
Accruals Settled in the period	(681,136)	(1,111,050)
<b>Total</b>	<b>2,299,626</b>	<b>3,124,814</b>

### 15. Provision for Gratuity

The Commission operates an unfunded gratuity scheme for its contracted senior employees. The estimated amount for gratuities payable in the financial statement as at the end of year as shown below:

Description	2020/2021	2019/2020
	Unaudited	Audited
	Shs 000	Shs 000
Balance at the beginning of the year	33,755	34,908
Paid in the period	(32,019)	(12,987)
Accrued Gratuities in the year	17,594	11,834
<b>Total</b>	<b>19,330</b>	<b>33,755</b>

### 16. Refundable Deposits

Description	2020/2021	2019/2020
	Unaudited	Audited
	Shs 000	Shs 000
Opening Balance	36,998	37,743
Retention Fees & Other Deposits Withheld	6,910	4,528
Retention Fees & Deposits Paid	-	(5,273)
<b>Total</b>	<b>43,908</b>	<b>36,998</b>

The retentions and deposits withheld includes monies retained by the Commission from construction companies who are yet to complete the construction works and other refundable deposits on hired ballot boxes, equipment and taxes.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year Ended 30<sup>th</sup> June, 2021

### 17. Related Party Transactions

Entities and other parties related to the entity include those parties who have abilities to exercise control or exercise significant influence over its operating and financial decisions.

The Government of Kenya is the principal financier to the Commission's activities by way of exchequer releases.

During the period under review, the Commission had transactions detailed with related parties as follows:

Description	2020/2021	2019/2020
	Unaudited	Audited
	Shs 000	Shs 000
Salary Advances to staff at Zero Interest Rate	1,939	797
Other Funds returned to National Treasury	-	7,417
Unspent Balances returned to National Treasury	32,699	47,724
<b>Total</b>	<b>34,638</b>	<b>55,938</b>

### 18. IEBC Staff Car Loan and Mortgage Scheme

As at the end of the quarter under review, the Commission had transferred Kshs. 9,583,593.50 and Kshs. 1,800,000.00 to IEBC Staff Mortgage and IEBC Staff Car Loan funds respectively. The Commission prepares a separate set of IEBC Staff Car Loan and Mortgage Scheme financial statements.

### 19. Budget Information & Other Disclosures

The original budget for 2020/2021 financial year was approved by the National Assembly in June 2020. Subsequent revisions were made to the approved budget in accordance with specific approvals from the National Treasury and National Assembly.

The Commission's budget execution statement was prepared on a cash basis and informed by the actual income and expenditure as reflected in the IFMIS system.

The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were adjusted from the cash basis to the accrual basis.

National Treasury allocated to the Commission Kshs. 5.308 billion under the Recurrent Vote and Kshs.75 million under Development Vote.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year Ended 30<sup>th</sup> June, 2021

The material variances in the budget execution statement can be explained as follows:

### a) AIA Collections

Appropriation in aid earned by the Commission as at 30<sup>th</sup> June, 2021 was mainly from nomination fees, sale of voter registers and electoral boundary maps.

The amounts of appropriation-in-aid (AIA) receivable is largely dependent on the number and type of by-elections held in a period which cannot be estimated easily.

### b) Acquisition of Fixed Capital Assets for Boundaries Activities - 17%

The procurement of boundary software and equipment had not been completed as at the end of the financial year.

### c) Routine Maintenance for Boundaries Activities -0%

The planned major boundaries exercise did not take place. In some instances, the procurement processes were not completed in the period under review and constitute part of the pending bills.

## 20. Contingent Assets

IPSAS 19 prescribes the accounting treatment for provisions, contingent liabilities and contingent assets and defines their identification and recognition.

During the previous financial years, the Commission was awarded costs amounting to Kshs.59.854 million (taxed costs) and Kshs. 205.060 million (capped costs). However, collection of capped costs requires taxation before determination of actual amount collectable. Further, some petitions were filed by indigent litigants acting as surrogates for politicians out to cushion themselves against award of costs.

## 21. Contingent Liabilities

IPSAS 19 prescribes the accounting treatment for provisions, contingent liabilities and contingent assets and defines their identification and recognition.

