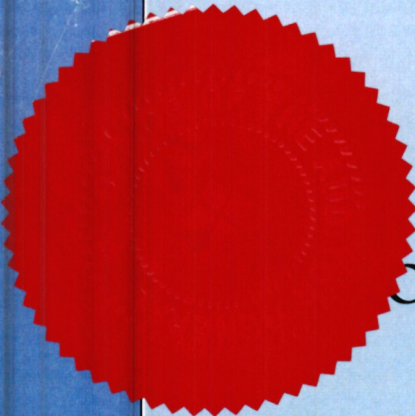


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THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL COHESION AND
INTEGRATION COMMISSION**

**FOR THE YEAR ENDED
30 JUNE 2016**

TABLE OFFICE
S/No:.....
16 MAY 2017
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NATIONAL COHESION AND INTEGRATION COMMISSION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2016

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

Vision

A peaceful, united, harmonious and integrated Kenyan society

Mission

Develop and sustain processes that alleviate all forms of ethnic discrimination and promote diversity through knowledge creation, capacity building, advocacy and pertinent policy development

Core Values

Professionalism:

Objectivity in addressing issues of ethnic discrimination

Integrity:

Accountability and transparency

Affirmative action for the marginalized and the minorities:

The Commission appreciates groups that are vulnerable and are faced by more challenges and affirms to generate policies and strategies that enhance their dignity and humanity towards equal opportunities

Inclusivity:

The Commission commits to treat people from all walks of life resident in Kenya with fairness by according them equal opportunities

Respect for Diversity:

The Commission commits to treat people from all walks of life resident in Kenya with fairness by according them equal opportunities

National Cohesion and Integration Commission
Reports and Financial Statements
For the financial year ended June 30, 2016

Table of Content	Page
I. KEY COMMISSION INFORMATION AND MANAGEMENT	iii
II. COMMISSIONERS	v
III. MANAGEMENT TEAM.....	xvii
IV. CHAIRMAN'S STATEMENT.....	xxi
V. REPORT OF THE CHIEF EXECUTIVE OFFICER	xxii
VI. CORPORATE GOVERNANCE STATEMENT	xxiii
VII. REPORT OF THE COMMISSIONERS	xxiv
VIII. STATEMENT OF COMMISSIONERS' RESPONSIBILITIES	xxv
IX. REPORT OF THE INDEPENDENT AUDITORS ON THE NATIONAL COHESION & INTEGRATION COMMISSION.....	xxvi
X. STATEMENT OF FINANCIAL PERFORMANCE	1
XI. STATEMENT OF FINANCIAL POSITION	2
XII. STATEMENT OF CHANGES IN NET ASSETS.....	3
XIII. STATEMENT OF CASH FLOWS.....	4
XIV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS	5
XV. NOTES TO THE FINANCIAL STATEMENTS	6

I. KEY COMMISSION INFORMATION AND MANAGEMENT

(a) Background information

The Commission is a statutory body established under the National Cohesion and Integration Act (Act No. 12 of 2008) and is domiciled in Kenya. The Commission is represented by the Commissioners who are responsible for the general policy and strategic direction of the Commission.

(b) Principal Activities

The principal activities of the Commission are to facilitate and promote equality of opportunity, good relations, harmony and peaceful co-existence between persons of different ethnic and racial communities of Kenya, and to advise the Government on all aspects thereof.

Key Management

The Commissions day-to-day management is under the following key organs:

- Commission Secretary
- Commissioners

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30 June 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Commission Secretary	Hassan Sheikh Mohamed, OGW
2.	Director Finance, HR and Administration	Dr. Benjamin Kituku
3.	Director Programmes	Millicent Okatch

(d) Fiduciary Oversight Arrangements

The funds of the Commission consist of;

- a) Monies appropriated by parliament
- b) Monies on asset as may accrue to the Commission in the course of the exercise of its powers in the performance of its functions under the National Cohesion and Integration Act.
- c) Monies from donors.

With regard to the Commissions finances, the Commission Secretary is the Accounting Officer. Administration of funds is as per the annual estimates / work plans and funding agreements with different donor agencies. This shall be guided by the Public Procurement disposal Act 2005, National Cohesion and Integration Act (No.12 of 2008), Government financial regulations and procedures and Public Finance Management (PFM) Act, 2013

The accounts of the Commission are audited and reported upon by the Auditor General in accordance with the provisions of the Public Audit Act 2003(No 12 of 2003).

In addition, development partners usually have independent audits of programs/projects that they fund directly as part of their oversight role as and when agreed.

(e) Commission Headquarters

KMA Centre
6th Floor
Mara Road, Upper Hill
P. O. Box 7055 – 00100
Nairobi
Kenya.

(f) Commission Contacts

Telephone: 020-258701/2/3 Cell: 0702-777000
E-mail: info@cohesion.or.ke
Website: www.cohesion.or.ke

(g) Commission Bankers

Kenya Commercial Bank
Sarit Centre Branch, Nairobi

Standard Chartered Bank
Harambee Avenue Branch, Nairobi

National Bank of Kenya
Harambee Avenue Branch, Nairobi

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II COMMISSIONERS

Chairperson Hon. Francis Xavier Ole Kaparo EGH, SS



Hon. Francis Xavier Ole Kaparo EGH, SS, is a lawyer by profession with vast experience in Kenya's political and development discourse. He holds a Bachelor of Laws (LLB) degree from the University of Nairobi and a post graduate Diploma in Laws from Kenya School of Law. Hon. Kaparo was admitted to the roll of Advocates as an Advocate of the High Court of Kenya in 1977.

Hon. Francis Ole Kaparo has served the Government and the people of Kenya in different capacities. He was the Member of Parliament for Laikipia East from 1988 to 1992. Hon. Kaparo has served as an Assistant Minister in a number of government ministries. These include the Ministry for National Guidance and Political Affairs (1988 - 1989); the Ministry for Supplies and Marketing (1989-1990) and the Ministry for Labour (1990 - 1991). Between 1991 and 1993, he was the Minister for Industry. Hon. Kaparo was the second longest serving Speaker of the National Assembly of Kenya, having served from 1993 to 2008. Hon. Francis Ole Kaparo is the current Chief Scout of the Kenya.

In the international field, Hon. Francis Ole Kaparo has also served in various capacities. He chaired several Commonwealth Parliamentary Associations (CPA) engagements. For instance, he was the Chairman of the Commonwealth Parliamentary Association – Kenya Branch (1993 - 2008); Vice-Chairman, Commonwealth Parliamentary Association – Africa Region (1993 - 1995); Chairman, Commonwealth Parliamentary Association – Africa Region (1995 -1997); Chairman, Steering Committee of Speakers' Conference – Africa Region (1997 - 1999) and the Chairman of the Steering Committee of Speakers' Conference of the CPA International (2004 - 2006). Hon. Kaparo was a Member of the Executive Committee of the CPA International (1993 - 1996); a Member of the Executive Committee of the Inter Parliamentary Union (2004 - 2007) and the President of the Inter Parliamentary Union (IPU) General Assembly in 2006. Arising from these engagements, Hon.

