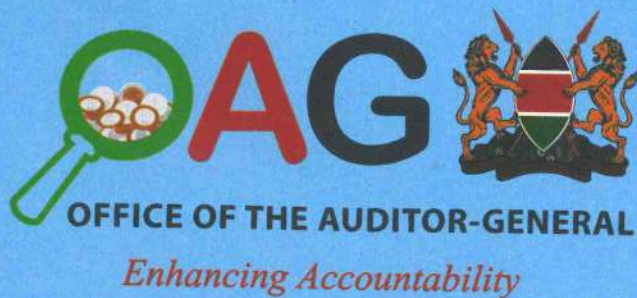


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

**KENYA INSTITUTE FOR PUBLIC POLICY
RESEARCH AND ANALYSIS (KIPPRA)**

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



KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

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1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

ACBF	African Capacity Building Foundation
ACET	African Center for Economic Transformation
ACODE	Advocates Coalition for Development and Environment
AERC	African Economic Research Consortium
AGPO	Access to Government Procurement Opportunities
A-I-A	Appropriation in Aid
ASALs	Arid and Semi-Arid Lands
BETA	Bottom-UP Economic Transformation Agenda
CIDP	County Integrated Development Plan
COG	Council of Governors
CSR	Corporate Social Responsibility
EDMS	Electronic Document Management System
EFD	Environment for Development
ERP	Enterprise Resource Planning
FANRPAN	Food, Agriculture and Natural Resources Policy Analysis Network
FAO	Food and Agriculture Organization
FY	Financial Year
GoK	Government of Kenya
GPA	Group Life Assurance
HELB	Higher Education Loans Board
ICPAK	Institute of Certified Public Accountants of Kenya
IFPRI	International Food Policy Research Institute
IPSAS	International Public Sector Accounting Standards
IRMS	Integrated Risk Management System
ISO	International Organization for Standardization
KARC	KIPPRA Annual Regional Conference
KER	Kenya Economic Report
KIPPRA	Kenya Institute for Public Policy Research and Analysis
KMPUS	KIPPRA Mentorship Programme for University Students
KPIs	Key Performance Indicators
KTMM	KIPPRA Treasury Macro Modelling

KRA	Key Results Area
Kshs	Kenya Shillings
KWS	KIPPRA Wide Survey
MDAs	Ministries, Departments and Agencies
M & E	Monitoring and Evaluation
NACOSTI	National Commission for Science, Technology and Innovation
NBV	Net Book Value
NG-CDF	National Government Constituencies Development Fund
NHIF	National Health Insurance Fund
NIPFN	National Information Platform for Food Security and Nutrition
NITA	National Industrial Training Authority
NSSF	National Social Security Fund
NUPEA	Nuclear Power and Energy Agency
OSHA	Occupational Safety and Health Act of 2007
PAYE	Pay as You Earn
PC	Performance Contract
PEP	Partnership for Economic Policy
PFM	Public Finance Management
PPAD	Public Procurement and Asset Disposal
PPE	Property Plant & Equipment
PPPs	Public Private Partnerships
PPRA	Public Procurement Regulatory Authority
PS	Principal Secretary
PWDs	Persons with Disabilities
SAGAs	Semi-Autonomous Government Agencies
SAIIA	South African Institute of International Affairs
SC	State Corporation
SOs	Strategic Objectives
UN	United Nations
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNICEF	United Nations Children's Emergency Fund
USD	United States Dollars

VAT	Value Added Tax
YPs	Young Professionals

B: Glossary of Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

The Kenya Institute for Public Policy Research and Analysis (KIPPRA) was formed through an Act of Parliament, the KIPPRA Act No. 15 of 2006. The Institute is domiciled in Kenya and has no branches. At Cabinet level, the Institute is represented by the Cabinet Secretary for The National Treasury and Economic Planning, who is responsible for the general policy and strategic direction.

The institute has three (3) Directorates, sixteen (16) departments and two (2) divisions.

(b) Principal Activities

The principal activity of the Institute is to develop human and institutional capacities for the Government of Kenya and other stakeholders by conducting objective research and analysis and through capacity building to contribute to the achievement of national development goals.