The Commission has been sued in various cases with the potential exposure of at least Kshs. 157.351 million to pay various general election pending bills which have not been validated by the National Treasury's internal audit department or have pending court cases.

The Commission is a defendant or co-defendant in various election petition litigations and claims. The outcomes of these litigations and claims are yet to be determined.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year Ended 30<sup>th</sup> June, 2021

### 22. Employee Benefits: Defined Contribution Scheme

IPSAS 25 prescribes the accounting and disclosure requirements for employee benefits and establishes the matching principle that the cost of the employee benefits should be recognized in the period in which the employee provides the services to the entity and not when they are paid or become payable.

The Commission runs a defined contribution pension scheme. The assets of the scheme are held in a separate trustee administered fund, which is funded by contributions from both the Commission as the employer at 15% and employees at 7.5% of basic salary. The scheme is currently managed by ICEA Lion Asset Management.

The Commission's contributions to the above scheme are charged to the income and expenditure account in the period to which they relate.

The latest fund financial position and performance is as summarized below:

<b>IEBC Staff Pension Scheme</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>Description</b>	<b>Shs 000</b>	<b>Shs 000</b>
Balance at beginning of the Year	2,564,668	2,216,955
Contribution receivable	276,263	273,554
Benefits Payable to Seceding Members	(32,244)	(38,838)
Net Returns on Investments	418,674	120,713
Administrative Expenses	(11,497)	(7,716)
<b>Total</b>	<b>3,215,862</b>	<b>2,564,668</b>

### 23. Number of Employees

The average number of permanent and pensionable employees for the Commission as at 30<sup>th</sup> June, 2021 and 2020 stood at eight hundred and forty-six (846) and eight hundred and seventy (870) respectively.

<b>Description</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>Unaudited</b>	<b>Audited</b>
No. of Permanent & Pensionable Staff	846	870
Contracted Staff	-	-
<b>Total</b>	<b>846</b>	<b>870</b>

The Commission however engages contractual staff on a need basis.

Gender distribution is 35% female and 65% male, while the ethnic representation within the Commission is forty-three (43) ethnic tribes out the forty-six (46) existing ethnic communities.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year Ended 30<sup>th</sup> June, 2021

### 24. Proceeds from Sale of an Asset

During the period under review, the Commission disposed computer related equipment at the netbook value and hence no gain or loss on disposal.

The disposal account summary is as shown below:

<b>Asset Disposal</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>Description</b>	<b>Shs 000</b>	<b>Shs 000</b>
Asset cost	258	-
Less: Acc. Depreciation	(196)	-
Net Book Value	62	-
Proceeds from Sale of Asset	(62)	-
<b>Gain/Loss on Disposal</b>	<b>-</b>	<b>-</b>

### 25. Entity Tax Status

The Commission is a government agency, fully funded by the government and is therefore tax exempt. The Commission pays taxes as per the regulations.

### 26. Subsequent Events

The Commission is not aware of any matter or circumstances arising after the end of the financial year, not otherwise dealt with in the financial statements, which would significantly affect the financial position and the results of its operations as laid out in these financial statements.

