

REPUBLIC OF KENYA



Enhancing Accountability

Finance/Accounts/Personnel
02/07/22

REPORT

OF

THE AUDITOR-GENERAL

ON

**NATIONAL COUNCIL FOR PERSONS
WITH DISABILITIES (NCPWD)**

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



National Council for Persons with Disabilities



ANNUAL REPORT
AND FINANCIAL STATEMENTS
2020-2021



Presentation of special seats for childrens



Presenting a cheque to education assistance beneficiaries



Mass registration exercise



Cash Transfer beneficiary



Infrastructure supported by the Council

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

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NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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I. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

The National Council for Persons with Disabilities, (NCPWD), is a non-commercial State Agency established in 2004 by an Act of Parliament (Persons with Disabilities Act, 2003). NCPWD is under the Ministry of Labour and Social Protection. The Council is headed by a Board of directors drawn from key government Ministries and organization of/for persons with disabilities. The day to day running of the Council is conducted by the Secretariat headed by Executive Director. The Council works in collaboration with government Ministries, Departments and Agencies. It also works with institutions, associations and organizations of and for persons with disabilities in its endeavor to promote and protect the rights of persons with disabilities' agenda in development.

Our Vision

“A barrier free society for Persons with Disabilities”

Our Mission

“To promote and protect equalization of opportunities and realization of human rights for PWDs to live decent livelihoods”

Our Core Values

1. Inclusivity

The Council is dedicated to all its stakeholders regardless of their diversity.

2. Human dignity

The Council believes that our clients are worthy of honour/respect. We act with self-esteem, impartiality, politeness, respect and courtesy to clients at all times.

3. Equality and equity

We uphold fairness and impartiality for all irrespective of gender, region, socio-cultural background and marital status.

4. Integrity

We will uphold the highest ethical standards, demonstrating honesty and fairness in all our operations at all the levels of the Council

5. Results Oriented

We focus on achieving our objectives as set in all operations. We will uphold competence, high standards, reliability and excellence in our work.

b) Principle activities

The Council derives its mandate from the Persons with Disabilities (PWD) Act, 2003 which established it and outline its core functions as follows:

1. To issue adjustment orders under Section 24 of The Persons with Disabilities Act, 2003.
2. To formulate and develop policies designed to achieve equal opportunities for persons with disabilities, to rehabilitate persons with disabilities, protect and promote their rights.
3. To cooperate with the government during national census to ensure that accurate figures of PWDs are established in the country for purposes of planning.
4. To recommend measures to prevent discrimination against persons with disabilities.
5. To register persons with disabilities, institutions, associations and organizations where services are provided for them.
6. To provide assistive devices and other equipment to persons with disabilities

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KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

7. To pay stipend to persons with severe disabilities and are therefore not trainable in any skills.
8. To carry out measures for public information on the rights of persons with disabilities and the provisions of the PWDs Act.

c) Key Management

The day to day management of the affairs of the Council is run by:

- Board of Directors
- Executive Director as the Accounting Officer
- Head of Departments and
- County Disability Service Officers

d) 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 | Harun Maalim Hassan |
| 2. | Head of Finance & Accounts | Catherine Wameyo |
| 3. | Head of Programmes | James Ndwiga |
| 4. | Head of Human Resource and Administration | Ruth Ruraa |
| 5. | Head of Procurement | Esther Muiruri |
| 6. | Head of Public Relations and Communications | Francis Anyenda |
| 7. | Head of Internal Audit | Andrew Manyara |
| 8. | Chief Finance & Accounts Officer | Anne Kagwi |
| 9. | Chief Legal Officer | Susan Wekesa |
| 10. | Chief Disability Services Officer | Rosabel Githinji |

e) Fiduciary Oversight Arrangements

The board has established five committees to provide fiduciary oversight on management.

1. The Finance and Procurement Committee (BOD)
2. Audit and Risk Committee (BOD)
3. Programmes, Human Resource and Administration Committee

f) Registered Offices

National Council for Persons with Disabilities
 Waiyaki Way, Opp. ABC Place
 P.O. Box 66577-00800
 Nairobi, Kenya

KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

National Council for Persons with Disabilities
Mountain View Office
House No. 195
P.O. Box 66577-00800
Nairobi, Kenya

g) NCPWD Contacts

Tel: +254-20-2375994, 254-20-2314621, 0709-107000, 0800-724333
E-mail: info@ncpwd.go.ke
Website: www.ncpwd.go.ke

h) Principal Bankers

Kenya Commercial Bank
Sarit Centre Branch
P.O. Box 14959
Nairobi, Kenya
Tel: +254-20-3747576
Fax: +254-20-3747576

i) Independent Auditors

Auditor General
Office of Auditor General
Anniversary Towers, University Way
P.O. Box 30084-00100
Nairobi, Kenya
Tel: +254-20-335777
Fax: +254-20-330829

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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II. THE BOARD OF DIRECTORS

Mr. Peter Muchiri

Non-Executive Chairperson



| | | | |
|---------------------|---|---------------------|--------------------------|
| Date of Birth: | 1973 | Date of Appointment | 3 rd May 2019 |
| Key Qualifications: | Diploma in Business Management, Utalii College Diploma in Community Development, St. John's College Certificate in Leadership and Integrity, National Democratic Institute Bachelor of Arts, Community Development, Africa Nazarene University – Ongoing | | |
| Work Experience: | He is the Director of Marriots Group of Companies Ltd and the National Chairman of League of Persons with Disabilities. | | |

Mr. Muthiru McRalph Chege

Independent Non-Executive Director



Chair : Audit Committee

| | | | |
|---------------------|---|---------------------|------------------------------|
| Date of Birth: | 1948 | Date of Appointment | 9 th October 2018 |
| Key Qualifications: | Bachelors of Economics/Sociology, University of Nairobi | | |
| Work Experience: | Mr. Chege is the Director Programmes, Autism Society of Kenya. He has previously served as Director of Small-Scale Business at National Council of Churches of Kenya. | | |

Dr. Habiba H. Mohamed


Independent Non-Executive Director




Member: Audit Committee


| | | | |
|---------------------|---|---------------------|------------------------------|
| Date of Birth: | 1977 | Date of Appointment | 9 th October 2018 |
| Key Qualifications: | Post graduate Certificate in Aviation Medicine, King's College London, UK Master of Science in Public Health, Jomo Kenyatta University of Agriculture & Technology Bachelor of Medicine and Surgery (MBChB), University of Glasgow, UK | | |
| Work Experience: | She is a Consultant, Health Specialist CARE Somalia, General Practitioner and Aviation Medical Examiner. She has previously worked at the Department for International Development (DFID/ UK AID) Somalia as a Health Adviser and has over 15 years' experience in medicine as a general practitioner and health advisor. | | |

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| Comm. Simon Joni Ndubai | | Independent Non-Executive Director | |
|---|---------------------|--|--|
|  | Date of Birth: | 1959 | Date of Appointment 9 th October 2018 |
| | Key Qualifications: | Bachelor of Commerce, Poonal University, India | |
| | Work Experience: | He is the former Vice Chairman of the National Gender and Equality Commission, previously worked as a Senior Internal Auditor at Kenyatta National Hospital. His skills and expertise include Finance, Accounting and Audit. He has over 30 years' experience. | |
| <i>Chair : Finance & Procurement Committee</i> | | | |

| Ms. Njeleka Ashura Michael | | Independent Non-Executive Director | |
|---|---------------------|---|--|
|  | Date of Birth: | 1993 | Date of Appointment 9 th October 2018 |
| | Key Qualifications: | Bachelor of Arts in Gender and Development, University of Nairobi. Diploma in Law, Inoorero University Certificate in Civil Leadership, University of Illinois USA | |
| | Work Experience: | TV host -The Handshake with Ashura (Signs TV), previously worked as Co-Chair Global Partnership on Children with disabilities -UNICEF, Project Coordinator, Voluntary Service Overseas. She has over 7 years' experience. | |
| <i>Member : Finance & Procurement Committee</i> | | | |

| Mr. Ibrahim Maalim | | Non-Executive Director /PS Representative, Social Protection | |
|---|---------------------|---|-----------------------------------|
|  | Date of Birth: | 1959 | Date of Appointment August 2019 |
| | Key Qualifications: | Bachelor of Commerce (Human Resource) Advanced Diploma in Diplomacy and International Relations | |
| | Work Experience: | He is currently the Director of Administration at the Ministry of Labour and Social Protection. He has 19 years' experience in Central Governance, 15 years in Field Administration where he served as District Officer to District Commissioner. Has also served as Deputy Secretary and Senior Deputy Secretary in many Ministries. | |
| <i>Member : Finance & Procurement Committee</i> | | | |

| David Malonza | | Non-Executive Director / PS Representative, The National Treasury | |
|---|---------------------|---|---|
|  | Date of Birth: | 1976 | Date of Appointment 23 rd April 2020 |
| | Key Qualifications: | Bachelor of Arts (Sociology), Kenyatta University Diploma in Public Administration, Kenya School of Government | |
| | Work Experience: | He is currently the Assistant Secretary, Administration at the National Treasury. He has 13 years' experience in the Civil Service, 9 years' as an Assistant County Commissioner in different regions in the Country and 4 years' as an Administrator at the National Treasury. | |
| <i>Member : Finance & Procurement Committee</i> | | | |

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Mr. Samuel Ochieng Odawo

Independent Non-Executive Director



*Chair: Programmes,
Human Resource and
Administration Committee*

| | | | |
|---------------------|---|---------------------|------------------------------|
| Date of Birth: | 1980 | Date of Appointment | 9 th October 2018 |
| Key Qualifications: | Master of Arts in management of special education in developing countries, University of Birmingham, United Kingdom Bachelor of Education Arts (Special Education and French), Kenyatta University | | |
| Work Experience: | He is a Consultant in Special Educational Needs and Disabilities; he has previously worked at the Royal National Institute of Blind People - the Online Today Program Evaluation Volunteer. He has over 14 years' experience. | | |

Eng. Sarbo Hassan Marsa

Independent Non-Executive Director



*Member: Programmes,
Human Resource and
Administration Committee*

| | | | |
|---------------------|---|---------------------|------------------------------|
| Date of Birth: | 1960 | Date of Appointment | 9 th October 2018 |
| Key Qualifications: | Bachelor of Science in Agriculture Engineering, Jomo Kenyatta University of Agriculture & Technology | | |
| Work Experience: | Mr. Marsa has previously served as District Agricultural Officer / District Environment and Land Development Officer for over 25 years. | | |

Harun Maalim Hassan

Executive Director



| | | | |
|---------------------|---|---------------------|-------------------------------|
| Date of Birth: | 1978 | Date of Appointment | 1 st December 2020 |
| Key Qualifications: | Master of Arts (Public Administration) Bachelor of Arts in Environmental Studies (Planning and Management) Ford Fellow, 2019 | | |
| Work Experience: | He is the Executive Director of National Council for Persons with Disabilities. He has over 20 years' experience serving in various leadership capacities | | |

Susan Nafula Wekesa

Chief Legal Officer/ Ag. Corporation Secretary



| | | | |
|--------------------|---|---------------------|-------------------------------|
| Date of Birth | 1984 | Date of Appointment | 1 st February 2021 |
| Key Qualifications | Bachelor of Law (LLB) Post Graduate Diploma in Law (KSL) | | |
| Work Experience | She has 9 years' experience in the legal profession as an Advocate of the High Court of Kenya and worked for both public and private institutions occupying different job titles. | | |

III. THE BOARD OF TRUSTEES

| Mr. Samson Mpapayiai Tipape | | Independent Non-Executive Chairperson | |
|---|---------------------|---|--|
|  | Date of Birth: | 1977 | Date of Appointment 5 th May 2019 |
| | Key Qualifications: | Masters of Science in Governance and Leadership Bachelor of Business Management (Human Resource Management) Higher Diploma in Human Resource Management Diploma in Personnel Management | |
| | Work Experience: | He is the former Member of County Assembly, Kajiado County. Previously worked at the NCPWD (2011 to 2013) as Head of Human Resource. | |
| Ms. Abdia Abdi Abkula | | Independent Non-Executive Director | |
|  | Date of Birth: | 1978 | Date of Appointment 5 th May 2019 |
| | Work Experience: | Worked as a Persons with Disabilities representative at the National Government Affirmative Action Fund (NGAAF) and a Civic Educator for Pastoralist Women for Health and Education in Isiolo County | |
| Mr. Johnstone N Mutua | | Independent Non-Executive Director | |
|  | Date of Birth: | 1988 | Date of Appointment 5 th May 2019 |
| | Key Qualifications: | Diploma in Information Technology | |
| | Work Experience: | He is currently an ICT Systems Officer at Riaru Group of Schools, Nairobi. | |
| Mr. Abdulhakim Ware Shehe | | Independent Non-Executive Director | |
|  | Date of Birth: | 1987 | Date of Appointment 5 th May 2019 |
| | Key Qualifications: | Diploma in Special Inclusive Education | |
| | Work Experience: | He is currently a Board Member at Hola Municipality Council and Chairperson at Jenga Jamii CBO. He served as a Civic Educator at Muslims for Human Rights (MUHURI), Tana River County. | |
| Susan Mutungi | | Independent Non-Executive Director | |
|  | Date of Birth: | 1960 | Date of Appointment 5 th May 2019 |
| | Key Qualifications: | Master of Arts, Social Work Bachelor of Arts, Sociology | |
| | Work Experience: | She is currently the Deputy Director for Social Development at the Ministry of Labour and Social Protection that deals with community development programmes that includes Persons with Disabilities, Older persons and Families. She has over 30 years' experience | |

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Mr. Peter Muchiri

Independent Non-Executive Director



| | | | |
|---------------------|---|---------------------|--------------------------|
| Date of Birth: | 1973 | Date of Appointment | 3 rd May 2019 |
| Key Qualifications: | Diploma in Business Management, Utalii College Diploma in Community Development, St. John's College Certificate in Leadership and Integrity, National Democratic Institute Bachelor of Arts, Community Development, Africa Nazarene University - Ongoing | | |
| Work Experience: | He is the Director of Marriots Group of Companies Ltd and the National Chairman of League of Persons with Disabilities. | | |

Harun Maalim Hassan

Executive Director



| | | | |
|---------------------|---|---------------------|-------------------------------|
| Date of Birth: | 1978 | Date of Appointment | 1 st December 2020 |
| Key Qualifications: | Master of Arts (Public Administration) Bachelor of Arts in Environmental Studies (Planning and Management) Ford Fellow, 2019 | | |
| Work Experience: | He is the Executive Director of National Council for Persons with Disabilities. He has over 20 years' experience serving in various leadership capacities | | |

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IV. MANAGEMENT TEAM

Harun Maalim Hassan



| | |
|---------------------|--|
| Designation | Executive Director |
| Date of Appointment | December 2020 |
| Key Qualifications | MA (Public Administration) BA in Environmental Studies (Planning and Management) Ford Fellow, 2019 |

Catherine Amunga Wameyo



| | |
|---------------------|---|
| Designation | Assistant Director Finance & Accounts |
| Date of Appointment | August 2009 |
| Key Qualifications | Master of Business Administration (Finance) Diploma, Computer Studies. Certified Public Accountant ICPAK No. 8964 Certificate, Strategic Leadership Development Programme Certificate, Senior Management Course |

James Kariuki Ndwiga



| | |
|---------------------|--|
| Designation | Assistant Director, Disability Services |
| Date of Appointment | September 2010 |
| Key Qualifications | Master of Business Administration, Strategic Management Bachelor of Economics and Sociology, Diploma, Organization Development Certificate, Strategic Leadership Development Programme Certificate, Senior Management Course |

Ruth Ruraa



| | |
|---------------------|---|
| Designation | Assistant Director Human Resource & Administration |
| Date of Appointment | October 2014 |
| Key Qualifications | Master of Arts, International Studies Bachelor of Arts, Government Administration and Linguistics IHRM No. 6034 Certified Public Secretary Part I Certified Human Resource Professional II Certificate, Strategic Leadership Development Programme Certificate, Senior Management Course |

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Susan Nafula Wekesa



| | |
|---------------------|--|
| Designation | Chief Legal Officer |
| Date of Appointment | February 2021 |
| Key Qualifications | Bachelor of Law (LLB) Post Graduate Diploma in Law (KSL) Certified Professional Mediator MTI/127/01/19 Advocate of the High Court of Kenya LSK No. P.105/10094/13 |

Anne Muthoni Kagwi



| | |
|---------------------|---|
| Designation | Chief Finance & Accounts Officer |
| Date of Appointment | October 2010 |
| Key Qualifications | Master of Business Administration, Finance Bachelors of Business Administration, Finance & Accounts Certified Public Accountant ICPAK No. 9558 Certificate, Senior Management Course |

Francis Anyenda



| | |
|---------------------|---|
| Designation | Chief Public Relations Officer |
| Date of Appointment | October 2012 |
| Key Qualifications | Bachelor of Information Science Post Graduate Diploma, Mass Communication Certificate, Senior Management Course |

Esther Njeri Muiruri



| | |
|---------------------|---|
| Designation | Senior Supply Chain Management Officer |
| Date of Appointment | October 2020 |
| Key Qualifications | Masters of science Procurement and Contract Management Bachelor of Purchasing and Supply Chain Management Diploma in Purchasing and Supply Chain Management Advanced Certificate in Business Management KISM No. 64286 |

Andrew Kathurima Manyara



| | |
|---------------------|--|
| Designation | Senior Internal Auditor |
| Date of Appointment | May 2019 |
| Key Qualifications | Bachelor of Commerce, Accounting Certified Public Accountant ICPAK No. 20015 Member of Institute of Internal Auditors Member No. 2013172 |

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Rosabel Wanjiku Githinji



| | |
|---------------------|--|
| Designation | Senior Disability Services Officer |
| Date of Appointment | May 2012 |
| Key Qualifications | Master of Social Practice Bachelor of Arts in Social Sciences, Economics and Sociology Diploma, Project Management Certificate, Senior Management Course |

Leonard Dawafula



| | |
|---------------------|---|
| Designation | Senior Disability Services Officer |
| Date of Appointment | May 2012 |
| Key Qualifications | Master of Science, Development studies Bachelor of Education (Arts) Diploma in Community-based Project Management Certificate, Senior Management Course |

Alexander Parsaloi Munyere



| | |
|---------------------|--|
| Designation | Disability Services Officer |
| Date of Appointment | December 2014 |
| Key Qualifications | Bachelor of Education, Special Education Certificate, Senior Management Course |

Joseph Maina Mwangi



| | |
|---------------------|---|
| Designation | Senior Economist |
| Date of Appointment | May 2012 |
| Key Qualifications | Bachelor of Arts, Economics Certificate, Senior Management Course |

Daniel Njuguna



| | |
|---------------------|---|
| Designation | Senior ICT Officer |
| Date of Appointment | October 2013 |
| Key Qualifications | Bachelor of Science, Computer Applications Diploma, Computer Studies. A++; N++ CSK No. 115842 Certificate, Senior Management Course |

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V. CHAIRMAN'S STATEMENT



It is with great pleasure to present the Annual Report and Financial Statements for the National Council for Persons with Disabilities for the Financial Year 2020/21. The year under review was one of mixed fortunes. First, we operated under strict protocols courtesy of COVID-19 Pandemic that began in the previous year. As a Board, we adapted to a new way of running our business which included having most of our meetings held virtually.

