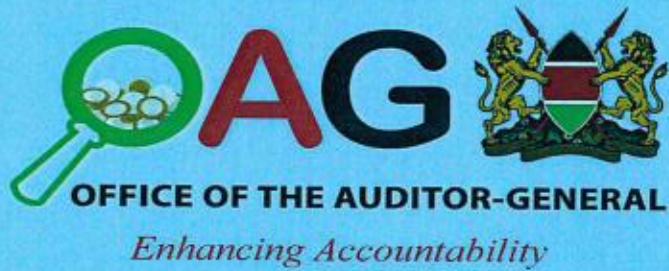


REPUBLIC OF KENYA



## REPORT

THE NATIONAL ASSEMBLY

OF

DATE: 10 NOV 2022 Thursday

Hon. Kamani Ichungwa, MP  
Leader of Majority  
Samuel Kalama

**THE AUDITOR-GENERAL**

ON

**NON-GOVERNMENTAL ORGANIZATIONS  
CO-ORDINATION BOARD**

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





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**NON-GOVERNMENTAL ORGANIZATIONS CO-ORDINATION BOARD  
(NGO BOARD)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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



**Non-Governmental Organizations Co-ordination Board**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2021.**

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**1. KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

The Non-Governmental Organizations Co-ordination Board (The NGO Board) simply referred to as the NGOs Co-ordination Board, was established by an Act of Parliament in 1990 under the provisions of the State Corporations Act, Cap 446 of the Laws of Kenya. The NGOs Co-ordination Board started its operations in 1992 under the Ministry of State in the Office of the President. The Board is currently under the Ministry of Interior and National Coordination of National Government.

**(b) Principal Activities**

Specifically, the NGO Board is responsible for *inter alia* registering, facilitating and coordinating all national and international NGOs operating in Kenya; advising the government on their contribution to national development; providing policy guidelines for NGOs to align their activities with national priorities and receiving and analysing NGOs annual reports.

**Vision**

A vibrant, efficient, effective and sustainable PBOs sector.

**Mission**

To regulate, facilitate, develop capacity and provide policy advice to the PBO sector.

**Core Values**

- Integrity
- Professionalism
- Team work
- Quality service:
- Diversity and inclusivity

**Functions of the Non-Governmental Organizations Co-ordination Board**

- i) To facilitate and co-ordinate the work of all national and international NGOs operating in/from Kenya.
- ii) To maintain the register of national and international NGOs operating in/from Kenya, with the precise sectors, affiliations and locations of their activities.
- iii) To receive and discuss the annual reports of NGOs.
- iv) To advise the government on the activities of the NGOs and their role in national development within Kenya.
- v) To conduct a regular review of the register to determine the consistency of the reports submitted by the NGOs and the Council.
- vi) To provide policy guidelines to the NGOs for harmonizing their activities to the National Development Plan for Kenya.
- vii) To receive, discuss and approve the regular reports of the NGO Council and to advise on strategies for efficient planning and co-ordination of the activities of NGOs in Kenya
- viii) To develop and publish a code of conduct for the regulation of NGOs and their activities in Kenya.
- ix) To prescribe rules and procedures for the audit of the accounts of NGOs

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**(c) Key Management**

The NGO Board's day-to-day management is under the Board of Directors and the Executive Director/CEO.

**(d) Fiduciary Management**

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

No.	Designation	Name
1.	Executive Director	Mutuma Nkanata
2.	Director, Operations	Andrew A. Ogombe
3.	Director, Corporate Services	Joyce Yiaile
4.	Finance & Accounts Manager	David Njane
5.	Internal Audit & Risk Manager	Benard Bwoma
6.	Procurement & Supply Chain Management Principal Officer	Doris Muthini
7.	Legal Affairs Principal Officer	Lindon Nicolas
8.	Corporate Communications Principal Officer	Richard Chesos

**(e) Fiduciary Oversight Arrangements**

The Board plays the fiduciary responsibility role which is achieved through the following committees:

**1. Finance Committee**

- i. Approval of the budget and procurement plan.
- ii. Approval of quarterly financial statements.
- iii. Approval of quarterly performance contracting reports.
- iv. Recommend approval of final financial statements
- v. Recommend approval of final performance contracting report.

**2. Audit and Risk Committee**

- i. Evaluating adequacy of management procedures with regard to issues relating to risk management, control and governance.
- ii. Reviewing and approving the Audit Charter where applicable and the internal audit Annual Work plans.
- iii. Reviewing the Internal and External Audit findings and recommendations and proposing corrective and preventive action where necessary.
- iv. Reviewing the systems established to ensure sound public financial management and internal controls, as well as compliance with policies, laws, regulations, procedures, plans and ethics.

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- v. Initiating special audit/investigation on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency in the Board.

**3. Human Resource and Administration Committee**

- i. Recruitment of staff
- ii. Review of staff performance appraisals
- iii. Provide guidelines of human resource management
- iv. Preside over disciplinary cases
- v. Promotion of staff

**4. Operations and Registration Committee**

- i. Recommendation for work permits
- ii. Recommend for approval of registration of NGOs
- iii. Review the annual sector report
- iv. Approve the operations work plan

**(f) Headquarters**

Co-operative Bank House 15<sup>th</sup> floor  
Haile Selassie Avenue  
P.O Box 44617-00100  
Nairobi, Kenya.

**(g) Contacts**

Telephone: +254-020- 2214044  
E-mail: [info@ngobureau.or.ke](mailto:info@ngobureau.or.ke)  
Website: [www.ngobureau.or.ke](http://www.ngobureau.or.ke)

**(h) Bankers**

Co-operative Bank of Kenya Limited  
Co-op House Branch  
P.O Box 67881 (00200)  
Telephone: 3276279  
Nairobi, Kenya.

Equity Bank Kenya Limited  
Parliament Branch  
Telephone: +254763063000  
Nairobi, Kenya.

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**(i) Independent Auditors**

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




**(j) Principal Legal Adviser**

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





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**2. THE BOARD OF DIRECTORS**

Ref	Directors	Details
1.	 <b>Stella Munyi</b> LLM, LLB Advocate of the High Court of Kenya	Alternate Director to the Principal Secretary, Ministry of Foreign Affairs. DOB-1968 A career diplomat
2.	 <b>Daniel Oure Onderi</b> LLM (Law and Governance), LLB Advocate of the High Court of Kenya	Alternate Director to the Attorney General. DOB-1967 Mr Oure is the current Deputy Chief State Counsel/Regional Head- Kakamega, Office of the Attorney General.
3.	 <b>Stephen Muiruri</b> MA Economics BA Economics	Alternate Director to the Principal Secretary, The National Treasury. DOB-1966 Mr Muiruri is the current Director of macro planning/Global Fund Coordinator in Global Fund Program Management Unit, External Resources Mobilization Department, the National Treasury and Planning.
4.		Alternate Director to the Principal Secretary, Ministry of Interior & Co-ordination of National Government. DOB-1985