National Cohesion and Integration Commission
Reports and Financial Statements
For the financial year ended June 30, 2016

Kaparo has attended numerous conferences and workshops of the CPA, IPU and the Speakers' Conferences around the world. Hon. Kaparo was a Member of the African Union Observer Mission to the Zimbabwe Election in 2008 and a Resource person to Commonwealth Secretariat Workshop for West African members of Parliament on Democracy and Good Governance in the same year.

Arising from his great passion for environmental conservation, Hon. Kaparo has been the Chairman of several Conservancies in Kenya. These include Lewa Wildlife Conservancy, Northern Rangelands Trust, Ilingwesi Bandas, Lekurruki Conservancy and Kijabe Conservancy. He is also a Board Member of Laikipia Wildlife Forum and Ol Pejeta Conservancy. Hon. Kaparo was the Patron for the Pastoralist Parliamentary Group between 1996 and 2013. He has also served in several secondary school Boards of Management.

Before joining the Commission, Hon. Kaparo was appointed by the His Excellency the President as the chief mediator for the Marsabit and Mandera Counties Peace Processes, together with Senator Mohamed Yusuf Hajj. Hon. Francis Ole Kaparo had also been the Chairman of the National Environmental Management Authority (NEMA) and the United Republican Party (URP). Hon. Kaparo was born on 1st September, 1950.

Vice Chairperson Commissioner Irene Njeri Wanyoike



Commissioner Irene N. Wanyoike holds a Bachelor of Laws degree from the University of Nairobi and a post graduate Diploma in Laws from Kenya School of Law. Commissioner Irene is an Alternative Dispute Resolution (ADR) Practitioner with emphasis in Mediation. She is a member of the Chartered Institute of Arbitrators (CI Arb) in both Kenya and London Branches. Currently she is the Honorary treasurer and Council member of CI Arb. Irene Wanyoike has also been a private

Consultant, working closely with FIDA in Family Mediation and the Chartered Institute of Arbitrators.

National Cohesion and Integration Commission
Reports and Financial Statements
For the financial year ended June 30, 2016

Irene Wanyoike has a wide knowledge in the field of Mediation and Arbitration, Public Sector Reforms, Governance, Human Rights, and is very passionate on issues of Women and Youth Empowerment. She is a Civic Educator in the National Steering Committee of the Kenya National Integrated Civic Education (K-Nice) which had been under the then Ministry of Justice and Constitutional Affairs. She is also in the Panel of Mediators at the newly established Strathmore

Dispute Resolution Centre at Strathmore University Campus. Irene Wanyoike is the Convenor of the Association of Professional Societies in East Africa's (APSEA) Constitutional Implementation and Oversight Committee and a member of Professional Integrity and Ethics Committee of APSEA.

Commissioner Irene N. Wanyoike serves in various Professional Bodies in different positions. She is the Chairperson of the Centre for Alternative Dispute Resolution (CADR), and a Senior 1st Vice Chairperson of the Association of Professional Societies in East Africa (APSEA). She is the Honorary Treasurer of the Chartered Institute of Arbitrators (CI Arb), and a Board Member of the Kenya Private Sector Alliance (KEPSA). Irene also serves in several committees and secondary school boards and offers pro bono services on Family Mediation and Reconciliation. Commissioner Njeri Wanyoike was born on 29th December, 1955.

Commissioner Belinda AkothOchiel



Commissioner Linda Ochiel is a seasoned policy, advocacy, and communications expert with national, regional and international experience in peace building, democracy, governance, and human rights. The youngest Commissioner in the Republic of Kenya, Linda is a champion of youth affairs and is keen to create a vivid link between the youth, economic empowerment and peace building.

Prior to being appointed Commissioner with the National Cohesion and Integration Commission (NCIC), Linda served as a Director for Policy, Advocacy, and Communications at the Commission on Administrative Justice (Office of the Ombudsman) Kenya. Previously, she spearheaded national

peace and human rights initiatives and was instrumental in the investigations and documentation of 2007/2008 post-election violence in Kenya. She has also played an active role in promoting compliance with administrative justice principles and standards, as well promoting transitional justice, accountability, constitutional, institutional and electoral reforms in Kenya. Commissioner Linda initiated the Annual Human Rights and Democracy Awards of the Kenya National Human Rights and Equality Commission, the Huduma Ombudsman Awards, the first public service Awards in Kenya and the Taifa Awards, an Awards scheme that recognizes institutions that have represented the diversity of Kenyan people in public service.

A producer with a diverse background in documentary film making, Commissioner Linda has been at the forefront of video advocacy documenting and exposing violence, human violations and injustices. Her most recent productions include titles such as ‘The Ombudsman, I am Here to Serve you’, a dramatized video exposing maladministration in public service, ‘Robbed of Choice’, a documentary exposing forced Sterilization of HIV +Ve Women in Kenya, ‘Youth Fact Book’, a production documenting the youth bulge in Kenya and ‘In Search of My Land Rights’, an advocacy video agitating for women’s land rights following promulgation of Kenya’s 2010 Constitution. Linda founded the Open Society Initiative for Eastern Africa (OSIEA)’s journal, ‘Amplifying Voices’; the Kenya National Commission on Human Rights Journal, ‘Pillars of Rights’ (NguzozaHaki) and Commission on Administrative Justice’s Newsletter, ‘The Ombudsman’. She is also a published poet and biographer.

She holds a Masters of Arts in Communications Studies, Masters of Arts in Diplomacy, and a Post Graduate Diploma Degree in Mass Communications and Public Relations of the University of Nairobi. She also holds BED Arts Degree of Moi University as well as diplomas in human rights and video advocacy from prestigious national, regional and international institutions. She is an alumni of the Women in Public Service Project of the Wilson Centre, Bryn Mawr College, Philadelphia, Equitas International Human Rights Training Programme, John Abbot College, Montreal, and the Witness Video Advocacy Institute (VAI) in conjunction with Concordia University, Montreal. Commissioner Belinda was born on 22nd February, 1977.

Commissioner Adan Abdi Mohammed



Commissioner Adan Abdi Mohamed has 23 years of working experience, both as educationist and community development worker. He rose from being a high school teacher to an Assistant Director of Education and later community driven development programme coordinator. He has coordinated drought management initiatives where he has been managing several development projects as well as humanitarian emergency operation programmes based on community based targeting. Mr. Mohamed has coordinated a number of drought mitigation responses as well as facilitated conflict dialogues and mitigations. He has also coordinated a number of development agencies in Government Departments, Civil societies, NGOs and UN Agencies at County level.

