



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

28 FEB 2024

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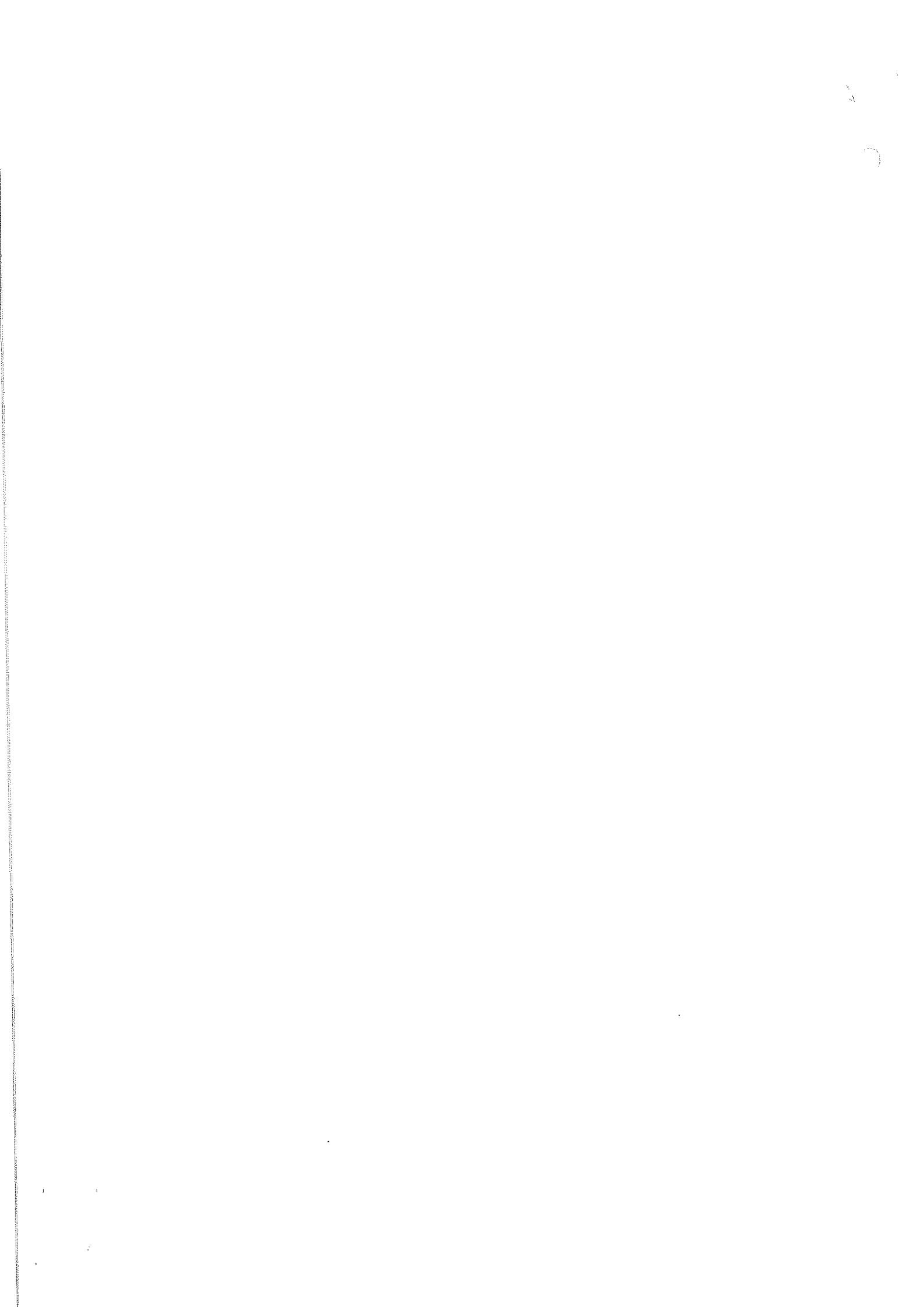


**NON-GOVERNMENTAL ORGANIZATIONS CO-ORDINATION BOARD
(NGO BOARD)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE, 2023**