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	<p><b>Dann Mwangi</b> LLM, Public International Law and Principles of Good Governance <b>LLB</b></p>	<p>An Advocate of the High Court with a keen interest and passion in legal, research and analytical skills and knowledge.</p>
5.	 <p><b>Nicodemus K. Bore</b> MBA Business Leadership BBM Human Resource Management</p>	<p>Independent Director Chairman – Operations and Registration Committee DOB-1973 Current executive director at the Kenya Secondary School Heads Association.</p>
6.	 <p><b>Hon David Ole Sankori</b> Educationist, /former MP</p>	<p>Independent Director Chairman – Human Resource &amp; Administration Committee DOB 1948</p>
7.	 <p><b>Joseph K. Too, MKIM, MIO D (K)</b> MBA (Finance Option), BCom. Certified Management Accountant (CMA), Licentiate Certificate in General Insurance Lecturer, Accounting Manager</p>	<p>Independent Director Chairman – Finance Committee DOB-1955 An accomplished professional and leader with a solid reputation and high integrity in promoting strategic financial expertise as a lecturer, branch manager, and accountant. A leader with over 26 years of intellectual capability, and board operational experience in strategic people leadership, oversight, and guidance in all aspects of finance management.</p>

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8.	 <p><b>Jidraff Githendu</b>  MSc. Health Systems Management  BSc. Biochemistry &amp; Chemistry</p>	<p>Independent Director  Chairman – Audit &amp; Risk Committee  DOB-1973  A multi-skilled and solutions-focused Administrative and Health Systems Management Professional, adept at operations management, policy development, strategic planning &amp; implementation, resource planning, partnerships building, asset management, and project management.</p>
9.	 <p><b>Dr. Mary Njoki Ndiba, MA, MSW, PhD</b>  Expert in Social Advocacy, Social research and Counselling  University Lecturer</p>	<p>Independent Director  DOB 1960  She has a wealth of experience in social advocacy, social research and counselling (both clinical and academic environment). She has had various consultancies both nationally and internationally.</p>
10.	 <p><b>Judith K Miruka</b>  Bachelor of Education (B.Ed. Arts)</p>	<p>Independent Director  DOB1972  An innovative administrator with expertise in directing and enhancing administrative procedures and providing full support to ensure the delivery of excellent services.</p>
11.	 <p><b>Micheal Maina Kamanda</b>  Human Resource Expert</p>	<p>Independent Director  Mr Kamanda is a human resource expert. He was formerly a board member at the Kenya Ports Authority prior to his appointment to the board of the NGOs Board.</p>

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12.	 <p><b>Mutuma Nkanata</b>  Master in International Studies  Bachelor of Education  Expert in corporate Governance</p>	<p>Executive Director/Secretary to the Board</p> <p>Mr. Mutuma Nkanata has worked with both Government and Non-Governmental Organizations. He has worked in the Department of Governance and Ethics, Office of the President. He was a Board Member at Rural Electrification and Renewable Energy Corporation a for a period of 3 years. He has also been a lecturer of international relations and diplomacy. In the NGO sector, he has worked in various human rights organisations.</p>
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**3. MANAGEMENT TEAM**

	Management	Details
1.	 <b>Mutuma Nkanata</b> Master in International Studies Bachelor of Education Expert in corporate Governance	Executive Director
2.	 <b>Andrew A. Ogombe</b> Master of Business Administration Certified Public Accountant (Part II)	Director, Operations
3.	 <b>Joyce Yiaile</b> MBA-Strategic management & Human Resource Management. BBA- Human Resource Management. Advance Dip – Human Resource Management	Director, Corporate Services




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4.	 <b>CPA David R. K. Njane</b> Certified Public Accountant, CPA (K)	Finance and Accounts Manager
5.	 <b>CPA Benard N Bwoma</b> Master in Business Administration Certified Public Accountant, CPA(K)	Audit & Risk Manager
6.	 <b>Doris Muthini</b> Bachelor of Business Management (Purchasing & Supplies) Diploma – Purchasing & Supply CIPS	Principal Supply Chain Management Officer
7.	 <b>Lindon Nicolas</b> LLB	Principal Officer, Legal Affairs

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8.	 <p><b>Richard Chesos</b> Bachelor of Education Postgraduate Diploma (Mass Communication)</p>	Principal Officer, Public Relations
<p><i>Note:</i> The Executive Director is the secretary to the Board</p>		



#### **4. CHAIRMAN'S STATEMENT**

I am happy that the Board accomplished some key initiatives it set out to undertake in the financial year 2020/2021, including efforts to provide a facilitative environment for all NGOs to operate and improving service delivery.

In the year under review, the Board set out to continue with its agenda on service delivery, engaging stakeholders with a view to improving our relations with them and providing a more facilitative environment for NGOs.

The Board's Strategic Plan 2020 developed with participation of our stakeholders provides the foundation for a more progressive regulatory regime for the public benefit organisations (PBOs) sector.

I am impressed with implementation of the Strategic Plan which focuses on improved regulatory, legislative and policy environment for PBOs, compliance, strengthening the Board's capacity, enhancing sustainability and capacity of PBOs, partnerships and the regulator's financial sustainability.

I wish to thank United Nations Development Programme (UNDP's) Amkeni Wakenya for supporting the development of the Strategic Plan and other Board initiatives.

Besides engaging our stakeholders at various regional forums, capacity building programmes and the media, the Board organised the NGOs Week 2021 to provide an opportunity for charitable organisations to showcase what they do and experiences.

During the Week, we also launched the Annual NGO Sector Report 2019/2020 which details the contribution of the sector to the economy and opportunities for sector growth among others.

The improved compliance levels among NGOs with regard to filing of quality annual reports could be a product of these engagements with the sector.

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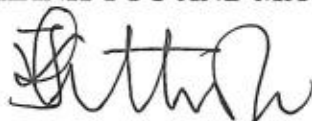
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Service provision was greatly improved, as most clients understood our service requirements as indicated in our service charter.

Consequently, Board revenues increased to Ksh 37.0 million compared to Ksh.33.5 million in FY 2019/2020.

With regard to our role in fighting the COVID-19 pandemic, the Board facilitated and coordinated registered NGOs to support efforts aimed at defeating it. I am informed there were many NGO sector initiatives to fight the disease, including cases where the sector collaborated with the Government. I wish to thank the Executive Director and his team for working tirelessly to ensure that our valued customers were served well even with the disruptions that came with Covid-19. I also thank our development partners for the support they gave us in the year.

**THANK YOU AND MAY GOD BLESS YOU.**



**JIDRAFF GITHENDU**  
*For: CHAIRMAN*



## **5. REPORT OF THE CHIEF EXECUTIVE OFFICER**

It gives me great pleasure to present the Board's Annual Report and Financial Statements for the Financial Year (FY) 2020/2021. As the regulator of NGOs, the Board has put in place strategies to attain its mission to regulate, facilitate, develop capacity and provide policy advice to the Public Benefit Organisation (PBOs) sector.

The Board is keen to facilitate the PBO sector to be vibrant, efficient and sustainable in line with its vision. The Board's Strategic Plan 2020-2022 provided the roadmap for facilitative regulatory environment for PBOs, compliance in various areas, building the Board's institutional capacity and enhancing its financial sustainability, enhancing PBO sustainability and capacity as partnerships and networking.

In an effort to transform service provision, we build the capacity of our staff and reviewed our service infrastructure to be responsive to the needs of our customers. In FY 2020/2021, we encountered some challenges, including budgetary constraints and challenges posed by Covid-19 pandemic in provision of services.