Mr. Adan Mohamed holds a Master of Science degree in Project Planning and Management from the University of Bradford – UK; and a Bachelor of Education degree in Economics and Business Administration from Kenyatta University. Mr. Adan Mohamed has also attended several courses including Senior Management Course (SMC) at the Kenya Institute of Administration; and Water Management, Decision Making, Environmental Aspect and Risk Reduction at University of Hebrew in Israel. He has also studied Monitoring and Evaluation as well as Training of Trainers (ToT) in Methodology and Training Needs Assessment at Kenya Institute of Administration; and Participatory Development Methodology on Community based Development Approaches by Intermedia Training Consultants.

Prior to his appointment at the Commission, Commissioner Adan Mohamed was working for the National Drought Management Authority (NDMA) as the County Drought Management Coordinator. He also worked with the Arid Lands Resource Management Programme as a Drought Management Coordinator from 2002 to 2010, and community driven development programme coordinator between 1996 and 2000. Mr. Mohamed has also served in the Ministry of Education, Science and Technology (MoEST) as an Assistant Director of Education from 1993 - 1996 as well as in the Teachers Service Commission as a High School Teacher from 1990 to 1993. Commissioner Adan was born on 22nd December, 1964.

Commissioner Dr. Roba D. Sharamo



Dr. Roba D. Sharamo has over 16 years of experience in international development, diplomacy and conflict analysis and resolution where he worked in senior management positions with the United Nations Development Programme (UNDP) in Kenya, Government of Kenya, non-governmental organizations and a leading think-tank, Institute for Security Studies in Addis Ababa and Nairobi, among other international institutions. Most recently, he worked for UNDP as the Team Leader for Peace Building and Conflict Prevention Unit. He received his Doctorate in Conflict Analysis and Resolution from George Mason University, United States of America (USA) in 2012. His doctoral dissertation is entitled, “Predatory Politics and Struggles of Peacemaking in Somalia,” at George Mason University, Arlington, Virginia, US.

Dr. Roba has a Masters degree in Sustainable International Development from Brandeis University, Boston, USA, 2002 and a Bachelor of Science from Kenyatta University, Nairobi, Kenya, 1998. He

has lectured and made presentations at numerous regional and international conferences and published key monographs and scholarly articles on peace and security in Africa. He also co-edited two monographs: with BeroukMesfin entitled Regional Security in Post-Cold War Horn of Africa (April 2011); and The State of Human Security in Africa (co-edited with C. Ayangafac) in April 2012, respectively. He is committed to the institutionalization of the inter-related agendas of peace, cohesion and integration in Kenya. His areas of specialization include conflict analysis and resolution, political economy, peace building, cohesion, community security, mediation and negotiation. Dr. Roba Sharamo was born on 4th March, 1972.

Commissioner Dr. Joseph Wamocha Nasongo



Commissioner Dr. Joseph Wamocha Nasongo is holder of PhD degree in Conflict Resolution and Management of Masinde Muliro University of Science and Technology, Master's degree in Philosophy of Education and Bachelor's degree in Education arts of Kenyatta University. His PhD thesis was titled 'An analysis of feminist epistemology: Logical pedagogical implications to education in Kenya'. He joins the Commission from the world of academia with twenty four years' experience as an educationist, seven of which he taught in secondary schools, six years at Maseno University and eleven years at MasindeMuliro University of Science and Technology. He has vast experience in teaching, research and publications. His research interests include: Peace studies, conflict resolution and management, Education, feminism, and philosophy. He has attended and presented papers at conferences in local as well as international conferences.

Dr. Joseph W. Nasongo is also a member of professional associations namely: Association of Disaster Management and Conflict Resolution of Kenya (ADMCRK), Organization of Social Science Research in Eastern Africa (OSSREA) and Association of Third World Studies. He has actively participated in community development through engagement in civic education, review of peace building training manual, research on impact of violent conflicts on education and member of boards of management of schools and sub county district education board. His worldview is guided by the philosophy that the human person has a rich endowment of potential that requires conducive environment to flourish. Conducive environmental factors include: peace, access to basic needs, quality education, respect for human dignity and freedom to exercise talents in enhancing individual and societal development. Dr. Joseph Nasongo was born was born on 18th April, 1968.

Commissioner Morris Dzoro



Hon. Morris M. Dzoro, EGH has over fifteen years working experience and exposure in leadership and development at both local and international level. He has been keen in empowering communities to determine their own future and realize their full potential and worth by helping them demonstrate their relationship and live at peace with each other and their environment in order to meet their own long-term needs and livelihood with the main aim of transforming their lives.

Hon. Morris Dzoro served as a Cabinet Minister in the Ministry of Tourism and Wildlife from 2003 to 2007; an Assistant Minister for Public Service between 2002 and 2003; and a Member of Parliament from 2002 to 2007. Prior to that, he worked as the Programme Manager for the World Vision – Kenya, in different counties and regions. He has also worked as a Part-Time Lecturer at both the University of Nairobi and Daystar University.

Hon. Morris Dzoro is currently pursuing a PhD degree course on Tourism Management at the Moi University. He holds a Masters of Arts (MA) Degree in Theology and Development from the University of Leeds, UK; a Bachelor of Arts (BA) degree in Community Development from Messiah College, USA; and a Diploma in Communication Arts from the Daystar University, Kenya. Hon. Dzoro has attended training in different fields such as Strategic Planning and Management at CORAT; Proposal Writing and Health Management at AMREF; Cross Cultural and Peace Keeping at the London Institute and Advanced Leadership Course from Singapore. He has also attended several seminars and conferences, including the World Tourism Organization in Malaysia; Public Service Conference in South Africa and International Urban Ministry in Chicago, USA. Hon. Dzoro brings to the Commission valuable knowledge and experience in leadership, peace building and conflict resolution; partnerships and relationships across sectors (networking and collaboration). Commissioner Dzoro was born on 5th December, 1950.

Commissioner Prof. Gitile J. Naituli



Prof. Gitile Joseph Naituli holds a PhD degree in Business Management from Egerton University, a Masters in Business Administration (MBA) degree in Management and a Bachelor of Arts (BA) degree in Business Administration and Government from MIU-IOWA, USA. His PhD Thesis was entitled: “Constraints on Growth of Micro and Small-Scale Women Enterprises in North and Central Meru, Kenya”. Prof. Naituli has over 20 years’ experience in Business Management and Leadership gained from extensive consulting, facilitation, teaching and research. Before his appointment as a Commissioner with the National Cohesion and Integration Commission, Prof. Naituli served as the Acting Principal and Deputy Principal (Finance and Administration) and Associate Professor, Business Management and Leadership at Multimedia University of Kenya. He is also a visiting Professor of Management at the University of Virginia, USA and sits on the Advisory Board of Environic Foundation International (EFI) USA, as well as the National Trustee Intervarsity Environmental network (IVEN).