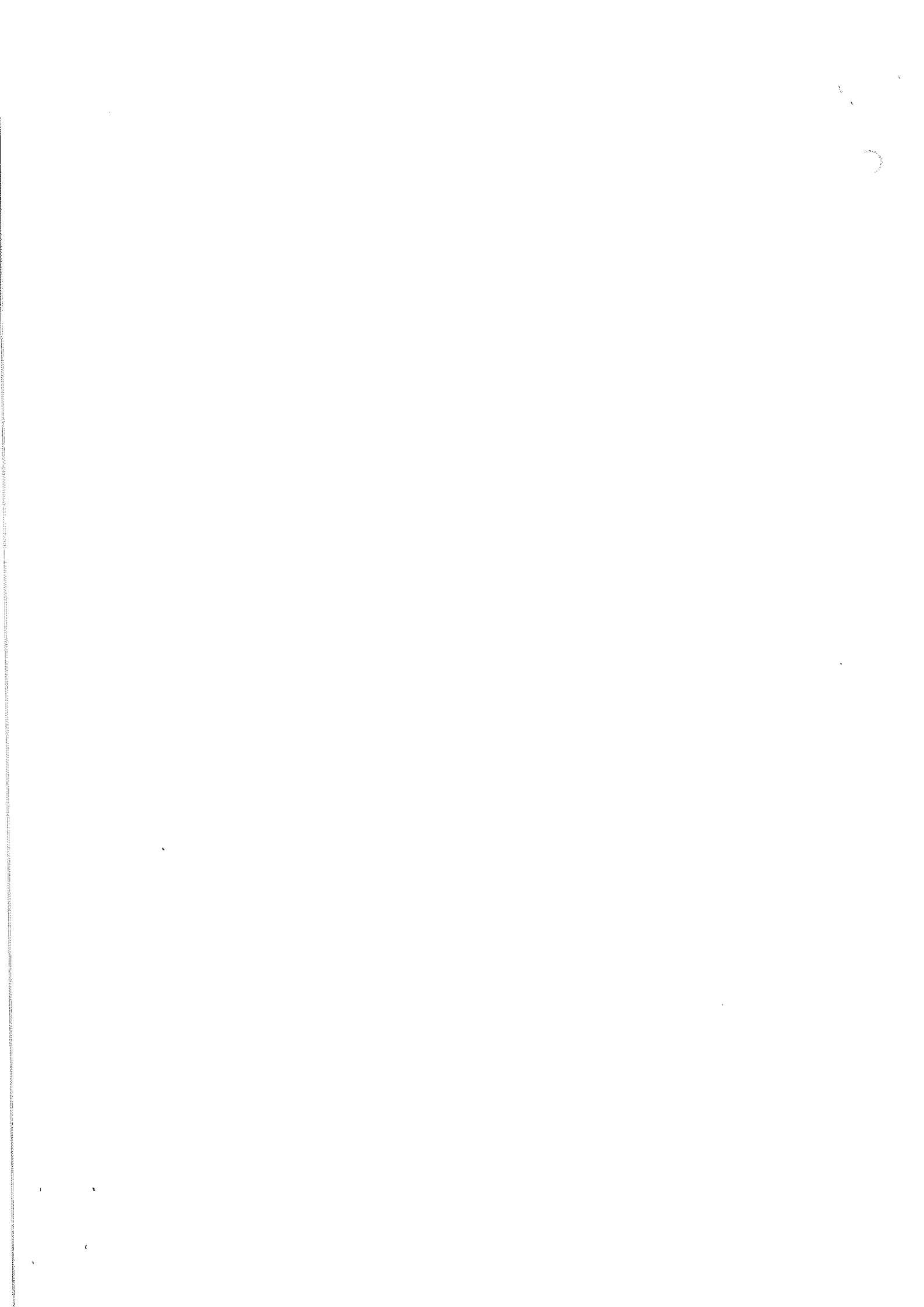
**Prepared in accordance with the Accrual Basis of Accounting Method under the International
Public Sector Accounting Standards (IPSAS)**



Governmental Organizations Co-ordination Board
Annual Reports and Financial Statements
for the year ended June 30, 2023

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Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
FC	Finance committee
ARC	Audit & Risk committee
OPRC	Operations and registration committee
HRAC	Human Resource and administration Committee
FB	Full Board
NGOB	Non-Governmental Organizations Board

Glossary of Terms

Financial Management- Members of Management directly entrusted with the responsibility of financial resources of the organisation

Comparative Year- Means the prior period.

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2. 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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Key Management

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

Fiduciary Management

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

No.	Designation	Name
1.	Executive Director	Mutuma Nkanata
2.	Director, Operations & Compliance	Andrew A. Ogombe
3.	Director, Corporate Services	Joyce Yiaile
4.	Manager, Finance & Accounts	David Njane
5.	Manager, Internal Audit & Risk	Benard Bwoma
6.	Manager, Supply Chain Management	Doris Muthini
7.	Manager, Research & Policy	Bernadette Nzomo
8.	Manager, Partnership & Resource Mobilization	Caroline Nyambura
9.	Principal Officer, Legal Affairs	Lindon Nicolas
10.	Principal Officer, Corporate Communications	Richard Chesos

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.

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- 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.
- 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 15th floor
Haile Selassie Avenue
P.O Box 44617-00100
Nairobi, Kenya.

(g) Contacts

Telephone: +254-020- 2214044
E-mail: info@ngobureau.or.ke
Website: www.ngobureau.or.ke

(h) Bankers




1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya.
2. Co-operative Bank of Kenya Limited
Co-op House Branch
P.O Box 67881 (00200)
Telephone: 3276279
Nairobi, Kenya.