The advent of the pandemic also provided an impetus for us to intervene in various measures aimed at reducing the spread of COVID-19 and more so targeted our programmes to benefit our clients during the difficult period of the pandemic.

Among these was the redirecting of our resources to enhance access to Personal Protective Equipment by persons with disabilities especially those in the special schools, where we had to provide face masks, sanitizers and soap. In all our offices we encouraged and provided facilities for regular hand washing as well as ensuring that our staff and clients observe the COVID-19 protocols throughout.

Secondly, during the year, the Council employed a new Executive Director, Mr Harun M. Hassan, who assumed office on 1st December 2020. The new Executive Director is expected to transform the Council to greater heights of prosperity.

In addition, the release of this report comes at a time when the term of the Council's Board is coming to an end. Other than myself, the entire Board members term is expiring on 8th October 2021. As they leave, I must confess that their support and contribution towards running of the Board affairs were extremely resourceful. Our success is attributed to their unity and purpose to serve.

Further, during the year, the Board continued to pursue the finalization of the reviewed regulations for Persons with Disabilities Act namely; the Persons with Disabilities (Access to Employment, Services and Facilities Amendment Regulations 2019); Persons with Disabilities (Income Tax Deductions and Exemptions Amendment Order 2019) and Persons with Disabilities (Registration Amendment Regulations 2019). We hope to begin implementing the regulations in the financial year 2021/2022.

I am also pleased to announce that we are making great progress in streamlining the LPO financing programme so as to ensure that we support many businesses run by persons with disabilities. We have entered into partnership with Kenya Commercial Bank to implement the programme efficiently by tremendously minimizing on the payment default cases by beneficiaries of the programme. We hope to resume provision of the LPO Financing to businesses owned by persons with disabilities in the financial year 2021/2022.

As I conclude, I wish to reiterate that in the course of delivering on our mandate, the Council continued to experience some challenges including inadequate office space both at the headquarters and the Counties. We also experienced budget cut of Ksh. 250 million during the year which greatly affected our performance and service delivery.

As we endeavour to transform the lives of persons with disabilities and enhance their wellbeing, the Council will continue forging new partnerships with other stakeholders including the County Governments and strengthen the existing partnerships. We will also focus on finalizing the Persons with Disabilities Amendment Bill 2020, so that we are able to serve our clients better. We will engage with the relevant agencies including the National Assembly to ensure that the amended Bill is enacted.



Dr. Habiba Mohammed
For Chairman

VI. REPORT OF THE EXECUTIVE DIRECTOR



I am pleased to release the performance of the National Council for Persons with disabilities for the Period 2020/2021 Financial Year. This is the first Annual report and financial statements released since my appointment as the Executive Director of the National Council for Persons with Disabilities in December last year. This report is also released against the backdrop of the COVID-19 pandemic that has claimed the lives of many Kenyans and affected the operations of many organizations, including the Council.

During the year under review, we continued to implement programmes and services as per our mandate of empowering and enhancing the wellbeing of Persons with Disabilities as provided for in the Persons with Disabilities Act 2003.

Through our various programmes and services, the Council continued to contribute to the various National Policies and Strategies instituted by the Government which among others include the realization of the Big Four Agenda and Kenya Vision 2030. At the international level, we endeavoured to contribute to the achievements of the 2030 Agenda for Sustainable Development Goals. The rallying call for the Agenda, “Leave No One Behind” is clear manifestation that development cannot be realised without inclusion of Persons with Disabilities.

It is worth noting that our programmes and services are aimed at reaching the most vulnerable members of the society who are Persons with Disabilities. This is critical bearing in mind that disability and poverty are directly interrelated and thus, our programmes are aimed at improving the wellbeing of Persons with Disabilities.

During the year under review, the Council continued to offer key programmes to all persons with disabilities in all the 47 counties countrywide. Our cash transfer programme continued to support households with persons with severe disabilities. The ksh. 2,000 monthly stipend disbursed per household enabled most families improve their food security and nutrition, enhance access to health services and in some cases the utilisation of the stipend to improve their shelters. We are in conversations with the relevant stakeholders to have the amount increased so that the households can do more in providing care to their members with severe disabilities.

Access to education by persons with disabilities is critical in the transformation of a nation and also the greatest equaliser for persons with disabilities. It is in this regard that the Council places a high premium in supporting persons with disabilities to access education and training. Our focus on education is critical considering the need to overcome the myriad of barriers encountered by persons with disabilities in the education sector.

In this regard, we provided bursaries and scholarships to learners in primary, secondary, tertiary and university levels to improve enrolment, retention, completion and transition rates. The scholarships programme introduced during the year was strengthened to ensure that all learners with disabilities being supported complete their studies. To increase the number of learners with disabilities accessing bursaries and scholarships, the Council continued to collaborate with various foundations and organisations to support its education programme. Some of these included the Equity Bank Foundation, KCB Foundation, Kenya Pipeline Company, Higher education Loans Board among others.

In order to make institutions that enrol persons with disabilities more accessible, the Council provided support to learning institutions of Persons with Disabilities. This support enhanced enrolment, retention and completion rates by persons with disabilities for eventual engagement in decent and gainful employment.

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REPORT OF THE EXECUTIVE DIRECTOR (CONTINUED)

In promoting dignified lives among persons with disabilities, we provided various assistive devices across the country which included white canes, wheelchairs, and hearing aids, among others that were sourced from local manufacturers. It is our hope that these support efforts will translate into powerful stories of hope in the disability sector.

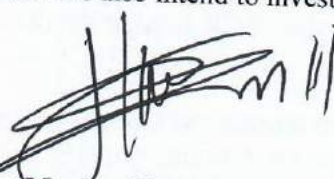
During the year, the Council continued to mainstream disability in all sectors of development as a way of reducing marginalisation and discrimination of persons with disabilities by launching the NCPWD Career Portal. The main purpose of the Career Portal is to create an interface that links jobseekers with disabilities and employers thus have a pool of qualified candidates with disabilities so as to overcome barriers in employment experienced by persons with disabilities. Towards this end, the Council reviewed the indicator on disability mainstreaming in the 2020/2021 Performance Contract Framework. Ministries, Counties, Departments and Agencies are required to register with the NCPWD Career Portal. This will go a long way to increase the number of persons with disabilities in employment to the constitutional threshold of a minimum of 5% in both public and private sectors.

Registration of persons with disabilities is one of the key programmes of the Council. Registration is critical in terms of providing administrative data on the number of persons with disabilities, the different types of disabilities, their distribution by County and social status among others. This information is critical for the purposes of planning and allocation of resources in a targeted way. In this regard, the Council continued to work with various stakeholders among them, the Ministry of Health, County governments, and the private sector to ensure that persons with disabilities are registered.

Nevertheless, the programme has been affected by a number of challenges among them being; the delays in having the disability assessment reports from the Ministry of Health and the cost of the assessment exercise by the various Government hospitals across the country. In this regard, we continue to hold discussions with the MoH and County Governments to ensure that this is addressed. The Council has also commenced the process of overhauling the registration system which should be completed in the financial year 2021/2022.

Going forward, we are committed to collaborating with other stakeholders to remove all barriers that hinder inclusion of persons with disabilities. In the coming future, we will continue strengthening partnerships with key stakeholders including NGOs, private players and County and National Governments to ensure that persons with disabilities are included in various sectors of development. We will also leverage on the resources available both within the private and public sectors to support our key programmes including provision of assistive devices and services, education programmes, and promoting disability mainstreaming in all sectors. We have a revamped Resource Mobilization Department in place to specifically make partnerships a key component of our operations as a Council.

We will also enhance the capacity of our staff through continuous training and staff development to fill any gaps in skills. We also intend to invest heavily in technology for efficient and effective service delivery.



Mr. Harun Maalim Hassan
Executive Director



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VII. STATEMENT OF COUNCIL PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/2021

Section 81 subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the Financial Statement, a statement of the Council performance against predetermined objectives.

The Council has four strategic pillars and objectives within its Strategic Plan for the FY 2018/2019-2022/2023. These strategic pillars are:

Pillar 1: Data and Statistics on Persons with Disabilities;

Pillar 2: Empowerment of Persons with Disabilities;

Pillar 3: Disability mainstreaming; and

Pillar 4: Organizational Capacity Strengthening.

The Council develops its annual work plans based on the above four pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Council achieved its performance targets set for the FY 2020/21 period for its four strategic pillars, as indicated in the table below:

| STRATEGIC PILLAR 1 | | DATA AND STATISTICS ON PWDS |
|--|---|---|
| Objective | Generate, maintain and disseminate reliable information on Persons with Disabilities (PWDs) in Kenya | |
| Key Performance Indicators | Activities | Achievements |
| Number of PWDs registered | Register 100,000 and issue PWDs with Disability Cards | 35,599 PWDs registered |
| STRATEGIC PILLAR 2 | | EMPOWERMENT OF PWDS |
| Objective | Empower PWDs for effective participation in all spheres of life | |
| Key Performance Indicators | Activities | Achievements |
| Number of Persons with Albinism (PWAs) supported | Provide sunscreen lotions to 3,800 PWAs Support 500 PWAs with eye-care devices Provide skin cancer treatment to PWAs Provide skin cancer screening to 1,200 PWAs | Provided sunscreen lotions to 3,800 PWAs. Supported 500 PWAs with eye-care devices. Supported 8 PWAs for cancer treatment. Screened 446 PWAs |
| Number of PWSDs supported | Provide cash transfers to 47,000 Persons with Severe Disabilities (PWSDs) Households | Provided cash transfers to 34,536 PWSD households. The variance of 12,464 beneficiaries was due to IPRS mismatch and natural attrition |
| Number of groups supported | Provide grants to 290 PWDs self-help groups for economic empowerment | Provided grants to 291 PWDs self-help groups. |
| Number of businesses supported | Provide support to 50 PWD-owned businesses with LPO financing under AGPO | The Council did not provide LPO financing due to budget cut. |
| Number of PWDs supported | Provide 257 tools of trade (toolkits) for VRC graduates with disabilities for self-employment | The Council did not provide tools of trade to 257 VRC graduates due budget cut. |

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| | | |
|---|---|--|
| Number of PWDs supported | Provide 4,000 needy persons with disabilities with assistive devices | Provided 2,940 assistive and supportive devices. The budget cut affected support of devices to PWDs |
| Number of PWDs supported | Provide education support to 3,429 persons with disabilities | Provided 3,162 bursaries and scholarships to learners with disabilities. This target was affected by budget cut. |
| Number of Institutions supported | Provide support to 12 learning institutions of Persons with Disabilities to improve enrolment capacity and learning environment | Supported 7 PWD learning institutions. This target was affected by budget cut. |
| Number of organizations supported | Provide support to 59 National Disabled Persons Organizations for advocacy and awareness activities | Supported 25 DPOs with grants for awareness and advocacy on disability issues. These activities were affected by COVID-19 pandemic and budget cut |
| Number of officers supported | Conduct Basic sign language training skills course to 350 workers offering essential services | 1,002 applications from employees in public service were received for vetting and support for training on Kenya Sign Language. However, training did not commence due to budget cut. |
| STRATEGIC PILLAR 3 | | |
| DISABILITY MAINSTREAMING | | |
| Objective | To promote mainstreaming of disability in all sectors of society | |
| Key Performance Indicators | Activities | Achievements |
| Number of institutions sensitized | Conduct sensitizations to 328 Public Institutions. | Sensitized 138 MDAs. |
| Number of institutions audited | Conduct accessibility audits to 100 Public Institutions. | Conducted accessibility audits in 65 MDAs. This activity was affected by COVID-19 pandemic since it requires visits to the institution. |
| Regulations in place | Review of PWDs regulations on tax exemption, registration and employment of PWDs | The regulations were submitted to the parent ministry for necessary action |
| STRATEGIC PILLAR 4 | | |
| ORGANIZATIONAL CAPACITY STRENGTHENING | | |
| Objective | To strengthen the Council capacity for effective and efficient service delivery | |
| Key Performance Indicators | Activities | Achievements |
| Number of staff trained | Train 44 Officers in various capacity building courses. | Supported 35 officers in various trainings. The target was not met since funds for half year were received in July 2021. |
| Performance Contract reports | Implement the annual Performance Contracting cross cutting issues | Cross cutting indicators implemented as per the guidelines provided. |
| Council Resource Mobilization strategy in place | Finalize and operationalize the Council Resource Mobilization strategy | Finalization and operationalization of Council Resource Mobilization strategy awaits the recommendations of the council Mid- term Strategic plan review recommendations |

VIII. CORPORATE GOVERNANCE STATEMENT

Corporate governance entails structures and system of rules, practices and processes by which an organization is directed, controlled and held accountable. It encompasses authority, accountability, stewardship, leadership, direction and control exercised in organizations. It essentially involves balancing the interests of the many stakeholders in an organization. These include its stakeholders, management, customers/clients, suppliers, financiers, government and the community. Corporate Governance sets frameworks for achieving the objectives of the organization, and creates benchmarks for the measurement of corporate performance and disclosure.

The Council is guided by its core values of Inclusivity; Human dignity; Equality and equity; Integrity; Results oriented which underpin the council's decision-making processes. The Council has at all times endeavoured in delivery of its mandate to comply with the relevant legal principles and the highest ethical standards.

Principles and guidelines governing the Board

The Council embraces corporate governance regulations, guidelines and principles governing State Corporations, Directors and Staff as provided mainly in the following Acts:

- The various provisions of the Constitution of Kenya
- Persons with Disabilities Act, No. 14 of 2003
- The Public Finance Management Act, No. 18 of 2012,
- Legal Notice No. 34 2015 (Public Finance Management Regulations)
- State Corporations Act, Chap.446 of the Laws of Kenya
- Leadership and Integrity Act, No. 19 of 2012
- The Public Officers Ethics Act 2003,
- The Employment Act, 2007
- Public Audit Act, 2015
- The Public Procurement and Asset Disposal Act, No. 33 of 2015,
- Public Procurement (Amendment No. 2) Regulations 2015
- Mwongozo – The Code of Governance for State Corporations
- Various Guidelines from Office of the President, the Public Service Commission, Salaries and Remuneration Commission and State Corporations Advisory Committee

The code of conduct requires Directors to:

- Act honestly and in good faith at all times;
- Exercise the highest degree of care, skill and diligence in discharging duties;
- Act in the best interest of the council;
- Exercise independent judgement at all times; understand and accept the principle of collective responsibility; avoid and disclose conflict of interest; maintain confidentiality of information about the organisation;
- Promote transparency and accountability at board level;
- Devote sufficient time and commitment to carry out their responsibilities and attend to organisation's business and
- Promote teamwork within the board and the organization

Board Charter

The Board has a Charter that defines the Board's roles and responsibilities as well as functions and structures. This enables Board members to effectively contribute in governance of the Council by facilitating independent judgement, decision making and professional competencies. The charter does not replace or supersede any statutory laws and regulations that govern the Council.

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CORPORATE GOVERNANCE STATEMENT (CONTINUED)

The Council's Board of Directors.

The Council's Board of Directors is the body of appointed members who jointly oversee the activities of the Council. The board is expected to provide strategic direction, exercise control and remain accountable through effective leadership, enterprise, integrity and good judgment. It should be diverse in its composition, independent but flexible, pragmatic, objective and focused on balanced and sustainable performance of the Council. The Board is composed in terms of range and diversity of skills, knowledge, age and experience in various sectors which makes it effective and provides an appropriate balance for the oversight of the Council's mandate. On Constitutional gender threshold, the Board has two (2) women out of nine (9) members.

Appointment of the Board members

The Board of Directors is constituted under Section 4 of the Amended Persons with Disabilities Act, 2003 on the appointment of members of the Council.

The Board consist of –

- a) The Chairperson, who is drawn from organizations of persons with disabilities and is appointed by the president;
- b) A representative of the Principal Secretary of the Ministry of Labour and Social Protection
- c) A representative of the Principal Secretary of The National Treasury and Planning
- d) The following persons appointed by the Cabinet Secretary-
 - i. Four persons representing various categories of disabilities, nominated by organizations of persons with disabilities.
 - ii. Two persons nominated by organizations for persons with disabilities, one of whom shall be from organizations of parents of persons with mental disabilities.