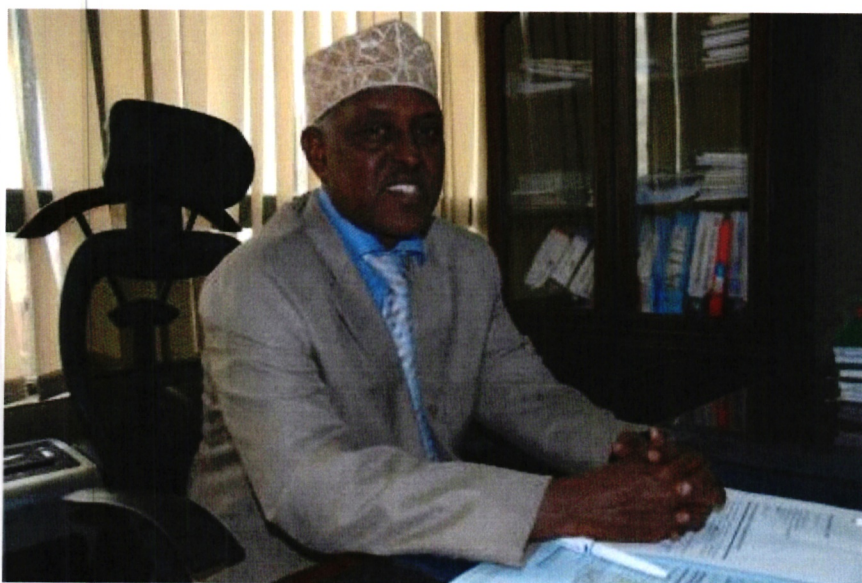
Prof. Gitile Naituli has conducted research in several fields. These include Education for Sustainable Development and its application to Business Systems, Small to Medium Enterprises and the implication for sustainable development, Small Business Development and Management, Gender Issues in Small Business Management and Development and the Implication for Poverty Alleviation Efforts, Climate Change Adaptation and Mitigation, Gender Issues in Organizational Development and Management, Strategic Management and its implications for Organizational Re-engineering, Transformational Leadership and its implication for development and Conflict Resolution and Mitigation. Prof. Naituli is the author of more than 25 papers on Leadership and Management that have been published in professional journals or presented at various professional international conferences. He has also authored and co-authored more than 8 books in business Management.

Prof. Naituli is a Technical Specialist with the United Nations Environment Programme (UNEP), Mainstreaming Environment for Sustainability in African Universities (MESA). He has also been helping African Universities to develop projects on adaptation to climate change and also providing technical assistance to the concerned Universities, besides organizing, planning and participating in

strategic meetings and Seminars/workshops. Prof. Naituli has been a Consultant for UNESCO Windhok Cluster Office to Angola, Lesotho, Namibia, South Africa and Swaziland. In 2008, Prof. Naituli was appointed as the co-ordinator for the International Training Programme in Education for

Sustainable Development in Higher Education in African Universities by Ramboll Natura AB and SIDA of Sweden. He chaired the University of Gondar (Ethiopia) Senate Committee that helped develop a curriculum based on the United Nations guidelines on Education for Sustainable Development (ESD), which used ESD tool kit as a resource. Prof. Naituli was born on 2nd January, 1961.

Commission Secretary Hassan Sheikh Mohamed, OGW



Mr. Hassan Mohamed has been the Commission Secretary since June 2010. He holds an MA in Economic & Social Studies (Development Administration and Management) from University of Manchester UK, Post Graduate Diploma in Public Administration & Management from Glasgow Caledonian University, UK, and Diploma in Range Management from Egerton University.

Mr. Hassan is a career Civil Servant who has served in various Government Ministries culminating in his promotion to the rank of Senior Deputy Secretary. He was awarded the Order of the Grand warrior of Kenya in 2009 for Peace building efforts whilst serving as the Coordinator of the National Steering Committee for Peace Building and Conflict Management in the Office of the President.

In addition to the aforementioned, Mr. Hassan also received exposure in international peace while he was on secondment as a Special Envoy of IGAD to the Sudan Peace Process in 2009 - 2010. He has extensive knowledge in Government Financial Management, having served as a Budget Supply Officer in the Ministry of Finance in 1997 – 2006. Mr. Hassan was born on 15th July, 1958.

EX-OFFICIO MEMBERS



Dr. Otiende Amollo

Mr. Otiende Amollo is the Chairperson of the Commission for the Administration of Justice. He served in the Committee of Experts on Constitutional Review and as the Chairman of the Kenya Section of the International Commission of Jurists (I.C.J). He has also served as the Secretary to the East African Law Society, joint Secretary to the Government of Kenya Implementation Committee on the Report of the Task Force on HIV and AIDS. He is the Sub-Editor to the East African Lawyer magazine and a board member to 'Kituo Cha Sheria' a legal advice center.



Ms. Kagwiria Mbogori

Ms. Kagwiria Mbogori is an accomplished Human Rights Practitioner with broad work experience at the national and regional level. She provides authoritative policy direction in keeping with the mandate of National Human Rights Institution (NHRI).

Ms. Mbogori holds a Masters of Law from the University of Notre Dame, majoring in International and Regional Human Rights Protection Systems, International Humanitarian Law and Transitional Justice. She is a Law Graduate from the University of Nairobi and hold a post graduate diploma from the Kenya School of Law.

Ms. Kagwiria Mbogori has worked for a number of regional and international organisations. She served at the United Nations Development Programme (UNDP) as a Chief Technical Advisor. She has provided strategic policy direction for the South Sudan Judiciary, as well as working as Head of Advisory Unit of United Nations Mission in Liberia (UNMIL). She also served as Human Rights Officer (UNMIL), Country Programme Manager United Nations Development Fund for Women (UNIFEM) and Executive Director Kenya Section of the International Commission of Jurists.



Commissioner Winfred Lichuma

Commissioner Winfred Lichuma is the current Chairperson of the National Gender and Equality Commission (NGEC). Winfred is a lawyer of over 20 years standing. Previously she has served as a Commissioner at the Kenya National Commission on Human Rights and has been a legal adviser to the National Aids Control Council. She also has worked as a practising Advocate of the High Court of Kenya.

Commissioner Winfred Lichuma began her career as a Magistrate of the High Court of Kenya, a position she held for ten years and served around the country, growing up the ranks to Senior Resident Magistrate. Winfred has a wide experience in gender mainstreaming and human rights promotions and programming.

III. MANAGEMENT TEAM



Hassan Sheikh Mohamed, OGW
Commission Secretary/ CEO

Mr. Hassan Mohamed has been the Commission Secretary since June 2010. He holds an MA in Economic and Social Studies (Development Administration and Management) from University of Manchester UK, Post Graduate Diploma in Public Administration and Management from Glasgow Caledonian University, UK; and Diploma in Range Management from Egerton University.

