

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL COUNCIL FOR PERSONS WITH
DISABILITIES

FOR THE YEAR ENDED
30 JUNE 2017





NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017**

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



Classrooms funded by NCPWD at Rise and Shine Special School in Kakamega County



Commissioning of 8 classrooms at Timbila day and boarding Primary School in November 2016 by H.E. the Deputy President, William S. Ruto in Taita Taveta County. The classrooms were constructed through funding by the Council



Cash Transfer beneficiary (left), caregiver under CT-PWSD programme collecting payment (right).



Classrooms funded by NCPWD at Rise and Shine Special School in Kakamega County



Commissioning of 8 classrooms at Timbila day and boarding Primary School in November 2016 by H.E. the Deputy President, William S. Ruto in Taita Taveta County. The classrooms were constructed through funding by the Council.



Cash Transfer beneficiary (left), caregiver under CT-PWSD programme collecting payment (right).

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

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NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

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 East African Community (EAC), 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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7. To pay allowances to persons with severe disabilities and are therefore not trainable in any skills disabilities.
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 Chief Executive and Accounting Officer,
- Head of Departments and
- Disability Services County Officers

d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2017 and who had direct fiduciary responsibility were;

1. Executive Director – Hon. Mohammed H Gabbow
2. Chief Finance & Accounts Officer /Ag. Deputy Director – Catherine Wameyo
3. Chief Programmes Officer - James Ndwiga
4. Chief Disability Mainstreaming Officer – Emily Limisi
5. Chief Human Resources Officer – Ruth Ruraa
6. Chief Legal Officer – Vincent Akarah
7. Senior Public Relations Officer – Francis Anyenda
8. Senior Finance & Accounts Officer – Anne Kagwi
9. Senior Supply Chain Management Officer - Muktar Amin
10. Programme Officer – Rosabel Githinji
11. Internal Auditor- David Njoroge

e) Fiduciary Oversight Arrangements

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

1. Finance and Investment committee
2. Human Resources and Administration committee
3. Audit, Risk and governance committee
4. Technical and strategy committee
5. Board of Trustees

f) Registered Offices

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

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

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

g) Entity Contacts

Tel: +254-20-2375994, 254-20-2314621

E-mail: ncpws@africaonline.co.ke

director.ncpwd@africaonline.co.ke

Website: www.ncpwd.go.ke

h) Principal Bankers

Kenya Commercial Bank

Sarit Centre Branch

P.O. Box 14959

NAIROBI

Tel: +254-20-3747576

Fax: +254-20-3747576

i) Independent Auditors

Auditor General

Kenya National Audit Office

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

1.	 <p>David Ole Sankok</p>	<p>Date of birth: 1978 Key Qualifications; Bachelor of Science -Nursing (University of Nairobi) Work experience: He was the chairman of Students Organization of Nairobi University (SONU) from 2000 to 2001. He was a Board member of National Aids Control Council from 2000 to 2001. He is currently the proprietor and medical officer at Osim Medical & Surgical Centre and Loita Lab Med Services; He also worked at Kenyatta National Hospital. Non-Executive Chairman, Board of Directors</p>
2.	 <p>Caroline Jepchumba Kemboi</p>	<p>Date of birth:1979 Key qualifications: Bachelor's degree in Information sciences (Moi university) diploma in Information Technology (JKUAT University) Work experience She is currently working at Baringo county as ICT Manager; prior to that she had worked at the County Council of Baringo as a Computer Programmer I. She has over 11 years working experience Non-Executive Vice-Chair, Board of Directors Chairperson – Human Resource, Administration & Governance Committee</p>
3.	 <p>Richard Mativu Musau</p>	<p>Date of birth: 1984 Key Qualifications Master's degree in Business Administration (University of Nairobi); Bachelor's Arts degree in Economics and Sociology (University of Nairobi) Work Experience He has over 8 years' experience directly working with persons with disabilities in the development sector both nationally and internationally. Currently, he is the Technical Advisor – East Africa, for Deaf Child World Wide, an International Charity Organization based in UK and having programs in East Africa, Latin America and South-East Asia. Previously, he was the Project Coordinator with Undugu Society of Kenya (for 5 years) implementing a project in Nairobi and Kisumu targeting Deaf young persons and their parents. Chairman – Technical and Strategy Committee</p>
4.	 <p>Jane Muthoni Musyoka</p>	<p>Date of birth: 1964 Key Qualifications Master's degree in Business Administration; Bachelor's degree in Arts; Higher diploma in human resource; Higher diploma in psychological counselling. Member of Institute of Human Resource Management (IHRM) Work Experience She is currently a Deputy Director, Human Resource Management with the Ministry of Transport and Infrastructure. She has 25 years' experience in human resource in various ministries. Non-Executive Director</p>




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5.	 <p>Naomy Ruth Esiaba,</p>	<p>Date of birth: 1958 Key qualifications Bachelors of Arts degree from the University of Nairobi; Post graduate diploma in education from Kenya University; Certificate in community development leadership from Coady International Institute, Canada. Work experience: She is currently working with Vihiga County Public Service Board as a representative of persons with disabilities. 2004 to 2013 she worked with Disability and Women Development Strategies an NGO which seeks to improve status and quality of life of women and girls with disabilities in rural areas; she also worked as a consultant in Disability and with development Initiatives and services in Zimbabwe and Botswana. Non-Executive Director</p>
6.	 <p>Wycliffe Wesley Loktari Masop</p>	<p>Date of birth: 1972 Key qualifications Bachelors of education degree(Arts) Work experience Currently working as, a teacher. Served as a North Rift region PWD representative in the National Council of Churches of Kenya(NCCK), Served ten years as a member, five years as a treasurer and two years as a chairman of Disabilities awareness missions (DAM) A member of Disabilities Awareness and Information Network (DAIN) Chairman – Audit and Risk Committee</p>
7.	 <p>George N Macgoye</p>	<p>Date of birth: 1963 Key Qualifications Master of Arts currently ongoing – University of Nairobi Bachelor of Arts, University of Nairobi, fellow of the University of Birmingham. Certificate in Strategic Leadership Development Programme Work experience He is the Director of Administration, State Department of Public works. He has over 27 years' experience in senior positions in different departments. Non-Executive Director</p>
3.	 <p>Rose Achieng' Koweru</p>	<p>Date of birth: 1960 Key qualifications PHD in Special Needs Education (Bondo University College) Master's degree in Special & Inclusive Education (University of Manchester) Post Graduate Diploma in Special & Inclusive Education (University of Manchester) Diploma in Special Education (Kenya Institute of Special Education) Work Experience She is currently working at Bondo University College as an Assistant lecturer in the department of Special & Inclusive Education prior to that she worked at Bondo Teachers Training College as Senior Lecturer of Education with specialization in Education Curriculum, Foundation and Administration. She has over 27 years teaching experience. Non-Executive Director</p>




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9.	 <p>Josephine Muriuki</p>	<p>Date of birth: 1959</p> <p>Key qualifications Master's degree in Psychology Counselling (Daystar University) Bachelor's degree in Psychology & Political Science (University of Nairobi) Higher Diploma in Psychology (Kenya Methodist University) Various Management professional training in Social Development locally and abroad.</p> <p>Work experience She is a Director, State Department for Social Protection, Ministry of EAC, Labour and Social Protection. She has over 30 years' experience in social development both in the County and National Government.</p> <p>Non-Executive Director</p>
10.	 <p>Lydia Mugure Mbaria</p>	<p>Date of birth: 1970</p> <p>Key qualification: Diploma in Community Development (Institute of Community Development) Diploma in Psychological Counselling (Amani Counselling and Training Institute) Certificate in Counsellor supervision (Kenya Counselling Association)</p> <p>Work experience: She is currently working with Springs of Hope Counselling Consultancy as a volunteer counsellor; between 2010 - 2012, she worked with the Truth, Justice and Reconciliation Commission as Minority Officer; She has 15 years' experience as a Psychological counsellor</p> <p>Non-Executive Director</p>
11.	 <p>Michael Migayo Njenga</p>	<p>Date of birth: 1978</p> <p>Key Qualifications: Currently pursuing a Diploma in Business Management (Kenya Institute of Management) Certified Public Accountant I</p> <p>Work experience; He is currently the head of programs in USP Kenya (Users and Survivors of Psychiatry in Kenya); He has also worked with Carzone International as Head of finance</p> <p>Non-Executive Director</p>
12.	 <p>Peter Muchiri Mwangi</p>	<p>Date of birth: 1973</p> <p>Key qualifications Diploma in Business Management (Utalii College); Certificate in Leadership and Integrity (National Democratic Institute)</p> <p>Work Experience He is a proprietor of Marriotes Investments He is the National Chairman of League of Persons with Disabilities.</p> <p>Non-Executive Director</p>

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13.	 <p>Robert Abwoga Odwori</p>	<p>Date of birth: 1967 Key qualifications Diploma in Human Resource Management Trained as a Negotiator – CBA. Work Experience He is the general secretary of Kenya shipping, clearing and warehouses worker’s union. He has over 25 years’ experience of Industrial court representation in workers disputes and well versed in industrial law Chairman – Finance and Investment Committee</p>
14.	 <p>Sospeter Magara Kengara</p>	<p>Date of birth: 1954 Key qualifications East African Certificate of Education Examination Division II Book keeping and Accounts Work Experience He is the Vice-Chairman of Kenya Association of the Parents of the Deaf. He has over 25 years’ experience in various fields Non-Executive Director</p>
15.	 <p>Grace Njeri Thuku</p>	<p>Date of birth: 1962 Key qualifications; Bachelors of Law Degree LLB (Hons.) (University of Nairobi) Post graduate Diploma in Legal Practice and Procedure (Kenya School of Law) Work experience: She is the Chief State Counsel from Office of the Attorney General, Advocates Complaints Commission. She has over 25 years of experience as a state council with the government. Non-Executive Director</p>
16.	 <p>Anastacia Cecilia Magoma Odhiambo</p>	<p>Date of Birth: 1959 Key Qualifications Master of Public Administration, Kenya School of Government - Nairobi in collaboration with University of Nairobi (on going) Bachelor of Arts Degree from University of Nairobi. Work Experience She is the Deputy Secretary, Ministry of Devolution and Planning, State Department of Devolution. She has over 25 years’ experience in senior positions in various Ministries. Non-Executive Director</p>

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17.	 <p>Titus Kilika</p>	<p>Date of Birth: 1963</p> <p>Key Qualifications Diploma in Physiotherapy (CHP), Diploma in Health Care Management 1- Part I & II – (KIM) Certificate in Strategic Leadership Development Programme (KSG) Certificate in Advanced Leadership – (Singapore) Certificate in Senior Health Systems Management (KSG), Certificate in Disability Classification</p> <p>Work Experience He is the Acting Chief Physiotherapist, Ministry of Health. He has over 25 years' experience in various positions in the Ministry of Health. He is the Co-ordinator of Disability Assessment for registration.</p> <p>Non-Executive Director</p>
18.	 <p>Hon. Mohammed Hussein Gabbow</p>	<p>Date of Birth: 1967</p> <p>Key qualifications MBA Global Business and Sustainability, Universita Cattolica Del Sacro Cuore University of Nairobi MA Sociology, University of Nairobi Bachelor of Arts degree in Sociology from Moi University</p> <p>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</p> <p>Executive Director</p>
19.	 <p>Vincent K.B. Akarah</p>	<p>Date of Birth: 1966</p> <p>Key qualifications Bachelor of Law (LLB) – University of Pune Bachelor of Arts (BA) – Agra University Diploma in Law – Kenya School of Law ICSPK No. 1479</p> <p>Work Experience He is the Chief Legal Officer/Ag. Company Secretary of National Council for Persons with Disabilities. He has over 17 years' experience in legal matters. He is an advocate of the High Court of Kenya.</p>

Expiration of Board of Directors Term



During the period under review, the term of service for the Board of Directors No. 1 to 14 expired on 13th May 2017.