With regard to budgetary constraints, we requested for additional Government funding and we are grateful our request was positively responded to. We also approached our development partners to fund some of our programmes and I am grateful to the Royal Embassy of the Netherlands and the United Nations Development Programmes (UNDP) for their support. However, some critical programmes, including expanding service provisions to the regions, were not fully achieved due to limited resources.

With regard to Covid-19, the Board coordinated PBOs to work together as well as partnering with the Government in the fight against the pandemic. I note that NGOs spent hundreds of millions of shillings to purchase Personal Protective Equipment ((PPE) and treatment of the needy and vulnerable members of our society among other initiatives. The Board has put in place plans to roll out an automation exercise to ensure services are not disrupted by Covid-19 like diseases and other disasters in the future.

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In the year under review, the Board continued to roll out stakeholder engagement forums targeting PBOs. We held forums and many capacity building workshops in various counties.

In the engagement forums, PBOs were asked to align their programmes to the Government “Big Four” areas of food security, Universal Health Coverage (UHC), manufacturing and affordable housing. The Board will in future work with partners to evaluate the impact of NGO work in the “Big Four” Government agenda. The Board has started realising the gains from the engagements. For example, more NGOs are now filing their annual reports.

In FY 2020/2021, the Board’s revenue slightly increased to Kshs 37,035,573 compared to Ksh 33,431,825 generated in FY 2019/2020. The increase could be attributed to the improved compliance. The Board launched the Annual NGO Sector report 2019/2020 during the year. The reports indicate that the sector contributed Ksh 169.7 billion to the economy and employed more than 76,500 people.

Going forward, we shall focus on the implementation of the Board’s Strategic Plan and continue to coordinate efforts of PBOs in the fight against Covid-19. We shall also strengthen our compliance and enforcement infrastructure, staff capacity building and resource mobilisation to support Board programmes. I most sincerely thank all the Board’s stakeholders for their continued support to enable us deliver on our mandate. I wish to thank the Government for supporting us, the Board of Directors for providing policy guidance to us in management and our development partners for funding our initiatives. My appreciation goes to the staff and management of the Board for their immense contribution to the achievement of the Board’s objectives.

**THANK YOU AND MAY GOD BLESS YOU ALL.**

  
**Mutuma Nkanata**  
**EXECUTIVE DIRECTOR**

**Non-Governmental Organizations Co-ordination Board**  
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**6. STATEMENT OF NON-GOVERNMENTAL ORGANIZATIONS CO-ORDINATION BOARD'S PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/2021**

Section 81 Subsection 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.

Non-Governmental Organizations Co-Ordination Board has six strategic priority areas and objectives within the current Strategic Plan for the FY 2020- FY 2022. These strategic priority areas are as follows:

- **Priority Area 1:** Regulatory, legislative and policy environment for PBOs
- **Priority Area 2:** Compliance with regulations by PBOs
- **Priority Area 3:** Institutional capacity of the board
- **Priority Area 4:** Enhance sustainability and capacity of PBOs
- **Priority Area 5:** Partnerships and networking
- **Priority Area 6:** Financial sustainability of the Board

Non-Governmental Organizations Co-Ordination Board develops its annual work plans based on the above six priority areas. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The NGO Board achieved its performance targets set for the FY 2020/2021 period for its strategic priority areas, as indicated in the table below:

Strategic Priority Area	Objective (s)	Key Performance Indicators	Activities	Achievements
<b>Priority Area 1:</b> Regulatory, legislative and policy environment for PBOs	Strengthen regulatory, legislative and policy environment for PBOs	Enhanced regulatory and policy environment for Public benefits Organizations (PBOs)	1. Review service charter 2. Conduct research on policy thematic areas for PBOs	1. All items in service charter reviewed 2. NGO sector report 2021 developed and published.

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<p><b>Priority Area 2:</b> Compliance with regulations by PBOs</p>	<p>1. Strengthen and enforce PBOs compliance with legal, administrative and funding obligations</p> <p>2. Provide guidance on the government policies that are affecting the sector</p>	<p>1. PBOs complying with legal, administrative and funding obligations</p> <p>2. PBOs working in line with the Government policies</p>	<p>1. Sensitize PBOs on compliance guidelines</p> <p>2. Finalize financial reporting guidelines for PBOs</p>	<p>1. Various guidance workshops held</p> <p>2. Pending but various meetings held with ICPAK</p>
<p><b>Priority Area 3:</b> Institutional capacity of the board</p>	<p>Strengthen institutional capacity of the Board</p>	<p>Effective and efficient operations of the Board</p>	<p>Review Board's organizational structure</p>	<p>Organization structure reviewed; career progression guidelines developed.</p>
<p><b>Priority Area 4:</b> Enhance sustainability and capacity of PBOs</p>	<p>Facilitate establishment and growth of PBOs</p>	<p>PBOs contributing to social and economic livelihoods of the people of Kenya</p>	<p>Prepare and implement capacity development plans for PBOs</p>	<p>Course outline for PBOs compliance training developed and implemented.</p>
<p><b>Priority Area 5:</b> Partnerships and networking</p>	<p>Promote strategic partnerships and networking among stakeholders</p>	<p>Improved collaboration and networking between PBOs, Government, private sector, donors and other stakeholders</p>	<p>Conduct collaboration and networking forums with stakeholders</p>	<p>Various collaboration and networking workshops held with stakeholders including UNDP, GoK, NGOs, Banks</p>

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<b>Priority Area 6:</b> Financial sustainability of the Board	Mobilize resources for financial sustainability of the Board	Sustainable resources for institutional programs and operations	Conduct NGOs week	NGO Week 2021 successfully held.
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**Non-Governmental Organizations Co-ordination Board**  
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**7. CORPORATE GOVERNANCE STATEMENT**

Since its operationalization in 1992, the NGOs Co-ordination Board is administered by a Board of Directors. The Board reports to the Cabinet Secretary, Ministry of Interior and Co-ordination of National Government.

**Composition of the Board**

1. A Chairman appointed by the President
2. The Executive Director who is the Secretary to the Board and a non-voting member appointed by the Cabinet Secretary in charge of the NGO portfolio
3. Two members appointed by the Cabinet Secretary in charge of the NGOs Portfolio
4. Three members seconded by the National Council of NGOs
5. The Attorney General
6. The Permanent Secretary, Ministry of Foreign Affairs
7. The Permanent Secretary, National Treasury

**Code of Conduct**

The Board of Directors are obligated to follow the State Corporations and Civil Service Codes of Conduct and MWONGOZO which is a code of governance for state corporations.

**Meetings**

The committees of the board and the full board meet at least once every quarter. However, in extraordinary circumstances, the Board may hold special meetings. In the FY 2020/21 the finance, audit & risk and operations & registration committees each met once quarterly. The human resource & administration committee held a total of nine committees to handle pertinent issues on a new organization structure and career progression guidelines. The full board was conducted once every quarter with an additional special full board meeting during the FY.

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The table below summarises the number of full board and committee meetings held during the period.

	<b>Full Board/ Committee</b>	<b>No. of Meetings</b>
1	Full Board (FB)	5
2	Finance Committee (FC)	4
3	Audit & Risk Committee (ARC)	4
4	Operations & Registration Committee (OPRC)	4
5	Human Resource & Admin. Committee (HRAC)	9

The table below shows the attendance of meetings by the directors.