Mr. Hassan is a career Civil Servant who has served in various Government Ministries culminating in his promotion to the rank of Senior Deputy Secretary. He was awarded the Order of the Grand Warrior of Kenya in 2009 for Peace building efforts whilst serving as the Coordinator of the National Steering Committee for Peace Building and Conflict Management in the Office of the President. In addition to the aforementioned, Mr. Hassan also received exposure in international peace while he was on secondment as a Special Envoy of IGAD to the Sudan Peace Process in 2009 - 2010. He has extensive knowledge in Government Financial Management, having served as a Budget Supply Officer in the Ministry of Finance in 1997 – 2006.



Dr. Benjamin M. Kituku, CPA
Director Finance, HR and Administration

Dr. Kituku is the **Director Finance, Hr and Administration** which is the administrative arm of the commission and is composed of the following divisions; Finance and Accounts, Human Resource, Administration, Supplies Management and ICT.

Dr. Kituku is a Certified Public Accountant of Kenya (CPA - K) and a member of ICPAK. He holds a Masters In Business Administration (MBA) Finance and Strategic Management from the University of Nairobi and a BVMPH from the same university.



Millicent Apondi Okatch
Director Programmes and Technical Services

Millicent is the Director Programmes and Technical Services. She holds a Masters of Arts Degree with specialization in Sociology and Community Development and Bachelor of Arts Degree in Sociology and Communication both from the University of Nairobi. She is a certified Bullet Proof Management and Development specialist having been trained by APMG and Raiser Group.

Millicent is a results-oriented, hands-on Social Development expert, with a successful 19 year career, having worked for various International Relief and Development Non-Governmental Organizations (NGOs) in different capacities. A better part of her career growth has been realized while working for Care International, Community Aid International and World Vision International in different capacities in Programmes Management. She has also short stints working for Goal Kenya and People Against Torture (PAT).

Prior to Joining NCIC, Millicent worked for World Vision International in the Capacity of National Programme Coordinator with a portfolio of over 70 programmes and projects across 47 counties in Kenya. She successfully steered teams in designing, implementing, monitoring and evaluating programmes in Peace, Advocacy, Health, HIV & AIDS, Child Protection, Education, Gender Empowerment and Relief.

Millicent's great management skills and ability to enhance partnership and linkages enabled her to oversee sensitive projects funded by donors.



Ms. Olive C Metet- Bii, MPRSK
Assistant Director
Communication and Knowledge Management

Olive is the Assistant Director Communication and Knowledge Management. She has over 12 years in the field of Corporate Communication and Knowledge Management. She has excellent skills in Strategic Corporate Communications and Public Relations, spearheading award winning publications as well as media campaigns having grown through the ranks, from a public relations officer to Head of Corporate Communications and Customer Experience. She joined the Commission from the Higher Education Loans Board among working in other Government Parastatal. She holds a Masters of Arts Communication Studies from the University of Nairobi and a Bachelor of Arts degree Communication-Public Relations (Honors) from the Daystar University. She is a member of Public Relations Society of Kenya (PRSK). She has established, spearheaded and manages communication and Knowledge function at NCIC.



Liban Guyo
Assistant Director Reconciliation and Integration

Liban Guyo is the **Assistant Director; Reconciliation and Integration** at the National Cohesion and Integration Commission. This department is involved in the promotion and sustenance of the national peace and reconciliation agenda. Mr. Guyo holds a Masters Degree in Governance and Development from Sussex University and a BA in International Relations from United States International University-Africa Nairobi, Kenya.

National Cohesion and Integration Commission
Reports and Financial Statements
For the financial year ended June 30, 2016

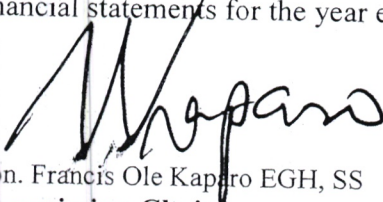
 <p>Charllow Kyalo Mwengi <u>Assistant Director Complaints, Legal and Enforcement</u></p>	<p>Mr. Mwengi is the Assistant Director Complaints, Legal and Enforcement department, which receives and investigates complaints of ethnic and racial discrimination and makes recommendations to the parliament and any other relevant government department or authority.</p> <p>Mr; .Mwengi is an advocate of the high court of Kenya and a member of the law society of Kenya. He holds a Bachelors degree in Social Legislation (BSL), Bachelors in Laws (LLB) and a Diploma in Law from the Kenya School of Law.</p>
 <p>Kilian Nyambu Machila <u>Assistant Director, Civic Education and Advocacy</u></p>	<p>Kilian Nyambu is the Assistant Director, Civic Education and Advocacy at the National Cohesion and Integration Commission. The department spearheads initiatives aimed at policy influence and advocacy, public education and awareness, capacity development and outreach</p> <p>Mr. Kilian Nyambu holds a Master of Education (M.Ed) in Educational Administration and Planning as well as Bachelor of Education (Arts) degree from the University of Nairobi. He has multiple certificates in various management programmes from different training institutions including the Kenya Institute of Administration.</p>

IV. CHAIRMAN'S STATEMENT

The National Cohesion and Integration Commission hereby presents its Financial Statements for the year ended 30 June 2016 in accordance to the Public Finance Management Act 2015 and the NCI Act. This is a very key aspect in the area of governance and accountability especially in reference to the management of public finances and any other funding the Commission has received to support its huge mandate.

As a Commission we have put a concerted effort towards achievement of our mandate despite the huge financial limitation that continuously inhibits the attainment of NCIC's full potential through the implementation of complete programme related interventions. The Commission remains not only one of the robust key agencies but the instrument of government in the implementation of Kenya's Cohesion and Integration agenda, hence the urgent need for more funding especially in the run up to the upcoming 2017 general elections.

However in my conclusion I wish to note that NCIC made some key strides with a lot of achievements in the financial year ended due to the support we received from the Government of Kenya, Treasury, Ministry of Interior and Co-ordination of National Government and other Key development partners. As a Commission we highly acknowledge that support as we present our financial statements for the year ended 30 June 2016



Hon. Francis Ole Kaparo EGH, SS
Commission Chairman.

V. REPORT OF THE CHIEF EXECUTIVE OFFICER

The Commission exists to facilitate and promote National Cohesion, Integration and peaceful co-existence of people of different diversities. The desire for its establishment (NCIC) being in recognition of the need for a national institution that rallies Kenyans towards national identity and values, the mitigation of ethno-political competition and ethnically motivated violence, eliminate all forms of discrimination, promote national reconciliation and healing.

During the year ended 30 June 2016 the Commission launched its new strategic plan (2015-2020). This provides a clear road map towards the realization of the Commission's objectives through strategies that create sustainable approaches that work to enjoin Kenyans in developing a well-knit nation with adherence to the Constitution, NCI Act, Vision 2030 and a number of government policies and programs that provide avenues for promoting national unity, inclusion and tolerance for diversity. The Commission is thus in the process of implementing its strategic plan with great achievements as set in the strategic objectives.