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III. THE BOARD OF TRUSTEES

1.	 <p>Fredrick Ochieng Haga</p>	<p>Date of birth: 1965 Key Qualifications: Master of Education (Inclusive and Special Education) – Monash University, Australia; 2011 Bachelor of Education (Arts) – Kenyatta University, 1996 Work experience: Ministry of Education, Science and Technology- Senior Assistant Director - September 2012 to date Kenya Institute of Education (now Kenya Institute of Curriculum Development) – Curriculum Specialist - July 2004 to August 2012 Various Secondary Schools – Teacher - January 1997 to June 2004 Non-Executive Chairman, Board of Trustees</p>
2.	 <p>Dr. David Ole Sankok</p>	<p>Date of birth: 1978 Key Qualifications; Bachelor of Science -Nursing (University of Nairobi) Work experience: He was the chairman of Students Organization of Nairobi University (SONU) from 2000 to 2001. He was a Board member of National Aids Control Council from 2000 to 2001. He is currently the proprietor and medical officer at Osim Medical & Surgical Centre and Loita Lab Med Services; He also worked at Kenyatta National Hospital. Non-Executive Trustee</p>
3.	 <p>Rose Kwamboka</p>	<p>Date of birth: 1985 Key Qualifications; M.A in Entrepreneurship Development, University of Nairobi,2010-2013 B.A Guidance and Counseling, Moi University,2005-2009 Significant Training: Basic French language, Christoffel Blinden Mission -On Going Advocacy and Lobbying, November 2012- MDF Proposal Writing and Fundraising, AMREF, October –November 2011 Proposal Writing and Fundraising, University of Nairobi- May to August 2010 Work experience 2012 – date Inclusive Development Assistant Officer; CBM International / CBM East Africa Regional Office, Project Secretary Intern; CBM Central Africa Regional Office, March 2011-February 2012; Non-Executive Vice-Chair, Board of Trustees</p>
4.	 <p>Fatma Wangare Haji</p>	<p>Date of Birth: 1970 Key Qualifications: Degree in Inclusive and Special Needs Education - Roe Hampton University, Diploma in front office operations and administration from Air Travel and Tours college, Secretarial from New Era college and proficiency in international computer from IAT. Advance diploma in Japanese language Certificate in Arabic language Work Experience: 2007 – to date Chief Executive Officer of Kenya Association for the Intellectually Handicapped (KAIH) 2004 – 2007 Guest Relations Manager for 680 Hotel Non-Executive Treasurer, Board of Trustees</p>

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5.	 <p>Susan Mutungi</p>	<p>Date of Birth: 1960 Key Qualifications: Masters in Social Work - Poona University India BA- Sociology- Punjab University, India Work Experience: Senior Assistant Director, State Department for Social Protection, Ministry of EAC, Labour and Social Protection. She has over 25 years' experience in Social Development work Non-Executive Trustee</p>
6.	 <p>Abdi Sahal Ali</p>	<p>Date of Birth: 1978 Key Qualifications: Master's in Business Administration (Finance and Accounts) Bachelors of Business Administration (Finance and Accounts) Certified Public Accountant (Kenya) Work Experience He is the Director, Finance and Administration, Garissa County Treasury He has 17 years' experience in Finance and Accounting field Non-Executive Trustee</p>
7.	 <p>John Kahugu Munge</p>	<p>Date of Birth: 1959 Key qualifications Msc in Finance and Investment- on going Bachelors of Business Administration- Finance, Certified Public Accountant (K) Work Experience He has over 15 years' experience in Investments, Public debts and management, Public finance, Budget preparations, appraisal and approvals Non-Executive Trustee</p>
8.	 <p>Samson Abayyo Okutto</p>	<p>Date of Birth: 1979 Key Qualifications; 2003 – 2005 Diploma in Law – Kenya School of Professional Studies. Major in: Constitution Drafting, review and interpretations and The Law of Tort. Independent Student of: Counselling Psychology Diversity and Inclusion Communication Work experience: Currently in Operations CBU Retail. He has over 10 years' experience in the telecommunications sector Non-Executive Trustee</p>
9.	 <p>Hon. Mohammed Hussein Gabbow</p>	<p>Date of Birth: 1967 Key qualifications MBA Global Business and Sustainability, Universita Cattolica Del Sacro Cuore University of Nairobi MA Sociology, University of Nairobi Bachelor of Arts degree in Sociology from Moi University 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. Executive Director</p>

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Resignation of Board of Trustees member

Dr. Cosmas Ochieng



The member resigned citing heavy workload from his other engagements.

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IV. MANAGEMENT TEAM

No:		Staff No.	Name of Officer:	Designation	Qualifications
1.		CPD 081	Hon. Mohammed H. Gabbow	Executive Director	-Master's degree in Sociology -Bachelor's degree in Sociology -Certificate in Strategic Leadership Development Programme
2.		CPD 006	Catherine Amunga Wameyo	Chief Finance & Accounts Officer/Ag. Deputy Director	- Master of Business Administration (finance) - Diploma in Computer Studies. - Certified Public Accountant (Kenya) ICPAK No. 8964 - Certificate in Strategic Leadership Development Programme - Certificate in Senior Management Course
3.		CPD 017	James Kariuki Ndwigwa	Chief Programmes Officer	-Master of Business Administration (MBA) Strategic Management -Bachelor of Economics and Sociology, -Diploma in Organization Development by Organization Capacity Improvement Consultants -Certificate in Senior Management Course
4.		CPD 004	Emily Zindoli Limisi	Chief Disability Mainstreaming Officer	-Masters of Science human resources management -Bachelor of Education(Arts) -Higher Diploma: Human Resource Management IHRM No. 8249 -Certificate in Strategic Leadership Development

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					Programme -Certificate in Senior Management Course
5.		CPD 082	Ruth Ruraa	Chief Human Resource Officer	-Master's degree in International Studies -Bachelor of Arts degree in Government Administration and Linguistics IHRM No. 6034 -Certified Public Secretary Part I -Certificate in Strategic Leadership Development Programme -Certificate in Senior Management Course
6.		CPD 117	Vincent K.B. Akarah	Chief Legal Officer/ Ag. Company Secretary	- Bachelor of Law (LLB) - Bachelor of Arts (BA) - Diploma in Law - Certified Public Secretary (Kenya) ICSPK No. 1479
7.		CPD 018	Anne Muthoni Kagwi	Senior Finance & Accounts Officer	- Master of Business Administration (finance) -Bachelors of Business Administration (finance & Accounts) -Certified Public Accountant (Kenya) ICPAK No. 9558 - Certificate in Senior Management Course
8.		CPD 049	Francis Asiema Anyenda	Senior Public Relations Officer	-Bachelor of Information Science -Post Graduate Diploma in Mass Communication -Certificate in Senior Management Course

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9.		CPD 083	Muktar Amin	Senior. Supply Chain Management Officer	-Bachelor in Supply chain management -Diploma in supply chain management KISM No. 69435
10.		CPD 016	David Njoroge Kagoithe	Internal Auditor I	-Bachelor of Commerce – Accounting -Certified Public Accountant (Kenya) ICPAK No. 5559 -Certificate in Senior Management Course
11.		CPD 031	Rosabel Wanjiku Githinji	Programme Officer	-Master of Social Practice (Honours) -Bachelor of Arts in Social Sciences (Economics and Sociology) -Diploma in Project Management -Certificate in Senior Management Course
12.		CPD 045	Lucy M. Wanjahi	Monitoring and Evaluation Officer	-Bachelor in Family & Consumer Sciences -Diploma in Project Management -Certificate in Senior Management Course
13.		CPD 008	Winifred Mbugua	Registration Officer	-Masters of Management Information System. -Bachelor of Information Technology -Diploma in Information -Systems Analysis and Design - Certificate in Senior Management Course

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14.		CPD 053	Alexander Parsaloi Munyere	Program Officer – Albinism Sunscreen and Support Program	-Bachelor’s Degree in Special Education
15.		CPD 059	Daniel Njuguna	ICT Officer	-Bachelor’s Degree in Computer Applications; -Diploma in Computer Studies. A++; N++ CSK No. 115842 -Certificate in Senior Management Course

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V. CHAIRMAN'S STATEMENT



I am pleased to release the Annual Report and Financial Statements for National Council for Persons with Disabilities for the financial year 2016/17. During the year under review, my board consolidated the gains made in the previous year and also opened up new opportunities in pursuit of the course to improve the wellbeing of persons with disabilities.

At organizational level, the Council partnered with Kenya Pipeline Company in supporting ninety-four (94) outstanding learners with disabilities who sat the 2016 KCPE from very poor families throughout the country. Under this arrangement, two (2) candidates from each County benefited with school fees for the entire secondary school learning. This partnership is complimentary to the Council's Education support programme where the Council provides education support to learners with disabilities in all levels of education every year.

In the year under review, the Council also entered into partnership with Safaricom for Institutional Support under the National Development Fund for Persons with Disabilities and Safaricom KIPAWA Project. Under this project six schools drawn from six counties were provided with funds for construction of dormitories and classes and purchase of beddings, books and furniture.

2017 being the electioneering period the Council continued to play a key role in facilitating persons with disabilities exercise their universal suffrage through partnership with the electoral commission and other stakeholders in ensuring a conducive environment is provided for persons with disabilities to participate in the general election. Notable among this was the support to the United Disabled Persons of Kenya to carry out a countrywide civic education for the 2017 general elections.

Lastly, I wish to point out that during the year, fourteen (14) members of the Board of Directors had their term ended save three (3) on 13th May 2017 after serving the Board for three years.

David Ole Sankok
Chairman

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VI. REPORT OF THE CHIEF EXECUTIVE OFFICER



It gives me great pleasure to present to you the 2016/17 Annual Report and Financial Statements for National Council for Persons with Disabilities. The year 2016/17 was fundamentally an important one for the operations of the Council. It was a major watershed for the disability fraternity. During the year, we witnessed the ratification of the Marrakesh Treaty by the government of Kenya signaling freedom of access to information by persons with visual disabilities. The Marrakesh Treaty was adopted on June 27, 2013 in Marrakesh and it forms part of the body of international copyright treaties administered by WIPO. It has a clear humanitarian and social development dimension and its main goal is to create a set of mandatory

limitations and exceptions for the benefit of the blind, visually impaired, and otherwise print disability (VIPs).