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3. Equity Bank Kenya Limited
Parliament Branch
Telephone: +254763063000
Nairobi, Kenya.
- (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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3. The Board of Directors

Ref	Directors	Details
1.	 <p>Gichira Kibara, CBS LLM, LLB (Governance & Constitutional Law)</p>	<p>Board Chairman Kibara is a governance and constitutional law expert. He is currently a consultant with Capacity Development Institute, a policy, research and training institution. He is former Permanent Secretary, Ministry of Justice, National Cohesion and Constitutional Affairs in Kenya.</p>
2.	 <p>Daniel Oure Onderi LLM (Law and Governance), LLB Advocate of the High Court of Kenya</p>	<p>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.</p>
3.	 <p>Stephen Muiruri MA Economics BA Economics</p>	<p>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.</p>




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4.	 <p>Dann Mwangi LLM, Public International Law and Principles of Good Governance LLB</p>	<p>Alternate Director to the Principal Secretary, Ministry of Interior & Co-ordination of National Government. DOB-1985 An Advocate of the High Court with a keen interest and passion in legal, research and analytical skills and knowledge.</p>
5.	 <p>Nicodemus K. Bore 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>Hon David Ole Sankori Educationist, /former MP</p>	<p>Independent Director Chairman – Human Resource & Administration Committee DOB 1948</p>

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7.	 <p>Joseph K. Too, MKIM, MIO D (K) 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</p> <p>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>
8.	 <p>Jidraff Githendu MSc. Health Systems Management BSc. Biochemistry & Chemistry</p>	<p>Independent Director Chairman – Audit & Risk Committee DOB-1973</p> <p>A multi-skilled and solutions-focused Administrative and Health Systems Management Professional, adept at operations management, policy development, strategic planning & implementation, resource planning, partnerships building, asset management, and project management.</p>
9.	 <p>Dr. Mary Njoki Ndiba, MA, MSW, PhD Expert in Social Advocacy, Social research and Counselling</p>	<p>Independent Director DOB 1960</p> <p>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>

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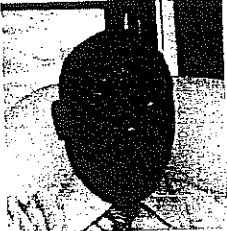



	University Lecturer	
10.	 Judith K Miruka Bachelor of Education (B.Ed. Arts)	Independent Director DOB 1972 An innovative administrator with expertise in directing and enhancing administrative procedures and providing full support to ensure the delivery of excellent services.
11.	 Michael Maina Kamanda Human Resource Expert	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.
12.	 Mutuma Nkanata Master in International Studies Bachelor of Education Expert in corporate Governance	Executive Director/Secretary to the Board 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 5 years. He has also been a lecturer of international relations and diplomacy. In the NGO sector, he has worked in various human rights organisations.

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4. Key Management Team

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

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

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8.	 <p>Richard Chesos Bachelor of Education Postgraduate Diploma (Mass Communication)</p>	Principal Officer, Public Relations
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5. Chairman's Statement

I am happy that the Board accomplished some key initiatives it set out to undertake in the financial year 2022/2023, 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 2022 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 2023 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 2021/2022 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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Service provision was greatly improved, as most clients understood our service requirements as indicated in our service charter.

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.

THANK YOU AND MAY GOD BLESS YOU.


GICHIRA KIBARA
CHAIRMAN

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6. 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) 2022/2023. 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 2021/2022, we encountered some challenges, including budgetary constraints and challenges posed by Covid-19 pandemic in provision of services.

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.

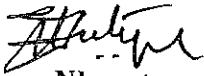
The Board launched the Annual NGO Sector report 2021/2022 during the year. The reports indicate that the sector contributed Ksh 175.9 billion to the economy and employed more than 71,900 people.

Going forward, we shall focus on the implementation of the Board's Strategic Plan and continue to coordinate efforts of PBOs in the bottom-up approach. We shall also strengthen our compliance and

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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

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7. Statement of Performance against Predetermined Objectives for FY 2022/2023

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 measures performance in four dimensions as outlined below:

The NGO Board has six strategic pillars and objectives within the current Strategic Plan for the FY 2020- FY 2022. These strategic priority areas are as follows:

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

The NGO 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 2022/2023 period for its strategic priority areas, as indicated in the table below:

Strategic Priority Area	Objective (s)	Key Performance Indicators	Activities	Achievements
Strategic Pillar 1: 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.
Strategic Pillar 2: Compliance with regulations by PBOs	1. Strengthen and enforce PBOs compliance with legal, administrative and funding obligations	1. PBOs complying with legal, administrative and funding obligations 2. PBOs working in line with the	1. Sensitize PBOs on compliance guidelines 2. Finalize financial reporting guidelines for PBOs	1. Various guidance workshops held 2. Pending but various meetings held with ICPAK

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	2. Provide guidance on the government policies that are affecting the sector	Government policies		
Strategic Pillar 3: Institutional capacity of the board	Strengthen institutional capacity of the Board	Effective and efficient operations of the Board	Review Board's organizational structure	Organization structure reviewed; career progression guidelines developed.
Strategic Pillar 4: Enhance sustainability and capacity of PBOs	Facilitate establishment and growth of PBOs	PBOs contributing to social and economic livelihoods of the people of Kenya	Prepare and implement capacity development plans for PBOs	Course outline for PBOs compliance training developed and implemented.
Strategic Pillar 5: Partnerships and networking	Promote strategic partnerships and networking among stakeholders	Improved collaboration and networking between PBOs, Government, private sector, donors and other stakeholders	Conduct collaboration and networking forums with stakeholders	Various collaboration and networking workshops held with stakeholders including UNDP, GoK, NGOs, Banks
Strategic Pillar 6: 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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8. 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 employed by the Board
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.