The Commission also conducted an Ethnic and Diversity Audit of a number of public entities and county governments. This is a key mandate of NCIC towards ensuring ethnic diversity in public institutions recruitment and geared towards the representation of the diversity of Kenya in employment. The findings of those reports are being used to present the country with policy recommendations that will ensure ethnic equality and equitable distribution of opportunities in the public service.

With the emerging challenges of radicalization and violent extremism, the Commission conducted de-radicalisation trainings for the youth, women and interfaith leaders in the Coast region to sensitize them on the dangers they are exposed to through radicalisation and violent extremism. The Commission further issued an advisory to the Government of Kenya to grant unconditional amnesty to youth who were ready and willing to denounce violent extremism and de-radicalisation. In line with the amnesty there has been a great positive response with a number of youth having surrendered and undergoing a rehabilitation program at the NCTC (National Counter Terrorism Centre). In addition the Commission supported other education training programs that increased public awareness towards the advancement of peace and harmony hence enhance co-existence amongst Kenyans of different walks of life.

As we present the Commission's financial year statements for the ended 30 June 2016, I greatly appreciate the continued support from the Government of Kenya and other key development partners.



Hassan Sheikh Mohamed, OGW
Secretary/ Chief Executive Officer

VI. CORPORATE GOVERNANCE STATEMENT

In line with sound Corporate Governance, the Commission conducted its operations in accordance with best practices, taking into consideration Professional ethics, integrity, accountability, compliance to relevant guidelines, Laws and regulations. This was under the direction and guidance of;

- i. The Constitution of Kenya 2010
- ii. The Public Finance Management Act
- iii. The National Cohesion and Integration Act
- iv. The Public Officers Ethics Act
- v. Government Financial regulations and procedures
- vi. Terms and agreements between NCIC and Donors

To further enhance good governance the Commission has in place systems and structures that enhance effective management through efficiency of operations, accountability and service delivery. Among these are Commission Committees that are very key in providing policy directions and guidelines in the Commission's functions. The Committees include;

- a) Finance and Administration
- b) Legal Complaints and enforcement
- c) Research Policy and Planning
- d) Civic Education and Advocacy
- e) Reconciliation

Each of these Committees is chaired by a Commissioner with all of them actively engaged hence a strong commitment and sense of responsibility towards sound corporate governance.

The quality and status of governance is a key factor to the operational success of any corporate institution. It is the Commissioners responsibility to ensure proper and sound governance within NCIC.

VII. REPORT OF THE COMMISSIONERS

The Commissioners submit their report together with the audited financial statements for the year ended June 30, 2016 which show the state of the Commission's affairs.

Principal activities

The principal activities of the Commission are to facilitate and promote equality of opportunity, good relations, harmony and peaceful co-existence between persons of different ethnic and racial communities of Kenya, and to advise the Government on all aspects thereof.

Results

The results of the Commission for the year ended June 30, 2016 are set out on page 1

Commissioners

The Commissioners who served during the year are shown on page iv to xv

Auditors

The Auditor General is responsible for the statutory audit of the Commission in accordance with the Section 68 of the Public Finance Management (PFM) Act, 2013, which empowers the Auditor General to nominate other auditors to carry out the audit on his behalf.

By Order of the Commission



**Hassan Sheikh Mohamed, OGW
Secretary/Chief Executive Officer**

VIII. STATEMENT OF COMMISSIONERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2015 and section 14 of the State Corporations Act, require the Commissioners to prepare financial statements in respect of that Commission, which give a true and fair view of the state of affairs of the Commission at the end of the financial year/period and the operating results of the Commission for that year/period. The Commissioners are also required to ensure that the Commission keeps proper accounting records which disclose with reasonable accuracy the financial position of the Commission. The Commissioners are also responsible for safeguarding the assets of the Commission.

The Commissioners are responsible for the preparation and presentation of the Commission's financial statements, which give a true and fair view of the state of affairs of the Commission for and as at the end of the financial year (period) ended on June 30, 2016. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Commission; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Commission; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Commissioners accept responsibility for the Commission's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act and the State Corporations Act. The Commissioners are of the opinion that the Commission's financial statements give a true and fair view of the state of Commission's transactions during the financial year ended June 30, 2016, and of the Commission's financial position as at that date. The Commissioners further confirm the completeness of the accounting records maintained for the Commission, which have been relied upon in the preparation of the Commission's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Commission's financial statements were approved by the Commission on 14th March 2017 and signed on its behalf by:



Hon. Francis Ole Kaparo EGH, SS
Commission Chairman.

REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF THE NATIONAL COHESION AND INTEGRATION COMMISSION FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the National Cohesion and Integration Commission set out on pages 1 to 13, which comprise the statement of financial position as at 30 June 2016, and the statement of financial performance, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

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

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report 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. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation

Report of the Auditor-General on the Financial Statements for the National Cohesion and Integration Commission for the year ended 30 June 2016

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

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Cohesion and Integration Commission as at 30 June 2016, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the National Cohesion and Integration Commission Act, 2008.

Other Matter

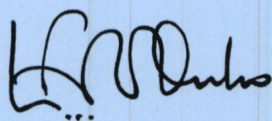
Un registered Lease agreement

During the financial year 2015/16, the commission paid Rent of Kshs.21,553,095.14 and Kshs.1,607,200 to Gimco Limited and Dr. Alfred Adhiambo Otieno respectively.

Although the Commission has forwarded the documents to the Ministry of Lands for registration, the Ministry had not yet completed the process by 30 June 2016.

Further it was observed that the Commission did not have an IT strategic committee, steering committee, strategic plan and a comprehensive procurement plan.

My opinion is not qualified in respect of this matter.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

24 April 2017

National Cohesion and Integration Commission
Reports and Financial Statements
For the financial year ended June 30, 2016

X. STATEMENT OF FINANCIAL PERFORMANCE			
For the year ended 30 June 2016			
	<i>Note</i>	2015-2016	2014 - 2015
		Kshs 000	Kshs 000
Revenue from non-exchange transactions			
Public contributions and donations	3	28,035	84,372
Transfers from other governments	4	311,107	364,120
		339,142	448,492
Revenue from exchange transactions			
Other income	5	12	842
Total revenue		339,154	449,334
Expenses			
Employee costs	6	130,329	101,058
Depreciation and amortization expense	7	32,387	34,209
Repairs and maintenance	8	11,201	7,366
General expenses	9	260,603	206,621
Total expenses		434,520	349,254
Other gains/(losses)			
Loss on sale of motor vehicle			
Loss on disposal of assests	10	(77)	(290)
Surplus for the period		(95,443)	99,790

National Cohesion and Integration Commission
Reports and Financial Statements
For the financial year ended June 30, 2016