The treaty somewhat provides a balance between public interest (protecting the rights of the beneficiary persons) and private interest (the rights of the copyright owners to their published works). This is done by allowing authorized entities to provide the beneficiaries with accessible format copies such as Braille without the need for authorization from the authors of the copyright works. However, the accessible format copies must still respect the integrity of the original work. Further, the treaty also provides for cross-border exchange of the accessible format copies to other contracting states and allows for importation of the accessible format copies for the benefit of the beneficiary persons.

Another key significant achievement of the year was the enhancement of partnerships between the Council and other stakeholders. In its bid to enhance service delivery to persons with disabilities, the Council entered into partnerships with a number of organizations both in the private and public sector. One such partnership was with Kenya Pipeline Company. Under this partnership, the Council and the Kenya Pipeline identified two outstanding pupils with disabilities from each county who sat their KCPE in 2016 for award of scholarships to study in secondary schools. The award covers the entire secondary education. Under this programme, ninety-four (94) pupils were given scholarships totalling Kshs. 7.5 Million for joining form one in 2017. This programme which will be running for the next four years is critical in ensuring that bright students with disabilities complete their secondary education.

The Council also partnered with Safaricom Foundation in a programme dubbed KIPAWA. Under this programme, six (6) special schools were funded by the Council and Safaricom with a total of Kshs. 18 Million. From this funding, the Council provided Kshs. 2 Million to each school for construction of dormitories and classrooms while Safaricom provided Kshs. 1 Million for purchase of beddings, books and furniture.

Implementation of the United Nations Convention on the rights of persons with disabilities.

During the year, the Council continued to implement the Convention on the Rights of Persons with Disabilities (CRPD). The Convention which is a legally binding human rights treaty with an explicit social development dimension, recognizes the human rights and fundamental freedoms for all persons with disabilities. In June 2017, the Executive Director attended the 9th International Disability Summer School in Galway, Ireland. The primary theme for the 9th session focused on equipping participants with the insights and skills necessary to translate the generalities of the CRPD into tangible reform for persons with disabilities.

The Council also supported one (1) staff to attend a training in Japan organized by JICA on improvement of Accessibility for Social Inclusion that took place from 19th June to 9th July 2017. Further, the Council sponsored six (6) members of staff and Board to participate in the 10th Session of the Conference of States Parties to the Convention on the Rights of Persons with Disabilities (CRPD) in New York in June 2017. The theme for the Conference was *"the second decade of the CRPD: Inclusion and full participation of persons with Disabilities and their representative organizations in the implementation of the Convention"*.

Continuous training and capacity building for staff is critical in enhancing service delivery and preparing staff for career growth. During the year, the Council continued to build the capacity of its staff to enhance

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

REPORT OF THE CHIEF EXECUTIVE OFFICER (CONTINUED)

efficiency in service delivery through sponsoring staff in different cadres to attend various trainings at all levels.

In delivering on its mandate, the Council continued to provide various services to persons with disabilities as mandated through Persons with Disabilities Act 2003. These services included provision of education support to learners with disabilities, provision of grants for groups of persons with disabilities for economic empowerment, cash transfers to households with persons with severe disabilities, support to persons with albinism, among others.

Lastly, I wish to highlight that towards the end of the Financial year the tenure of fourteen (14) members of the Board of Directors ended save three (3) on 13th May 2017. The process of recruiting the new board members has already commenced and is expected to be completed during the first quarter of the Financial Year 2017/18.



Hon. Mohammed Hussein Gabbow
Executive Director

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

VII. CORPORATE GOVERNANCE STATEMENT

Corporate governance entails the processes and structures used to direct and manage the business affairs of organisations, the respective roles of the Board of Directors and management, and the framework for internal controls.

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
- 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
- The Public Procurement and Asset Disposal Act, No. 33 of 2015
- Mwongozo – The Code of Governance for State Corporations

The Directors are required 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.

The Board operates under rules that govern the conduct of individual Directors spelt out in Directors' Code of Conduct to enable them operate effectively and in the best interests of the organization.

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 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.

Constitution of the Board of Directors.

The current Board consists of eighteen Directors, including the Executive Director. Seventeen of the Directors including the Chairman are non-executive. The Board of Directors is constituted according to Section 4 of the Persons with Disability Act 2003 on the appointment of members of the Council. Each member serves for a maximum of two terms of three (3) years each. The Board is well composed in terms of range and diversity of skills, knowledge, age and experience in various sectors which makes it effective and provides an appropriate balance for the oversight of the Board's mandate. The Board does meet the gender constitutional threshold i.e. the Board has eight (8) women out of eighteen (18) members.

Role of the Board:

The Board of Directors provides leadership and strategic direction to the organization. The main responsibilities of the Board are:

- a. Determine the organization's Mission, Vision, Purpose and Core values;
- b. Set and oversee strategy and approve significant policies of the organization;
- c. Ensuring preparation of the annual and financial statements;
- d. Approve and review the annual budgets of the organization;
- e. Monitor the organization's performance and ensure sustainability;

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

- f. Ensure availability of adequate resources for the achievement of the organization' objectives;
- g. Approve the organizational structure and hire the Chief Executive Officer and other senior management staff;
- h. Enhance the corporate image of the organization;
- i. Risk management by ensuring that the organization has adequate systems of internal controls together with appropriate monitoring of compliance activities to ensure continuity.

Chairman of the Board of Directors

The Chairman of the Board is appointed by the President in accordance with Persons with Disabilities Act. The principal 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 CEO 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 SCAC.

Board of Trustees

The current Board of Trustees consists of nine Trustees including the Executive Director. Eight of the trustees including the Chairman are non-executive. The Board of Trustees is constituted as stipulated in Section 34 of the Persons with Disabilities Act, 2003. The Board of Trustees consists of three (3) women out of ten (9) members.

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 regulations prescribed by the Council subject to any law relating to trustees.

The Executive Director

The Executive Director is the Chief Executive Officer and is responsible for the day to day management of the Council. The position of the Executive Director is filled through public advertisement. The appointment is done by the Board in consultation with the relevant Cabinet Secretary. The Executive Director is an ex-official member of the Board but has no voting right at any meeting of the Board. The Corporation Secretary is the secretary to the Board.

Board Responsibilities

The Board's responsibility is to promote the long-term success of the Board. The Board provides leadership and concentrates its efforts on the strategic and governance issues. The Persons with Disabilities Act and the Board Charter defines the governance parameters within which the Board exists and operates the specific responsibilities to the discharged and powers 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

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES
CORPORATE GOVERNANCE STATEMENT (CONTINUED)

- 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 Chief Executive Officer and top senior management of the Council

Board and Committee 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, CEO and Chairman prior to the date of the scheduled meeting. The CEO is a member of all sub-Committees of the Board except Audit and Risk Committee.

The table below details board membership and attendance of meetings during the year.

Board Membership and Attendance of Meetings

Name	Organisation	Attendance
David Ole Sankok	Narok Persons with Disabilities	9/9
Caroline Jepchumba Kemboi	Bare Care Centre	9/9
Peter Muchiri Mwangi	League of Persons with Disabilities	9/9
Wycliffe Wesley Loktari Masop	Disability Awareness and Information Network	9/9
Richard Musau Mativu	Deaf Child worldwide	8/9
Rose Koweru Koweru	Kenya Union of the Blind	9/9
Michael Njenga	Users and Survivors of Psychiatry in Kenya	8/9
Naomy Ruth Esiaba	Disability & Women Development Strategies	8/9
Sospeter Magara Kengara	Kenya Association of parents of the Deaf	9/9
Lydia Mugure Mbaria	Albinism Society of Kenya	9/9
Anastacia C.M. Magoma	Ministry of Devolution and Planning	9/9
George N. Macgoye	Ministry of Land, Housing & Urban Development	5/9
Jane Muthoni Musyoka	Ministry of Transport and Infrastructure	5/9
Josephine Muthoni Muriuki	Ministry of EAC, Labour and Social Protection	6/9
Robert Abwoga Odwori	Central Organization of Trade Unions (COTU)	9/9
Grace Njeri Thuku	Office of the Attorney General, Advocates Complaints Commission.	8/9
Titus Kilika	Ministry of Health	9/9

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Board Committees and Responsibilities

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.

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 by the Committees are presented to the board by the respective Chairmen during the full board meeting. The Committees are Audit and Risk, Human Resource, Administration & Governance, Technical & Strategy, Finance and Investment. The responsibilities and attendance of meetings during the year is as summarised below:

Finance and Investment Committee

The Finance and Investment Committee assists the board in fulfilling its oversight responsibilities for sourcing of funds, allocation, review of budgets and financial reporting.

The responsibilities of the committee are as follow:

- Prepare detailed quarterly income and expenditure report on the financial position of the Council and report to the board at every quarter
- Review budget for recommendation to the board
- Consider financial performance reports and review management responses and actions as appropriate
- Ensure appropriate, prudent sustainable and efficient use of Council funds
- Monitor the financial reporting process to ensure compliance with all regulatory returns
- 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

Finance and Investment Committee Membership and Attendance

Name	Organisation	Attendance
Robert Abwoga Odwori	Central Organization of Trade Unions (COTU)	4/4
Rose Koweru Koweru	Kenya Union of the Blind	4/4
Sospeter Magara Kengara	Kenya Association of parents of the Deaf	4/4
Grace Njeri Thuku	Office of the Attorney General, Advocates Complaints Commission.	2/4
Anastacia C.M. Magoma	Ministry of Devolution and Planning	1/4

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;

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES
CORPORATE GOVERNANCE STATEMENT (CONTINUED)

- a) Review the effectiveness of the system for monitoring compliance with laws and regulations and ensure Council 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

Audit and Risk Committee Membership and Attendance

Name	Organisation	Attendance
Wycliffe Wesley Loktari Masop	Disability Awareness and Information Network	6/6
Michael Njenga	Users and Survivors of Psychiatry in Kenya	1/6
Josephine Muthoni Muriuki	Ministry of EAC, Labour and Social Protection	2/6
Anastatica C M Odhiambo	Ministry of Devolution and Planning	5/6
Titus Kilika	Ministry of Health	5/6

Human Resource, Administration and Governance Committee

The Human Resource, Administration and Governance Committee assists the board to ensure that the board fulfils its human, administration, ethical and governance functions through adequate governance policy development, recruitment and staff development programs. The

Committee has the following responsibilities:

- a) Oversee and monitor Council’s governance framework policies
- b) Put in place systems to ensure that there is no harassment and intimidation of staff who voluntarily report corruption or malpractices at the Council
- c) Review skills and experience of the staff of the Council and recommend to the Board the desired skills and experience for potential new appointments.
- d) Assist and support annual review processes for evaluating the effectiveness of the Board and committees
- e) Appraise the performance of senior management team
- f) Satisfy itself with regards to succession planning, that the processes and plans are in place with regards to the Chief Executive Officer and senior appointments
- g) Address all disciplinary issues arising from the Council’s staff

Human Resource, Administration and Governance Membership and Attendance

Name	Organisation	Attendance
Caroline Jepchumba Kemboi	Bare Care Centre	4/4
Naomy Ruth Esiaba	Disability & Women Development Strategies	3/4
Jane Muthoni Musyoka	Ministry of Transport and Infrastructure	3/4
Peter Muchiri Mwangi	League of Persons with Disabilities	4/4

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Technical and Strategy Committee

The Technical and Strategy Committee assists the board in fulfilling its oversight responsibilities for programmes of the Council, develop criteria and guidelines for the management of the National development fund for persons with disabilities.