Term limits

Board members hold office for a period not exceeding three years and are eligible for appointment for one term not exceeding three years. The term limits apply to members representing Ministries in the Council's Board.

The renewal of Board member tenure for a second term is subject to an acceptable evaluation as determined during board evaluations.

Resignation of Board members

Board members may resign at any time by giving notice in writing to the Cabinet Secretary, copied to the Chairperson of the board and the Executive Director of the Council.

The resignation takes effect upon receipt of notice by the appointing authority or at any later time specified therein in the notice.

Chairman of the Board of Directors

The Chairman of the Board is a presidential appointee in accordance with Persons with Disabilities Act and Mwongozo (The Code of Governance for State Corporations). The principle role of the Chairman is to provide leadership to the Board. He chairs board meetings, ensures order and proper conduct of meetings, guides the Board's decision-making process and facilitates effective management of the Board, monitor the performance of the Executive Director and lead the annual Board Evaluation process. He also ensures that the Board is provided with timely and sufficient information to enable it to discharge its duties. He provides quarterly updates on governance matters and any issues thereof to the responsible Cabinet Secretary and State Corporations Advisory Committee (SCAC).

Succession Planning

Appointment of the Board Chair and Board members is staggered to ensure a phased transition.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Board of Trustees

The current Board of Trustees consists of seven (7) Trustees including the Executive Director. Six (6) of the trustees including the Chairman are non-executive members. The Board of Trustees is constituted as stipulated in Section 34 of the Persons with Disabilities Act, 2003.

The Board of Trustees administer the National Development Fund for Persons with Disabilities which was established as a permanent Fund under Section 32 of the Persons with Disabilities Act, 2003.

Affairs of the Board of Trustees

The Board of Trustees conducts its affairs in accordance with Persons with Disabilities (National Development Fund for Persons with Disabilities) (Conduct of Business and Affairs of the Board of Trustees) Regulations, 2009.

Board Responsibilities

The Board of Directors provide leadership and strategic direction to the organization. The Persons with Disabilities Act No. 14 of 2003 and the Board Charter define the governance parameters within which the Board exists and operates, specific responsibilities of the Board, its committees and Directors collectively, as well as certain roles and responsibilities incumbent upon Directors as individuals.

The Board is charged with the following responsibilities:

- a) Determine the Council mission, vision, purpose and core values
- b) Review periodically the Council strategic objectives and policies
- c) Review, evaluate and approve on regular basis, long term plans for the Council
- d) Review, evaluate and approve the Council budget and capital investments
- e) Ensure that the procurement process is cost effective and delivers value for money
- f) Ensure effective, accurate, timely and transparent disclosure of pertinent information on the Council's operations and performance
- g) Ensure that the effective processes and systems of risk management and internal controls are in place
- h) Monitor compliance with the constitution, all applicable laws, regulations and standards.
- i) Appoint and appraise the Executive Director and top senior management of the Council

Directors' Remuneration

Directors are paid a taxable sitting allowance for every meeting attended, lunch allowance (in lieu of lunch being provided), accommodation allowance and mileage reimbursement where applicable, as provided in accordance with the guidelines by State Corporations Act. The Chairman is paid a monthly honorarium. Below is a table on Board of Directors and Board of Trustees remuneration individually and collectively.

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CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Declaration of Interest and conflict of interest

The Directors are obligated to make a written disclosure of any transaction which would constitute a conflict of interest and to abstain from voting when such matters are being considered during the Board meetings. At every meeting of the Board, an agenda item exists which requires members to make declaration of any interest they may have in the business under discussion. The Council confirms that there were no business transactions with the Directors or their related parties.

Procurement

The Council is a Public entity whose procurement and asset disposal procedures are guided the Public Procurement and Asset Disposal Act 2015. Below is a list of top ten contracts awarded during the year.

| No. | Contract Description | Business Name of Contractor/Supplier | Date Awarded | Contract Price/Value |
|-----|--|---|-------------------------|----------------------|
| 1 | Provision of medical insurance cover for staff and board of directors | Jubilee Insurance | 30/09/2020 | 19,778,706 |
| 2 | Supply and delivery of 9,000 bottles of Sunscreen Lotions SPF 30 for children | Kaitbry Limited | 19/10/2020 | 19,260,000 |
| 3 | Supply and delivery of 9,000 bottles of Nivea Sunscreen Lotions SPF 50 for adults | Murogoro Trading Company Limited | 19/10/2020 | 19,215,000 |
| 4 | Supply and delivery of assistive devices (tricycles, KAFOS, Special seats, tough riders, moody cruisers) | Association of the Physically Disabled of Kenya | 23/11/2020 | 14,086,800 |
| 5 | Supply and delivery of Motor Vehicle | Toyota Kenya Limited | 02/11/2020 | 11,169,999 |
| 6 | Provision of Internet services | Safaricom Limited | 12/05/2021 | 8,325,472 |
| 7 | Supply and delivery of Motor Vehicle and Motor Bikes | Toyota Kenya Limited | 02/11/2020 | 6,933,069 |
| 8 | Supply of Assistive Devices AFOs and Ortho Prosthesis | Gateway Prosthetics and Orthotics | 23/11/2020 | 4,763,000 |
| 9 | Supply and delivery of Low Vision Devices-Monocular Telescope | Irengo Investments | 29/06/2021 | 3,500,000 |
| 10 | Motor vehicle fuel | Total Kenya Limited | 01/07/2020 - 30/06/2021 | 3,040,000 |

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CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Code of Conduct and Ethics

The Code of Conduct and Ethics focuses on ethical conduct and integrity of the Board. It defines Board's commitment to the highest standards of behaviour so as to contribute to the achievement of the National Development Goals.

The Code sets out expectations for individual behaviour necessary to meet these standards and includes requirements and guidance to help the Board members carry out their role with integrity and in compliance with the law.

The Code applies to every Board member, employee and also to contract staff.

A breach of the Code will result in disciplinary measures being taken.

Governance audit

The Board undertakes governance audit of the Council on an annual basis. The purpose of the governance audit is to ensure that the Board conforms to the highest standards of good governance. The governance audit covers the following parameters among others:

- a) Leadership and strategic management
- b) Transparency and disclosure
- c) Compliance with laws and regulations
- d) Communication with stakeholders
- e) Board independence and governance
- f) Board systems and procedures
- g) Consistent shareholder and stakeholder's value enhancement and
- h) Corporate social responsibility and investment

The Executive Director and Responsibilities

The Executive Director is the Chief Executive Officer and is responsible for proper and efficient management of the day-to-day operations of the Council under the policy guidelines of the Board of Directors. The responsibilities of the Executive Director are:

- a) Interpret and implement the decisions of the Board;
- b) Oversee the formulation and implementation of corporate strategic plans, and appropriate policies and procedures within the Council;
- c) Provide organizational leadership and supervision of all departments in order to achieve the Council goals;
- d) Demonstrate commitment to the organization's vision, mission, core values and mandate;
- e) Provide regular, thorough and prompt communication to the Board on key technical, financial and administrative matters;
- f) Effectively represent the organization to stakeholders and enhance its public image; and
- g) Promptly respond to Board members' requests for information.

The Corporation Secretary

Corporation Secretary is the secretary to the Board and guides the Board on governance and statutory matters and is the custodian of corporate governance in the Council.

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CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Board Meetings

Board meetings are held at least four times a year. The Board therefore holds regular scheduled meetings throughout the year and supplementary meetings may be held as when necessary. In case of non-attendance due to other commitments, such information is communicated to the Secretary, Executive Director and Chairman prior to the date of the scheduled meeting. The Executive Director is a member of all Sub-Committees of the Board except Audit Committee.

Best Practice:

- a) Create a year-long Board Meeting Calendar, and any deviations should be agreed upon by all Board Members.
- b) Special Meetings and change of Board meeting venues should be approved by the Principal Secretary

The full Board held eleven (11) meetings during the year which were attended as follows:

Board Membership and Attendance of Meetings

| Name | Role | Date Appointed | Date Retired | Meeting attendance |
|----------------------|---------------|-------------------------------|--------------------------------|--------------------|
| Peter Muchiri Mwangi | Chairman | 3 rd May 2019 | | 11 /11 |
| Dr. Habiba Mohamed | Member | 9 th October 2018 | | 7/11 |
| Hassan Marsa Sarbo | Member | 9 th October 2018 | | 11/11 |
| Samuel Ochieng Odawo | Member | 9 th October 2018 | | 11/11 |
| MacRalph Chege | Member | 9 th October 2018 | | 10/11 |
| Simon Joni Ndubai | Member | 9 th October 2018 | | 10/11 |
| Ashura B. Michael | Member | 9 th October 2018 | | 10/11 |
| Ibrahim Maalim | Member | 1st August 2019 | | 6/11 |
| David Malonza | Member | 23 rd April 2020 | | 7/11 |
| John Kisegu | Member | 3 rd May 2021 | Deceased | 1/1 |
| Hassan Maalim Harun | Secretary | 1 st December 2020 | | 6/6 |
| James Kariuki Ndwiga | Ag. Secretary | 6 th July 2020 | 30 th November 2020 | 5/5 |

Board Committees, Responsibilities and Meetings

The Board delegates certain functions to well-structured committees but without abdicating its own responsibilities. The Board has developed a committee structure that assists in the execution of its duties, powers and authorities. Each Committee is guided by the terms of reference which outlines its responsibilities as mandated by the Board.

The Committees are appropriately constituted drawing membership from amongst the board members with appropriate skills and experience. The Chairman of the Board, management and external parties/advisors are required to attend the committee meetings only by invitation. Best practice: Members of a committee should be issued with appointment letter containing their roles and responsibilities.

The Committees are expected to operate transparently, ensure full disclosure to the Board and conduct themselves within the rules and procedures set out by the Board. Matters deliberated during committee meetings should be presented to the Board by the respective Chairpersons during the full Board meeting. The Committees

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CORPORATE GOVERNANCE STATEMENT (CONTINUED)

are Audit and Risk, Finance and Procurement, Programmes and Human Resource and Administration Committee. The responsibilities and attendance of meetings during the year is as summarized below:

Finance and Procurement Committee

The Finance and Procurement Committee assist the board in fulfilling its oversight responsibilities for fund utilization, allocation, review of budgets and financial reporting and monitoring and verifying procurement actions and ensuring that approved procurement procedures have been applied properly.

The responsibilities of the committee are as follows:

- a) Prepare detailed quarterly income and expenditure report on the financial position of the Council and report to the board at every quarter
- b) Review budget for recommendation to the board
- c) Consider financial performance reports and review management responses and actions as appropriate
- d) Ensure appropriate, prudent sustainable and efficient use of Council funds
- e) Monitor the financial reporting process to ensure compliance with all regulatory returns
- f) Bring to the Boards attention all financial matters and potential risk of which it has knowledge that may affect the current or future position of the Council
- g) ensure consistent and correct application of procurement practices

Finance and Procurement Committee Membership and Attendance of meetings

| Name | Role | Date Appointed | Date Retired | Meeting attendance |
|-------------------|----------|------------------------------|--------------|--------------------|
| Simon Joni Ndubai | Chairman | 9 th October 2018 | | 7/7 |
| Ashura B. Michael | Member | 9 th October 2018 | | 7/7 |
| Ibrahim Maalim | Member | 1st August 2019 | | 4/7 |
| David Malonza | Member | 23 rd April 2020 | | 6/7 |

Audit and Risk Committee

The Committee assists the board to monitor, evaluate, make decisions and propose to the board with respect to all auditing, risk management and internal control functions relating to the Council and where appropriate issue instructions to the management for action or make recommendations thereof to the board. The committee has the following responsibilities;

- a) Review the effectiveness of the system for monitoring compliance with laws and regulations and ensure Council's continuity amongst other responsibilities as may be delegated by the Board.
- b) Review and ensure the integrity of financial statements and appropriate accounting principles prior to review and approval by the Board.
- c) Review the effectiveness of the Board's internal control systems and compliance as well as advise the board on risks and mitigation measures.
- d) Review audit reports and make recommendations to the Board.

Best Practice in the operation of the Committee is:

- a) Create an Audit Committee Charter that provides members with direction and consistency.
- b) If possible, rotation of members of the Audit Committee should be minimized, and members should have experience in the Auditing Sphere.
- c) To minimize last-minute implementation or replies, audit minutes and reports should be prepared within 7 days of the meeting.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

- d) In order to minimize conflicts of interest, no member of the Audit Committee should also serve on the Finance Committee or any other committee (except Ministry appointees to the Board).

Audit and Risk Committee Membership and Attendance of meetings

| Name | Role | Date Appointed | Date Retired | Meeting attendance |
|--------------------|----------|------------------------------|--------------|--------------------|
| MacRalph Chege | Chairman | 9 th October 2018 | | 4/4 |
| Dr. Habiba Mohamed | Member | 9 th October 2018 | | 4/4 |
| David Malonza | Member | 8th January 2021 | | 2/2 |

Programmes and Human Resource and Administration Committee

The Committee ensures that delegated tasks under programs department are performed and assist the Board in achieving its human, administration, ethical and governance functions through adequate governance policy development, recruitment and staff development programs.

The Committee has the following responsibilities:

- a) Monitor and guide the overall Vision, Mission, Strategy and program plan for the Council
- b) Consider the Council five-year strategic plan, objectives, budgets, performance indicators, business plans, annual work plans and performance contract established to achieve them.
- c) To review and develop criteria and guidelines on the administration of National development fund for persons with disabilities and set priority areas for funding and implementation of the fund.
- d) To make proposals to the Board for enhancement of the Council's programmes
- e) Advise the board on all matters regarding the contents of national, regional and international treaties and conventions on the rights of persons with disabilities
- f) Oversee and monitor Council's governance framework policies
- g) Review skills and experience of the staff of the Council and recommend to the Board the desired skills and experience for potential new appointments.
- h) Assist and support annual review processes for evaluating the effectiveness of the Board and committees
- i) Appraise the performance of senior management team
- j) Satisfy itself with regards to succession planning, that the processes and plans are in place with regards to the Executive Director and senior appointments.
- k) Address all disciplinary issues arising from the Council's staff

Programmes, Human Resource and Administration Committee Membership and Attendance of meetings

| Name | Role | Date Appointed | Date Retired | Meeting attendance |
|----------------------|----------|-------------------------------|--------------|--------------------|
| Samuel Ochieng Odawo | Chairman | 9 th October 2018 | | 4/4 |
| Hassan Marsa Sarbo | Member | 9 th October 2018 | | 4/4 |
| Ibrahim Maalim | Member | 17 th October 2020 | | 2/3 |

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CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Board of Trustees

The Board of Trustee administers the National Development Fund for Persons with Disabilities.

The responsibilities of the committee are as follows;

- a) To approve payment of grants towards economic empowerment support of persons with disabilities
- b) To approve payment to learning institutions of persons with disabilities with funds for infrastructure and equipment
- c) To provide support for assistive devices and services
- d) To approve payment of scholarship to persons with disabilities

Board of Trustees Membership – Attendance

| Name | Role | Date Appointed | Date Retired | Meeting attendance |
|------------------------------------|---------------|-------------------------------|--------------------------------|--------------------|
| Samson Mpapayai Tipape | Chairman | 5 th May 2019 | | 8/8 |
| Abdia Abdi Abkula | Member | 5 th May 2019 | | 7/8 |
| Johnstone N Mutua | Member | 5 th May 2019 | | 7/8 |
| Abdulhakim Ware Shehe | Member | 5 th May 2019 | | 7/8 |
| Peter Muchiri | Member | 5 th May 2019 | | 7/8 |
| Susan Mutungi | Member | 5 th May 2019 | | 6/8 |
| PS, National Treasury and Planning | Member | - | - | - |
| Harun M Hassan | Secretary | 1 st December 2020 | | 4/4 |
| James Ndwiga | Ag. Secretary | 5 th July 2020 | 30 th November 2020 | 2/2 |

**NB: Principal Secretary, The National Treasury is yet to nominate a representative to the Board*

Programmes Committee Membership and Attendance

| Name | Role | Date Appointed | Date Retired | Meeting attendance |
|-----------------------|----------|---------------------------|--------------|--------------------|
| Abdulhakim Were Shehe | Chairman | 5 th May 2019 | | 5/5 |
| Peter Muchiri | Member | 5 th May 2019 | | 3/5 |
| Susan Mutungi | Member | 5 th May 2019 | | 5/5 |
| Johnstone Mutua | Member | 24 th May 2021 | | 2/2 |
| Abdia Abdi Abkula | Member | 24 th May 2021 | | 2/2 |

Audit Committee Membership and Attendance

| Name | Role | Date Appointed | Date Retired | Meeting attendance |
|-------------------|----------|---------------------------|--------------|--------------------|
| Johnstone Mutua | Chairman | 24 th May 2021 | | 2/2 |
| Susan Mutungi | Member | 5 th May 2019 | | 2/2 |
| Abdia Abdi Abkula | Member | 24 th May 2021 | | 2/2 |

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Board Induction and Continuous Skills Development

The Board provided its Board members with an effective induction program at the point of entry in order to familiarize them with their responsibilities as directors, general principles of corporate governance and Board practices.

The Board ensured that a competence needs assessment was carried out periodically and an annual development plan prepared to address identified gaps. Board members were provided with access to notice of Continuing Development Programs that are designed to keep members abreast of the latest development in sector best practices, corporate governance and critical issues relating to the operation of public sector Boards.

To enhance oversight, governance, accountability and transparency of the Audit committee members, the Board of Trustees attended an Audit Training on 6th -8th October 2020. The objective of the training was to strengthen the members independent in-depth review of the framework of internal control and internal audit process.

Board Effectiveness and Evaluation

Best practice requires that Board of Directors conduct self-evaluation of its performance on an annual basis guided by Mwongozo, the code of governance for state corporations and government policies. Under Mwongozo the Board of Directors should determine its performance criteria and the evaluation outcomes which will form the basis for renewal for a second and final term. The evaluation should cover the Board as a whole, its committees, individual members, the chairperson, the Executive Director and the Corporation Secretary.