XI. STATEMENT OF FINANCIAL POSITION			
As at 30 June 2016			
	<i>Note</i>	2015-2016	2014 - 2015
		Ksh 000	Ksh 000
Assets			
Current assets			
Cash and cash equivalents	15	1,033	711
Receivables from non-exchange transactions	11	7,828	97,270
		8,861	97,981
Non-current assets			
Property, plant and equipment	12	120,450	127,768
Intangible assets	13	123	186
		120,573	127,954
Total assets		129,435	225,935
Liabilities			
Current liabilities			
Cash and cash equivalents	15	-	9,602
Trade and other payables from exchange	14	9,984	1,438
		9,984	11,040
Non-current liabilities		-	-
Total liabilities		9,984	11,040
Net assets		119,451	214,895
Reserves			
Accumulated surplus		8,847	8,847
Total net assets and liabilities		119,451	214,895

The Financial Statements set out on pages 1 to 13 were signed on behalf of the Board of Commissioners by:



Hassan Sheikh Mohamed, OGW
C.E.O/ Commission Secretary

Date: 14/03/2017

XII. STATEMENT OF CHANGES IN NET ASSETS

For the year ended 30 June 2016

	Capital reserve	Accumulated surplus	Total
	Kshs 000	Kshs 000	Kshs 000
Balance as at 30 June 2014			
	8,847	106,258	115,105
Surplus/(deficit) for the period		99,790	99,790
Balance as at 30 June 2015	8,847	206,048	214,895
Surplus for the period		(95,443)	(95,443)
Balance as at 30 June 2016	8,847	110,605	119,452

National Cohesion and Integration Commission
Reports and Financial Statements
For the financial year ended June 30, 2016

XII. STATEMENT OF CASH FLOWS			
	<i>Note</i>	2015-2016	2014-2015
		Ksh 000	Kshs 000
Cash flows from operating activities			
Receipts			
Public contributions and donations	3	28,035	84,372
Government grants and subsidies	4	311,107	364,120
Other income	5	12	842
		339,153	449,334
Payments			
	16	304,145	402,747
Net cash flows from operating activities		35,008	46,587
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	12&13	(25,084)	(67,788)
Net cash flows used in investing activities		(25,084)	(67,788)
Cash flows from financing activities			
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		9,924	(21,201)
Cash and cash equivalents at 1 July		(8,891)	12,310
Cash and cash equivalents at 30 June	15	1,033	(8,891)

National Cohesion and Integration Commission
 Reports and Financial Statements
 For the financial year ended June 30, 2016

XIV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS					
	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2015-2016	2015-2016	2015-2016	2015-2016	2015-2016
Revenue	Kshs 000	Kshs 000	Kshs 000	Kshs 000	Kshs 000
Public contributions and donations	45,000	(17,915)	27,085	28,035	(950)
Government grants and subsidies	800,940	(489,833)	311,107	311,107	-
Other income	-	-	-	12	(12)
Total income	845,940	(507,748)	338,192	339,153	(961)
Expenses					
Compensation of employees	166,940	(16,940)	150,000	130,329	19,671
Rent paid	25,000	(1,000)	24,000	23,456	544
Repairs and maintenance	8,500	3,500	12,000	11,201	799
Depreciation	-	-	-	32,387	(32,387)
General expenses	645,500	(357,500)	288,000	237,146	50,854
Total expenditure	845,940	(371,940)	474,000	434,519	39,481
Loss on disposal of assets				(77)	77
Surplus for the period	-			(95,443)	(40,365)

XV. NOTES TO THE FINANCIAL STATEMENTS

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

The Commission's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Commission and all values are rounded to the nearest thousand (Ksh000). The accounting policies have been consistently applied to all the years presented.

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

2. Summary of significant accounting policies

a) Revenue recognition

i) Revenue from non-exchange transactions – IPSAS 23

Fees, taxes and fines

The Commission recognizes revenues from fees, taxes 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 the 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.

b) Budget information – IPSAS 24

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

c) Property, plant and equipment – IPSAS 17

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When

National Cohesion and Integration Commission

Reports and Financial Statements

For the financial year ended June 30, 2016

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. Full year depreciation is charged in the year of purchase and none in the year of disposal. Depreciation is calculated using the reducing balance method to write down the cost of each asset to its residual value over its estimated useful life using the following annual rates.

	<u>Rate - %</u>
Motor vehicles	25
Furniture & Fittings	12.5
Computers, copiers & faxes	33.3

d) 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. Depreciation is calculated using the reducing balance method to write down the cost of each asset to its residual value over its estimated useful life at an annual rate of 33.3%.

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

e) 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.

f) Employee benefits – IPSAS 25

Retirement benefit plans

The Commission provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which the Commission pays fixed contributions into a separate 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 NCIC Staff Pension Scheme was established under irrevocable trust and commenced on 1 July 2012 and is governed by Trust Deed and Rules dated 1 July 2012. Employees who are the members contribute to the scheme at the rate of **5%** of their basic salary while the employer, also Founder, contributes at the rate of **10%** of the Member's basic salary. In addition, members are allowed to make additional voluntary contributions.

g) 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

h) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPASA 29 Financial instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Commission determines the classification of its financial assets at initial recognition.

Receivables

Receivables are amounts advanced to staff as temporary imprests to carry out official duties and should be accounted for or surrendered within 7 working days after returning to duty station. Where the amount is not accounted for or is not returned as required, the amount of the advance not accounted for or not returned becomes a debt owed by an officer and is recognized in the books at actual cost in the year advanced. Where the imprests remain outstanding for long periods of time and the amount is deemed irrecoverable from the imprest holder, the Commission institutes write-off mechanisms as prescribed in the PFM Regulations (2015).

i) Related parties

The Commission regards a related party as a person or entity with the ability to exert control individually or jointly, or to exercise significant influence over the Commission or vice versa. The Commissioners and key management are considered as the Commission's related parties. The Commission has 8 full time commissioners and 3 ex-officio members being the chairpersons of the Commission for Administration of Justice (CAJ), National Gender and Equality Commission (NGEC) and the Kenya National Commission on Human Rights (KNCHR). The Commissioners are charged with policy formulation and direction while the key management led by the Commission secretary (who is the CEO) are charged with the implementation and day-to-day running of the Commission.

i) Comparative figures

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

j) Inventories

The Commission's stock is in the form of low cost consumables which were expensed at the point of purchase hence there is no reflection of closing inventory in the financial statements.