The responsibilities of the committee are as follows;

- 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

Technical and Strategy Committee Membership and Attendance

Name	Organisation	Attendance
Richard Musau	Deaf Child worldwide	4/5
Lydia Mugure Mbaria	Albinism Society of Kenya	5/5
Michael Njenga	Users and Survivors of Psychiatry in Kenya	3/5
George N. Macgoye	Ministry of Land, Housing & Urban Development	0/5

Board of Trustees

The Board of Trustees assist the board in administration of 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

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES
CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Board of Trustees Membership and Attendance

Name	Organisation	Attendance
Fredrick Hagga	Kenya Union of the Blind	5/6
Rose Kwamboka	Christoffel Blinden Mission (CBM)	6/6
Fatma Wangare	Kenya Association of the Intellectually Handicapped	2/6
Abdi Sahal Ali	Garissa Municipality Physically Challenged Youth Development Initiative	5/6
David Sankok	Narok Persons with Disabilities	5/6
Susan Mutungi	Ministry of EAC, Labour and Social Protection	5/6
Samson Abayyo Okutto	Safaricom Ltd.	6/6
John K Munge	The National Treasury	4/6

Board Induction and Training

During the year the board attended a workshop in held in Mombasa for Mwongozo code training organised by State Corporation Advisory Committee.

Board Effectiveness and Evaluation

In order to assess and improve the capacity, functionality and effectiveness of the Board and its Committees, annual evaluation was undertaken in accordance with the widely accepted principles of corporate governance. The self/peer evaluation reviewed the capacity, functionality and effectiveness of its performance in the achievement of its goals and objectives. It assessed the performance and independence of the Board and its Committees jointly and individual members of the Board including the Executive Director. The Executive Director was assessed in his roles as the Chief Executive Officer and the Secretary to the Board. The Chairman's ability to add value, his performance against what is expected of his role and function was also assessed.

During the year, a comprehensive board evaluation was conducted under the guidance of State Corporation Advisory Committee. The Board and Committees were evaluated against the following criteria, amongst others;

- Effective preparation for and participation at meetings
- Understanding the organisation, mandates, strategic thrust of 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 has developed the risk 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.

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Relationship with Stakeholders

The board appreciate that stakeholder's perception affect the organizations reputation. Therefore, the Board strives to achieve an appropriate balance between its various stakeholders in the best interest of the organization by taking into account their legitimate interest and expectations in decision making.

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 endeavoured 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.

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

The Council's operational and financial performance

This section provides an analysis of the activities and programme services offered by the Council during the period 2016/17 Financial Year. During the period, the Council continued to play its key mandate of empowering Persons with disabilities and mainstreaming disability in all aspects of development. In view of this, the Council made considerable achievements in delivering on its mandate.

1. Registration of persons with disabilities.

In the 2016/17 Financial Year, the Council registered 64,588 persons with disabilities throughout the country. It is after registration that clients are able to access various services offered by the Council including, education assistance, assistive devices, cash transfer, and economic empowerment among others. The Council also facilitated 1,968 persons with disabilities to get tax exemption from the Kenya Revenue Authority. This exemption is important in cushioning persons with disabilities who experience a number of challenges that hinder them from fully exploiting their potential in national development.

2. Recruitment of New Staff

Human capital readiness coupled with the requisite skills and knowledge is critical for efficient and effective service delivery. In this regard, the Council continued to invest in human resources to ensure that persons with disabilities access the Council services. During the year under review, the Council hired one Chief Legal Officer to serve persons with disabilities in legal matters and three drivers. The Council also engaged the services of 60 interns and students on attachment under the internship programme whose aim is to provide young graduates with requisite experience in various fields to prepare them for the job market.

3. Policy and legal framework

Towards ensuring that inclusive education is met in Kenya, the Council participated in a technical committee preparing Special Needs Policy on the provision of Education and Training for learners with disabilities.

Additionally, the Council participated in the National Persons with Disabilities Experience Sharing forum which was aimed at ensuring inclusive, fair and peaceful General elections 2017 with special focus on providing a platform for Persons with disabilities who are participating in the 2017 general elections and also strengthening participation of persons with disabilities in Kenya.

In promoting mainstreaming in education, the Council participated in the validation meeting for the new curriculum by the Ministry of Education and also validation of Quality Assurance Guidelines for University Education in East Africa. In the Health sector, the Council participated in the validation of the Environmental Health and Sanitation Bill 2017.

4. Public information and awareness creation

In enhancing the understanding of disability issues and promoting the rights of persons with disabilities, the Council continued to sensitize the public and create awareness on disability issues through a number of activities. This included participation in various International Days, dissemination of publications on disability, promotions and talk shows on radio and television.

The Council also produced and distributed various publications including reprinting of the persons with Disabilities Act, and the Convention on the Rights of Persons with Disabilities, production of brochures, flyers and posters and dissemination of information through the Council Website. The Council spent Kshs. 4.5 Million on public information and awareness creation.

5. The National Development Fund for Persons with Disabilities

The National Development Fund for persons with disabilities is a permanent Fund established for the benefit of Persons with Disabilities in Kenya. It came into effect through a gazette Notice in 2009. Through the Fund,

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

MANAGEMENT DISCUSSION & ANALYSIS (CONTINUED)

the Council is currently implementing several programmes aimed at improving the welfare of persons with disabilities. These are:

5.1 Access to assistive devices and services

During the period under review, the Council supported 3,616 persons with disabilities from different counties with prosthesis, crutches, hearing aids, wheelchairs, tricycles, white canes and walking appliances. Further the Council facilitated two organizations to carry out Kenya Sign Language training to 237 persons all over the country. The Council spent Kshs. 84.4 Million towards this programme.

5.2 Education Scholarship Grants

The Council through this programme aims to increase enrolment, retention and completion rates of learners with disabilities for eventual engagement in decent and gainful employment. During the period under review, the Council awarded scholarships worth Kshs. 73.3 Million to 1,917 learners with disabilities from different counties to pursue their education at different levels.

5.3 Economic Empowerment

The Economic Empowerment programme provides seed capital for income generating activities through grants to community self-help groups of persons with disabilities. Through these grants, persons with disabilities are increasing their incomes and quality of lives. During the year, the Council supported 1,025 groups of persons with disabilities with Kshs. 53.6 Million for economic empowerment.

In addition, the Council launched the Local Purchase Order (LPO) Financing Guarantee Fund programme to improve incomes of persons with disabilities through increasing access to Access to Government Procurement Opportunities (AGPO) programme. The AGPO programme offers persons with disabilities an opportunity to access business they would otherwise not have. During the year, the Council supported 25 persons with disabilities with LPO financing at a cost of Kshs. 6 Million.

5.4 Advocacy and National Events

During the period under review, grants were awarded to 12 National Disabled Persons Organizations (DPO) to engage in civic education on the electioneering process and other awareness and advocacy campaigns on disability. The Council also participated in the Anti-corruption radio campaign where five members of staff and two members from the Council partners participated in radio talk shows on the role of persons with disabilities in fighting corruption. The talk shows were organized by the National Anti-Corruption Steering Committee. The Council further supported various organizations for persons with disabilities to mark various international days on the disability calendar. The Council spent Kshs. 47.2 Million on Advocacy and Kshs. 5.6 Million on National events and celebrations.

5.5 Infrastructure and Equipment support to learning institutions

This program facilitates the maintenance and growth of institutions and organizations which provide education or social services to persons with disabilities in order to improve enrolment capacity and quality of learning offered. Support is provided to education institutions, including special schools, special units, social service and care delivery organizations. During the year 43 institutions benefited from Kshs. 86.4 Million for infrastructural development and equipment.

5.6 Monitoring Programmes and Activities

The aim of this exercise was to assess progress, relevance and impact of the programmes implemented towards improvement of the livelihood of persons with disabilities. The findings of the monitoring are used to improve the services offered by the Council and also track how the groups are utilizing public funds to ensure that the resources have impact on the beneficiaries. The Council spent Kshs. 2 Million on this activity.

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

MANAGEMENT DISCUSSION & ANALYSIS (CONTINUED)

6. Cash Transfer funds for Persons with Severe Disabilities

The persons with severe disabilities' social protection programme is designed to provide support to the most vulnerable persons with disabilities. The programme aims to improve livelihoods of targeted households with persons with severe disabilities through appropriate, reliable, and accessible payments. During the year, the programme made cash payments to 46,917 households caring for persons with severe disabilities at a cost of Kshs. 1.39 Billion

7. Albinism support programme

The Albinism programme is designed to improve the welfare of persons with albinism (PWAs). During the year under review, the programme provided various services to 3,156 persons with albinism. The services included provision of sunscreen lotions and lip balm for skin and lip care protection; wide brimmed hats and T-shirts for protection against direct sun. To bring services closer to the people, the Council procured Ophthalmic and Cryotherapy equipment and donated them to identified hospitals to address eye care and skin care needs of Persons with Albinism. The Council further conducted skin cancer screening to 464 persons with albinism. During the year the Council spent Kshs. 142 Million to support persons with Albinism countrywide.

8. Disability Mainstreaming

In mainstreaming disability in all sectors, the Council conducted Accessibility Audits in 3 Ministries, Departments and Agencies (MDAs) whose aim is to evaluate the level of compliance to accessibility requirements by MDAs. This includes accessibility to external environment, built environment, access to information, goods and services provided by the Organizations and Access to job opportunities. The Council also trained and sensitized 230 (MDAs) and Counties on disability mainstreaming. The Council also conducted skills training for 103 job seekers with disabilities to prepare them for employment. The trainings and sensitizations forums were used as opportunity for the Council to lobby for the 30% Access to Government Procurement Opportunities (AGPO) reserved for women, youth and persons with disabilities.