## PROGRESS ON FOLLOW UP OF AUDIT RECOMMENDATIONS

REFERENCE NO. ON EXTERNAL AUDIT REPORT	ISSUE / OBSERVATION FROM AUDITOR	MANAGEMENT COMMENTS	FOCAL POINT PERSON TO RESOLVE THE ISSUE.	STATUS	TIME FRAME
Auditor General Report of October 2018 for the Financial Year 2016/2017.	1.6 Purchase of Kenya Integrated Election Management Systems (KIEMS) Kit.	1. Matter does not fall under Commission's purview.	DICT	Unresolved	2019/2020
		2. A verification exercise has been done.	DICT	Unresolved	
		3. The Commission has been allocated funds and has planned for support and maintenance of the KIEMS to ensure re-usability of the technology in future.	DICT		
		4. The Commission has put in place accounting and financial controls and procurement systems to enhance compliance with the Public	CEO	Unresolved	
		5. Procurement and Assets Disposal Act as well as the circulars issued by the Public Procurement Regulatory Authority.	DICT		
Auditor General Report of October 2018 for the Financial Year 2016/2017.	2.0 Supply, Delivery, Implementation, and Commissioning of Network Examination of Payment Vouchers (a) Mismanagement of 553 Thuraya Modems and SIM Cards Loaded with Data Transmission.	1. Matter does not fall under Commission's purview. (Office of the Auditor General)	DICT	Unresolved	2019/2020
		2. The Commission has planned to request Communication Authority to provide the Current and future network coverage and plan to ensure 100% transmission of result.	DICT	Unresolved	2019/2020
		3. The satellite modems still remains backup option in areas where there is no coverage and in critical transmission tallying centers	DICT	Unresolved	2019/2020
	(b) Procurement of additional 1,000 Thuraya SIM Cards Loaded with Data.	The Commission has put in place accounting and financial controls and procurement and inventory systems to facilitate timely reconciliations and enhance compliance with the stipulated laws and regulations.	DICT	Unresolved	2019/2020
	(c) Undelivered SIM Cards from Another Firm	The Commission has put in place accounting and financial controls and procurement and inventory systems to facilitate timely reconciliations and enhance compliance with the stipulated laws and regulations.	DICT	Unresolved	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	2.2 Management of 1,000 Thuraya Modems and Sim Cards Loaded with Data	For future elections, the Commission shall make an appeal to the Communication Authority in ensuring that the MNOs appreciate that elections are activities of national importance and therefore their services and charges in regard to elections should not be at commercial rates.	DICT	Unresolved	2019/2020

		The rates should be based on actual consumption. This will be enforced during contracting in accordance with the PPDA	DICT	Unresolved	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	2.3 Failure to Provide Payment Vouchers and Other Documents.	For future elections, the Commission shall make an appeal to the Communication Authority in ensuring that the MNOs appreciate that elections are activities of national importance and therefore their services and charges in regard to elections should not be at commercial rates.	DICT	Unresolved	2019/2020
		Record management has been improved and documentation done at all times.			2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	3.1 Procurement of data centres and back up infrastructure (cloud services).	The Commission undertook an audit of all pending bills and submitted an Internal Audit Report to National on November, 2018 for funding.	DICT	Unresolved	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	3.2 Change of Mode of Result Transmission Infrastructure	Matter does not fall under Commission's purview. (Office of the Auditor General)	DICT	Unresolved	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	4. Purchase of Oracle Database and Security Solution.	The Commission has put in place accounting and financial controls, systems and standards to enhance compliance with the stipulated laws and regulations.	CEO	Unresolved	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	5. Procurement of Co-location Services for Data Centre and Disaster Recovery Site.	This was a security solution /systems or software and services procured based on a needs analysis for the operation of the commission including the conduct of the election and therefore it is still required, the system is in use, part of the solution included the support and Maintenance of the BVR IBM Servers – SLA, for which the Communication requested for funds and has been allocated to procure an SLA in the FY2019/2020.	DICT	Unresolved	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	6. Supply and Delivery of Ballot Papers for Elections, Statutory Declaration Forms and The Register of Voters.	The Commission has so far made recoveries worth Kshs. 150,501.71 USD in form of swift transfers.	DICT	Unresolved.	2019/2020
		The Commission has instituted a recovery process for the balance of Kshs.4, 981,474.00.	DICT	Unresolved.	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	7. Supply and Delivery of Ballot Boxes for the General Elections.	The Commission has already complied with establishment of framework contracts. This exercise is a continuous process.	DICT	Unresolved.	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	8. Supply and delivery of badges. Audit Findings	The Commission carries out market surveys for procurements to ensure competitiveness and value for money.	CEO	Unresolved.	2019/2020
	(a) Alteration of Contract Price Schedule	The commission has enhanced the capacity of the SCMD to facilitate continuous compliance.	DSCM		2019/2020