Mandate

Under the KIPPRA Act, the Institute is mandated to:

1. Develop capacities in public policy research and analysis and assist the Government in the process of policy formulation and implementation;
2. Identify and undertake independent and objective programmes of research and analysis, including macroeconomic, inter-disciplinary and sectoral studies on topics affecting public policy in areas such as human resource development, social welfare, environment and natural resources, agriculture and rural development, trade and industry, public finance, money and finance, and macroeconomic and microeconomic modeling;
3. Provide advisory and technical services on public policy issues to the Government and other agencies of the Government;
4. Communicate the findings and recommendations of the Institute's research programmes to the agencies of the Government concerned with the implementation of public policy;
5. Serve as a point of communication and encourage the exchange of views between the Government, the private sector and other bodies or agencies of the Government on matters relating to public policy research and analysis;
6. Collect and analyze relevant data on public policy issues and disseminate the Institute's research findings to persons it deems appropriate to publish such research findings;
7. Develop and maintain a reservoir of research resources on public policy and related issues and make these available to the Government, the private sector and learning institutions in Kenya;
8. Undertake public policy research and analysis for the Government and for clients in the private and public sectors;
9. Control the publication and use of the Institute's research findings;
10. Organize symposia, conferences, workshops and other meetings to promote the exchange of views on issues relating to public policy research and analysis;
11. Undertake public policy research relevant to governance and its implications to development; and
12. Undertake any other business which is incidental to the performance of any of the foregoing functions.

Key Entity Information and Management (continued)

Vision

An international centre of excellence in public policy research and analysis.

Mission

To provide quality public policy advice to the Government of Kenya and other stakeholders by conducting objective research and capacity building towards the achievement of national development goals.

Core Values

The Institute's core values and principles are;

- (i) Professionalism and ethics in service delivery.
- (ii) Fair competition and merit in appointments and promotion.
- (iii) Good governance, transparency and accountability;
- (iv) Efficiency and effectiveness;
- (v) Responsive, prompt, impartial and equitable service;
- (vi) Provisioning for diversity; and
- (vii) Upholding of human rights in the public service

(c) Key Management

The Institute's day-to-day management is under the following key organs:

No.	Designation	Name
1.	Board of Directors Chair	Dr Benson A. Ateng'
2.	Executive Director	Dr Rose Ngugi
3.	Director Economic Management	Dr Eldah Onsomu
4.	Director Integrated Development	Dr Moses Muthinja
5	Director Corporate Services	Ms Irene Mithia

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Executive Director	Dr Rose Ngugi
2.	Director Economic Management	Dr Eldah Onsomu
3.	Director Integrated Development	Dr Moses Muthinja
4.	Director Corporate Services	Ms Irene Mithia
5.	Deputy Director, Finance	Mr Teddy Bett
6.	Deputy Director, Supply Chain Management	Mr Reuben Mauki

Key Entity Information and Management (continued)

(e) Fiduciary Oversight Arrangements

The oversight role of KIPPRA is vested in the Board of Directors. The Board operates through four committees (Finance, Audit, Programmes, and Human Resource and General Purpose) and is guided by a Board Charter.

- The KIPPRA Board Charter was revised and approved in December 2020 and came into assent on 5th May 2021. It sets out the roles, functions, obligations, rights, responsibilities and powers of the Board, and the policies and practices of the Board in respect of its duties, functions and responsibilities. It guides and clarifies the roles of the Chairman, Directors, Executive Director; their powers; and their involvement in the day-to-day running of the Institute; and to be a point of reference. The Charter is also aimed at improving and enhancing the level of performance and effectiveness of the Board, including provision of strategic leadership and observance of high standards of corporate governance. It provides guidelines that help the Board ensure that strong leadership is in place at Board level.
- **Finance Committee:** This is an advisory body with no executive powers. Its broad function is to assist the Audit Committee and Board in ensuring that the Institute meets the highest standards of financial management and accountability in the use of its financial resources. The Chairman of the Finance Committee shall be a person with financial background and experience. The committee is authorized to carry out its mandate in line with its terms of reference, which are to: Approve the Institute's accounting policies and principles (and any changes thereof) that are required to be reported in the notes to the annual financial statements; Review and assess the appropriateness of accounting policies and principles, including conformance with relevant accounting and reporting standards; Review annual budgets, and make recommendations to the Board; Receive and consider quarterly financial, procurement and investment reports; Review annual financial statements and recommend them to the Board for approval; Review the use of financial resources, ensuring that value for money is achieved; Review the periodic financial reports and projections, paying particular attention to critical financial and budgetary control issues, financial strategy decisions requiring a major element of judgment, making recommendations to the Board as appropriate; Provide oversight over procurement in line with the procurement law; Advise the Board on resource mobilization, and; Ensure that the finance function is appropriately resourced and meets, or exceeds, best professional practice.
- **Audit Committee:** The duties and responsibilities of the Audit Committee are to assist, and where relevant, make recommendations to the Board on the discharge of Board's responsibilities as they relate to external financial reporting; external and internal audits; effective systems of internal control comprising financial and operational controls and compliance; and risk management.
- **Programmes Committee:** The overall purpose of the Committee is to advise the Board on technical issues; that is, on how to continuously improve the research and capacity building outputs of the Institute.
- The Programmes Committee reviews annual work plans and quarterly implementation progress reports, and recommends them for Board approval; monitors implementation of the strategic plan, annual performance contracts, and timely publication of the Kenya Economic Report and other statutory reports; assesses periodically the quality and effectiveness of the Institute's technical outputs, and advises the Board on the achievement of global benchmarks; assists the Human and General Purposes Committee in recruiting senior technical staff; and attends to other matters assigned by the Board, including matters that may be assigned to two or more Board Committees.