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 2022/23 the finance, audit & risk and operations & registration committees each met once quarterly. The human resource & administration committee held a total of 5 committees to handle pertinent issues on recruitment. The table below summarises the number of full board and committee meetings held during the period.

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

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

	NAME	FB	FC	ARC	OPRC	HRAC
1	Chairman	3				
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	3	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 62 members of staff stationed in Nairobi, Kisumu, Eldoret, Garissa and Nakuru offices.

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 62 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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9. Management Discussion and Analysis

The NGOs Coordination Board's total income for the period under review was **Kshs. 250,478,184**. This comprised of Government recurrent grant **Kshs. 196,617,500** from the Ministry of Interior and Co-ordination of National Government and Appropriation in Aid (A.I.A) of **Kshs 44,463,259**. Other income comprised of **Kshs 9,397,425** raised from the NGO Week 2023 project.

The total expense for the period ended 30th June 2023 amounted to **Kshs 278,606,570**. This has been categorized as follows;

Nature/category of Expense	Amount (Kshs)
Use of Goods and Services	101,421,535
Employee costs	146,129,384
Board of Directors' expenses	14,099,123
Depreciation expense	15,431,544
Repairs and maintenance	1,524,984
Total	278,606,570

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.

10. 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 "BETA" priority areas of food and nutrition security, Universal Health Coverage (UHC), affordable housing and manufacturing.

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.

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

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- 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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11. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2023, 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, 2023 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). The chairman of the Board and three other directors were appointed during the year. Further, the director representing the AG was retired.

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 2023) and hence no 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, 2023.

By Order of the Board

Name: MUTUMA NKANATA
Executive Director/CEO

Signature



Date: 21/09/2023

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12. 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, 2023. 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

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statements, are disclosed in the note. The financial statements have been prepared in Kenya Shillings which is the 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, 2022 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 30th September 2023 and signed on its behalf by:

Signature: 

Name: **GICHIRA KIBARA**

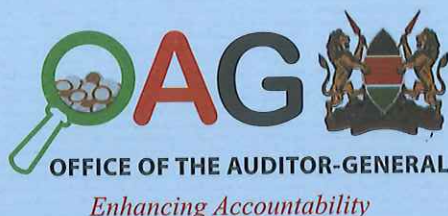
Chairman of the Board:

Signature: 

Name: **MUTUMA NKANATA**

Executive Director/CEO

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON NON-GOVERMENTAL ORGANIZATIONS CO-ORDINATION BOARD FOR THE YEAR ENDED 30 JUNE, 2023

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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of the Non-Governmental Organizations Co-ordination Board set out on pages 1 to 33, which comprise of the

statement of financial position as at 30 June, 2023 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, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Non-Governmental Organizations Co-ordination Board Act, 1990 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with the International Standards for 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 judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregularities in Board Committee Meetings and Non-Qualified Board Members

Review of the Board of Directors records revealed that, the Board established the Operations and Research Committee, Finance and Administration Committee, Human

Resources Committee and Audit Committee to facilitate the smooth running of the Board. However, the Board Committee documents provided for audit revealed that the Audit Committee as constituted did not meet the requirement of the provisions of Section 3.4(2b) of the Mwongozo (Code of Governance for State Corporations), 2015 since at least one of the members of the audit committee did not have qualifications and expertise in audit, financial management or accounting with experience and knowledge in risk management and was not a member of a professional body in good standing as required by the Mwongozo.

Further, audit review of Board expenses and supporting documents revealed that, the Finance Committee was not fully constituted as it held its meetings with only two Board members contrary to requirement of Annexure 1 Section E4 of the Mwongozo which provides that the quorum for Board committee meetings will not be less than three (3) members. In addition, review of Board Members' files revealed that, four Board Members did not have degree qualifications and had not served in a senior position for a period of six years before appointment to the Board contrary to the appointment qualification requirements for board members contained in the Addendum to Mwongozo, 2015.

In the circumstances, Management was in breach of law.

2. Delayed Remittance of Statutory Deductions

The statement of financial position as at 30 June, 2023 and Note 18 to the financial statements reflects trade payables balance of Kshs.14,331,157. Included in the balance was Kshs.2,811,407 in respect of unremitted Pay As You Earn deductions payable to Kenya Revenue Authority. This was contrary to Section 19(4) of the Employment Act, 2007 which provides that an employer who deducts an amount from an employee's remuneration in accordance with subsection (1)(a), (f), (g) and (h) shall pay the amount so deducted in accordance with the time period and other requirements specified in the law, agreement, court order or arbitration as the case may be.