	(b) Variation of Contract Price.	The Commission has put in place accounting and financial controls and procurement and inventory systems to facilitate timely reconciliations and enhance compliance with the stipulated laws and regulations.	DSCM	Unresolved.	2019/2020
	(c) Delivery Costs	The Commission has engaged the vendor on negotiations to recover the extra cost of transport not incurred by the vendor.	DSCM	Unresolved.	2019/2020
		The Commission has put mechanisms in place to ensure that contracts are tied to specifications.	DSCM	Unresolved.	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	9. Supply of gas lamp mantles (i) Irregular Award of Contract.	The Commission has put in place accounting and financial controls, systems, standards to enhance compliance with the stipulated laws and regulations.	DSCM	Unresolved.	2019/2020
	(ii) Direct Procurement	The Commission has put in place accounting and financial controls and procurement and inventory systems to facilitate timely reconciliations and enhance compliance with the stipulated laws and regulations.	DSCM	Unresolved.	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	10. Supply and delivery of Security Seals	The Commission has put in place accounting and financial controls and procurement and inventory systems to facilitate timely reconciliations and enhance compliance with the stipulated laws and regulations.	DSCM	Unresolved.	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	11. Supply, Delivery, Installation Implementation and Commissioning of Wide Area	The Commission has put in place accounting and financial controls, systems, standards to enhance compliance with the stipulated laws and regulations.	DICT	Unresolved.	2019/2020
	Network in Two Hundred and Ninety (290) New Locations, Eighteen (18) Existing Sites	The Commission has appointed a new director supply chain management (DSCM).	DICT	Unresolved.	2019/2020
	Provision of Dedicated Internet Services	The Commission is also enhancing capacity of the procurement function to enhance compliance	DICT	Unresolved.	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	12. Irregular procurement of transport services	The Commission has put in place accounting and financial controls, systems, standards to enhance compliance with the stipulated laws and regulations.	DSCM	Unresolved.	2019/2020
		The Commission has appointed a new director supply chain management (DSCM).	DSCM	Unresolved.	2019/2020
		The Commission is also enhancing capacity of the procurement function to enhance compliance.	DSCM	Unresolved.	2019/2020


Auditor General Report of October 2018 for the Financial Year 2016/2017.	13. Supply of BVR kit internal batteries	The batteries are in good and usable state are continuously being used for the maintenance of the BVR Kits and to support the CVR activities that are ongoing in the field.	DSCM	Unresolved	2019/2020
		The batteries are continuously being used for the maintenance of the BVR Kits and to support the CVR activities that are ongoing in the field.	DSCM	Unresolved	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	14. Provision of Strategic Communication and Integrated Media Campaign Consultancy Services	The Commission has conducted status and situation analysis.	DVEP	Unresolved.	2019/2020
	(i). Award of the contract	The Commission is in the process of developing the strategic media campaign manual.	DVEP	Unresolved.	2019/2020
	(ii). Payment before confirmation of Delivery of Services	The manual will be tabled upon finalization. The Commission undertook an audit of all pending bills and submitted an Internal Audit Report to National on November, 2018.	DVEP	Unresolved.	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	15. Unauthorized Notification of Awarded Contracts	The Commission has put in place mechanisms to ensure that only the Accounting Officer notifies the successful and unsuccessful bidders on the awards.	DSCM	Unresolved	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	16. Failure to Provide Performance Security	The Commission has put in place accounting and financial controls, systems, standards to enhance compliance with the stipulated laws and regulations.	DSCM	Unresolved.	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	17. Undisclosed Court Awards to the Commission	The detailed report on the recovery of costs has been prepared.	DLPA	Unresolved.	2019/2020
Auditor General Report of 23 <sup>rd</sup> May 2016.	Irregular Procurement and payment of Additional 4600 Electronic Voter Identification Devices (EVIDs).	The payment of the handheld EVIDs were procured within the law and payment were based on subsisting contract between the parties and not the subject of variation	CEO	Matter in court.	2019/2020
Auditor General Report of 23 <sup>rd</sup> May 2016.	Irregular Payment for transportation of Election Materials	Mr. Abdullah Yusuf Farah swore an affidavit claiming that he was also the owner of the Alhamdul Company. The commission is streamlining its records management system.	CEO	Not within the purview of the Commission.	2019/2020