Key Entity Information and Management (continued)

Human Resource and General Purposes Committee: The Committee, which is non-executive, advises the Board on organizational structure, administration, human resource policy and capacity enhancement; reviews salaries, benefit packages and service contracts; reviews performance management policies and procedures and makes recommendations to the Board; recruits senior staff and recommends them for Board approval; presides over disciplinary hearings/interviews for senior staff; and makes recommendations on broad guidelines that promote operational efficiency; reviews and recommends to the Board staff annual performance appraisals; recommends renewal of contracts for senior staff; handles disciplinary cases concerning senior staff; and provides oversight on administrative structures of the Institute.

(f) Institute Headquarters

P.O. Box 56445-00200
Bishops Garden Towers
2nd Floor, Bishops Road
Nairobi, KENYA

(g) Institute Contacts

Telephone: (254) 2719933/4
E-mail: admin@kippra.or.ke
Website: www.kippra.or.ke
Twitter: @kipprakenya

(h) Institute Bankers

NCBA Bank
Mama Ngina Street
P.O. Box 30437-00100
Nairobi, Kenya

Kenya Commercial Bank
Milimani Branch
P.O. Box 69695-00400
Nairobi, Kenya

(i) Independent Auditor



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



(j) Principal Legal Adviser

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

3. The Board of Directors

Ref	Board Member	Details
1.	<p>Dr Benson A. Ateng' PhD in Economics and a Masters in Economics</p>	<p>Dr Benson A. Ateng' (born in 1949) is an Economist by profession and is currently a senior lecturer at the Technical University of Kenya. He has over 30 years of professional engagement as a lecturer and as an Economist.</p> <p>Dr Benson A. Ateng' holds a PhD in Economics and a Masters in Economics from the University of Nairobi. He has previously served in the World Bank in his capacity as an Economist with his key roles mainly being managing World Bank's country policy dialogue, country performance portfolio review and donor coordination, among others.</p> <p>He has authored various journal publications and peer-reviewed reports and has over the years provided consultancy services to both local and international organizations.</p> <p>Dr Ateng' serves as the Board Chairperson.</p>
2.	<p>Mrs Christine Wanjala MBA in Project Management and Evaluation</p>	<p>Mrs Christine Wanjala (born in 1968) is a lecturer at Kenya College of Accountancy University. She does part time lecturing at Masters Level with the focus being Corporate Management and Human Resource Management, among others in her capacity as a part time lecturer in undergraduate level.</p> <p>She holds an MBA in Project Management and Evaluation from Kenyatta University and has over 10 years of experience in this field in addition to over 20 years of experience in her profession as a teacher.</p> <p>Mrs. Wanjala is an Independent Director and serves as the Board Vice Chairperson.</p>