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

The audit was conducted in accordance with ISSAI 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and 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 effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and the Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls 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 controls, risk management and governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply 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 Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Board to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Board to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

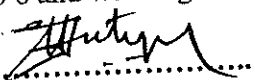
21 March, 2024

Non-Governmental Organizations Co-ordination Board
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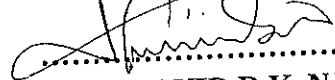
14. Statement of Financial Performance for The Year Ended 30 June 2023

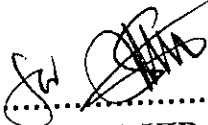
	Notes	2023-2023	
		Kshs	
Revenue from non-exchange transactions			
Transfers from other governments entities	6	196,617,500	219,550,000
		196,617,500	219,550,00
Revenue from exchange transactions			
Rendering of services	7	44,463,259	34,961,457
Other income	8	9,397,425	9,355,000
Total revenue		250,478,184	263,866,457
Expenses			
Use of goods and services	9	101,421,535	95,265,538
Employee costs	10	146,129,384	141,743,743
Board Expenses	11	14,099,123	13,684,462
Depreciation and amortization expense	12	15,431,544	22,709,615
Repairs and maintenance	13	1,524,984	1,108,654
Total expenses		278,606,570	274,512,012
Other gains/(losses)			
Gain/Loss on sale of assets	14	(56,588)	305,637
Surplus/ (deficit) before tax		(28,184,975)	(10,339,917)
Surplus/(deficit) for the period/year		(28,184,975)	(10,339,917)
		(28,184,975)	(10,339,917)

The notes in the Financial Statements form an integral part of the financial statements set out on pages 1 to 6 and were signed on behalf of the Board of Directors by;


Name: MUTUMA NKANATA
Accounting Officer/CEO

Date 21/09/2023


Name: DAVID R.K. NJANE
Head of Finance
ICPAK M/No: 17243
Date 21/09/2023


Name: GICHIRA KIBARA
Chairman of the Board

Date 21/09/2023

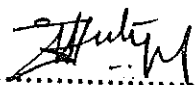
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15. Statement of Financial Position as at 30 June 2023

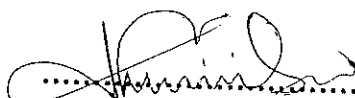
	Notes	2023-2023	2022-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	15	246,036	343,525
Receivables from Exchange Transactions	16(a)	709,466	534,236
Receivables from Non-Exchange Transactions	16(b)	1,252,455	1,882,767
Total Current Assets		2,207,957	2,760,528
Non-Current Assets			
Property, Plant and Equipment	17	59,112,194	74,775,557
Total Non- Current Assets		59,112,194	74,775,557
Total Assets		61,320,151	77,536,086
Liabilities			
Current Liabilities			
Trade and Other Payables	18	14,331,157	4,740,557
Current Provision	19	2,754,280	375,840
Total Current Liabilities		17,085,437	5,116,937
Net Assets			
Accumulated Surplus		44,234,741	72,419,688
Total Net Assets and Liabilities		61,320,151	77,536,086

The financial statements set out on pages 1 to 6 were signed on behalf of the Board of Directors

by:



.....
Name: MUTUMA NKANATA
Accounting Officer/CEO



.....
Name: DAVID R.K. NJANE
Head of Finance

ICPAK M/No:17243

Date 21/09/2023



.....
Name: GICHIRA KIBARA
Chairman of the Board

Date 21/09/2023

Non-Governmental Organizations Co-ordination Board
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16. Statement of Changes in Net Assets for the Year Ended 30 June 2023

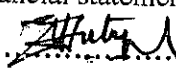
	Accumulated Surplus Kshs	Total Kshs
Balance as at 30 June 2020	136,353,049	136,353,049
Deficit for the period	(53,593,443)	(53,593,443)
Balance as at 30 June 2021	82,759,606	82,759,606
Deficit for the period	(10,339,917)	(10,339,917)
Balance as at 30 June 2022	72,419,689	72,419,688
Surplus for the period	(28,184,975)	(28,184,975)
Balance as at 30 June 2023	44,234,714	44,234,714

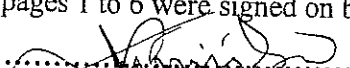
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17. Statement of Cash Flows for The Year Ended 30 June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	6	196,617,500	231,071,118
Rendering of services	7	44,463,259	34,961,457
Other income	8	9,397,425	9,355,000
Total receipts		250,478,184	263,866,457
Payments			
Use of goods and services	9	87,120,905	94,889,698
Employee costs	10	148,005,892	141,006,743
Board Expenses	11	14,099,123	13,684,462
Repairs and maintenance	12	1,524,984	1,108,654
Total payments		250,750,904	250,689,088
Net cash flows from/(used in) operating activities		(272,720)	24,698,088
Cash flows from investing activities			
Purchase of PPE and Intangible assets			(27,610,882)
Proceeds from sale of PPE		175,230	360,000
Net cash flows from/(used in) investing activities		175,230	(27,250,882)
Cash flows from financing activities			
Net cash flows from financing Activities		00	00
Net increase/(decrease) in cash & Cash equivalents		(97,490)	(2,552,794)
Cash and cash equivalents at 1 July		343,525	2,896,319
Cash and cash equivalents at 30 June	15	246,035	343,525