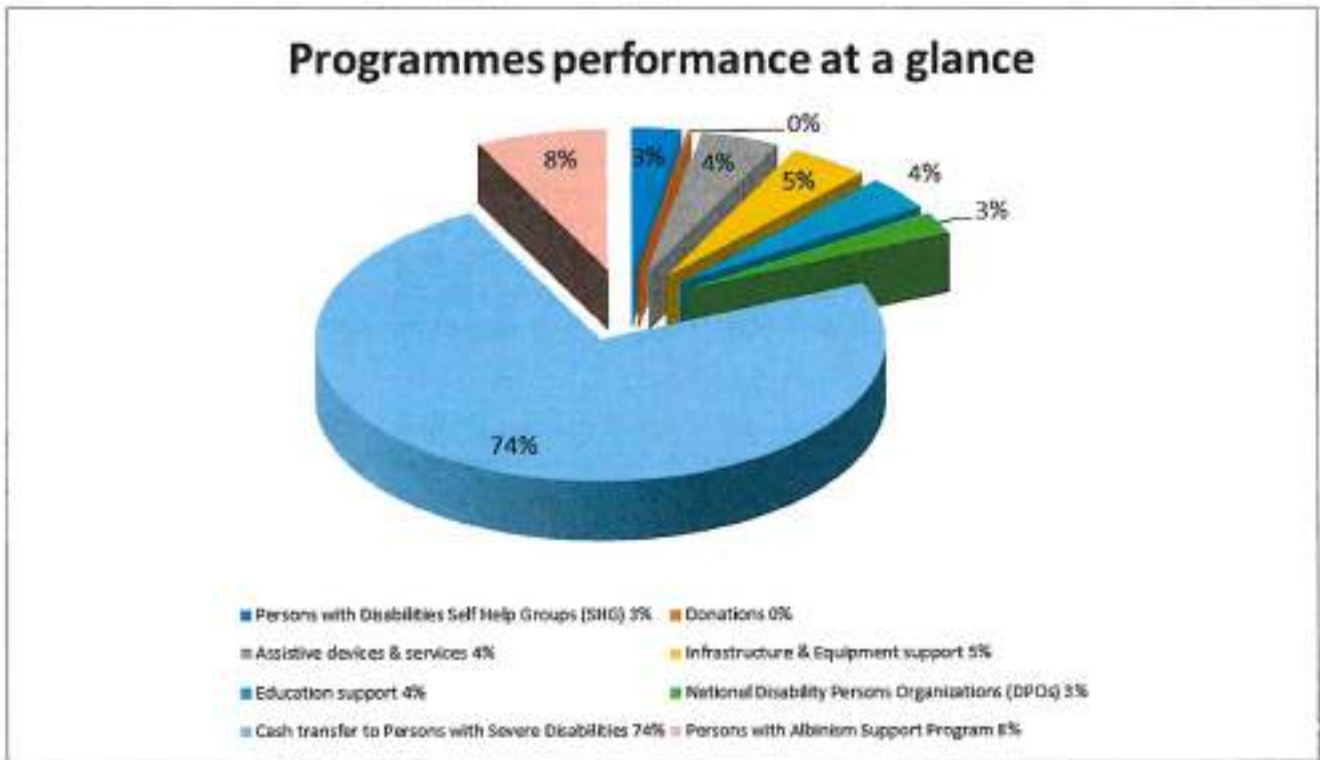
In consolidating the data on persons with disabilities seeking employment, the Council upgraded the Web portal for persons with disabilities seeking employment to enable persons with disabilities upload their Curriculum Vitae. The Council placed 34 persons with disabilities on attachment and employment in various organizations both in private and public sectors.

9. Promotion of use of ICT facilities

In its endeavour to promote the use of ICT facilities and share information and experience with other stakeholders, the Council collaborated with the ICT Authority Under the Kenya Open data initiative to identify data sets within the Council data bases for sharing with the public on the Council activities and programmes. Further, the Council acquired 52 computers to enhance performance of County Disability Service Officers and the staff at the headquarters.

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

MANAGEMENT DISCUSSION & ANALYSIS (CONTINUED)



IX. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORTING

Introduction

The Board works with its staff and stakeholders to enrich community life and participates in charitable projects. It remains the Board policy to ensure that activities meet and exceed the social, economic and environmental expectations of stakeholders. The Board believes that ethical leadership and corporate citizenship should direct the strategy and operations to build sustainable business.

As part of corporate social responsibility, the Council continued to support the wellbeing of persons with disabilities and provide opportunity for them to better their lives and exploit the various talents they have. During the year under review the Council continued to support various community programmes that enhances the wellbeing of persons with disabilities and the local community at large. Great emphasis on the protection of the environment was undertaken. Some of the interventions the Council took as part of corporate social responsibility in the 2016/17 Financial Year include the following:

1. Staff Training and Development

To ensure that the Council not only attracts but retains the best talent, the Board aims to nurture people's careers by making relevant opportunities accessible and helping them to develop skills, knowledge and experience in different functions and specialism.

Staff training and development are a pre-requisite of employees' growth. In FY 2016/17, training continued to focus on departmental technical competencies and people management skills at all levels.

Strengthening the leadership capability remains a key business priority to ensure that the Council has strong leaders today and in the future. During the financial year, one (1) member of staff undertook the Strategic Leadership Development Programme (SLDP) and nineteen (19) others undertook the Senior Management Course (SMC) both at Kenya School of Government. In addition, three (3) staff were trained in Customer care, one (1) in communication skills, one (1) in records management. Two (2) staff are pursuing Master's degree in Kenya and Australia. Thirteen (13) staff from ICT, HR, Audit, Finance, Supplies Chain and Public relation units were supported to attend various professional bodies seminars, conferences and membership fees paid.

2. Protecting the Environment

The effects of environmental degradation impact on all aspects of life, from the health of the people to the wellbeing of fauna and flora calls for a multispectral approach to address the environmental concerns. Environmental degradation leads to destabilization of all living things. It is in view of this that the Council through various interventions addressed environmental concerns.

In the year under review the Council participated in the annually tree planting activities across the country. This important exercise was coordinated at the county level by the County Disability Officers in their respective counties in partnership with other stakeholders.

3. Health.

During the year, the Council supported various programmes that are aimed at promoting and improving the health of persons with disabilities. The Council conducted skin cancer screening to 464 persons with albinism countrywide. Six (6) persons with albinism were treated of skin cancer at a cost of Kshs. 380,000.

4. Promotion of sports

Sporting activities are critical for the health of human beings. Sports drive society, culture, economics and every other facet of modern life. It is in view of this that during the year the council supported a number of groups of persons with disabilities to participate in various sporting activities both locally and internationally. In 2016/17, the Council supported groups of persons with disabilities to a tune of Ksh. 1.6 Million to participate in various sporting activities. These included the Paralympics games held in Rio de Janeiro, Brazil, the Standard Chartered marathon where the council paid registration fees for 25 participants on wheelchairs,

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING (CONTINUED)

The Baringo Half Marathon Wheel chair race, Nairobi Basketball Association for the Kenya Deaf Basket Team and Nairobi Cerebral Palsy football club. In addition, the Council supported the Kenya Para Volley Federation to take part in the Rwanda Genocide Memorial sitting volleyball tournament held on 3rd to 4th June 2017.

5. Promoting and nurturing talents

During the year, the Council continued to play a key role in enhancing and tapping various nascent talents of persons with disabilities. The Council supported one person with disability to produce and market his music within the country. One rapper with hearing impairment was supported to perform in Johannesburg, South Africa. The Council also facilitated 15 students and 4 teachers from Ziwani School for the Deaf to participate in the music festivals held in France. Further, the Council supported 2 persons from Short Stature Society of Kenya (SSSK) to participate in the 60th Annual Conference for Little People in America held from 30th June to 7th July 2017. The Council also supported Cerebral Palsy Football Club with transport and training equipment with the aim of promoting players with cerebral palsy to overcome and deal with some of the Cerebral Palsy challenges through nurturing skills and talents.

6. Other areas supported under corporate Social responsibility

In a bid to create awareness and enhance understanding of disability issues by the public, the Council supported various groups of persons with disabilities to organize awareness campaigns and mobilize resources to support organizations of persons with disabilities. The Council supported the Cerebral Palsy Society of Kenya for its 2017 Cerebral Palsy walk held on 24th June 2017. Sweet Aroma Project, an initiative that was established by the Disability Concerns with Awareness (DICOWA) for purposes of supplying diapers and other basic items to persons with disabilities in severe need in Dagoretti Constituency, Nairobi County. Henry Wanyoike Hope for the Future Run 11th Edition that seeks to promote an understanding of disability issues and increase awareness on gains to be derived from integration of persons with disabilities in every aspect of political, social, economic and cultural life.

During the period under review the Council also through various forums sensitised the public on the rights of persons with disabilities and the services and programmes it offers. This included participation in International Women's Day marked on 8th March at KICC, Nairobi. The Council also participated in the Agricultural Society of Kenya show held in Embu county on 2nd -4th March. Between 9th -11th March 2017. The Council participated in a fund-raising walk and trek to Mt Kenya to support the Metropolitan Sanctuary for Children with Disabilities. The Council also held exhibitions during the Jaramogi Oginga Odinga University of Science and technology Disability Day held on 17th March in Siaya County and also at the Commission for University Education held between 28th February -3rd March.

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

X. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2017 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, 2017 are set out on page 1 to 5

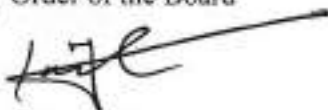
Directors

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. During the year, the term of service for 14 Board of Directors expired on 13th May 2017 and no new Directors were appointed.

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



Mr. Vincent Akarah
Acting Corporate Secretary
ICPSK No. 1479
Nairobi

Date: 8/1/18

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

XI. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Directors to prepare financial statements in respect of that 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.

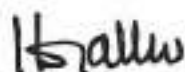
The Directors are responsible for the preparation and presentation of the Council financial statements, which give a true and fair view of the state of affairs of the Council for and as at the end of the financial year ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial 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 State Corporations Act. 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, 2017 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 not approved by the Board because the Board term ended on 13th May 2017 and the process of appointment of new board members is ongoing.



Hon Mohammed Gabbow
Executive Director

Chairman

Director

REPUBLIC OF KENYA

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Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR GENERAL ON NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Council for Persons with Disabilities set out on pages 1 to 29, which comprise the statement of financial assets and liabilities as at 30 June 2017, and the statement of financial performance, statement of cash flows and statement of comparative 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. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, the financial position of National Council for Persons with Disabilities as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis).

In addition, as required by Article 229(6) of the Constitution, except for the matter described in the Other Matter section of my report, based on the procedures performed, I confirm that nothing has come to my attention to cause me not to believe that public money has been applied lawfully and in an effective way.

Basis of Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Council for Persons with Disabilities management in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya.

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

Other Matter

1. Budget and Budgetary Performance

i) Revenue

The National Council for Persons With Disabilities had a budget of Kshs.2,440,391,052 as follows:

Report of the Auditor-General on the Financial Statements of the National Council for Persons with Disabilities for the year ended 30 June 2017

Revenue Head	Budget Kshs.	Actual Kshs.	Excess/ (Shortfall) Kshs.	Excess/ (Shortfall) %
Balance B/F	777,741,052	777,741,052	0	0
Government Grants & Subsidies	1,659,400,000	1,659,400,000	0	0
Public Contributions & Donations	250,000	515,000	265,000	106
Other Sources	3,000,000	262,884	(2,737,116)	(91)
Total	2,440,391,052	2,437,918,936	(2,472,116)	0.1

However, a shortfall in revenue collection of Kshs.2,472,116 or 0.1% was realised. The shortfall mainly occurred under other sources of revenue where the budgeted amounts were received in-form of donations in kind.

ii) Expenditure

Actual expenditure amounted to Kshs.2,147,554,185 against the approved budget of Kshs.2,440,391,052 resulting to an under expenditure of Kshs. 292,836,867 or 12% as follows:

Expenditure	Budget Kshs.	Actual Kshs.	Over/(Under) Kshs.	Over/(under) %
Employees Costs	143,000,000	136,780,836	(6,219,164)	(4)
Repairs & Maintenance	5,500,000	3,667,544	(1,832,456)	(33)
Contracted Services	2,800,000	2,654,250	(145,750)	(5)
Cash Transfer Programmes	2,202,739,852	1,916,416,945	(286,322,907)	(13)
General Expenses	47,351,200	47,650,314	299,114	0.6
Board Expenses	25,000,000	25,071,259	71,259	0.3
Depreciation	14,000,000	15,313,038	1,313,038	9
Total	2,440,391,052	2,147,554,185	(292,836,867)	(12)

The failure to spend Kshs. 292,836,867 or 12% of the budgeted expenditure implies that the Council did not transfer cash to beneficiaries as planned. The failure to transfer all the budgeted cash was mainly attributed to delay by the service provider (KCB) to issue beneficiaries with payment smart cards.