Ref	Board Member	Details
3.	 <p>Mr Samuel Wambugu M.A in Economic Policy Management degree</p>	<p>Mr Samuel Wambugu (born in 1969) is the Alternate Director to the Cabinet Secretary, National Treasury and Economic Planning in the KIPPRA Board. He is a Chief Economist in the Macro and Fiscal Department of the National Treasury. He represents the Cabinet Secretary, the National Treasury and Economic Planning at Kenya National Bureau of Statistics (KNBS), Jomo Kenyatta Foundation (JKF) and at Betting Control and Licensing (BCL) Boards.</p> <p>He holds an M.A in Economic Policy Management degree from Makerere University, Uganda and B.A in Economics from the University of Nairobi. He has attended Strategic Leadership Development Programme (SLDP) at the Kenya School of Government and several courses in Financial and Strategic Management, Leadership and Policy Formulation organized locally and abroad. He has further undertaken a training on Corporate Governance under Mwongozo facilitated by ICS and SCAC.</p> <p>Alternate Director to the Cabinet Secretary, National Treasury and Economic Planning</p>
4.	 <p>Dr Fred Simiyu, HSC PhD in Entrepreneurship, MSC degree in Entrepreneurship</p>	<p>Dr Fred Simiyu, HSC (born in 1968) is the Alternate Director to the Principal Secretary, State Department for Trade in the KIPPRA Board. He is a committed civil service management professional with over 26 years of experience chronicled with diverse industry experience in the field of nurturing Trade and Industrial entrepreneurship, Ministry of Industry, Trade and Cooperatives at National, regional and sub-national levels for income generation, employment creation and poverty reduction in the Republic of Kenya.</p> <p>Dr Fred Simiyu holds a PhD in Entrepreneurship from Jomo Kenyatta University of Agriculture and Technology and an MSC degree in Entrepreneurship from Moi University. He has hands on experience and abundant international entrepreneurial exposure gained through study tours of several industrial parks, shopping malls/supermarkets and international exhibitions in over 20 cities across China, India, United Arab Emirates, Qatar and East Africa to internalize their salient success strategies.</p>

Ref	Board Member	Details
		Alternate Director to the Principal Secretary, State Department for Trade
5.	 <p>Mr John Olela Master of Arts in Economics and Bachelor of Arts, Economics</p>	<p>Mr John Olela (born in 1972) is the Alternate Director to the Principal Secretary, State Department for Economic Planning in the KIPPRA Board. He is the Director, Sustainable Development Goals (SDGs) Coordination - State Department for Economic Planning, National Treasury and Economic Planning.</p> <p>Mr Olela is an economist with over 26 years' experience in planning, budgeting and performance management in the public sector. Prior to his current role, he was Director of Planning, Ministry of Environment, Climate Change and Forestry. Mr Olela holds a Master of Arts in Economics and Bachelor of Arts, Economics from the University of Nairobi.</p> <p>Alternate Director to the Principal Secretary, State Department for Economic Planning</p>
6.	 <p>Ms Anita Chepseba Bachelor of Laws (LLB) degree</p>	<p>Ms Anita Chepseba (born in 1981) is the designated representative of the Hon. Attorney General in the KIPPRA Board. She is the Deputy Chief State Counsel in the Office of the Attorney General.</p> <p>Ms Anita has over seventeen years' experience in the practice of law. She holds a Bachelor of Laws (LLB) degree from Moi University and various certifications in the field of International Trade Law, Multilateral Trade Agreements, World Trade Organisation and National Biosafety.</p> <p>She has vast experience in vetting, interpreting, and reviewing international legal instruments, negotiating Treaties and Agreements on behalf of the Government, processing requests on international judicial cooperation and providing general legal advice to the Government.</p> <p>Representative of the Hon. Attorney General</p>

Ref	Board Member	Details
7.	 <p>Ms Phoebe Nkaabu Bachelor of Arts in Communications (Public Relations) and a Diploma of Communications Arts (Print Media)</p>	<p>Ms. Phoebe Nkaabu (born in 1981) is a communications specialist with 11 years' experience in the communication sector. Her expertise includes public relations, public speaking, creative writing, media relations, print media content development, personal and organizational branding, community mobilization and advocacy.</p> <p>She has previously served as the Meru County First lady (2013-2017) and as a senior corporate affairs and communications expert at Kenya Nuclear Electricity Board (2011- 2015). She holds a Bachelor of Arts in Communications (Public Relations) and a Diploma of Communications Arts (Print Media) both from Daystar University.</p> <p>Ms. Nkaabu is an Independent Director.</p>
8.	 <p>Dr Chris Galgallo PhD in Sociology of Education</p>	<p>Dr Chris Galgallo (born in 1959) is an educationist with extensive experience in educational management, research and curriculum design especially for the pastoralist communities. He has significant experience in documentation (publications) and leadership, ensuring flexible responses which adapt to the needs of people in complex dynamic lifestyles or environments.</p> <p>He is a PhD holder in Sociology of Education from Jawaharlal Nehru University, India. He has previously served as a member of the Agricultural Industry and Wages Council as well as the Chairman of Educational Standards and Quality Assurance Council, National Council for Nomadic Education in Kenya and Community Wildlife Conservancy and Compensation Committee, Marsabit County. He has also served as a lecturer, administrator and counsellor at various teachers' training colleges and high schools. He has also made various presentations at conferences and in research publications.</p> <p>Dr Galgallo is an Independent Director and chairperson of the Board Human Resource and General Purposes Committee.</p>