The financial statements set out on pages 1 to 6 were signed on behalf of the Board of Directors by:


 Name: MUTUMA NKANATA
 Accounting Officer/CEO


 Name: DAVID R.K. NJANE
 Head of Finance
 ICPAK M/No: 17243


 Name: GICHIRA KIBARA
 Chairman of the Board

Date 21/09/2023

Date 21/09/2023

Date 21/09/2023

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18. Statement of Comparison of Budget and Actual Amounts for the Year Ended 30 June 2023

	Original annual Budget	Adjustments	Final Annual Budget	Actual Cumulative to date	% of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Revenue					
Government grants	219,550,000	(22,932,500)	196,617,500	196,617,500	100.00
Rendering of services	35,000,000	9,463,259	44,463,259	44,463,259	100.00
Other Income	-	9,397,425	9,397,425	9,397,425	100.00
Total income	254,550,000	(4,071,816)	250,478,184	250,478,184	100.00
Expenses					
General Expenses	90,005,142	10,736,127	100,741,269	101,421,535	100.7
Employee Costs	153,499,709	(7,370,325)	146,129,384	146,129,384	100.00
Board Expenses	10,598,549	3,500,000	14,098,549	14,099,123	100.00
Repairs & Maintenance	446,600	1,053,400	1,500,000	1,524,984	100.00
Total expenditure	254,550,000	7,919,202	262,469,202	263,175,026	100.00
Surplus/(Deficit)			(11,991,018)	(12,696,842)	

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19. 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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3. Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2023.

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

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	<p>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</p> <p>Social benefits do not affect the NGO Board</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • IPSAS 22 Disclosure of Financial Information about the General Government Sector. Amendments to refer to the latest System of National Accounts (SNA 2008). • IPSAS 39: Employee Benefits. Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. <p>(State the impact of the standard to the Entity if relevant)</p>
<p>Standard</p>	<p>Effective date and Impact</p>
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</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</p>

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	<p>useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>The NGO Board does not have any financial assets or liabilities, hence</p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <p>Social benefits does not affect the NGO Board</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41,</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> d) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.

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<p>Financial Instruments</p>	<p>e) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>f) 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>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • IPSAS 22 Disclosure of Financial Information about the General Government Sector. Amendments to refer to the latest System of National Accounts (SNA 2008). • IPSAS 39: Employee Benefits. Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

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ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

iii. Early adoption of standards

The NGO Board did not early – adopt any new or amended standards in year 2022/2023.

4. Summary of Significant Accounting Policies

- a) Revenue recognition
- i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

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

ii) Revenue from exchange transactions

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.

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Other income

The NGO Board took part in the NGOs Week 2022/2023 during the FY. It raised revenue by selling exhibition space at the COMESA Grounds 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 loss from the sale in the financial statements.

b) Budget information

The original budget for FY 2022-2023 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The AIA is added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. During the supplementary ii the Board grant of Kshs.219,550,000 was reduced by Kshs.22,932,500 to Kshs.196,617,500.

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 18 of these financial statements.

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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.

e) Intangible assets

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

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recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

f) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant

b) Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

g) 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. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

h) 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.

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Where the NGO Board 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.

i) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

j) 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.

k) Contingent assets

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

l) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. During the year under review the NGO Board did not maintain any reserves.

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m) 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.

n) 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.

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.

o) 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.

p) 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.

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d) Comparative figures

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

r) 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, 2023.

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.

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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.

6. Transfers from Other Government entities

Description	2022/2023 FY	2021/2022 FY
	KShs	KShs
Unconditional Grants		
Operational Grant	196,617,500	219,550,000
Total Unconditional Grants	196,617,500	219,550,000
Total Government Grants And Subsidies	196,617,500	219,550,000

b) Transfers from Ministries, Departments and Agencies (MDAs)

Name of the Entity sending the grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total transfers 2022/2023	Prior year 2021/2022
	KShs	KShs	KShs	KShs	KShs
Ministry of Interior and Co-ordination of National Government	196,617,500	0	0	196,617,500	219,550,500
Total	196,617,500	0	0	196,617,500	219,550,500

7. Rendering of Services

Description	2022-2023	2021-2022
	Kshs	KShs
Service fees	44,463,259	34,961,457
Total revenue from the rendering of services	44,463,259	34,961,457

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

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8. Other Income

Description	2022-2023	2021-2022
	KShs	KShs
NGO Week Project	9,397,425	9,355,000
Total other income	9,397,425	9,355,000