2. Refunds due from the Postal Corporation of Kenya

As previously reported, out of Kshs.327,150,960 disbursed to Postal Corporation of Kenya for onward payment to the beneficiaries during 2014 (July to December payroll cycle) a balance of Kshs.28,722,000 remained undisbursed. After several demands to have the undisbursed amounts refunded, the Council and Postal Corporation on 25 January 2015

entered into an arrangement to have the amount paid in ten (10) months instalments of Kshs.2,872,000.

However, as at 20 September 2017 only a total Kshs.5,744,200 had been repaid leaving a balance of Kshs.22,977,800 an indication that the Corporation has not been honoring the monthly payment plan. In the circumstances, the realization of Kshs.22,977,800 from the Postal Corporation of Kenya is in doubt.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described under Other Matter section of my report, there were no Key Audit Matters to report in the year under review.

Responsibility of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Council's ability to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management either intends to liquidate the Council or to cease operations, or have no realistic alternative but to do so.

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

Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

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 of Kenya. 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 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.

As part of an audit 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Council's 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 going concern 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 as a going concern. 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 continue as a going concern.
- 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 of the Council activities to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

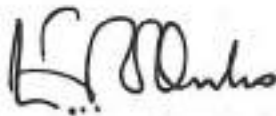
I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

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

Report on Other Legal and Regulatory Requirements

As required by the State Corporations Act, I report based on the audit, that:

- (i) 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;
- (ii) In my opinion, adequate accounting records have been kept by the Council, so far as appears from the examination of those books; and
- (iii) The Council's financial statements are in agreement with the accounting records.



FCPA Edward R O Ouko, CBS
AUDITOR-GENERAL

Nairobi

05 March 2018

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

XIII. STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2017

	Note	2016-2017 Kshs	2015-2016 Kshs
Revenue from non-exchange transactions			
Public contributions and donations	6	515,000	250,000
Government grant	7	1,659,400,000	1,578,695,000
		1,659,915,000	1,578,945,000
Revenue from exchange transactions			
Finance income - external investments	8	-	9,218,425
Other income	9	262,884	1,190,647
		262,884	10,409,072
Total revenue		1,660,177,884	1,589,354,072
Expenses			
Employee costs	10	136,780,836	137,951,560
Repairs and maintenance	12	3,667,544	7,593,700
Contracted services	13	2,654,250	3,614,340
Programmes	14	1,916,416,945	1,444,986,311
General expenses	15	47,650,314	55,782,047
Board Expenses	16	25,071,259	25,892,235
Depreciation	20	15,313,038	12,575,839
Total expenses		2,147,554,185	1,688,396,031
Deficit for the year		(487,376,301)	(99,041,960)

The notes set out on pages 6 to 25 form an integral part of the Financial Statements

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

XIV. STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Note	2016-2017 Kshs	2015-2016 Kshs
Assets			
Current assets			
Cash and cash equivalents	17	301,118,115	35,382,601
Receivables from exchange transactions	18	30,324,367	28,758,575
Receivables from non-exchange transactions	19	206,312	748,995,000
		331,648,794	813,136,176
Non-current assets			
Property, plant and equipment	20	89,695,561	95,711,943
		89,695,561	95,711,943
Total assets		421,344,355	908,848,119
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	21	4,225,661	5,513,124
Provisions	22	2,320,000	1,160,000
		6,545,661	6,673,124
Total liabilities		6,545,661	6,673,124
Net assets		414,798,694	902,174,995
Reserves		166,154,507	166,154,507
Accumulated surplus		248,644,187	736,020,488
Total net assets and liabilities		421,344,355	908,848,119

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



Hon. Mohammed Gabbow
Executive Director

Date: 8/1/17



Catherine A Wameyo
Head of Finance
ICPAK No. 8964

Date: 8/1/17

David Ole Sankok
Chairman of the Board

Date:

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

XV. STATEMENT OF CHANGES IN NET ASSETS

For the year ended 30 June 2017

	Reserves			
	Capital replacement development reserve	Revaluation reserve	Accumulated surplus	Total
	Kshs	Kshs	Kshs	Kshs
Balance as at 1 July 2015	149,729,362	13,999,960	835,062,448	998,791,770
Deficit for the year	-	-	(99,041,960)	(99,041,960)
Transfer to/from accumulated surplus	-	-	-	-
Revaluation gain	-	2,425,185	-	2,425,185
Balance as at 30 June 2016	149,729,362	16,425,145	736,020,488	902,174,995
Balance as at 1 July 2016	149,729,362	16,425,145	736,020,488	902,174,995
Deficit for the year	-	-	(487,376,301)	(487,376,301)
Transfer to/from accumulated surplus	-	-	-	-
Transfer of excess depreciation on revaluation	-	(1,352,994)	1,352,994	-
Balance as at 30 June 2017	149,729,362	15,072,151	249,997,181	414,798,694

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

XVI. STATEMENT OF CASH FLOWS

As at 30 June 2017

	Note	2016-2017 Kshs	2015-2016 Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		515,000	250,000
Government grants and subsidies		1,659,400,000	829,700,000
Other income		262,884	10,409,072
Receivables from exchange transactions		3,105,784	21,891
Receivables from non-exchange transactions		748,995,000	-
Total Receipts		2,412,278,668	840,380,963
Payments			
Compensation of employees		136,780,836	137,951,560
Other payments		78,535,594	85,942,762
Grants and subsidies paid - Programmes		1,916,416,945	1,444,986,311
Trade Payables Settled		5,513,124	5,104,286
Other Payables Settled		-	1,675,690
Total Payments		2,137,246,499	1,675,660,609
Net cash flows from operating activities	23	275,032,170	(835,279,646)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(9,296,655)	(25,902,034)
Net cash flows used in investing activities		(9,296,655)	(25,902,034)
Net increase/(decrease) in cash and cash equivalents		265,735,515	(861,181,680)
Cash and cash equivalents at 1 July	17	35,382,601	896,564,281
Cash and cash equivalents at 30 June	17	301,118,115	35,382,601

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original budget	Adjustments	Final budget	Actual on comparable	Performance difference	%	Note
	2016-2017 Kshs	2016-2017 Kshs	2016-2017 Kshs	2016-2017 Kshs	2016-2017 Kshs		
Revenue							
Brought forward	777,741,052	-	777,741,052	777,741,052	-		
Public contributions and donations	250,000	-	250,000	515,000	265,000	106%	24 a
Government grants and subsidies	1,659,400,000	-	1,659,400,000	1,659,400,000	-	0%	
Other incomes	3,000,000	-	3,000,000	262,884	(2,737,116)	-91%	24 b
Total income	2,440,391,052	-	2,440,391,052	2,437,918,936	(2,472,116)		
Expenses							
Employee costs	143,000,000	-	143,000,000	136,780,836	6,219,164	4%	
Repairs and maintenance	5,500,000	-	5,500,000	3,667,544	1,832,456	33%	24 c
Contracted services	3,100,000	-	3,100,000	2,654,250	445,750	14%	24 d
Programmes	2,190,508,794	-	2,190,508,794	1,916,416,945	274,091,849	13%	24 e
General expenses	59,282,258	-	59,282,258	47,650,314	11,631,944	20%	24 f
Board expenses	25,000,000	-	25,000,000	25,071,259	(71,259)	0%	
Depreciation	14,000,000	-	14,000,000	15,313,038	-1,313,038	9%	
Total expenditure	2,440,391,052	-	2,440,391,052	2,147,554,185	292,836,867		
Surplus for the year				290,364,751			24 g

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

XVIII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The National Council for Persons with Disabilities is established 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 Council's financial statements have been prepared in accordance with and comply with International Public-Sector Accounting Standards (IPSAS) as issued by International Public-Sector Accounting Standards Board (IPSASB), the Public Financial Management Act, 2012, Public Audit Act, 2003, and the Persons with Disabilities Act, 2003. The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Council and all values are rounded to the nearest one (Ksh). The accounting policies have been consistently applied to all the years presented.

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

3. ADOPTION OF NEW AND REVISED STANDARDS

- i) **Relevant new standards and amendments to published standards effective for the year ended 30 June 2017**

IPSAS 33: First time adoption of Accrual Basis IPSAS

In January 2015, the IPSASB published IPSAS 33, First-time Adoption of Accrual Basis IPSASs. IPSAS 33 grants transitional exemptions to entities adopting accrual basis IPSASs for the first time, providing a major tool to help entities along their journey to implement IPSASs. It allows first-time adopters three years to recognize specified assets and liabilities. This provision allows sufficient time to develop reliable models for recognizing and measuring assets and liabilities during the transition period.

The Council adopted IPSAS in the year ended 30 June 2014 and therefore provisions of first time adoption of accrual basis does not apply to the entity.

IPSAS 34: Separate Financial Statements

In January 2015, the IPSASB published IPSAS 34, Separate Financial Statements. IPSAS 34 prescribes the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements.

The Council does not have any subsidiaries, joint ventures or investments and therefore the standard does not apply.

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

IPSAS 35: Consolidated Financial Statements

In January 2015, the IPSASB published IPSAS 35, Consolidated Financial Statements. IPSAS 35 establishes principles for the preparation and disclosure of consolidated financial statements when an entity controls one or more entities. It requires an entity that controls one or more other entities to assess control over those entities based on the following:

- Its power over the other entity
- Its exposure or rights to variable benefits from involvement with the other entity
- Its ability to control the nature, timing and amount of benefits from the other entity.

Once control is assessed the controlling entity is supposed to prepare consolidated financial statements unless it meets all the criteria under section 5 of IPSAS 35.

The Council does not have any subsidiaries, joint ventures or investments and therefore the standard does not apply.

IPSAS 36: Investments in Associates and Joint Ventures

In January 2015, the IPSASB published IPSAS 36, Investments in Associates and Joint Ventures. The Standard prescribes for the accounting for investments in associates and joint ventures and to set out requirements for the application of the equity method when accounting for investments in associates and joint ventures. The standard shall be applied by all entities with significant influence over, or joint control of, an investee where the investment leads to the holding of a quantifiable ownership interest.

The Council does not have any subsidiaries, joint ventures or investments and therefore the standard does not apply.