Ref	Board Member	Details
9.	 <p>Prof Harrison M. K. Maithya PhD. in Social Anthropology</p>	<p>Prof. Harrison M. K. Maithya (born in 1963) is a Lecturer and currently a Director at South Eastern Kenya University, Wote Campus. He is also an Associate Professor, Department of Sociology, Anthropology and Community Development, South Eastern Kenya University, Kitui with over 27 years of Professional engagement in university teaching, Research, Consultancy and Community service.</p> <p>Prof. Maithya holds a PhD. in Social Anthropology from the University of London with a specialization in Medical Anthropology and Masters in Anthropology from The University of Nairobi. He has over the years provided consultancy and research services to both National and International Organizations.</p> <p>He is an Independent Director and chairperson of the Board Programmes Committee.</p>
11.	 <p>Ms Fatuma A. Hussein Masters in Community Health and Development</p>	<p>Ms. Fatuma A. Hussein (born in 1972) is currently the Managing Director at Vision Quest, a leading regional research and capacity development advisory firm that provides evidence-based solutions for humanitarian and development actors, operating in Kenya, Somalia, South Sudan, Ethiopia, and Uganda. She holds a Masters in Community Health and Development, Great Lakes University, Nairobi.</p> <p>She has over twenty years' experience in the multi-sectoral work at African and devolved units in Kenya. She has continued to bring on board cumulative, multi-disciplinary expertise with professional, intuitive knowledge, passion and practical experience in investment and financial inclusion, development of PPPs, governance and social inclusion, water and environment, local economic development, agriculture, livestock and rural development in both humanitarian and development assistance contexts in various countries.</p> <p>As the Vice President Eastern Africa for WAELE Foundation, she had an opportunity of working with several Heads of States and governments across Africa in women economic and leadership empowerment as well as peace building and conflict management. She oversees WAELE activities in more than fourteen countries of the Eastern Africa region.</p>

Ref	Board Member	Details
		Ms. Fatuma Hussein is an Independent Director .
12.	 <p>Dr Kevin Ongeti Wangwe Master of Medicine in Orthopedic surgery</p>	<p>Dr. Kevin Ongeti Wangwe (born in 1983) is a Medical Professional with over 10 years of experience. He is a medical Officer at African International University, Nairobi. He is an Orthopedic Surgeon at Mother and Child Hospital Nairobi as well as St Teresa Hospital.</p> <p>He holds a Master of Medicine in Orthopedic surgery as well as a Master of Science in Anatomy from the University of Nairobi. He has reviewed over eighty (80) peer publications among other presentations made in scientific conferences.</p> <p>Dr. Ongeti is an Independent Director and chairperson of the Board Finance Committee.</p>
13.	 <p>Dr Rose Ngugi PhD in Finance (Financial Markets), Masters and Bachelors degree in Economics</p>	<p>Dr Rose Ngugi (born in 1966) is the Executive Director of the Kenya Institute for Public Policy Research and Analysis and serves as the Secretary to the Board.</p> <p>She is involved in providing technical guidance and capacity building on policy and strategy formulation to the Government of Kenya and other stakeholders, with the overall aim of contributing to the achievement of national development goals. Before then, she was a Senior Advisor in the Office of Executive Director, Africa Group 1, International Monetary Fund, in Washington DC. Dr Ngugi has been a member of Central Bank of Kenya Monetary Policy Committee and has vast teaching experience at the University of Nairobi, School of Economics.</p> <p>She has published widely, and her research interests are in public policy, financial sector, investments, reforms and institutional issues. She holds a PhD from Business School Birmingham University, UK specializing in Financial Markets, and a Masters and Bachelors degree in Economics from the University of Nairobi, Kenya.</p> <p>Executive Director/Secretary to the Board</p>