9. Use of Goods and Services

Description	2022-2023	2021-2022
	KShs	KShs
Bank charges	938,600	419,013
Computer and internet connections	2,737,512	1,288,075
Professional services	4,063,182	5,040,448
Domestic travel & accommodation	14,111,462	14,226,102
Foreign travel & subsistence	607,467	514,573
Fuel and oil	2,147,379	1,404,070
Insurance costs	26,312,530	24,864,865
Library expenses & magazines	471,388	454,928
Hospitality	7,199,470	6,347,768
Postal services	158,506	260,777
Office general supplies	3,286,947	5,260,901
Publishing and advertising	572,875	2,125,623
Rent and rates	22,966,165	23,122,283
Telephone services & supplies	1,452,609	1,263,489
Training and workshop expenses	1,639,380	1,198,008
Conferencing	3,483,900	916,883
Audit fee provision	375,840	375,840
NGO Week Project	8,896,323	5,866,293
COVID-19 kitty		315,600
Total	101,421,535	95,265,538

10. Employee Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Employee related costs - salaries and wages	85,893,100	83,214,640
Employee related costs - contributions to pensions	14,640,340	14,320,775
NSSF	481,500	178,800
Transfer & Luggage allowances	-	10,450
Housing benefits and allowances	28,338,500	27,800,000
Other allowances	2,108,040	2,121,309
Leave allowances	6,082,943	5,407,759
Gratuity/Provision	1,264,800	1,661,893
Commuter allowances	7,320,161	7,028,117
Unprovided for Tax		0
Total	146,129,384	141,743,743

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11. Board of Directors' Expenses

Description	2022-2023	2021-2022
	KSHS	KSHS
Chairman's Honoraria & Airtime	1,080,000	720,000
Directors' allowances	8,979,123	4,740,000
Other allowances	4,040,000	8,224,462
Total	14,099,123	13,684,462

12. Depreciation and Amortization Expense

Description	2022-2023	2021-2022
	KSHS	KSHS
Furniture & Equipment	2,664,560	3,134,919
Motor vehicles	8,051,439	10,735,252
Computers	4,715,546	8,839,444
Total depreciation charge for the year	15,431,544	22,709,615

13. Repairs and Maintenance

Description	2022-2023	2021-2022
	Kshs	Kshs
Furniture & Equipment	816,825	752,210
Vehicles	708,159	356,444
Total repairs and maintenance	1,524,984	1,108,654

14. Gain/(Loss) on Sale of Assets-

Disposal of Assets	Computers/Printers/Furniture	Total
	Kshs.	Kshs.
Total Cost	2,883,328	3,051,000
Total Accumulated Depreciation	2,651,510	2,996,637
Net Book Value	231,818	54,363
Disposal Amount	175,230	360,000
Loss/(Gain) on disposal	(56,588)	305,637

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15. Cash and Cash Equivalents

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank- Chase bank a/c 0051095178002	121,610	121,610
Coop bank - a/c 01136030582100	616	23,419
Coop bank - a/c 01136030582101	-	9,041
Coop bank - a/c 01136030582102	12,395	76,000
Equity Bank a/c 1770279085801	111,415	113,456
Total cash and cash equivalents	246,036	343,526

16 (a). Receivables from Exchange Transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Disposal of assets	175,230	
Rent deposit	334,236	334,236
Fuel deposit	200,000	200,000
Total Receivables from Exchange Transactions	709,466	534,236

(b). Receivables from Non-Exchange Transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Salary advances	1,252,455	1,882,767
Total Receivables from Non-Exchange Transactions	1,252,455	1,882,767

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17 (a) Property, Plant and Equipment

	Motor vehicles	Furn.& Equip.	Computers	
	25%	12.5%	30%	Total
Cost	Kshs	Kshs	Kshs	Kshs
At 1 July 2021	60,401,297	29,817,400	30,849,506	121,068,203
Additions	-	6,486,882	21,124,000	27,610,882
Disposals	(3,051,000)	-	-	(3,051,000)
Transfer/adjustments	-	-	-	-
At 30 June 2022	57,350,297	36,304,282	51,973,506	145,628,085
At 1 July 2022	57,350,297	36,304,282	51,973,506	145,628,085
Additions				
Disposal		(350,945)	(2,532,383)	(2,883,328)
At 30 June 2023	57,350,297	35,953,337	49,441,123	142,744,757
Depreciation and impairment				-
At 1 July 2021	17,405,925	11,224,931	22,508,694	51,139,550
Disposals	(2,996,637)	-	-	(2,996,637)
Depreciation charge	10,735,252	3,134,919	8,839,444	22,709,615
Impairment	-	-	-	-
Transfer/adjustment	-	-	-	-
At 30 June 2022	25,144,541	14,359,850	31,348,137	70,852,528
At 1 July 2022	25,144,541	14,359,850	31,348,137	70,852,528
Disposals	-	227,010	2,374,500	2,651,510
Depreciation charge	8,051,439	2,664,560	4,715,546	15,431,544
Impairment	-	-	-	-
Transfers/adjustment	-	-	-	-
At 30 June 2023	33,195,980	16,747,400	33,689,183	83,632,563
Net book values				
At 30 June 2023	24,154,317	19,205,937	15,751,940	59,112,194
At 30 June 2022	32,205,756	21,944,432	20,625,369	74,775,557
At 30 June 2021	42,995,372	18,592,469	8,340,812	69,928,653