National Cohesion and Integration Commission
Reports and Financial Statements
For the financial year ended June 30, 2016

3. Public contributions and donations

	2015-2016	2014 - 2015
	Shs 000	Shs 000
SIDA	27,085	76,372
UNDP-Uwiano	950	8,000
Total transfers and sponsorships	<u>28,035</u>	<u>84,372</u>

4. Transfers from other governments – gifts and services-in-kind

	2015-2016	2014 - 2015
	Ksh 000	Kshs 000
Unconditional grants		
Operational grant	311,107	364,120
Total government grants and subsidies	<u>311,107</u>	<u>364,120</u>

5. Other income

	2015-2016	2014 - 2015
	Ksh 000	Ksh 000
Sale of Tender documents	12	-
Income adjustment	-	842
Total other income	<u>12</u>	<u>842</u>

As at 30 June 2015, cheque payments amounting to Ksh 842,000 were reversed as they had become stale. The expenses were however not paid during the year as no claims on them were made. The surplus for 2013/2014 was therefore less than it should have been. This adjustment was thus done in FY 2014/2015

6. Employee costs

	2015-2016	2014-2015
	Ksh 000	Ksh 000
Employee related costs - salaries and wages	124,693	95,704
Employee related costs - contributions to pensions and medical aids	5,636	5,354
	<u>130,329</u>	<u>101,058</u>

7. Depreciation and amortization expense

	2015 - 2016	2014 - 2015
	Ksh 000	Ksh 000
Property, plant and equipment	32,325	34,116
Inangible assets	62	93.00
Total depreciation and amortization	<u>32,387</u>	<u>34,209</u>

National Cohesion and Integration Commission
Reports and Financial Statements
For the financial year ended June 30, 2016

8. Repairs and maintenance

	2015-2016	2014-2015
	Ksh 000	Ksh 000
Vehicles	9,829	5,962
Other	1,372	1,404
Total repairs and maintenance	<u>11,201</u>	<u>7,366</u>

9. General expenses

The following are included in general expenses:

	2015-2016	2014-2015
	Ksh 000	Ksh 000
Advertising	16,239	11,775
Audit fees	1,044	1,044
Conferences and delegations	25,718	23,624
Fuel and oil	9,743	8,441
Electricity	662	-
Postage	285	257
Printing and stationery	13,494	8,773
Hire charges	9,145	14,155
Rental	23,456	23,121
Telecommunication	1,778	1,618
Insurance	17,453	16,711
Training	4,489	3,311
Domestic travel and subsistence	100,112	67,493
Foreign travel and subsistence	26,560	14,794
Specialized material and supplies	98	1,349
Contracted guards and cleaning services	2,400	1,969
Membership fees, dues, subscriptions	1,411	409
Contracted professional services	3,178	5,251
Parking charges	6	3
Confidential expenditure	891	135
Project sponsorships	555	817
Bank charges	91	56
Internet connctivity	1,795	1,515
Total general expenses	<u>260,603</u>	<u>206,621</u>

10. Loss on disposal of assets

	2015-2016	2014-2015
	Ksh 000	Ksh 000
Cost of assets	115	785
Less accumulated depreciation (Note 12)	<u>38</u>	<u>495</u>
Net book value	77	290
Proceeds from sale	-	-
Total loss on sale of assets	<u>(77)</u>	<u>(290)</u>

National Cohesion and Integration Commission
Reports and Financial Statements
For the financial year ended June 30, 2016

11. Receivables from non-exchange contracts

Current receivables	2015-2016	2014-2015
	Ksh 000	Ksh 000
Imprest		
GOK	118	1,155
SIDA	4,178	5,443
UWIANO	116	2,178
Total imprest	4,412	8,777
Commissioners Advances	783	7,992
Staff advances	933	502
Bank Guarantee deposit	1,700	
Grants receivable	-	80,000
Total current receivables	7,828	97,270

12. Property, plant and equipment

	Computers & Printers	Furniture & Fittings	Motor Vehicles	Total
	Shs 000	Shs 000	Shs 000	Shs 000
<i>Cost or Valuation:</i>				
At 1 July 2014	13,860	74,641	83,247	171,748
Additions during the year	6,240	4,277	56,993	67,510
Disposals	(336)	(449)		(785)
As at 30th June 2015	19,764	78,469	140,240	238,474
Additions during the year	2,528	2,474	20,082	25,084
Disposals	(115)	0	-	(115)
As at 30th June 2016	22,177	80,943	160,322	263,443
Depreciation and impairment				
At 1 July 2014	9,236	20,284	47,564	77,084
Depreciation	3,618	7,329	23,169	34,116
Disposal	(276)	(219)	-	(495)
At 30 June 2015	12,578	27,394	70,733	110,706
Depreciation	3,235	6,693	22,397	32,325
Disposals	(38)	-	-	(38)
At 30 June 2016	15,775	34,087	93,130	142,993
Net book values				
At 30 June 2016	6,402	46,856	67,192	120,450
At 30 June 2015	7,186	51,075	69,507	127,768

During the year two laptops and a camera worth Ksh 219,750 and Ksh 1,050,000 respectively were stolen during a break-in to the Commission's office. Investigations were yet to be concluded at the close of the financial year hence the assets still appear in the fixed asset register

National Cohesion and Integration Commission
Reports and Financial Statements
For the financial year ended June 30, 2016

13. Intangible assets - software	Shs 000
Cost	
At 1 July 2014	-
Additions	<u>278</u>
At 30 June 2015	278
Additions	<u>-</u>
At 30 June 2016	<u><u>278</u></u>
Amortization and impairment	
At 1 July 2014	-
Amortization	<u>93</u>
At 30 June 2015	93
Amortization	<u>62</u>
At 30 June 2016	<u><u>155</u></u>
Net book values	
At 30 June 2016	123
At 30 June 2015	186

14. Trade and other payables from exchange transactions

	2015-2016	2014-2015
	Ksh 000	Ksh 000
KENAO	1,044	1,044
VAT withheld	172	224
Withholding Tax	-	22
PAYE	2,425	-
Other creditors	<u>6,343</u>	<u>148</u>
Total trade and other payables	<u><u>9,984</u></u>	<u><u>1,438</u></u>

15. Cash and cash equivalents

	2015-2016	2014-2015
	Ksh 000	Ksh 000
Bank KCB	54	(9,602)
Bank - NBK	703	398
Bank - Standard Chartered Bank	75	83
Cash on hand and in transit	<u>202</u>	<u>229</u>
Total cash and cash equivalents	<u><u>1,033</u></u>	<u><u>(8,891)</u></u>

National Cohesion and Integration Commission
Reports and Financial Statements
For the financial year ended June 30, 2016

Detailed analysis of the cash and cash equivalents

(a) Banks

Name of the Bank	Bank Account Number	Currency	2015-2016	2014-2015
			Ksh 000	Ksh 000
Kenya Commercial Bank	11189199238	KES	54	(9,602)
National Bank of Kenya	0102815036400	KES	703	398
Standard Chartered Bank	01020060864600	KES	75	83
			832	(9,120)

(b) Cash on hand and in transit

	2015-2016	2014-2015
	Ksh 000	Ksh 000
Form of cash holding		
Liquid cash	202	229

16. Payments

	2015-2016	2014-2015
	Ksh 000	Ksh 000
Compensation of employees	130,329	101,058
General expenses	260,603	206,621
Repairs & Maintenance	11,201	7,366
(Decrease)Increase in receivables	(89,442)	85,297
Increase(Decrease) in payables	(8,546)	2,405
	304,145	402,747