	<b>NAME</b>	<b>FB</b>	<b>FC</b>	<b>ARC</b>	<b>OPRC</b>	<b>HRAC</b>
1	Chairman					
2	Judith Kerubo Miruka	5			4	7
3	Daniel Onderi Oure	5	3			8
4	Nicodemus Kipchirchir Bore	5	4		5	4
5	Jidraff Kamau Githendu	5		4		6
6	Stephen Irungu Muiruri	3	3		4	
7	David Sankori Lenante	5		4		9
8	Dann Ezekiel Mwangi	5	4	4		9
9	Joseph Kiplangat Too	5	3		3	4
10	Mary Njoki Ndiba	5	3		3	
11	Michael Maina Kamanda	5		4		7
12	Stella Munyi	2			3	

**Operating Procedures**

As per the NGOs Act, the Board may form committees to facilitate its work. The Committees are:

1. Finance Committee
2. Human Resource and Administration Committee
3. Audit and Risk Committee
4. Operations and Registration Committee

The day to day activities of the Board are undertaken by a Secretariat headed by the Executive Director. The Board has 70 members of staff stationed in Nairobi, Kisumu, Eldoret and Garissa offices.

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The Board's remuneration is as per SRA guidelines; sitting allowance Kshs 20,000, lunch allowance Kshs 2,000, daily subsistence allowance for those residing outside Nairobi Kshs 18,200, mileage allowance at Kshs 65 per kilometre. The chairman of the board is entitled monthly honorarium of Kshs 80,000 and airtime of Kshs 10,000 per month.

During the year, three independent board members underwent training on Mwongozo code of conduct for government employees that was conducted by the Institute of Certified Public Secretaries of Kenya (ICPSK).

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**8. MANAGEMENT DISCUSSION AND ANALYSIS**

The NGOs Coordination Board's total income for the period under review was Kshs.203,993,573: This comprised of Government recurrent grant Kshs. 158,530,000 from the Ministry of Interior and Co-ordination of National Government and Appropriation in Aid (A.I.A) of Kshs 37,035,573. Other incomer comprised of Kshs 7,900,000 raised from the NGO Week 2020 project, Ksh 528,000 from donations and a gain on sale assets of Kshs 143,423 that was realised. It is important to note that of the Kshs 158,530,000 GoK grant, only Kshs 141,397,500 was received during the FY 2020/21 with the balance of Kshs 17,132,500 being deferred to the following FY.

The total expense for the period ended 30<sup>th</sup> June 2021 amounted to Kshs. 259,350,052. This has been categorized as follows;

<b>Nature/category of Expense</b>	<b>Amount (Kshs)</b>
General expenses	83,132,792
Employee costs	139,240,788
Board of Directors' expenses	13,061,925
Depreciation expense	21,602,335
Repairs and maintenance	692,599
<b>Total</b>	<b>257,730,439</b>

**Comments/Risks**

In financial terms, the NGO Board can be described to have performed well in its financial performance and position. Acceptable current ratio is 2:1. The NGO Board performed above acceptable standards. If the same status continues it will be able to undertake more activities under its mandate.

In view of the above financial performance, there exists no material uncertainty with regard to the Board's ability to sustain its services and its going concern is certain.

## **9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

The Non-Governmental Organizations Co-Ordination Board exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

### **i) Sustainability strategy and profile**

The partnership between NGOs and the Government in development is important, as the country strives to achieve targets set in the global and national development policy documents, including the Kenya Vision 2030 and its Medium-Term Plan, the 2010 Constitution of Kenya and the Sustainable Development Goals (SDGs). The partnership is also a big boost to the Government's "Big Four" priority areas of food and nutrition security, Universal Health Coverage (UHC), affordable housing and manufacturing. NGOs have made huge investment in these "Big Four" areas.

### **ii) Environmental performance**

Protection of the environment in which we live and operate is part of NGO Co-ordination Board values and principles and we consider it to be sound organization practice. Care for the environment is one of our key responsibilities and an important part of the way in which we do business.

This statement should also be read in conjunction with our Code of Regulations.

In this policy statement we commit our organization to:

- Complying with all relevant environmental legislation, regulations and approved codes of practice.
- Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air and water.
- Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources.
- Managing and disposing of all waste in a responsible manner.
- Providing training for our staff so that we all work in accordance with this policy statement and within an environmentally aware culture.
- Regularly communicating our environmental performance to our employees and other significant stakeholders.



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- Developing our management processes to ensure that environmental factors are considered during planning and implementation.
- Monitoring and continuously improving our environmental performance.

The nature of our work as a Board means that we do not inherently have a high environmental impact but we will take consideration of environmental issues in the services we provide and endeavour to reduce our environmental impact to an absolute minimum. The Directors will ensure that the organization reduces the environmental impact on the organization by:

- Using such facilities as web-ex and conference call facilities.
- Using vehicles that are regularly serviced and checked with regards to their emission levels and economically use their fuel.
- Ensuring that all lights and equipment are switched off when not in use.
- Ensuring that water is used efficiently within the offices.
- Using scrap paper for drafts and notes.
- Printing in mono and double sided wherever possible.
- Recycling all waste (shredding all unwanted documentation).
- Not printing unnecessary emails.
- Working with like-minded suppliers who take steps to minimize their environmental impact.
- Encouraging NGOs during induction workshops to take steps to minimize their environmental impact.

**Local and International Community**

Consultants or visitors are also expected to apply our environmental principles.

The effectiveness of the Policy Statement will be monitored and reviewed at least annually by the Directors to ensure the organization continuing compliance with any relevant legislation and to meet new stakeholders' requirements and to identify areas in need of improvement. We will also ensure that all changes will be brought to the attention of employees as necessary.

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**iii) Employee welfare**

The NGO Board is an equal opportunity employer. It encourages applications from persons living with disability in filling positions that fall vacant.

The NGO Board has provided a comprehensive medical cover for its staff on permanent and pensionable terms and independent directors.

The NGO Board provides a competitive remuneration package.

The NGO Board facilitated the professional staff for workshops and trainings intended to enhance their continued professional development.

The NGO Board has provided its staff with the WIBA insurance policy in compliance with Occupational Safety and Health Act of 2007, (OSHA).

**iv) Market place practices-**

The NGO Board should outline its efforts to:

**a) Responsible Supply chain and supplier relations**

The Directors will also ensure that we deal responsibly, openly and fairly with suppliers by:

- Ensuring that we use youth, women and persons with disabilities as preferred suppliers as much as possible.
- Endeavouring to pay our suppliers on time.

**b) Product stewardship**

The Directors will also ensure that we deal responsibly, openly and fairly with clients and potential clients by:

- Ensuring that all our advertising and documentation about the organization and its activities are clear, informative, legal, decent, honest and truthful.
- Being open and honest about our services and telling customers what they want to know, including what we do to be socially responsible.
- Ensuring that if something goes wrong, we will acknowledge the problem and resolve it.
- We will listen to our clients so that this can help us improve the services we offer to them.
- Ensuring that we benchmark and evaluate what we do in order to constantly improve our services to our stake holders.