Ref	Board Member	Details
14.	 <p>Mr Saidi Gongo LLM, Post Graduate Diploma in Law</p>	<p>CS. Saidi Gongo (born in 1982) is the Corporation Secretary and a member of the Institute of Certified Secretaries. He is a holder of LLM, from Al-Nilein University, Post Graduate Diploma in Law from Kenya School of Law (KSL) and Diploma in Human Resources Management from Kenya Institute of Management (KIM) with experience spanning over 12 years. He is also an Advocate of the High Court of Kenya and member of the Law Society of Kenya.</p> <p>Corporation Secretary</p>




4. Key Management Team




Ref	Management	Details
1.	 <p>Dr Rose Ngugi PhD in Finance (Financial Markets) Masters in Economics</p>	Executive Director
2.	 <p>Dr Eldah Onsomu PhD in Economics; Masters in Economics</p>	Director, Directorate of Economic Management
3.	 <p>Dr Moses Muthinja PhD in Finance; MBA (Finance); Bachelor of Education (Accounting and Economics); Post graduate certificate - Business Research CPA (K); CPS (K)</p>	Director, Directorate of Integrated Development

Ref	Management	Details
4.	 <p>CS Irene Mithia Masters in Business Administration; Bachelor of Science International Business CPS(K), Certified Human Resource Business Professional; A member of the Institute of Human Resource Management and Institute of Certified Secretaries of Kenya.</p>	Director, Directorate of Corporate Services
5.	 <p>CPA Teddy Bett Masters in Business Administration (Finance); Bachelor of Commerce (Finance); Certified Public Accountant of Kenya - CPA(K), Financial Analyst (FA), Certified Secretary - CS(K) and Diploma in Contemporary Public Administration (GIMI). A member of Institute of Certified Public Accountants of Kenya (ICPAK), Institute of Certified Secretaries (ICS), Institute of Certified Investments and Financial Analyst (ICIFA) and Center for Corporate Governance Alumni Network.</p>	Deputy Director, Finance Department

Ref	Management	Details
6.	 <p>Mr Felix Murithi MPhil in Publishing Studies</p>	Deputy Director, Knowledge Management Department
7.	 <p>Mr Reuben M. Mauki Master of Business Administration (UoN), Bachelor of Commerce - Procurement and SCM option (UoN), Contemporary Public Administration Diploma (GIMI) and Professional Diploma in Procurement and Supply (CIPS). He is a PhD in Supply Chain Management finalist at JKUAT.</p>	Deputy Director, Supply Chain Management Department
8.	 <p>Ms Monica Musumba MBA (Human Resources) and a Bachelor of Education from the Catholic University of Eastern Africa;</p>	Deputy Director, Human Resource Management and Administration Department

Ref	Management	Details
	Higher National Diploma from the Institute of Human Resource Management and a published author.	
9.	 <p>CPA Faith Musya MBA Finance, CPA(K)</p>	Deputy Director, Internal Audit Department
10.	 <p>CS Saidi Gongo LLM, from Al-Nilein University, Post Graduate Diploma in Law from Kenya School of Law (KSL) and Diploma in Human Resources Management from Kenya Institute of Management (KIM). An Advocate of the High Court of Kenya, a member of the Law Society of Kenya and Institute of Certified Secretaries.</p>	Corporation Secretary, Corporation Secretary and Legal Services Department
11.	 <p>Mr Benson Kiriga MA in Economics</p>	Senior Policy Analyst, Macroeconomics Department

Ref	Management	Details
12.	 <p>Mr Boaz Munga Master of Arts in Economics</p>	Senior Policy Analyst, Social Sector Department
13.	 <p>Dr Moses Njenga PhD in Economics</p>	Principal Policy Analyst, Private Sector Development Department
14.	 <p>Dr Humphrey Njogu PhD in Computer Science</p>	Principal Policy Analyst, Infrastructure and Economic Services Department

Ref	Management	Details
15.	 <p>Dr Nancy Nafula PhD Economics; M.A (Economics)</p>	Principal Policy Analyst, Capacity Building Department
16.	 <p>Dr Eliud Moyi PhD Economics; M.A (Economics)</p>	Principal Policy Analyst, Partnerships Department
17.	 <p>Mr Joshua Laichena MPhil (Economics); B. A. (Economics and Sociology)</p>	Senior Policy Analyst, Productive Sector Department