Boards of state corporations should schedule an annual Board self-evaluation activity as part of the Board Almanac which should be communicated to SCAC by 31st July of each year. Board evaluations cover the period 1st July to 30th June of subsequent year and should be conducted within the first four months of every financial year.

It is the responsibility of the Oversight body which is the State Corporation Advisory Committee to facilitate the annual evaluation. Before conducting a Board evaluation, the previous evaluation report has to be submitted to the Board for their perusal and scrutiny. The Council was evaluated on 27th August 2020 for the financial year 2019/2020 and the Board evaluation for financial year 2020/2021 is scheduled for 16th September 2021 under the guidance of State Corporation Advisory Committee using the following criteria, amongst others;

- Effective preparation for and participation at meetings
- Understanding the Organization, mandates, strategic thrust of the Council
- Ability to take an independent view on matters brought for discussion
- Communication with fellow directors, management and stakeholders
- Regular attendance of meetings
- Keeping abreast with latest developments, including awareness and compliance with regulatory guidelines

Internal Controls and Risk Management

The Board has the responsibility of identifying internal risk exposure and developing measures to mitigate against the identified risks. The Board reviews and monitors the development and implementation of systems on internal controls and risk management practices. The Board was appointed and has developed the risk

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CORPORATE GOVERNANCE STATEMENT (CONTINUED)

management framework and management control which identifies the risks. The Board has delegated the day-to-day management of risks to management through systems and process carried out on day to day basis.

Best Practice: Every three years, the Risk Management Policy should be evaluated to verify that any unexpected risks have been identified and addressed.

Relationship with Stakeholders

The Board values the importance of complete, timely, transparent and effective communication with its stakeholders for building and maintaining their trust and confidence by providing regular information on its activities and addressing their concerns whilst having regard to legal and strategic considerations. The Board developed a Corporate Communications Strategy which encompasses internal and external communication, customer service and public relations.

The main avenues for communication are through press releases, stakeholder forums, publications on disbursements and annual reports and financial statements. The Board has continued to encourage electronic communication through publishing documents in the Council website www.ncpwd.go.ke and has endeavored to ensure that the website is highly interactive and contains relevant information.

Additionally, the Board has dedicated staff to deal with complaints and public relations effectively, efficiently and as expeditiously as possible. The Board has an established mechanism of receiving, resolving and giving feedback on complaints referred to it by its stakeholders. The Board submits quarterly reports to the Commission of Administrative Justice on complaints handling and management.

Compliance with Laws, Regulations and Standards

During the year, the Board complied with all the relevant Laws, Regulations and Standards.

IX. MANAGEMENT DISCUSSION AND ANALYSIS

The Council's Operational and Financial Performance

This section provides insights into the activities, programme and services provided by the Council during the Financial Year 2020/2021. The programmes and activities undertaken by the Council during the year were geared towards delivery of the Council's mandate as provided for in the Persons with Disabilities Act, 2003.

During the year, Kenya like the rest of the countries across the globe continued to grapple with the negative effects of COVID-19 pandemic. Like other organisations, the National Council for Persons with Disabilities began to operate in the new normal in light of the pandemic and adherence to the COVID-19 protocols. Despite this situation, the Council continued to discharge on its mandate.

The key highlights of the achievement of the Council in the year are outlined below.

1. Cash Transfer for Persons with Severe Disabilities

The Persons with severe disabilities Cash Transfer programme is one of the national cash transfer schemes within the tax-financed Inua Jamii Programme. The primary purpose of cash transfers is to alleviate extreme poverty by supplementing the income of the poorest households and enabling them to increase their access to food and other basic items. Cash Transfers also promote other benefits, including increased use of education, health services and economic resilience of households.

The Council Cash Transfer programme is delivered through provision of regular and predictable cash transfers with the aim of improving lives of persons with severe disabilities by empowering and strengthening the capacity of caregivers. The programme was started in 2010/2011, first as a pilot targeting 2,100 beneficiaries from the then 210 constituencies. Since then the programme has expanded and currently targets 47,000 households with persons with severe disabilities.

During the year, the Cash Transfer programme continued to undergo major changes which began in the 2018/19 Financial Year which are aimed at streamlining the programme to enhance efficiency and effectiveness in the disbursements.

Towards improving staff capacity for delivery of the programme, the Council participated in various workshops to review policies and documents on social protection programmes, most of which were supported by Development partners through the Ministry of Labour and Social Protection. In addition, the Ministry, through the Directorate of Social Assistance conducted virtual training of all 721 field officers including the County Disability Services Officers, on the targeting and Case Management modules within the Consolidated Cash Transfer System MIS (CCTPMIS). The aim of the trainings were to decentralize the Grievance and Case management (G&CM) and targeting modules for updating information for 8,286 beneficiaries whose accounts were not successfully opened and validation of information for 4,178 beneficiaries who were never migrated either due to IPRS mismatches, death or ineligibility. Replacement and reinstatement of 12,464 beneficiaries was affected by COVID-19 containment measures and has been slated for July to September 2021.

In the year under review, the Council disbursed funds to 34,536 regular beneficiary households caring for persons with severe disabilities under the Consolidated Cash Transfer Programme. The Council spent a total of Kshs. 845.1 million on this programme.

2. Albinism Support Programme

The Albinism Support Programme is designed to improve the welfare of Persons with Albinism (PWAs) through provision of sunscreen lotions, protective clothing, eye care services, skin cancer screening, treatment and sensitization of communities in all the 47 counties to end stigma, discrimination and violation of human rights. Skin cancer is a major cause of mortality among persons with albinism in Kenya. Persons with albinism need regular skin cancer screening which is expensive

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MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

and unavailable in most of the public hospitals. 3,800 Persons with Albinism were supported through 212 Hospitals across the Country with sunscreen lotions SPF 50+ for children and adults.

The Council also supported skin cancer screening for 446 PWAs in 11 Counties namely Mombasa, Kilifi, Kwale, Taita Taveta, Meru, Embu, Nyeri, Tharaka Nithi, Migori, Kisii and Nyamira, and treatment for eight clients at various hospitals in the country. 500 Persons with Albinism were provided eye care support through monocular devices. The Council also procured Hospital Reporting Tools including bin cards and client cards to enhance monitoring and reporting of the sunscreen lotions uptake.

Finally, the Council also hosted a webinar to commemorate the International Albinism Awareness Day (IAAD) on 11th June 2021. A total of Kshs. 45.4 million was spent on this programme

3. The National Development Fund for Persons with Disabilities

The National Development Fund for Persons with Disabilities is a permanent Fund established through the Persons with Disabilities Act, 2003 for the benefit of Persons with Disabilities in Kenya. It came into effect through a Gazette Notice in 2009. Under the Fund, the Council is implementing several programmes aimed at improving the welfare of persons with disabilities. These are:

3.1 Economic Empowerment Programme

The Fund provides grants to Community Self-Help Groups for Economic Empowerment or Revolving Fund Schemes. These grants aim to help persons with disabilities gain self-sufficiency in generating income and to enable them gain skills and experience in accessing loans for their businesses.

The Economic Empowerment programme employs a two-prong approach; funding for self-help groups to jointly undertake a common project for the benefit of the membership. This includes, fish ponds, rearing livestock, bead making, among other activities; or revolving fund for on-lending to group members to engage in businesses at an individual level.

Eligible groups supported are those of and for persons with disabilities legally registered to operate within the Republic of Kenya and also registered with the Council. They must also have been in existence for at least one year since their registration.

During the year, the Council supported 291 self-help groups with grants and skills training for income generating activities at a cost of Kshs. 25.2 million.

3.2 LPO Financing Programme

The LPO Financing Programme supports businesses owned by persons with disabilities to finance LPOs, LSOs and contracts awarded by Government procuring entities. The businesses to be funded must be registered by the National Treasury under the Access to Government Procurement Opportunities (AGPO) Programme. This programme was introduced to improve employment opportunities for persons with disabilities.

During the year the Council continued to devise methods of recovering funds defaulted by business enterprises owned by persons with disabilities. The Council is working to recover these outstanding loans and has since re-designed the implementation structure of the programme through engagement of KCB limited to administer the LPO Financing funds.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3.3 Tools of Trade

The Tools of Trade empowerment programme for persons with disabilities is an initiative that seeks to provide employment and wealth creation opportunities in selected sectors such as catering, automotive engineering, agriculture and beauty, through provision of start-up tool kits.

During the year, the Council approved and commenced procurement of tool kits for 257 PWDs. However, the procurement of the kits did not take place due to the Development Fund budget cut.

3.4 Education Scholarship Grants

This programme aims to improve enrolment, retention and completion rates in education by persons with disabilities, for eventual engagement in decent and gainful employment. This is achieved through provision of bursaries and scholarships to learners with disabilities in primary and secondary schools, middle level colleges, universities and vocational institutions.

Grants awarded at each level are to a maximum of Kshs 20,000 for Primary and Vocational levels, Kshs 30,000 for Secondary level, Kshs 40,000 for College and Kshs 50,000 for Universities. During the year, the Council awarded bursaries to 3,162 learners with disabilities out of whom 329 were supported under the Kenya Pipeline Company Inuka Scholarship programme. A variance of 267 targeted learners were not supported due to budget cut in the financial year.

During the year, the Council launched the Wezesha Scholarship Program. This is a full scholarship programme whose aim is to improve enrollment and retention of learners whose parents/guardians are Persons with disabilities. The programme enables these students complete secondary school education cycle for the eventual engagement in decent and gainful employment, and improve livelihoods of their families. The Council was able to identify the first cohort of 94 students of equal gender. However, disbursements were not done during the year due to budget cut. The funds will be disbursed in FY 2021/2022.

In addition, in the 2020 Kenya Certificate of Primary Education (KCPE) examinations, learners with disabilities performed exemplary despite great adversity occasioned by COVID-19 pandemic and the day-to-day challenges they encounter due to their disabilities. To ensure their transition to secondary school, the Council collaborated with the Ministry of Education and other stakeholders in the Country to secure scholarships for all the learners who sat the 2020 KCPE examination in the spirit of ensuring that at least 5% of available scholarships are awarded to learners with disabilities. Some of the key partners the Council collaborated with included the Ministry of Education – Elimu Scholarship Programme and the Equity Bank Ltd - Wings to Fly Scholarship Programme. In total the council spent Kshs. 57.8 million on this programme.

3.5 Advocacy and Awareness Creation

Advocacy and awareness campaigns play an important role in building critical mass to support the cause for protecting the rights of persons with disabilities as well as creating awareness on disability issues.

During the year 2020/21, the Council supported 25 Disabled Persons Organizations (DPOs) to observe various disability events aimed at creating awareness on disability and advocating for the rights of persons with disabilities. A total of Kshs. 2.5 million was spent on advocacy and awareness creation activities.

3.6 Infrastructure and Equipment Support to Learning Institutions

This programme facilitates the maintenance and growth of institutions and organizations which provide education or social care services to persons with disabilities in order to improve enrolment capacity and quality of learning. Support is provided to educational institutions, including special schools, special units and social care institutions. During the year, the Council supported 7 learning institutions for development of various infrastructure totaling Kshs. 11 million.

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MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3.7 Assistive Devices & Services

The programme on assistive devices and services is aimed at improving mobility and independent living by persons with disabilities

During the year, the Council supported 2,490 persons with disabilities from across the Country with various assistive devices which included hearing aids, crutches, wheelchairs, tricycles, white canes and walking appliances.

In addition, 45 persons with disabilities who had acquired impairment in adulthood were supported with Mobility & Orientation Training to enable them to live independently. This was facilitated through partnership with Kenya Institute for the Blind, Kenya Society for the Blind and Machakos Technical Institute for the Blind. The Council spent Kshs. 30.9 million on the programme.

3.8 Registration of Persons with Disabilities

The Council continued to maintain a database of persons with disabilities through the registration process across the country in partnership with the Ministry of Health. Persons with disabilities are required to register so as to enable them access the services offered by the Council. Registration is also important in establishing the data and statistics of persons with disabilities in Kenya.

During the year under review, the Council registered 35,599 persons with disabilities throughout the Country. In addition, 505 organizations for persons with disabilities were registered during the period. Further, the Council facilitated 4,912 persons with disabilities access tax exemption for the Kenya Revenue Authority.

In addition, during the year, the Council participated in a forum to finalize the Disability Medical Assessment and Categorization Guidelines spearheaded by the Ministry of Health. The guidelines are expected to standardize the assessment process in all the hospitals. A total of Kshs. 8 million was spent on registration.

4. Public Information and Awareness Creation

Information is a critical resource in the development of a nation and enables the public to make informed choices and decisions in their day-to-day activities. It also enhances understanding among people on their rights and privileges and enables them to understand the environment in which they are working.

In the year under review, the Council ensured that the public and especially persons with disabilities access information on its programmes, issues on disability rights and various government policies on disability.

To this end the Council continued to create awareness on disability issues through various platforms including social media, conventional media, public forums, national and international events among others.

During the year, the Council in partnership with other stakeholders held the International Day of Persons with Disabilities which was observed on 3rd December 2020 at Thika Primary School for the Visually Impaired, Kiambu County. The event was observed through distribution of masks, thermos guns, soap, and sanitizers to special schools in every county. The observation for the Day was not witnessed in all the other counties as has been the case due to Government protocols on COVID-19 that prohibited public gatherings.

The Council also participated in observing the World Mental Health Day that was held on 10th October 2020 in Nyeri County and the International White Cane Safety Day held on 29th October 2020 in Kisumu County. The White Cane Safety Day was co-organized by the Council, Kisumu County government, Kenya Society for the Blind and other stakeholders. In addition, the Council also participated in observing the Deaf Awareness week by organizing and participating in a talk show on KTN News and a social media campaign on our platforms which was aimed at educating and

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

informing the public on the mandate of the Council and creating awareness on the importance of sign language. Through the participation the Council was able to enhance public understanding on the importance of sign language and promotion of the rights of the Deaf and Hard of Hearing.

To enhance access to information on its programmes and services the Council reprinted and disseminated various publications including brochure on the Council programmes, Service Delivery Charter, Convention on the Rights of Persons with Disabilities and the Persons with Disabilities Act, 2003. This is in addition to disseminating information through the various social media platforms and website. The council spent Kshs. 6.7 million in these activities.

5. Disability Mainstreaming

Disability mainstreaming entails accessibility and inclusion of persons with disabilities in social economic development agenda. The Council evaluated and scored Disability Mainstreaming Reports and issued compliance certificates to 279 Ministries, Departments and Agencies (MDAs). Reporting of MDAs was also automated to ease reporting and feedback. A summary of the scores is summarized below,

| % Score | No of institutions |
|----------------|---------------------------|
| 0 - 40 | 15 |
| 41 – 60 | 159 |
| 61 – 80 | 60 |
| 81 – 100 | 45 |
| Total | 279 |

In addition, the Council sensitized and trained 138 MDAs on Disability Mainstreaming while 65 accessibility audits were conducted during the year.

The Council in collaboration with i2i consortium popularized the NCPWD Career Portal in Mombasa, Nairobi and Kisumu where employers and employees were inducted on how to register and navigate the portal. Out of this engagement, eleven PWDs secured employment with 4G Capital out of thirty-two applicants who uploaded their CVs in the platform. During the year the consortium registered 1,204 PWDs to the NCPWD Career Portal. Also, as part of job placement, the Council secured a three-year contract with Children Services Department for eleven PWDs across the country.

6. Access to Government Procurement Opportunities (AGPO)

The AGPO programme is an affirmative action aimed at empowering disadvantaged groups by giving them more opportunities to do business with government. The programme aims to facilitate the enterprises owned by youth, women and persons with disabilities to be able to participate in government procurement. This programme is part of the implementation of the government policy of reserving 30% of government procurement opportunities for the youth, women and persons with disabilities.

During the year, the Council awarded tenders/contracts to the Youth, Women and Persons with Disabilities worth Kshs. 63,684,679 out of the annual target of Kshs. 68,438,972. The variance was attributed to the budget cut. The table below indicates the distribution of tenders/contracts in this programme.

| Category | Award in Kshs. |
|-----------------|-----------------------|
| PWD | 44,650,804 |
| Youth | 9,096,370 |
| Women | 9,937,505 |
| Total | 63,684,679 |

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MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

7. Monitoring Programmes and Activities

Monitoring of the Council programme activities continued in the Counties. The findings of monitoring are used to improve the services offered by the Council and also track how desired target outputs are being achieved. In order to support the Council initiatives, achieve the objectives, the Council developed the FY 2020/21 Annual work plan and the Council's FY 2021/22 Performance Contract which are extracts from the Councils' Master plan (2018-2022 Strategic Plan). Tracking of results was done through generating timely quarterly and annual performance reports.

The Council also conducted monitoring of programme activities including the Kenyan Sign Language training in Kisumu, Nandi and Uasin Gishu Counties. In addition, the Council conducted monitoring on tools of trade beneficiaries and economic empowerment initiatives funded in Tharaka Nithi, Murang'a and Kiambu Counties. During the exercise, 9 Self-help groups and 9 beneficiaries of tools of trade were visited. In addition, the council conducted monitoring on 6 Disabled Persons Organizations (DPOs) funded to conduct advocacy and awareness creation on disability issues in Machakos, Kiambu and Nairobi Counties.