**v) Corporate Social Responsibility / Community Engagements**

The operational and ultimate responsibility for the commitment to our corporate social responsibility principles lies with the Directors of NGO Board. Every employee of NGO Co-ordination Board is expected to give their full co-operation to the above principles in their activities at work.

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The Directors will also ensure that our work with the local community involves:

- Working and facilitating national and international charities.
- Encouraging volunteer work in community activities.
- Undertaking voluntary business advisory services via professional bodies.

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**10. REPORT OF THE DIRECTORS**

The Directors submit their report together with the audited financial statements for the year ended June 30, 2021, which show the state of the Non-Governmental Organizations Co-Ordination Board's affairs.

**i) Principal activities**

The principal activities of the Non-Governmental Organizations Co-Ordination Board are *inter alia* registering, facilitating and coordinating all national and international NGOs operating in Kenya; advising the government on their contribution to national development; providing policy guidelines for NGOs to align their activities with national priorities and receiving and analysing NGOs annual reports.

**ii) Results**

The results of the Non-Governmental Organizations Co-Ordination Board for the year ended June 30, 2021 are set out on pages 1 to 5.

**iii) Directors**

The members of the Board of Directors who served during the year are shown on pages(v) to (vii). During the year no director retired/ resigned. The Chairman's Term ended in June 2020. The Board is still waiting for the appointment of a new Chairman.

**iv) Surplus remission**

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Non-Governmental Organizations Co-Ordination Board did not make any surplus during the year (FY 2021) and hence any remittance to the Consolidated Fund.

**v) Auditors**

The Auditor General is responsible for the statutory audit of the Non-Governmental Organizations Co-Ordination Board in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act for the year/period ended June 30, 2021.

**By Order of the Board**

Name: MUTUMA NKANATA

Signature: -----

Date: 30<sup>th</sup> Sept, 2021

**Executive Director/Secretary to the Board**

## **11. STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and section 11 of the State Corporations Act, require the Directors to prepare financial statements in respect of the NGOs Co-ordination Board, which give a true and fair view of the state of affairs of the NGOs Co-ordination Board at the end of the financial year and the operating results of the NGOs Co-ordination Board for that year. The Directors are also required to ensure that the NGOs Co-ordination Board keeps proper accounting records which disclose with reasonable accuracy the financial position of the NGOs Co-ordination Board. The Directors are also responsible for safeguarding the assets of the NGOs Co-ordination Board.

The Directors are responsible for the preparation and presentation of the NGOs Co-ordination Board's financial statements, which give a true and fair view of the state of affairs of the NGOs Co-ordination Board for and as at the end of the financial year (period) ended on June 30, 2021. 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 NGOs Co-ordination Board; (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 NGOs Co-ordination Board; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the NGOs Co-ordination Board's financial statements, which have been prepared using appropriate accounting policies on a historical cost basis except for the measurements at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with the International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the NGOs coordination board's accounting policies. The areas involving a higher degree of judgement or complexity or where assumptions and estimates are significant to the financial statements, are disclosed in the note. The financial statements have been prepared in Kenya Shillings which is the



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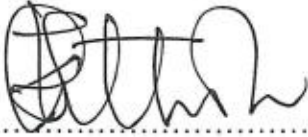
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functional and reporting currency of the NGOs co-ordination board. The statements have also been prepared in accordance with the PFM Act and the State Corporations Act. The accounting policies adopted have been consistently applied to all the years presented. The Directors are of the opinion that the NGOs Co-ordination Board's financial statements give a true and fair view of the state of NGOs Co-ordination Board's transactions during the financial year ended June 30, 2021 and of the NGOs Co-ordination Board's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the NGOs Co-ordination Board, which have been relied upon in the preparation of the NGOs Co-ordination Board's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the NGOs Co-ordination Board 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 NGOs Co-ordination Board's financial statements were approved by the Board on 30<sup>th</sup> September 2021 and signed on its behalf by:

Signature: 

Name: **JIDRAFF GITHENDU**

Chairperson of the Board:

Signature: 

Name: **MUTUMA NKANATA**

Executive Director



# REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

## REPORT OF THE AUDITOR-GENERAL ON NON-GOVERNMENTAL ORGANIZATIONS CO-ORDINATION BOARD FOR THE YEAR ENDED 30 JUNE, 2021

### 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 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

#### Opinion

I have audited the accompanying financial statements of the Non-Governmental Organizations Co-ordination Board set out on pages 1 to 29, which comprise the



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

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Non-Governmental Organizations Co-ordination Board as at 30 June, 2021, 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 Public Finance Management Act, 2012.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

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



## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

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

### **Responsibilities of Management and the Board of Directors**

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 and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of 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 Board'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 Board to cease 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 Board 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 the 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**

**03 August, 2022**





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**13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2020-2021 Kshs	2019-2020 Kshs
Transfers from Ministries, Departments and Agencies	6	158,530,000	381,953,367
Rendering of services	7	37,035,573	33,431,825
Other income	8	8,428,000	8,740,655
<b>Total revenue</b>		<b>203,993,573</b>	<b>424,125,847</b>
<b>Expenses</b>			
General Expenses	9	83,132,792	57,080,555
Employee costs	10	139,240,788	126,338,944
Board of Directors' expenses	11	13,061,925	5,454,530
Depreciation expense	12	21,602,335	2,025,309
Repairs and maintenance	13	692,599	721,942
<b>Total expenses</b>		<b>257,730,439</b>	<b>191,621,280</b>
Gain/Loss on sale of assets	14	143,423	-
(Deficit)/Surplus before tax		(53,593,443)	232,504,567
Taxation		-	-
(Deficit)/Surplus for the period		(53,593,443)	232,504,567
(Deficit)/Surplus attributable to owners of the controlling entity		(53,593,443)	232,504,567

The notes in the Financial Statements form an integral part of the financial statements set out on pages 1 to 5 and were signed on behalf of the Board of Directors by;

**MUTUMA NKANATA**

Executive Director

Date: ...30/9/2021.

**DAVID R. K. NJANE (ICPAK No. 17243)**

Finance & Accounts Manager

Date: ...30/9/2021

**JIDRAFF GITHENDU**

Chairman of the Board

Date: ...30/9/2021...



**Non-Governmental Organizations Co-Ordination Board**  
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**14 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021**

	Notes	2020-2021 Kshs	2019-2020 Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	15	2,896,319	13,464,269
Receivables from exchange transactions	16	17,666,736	119,334,236
Receivables from non-exchange transactions	17	856,781	1,087,474
Inventories	18	106,036	496,958
<b>Total current assets</b>		<b>21,525,872</b>	<b>134,382,936</b>
<b>Non-current assets</b>			
Property, plant and equipment	19	69,928,654	8,744,993
<b>Total non-current assets</b>		<b>69,928,654</b>	<b>8,744,993</b>
<b>Total Assets</b>		<b>91,454,526</b>	<b>143,127,929</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	20	8,694,920	6,774,880
<b>Total current liabilities</b>		<b>8,694,920</b>	<b>6,774,880</b>
<b>Total liabilities</b>		<b>8,694,920</b>	<b>6,774,880</b>
<b>Net assets</b>			
Accumulated Surplus/ Deficit		82,759,606	136,353,049
<b>Total net assets and liabilities</b>		<b>91,454,526</b>	<b>143,127,929</b>