Ref	Management	Details
18.	 <p>Dr Judith Nguli PhD (Finance); Masters (Finance & Banking); CPA-K</p>	Senior Policy Analyst, Governance Department
19.	 <p>Dr John G Karanja PhD Finance; MBA (Finance)</p>	Principal Policy Analyst, Trade and Foreign Policy Department
20.	 <p>Mr Nahashon M. Mwongera M.A. (Economics); B.A. (Economics and Mathematics)</p>	Senior Planning and Strategy Officer, Strategy and Planning Department

Ref	Management	Details
21.	 <p>Ms Winnie Nguyu M.A. (Communication Studies); B.Tech: Bachelors in Library and Information Studies</p>	Principal Librarian, Knowledge Management Department
22.	 <p>Ms Jane Kenda MA Communication Studies; BA Languages and Literary Studies</p>	Principal Corporate Communications Officer, Corporate Communication and Media Division
23.	 <p>Mr Benson Itere MSc Information Systems</p>	Senior ICT Officer, Information and Communication Technology Division

Ref	Management	Details
24.	 <p>Ms Alice Alima BSC in Human Resource Management Diploma in Records and Archives</p>	<p>Senior Assistant Records Management Officer, Records Unit</p>

5. Chairperson's Statement

The 2022-23 Financial Year was yet another year of growth for the Institute. I and the entire the entire Board of Directors continue to work towards supporting the Institute, through the Executive Director, in achieving KIPPRA's strategic objectives to produce evidence-based research that informs public policy decision making, engage strategic stakeholders to debate policy issues and build capacity of professionals in the public policy making process. Through the 2022-23 work plan these objectives and their targets were surpassed, which is commendable.

KIPPRA continued to pursue diversification of its sources of funding and this year it generated KSh.152.86 million through research conducted on behalf of local and international organizations and government agencies; commercialized capacity development projects; and interest income. The Institute collaborated with other organizations such as the African Economic Research Consortium (AERC), African Capacity Building Foundation (ACBF), United Nations Children's Emergency Fund (UNICEF), Partnership for Economic Policy (PEP), The Council of Governors, and the Kenya Roads Board, among others. The Institute will continue forging strategic partnerships with both domestic and international organizations to support delivery of its mandate.

The quality and rigour of our research continues to inform policy debate. This year the Institute completed 102 research papers in thematic areas with significant focus on addressing emerging policy issues food and nutrition security, climate change mitigation, unlocking economic potential in the arid and semi-arid areas of Kenya, Institutional and regulatory frameworks affection trade, human capital development, improving business environment for microenterprises, and promoting governance. The Institute will continue supporting in delivery of the government development priorities stipulated in the Bottom-up Economic Transformation Agenda. KIPPRA's capacity building programmes continued to expand with increased demand from county governments. Over 4100 officers were capacity-built through 3 broad programmes namely, the Young Professionals Programme, the KIPPRA Mentorship Programme for Universities, and the Commercialized capacity building programme. The Institute has also continued to provide policy advisory and technical services by providing support to 35 institutions.

During the year under review, the Institute faced a few challenges. Without flexible delivery of the Young Professionals Programme, it was difficult to achieved the targeted enrolment numbers from the counties and the region. Though the Institute has an approved resource mobilization policy, Staff exchange programmes and engagement of research associates is yet to be achieved. A research data management policy was developed and approved. However, development of a data management system / data repository was not completed. The institute was not able to actualize construction of the KIPPRA Campus owing to challenges related to land acquisition and ownership. In addition, the Institute did not finalized amendment of the KIPPRA Act.

Among the approaches going forward resolve the setbacks faced, the Institute will enhance the capacity development and partnerships activities to widen the coverage of stakeholders through diversifying the Young Professionals programme to target county governments as well as Institutions from the region; develop flexible channels for delivery of capacity building

programmes; strengthen communication of research findings through expansion of the Corporate Communications Department and launching of the KIPPRA journal; strengthen data and analytical skills through establishment of the economic modelling hub, the virtual policy centre, data management center and gender research centre; establishment of a Directorate of Partnerships and Capacity Building to enhance resource mobilization, coordinate and expand KIPPRA activities to County governments, East Africa Community, Africa and global; acquire land and construct the KIPPRA Campus; and finalize amendment of the KIPPRA Act, 2006.

Our achievements must be acknowledged in the context of those that supported us through the year. The government of Kenya, our parent Ministry, the National Treasury and Economic Planning, the County Governments other development partners and most importantly recognizing the staff that continue to rise to the challenge of making KIPPRA a centre of excellence.