IPSAS 37: Joint Arrangements

In January 2015, the IPSASB published IPSAS 37, Joint Arrangements. IPSAS 37 establishes principles for financial reporting by entities that have an interest in arrangements that are controlled jointly.

The Council does not have an interest in a joint arrangement and therefore the standard does not apply.

IPSAS 38: Disclosure of Interests in other Entities

In January 2015, the IPSASB published IPSAS 38, Disclosure of Interests in Other Entities. IPSAS 38 requires an entity to disclose information that enables users of its financial statements to evaluate the nature of and risks associated with, its interests in controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and the effects of those interests on its financial position, financial performance and cash flows.

The Council does not have an interest in other entities and therefore the standard does not apply.

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

ii) **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2017**

IPSAS 39: Employee Benefits

The standard is applicable on 1st January 2018. The objective to issue IPSAS 39 was to create convergence to changes in IAS 19 Employee benefits. The IPSASB needed to create convergence of IPSAS 25 to the amendments done to IAS 19. The main objective is to ensure accurate information relating to pension liabilities arising from the defined benefit scheme by doing away with the corridor approach.

IPSAS 40: Public Sector Combinations

The standard is applicable on 1st January 2019. The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only) Business combinations and combinations arising from non-exchange transactions which are covered purely under Public Sector combinations as amalgamations.

iii) **Early adoption of standards**

The Council did not early – adopt any new or amended standards in year 2017.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities, public contributions and donations

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 Council and can be measured reliably.

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.

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

b) Budget information

The original budget for FY 2016-17 was approved by the Ministry of East African Community, Labour and Social Protection through a letter Ref: No. MLSSS 21/5 VOL.III/ (7) dated 2nd June 2016.

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

Explanatory comments are provided in the notes to the annual financial statements; first, the reasons for overall growth or decline in the budget are stated, followed by details of overspending or under spending on line items.

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	30%

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

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

loss arising on derecognition 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)

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.

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.

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.

e) 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.

f) 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.

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

g) 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. 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.

h) 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.

i) 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.

j) 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.

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

k) Comparative figures

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

l) 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 entity and vice versa. Members of key management are regarded as related parties and comprise of Head of departments.

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

Critical accounting 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.

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.

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

n) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2017.

o) 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

6. Public contributions and donations

	2017	2016
	Shs	Shs
Donation from Taifa Sacco	-	10,000
Donation from National Transport Safety Authority	-	40,000
Donation from National Fund for the Disabled of Kenya	-	200,000
Donation from Nyeri Water and Sewerage Co.	5,000	-
Donation from Bena Patel	40,000	-
Donation from Kenya Pipeline Company Ltd	470,000	-
Total transfers and sponsorships	515,000	250,000

7. Transfers from other governments

	2017	2016
	Shs	Shs
Unconditional grants from Ministry of Labour, East African Community (EAC) and Social Protection		
Operational grant	100,400,000	54,695,000
Development Fund	259,000,000	304,000,000
Cash transfer to Persons with severe disabilities	1,200,000,000	1,120,000,000
Persons with Albinism sunscreen lotion program	100,000,000	100,000,000
Total government grants and subsidies	1,659,400,000	1,578,695,000

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 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 recognized in capital fund	Total grant income during the year	2015-2016
	Kshs	Kshs	Kshs	Kshs	Kshs
Ministry of East African Community (EAC) Labour and Social Protection	1,659,400,000	-	-	1,659,400,000	1,578,695,000
Total	1,659,400,000	-	-	1,659,400,000	1,578,695,000

8. Finance income - external investments

	2017 Shs	2016 Shs
Interest on fixed deposits	-	9,218,425
Total finance income – external investments	-	9,218,425

9. Other income

	2017 Shs	2016 Shs
Training charges on disability mainstreaming	175,000	1,171,827
Sale of Tender	9,000	-
Disposal of items	-	18,820
Braille Services	57,400	-
LPO Financing Service Charge 1%	21,484	-
Total other income	262,884	1,190,647

10. Employee costs

	2017 Shs	2016 Shs
Salaries and wages	63,798,824	62,362,678
Employee related costs - contributions to pensions, medical and staff training	28,519,423	28,365,839
Travel, motor car, accommodation, subsistence and other allowances	22,414,061	23,266,643
Housing benefits and allowances	21,806,128	23,715,600
Social contributions	242,400	240,800
Total Employee costs	136,780,836	137,951,560

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Depreciation expense

	2017	2016
	Shs	Shs
Property, plant and equipment	15,313,038	12,575,839
Total depreciation	15,313,038	12,575,839

12. Repairs and maintenance

	2017	2016
	Shs	Shs
Buildings & stations	170,413	3,072,691
Furniture & equipment	235,036	620,645
Vehicles	2,328,204	2,346,867
Computer, software & networks	933,891	1,553,497
Total repairs and maintenance	3,667,544	7,593,700

13. Contracted services

	2017	2016
	Shs	Shs
Professional Services	1,629,450	2,666,100
Guards & security services	1,024,800	948,240
Total contracted services	2,654,250	3,614,340

14. Programmes

	2017	2016
	Shs	Shs
Persons with Disabilities Self Help Groups (SHG)	53,650,000	43,250,000
Donations	3,702,276	2,933,786
Assistive devices & services	84,415,269	127,501,502
Infrastructure & Equipment support	86,402,102	141,615,019
Education support	73,352,954	68,443,535
National Disability Persons Organizations (DPOs)	47,271,250	53,388,855
Capacity building of Persons with Disabilities SHG	6,830,326	2,038,400
Monitoring & Evaluation of the SHG	2,152,900	2,607,930
Registration of Persons with Disabilities	20,415,275	21,300,147
Cash transfer to Persons with Severe Disabilities	1,390,281,805	728,236,346
Persons with Albinism Support Program	142,130,348	253,670,792
Disability Mainstreaming	5,812,440	-
Total grants and subsidies	1,916,416,945	1,444,986,311

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. General Expenses

	2017	2016
	Shs	Shs
Utilities, Supplies & Services	1,080,803	928,620
Communication, Supplies & Services	6,817,208	11,411,371
Domestic Travel	6,990,418	8,505,541
Foreign Travel	5,028,829	3,381,226
Printing, Advertising & Information, Supplies & Services	4,553,622	8,083,863
Catering Services	2,670,436	2,330,190
Conferences & Seminars	1,975,202	5,114,090
National Day Celebrations	5,679,688	3,556,127
Insurance	1,221,307	1,850,749
Office and General, Supplies & Services	8,415,349	8,465,312
Fuel, Oil & Lubricants	1,393,000	861,000
Bank Service Commission & Charges	348,143	416,882
Membership subscription	316,310	111,010
Audit Fees	1,160,000	754,000
Legal fees	-	12,066
Total general expenses	47,650,314	55,782,047

16. Board Expenses

	2017	2016
	Shs	Shs
Honoraria	1,608,750	2,080,000
Board allowances	22,828,145	23,080,690
Insurance	634,364	731,545
Total board expenses	25,071,259	25,892,235

17. Cash and cash equivalents

	2017	2016
	Shs	Shs
Bank	301,118,115	35,355,241
Cash-on-hand	-	27,360
Total cash and cash equivalents	301,118,115	35,382,601

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Detailed analysis of the cash and cash equivalents

17 (a) Bank balances

Name of Bank	Bank Account Number	Currency	2017 Shs	2016 Shs
Kenya Commercial Bank	1107116791	KES	278,665,969	35,338,964
Kenya Commercial Bank	1117769690	KES	22,452,146	16,276
Total			301,118,115	35,355,241

17 (b) Cash on hand and in transit

Form of cash holding	2017 Shs	2016 Shs
County offices running imprest	-	27,360
Total	-	27,360

18. Receivables from exchange transactions

Current receivables	2017 Shs	2016 Shs
Other exchange debtors	30,324,367	28,758,575
Total current receivables	30,324,367	28,758,575

Other exchange debtors refer to uncollected amount for cash transfer for persons with severe disabilities beneficiaries for July to December 2014 payroll cycle not refunded by Postal Corporation of Kenya amounting to Kshs 25,652,791 and money owed by clients under the Local Purchase Order (LPO) financing guarantee fund programme amounting to Kshs 4,671,576. The aged analysis of receivables from exchange transactions is as follows.

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	0-3 months	Over 2 years	Total
Particulars	Shs	Shs	Shs
Postal Corporation of Kenya	-	25,652,791	25,652,791
Adopt Activate	405,000	-	405,000
Bayete Holdings	500,000	-	500,000
Denzin General Supplies	89,900	-	89,900
Geoges Limited	78,000	-	78,000
Infinite/Countrywide Business Linkages	110,000	-	110,000
Jakoki Investments	60,030	-	60,030
Jushami Enterprises	220,000	-	220,000
Kogal Multiworks Limited	500,000	-	500,000
Kyusi Enterprises	354,960	-	354,960
Lenapu Agencies Limited	56,000	-	56,000
Mass-com Kenya Limited	231,000	-	231,000
Mawia Memorial Enterprises	25,520	-	25,520
Mepa Trading Enterprises	107,000	-	107,000
Ong'ata Brookview Academy	80,000	-	80,000
Professional Touch & General Merchants	300,000	-	300,000
Rongo Canaan Hardware	400,000	-	400,000
Simaji Investment	453,462	-	453,462
Solucom Agencies	330,000	-	330,000
Susma Suppliers Limited	370,704	-	370,704
Total	4,671,576	25,652,791	30,324,367

19. Receivables from non-exchange contracts

Current receivables	2017	2016
	Shs	Shs
Other debtors (non-exchange transactions)	206,312	748,995,000
Total current receivables	206,312	748,995,000

Other non-exchange debtors refer to money owed by four staff to be recovered in Financial Year 2017/18. The aged analysis of receivables from non-exchange transactions is as follows.

	0-3 months	Over 2 years	Total
Particulars	Shs	Shs	Shs
Jackson Lekarsia	19,850	-	19,850
Julie Minyoso	10,700	-	10,700
Patrick Limakou	5,050	-	5,050
Paul Mugambi Mwenda	170,712	-	170,712
Total	206,312	-	206,312

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. Property, plant and equipment

	Land	Buildings	M/Vehicles	Office Equip. Furn. & Fittings	Computers	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs
At 1 July 2015	25,000,000	21,789,659	29,133,774	25,170,766	14,211,592	115,305,791
Additions	-	-	15,276,138	8,442,060	2,183,836	25,902,034
Revaluation gain			2,425,185			2,425,185
At 30 June 2016	25,000,000	21,789,659	46,835,097	33,612,826	16,395,428	143,633,010
Additions	-	-	-	1,348,850	7,947,805	9,296,655
At 30 June 2017	25,000,000	21,789,659	46,835,097	34,961,676	24,343,233	152,929,665
Depreciation						
At 1 July 2015	-	3,541,336	12,503,149	9,499,571	9,801,173	35,345,229
Depreciation	-	544,742	6,674,457	3,505,016	1,851,624	12,575,838
At 30 June 2016	-	4,086,078	19,177,606	13,004,587	11,652,797	47,921,067
Depreciation	-	544,742	7,974,550	4,212,132	2,581,614	15,313,038
At 30 June 2017	-	4,630,820	27,152,156	17,216,719	14,234,410	63,234,104
Net book values						
At 30 June 2017	25,000,000	17,158,840	19,682,941	17,444,957	10,108,823	89,695,561
At 30 June 2016	25,000,000	17,703,582	27,657,491	20,608,239	4,742,631	95,711,943

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.