The notes in the Financial Statements form an integral part of the financial statements set out on pages 1 to 5 and were signed on behalf of the Board of Directors by;

MUTUMA NKANATA  
 Executive Director



Date: 30/9/2021

DAVID R. K. NJANE (ICPAK No. 17243)  
 Finance & Accounts Manager



Date: 30/9/2021

JIDRAFF GITHENDU  
 Chairman of the Board



Date: 30/9/2021

**Non-Governmental Organizations Co-Ordination Board**  
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**15 STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED 30 JUNE 2021**




	<b>Accumulated Surplus Kshs</b>	<b>Total Kshs</b>
<b>Balance as at 30 June 2019</b>	<b>(96,151,518)</b>	<b>(96,151,518)</b>
Surplus for the period	232,504,567	232,504,567
<b>Balance as at 30 June 2020</b>	<b>136,353,049</b>	<b>136,353,049</b>
Deficit for the period	(53,593,443)	(53,593,443)
<b>Balance as at 30 June 2021</b>	<b><u>82,759,606</u></b>	<b><u>82,759,606</u></b>

**Non-Governmental Organizations Co-ordination Board**  
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**16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2020-2021 Kshs	2019-2020 Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from Ministries, Departments and Agencies	22.b)i)	260,197,500	381,953,367
Rendering of services	7	37,035,573	33,431,825
Other income-NGOs Week	8	7,900,000	8,620,000
Miscellaneous income	8	528,000	120,655
		<b>305,661,073</b>	<b>424,125,847</b>
<b>Payments</b>			
General Expenses	22.b)iii)	81,855,937	45,532,543
Employee costs	22.b)iv)	137,975,988	126,338,944
Remuneration of directors	11	13,061,925	
Repairs and maintenance	13	692,599	
Contracted services		-	19,749,793
Other payments		-	99,731,255
		<b>233,586,449</b>	<b>291,352,535</b>
<b>Net cash flows from operating activities</b>		<b>72,074,624</b>	<b>132,773,312</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets	19	(83,057,574)	1,572,348
Proceeds from sale of property, plant and equipment	19	415,000	20,970
Decrease in non-current receivables		-	(118,800,000)
Increase in investments			
<b>Net cash flows used in investing activities</b>		<b>(82,642,574)</b>	<b>(120,351,378)</b>
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(10,567,950)	12,421,934
Cash and cash equivalents at 1 July 2020	15	13,464,269	1,042,335
<b>Cash and cash equivalents at 30 June 2021</b>	15	<b>2,896,319</b>	<b>13,464,269</b>

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

Executive Director  Date: 30.9.2021.....  
 Finance & Accounts Manager (ICPAK No. 17243)  Date: 30.9.2021.....  
 Chairman of the Board  Date: 30.9.2021.....



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17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Original Budget		Adjustments		Final Budget		Actuals		Performance difference	
	2020-2021	Kshs	2020-2021	Kshs	2020-2021	Kshs	2020-2021	Kshs	2020-2021	%
<b>INCOME</b>										
Government Grant	188,530,000		(30,000,000)		158,530,000		158,530,000		-	0.00
Appropriation in Aid	35,000,000		-		35,000,000		37,035,573		(2,035,573)	(5.82)
NGO Week Project	7,900,000		-		7,900,000		7,900,000		-	-
Supplementary fund b/d	-		-		118,800,000		118,800,000		-	-
Misc income	-		-		528,000		528,000		-	-
<b>Total Income</b>	<b>231,430,000</b>		<b>(30,000,000)</b>		<b>320,758,000</b>		<b>322,793,573</b>		<b>(2,035,573)</b>	
<b>EXPENDITURE</b>										
General Expenses	93,966,326		(10,833,534)		83,132,792		83,132,792		-	0.00
Employee Costs	138,768,534		(15,090,826)		140,986,788		139,240,788		1,746,000	1.24
Board of Directors expenses	10,465,950		(3,575,640)		12,290,310		13,061,925		(771,615)	(6.28)
Repairs & Maintenance	1,500,000		(500,000)		1,000,000		692,599		307,401	30.74
Purchase of Furniture and fittings	-		-		15,302,443		15,302,443		-	-
Purchase of Motor vehicles	-		-		57,350,297		57,350,297		-	-
Purchase of Computers and computer equipment	-		-		10,404,832		10,404,832		-	-
<b>Total Expenditure</b>	<b>244,700,810</b>		<b>(30,000,000)</b>		<b>320,467,462</b>		<b>319,185,676</b>		<b>1,281,786</b>	
<b>Surplus/(Deficit)</b>	-		-		(0)		<b>3,607,897</b>		<b>(3,607,897)</b>	



**18. NOTES TO THE FINANCIAL STATEMENTS**

**1. General Information**

NGOs Co-ordination Board is established by and derives its authority and accountability from NGOs Co-ordination Act, 1990. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is registering, facilitating and coordinating all national and international NGOs operating in Kenya; advising the government on their contribution to national development; providing policy guidelines for NGOs to align their activities with national priorities and receiving and analysing NGOs annual reports.

**2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the NGO Board's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NGO Board.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. Adoption of New and Revised Standards

i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2021.*

Standard	Impact
<p>Other Improvements to IPSAS</p>	<p><b>Applicable: 1<sup>st</sup> January 2021:</b></p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.          Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets.          Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs).          Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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:
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p><i>The NGO Board does not have any financial assets or liabilities, hence this IPSAS does not have any impact on the entity.</i></p>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> </ol>

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Standard	Effective date and impact:
	(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p><b>Applicable: 1st January 2023:</b></p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

*iii. Early adoption of standards*

The NGO Board did not early – adopt any new or amended standards in year 2020/2021.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

**Rendering of services**

The NGO Board recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**Other income**

The NGO Board took part in the NGOs Week and Digital Directory 2021 during the FY. It raised revenue by selling advertising space in the Digital directory as well as donations from well-wishers towards co-ordination of the event.

The NGO Board also sold an asset during the financial year and has recognized the gain from the sale in the financial statements.



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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**b) Budget information**

The original budget for FY 2020-2021 was approved by the National Assembly on 21<sup>st</sup> September, 2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The A-i-A is added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the NGO Board recorded A-i-A of Kshs 37,035,573 on the 2020-2021 budget following the board of directors' approval.

The NGO Board's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. 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 recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 17 of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**c) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**d) Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**e) Financial instruments**

**i. Financial assets**

**Initial recognition and measurement**

Financial assets within the scope of IPSAS 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 Entity determines the classification of its financial assets at initial recognition.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

**Impairment of financial assets**

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- i) The debtors or an entity of debtors are experiencing significant financial difficulty.
- ii) Default or delinquency in interest or principal payments
- iii) The probability that debtors will enter bankruptcy or other financial reorganization.
- iv) Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults)

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**ii. Financial liabilities**

**Initial recognition and measurement**

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

**Loans and borrowing**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

**f) Inventories**

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 NGO Board.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**g) Provisions**

Provisions are recognized when the NGO Board 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 Entity 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 NGO Board 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) Changes in accounting policies and estimates**

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

**j) Employee benefits**

**Retirement benefit plans**

The NGO Board provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a 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.



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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**Summary of Significant Accounting Policies (Continued)**

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**k) Related parties**

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

**l) 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.

**m) Comparative figures**

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

**n) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the NGO Board'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. State all judgements, estimates and assumptions made: e.g.