In strengthening the Council's monitoring and evaluation system in the social sector the Council was engaged in various stakeholder's forums. First was in the validation of the progress of its Vision 2030 Flagships projects for the Financial Years 2019/2020 and 2020/21 in partnership with the Vision 2030 Delivery Secretariat. Secondly, we partnered with Kenya Bureau of Statistics with the goal of developing administrative data of the Council. Towards this end data on registered PWDs was disaggregated to provide data flows and sources for the same. Thirdly, was in an engagement in a Champions Sustainable Development Goals (SDGs) workshop for purposes of sensitizing nominated officers on SDGs reporting. Finally, the Council participated in a workshop to develop monitoring and evaluation tools for the Economic inclusion Programme under KSEIP in May 2021. In order to track levels of Disability mainstreaming in the Country, the Council participated in a stakeholders' workshop to review performance contracting guidelines for FY 2020/2021. During this forum the Disability Mainstreaming Indicator was retained as a Cross cutting indicator with a few amendments.

Finally, to establish if the assets of the organization are properly safeguarded and if the organizations resources are used in an economical and efficient manner, the Council conducted audit on 226 Cash Transfer beneficiaries in Nairobi, Nandi, Kakamega, Migori, Kirinyaga, Isiolo, Mombasa and Kwale Counties. Two internal audits were also conducted on procurement of goods and services and the audit of fixed assets. Audits were also conducted on registration of persons with disabilities and organizations for persons with disabilities, processing of income tax exemption applications and recommendations for duty exemption on importation of modified vehicles for persons with disabilities. The Council spent Kshs. 1.2 million on monitoring of programme activities.

8. Training and Capacity building of Staff

The council is committed to ensuring that staff successfully deliver on the Council's mandate and continues to invest on its Human Resource Development focusing on training, staff wellness & career growth.

During the year, the Council filled positions which were left vacant; the positions of Executive Director, Chief Legal Officer, Senior Supply Chain Management Officer, 2 Disability Services Officers and a Driver. The Council also conducted promotional interviews for the position of Assistant Director- Communication, 12 Chief Disability Services Officers, 1 Chief Economist and 1 Senior Economist. These Promotions will be effected in the beginning of the financial year 2021/22.

In the period under review, the council facilitated 5 staff for technical training on road safety monitoring and reporting and 7 officers for HIV/AIDS and wellness training as a key requirement indicator for performance

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

contract. 11 staff underwent their Continuous Professional Development trainings. Cumulatively the Council trained 35 officers out of a target of 44.

The Council also analyzed the returns for the 2019/20 Performance Appraisal Report and identified the skills gaps. The Council also engaged 156 interns from the Public Service Commission and students on attachment cumulatively. In addition, the Council reviewed its Job Descriptions in the SRC led Job Evaluation and Analysis cycle for 2020/21- 2021/2025.

The Council spent Kshs. 3.7 million on training and capacity building.

9. Implementation of the United Nations Convention on the Rights of Persons with Disabilities and Persons with Disabilities Act 2003.

The Council as the lead Government agency on disability matters is responsible for coordinating and advising the government on the implementation of the Convention on the Rights of Persons with Disabilities. During the year, the Council continued to engage with various government agencies with the aim of realizing the provisions of the Persons with Disabilities Act, 2003 and the Convention on the Rights of Persons with Disabilities (CRPD) under the **Theme: Building Back Better: COVID-19 Response and Recovery**.

In its continuous efforts to strengthen and forge new partnerships with other stakeholders to enhance its service provision, the Council participated in a stakeholder's workshop on the development of the 6th Periodic State Report on the International Covenant on Economic, Social and Cultural Rights (ICESCR). The workshop was organized by the office of the Attorney General and Department of justice funded by the United Nations Human Rights Office of the High Commissioner. The objective of the workshop was to give an opportunity to the stakeholders to provide information in relation to development of legislations, delivery of justice and administrative mechanisms that promote economic, social and cultural rights for the period 2016 to 2021. The comprehensive report was validated on 15th June 2021 and is expected to be submitted to the ICESCR secretariat in Geneva.

In addition, the Council participated in a stakeholder's workshop on the drafting of the 9th periodic report on implementation of the Convention on the Elimination of all forms of Discrimination against Women in June 2021. The workshop was organized by the Ministry of Public Service and Gender. The objective of the workshop was to review Kenya's obligations under CEDAW and principle of anti-discrimination. The workshop also provided an opportunity to stakeholders to report on implementation of concluding observations of the 8th CEDAW report. The comprehensive report is expected to be submitted to the CEDAW Committee by November 2021.

During the year, the Council finalized the draft regulations on registration and income tax exemption and submitted them to the relevant authorities for comments. The Persons with Disability Bill has been finalized and submitted to the Attorney General's office for comments.

The Council, in collaboration with the Commission on Administrative Justice (CAJ) / Office of the Ombudsman, and with technical support from the Federation of Women Lawyers (FIDA Kenya), delivered a Legal Aid Clinic for Persons with Disabilities on Disability Inclusive Justice. The clinic sought to offer legal aid to persons with disabilities on areas of law and justice. The goal of this outreach program is to effectively educate clients about problems they are having that are amenable to legal redress, how legal assistance can help them address the priority issues found, and how and where they can get that help. To reach many persons with disabilities at the county level, the Council will be launching the Regional (County) Legal Aid Clinics in financial year 2021/2022.

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MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

10. Promotion of Use of ICTs within the Council

During the period under review, the Council redesigned and revamped its website. The process of revamping involved digitalizing various services offered such as application for bursaries, scholarships and assistive devices within the National Development Fund for Persons with Disabilities. Further the processing of application for tax exemption has been simplified as clients can now upload the requisite documents without having to travel to the Headquarters or county offices.

The council further began the process of upgrading the registration system as well as clean up existing data with the view of integrating services with other key stakeholders such as the Kenya revenue Authority and the Ministry of Health.

11. Partnerships

During the year, the Council continued to partner with various stakeholders to enhance service delivery to persons with disabilities. These included partnership with the Commission on Administrative Justice, Federation of Women Lawyers (FIDA) and the Ministry of Health.

The Council also lobbied for more learners with disabilities to be included in the Elimu Scholarship Programme by the Ministry of Education and also through the Equity Group Foundation. This resulted in an increase of the share allocated to persons with disabilities being doubled from 5% to 10%, benefitting about 900 students with disabilities nationwide.

The Council, further, entered into a partnership with the National Social Security Fund and received support for improving the state of Garissa Special School for the Intellectually Handicapped as well as economic empowerment in the form of tools of trade and grants for persons with disabilities – a project that will be rolled out in 10 counties.

The Council held discussions with Kenya Revenue Authority and resolved to devolve the tax exemption vetting exercise to the county level, to ease access to services by persons with disabilities – an undertaking that would be done in partnership with Directors of Medical services at the Counties.

The Council in partnership with the Ministry of Health is developing guidelines on disability assessment and categorization which among others will enhance consistency in the assessment of persons with disabilities for registration.

Other partners that the Council engaged with during the year included Garissa and Kiambu County Commissioners, Google, Equity Bank, Daystar Institute of Disability Studies, Safaricom, OSIEA, World Vision, Amref, Unicef, various County Governments, National Government Departments, Ministries and Agencies.

12. Challenges

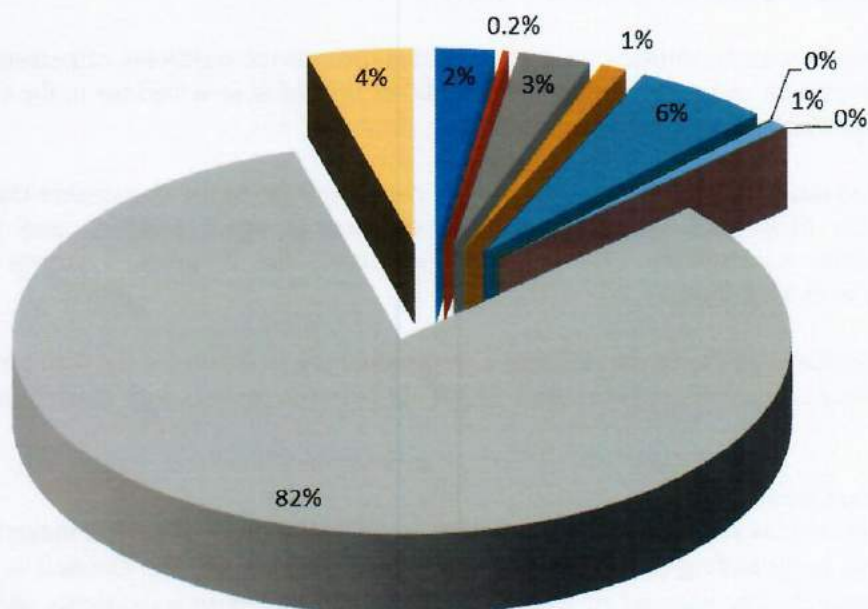
In delivering on its mandate, the Council faced a number of challenges that affected its performance during the year. Some of these included:

- i. Delay in registration due to the lengthy disability assessment process by the Ministry of Health.
- ii. Default of payments by financed clients under the LPO financing programme.
- iii. The Development Fund was affected by the budget cut through the supplementary budget 2021.
- iv. Delay in migration of 12,464 household beneficiaries of the PWSD CT programme from the card-based model to the account-based model.
- v. Continued threat of the COVID-19 pandemic has greatly affected persons with disabilities in terms of accessing the Council services and adhering to the Government protocols on COVID-19.

MANAGEMENT DISCUSSION & ANALYSIS (CONTINUED)

vi. COVID-19 led to increased vulnerability and subsequently increased demand for services amid limited resources.

Programmes performance at a glance



- Persons with Disabilities Self Help Groups (SHG) 2%
- Donations 0.2%
- Assistive Devices & Services 3%
- Infrastructure & Equipment support 1%
- Education support 6%
- National Disability Persons Organizations (DPOs) 0%
- Registration of Persons with Disabilities 1%
- Tools of Trade 0%
- Cash transfer to Persons with Severe Disabilities 82%
- Persons with Albinism Support Program 4%

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X. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Our sustainability as a Council is anchored in our vision, mission and core values which determine the way we operate and the environment in which the people we are trying to transform their lives live. As the Council for persons with disabilities, we are committed to making sustainable corporate social investments aimed at creating shared value between ourselves and our society.

As a Council for persons with disabilities, we are committed towards the wellbeing of persons with disabilities by promoting their inclusion and ensuring that their rights are upheld as provided for in the Convention on the rights of Persons with Disabilities (CRPD).

The Council is also committed towards the realization of the 2030 Agenda for Sustainable Development which include persons with disabilities who should be recognized as equal partners, and be consulted by Governments and other stakeholders. Out of 169 targets across the 17 goals, 7 targets have an explicit reference to persons with disabilities.

Our sustainability agenda is anchored on building a responsible organization for the future with special focus on environmental, social, financial and economic fronts not only for persons with disabilities but also for the society at large.

i) Environmental Performance

Our environmental principles are intended at promoting an internal culture of environmental stewardship and partnering to achieve longstanding positive impact for future generations. The Council is cognizant to the effects of Climate change. The scarcity of natural resources and threats to ecosystems and biodiversity are serious environmental issues. These challenges demand fundamental changes in the way society operates and innovates to drive sustainability.

Our commitment to environmental stewardship focuses on using resources wisely and protecting the planet as we serve persons with disabilities. The Council implements its programmes and activities with a firm commitment to contribute to sustainability from an environmental perspective, materialized through the integration of the environment into the business, the promotion of environmental responsibility, efficient management of resources and adaptation and mitigation of climate change, in accordance with laid national environment policy by the National Environment Management Authority (NEMA).

In this regard, the Council planted 5,120 tree seedlings in 5 special schools for persons with disabilities in Nyeri county as part of the contribution of the 10% cover afforestation programme of the Government of Kenya. The Council is promoting the use of Electronic Communication not only with its staff but also with its clientele. This contributes greatly on reduction of paper usage and ultimately conservation of our forests. We also have an e waste management policy that guides in management of electronic waste. The Council has constituted an environmental committee that is responsible in guiding it on environment conservation.

ii) Employee Welfare

We take pride in our workforce made up of employees with diverse ethnicities, generations, capabilities, gender identities and cultural backgrounds. Mutual respect guides how we treat each other and work together to deliver better client outcomes. The Council supports the engagement and development of all employees to allow each individual to bring their whole self to work. We provide a variety of opportunities to enhance their experiences and advance their careers. It is in this spirit that we introduced regular inter and intra departmental meetings which provide opportunities for staff to share their experiences and develop a holistic understanding of the organization and its operations.

ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONTINUED)

The Council believes that continuous learning is critical to every person's success. Our employee development approach focuses on three avenues for success: experience, exposure and education. Through experience, our employees gain the value of learning through on-the-job activities. Exposure creates opportunities for employees to network, develop mentoring relationships and obtain feedback from their connections. Education creates methods for employees to participate in structured learning solutions for core and specific competency development.

The Council continues to prioritize health and wellness. To expand our support, and in response to the challenges brought about by COVID-19, negotiations with our medical insurer to extension of cover for testing and treatment. A shift system was introduced for staff as a way of decongesting office spaces to reduce transmission of COVID-19.

In managing its human resource, the Council is guided by approved HR instruments namely: Career Guidelines; Organizational and Grading Structure; Staff Establishment and Human Resource Management Policy and Procedure Manual.

iii) Market Place Practices.

The Council strategically plans for, and manages, all interactions with third party organizations that supply goods and/or services to our organization in order to maximize the value of those interactions. In practice, the Council aims at creating closer, more collaborative relationships with key suppliers in order to uncover and realize new value and reduce risk of supplier failure. This is achieved by creating mutually beneficial relationships with supply partners to deliver greater levels of innovation and competitive advantage that could be achieved by operating independently.

Further, the Council assess its supplier capability to meet their contractual needs, to measure their performance during the contracting period, to work with them to identify challenges whilst looking to improve the working relationship, ensuring we have the right levels of contact to ensure that the relationship remains on track for both parties, in order to get the best from the working relationship. The Council honors all its contracts with suppliers and pays all the suppliers in time. For many years we have never had pending bills.

The Council promotes local manufacturers in line with the government policy of Buy Kenya build Kenya. This has greatly empowered local manufacturers through procurement of goods, works and services from local tendering and has continued to create economic sustainability.

The following approaches were used in the previous year under this initiative:

- a) **Creating Value for Special Groups:** The Public Procurement and Asset Disposal Act, 2015 provides for public procuring entities to set aside a reservation of procurement opportunities for Youth, Women and Persons with Disabilities. In the year, the Council also awarded these special groups procurement contracts equivalent to Kshs. 63,684,679 out of the annual target of Kshs 68,438,972
- b) **Buy Kenya Build Kenya:** The Council procured local goods and services worth Kshs. 139,889,096 against a target of Kshs. 91,251,962

Our Procurement is anchored on the legal framework and best practices to safeguard our clients' rights and interest; where the acquisition of goods, works and services embraces Total Cost of Ownership (TCO) approach. Our assets and other procurements are compliant to safety, health and environmental requirements for sustainable growth. These initiatives build a sustainable supply chain function for the future.

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ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONTINUED)

The Council maximizes return on money spent through Procurement Planning of goods, works and services. The Council prepares Procurement plans on an annual basis, which guide all procurements as per approved budgets. The Procurement plan is approved by the Board of Directors and executed by management to support Council strategic objectives. The plans are implemented in accordance with the Public Procurement and Asset Disposal Act, 2015, ensuring all requirements are met.

iv) Corporate Social Responsibility / Community Engagement

In combating the spread of COVID-19 pandemic the Council in partnership with other stakeholders supported 141 learning institutions for persons with disabilities with 35,710 face masks, 141 thermo-guns, sanitizers and soap.

In the coming years, the Council will continue investing in the community in which it serves with a view to improve the livelihoods of the community, conserve the environment and make an impact within the community.

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES
Annual Report & Financial Statements
For the year ended June 30, 2021

XI. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2021 which show the state of the Council affairs.

Principle activities

The principal activities of the Council are:

1. To issue adjustment orders under Section 24 of The Persons with Disabilities Act, 2003.
2. To formulate and develop policies designed to achieve equal opportunities for persons with disabilities, to rehabilitate PWDs, protect and promote their rights.
3. To cooperate with the government during national census to ensure that accurate figures of PWDs are established in the country for purposes of planning.
4. To recommend measures to prevent discrimination against persons with disabilities.
5. To register PWDs, institutions, associations and organizations where services are provided for them.
6. To provide assistive devices and other equipment to PWDs
7. To carry out measures for public information on the rights of persons with disabilities and the provisions of the PWDs Act.

Results

The results of the Council for the year ended June 30, 2021 are set out on page 1 to 5

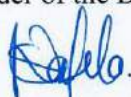
Directors

The members of the Board of Directors who served during the year are shown on page vi to x in accordance with PWD Act 2003.

Auditors

The Auditor General is responsible for the statutory audit of the Council in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



Ms Susan Nafula Wekesa
Ag. Corporation Secretary
Nairobi

Date: 20/5/2022

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES
Annual Report & Financial Statements
For the year ended June 30, 2021

XII. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 9-10 of Persons with Disabilities Act, 2003 require the Directors to prepare annual report and financial statements in respect to Council, which give a true and fair view of the state of affairs of the Council at the end of the financial year/period and the operating results of the Council for that year/period. The Directors are also required to ensure that the Council keeps proper accounting records which disclose with reasonable accuracy the financial position of the Council. The Directors are also responsible for safeguarding the assets of the Council.

The Directors are responsible for the preparation and presentation of the Council financial statements, which give a true and fair view of the state of affairs of the Council for and as at the end of the financial year ended on June 30, 2021. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Council; (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 Council; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Council financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public-Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Persons with Disabilities Act, 2003. The Directors are of the opinion that the Council financial statements give a true and fair view of the state of Council transactions during the financial year ended June 30, 2021 and of the Council financial position as at that date.