Revaluation for Motor Vehicles at original cost of Kshs. 28,143,250 and Net Book Value of Kshs. 14,196,875 was done by Ministry of Transport during financial year 2015/2016 and valued at Kshs. 16,622,060, thus revaluation gain of Kshs. 2,425,185.

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Fully depreciated motor vehicles at original cost of Kshs. 9,663,774 and computers at original cost of Kshs. 1,361,886 are still in use.

Fully depreciated assets at original cost are as follows:

	2017	2016
	Shs	Shs
Motor Vehicles	9,663,774	9,663,774
Computers	10,043,123	10,043,123
	<u>19,706,897</u>	<u>19,706,897</u>

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. Trade payables from exchange transactions

	2017	2016
	Shs	Shs
Trade payables	4,225,661	5,513,124
Total trade and other payables	4,225,661	5,513,124

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

	0-3 months	Total
Particulars	Shs	Shs
Commissioner of Vat	10,746	10,746
Director Agriculture Information Centre	64,480	64,480
Jubilee Insurance Company of Kenya Ltd	36,675	36,675
Kakamega Deaf Self-Help Group	23,950	23,950
National Industrial Training Authority	103,000	103,000
Compulynx Ltd	2,470,800	2,470,800
Cowood Ltd	104,150	104,150
Garissa Orthopaedic Services	1,376,360	1,376,360
Gateway Prosthetics & Orthotics Ltd	35,500	35,500
Total	4,225,661	4,225,661

22. Provisions

	2017	2016
	Shs	Shs
Provision for audit fees	2,320,000	1,160,000
Total Provision	2,320,000	1,160,000

23. Cash generated from operations

	2016-2017	2015-2016
	Kshs	Kshs
Deficit for the year	(487,376,301)	(99,041,960)
Adjusted for:		
Depreciation	15,313,038	12,575,839
Working Capital adjustments		
Decrease/(Increase) in Receivables	747,222,897	(749,009,684)
Decrease/(Increase) in prepayments	-	303,012
(Decrease)/Increase in Trade payables	(127,463)	(106,852)
Net cash flow from operating activities	275,032,170	(835,279,646)

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. Comparison of budget and actual amounts

a. Public contributions and donations

The increase in Public contributions and donations by 106% was due to an unanticipated donation from Kenya Pipeline Company Limited towards the vetting committee expenses of the Disability Inuka Scholarship Programme in all the 47 counties.

b. Other Income

The variance of 91% was due to donations received in kind in form of scholarship for 94 students with Disabilities at Kshs. 80,000 each, annually at a total of Kshs. 7,520,000 from Kenya Pipeline Company Ltd and equipment's to 6 Institutions of PWDs at Kshs. 1 Million each totalling to Kshs. 6,000,000 from Safaricom KIPAWA Project.

c. Repairs and Maintenance

The saving of 33% was due to efficient use of company assets leading to fewer repairs during the year.

d. Contracted services

The saving of 14% was due to reduced cost in developing three policy documents. The Council engaged the services of Public Institutions to develop the policies making it cost effective.

e. Programmes

The variance of 13% was due to the following reasons:

- Mobility devices service providers were unable to issue all clients with devices by close of the period thus a balance of Kshs. 9 million.
- 9,498 cash transfer beneficiaries were not paid as planned amounting to Kshs. 255 Million, due to delay by the payment service provider to issue them with payment smart cards. Payment to beneficiaries is done using smart cards containing biometric data for the beneficiaries in order to ensure that payment is made to the right beneficiaries. The cards are issued by KCB and during the period, the bank experienced unforeseen delay in the production of the cards and as at the end of the financial year the above-mentioned number of beneficiaries had not received their payment.
- Local Purchase Order (LPO) financing guarantee fund operates as a revolving fund thus a balance of Kshs. 10 Million.

f. General expenses

The saving of 20% was due to austerity measures. The council reduced expenditure on non-essential items during the year in line with the National Treasury's guidelines on putting in place austerity measures and this enabled the council to reduce expenditure on general expenses

g. Actual on Comparable Surplus Reconciliation

The surplus/deficit as per the statement of financial performance on page 1 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 accrual basis, statement of financial performance is cash basis). The following is a reconciliation of the two amounts.

	2016-2017 Kshs
Deficit as per statement of Financial Performance	(487,376,301)
Add: Funds B/forward	<u>777,741,052</u>
Surplus as per statement of comparison of budget and actual amounts	<u>290,364,751</u>

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. Related Party disclosures

Key management personnel as per management team on pages xiv to xvii

The total remuneration of members of the Council and the number of individuals, on a full-time basis receiving remuneration from the entity are:

	2017	2016
	Shs	Shs
Total remuneration	23,129,133	22,359,916
Number of persons	15	15
	2017	2016
	Shs	Shs
Revenue received from Government of Kenya through the Ministry of East African Community (EAC), Labour and Social Protection	1,659,400,000	1,578,695,000

26. Financial Risk Management Disclosures

a. 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 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.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2017				
Trade Payables	4,225,661	-	-	4,225,661
Provisions	1,160,000	-	1,160,000	2,320,000
Total	5,385,661	-	1,160,000	6,545,661
At 30 June 2016				
Trade Payables	1,357,284	-	4,155,840	5,513,124
Provisions	1,160,000	-	-	1,160,000
Total	2,517,284	-	4,155,840	6,673,124

b. 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 2017 is made up as follows:

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2017				
Receivables from exchange transactions	30,324,367	4,671,576	25,652,791	-
Receivables from non-exchange transactions	206,312	206,312	-	-
Bank balances	301,118,115	301,118,115	-	-
Total	331,648,794	305,996,003	25,652,791	-
At 30 June 2016				
Receivables from exchange transactions	28,758,575	36,575	28,722,000	-
Receivables from non-exchange transactions	748,995,000	748,995,000	-	-
Cash on hand and in transit	27,360	27,360	-	-
Bank balances	35,355,241	35,355,241	-	-
Total	813,136,176	784,414,176	28,722,000	-

27. Commitments and contingencies

Capital commitments

There were no capital commitments in both 2017 and 2016

Contingencies

Contingent liabilities

There were no contingent liabilities in both 2017 and 2016

Contingent assets

The following listed institutions were issued with grants under infrastructure support and economic empowerment. The institutions have failed to account for the funds resulting for the Council to file for complaints with respective County Criminal Investigation offices for criminal prosecution.

Institution	2017 Kshs	2016 Kshs	Action taken
Austim Society of Kenya	3,104,000	3,104,000	Complaint filed with Nairobi County Criminal Investigation Office. Investigations are ongoing.
Kenya Paraplegic Organization	6,304,085	6,304,085	Complaint filed with Nairobi County Criminal Investigation Office. Investigations are ongoing.
Ogilge Bomet Physically Handicapped Group	420,000	420,000	Council officers have recorded statements at Bomet CID offices. Investigations are ongoing.
Molo Town Disabled Self-Help Group	1,040,800	1,040,800	The matter is in Molo magistrate court for hearing. Next hearing is scheduled for September 2017
International Non-Governmental Organization	2,000,000	2,000,000	Complaint filed with Mombasa County Criminal Investigation Office. Investigations are ongoing.
University of Nairobi	45,928	45,928	The Council is in the process of identifying another applicant from the same university to benefit from the Kshs. 45,928
	12,914,813	12,914,813	

28. Events after the reporting period

Agency for cash transfer program account balance

The Agency for cash transfer program account No. 1168237459 with Kenya Commercial Bank is a holding account for three cash transfer programs under the National Safety Net Program, i.e. Persons with Severe Disabilities cash transfer program, Older Persons cash transfer program and Orphaned and Vulnerable Children cash transfer program. The account balance as at 30th June 2017 specific to Persons with Severe Disabilities cash transfer program was Ksh. 266,164,000 which left the holding account on 6th July 2017 for payment of 46,917 beneficiaries' stipend for May – June payment cycle.

29. Ultimate and Holding Entity

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

30. Comparative figures

The comparative figures are the Prior year figures for the year ended 30 June 2016.

31. Currency

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

XIX. 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)
NCPWD/359/2015-2016(5)	Refund due from Postal Corporation of Kenya	PCK made a commitment through a letter dated 25 th January 2017 to refund the amounts owed in 10 equal instalments. One instalment of Kshs. 2,872,200 was received on 9 th June 2017.	V. Akarah – Chief Legal officer	Partly Resolved; The Council to follow up with the balance of Kshs. 25,849,800.	
	Unsupported Disbursements to 7 Institutions	Bank certificates and documentary evidence of work carried out provided to the auditors	J. Ndwiga – Chief Programmes Officer	Resolved. Bank certificates and documentary evidence of work carried out provided to the auditors	

Guidance Notes:

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

Hon. Mohammed Gabbow

Executive Director..... *H. Gabbow*

Date..... *8/1/18*

David Ole Sankok

Chairman of the Board

Date.....

XX. APPENDIX 1: INTER-ENTITY TRANSFERS

ENTITY NAME:		NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES		
Break down of Transfers from the State Department for Social Protection				
FY 2016/17				
a. Recurrent Grants				
		Bank Statement Date	Amount (Kshs)	Financial Year
		03-10-2016	350,100,000	2016/17
		20-12-2016	350,100,000	2016/17
		02-03-2017	350,100,000	2016/17
		18-05-2017	350,100,000	2016/17
		Total	1,400,400,000	
b. Development Grants				
		Bank Statement Date	Amount (Kshs)	Financial Year
		25-11-2016	129,500,000	2016/17
		23-03-2017	97,125,000	2016/17
		24-05-2017	32,375,000	2016/17
		Total	259,000,000	

The above amounts have been communicated to and reconciled with the Head of Accounting Unit, Ministry of East African Community, Labour and Social Protection through letter Ref. No. NCPWD/FIN/05 VOL X (647) dated 25 July 2017.

Catherine A Wameyo
 Chief Finance & Accounts Officer
 ICPAK NO. 8964

Sign 

XXI. 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	Where Recorded/recognized					Total Transfers during the Year
	as per bank statement			Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of East African Community, Labour & Social Protection	18-05-2017	Recurrent	1,400,400,000	1,400,400,000	-	-	-	-	1,400,400,000
Ministry of East African Community, Labour & Social Protection	24-05-2017	Development	259,000,000	259,000,000	-	-	-	-	259,000,000
Total			1,659,400,000	1,659,400,000	-	-	-	-	1,659,400,000



Recipients of Sun Screen Lotion and Protective Clothing in the Albinism Support Programme



Donation of crutches, white canes, prosthetic limbs and wheelchairs under the Assistive devices and services support Programme



Albinism awareness walk in Embu during International Albinism Awareness Day (IAAD) on 13th June 2017