**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 Entity based its assumptions and estimates on parameters available when the consolidated 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 Entity. 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:

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

**Provisions**

The Board provides for gratuity at a rate of 31% of the basic salary of the executive director. Statutory audit is also provided for on an accrual basis.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6. Transfers from Ministries, Departments and Agencies (MDAs)**

Name of the Entity sending the grant	Amount recognized to Statement of Financial performance KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Total transfers 2020/21 KShs	Prior year 2019/2020 KShs
Ministry of Interior and Co-ordination of National Government	158,530,000	0	0	158,530,000	381,953,367
<b>Total</b>	<b>158,530,000</b>	<b>0</b>	<b>0</b>	<b>158,530,000</b>	<b>381,953,367</b>

**7. Rendering of Services**

Description	2020-2021 KShs	2019-2020 KShs
Service fees	37,035,573	33,431,825
<b>Total revenue from the rendering of services</b>	<b>37,035,573</b>	<b>33,431,825</b>

Services rendered include registration of NGOs, facilitation of NGO operations and capacity building of NGOs.

**8. Other Income**

Description	2020-2021 KShs	2019-2020 KShs
NGO Week Project	7,900,000	8,620,000
Miscellaneous income	528,000	120,655
<b>Total other income</b>	<b>8,428,000</b>	<b>8,740,655</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9. General Expenses**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
Bank charges	483,153	342,715
Computer and internet connections	2,806,418	1,634,640
Professional services	3,783,200	3,606,129
Domestic travel & accommodation	7,450,872	2,737,687
Foreign travel & subsistence	-	273,950
Fuel and oil	2,099,682	268,395
Insurance costs	21,293,595	17,473,949
Library expenses & magazines	448,718	146,348
Hospitality	3,694,515	1,339,355
Postal services	226,151	162,069
Office general supplies	2,779,834	802,599
Publishing and advertising	542,619	-
Rent and rates	21,322,129	19,749,793
Telephone expenses	1,296,157	554,396
Training and workshop expenses	2,677,890	891,400
Conferencing	3,625,855	-
Audit fee provision	375,840	375,000
Unprovided VAT for audit fee	1,680	
NGO Week Project	6,299,112	6,626,130
COVID-19 kitty	1,925,372	96,000
<b>Total</b>	<b>83,132,792</b>	<b>57,080,555</b>

**10. Employee Costs**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Employee related costs - salaries and wages	70,352,617	72,467,136
Employee related costs - contributions to pensions and NSSF	12,792,346	12,687,683
Transfer and luggage allowances	160,200	160,800
Housing benefits and allowances	129,655	106,610
Other allowances	25,024,548	24,910,667
Leave allowances	1,993,834	2,133,483
Gratuity Executive Director	5,681,515	5,412,660
Commuter allowances	1,264,800	2,002,600
Unprovided tax paid	6,906,844	6,457,305
<b>Employee costs</b>	<b>14,934,429</b>	<b>-</b>
	<b>139,240,788</b>	<b>126,338,944</b>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. Board of Directors' Expenses

Description	2020-2021	2019-2020
	Kshs	Kshs
Chairman's Honoraria	-	960,000
Directors allowances	4,359,875	2,100,000
Other allowances	8,702,050	2,394,530
<b>Total Board Expenses</b>	<b>13,061,925</b>	<b>5,454,530</b>

12. Depreciation and Amortization Expense

Description	2020-2021	2019-2020
	Kshs	Kshs
Furniture & Equipment	2,656,067	849,442
Motor vehicles	14,331,791	82,814
Computers	4,614,477	1,093,053
<b>Total depreciation charge for the year</b>	<b>21,602,335</b>	<b>2,025,309</b>

13. Repairs and Maintenance

Description	2020-2021	2019-2020
	Kshs	Kshs
Equipment	355,790	241,638
Vehicles	336,809	480,304
<b>Total repairs and maintenance</b>	<b>692,599</b>	<b>721,942</b>

14. Gain on Sale of Assets

14. Disposal of Assets	Motor Vehicles	Furn. & Equip	Total
	Kshs.	Kshs.	Kshs.
Total Cost	2,697,879	5,398,711	8,096,590
Total Accumulated Depreciation	(2,426,302)	(5,398,711)	(7,825,013)
Net Book Value	271,577	-	271,577
Cash Received	415,000	-	415,000
<b>Gain on disposal</b>	<b>143,423</b>		<b>143,423</b>



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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**15. Cash and Cash Equivalents**

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank- Chase bank	121,610	121,610
Coop bank - a/c 00	-	10,199,259
Coop bank - a/c 001	160,834	1,065,018
Coop bank - a/c 002	989,875	1,939,803
Equity Bank	1,624,000	
Cash-in-hand	-	138,578
<b>Total cash and cash equivalents</b>	<b>2,896,319</b>	<b>13,464,269</b>

**16. Receivables from Exchange Transactions**

Description	2020-2021	2019-2020
	Kshs	Kshs
Grant Receivable from GoK	17,132,500	118,800,000
Rent deposit	334,236	334,236
Fuel deposit	200,000	200,000
<b>Total receivables</b>	<b>17,666,736</b>	<b>119,334,236</b>

**17. Receivables from Non-Exchange Transactions**

Description	2020-2021	2019-2020
	Kshs	Kshs
Salary recovery	-	168,917
Salary advances	856,781	918,557
<b>Total current receivables</b>	<b>856,781</b>	<b>1,087,474</b>

**18. Inventories**

Description	2020-2021	2019-2020
	KShs	KShs
Consumable stores	106,036	496,958
<b>Total inventories at the lower of cost and net realizable value</b>	<b>106,036</b>	<b>496,958</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**1. (a) Property, Plant and Equipment**

	<b>Motor vehicles</b>	<b>Furn.&amp; Equip.</b>	<b>Computers</b>	
	<b>25%</b>	<b>12.5%</b>	<b>30%</b>	<b>Total</b>
<b>Cost</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
<b>At 1 July 2019</b>	5,748,879	19,711,901	20,876,116	46,336,896
Additions	-	376,070	1,196,278	1,572,348
Disposals	-	(174,303)	(1,627,720)	(1,802,023)
Transfer/adjustments (amortization)	-	-	-	-
<b>At 30 June 2020</b>	<b>5,748,879</b>	<b>19,913,668</b>	<b>20,444,674</b>	<b>46,107,221</b>
<b>At 1 July 2020</b>	5,748,879	19,913,668	20,444,674	46,107,221
Additions	57,350,297	15,302,443	10,404,832	83,057,572
Disposals	(2,697,879)	-	-	(2,697,879)
Transfer/adjustments (amortization)	-	(5,398,711)	-	(5,398,711)
<b>At 30 June 2021</b>	<b>60,401,297</b>	<b>29,817,400</b>	<b>30,849,506</b>	<b>121,068,203</b>