Auditor General Report of 23 <sup>rd</sup> May 2016.	Irregular procurement of election materials due to lack of approved procurement plan for the year.	The priorities were in the procurement plan. The procurement plan was available for review.	CEO	Unresolved	2019/2020
Auditor General Report of March 2017.	Irregular Payment of Legal Dues, Arbitration & Compensation	The additional pending bills paid were paid with due approvals and adequately support based on ARO	DLPA	Unresolved	2019/2020
Auditor General Report of March 2017.	Use of Law Firms that were not Prequalified.	The Commission has used the prequalification lists of other public entities as is permissible under section 32 of the now repealed Public Procurement and Disposal Act, 2005.	DLPA	Unresolved	2019/2020
Auditor General Report of March 2017.	Legal Representation without valid contracts.	Letter of instructions duly signed based on the ARO.	DLPA	Unresolved	2019/2020
Auditor General Report of March 2017.	Procurement of air tickets totaling to Kshs.9,247,782.00 through direct procurement contrary to Section 74 (3) of the Public Procurement and Disposal Act, 2005.	The tickets were procured directly from vendors who are registered by I.A.T.A.	DSCM	Unresolved	2019/2020
Auditor General Report of 2018	Irregular Procurement of Catering Services	The rates were determined through competitive tendering processes that resulted in various rates being awarded to different suppliers in various counties where award was based on the lowest evaluated bidder.	CEM	Unresolved	2020/2021
Auditor General Report for 2018/2019 & 2019/2020 financial years.	Property, Plant and Equipment: not included in the financial statements. No register of lands and buildings	Some of the parcels of land and buildings inherited from the defunct Electoral Commission of Kenya had no ownership and their value could not be ascertained due to lack of official hand over documents from the defunct Electoral Commission of Kenya.	AO	Awaiting PAC recommendations	2021/2022
Auditor General Report for 2018/2019 & 2019/2020 financial years.	<b>Inventories:</b> the value of these inventories was not determined and disclosed in	The Commission has embarked on an elaborate disposal process that will culminate in the determination of the value	DSCM	Awaiting PAC recommendations	2021/2022

	the financial statements.	of the inventory in the Commission warehouses.			
Auditor General Report for 2018/2019 & 2019/2020 financial years.	<b>Contingent Liability:</b> Failure to factor in possible future obligations relating to legal fees on the pending court cases and claims in the financial statements.	It would not be possible to have a realistic estimate of the probable cost since the costs are determined upon conclusion of the cases. The Commission is of the view that the costs are reasonably ascertained when judgements are made.	DF	Awaiting PAC recommendations	2021/2022
Auditor General Report for 2018/2019 & 2019/2020 financial years.	<b>Account Payables:</b> failure to settle bills during the year to which they relate distorts the financial statements for the year, and adversely affects the provisions for the subsequent year to which they have to be charged.	The pending bills were accrued due to lack of exchequer for payments, which had been planned for and processed up to the Internet Banking level  The Commission has made several efforts to secure the budgetary provision to facilitate settlement of the said bills in addition to settling them as first charge.	AO	Awaiting PAC Recommendations	
Auditor General Report for 2018/2019 & 2019/2020 financial years.	<b>Uncollected Revenue:</b> No satisfactory explanation has been provided for failure to collect promptly the taxed costs and for the delay in taxation of the capped costs.	Hampered by taxation in court which takes long. Recovery of costs is dependent on successful securing of certificates from taxing officers in Court followed by appropriate execution proceedings.	DLPA	Awaiting PAC Recommendations	2021/2022

<p>Auditor General Report for 2019/2020 Financial Year.</p>	<p><b>ECK Accounts Receivable:</b></p> <p>Amount of Kshs.11,160,000 and Kshs.26,193,000 have been outstanding for more than ten (10) years.</p>	<p>The amounts relate to Imprest or salary advances and car loans respectively held by staff of the defunct Electoral Commission of Kenya. The funds were recovered from the final dues of the staff and former commissioners by the National Treasury but were not remitted to the Commission. The Commission is engaging the National Treasury with a view of getting the money refunded or obtaining an approval to write it off from the Commission books of accounts.</p>	<p>DHRA</p>	<p>Responses submitted. The Commission is yet to appear before PAC</p>	<p>2021/2022</p>
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**Marjan H. Marjan**  
**ICPAK M/No. 2786**  
**Ag. Commission Secretary**

  
 .....  
**W.W. Chebukati**  
**Chairperson**