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(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:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Motor vehicles	57,350,297	33,195,980	24,154,317
Computers and related equipment	49,441,123	33,689,183	15,751,940
Office equipment, furniture, and fittings	35,953,337	16,747,400	19,205,937
Total	142,744,757	83,632,563	59,112,194

18. Trade and Other Payables

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade payables	14,331,157	5,116,397
Total trade and other payables	14,331,157	5,116,397

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19. Current Provisions

	Leave provision	Bonus provision	Gratuity provision	Audit provision	Total
Balance b/d (30.06.2022)			737,800	375,840	1,113,640
Additional Provisions			1,264,800	375,840	1,640,640
Total provisions as at 30.6.2023			2,002,600	751,680	2,754,280

20) (a) Cash Generated from Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Surplus for the year before tax	(28,184,974.654)	(12,899,536)
Adjusted for:		
Depreciation	15,431,544.48	22,709,615
Gains and losses on disposal of assets	56,588.18	(305,636)
Capital grant amortization		
Working capital adjustments:		
Increase/Decrease in inventory		106,036
Increase/Decrease in receivables	455,082	14,795,774
Increase/Decrease in deferred income		
Increase/Decrease in payables	11,969,040	291,836
Increase in payments received in advance		
Net cash flows from operating activities	(272,720)	24,698,088

b) Notes to the Cashflow Statement

- i) Transfers from Ministry of Interior and Co-ordination of National Government FY 2022/2023

Description	Amount (Kshs)
GoK grant for FY 2022/2023 received during the FY	196,617,500
Total amount recognized in the cashflow statement	196,617,500

- ii) Use of Goods and Services

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Description	Amount (Kshs)
Amount recognized in the Statement of Financial Performance (See note 9)	101,421,535
Less Provisions	(375,840)
Total amount recognized in the cashflow statement	101,045,695

iii) Employee Costs

Description	Amount (Kshs)
Amount recognized in the Statement of Financial Performance (See note 10)	146,129,384
Less Provisions	1,264,800
Total amount recognized in the cashflow statement	144,864,584

21. 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

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doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

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:

Description	Total amount Kshs
As at 30 June 2023	
Receivables from exchange transactions	709,466
Receivables from non-exchange transactions	1,252,455
Bank balances	246,036
Total	2,207,957
As at 30 June 2022	
Receivables from exchange transactions	534,236
Receivables from non-exchange transactions	1,882,767
Bank balances	343,525
Total	2,760,528
As at 30 June 2021	
Receivables from exchange transactions	17,666,736
Receivables from non-exchange transactions	856,781
Bank balances	2,896,319
Total	21,419,836

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.

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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.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2023				
Trade payables		14,331,157		14,331,157
Provisions		2,754,280		2,754,280
Total		17,085,437		17,085,437
As at 30 June 2022				
Trade payables		5,116,397		5,116,397
Provisions		1,489,480		1,489,480
Total		6,605,877		6,605,877

22. 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 & National Administration;
- ii) Key management;
- iii) Board of directors;

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Description	2022-2023	2021-2022
	Kshs	Kshs
Transactions with related parties	0	0
a) Grants /Transfers from the Government		
Grants from National Govt	196,617,500	219,550,000
Total	196,617,500	219,550,000
b) Key management compensation		
Directors' emoluments	14,099,123	13,684,462
Total	14,099,123	13,684,462

23. Events after the Reporting Period

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

24. 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.

25. Currency

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

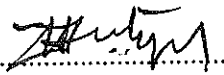
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APPENDIX

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

There were no substantive audit queries raised in the preceding year 2021/2022.

Executive Director/CEO

Date.....



Confirmation of amounts received by (NGO Co-ordination Board) as at 30th June 2023

Amounts Disbursed by Ministry of Interior and National Administration as at 30 th June 2023							
Reference Number	Date Disbursed	Recurrent GoK Grants (Ksh) a	Development GoK/Donor Grants (ksh) b	Inter-Ministerial (ksh) c	Total (ksh) D=(a+b+c)	Amount received by (NGO-CB) as at 30 th June 2023 (ksh) e	Differences (Ksh) =(d-e)
FT22215WMIPI	03/08/2022	54,887,500.00	0	0	54,887,500.00	54,887,500.00	0
FT22319R06QG	15/11/2022	54,887,500.00	0	0	54,887,500.00	54,887,500.00	0
FT230479J037	16/02/2023	54,887,500.00	0	0	54,887,500.00	54,887,500.00	0
FT23145HRDYM	25/05/2023	31,955,000.00	0	0	31,955,000.00	31,955,000.00	0
TOTAL		196,617,500.00	0	0	196,617,500.00	196,617,500.00	0

I confirm that the amounts shown above are correct as of the date indicated
 Head of Accounts, State Department for Internal Security & National Administration

Head of Accounts & Finance, NGO Co-ordination Board

Name: Frederic MUKHA RANGA

Signature: [Signature]

Date: 9/15/2023

Name: DAVID P.K DJANG

Signature: [Signature]

Date: 18/09/2023

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