**Depreciation and impairment**

<b>At 1 July 2019</b>	<b>5,417,622</b>	<b>13,236,919</b>	<b>18,410,236</b>	<b>37,064,776</b>
Disposals	-	(118,785)	(1,609,072)	(1,727,857)
Depreciation charge	82,814	849,442	1,093,053	<b>2,025,309</b>
Impairment	-	-	-	-
Transfer/adjustment	-	-	-	-
<b>At 30 June 2020</b>	<b>5,500,436</b>	<b>13,967,575</b>	<b>17,894,217</b>	<b>37,362,228</b>
<b>At 1 July 2020</b>	5,500,436	13,967,575	17,894,217	37,362,228
Disposals	(2,426,302)	-	-	(2,426,302)
Depreciation charge	14,331,791	2,656,067	6,234,091	23,221,948
Impairment	-	(5,398,711)	-	5,398,711)
Transfer/adjustment	-	-	-	-
<b>At 30 June 2021</b>	<b>17,405,925</b>	<b>11,22,931</b>	<b>24,128,307</b>	<b>52,759,164</b>
<b>Net book values</b>				
<b>At 30 June 2021</b>	<b>42,995,372</b>	<b>18,592,469</b>	<b>6,721,199</b>	<b>68,309,039</b>
<b>At 30 June 2020</b>	<b>248,443</b>	<b>5,946,093</b>	<b>2,550,457</b>	<b>8,744,993</b>
<b>At 30 June 2019</b>	<b>331,257</b>	<b>6,474,982</b>	<b>2,465,880</b>	<b>9,272,120</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**19. (b) Property, Plant and Equipment at Cost**

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Motor vehicles	60,401,297	17,405,925	42,995,372
Computers and related equipment	30,849,506	24,128,307	6,721,199
Office equipment, furniture, and fittings	29,817,400	11,224,931	18,592,469
<b>Total</b>	<b>121,068,203</b>	<b>52,759,164</b>	<b>68,309,039</b>

**2. Trade and Other Payables**

	2020-2021	2019-2020
	Kshs	Kshs
Trade payables	-	-
Gratuity provision	3,267,400	2,002,600
Legal liabilities	4,300,000	4,397,280
Other payables	1,127,520	375,000
<b>Total trade and other payables</b>	<b>8,694,920</b>	<b>6,774,880</b>

**3. Current Provisions**

Description	Gratuity Provision	Total
	Kshs	KShs
<b>Balance b/d (1.07.2020)</b>	<b>2,002,600</b>	<b>2,002,600</b>
Additional Provisions	1,264,800	1,264,800
Provision utilised	0	0
Change due to discount and time value for money	0	0
Transfers from non -current provisions	0	0
<b>Total provisions as at 30.6.2021</b>	<b>3,267,400</b>	<b>3,267,400</b>

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22. a) Cash Generated from Operations

	Kshs	Kshs
Surplus for the year before tax	(53,593,443)	232,504,567
Adjusted for:		
Depreciation	21,602,335	2,025,309
Gains and losses on disposal of assets	(143,423)	-
Capital grant amortization		
<b>Working capital adjustments:</b>		
Increase/Decrease in inventory	390,922	(43,908)
Increase/Decrease in receivables	101,898,193	116,202,249
Increase/Decrease in deferred income		
Increase/Decrease in payables	1,920,040	(104,363,604)
Increase in payments received in advance		
<b>Net cash flows from operating activities</b>	<b>72,074,624</b>	<b>246,324,612</b>

22. b) Notes to the Cashflow Statement

- i) **Transfers from Ministry of Interior and Co-ordination of National Government FY 2020/21**

Description	Amount (Kshs)
Proceeds of Supplementary II FY 2019/20 received during the FY2020/21	118,800,000
Part of GoK grants for FY 2020/21 received during the FY	141,397,500
<b>Total amount recognized in the cashflow statement</b>	<b>260,197,500</b>

- ii) Kshs 17,132,500 recognized as revenue in the FY 2020/21 was received after the balance sheet date; thus, presented as receivables.

- iii) **General expenses**

Description	Amount (Kshs)
Amount recognized in the Statement of Financial Performance (See note 9)	83,132,792
Less Provisions	(1,276,855)
<b>Total amount recognized in the cashflow statement</b>	<b>81,855,938</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

iv) **Employee Costs**

Description	Amount (Kshs)
Amount recognized in the Statement of Financial Performance (See note 10)	139,240,788
Less Provisions	(1,264,800)
<b>Total amount recognized in the cashflow statement</b>	<b>137,975,988</b>

**23. Financial Risk Management**

The NGO Board's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The NGO Board's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. It does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The entity's financial risk management objectives and policies are detailed below:

**i. Credit risk**

The NGO Board has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.



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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount Kshs
<b>As at 30 June 2021</b>	
Receivables from exchange transactions	17,666,736
Receivables from non exchange transactions	856,781
Bank balances	2,896,319
<b>Total</b>	<b>21,419,836</b>
<b>As at 30 June 2020</b>	
Receivables from exchange transactions	119,334,236
Receivables from non exchange transactions	1,087,474
Bank balances	13,464,269
<b>Total</b>	<b>133,885,979</b>

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The board of directors sets the NGO Board credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**ii. Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the NGO Board's directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30 June 2021</b>				
Trade payables			5,427,520	5,427,520
Provisions			3,267,400	3,267,400
<b>Total</b>			<b>8,694,920</b>	<b>8,694,920</b>
<b>As at 30 June 2020</b>				
Trade payables			4,772,280	4,772,280
Provisions			2,002,600	2,002,600
<b>Total</b>			<b>6,774,880</b>	<b>6,774,880</b>

**24. Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

**Government of Kenya**

The Government of Kenya is the principal shareholder of the NGO Board, holding 100% of the NGO Board's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external.

**Other related parties include:**

- i) The Ministry of Interior & Co-ordination of National Government;
- ii) Key management;
- iii) Board of directors;

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Relates Party Disclosures (Continued)

	2020-2021	2019-2020
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Grants /Transfers from the Government</b>		
Grants from National Govt	158,530,000	381,953,367
<b>Total</b>	<b>158,530,000</b>	<b>381,953,367</b>
<b>b) Key management compensation</b>		
Directors' emoluments	13,061,925	5,454,530
<b>Total</b>	<b>13,061,925</b>	<b>5,454,530</b>

**25. Events after the Reporting Period**

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

**26. Ultimate and Holding Entity**

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Interior & Co-ordination of National Government. Its ultimate parent is the Government of Kenya.

**27. Currency**

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

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APPENDIX

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

There were no substantive audit queries raised in the preceding year 2019/2020.

  
Executive Director

Date... 30/9/2021 .....



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APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:			
Break down of Transfers from the State Department of Interior & Citizen Services			
FY 2020/2021			
Recurrent Grants			
	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
Supplementary II	07/07/2020	118,800,000	2019/2020
Recurrent Grant	12/08/2020	47,132,500	2020/2021
Recurrent Grant	09/11/2020	47,132,500	2020/2021
Recurrent Grant	04/02/2021	47,132,500	2020/2021
	<b>Total</b>	<b>260,197,500</b>	

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

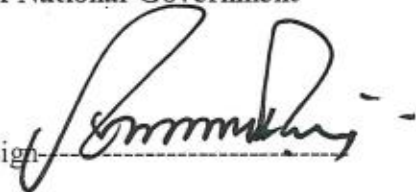
Finance & Accounts Manager  
 NGOs Board

Sign



Head of Accounting Unit  
 Ministry of Interior & Co-ordination  
 of National Government

Sign



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