The Directors further confirm the completeness of the accounting records maintained for the Council, which have been relied upon in the preparation of the Council 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 Council 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 Council financial statements were approved by the Board on 29th September 2021 and signed on its behalf by:



Dr. Habiba Mohamed
For Chairman of the Board



Mr. Harun Maalim Hassan
Executive Director

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES (NCPWD) FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Council for Persons with Disabilities (NCPWD) set out on pages 1 to 28, which comprise the statement of financial position as at 30 June, 2021, statement of financial performance, statement of

Report of the Auditor-General on National Council for Persons with Disabilities (NCPWD) for the year ended 30 June, 2021

changes in assets and the 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Council for Persons with Disabilities (NCPWD) as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and Persons with Disabilities Act, 2003.

Basis for Qualified Opinion

1. Transfer from Other Government Entities

The statement of financial performance and as disclosed in Note 6 to the financial statements reflects an amount of Kshs.1,040,000,000 being transfers from other government entities. Examination of the bank statement for Council reveals that part of the receipt totalling to Kshs.331,401,000 were drawn from M-PESA bulk Covid-19 cash transfer for Persons with Disabilities during the year under review. This amount includes Kshs.199,998,000 for 33,333 poor and vulnerable persons with disabilities not benefiting from any government cash transfer for a one-off cash transfer payment and Kshs.131,408,000 for 3,072 beneficiaries in the National Inua Jamii Programme who were eligible for missed payments (arrears).

However, audit review of the M-PESA disbursement payroll revealed the following anomalies:

(i) Beneficiaries in More than One Cash Transfer Programme

An analysis of the Safaricom M-PESA payrolls against the State Department for Social Protection Inua Jamii Regular Cash Transfer payrolls revealed that an amount of Kshs.4,350,000 was paid to 726 beneficiaries under the one-off cash transfer payment who were also enrolled and receiving payment under the Inua Jamii Regular Cash Transfer Programmes (Inua Jamii Persons with severe Disabilities Cash Transfer and Inua Jamii Orphans & Vulnerable Children Cash Transfer). This is contrary to the Covid-19 Fund implementation manual which states that one of the criteria for registration of beneficiaries is that one must be a person with disability not benefiting from any government cash transfer fund.

(ii) Double Payment of Beneficiaries

Review of records provided revealed that 323 beneficiaries under the one-off cash transfer and the National Inua Jamii arrears programme received double payments with

some receiving triple payments amounting to Kshs.2,170,000. It was not clear how beneficiaries were paid more than once in the same programme.

(iii) Beneficiaries Sharing the Same Identification Number (ID)

An amount of Kshs.288,000 was transferred to 48 beneficiaries that were sharing the same ID numbers. It was not clear how beneficiaries were paid yet they shared the same identification number.

In the circumstances, the accuracy and propriety of payments amounting to Kshs.6,808,000 could not be confirmed for the year ended 30 June, 2021.

2. Long Outstanding Current Portion of Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 17 to the financial statements reflects current portion of receivables from exchange transaction balance of Kshs.26,831,419. Included in this amount is Kshs.16,533,490 part of the amount advanced to various persons with disability to raise capital through Local Purchase Order (LPO) and Local Service Order (LSO) financing. The procuring entities were required to channel funds through the Council to prevent debtors from defaulting. On the contrary, the procuring entities paid the debtors directly resulting to a defaulted amount of Kshs.16,533,490. During the year under review, the Council managed to recover only Kshs.853,000 resulting to unrecovered amount totalling Kshs.15,680,490.

In the circumstances, the recoverability of current portion of receivables from exchange transactions could not be confirmed.

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

Key Audit Matters

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

Other Matter

1.0 Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects budgeted expenditure totalling to Kshs.1,787,454,751 against actual expenditure of Kshs.1,295,013,001 resulting to an under expenditure of Kshs.492,441,750 or 28% of the budget. The underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2.0 Unresolved Prior Year Matters

In the audit report of the previous year, a number of paragraphs were raised under the Report on Financial Statements. However, Management has not resolved the issues nor disclosed all the prior year matter as provided by the Public Sector Accounting Standards Board templates.

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. Supplementary Appropriation

Article 223(1) of the Constitution of Kenya provides that the National Government may spend money that has not been appropriated if (a) the amount appropriated for any purpose under the Appropriation Act is insufficient or a need has arisen for expenditure for a purpose for which no amount has been appropriated. Clause (2) further provides that the approval of Parliament for any spending under this Article shall be sought within two months after the first withdrawal of the money.

Analysis of the bank statement cash transactions which relate to the financial year 2020/2021 but received after 30 June, 2021 as shown in the table;

| Details | Amount (Kshs.) |
|--|--------------------|
| Balance c/f | 159,722,733 |
| Credit to the account 5 July, 2021 | 297,500,000 |
| Credit to the account 6 July, 2021 | 282,000,000 |
| Total | 739,222,733 |
| Debit to the account- 7 July, 2021- cash transfer to disabled | (276,000,000) |
| Balance | 462,859,875 |
| Amount that required Treasury Approval | 240,000,000 |
| Other amounts which did not require Treasury approval-according to management. | 222,859,875 |

From the analysis above, the following inconsistencies were noted:

- i. Out of Kshs.739,222,733, Kshs.240,000,000 required Treasury approval which was done. However, no evidence was produced to confirm that parliament approved the same within two months as provided under Article 223 of the Constitution of Kenya.
- ii. According to the Management, Kshs.222,859,8755 as analysed above did not require any approval since they are normal functions budgeted for and carried out by the Council. However, the approved itemised budget was not provided to support this assertion.

Consequently, the Management was in breach of the law.

2. Status of Severely Disabled Persons

The statement of financial performance and as disclosed in Note 15 to the financial statements reveals that grants and subsidies amounting to Kshs.1,031,881,295 which includes Kshs.845,125,000 relating to cash transfer to persons with severe disabilities. Audit review carried in some selected locations in fifteen (15) Counties during the month of February, 2022 reveals the following anomalies:

- i. The State Department for Social Protection faced challenges in targeting of persons with severe disability resulting in inaccurate data.
- ii. The primary beneficiaries were already dead but their names were still in the payroll;
- iii. The Chiefs were unable to identify some of the beneficiaries;
- iv. In some cases persons in the payroll had not received any stipend;
- v. Several severely disabled persons were not included in the program for unclear reasons;
- vi. Although some severely disabled persons were identified and benefitted from the program in earlier years, it appears they were later removed from the program for failure to open bank accounts and are now in the legacy list.

In the circumstances, the Council may have lost undetermined amount of money because of lack of regular update of the payroll resulting into payment of stipend to undeserving cases and neglect of more deserving cases. Therefore, value for money was not received by the stakeholders.

3. Arrears to Persons with Severe Disability

The statement of financial performance and Note 6 to the financial statements indicate that the Council received a total of Kshs.1,409,000,000 being cash transfer from other government entities which includes an amount Kshs.1,040,000,000 relating to cash transfer to persons with severe disabilities.

However, records provided for audit by the State Department for Social Protection indicate that 34,536 out of 47,000 potential beneficiaries were included in the payroll of persons with severe disabilities during the year under review. A total of Kshs.828,864,000

was paid leaving a balance of Kshs.211,136,000 unpaid to the remaining 12,464 beneficiaries.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Reinstatement of Persons with Severe Disabilities Cash Transfer

The audit revealed that during migration from the card-based system to the account-based system, beneficiaries totalling to 8,286 whose accounts were not successfully opened were removed from the Inua Jamii People with Severe Disabilities Cash Transfer payroll. Out of the 8,286, only 3,027 beneficiaries were traced and payments of arrears totalling to Kshs.131,408,000 were made through the MPESA National Inua Jamii Arrears Programme.

Further, it was noted that out of the 3027 beneficiaries, only 270 beneficiaries had been successfully reinstated into the Inua Jamii People with Severe Disabilities Cash Transfer Programme. It was not clear why the remaining 2757 (3027-270) were not reinstated into the program casting doubts on the controls and validity of the data in the system.

2. Persons with Albinism Support Program

The statement of financial performance and Note 15 to the financial statements reflects Kshs.1,031,881,295 relating to grants and subsidies- programmes which includes Kshs.45,419,003 in respect of Persons with Albinism Support Program. However, examination of payment vouchers, distribution list for sunscreen lotion, hospitals bin cards in a sample of thirteen (13) out of forty-seven (47) Counties (or 27.65%) during the month of February, 2022 reveals anomalies as follows:

(i) Lack of an Approved Persons with Albinism Support Program Implementation Manual

Audit of Albinism Support Program reveals that the Management had not put in place an approved operation manual that provides the framework upon which the program is run, criteria for registration of beneficiaries, procedures for issuing of sunscreen lotions, implementation, monitoring & evaluation of the program and maintenance of proper records.

(ii) Weak Monitoring and Evaluation Controls

The audit revealed that bin cards issued to hospitals across the country by the NCPWD were not serialized. It was therefore not possible to monitor and trace the issuance of sunscreen lotions to People with Albinism. In addition, Management had not instituted adequate controls in the hospitals where cards were not being utilized. These hospitals are: Laisamis; Isiolo; Kanyakine; Marimanti; PGH, Nyeri; Karatina, Embu PGH Pharmacy; Coast PGH; Port Reitz; Moi Voi; Mwatate Sub-County; Wundanyi Sub-County; Ahero; Atela Dispensary; Bondo County Referral Hospital; Homa Bay County Teaching and Referral Hospital; Huruma Sub-County Hospital; Kendu Sub-County Hospital; Kisumu District Hospital; Kombewa Sub-County Hospital; Molo Sub-County Hospital; Nakuru PGH, New Nyanza PGH; Nyakach Sub-County Hospital; Othoro Health Centre; Rachuonyo District Hospital; Sindo Sub-County; Kapenguria County Hospital and Maralal County Hospital.

(iii) Over Supply of Sunscreen Lotions to Selected Hospitals

Although sunscreen lotions were received in County Hospitals, there were no proper registers of people living with albinism which could regulate the number of sunscreen lotions issued to particular County Hospitals, therefore resulting in overstocking in hospitals indicated as having weak monitoring controls.

(iv) Loss of 108 Sunscreen Lotions

The audit further revealed that Mwatate and Isiolo Sub Counties were issued with 74 and 34 sunscreen lotions respectively. However, they did not properly maintain receipts and issuance of sunscreen lotions in a stock cards. As a result, 108 lotions valued at Kshs.230,580 purportedly received from KEMSA during the period under review were missing and could not be provided for audit verification.

(v) Expired Stock of Sunscreen Lotion

Audit verification undertaken in 33 hospitals inspected out 198 sampled reveals that 395 bottles of sunscreen lotions valued at Kshs.843,325 had expired.

Although Management explained that there is low intake attributed to low sensitization of the program to people with albinism resulting in oversupply of Sunscreen lotions, it was not explained why purchases were not commensurate with the actual number of users.

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 Management and Board of Directors

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

In preparing the financial statements, Management is responsible for assessing the Council'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 Council or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Council's 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 Council's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My

conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Council to cease to sustain its services.

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

21 July, 2022

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES
Annual Report & Financial Statements
For the year ended June 30, 2021


XIV. STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE, 2021


| | Note | 2020-2021 | 2019-2020 |
|---|------|----------------------|----------------------|
| | | Kshs | Kshs |
| Revenue from non-exchange transactions | | | |
| Transfers from other Government entities | 6 | 1,409,000,000 | 1,718,775,525 |
| Public contributions and donations | 7 | 2,206,040 | 115,400 |
| | | 1,411,206,040 | 1,718,890,925 |
| Revenue from exchange transactions | | | |
| Other income | 8 | 1,238,616 | 1,279,392 |
| | | 1,238,616 | 1,279,392 |
| Total revenue | | 1,412,444,656 | 1,720,170,317 |
| Expenses | | | |
| Use of goods and services | 9 | 47,773,484 | 63,473,791 |
| Employee costs | 10 | 168,758,238 | 161,771,755 |
| Remuneration of Directors | 11 | 25,562,224 | 26,374,355 |
| Depreciation and amortization expense | 12 | 14,032,701 | 12,576,028 |
| Repairs and maintenance | 13 | 5,806,156 | 7,359,210 |
| Contracted services | 14 | 1,198,904 | 1,221,548 |
| Grants and subsidies paid - Programmes | 15 | 1,031,881,295 | 1,647,996,532 |
| Total expenses | | 1,295,013,001 | 1,920,773,220 |
| Surplus/Deficit for the year | | 117,431,655 | (200,602,903) |

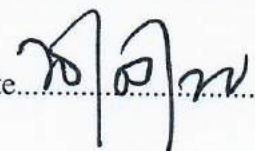
The notes set out on pages 6 to 27 form an integral part of the Financial Statements

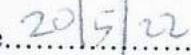
The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

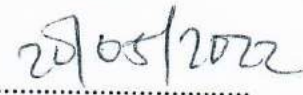

 Executive Director
 Mr. Harun Maalim Hassan


 Head of Finance & Accounts
 Catherine Amunga Wameyo
 ICPAK No. 8964


 For Chairman of the Board
 Dr. Habiba Mohamed

Date: .....

Date: .....

Date: .....

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES
Annual Report & Financial Statements
For the year ended June 30, 2021


XV. STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

| | Note | 2020-2021 | 2019-2020 |
|---|------|--------------------|--------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 16 | 159,667,505 | 676,026,638 |
| Current portion of receivables from exchange transactions | 17 | 26,831,419 | 33,096,866 |
| Receivables from non-exchange transactions | 18 | 579,500,000 | - |
| Staff Loans and Advances | 19 | 315,000 | 1,811,915 |
| Total Current Assets | | 766,313,924 | 710,935,419 |
| Non-Current Assets | | | |
| Property, plant and equipment | 20 | 92,754,180 | 90,876,199 |
| Total Non-Current Assets | | 92,754,180 | 90,876,199 |
| Total Assets | | 859,068,104 | 801,811,618 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables | 21 | 276,288,000 | 333,200,668 |
| Current Provision | 22 | 3,480,000 | 2,280,000 |
| Total Current Liabilities | | 279,768,000 | 335,480,668 |
| Total Liabilities | | 279,768,000 | 335,480,668 |
| Net Assets | | | |
| Reserves | | 174,378,592 | 178,841,093 |
| Accumulated surplus | | 404,921,512 | 287,489,857 |
| Total Net Assets | | 579,300,104 | 466,330,950 |
| Total Net Assets and Liabilities | | 859,068,104 | 801,811,618 |


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


 Executive Director
 Mr. Harun Maalim Hassan

Date: 20/05/2022


 Head of Finance & Accounts
 Catherine Amunga Wameyo
 ICPAK No. 8964

Date: 20/5/22


 For Chairman of the Board
 Dr. Habiba Mohamed

Date: 20/05/2022

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES
Annual Report & Financial Statements
For the year ended June 30, 2021

XVI. STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2021

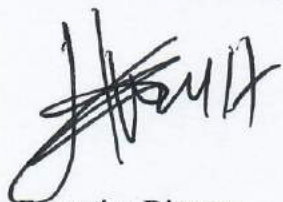
| | Reserves | | | |
|--|---------------------|---------------------|----------------------------------|--------------------|
| | Revaluation reserve | Accumulated surplus | Capital/ Development Grants/Fund | Total |
| | Kshs | Kshs | Kshs | Kshs |
| As at July 1, 2019 | 13,606,070 | 488,092,761 | 149,729,362 | 651,428,192 |
| Surplus/Deficit for the year | - | (200,602,903) | - | (200,602,903) |
| Transfer to/from accumulated surplus | - | - | - | - |
| Revaluation gain | 17,850,000 | - | - | 17,850,000 |
| Transfer of excess depreciation on revaluation | (2,344,338) | - | - | (2,344,338) |
| As at June 30, 2020 | 29,111,731 | 287,489,857 | 149,729,362 | 466,330,950 |
| As at July 1, 2020 | 29,111,731 | 287,489,857 | 149,729,362 | 466,330,950 |
| Surplus for the year | - | 117,431,655 | - | 117,431,655 |
| Transfer to/from accumulated surplus | - | - | - | - |
| Transfer of excess depreciation on revaluation | (4,462,500) | - | - | (4,462,500) |
| As at June 30, 2021 | 24,649,231 | 404,921,512 | 149,729,362 | 579,300,104 |

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XVII. STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2021

| | Note | 2020-2021 | 2019-2020 |
|--|------|----------------------|----------------------|
| Cash flows from operating activities | | Kshs | Kshs |
| Receipts | | | |
| Transfers from other government entities | 6 | 829,500,000 | 1,718,775,525 |
| Public contributions and donations | 7 | 2,206,040 | 115,400 |
| Other income | 8 | 1,238,616 | 1,279,392 |
| Receivables from exchange transactions | | 6,265,447 | 9,080,721 |
| Loans & Advances settled | | 1,916,915 | 877,235 |
| Total Receipts | | 841,127,018 | 1,730,128,273 |
| Payments | | | |
| Use of goods and services | 9 | 46,573,484 | 62,333,791 |
| Employee costs | 10 | 168,758,238 | 161,771,755 |
| Remuneration of Directors | 11 | 25,562,224 | 26,374,355 |
| Repairs and maintenance | 13 | 5,806,156 | 7,359,210 |
| Contracted services | 14 | 1,198,904 | 1,221,548 |
| Grants and subsidies paid - Programmes | 15 | 1,088,793,963 | 1,328,302,842 |
| Loans and advances paid | | 420,000 | 2,220,915 |
| Total Payments | | 1,337,112,968 | 1,589,584,417 |
| Net cash flows from/(used in) operating activities | 23 | (495,985,950) | 140,543,856 |
| Cash flows from investing activities | | | |
| Purchase of property, plant, equipment and intangible assets | 20 | (20,373,183) | (22,060,378) |
| Net cash flows used in investing activities | | (20,373,183) | (22,060,378) |
| Net increase/(decrease) in cash and cash equivalents | | | |
| Cash and cash equivalents as at 1 July | 16 | 676,026,638 | 557,543,161 |
| Cash and cash equivalents as at 30 June | | 159,667,505 | 676,026,638 |

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



Executive Director
Mr. Harun Maalim Hassan

Date: 20/05/22



Head of Finance & Accounts
Catherine Amunga Wameyo
ICPAK No. 8964

Date: 20/05/22



For Chairman of the Board
Dr. Habiba Mohamed

Date: 20/05/2022

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

| | Original budget | | Adjustments | | Final budget | | Actual on comparable basis | | Performance difference | | % Note |
|--|----------------------|------|----------------------|------|----------------------|------|----------------------------|------|------------------------|--------------|--------|
| | 2020-2021 | Kshs | 2020-2021 | Kshs | 2020-2021 | Kshs | 2020-2021 | Kshs | 2020-2021 | Kshs | |
| Revenue | | | | | | | | | | | |
| Brought forward | 375,454,751 | | - | | 375,454,751 | | 375,454,751 | | - | | |
| Public contributions and donations | 2,000,000 | | - | | 2,000,000 | | 2,206,040 | | 206,040 | 10% | |
| Government grants and subsidies | 1,659,000,000 | | 250,000,000 | | 1,409,000,000 | | 1,409,000,000 | | - | 0.0% | |
| Other incomes | 1,000,000 | | - | | 1,000,000 | | 1,238,616 | | 238,616 | 24% | 24a |
| Total income | 2,037,454,751 | | 250,000,000.0 | | 1,787,454,751 | | 1,787,899,407 | | 444,656 | 0.02% | |
| Expenses | | | | | | | | | | | |
| Use of goods and services | 48,000,000 | | - | | 48,000,000 | | 47,773,484 | | 226,516 | 0.5% | |
| Employee costs | 169,000,000 | | - | | 169,000,000 | | 168,758,238 | | 241,762 | 0.1% | |
| Remuneration of Directors | 25,000,000 | | - | | 25,000,000 | | 25,562,224 | | (562,224) | -2.2% | |
| Depreciation and amortization expense | 15,000,000 | | - | | 15,000,000 | | 14,032,701 | | 967,299 | 6.4% | |
| Repairs and maintenance | 5,800,000 | | - | | 5,800,000 | | 5,806,156 | | (6,156) | -0.1% | |
| Contracted services | 1,200,000 | | - | | 1,200,000 | | 1,198,904 | | 1,096 | 0.1% | |
| Grants and subsidies paid - Programmes | 1,773,454,751 | | 250,000,000 | | 1,523,454,751 | | 1,031,881,295 | | 491,573,456 | 32% | 24b |
| Total expenditure | 2,037,454,751 | | 250,000,000 | | 1,787,454,751 | | 1,295,013,001 | | 492,441,750 | 28% | |
| Surplus for the year | | | | | | | 492,886,406 | | | | 24c |

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XIX. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The National Council for Persons with Disabilities is established by and derives its authority and accountability from Persons with Disabilities Act, 2003. The Council is wholly owned by Government of Kenya and is domiciled in Kenya. The Council's principle activity is to promote and protect equalization of opportunities and realization of human rights for Persons with Disabilities to live decent livelihoods.

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 Council accounting policies.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. ADOPTION OF NEW AND REVISED STANDARDS

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

| Standard | Impact |
|---|---|
| <p>Other Improvements to IPSAS</p> | <p>Applicable: 1st January 2021</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks. The Standard is not applicable to the Council.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved. The standard is not applicable to the council.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard. The standard is not applicable to the council as it already adopted IPSAS in FY2013.14</p> |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

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

| Standard | Effective date and impact: |
|---|---|
| IPSAS 41: Financial Instruments | <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.</p> <p>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 standard is not applicable to the Council</p> |
| IPSAS 42: Social Benefits | <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> <p>(a) The nature of such social benefits provided by the entity;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</p> <p>The Council will adopt the standard because of the cash transfer to persons with severe disabilities social protection programme. The programme aims to improve livelihoods of 47,000 households of persons with severe disabilities by disbursing bi-monthly stipend of Kshs. 4,000 per beneficiary.</p> |

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

| | |
|---|---|
| <p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p> | <p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> e) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. f) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. g) 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>The standard is not applicable to the Council</p> |
|---|---|

iii) Early adoption of standards

The Council did not early-adopt any new or amended standards in year 2020/2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The Council 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 Council 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.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Council.

Interest income

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Budget information

The original budget for FY 2020-2021 was approved by the National Treasury on 28 July 2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

The Council 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 note 24 (c) of these financial statements.

c) Property, plant and equipment

All property, plant and equipment are stated at cost or at revaluation amount whichever is applicable 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 Council 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.

Depreciation of assets is charged on a straight-line basis over the useful life of an asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value as follows;

| | |
|--|-------|
| Buildings | 2.5% |
| Motor vehicles | 25% |
| Office equipment, Furniture & Fittings | 12.5% |
| Computers | 33% |

The Council derecognizes items of property, plant and equipment and /or any significant part of an asset upon disposal or when future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on de-recognition of the assets (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Provisions

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

Where the Council 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.

e) Contingent liabilities

The Council 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.

f) Contingent assets

The Council 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 Council 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.

g) Nature and purpose of reserves

The Council creates and maintains capital replacement development reserve in terms of specific requirements.

- a) The capital replacement development reserve may only be utilized for purchasing items of property, plant and equipment and payment of grants to programs.
- b) Whenever an asset is purchased out of the capital replacement development reserve may, an amount equal to the cost price of the asset is transferred from the capital replacement development reserve and the accumulated surplus is credited by a corresponding amount.

h) Changes in accounting policies and estimates

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

i) Employee benefits

Retirement benefit plans

The Council provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which the Council 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Short term employee benefits

The cost of all short term employee benefit is recognized during the period in which the employee renders the related service.

j) Related parties.

The Council regards a related party as a person or entity with the ability to exert control individually or jointly, or to exercise significant influence over the and vice versa. Members of key management are regarded as related parties and comprise Executive director and Heads of departments.

k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at the Kenya Commercial Bank 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.

l) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Board provides money or services directly to a debtor with no intention of trading the receivable. Receivables mainly arise from non-exchange transactions which accrue in the ordinary course of business and there is no intention of trading the receivable.

Receivables are recognized initially at the fair value. They are subsequently measured at amortized costs using the effective interest method less provision for impairment.

A provision for impairment of receivables is made when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of receivables.

The carrying value less discounts and any impairment provision of impairment is assumed to approximate their fair values. For financial instruments such as short-term receivables, no disclosure of fair value is required when the carrying amount is a reasonable approximation of fair value.

Receivables are classified as current assets if payment is due within one year or less (or in the normal operating cycle of business, if longer). If not, they are presented as non-current assets.

m) Payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. The historical cost carrying amount of payables subject to the normal credit terms usually approximates fair value.

Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of business if longer). If not, they are presented as non-current liabilities.

n) Comparative figures

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o) Subsequent events

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

p) Segment reporting

The Council does not have any branches/reporting segments. All operations of the Council are managed from the registered office. The core business of the Council continues to be, formulating and implementing policies that are geared towards mainstreaming disability issues in the national economy together with other mandates as stipulated in the PWD Act 2003.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Council'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.

Critical judgements in applying the accounting policies

In the process of applying the Council's accounting policies, judgements have been made in determining-

- Whether assets are impaired
- Classification of financial assets
- The going concern

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 Council based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Council. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Critical estimates are made by management in determining depreciation rates of property, plant and equipment.

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6 a) Transfers from other Government Entities

| Description | 2020-2021 | 2019-2020 |
|---|----------------------|----------------------|
| | Kshs | Kshs |
| Unconditional grants from Ministry of Labour and Social Protection | | |
| Operational grant | 169,000,000 | 169,775,525 |
| Cash transfer to Persons with Severe Disabilities | 1,040,000,000 | 1,190,000,000 |
| Persons with Albinism support program | 100,000,000 | 100,000,000 |
| Development Fund | 100,000,000 | 259,000,000 |
| Total government grants and subsidies | 1,409,000,000 | 1,718,775,525 |

6 b) Transfers from Ministries, Departments and Agencies

| Name of the Entity sending the grant | Amount recognized to Statement of Comprehensive Income | Amount deferred under deferred income | Amount recognised in capital fund | Total grant income during the year | 2019-2020 |
|--|--|---------------------------------------|-----------------------------------|------------------------------------|----------------------|
| | Kshs | Kshs | Kshs | Kshs | Kshs |
| State Department for Social Protection | 1,409,000,000 | - | - | 1,409,000,000 | 1,718,775,525 |
| Total | 1,409,000,000 | - | - | 1,409,000,000 | 1,718,775,525 |

7. Public Contributions and Donations

| Description | 2020-2021 | 2019-2020 |
|---|------------------|----------------|
| | Kshs | Kshs |
| Donation from Nyeri Water & Sewerage Co. | - | 10,000 |
| Donation from Gathuhi Tea Factory Co. Ltd | - | 8,000 |
| Donation from Sigalagala National Polytechnic | - | 5,000 |
| Donation from Bukura Agricultural College | - | 42,400 |
| Donation from Taifa Sacco | - | 15,000 |
| Donation from Mega Importers Co. Ltd | - | 20,000 |
| Donation from Bushiangala Tech Training Institute | - | 5,000 |
| Donation from Raka Milk Processors Ltd | - | 10,000 |
| Donation from Equity Bank Ltd | 6,040 | - |
| Donation from National Social Security Fund | 2,200,000 | - |
| Total transfers and sponsorships | 2,206,040 | 115,400 |

Donations of Kshs. 6,040 was towards support of International Disability Day celebrations, and Kshs. 2.2 million is for infrastructure development for Garissa Special School from strategic partnership with NSSF.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Other incomes

| Description | 2020-2021 | 2019-2020 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Training charges on disability mainstreaming | 892,500 | 1,106,726 |
| Braille Services | 322,500 | 96,000 |
| LPO Financing Service Charge 1% | 14,376 | 59,666 |
| Disposal of idle assets | 9,240 | 17,000 |
| Total other income | 1,238,616 | 1,279,392 |

9. Use of Goods and Services

| Description | 2020-2021 | 2019-2020 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Electricity | 712,700 | 1,070,281 |
| Water | 437,753 | |
| Communication, Supplies & Services | 13,577,074 | 11,846,626 |
| Domestic Travel | 6,814,234 | 7,454,426 |
| Foreign Travel | - | 1,511,977 |
| Printing, Advertising & Information, Supplies & Services | 1,651,890 | 7,281,515 |
| Rents & Rates | 85,200 | 74,400 |
| Catering Services | 3,061,270 | 2,792,929 |
| Conferences & Seminars | 2,311,415 | 1,629,017 |
| National Day Celebrations | 5,073,663 | 16,093,070 |
| Insurance | 2,261,580 | 697,965 |
| Office and General, Supplies & Services | 7,773,519 | 9,874,754 |
| Fuel, Oil & Lubricants | 2,668,800 | 1,861,500 |
| Bank Service Commission & Charges | 144,386 | 165,332 |
| Audit Fees | 1,200,000 | 1,120,000 |
| Total Use of Goods and Services | 47,773,484 | 63,473,791 |

10. Employee Costs

| Description | 2020-2021 | 2019-2020 |
|---|--------------------|--------------------|
| | Kshs | Kshs |
| Salaries and wages | 72,029,163 | 70,103,861 |
| Employer contribution to health insurance schemes | 21,826,245 | 21,675,100 |
| Employer contribution to pension schemes | 10,316,189 | 9,785,024 |
| Staff training | 3,794,922 | 3,765,406 |
| Transport and other allowances | 28,404,252 | 29,036,282 |
| Housing benefits and allowances | 28,695,000 | 27,157,683 |
| Social contributions | 250,800 | 248,400 |
| Gratuity | 3,441,668 | - |
| Total Employee costs | 168,758,238 | 161,771,755 |

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Board Expenses

| Description | 2020-2021 | 2019-2020 |
|---|-------------------|-------------------|
| | Kshs | Kshs |
| Chairman/Directors' Honoraria | 1,716,000 | 1,716,000 |
| Sitting allowances | 8,780,000 | 7,324,000 |
| Medical Insurance | 839,221 | 920,368 |
| Induction and Training | 1,042,778 | - |
| Travel and accommodation (Including Guides) | 11,944,899 | 12,910,525 |
| Others | 1,239,326 | 3,503,462 |
| Total board expenses | 25,562,224 | 26,374,355 |

12. Depreciation and Amortization Expense

| Description | 2020-2021 | 2019-2020 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Property, plant and equipment | 14,032,701 | 12,576,028 |
| Total depreciation and amortization | 14,032,701 | 12,576,028 |

13. Repairs and Maintenance

| Description | 2020-2021 | 2019-2020 |
|--------------------------------------|------------------|------------------|
| | Kshs | Kshs |
| Buildings & stations | 2,124,891 | 655,585 |
| Furniture & equipment | 503,780 | 179,121 |
| Vehicles | 2,740,237 | 5,621,724 |
| Computers and accessories | 437,248 | 902,780 |
| Total repairs and maintenance | 5,806,156 | 7,359,210 |

14. Contracted Services

| Description | 2020-2021 | 2019-2020 |
|----------------------------------|------------------|------------------|
| | Kshs | Kshs |
| Guards & security services | 1,198,904 | 1,221,548 |
| Total contracted services | 1,198,904 | 1,221,548 |

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15. Grants and Subsidies – Programmes

| Description | 2020-2021 | 2019-2020 |
|--|----------------------|----------------------|
| | Kshs | Kshs |
| Persons with Disabilities Self Help Groups (SHG) | 25,240,000 | 28,537,730 |
| Donations | 2,490,200 | 4,102,600 |
| Assistive Devices & Services | 30,933,763 | 51,668,063 |
| Infrastructure & Equipment support | 10,996,942 | 17,500,180 |
| Education support | 57,795,261 | 92,704,557 |
| National Disability Persons Organizations (DPOs) | - | 7,800,000 |
| Capacity building of Persons with Disabilities SHG | 4,612,874 | 2,255,497 |
| Monitoring & Evaluation of the SHG | 1,240,250 | 1,696,013 |
| Registration of Persons with Disabilities | 8,028,002 | 14,246,112 |
| Tools of Trade | - | 10,411,716 |
| Cash transfer to Persons with Severe Disabilities | 845,125,000 | 1,331,226,661 |
| Persons with Albinism Support Program | 45,419,003 | 84,041,003 |
| Disability Mainstreaming | - | 1,806,401 |
| Total grants and subsidies | 1,031,881,295 | 1,647,996,532 |

16. Cash and Cash Equivalents

| Description | 2020-2021 | 2019-2020 |
|--|--------------------|--------------------|
| | Kshs | Kshs |
| Current account | 159,667,505 | 676,026,638 |
| Total cash and cash equivalents | 159,667,505 | 676,026,638 |

16 (a) Detailed Analysis of the Cash and Cash Equivalents

| Financial Institution | Account Number | Currency | 2020-2021 | 2019-2020 |
|---------------------------|----------------|----------|--------------------|--------------------|
| | | | Kshs | Kshs |
| a) Current account | | | | |
| Kenya Commercial Bank | 1107116791 | KES | 159,609,291 | 615,748,330 |
| Kenya Commercial Bank | 1117769690 | KES | 3,214 | 60,278,309 |
| Kenya Commercial Bank | 1286899087 | KES | 55,000 | - |
| Grand Total | | | 159,667,505 | 676,026,638 |

17. Receivables from Exchange Transactions

| Current receivables | 2020-2021 | 2019-2020 |
|----------------------------------|-------------------|-------------------|
| | Kshs | Kshs |
| Other exchange debtors | 26,831,419 | 33,096,866 |
| Total current receivables | 26,831,419 | 33,096,866 |

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The aged analysis of receivables from exchange transactions is as follows:

| Description | Over 2 years | Total |
|--|--------------|-----------|
| | Kshs | Kshs |
| 17. (a) Receivables in arrears | | |
| Postal Corporation of Kenya | 9,444,929 | 9,444,929 |
| Denzin General Supplies | 89,900 | 89,900 |
| Geojes Limited | 76,000 | 76,000 |
| Rongo Canaan Hardware | 400,000 | 400,000 |
| Adopt Activate | 405,000 | 405,000 |
| Jushami Enterprises | 55,800 | 55,800 |
| Simaji Investment | 453,462 | 453,462 |
| Solucom Agencies | 330,000 | 330,000 |
| Infinite/Countrywide Business Linkages | 110,000 | 110,000 |
| Ong'ata Brookview Academy | 80,000 | 80,000 |
| Summit Human Resource | 7,000 | 7,000 |
| Risasa Enterprises | 500,000 | 500,000 |
| Misaman Enterprises Limited | 176,126 | 176,126 |
| Saints Solutions | 500,000 | 500,000 |
| Syntax Enterprises Limited | 492,000 | 492,000 |
| Domarks Enterprises-Kabati | 400,000 | 400,000 |
| Susma Suppliers Limited | 115,000 | 115,000 |
| Karakana Outlets Limited | 485,000 | 485,000 |
| Kyusi Enterprises | 201,600 | 201,600 |
| Laconic Icon Agencies | 500,000 | 500,000 |
| Walbon Enterprises | 341,200 | 341,200 |
| Equitorial Hawk Investments | 500,000 | 500,000 |
| Skyspace Systems Limited | 500,000 | 500,000 |
| Jakoki Investments | 492,578 | 492,578 |
| Julemy Company Ltd | 500,000 | 500,000 |
| Santian Company Ltd | 500,000 | 500,000 |
| Super Galaxy General Supplies | 350,000 | 350,000 |
| Nkedaa Investments | 500,000 | 500,000 |
| Mpofu Traders | 500,000 | 500,000 |
| Kombani Enterprises | 46,550 | 46,550 |
| Tahary Enterprise | 500,000 | 500,000 |
| JPA Enterprises Ltd | 500,000 | 500,000 |
| Comprinta Enterprises | 250,000 | 250,000 |
| Leonte General Supplies | 66,480 | 66,480 |
| Nagolie Top Agencies | 500,000 | 500,000 |
| GM Hosana Ltd | 500,000 | 500,000 |
| Kingpoint Enterprises | 500,000 | 500,000 |
| Olalang Tech Ltd | 39,500 | 39,500 |
| Kendaug General Supplies | 343,750 | 343,750 |
| Megacomps Applied Tech | 500,000 | 500,000 |

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| | | |
|------------------------------------|-------------------|-------------------|
| Linchem Enterprises | 72,000 | 72,000 |
| Third Party Logistics | 500,000 | 500,000 |
| Oasis Comfort Company | 500,000 | 500,000 |
| Pilanesburg Traders Co. | 138,664 | 138,664 |
| Blessed Wam Enterprises | 499,880 | 499,880 |
| Lossayan Suppliers | 500,000 | 500,000 |
| Melsup Supplies | 448,000 | 448,000 |
| Sako Building Construction Co. Ltd | 500,000 | 500,000 |
| Jamphan construction Enterprises | 446,000 | 446,000 |
| Henry Vital Technologies | 475,000 | 475,000 |
| Total | 26,831,419 | 26,831,419 |

18. Receivables from Non-Exchange Transactions

| Description | 2020-2021 | 2019-2020 |
|---|--------------------|-----------|
| | Kshs | Kshs |
| Other debtors (non-exchange transactions) | 579,500,000 | - |
| Total current receivables | 579,500,000 | - |

The aged analysis of receivables from non-exchange transactions is as follows:

| Description | 0-3 months | 3-6 months | Total |
|---|--------------------|--------------------|--------------------|
| Particulars | Shs | Shs | Shs |
| Operational grant | 42,250,000 | 42,250,000 | 84,500,000 |
| Cash transfer to Persons with severe disabilities | 214,750,000 | 230,250,000 | 445,000,000 |
| Persons with Albinism program | 25,000,000 | 25,000,000 | 50,000,000 |
| Total | 282,000,000 | 297,500,000 | 579,500,000 |

19. Staff Loans and Advances

| Staff Name | 2020-2021 | 2019-2020 |
|-------------------------|----------------|------------------|
| | Kshs. | Kshs. |
| Mohammed Hussein Gabbow | - | 1,650,000 |
| Ann Blaise Achieng | - | 35,915 |
| Leonard Dawafula | - | 6,000 |
| Cynthia Monyenye | - | 80,000 |
| Beth Kimotho | 15,000 | 40,000 |
| Amos Makenzie | 300,000 | - |
| Total | 315,000 | 1,811,915 |

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20. Property, plant and equipment

| | Land | | Buildings | | M/Vehicles | | Office Equip. | | Computers | | Totals |
|-----------------------------|------------|------------|-----------|------------|------------|------|------------------|------|-------------|--|--------|
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | Furn. & Fittings | Kshs | Kshs | | |
| Cost | | | | | | | | | | | |
| At 1 July 2019 | 25,000,000 | 21,789,659 | | 46,835,097 | 39,906,312 | | 28,444,783 | | 161,975,851 | | |
| Additions | - | - | | 9,411,394 | 1,563,788 | | 11,085,196 | | 22,060,378 | | |
| Revaluation | - | - | | 17,850,000 | - | | - | | 17,850,000 | | |
| At 30 June 2020 | 25,000,000 | 21,789,659 | | 74,096,491 | 41,470,100 | | 39,529,979 | | 201,886,229 | | |
| Additions | - | - | | 13,836,568 | 1,923,134 | | 4,613,481 | | 20,373,183 | | |
| At 30 June 2021 | 25,000,000 | 21,789,659 | | 87,933,059 | 43,393,234 | | 44,143,460 | | 222,229,412 | | |
| Depreciation | | | | | | | | | | | |
| At 1 July 2019 | - | 5,720,302 | | 43,101,255 | 25,671,622 | | 21,596,485 | | 96,089,665 | | |
| Depreciation | - | 544,741 | | 3,816,825 | 3,664,481 | | 4,549,980 | | 12,576,028 | | |
| Depreciation on Revaluation | - | - | | 2,344,338 | - | | - | | 2,344,338 | | |
| At 30 June 2020 | - | 6,265,044 | | 49,262,418 | 29,336,103 | | 26,146,465 | | 111,010,031 | | |
| Depreciation | - | 544,742 | | 3,505,896 | 3,364,170 | | 6,617,893 | | 14,032,701 | | |
| Depreciation on Revaluation | - | - | | 4,462,500 | - | | - | | 4,462,500 | | |
| At 30 June 2021 | - | 6,809,786 | | 57,230,814 | 32,700,273 | | 32,764,358 | | 129,505,231 | | |
| Net book values | | | | | | | | | | | |
| At 30 June 2021 | 25,000,000 | 14,979,873 | | 30,702,245 | 10,692,961 | | 11,379,102 | | 92,754,180 | | |
| At 30 June 2020 | 25,000,000 | 15,224,615 | | 24,834,073 | 12,133,997 | | 13,383,514 | | 90,876,199 | | |

The Council is required to measure the residual value of all items of property plant and equipment. Management does not expect a residual value for these assets because they will be utilized for their entire economic lives and do not have a significant scrap value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 (b) Fully Depreciated assets

Fully depreciated motor vehicles at original cost and revaluation of Kshs. 45,532,662 are still in use.

Fully depreciated assets at original cost and revaluation are as follows:

| Description | 2020-2021 | 2019-2020 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Motor Vehicles | 45,532,662 | 44,409,912 |
| Computers and related equipment | 21,529,533 | 13,065,048 |
| Office Equipment, Furniture & Fittings | 16,036,385 | 13,731,938 |
| Total | 83,098,580 | 71,206,898 |

21. Trade and other Payables

| Description | 2020-2021 | 2019-2020 |
|---------------------------------------|--------------------|--------------------|
| | Kshs | Kshs |
| Trade payables | 276,288,000 | 333,200,668 |
| Total trade and other payables | 276,288,000 | 333,200,668 |

The aged analysis of trade payables from exchange transactions is as follows:

| Description | 0-3 months | Total |
|--|--------------------|--------------------|
| Particulars | Kshs | Kshs |
| 34,536 PWSDS Cash Transfer Beneficiaries | 276,288,000 | 276,288,000 |
| Total | 276,288,000 | 276,288,000 |

22. Current Provisions

| Description | 2020-2021 | 2019-2020 |
|--------------------------|------------------|------------------|
| | Kshs | Kshs |
| Provision for audit fees | 3,480,000 | 2,280,000 |
| Total Provision | 3,480,000 | 2,280,000 |

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23. Cash Generated from Operations

| Description | 2020-2021 | 2019-2020 |
|---|----------------------|----------------------|
| | Kshs | Kshs |
| Surplus/Deficit for the year | 117,431,655 | (200,602,903) |
| Adjusted for: | | |
| Depreciation | 14,032,701 | 12,576,028 |
| Working capital adjustments: | | |
| Decrease in Exchange receivables | 6,265,447 | 1,754,135 |
| (Increase)/Decrease in Non-Exchange receivables | (579,500,000) | 14,171 |
| (Increase)/Decrease in Staff loan and advances | 1,496,915 | (1,343,680) |
| Increase/(Decrease) in Trade payables | (56,912,668) | 327,026,106 |
| Increase in Other payables | 1,200,000 | 1,120,000 |
| Net cash flows from/(used in) operating activities | (495,985,950) | 140,543,855 |

24. Comparison of budget and actual amounts

a. Other incomes

The over achievement by 24% was due to an increase in number of MDAs trained on Disability mainstreaming.

b. Programmes

The variance of 32% is due to:

- Quarter 3 and 4 funds, Kshs. 579.5 million was received on 5th and 6th July 2021, after the financial year had closed, thus delay in payment of March – June 2021 payroll cycle for persons with severe disabilities programme as it was paid on 7th July 2021. Half year funds for Albinism program were also received after the Financial year had closed. The half year program activities were not implemented during the period and transferred to Financial Year 2021/2022.
- Reinstatement and replacement of 12,464 PWSDs beneficiaries will be carried out in July – September 2021

c. Actual on Comparable Surplus Reconciliation

The surplus as per the statement of the financial performance on page one does not tie to that on the statement of comparison of budget and actual amounts on page 5 due to differences in accounting basis (budget is cash basis while statement of financial performance is accrual). The following is reconciliation of the two amounts:

| Description | 2020-2021 |
|---|--------------------|
| | Kshs |
| Surplus as per Statement of Financial Performance | 117,431,655 |
| Add: Funds B/fwd | 375,454,751 |
| Surplus as per statement of comparison of budget and actual amounts | 492,886,406 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. Employee Benefit Obligations

The Council contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution Scheme registered under the National Social Security Act. The Council's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs 400 per employee per month (Employer contributes Kshs 200 and Employee Kshs 200). Other than NSSF the Council also has a defined contribution scheme operated by Zamara Pension Fund. Employees contribute 7.5% while the Employer contribute 15% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance under employee cost within the period they are incurred.

26. Financial Risk Management Disclosures

The Council activities expose it to a variety of financial risks including credit and liquidity risks The Council 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. The council does not hedge any risks in place.

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

a. Credit Risk

The Council is exposed to the risk that a counterparty will be unable to pay amounts in full when due. Council's credit risk arises from cash and cash equivalents, bank balances and receivables. The amounts of receivables presented in the statement of financial position are as estimated by the Council's management based on their experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements that best represents the Council's maximum exposure to credit risk as at 30 June 2021 is made up as follows:

| Description | Total amount Kshs | Fully performing Kshs | Past due Kshs | Impaired Kshs |
|--|----------------------|--------------------------|-------------------|------------------|
| At 30 June 2021 | | | | |
| Receivables from exchange transactions | 26,831,419 | - | 26,831,419 | |
| Receivables from non-exchange transactions | 579,500,000 | 579,500,000 | - | |
| Staff loan/advance | 315,000 | 315,000 | - | |
| Bank Balances | 159,667,505 | 159,667,505 | - | |
| Total | 766,313,924 | 739,482,505 | 26,831,419 | - |
| At 30 June 2020 | | | | |
| Receivables from exchange transactions | 33,096,866 | 4,507,544 | 28,589,322 | |
| Receivables from non-exchange transactions | - | - | - | |
| Staff loan/advance | 1,811,915 | 1,811,915 | - | |
| Bank balances | 676,026,638 | 676,026,638 | - | |
| Total | 710,935,419 | 682,346,097 | 28,589,322 | - |

b. Liquidity Risk

The Council fully depends on the exchequer for funding. In the event that there are delays in the release of funds by the exchequer, the Council may be exposed to liquidity risk as it will be unable to settle its

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commitments and meet its Performance Contract Obligations. The Council has embarked on seeking for other donor funds through development of partnerships as a liquidity risk management strategy.

The table below represents cash flows payable as at the reporting date at the carrying balances:

| Description | Less than 1 month | Between 1-3 months | Over 5 months | Total |
|---------------------------|--------------------|--------------------|------------------|--------------------|
| | Kshs | Kshs | Kshs | Kshs |
| As at 30 June 2021 | | | | |
| Trade Payables | 276,288,000 | - | - | 276,288,000 |
| Provisions | 1,200,000 | - | 2,280,000 | 3,480,000 |
| Total | 277,488,000 | - | 2,280,000 | 279,768,000 |
| As at 30 June 2020 | | | | |
| Trade Payables | 333,200,668 | - | - | 333,200,668 |
| Provisions | 1,120,000 | - | 1,160,000 | 2,280,000 |
| Total | 334,320,668 | - | 1,160,000 | 335,480,668 |

27. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the Council 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 Council, holding 100% of the Council equity interest.

Other related parties include:

- (i) The Parent Ministry;
- (ii) County Governments
- (iii) Other State Corporations and Semi-Autonomous Government Agencies

All Entities and parties related to the Council during the year under review are as per the table below:

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| Description | 2020-2021 | 2019-2020 |
|--|----------------------|----------------------|
| | Kshs | Kshs |
| Transactions with related parties | | |
| a) Sales to related parties | | |
| Disability mainstreaming audits & Braille services | 1,215,000 | 1,202,726 |
| Total | 1,215,000 | 1,202,726 |
| b) Purchases from related parties | | |
| Electricity from KPLC | 693,320 | 718,621 |
| Water from Nairobi City Water & Sewerage Co. Ltd | 55,927 | 54,809 |
| Advertisement -GAA | 1,213,817 | 929,623 |
| Rent expenses paid to National Cereals Produce Board | 85,200 | 74,400 |
| Conference fees paid to Government agencies | 995,269 | 2,417,242 |
| Purchase of Airtime & Internet -Safaricom | 8,061,593 | 7,998,460 |
| Courier services - Postal Corporation of Kenya | 5,177,190 | 2,827,215 |
| Training fees - Kenya School of Government | 478,535 | 777,319 |
| Fuel - National Oil Corporation of Kenya | 41,500 | - |
| Bank Charges - Kenya Commercial Bank | 144,386 | 165,331 |
| Audit fees - Office of Auditor General | 1,200,000 | 1,120,000 |
| Mobility Devices & Skin Cancer treatment - Kenyatta National Hospital & Machakos Technical Institute | 4,079,941 | 11,571,869 |
| Sunscreen lotions Warehousing & Distribution - KEMSA | 2,603,246 | 2,513,120 |
| Total | 24,829,924 | 31,168,009 |
| c) Grants/Transfers from Government | | |
| Grants from National Government | 1,409,000,000 | 1,718,775,525 |
| Donation from Government institutions | 2,200,000 | 62,400 |
| Total | 1,411,200,000 | 1,718,837,925 |
| d) Grants to Government institutions | | |
| Special Schools infrastructure & Equipment support | 10,996,942 | 17,500,180 |
| Total | 10,996,942 | 17,500,180 |
| e) Key management compensation | | |
| Directors emoluments | 21,980,539 | 20,679,872 |
| Compensation to key management | 30,310,444 | 29,015,043 |
| Total | 52,290,983 | 49,694,915 |

28. Commitments and contingencies

Capital commitments

There were no capital commitments in both 2021 and 2020

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Contingencies

Contingent liabilities

There were no contingent liabilities in both 2021 and 2020

Contingent assets

There were no contingent assets in both 2021 and 2020

29. Inventories

The Council closed the year with consumable stocks amounting to Kshs. 919,849 as at 30th June 2021 being stationery and toners which were all consumed in July 2021.

30. Ultimate and Holding Entity

National Council for Persons with Disabilities is a State Corporation under the Ministry of Labour and Social Protection. Its ultimate parent is the Government of Kenya.

31. Comparative figures

The comparative figures are the Prior year figures for the year ended 30 June 2020.

32. Currency

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

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XX. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|--|--|--|
| | Refund due from Postal Corporation of Kenya | Postal Corporation made a commitment through a letter dated 25 th January 2017 to refund the Kshs 28,722,000 owed in 10 equal instalments, two instalments of Kshs 5,744,400 were paid and Kshs 13,532,670 recovered from EMS services rendered, leaving an outstanding balance of Kshs. 9,444,929 as of 30 th June 2021. | Harun M Hassan - Executive Director | Not Resolved; Parent Ministry is following up with National Treasury to recover the funds from PCK exchequer | |

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

Mr. Harun Maalim Hassan
 Executive Director

Date..... 25/07/21

Dr. Habiba Mohamed
 For Chairman

Date..... 27/05/2022

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XXI. APPENDIX I: INTER-ENTITY TRANSFERS

| ENTITY NAME: NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES | | | |
|---|---------------------------|----------------------------|-----------------------|
| Break down of Transfers from the State Department of Social Protection | | | |
| FY 2020/21 | | | |
| a. | Recurrent Grants | | |
| | | Bank Statement Date | Amount (Kshs) |
| | | | Financial Year |
| | | 10/09/2020 | 364,750,000 |
| | | 16/03/2021 | 364,750,000 |
| | | 05/07/2021 | 297,500,000 |
| | | 06/07/2021 | 282,000,000 |
| | | Total | 1,309,000,000 |
| b. | Development Grants | | |
| | | Bank Statement Date | Amount (Kshs) |
| | | | Financial Year |
| | | 22/09/2020 | 100,000,000 |
| | | Total | 100,000,000 |

The above amounts have been communicated to and reconciled with the Head of Accounting Unit, Ministry of Labour and Social Protection through letter Ref. No. NCPWD/FIN/05 VOL XI (58) dated 22 July 2021.

XXII. APPENDIX 2: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

| Name of the MDA/Donor Transferring the funds | Date received | Nature: Recurrent/ Development/ Others | Total Amount - KES | Statement of Financial Performance | Where Recorded/recognized | | | | Total Transfers during the Year |
|--|-----------------------|--|----------------------|------------------------------------|---------------------------|-----------------|-------------|---------------------------|---------------------------------|
| | as per bank statement | | | | Capital Fund | Deferred Income | Receivables | Others - must be specific | |
| Ministry of Labour and Social Protection | 30/06/2021 | Recurrent | 1,309,000,000 | 1,309,000,000 | - | - | - | - | 1,309,000,000 |
| Ministry of Labour and Social Protection | 22/09/2020 | Development | 100,000,000 | 100,000,000 | - | - | - | - | 100,000,000 |
| Total | | | 1,409,000,000 | 1,409,000,000 | - | - | - | - | 1,409,000,000 |



Beneficiaries of economic empowerment displaying products.



Council's Legal Aid Clinic



Sensitizing and Registering Job Seekers to the Council's career portal



President posing for a photo with learners with disabilities



Inua jamii care giver



Council's ED, during a tree planting exercise



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