Prof. Benson A. Ateng', MBS
Chairperson
Board of Directors

Date: 20/02/2024

6. Report of the Executive Director

The Kenya Institute for Public Policy Research and Analysis (KIPPRA) was established to support the government in strengthening the public policy process by developing human and institutional capacity and providing evidence-based policy advice through objective research and analysis. This is in recognition that objective policy formulation, implementation and evaluation plays a critical role in achievement of the national long-term development agenda.

During the year under review, there was increased engagement and demand from the County governments which advanced the Institute's mandate to provide capacities for public policy formulation for the county governments alongside the national Government. Specifically, the Institute, in collaboration with the National Treasury and Economic Planning, supported Counties in developing their third (3rd) generation County Integrated Development Plans. KIPPRA continued to implement the last year of the 2018/19 – 2022/23 strategic plan whose "EASIER" business model embraced Efficiency, Accountability, Sustainability, Innovation, Effectiveness, Responsiveness and Relevance in delivering on the strategic objectives and activities.

During the year, the Institute embarked on development of the next strategic plan for FY2023/24 – 2027/28 that will propel it to even greater achievements over the next five years. The strategic plan aims to deliver 14 strategic objectives namely: enhancing the scope of the capacity building programmes; enhancing tools for delivery of the capacity building programmes; increasing uptake of capacity building programmes; undertaking timely, relevant and responsive policy research; diversifying coverage of policy research and analysis; enhancing quality in policy research and analysis; enhancing visibility and access to products and services; building sustainable networks and partnerships; enhancing productivity through human capacity development and welfare improvement; enhancing and strengthening the financial sustainability, institutional efficiency and effectiveness of KIPPRA; integrating knowledge management practices in KIPPRA processes and activities; promoting good corporate governance; and entrench National Values and Principles of Governance.

Following containment of the COVID-19 pandemic globally, normal working conditions were witnessed during the year. This enabled the Institute to exceed its targets in capacity building programs, research outputs, dissemination of research findings, and convening forums for exchange of views on policy issues. The Institute will review strategies for delivery of capacity building programmes to explore flexible approaches to suit various stakeholders, through usage of innovations in Information and Communication Technology.

KIPPRA research activity is guided by the prevailing government development agenda and emerging domestic, regional and international phenomenon. In the year under review, the Institute's thematic research work focused on County macroeconomic modelling and budget analysis framework; Promoting Education Equity and Inclusion in Context of Competence Based Curriculum; Exploiting the potential of the creative economy; Building resilient cities in Kenya; The role of NG-CDF in development process in Kenya; Implications of trade agreements on trade competitiveness; and adopting green economy to counter climate change. The focus of interdisciplinary research was on cost of living and role of markets; accelerating economic growth and development for arid and semi-arid regions of Kenya; and exploring Kenya development aspirations beyond 2030.

To bolster Institutional development and sustainability, during the year, the Institute continued implementing the approved resource mobilization policy aimed at attracting both financial and non-financial resources from strategic partners. Continued Government support, new partners, competent staff and prudent use of resources have been instrumental in ensuring sustainability of the Institute. The Institute finalized development of the Knowledge management policy and strategy, social media strategy and the corporate social responsibility policy, which were approved for implementation.

During the year under review, the Institute operationalized three Directorates as per the current approved organizational structure and recruited additional staff within the approved establishment. Within the next five-year strategic planning period, the Institute will work towards achieving full staff establishment, which is crucial to delivery of its mandate. In addition, the Institute continued to automate various workflows to enhance efficiency and effectiveness in service delivery. This included workflows in finance, human resource management, procurement and risk management.



Dr Rose Ngugi, OGW
Executive Director, KIPPRA

Date:...20th February 2024.....

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

KIPPRA has 5 key results areas (KRA) and respective strategic objectives in the current Strategic Plan 2018/19 – 2022/23. These key results areas are as follows:

- (i) Capacity development for an efficient and accountable public policy making process
- (ii) Quality, relevant and responsiveness of policy research and analysis
- (iii) Policy engagement, outreach and impact
- (iv) Financial and institutional sustainability
- (v) Leadership and integrity

The Institute's annual work plan for FY2022/23 was aligned to the above 5 KRAs. In addition, the Institute's Performance Contract (PC) for FY2022/23 was aligned to the approved annual workplan for the year. The targets in the core mandate section of the PC were drawn from the annual workplan. Implementation of AGPO, local content in procurement and the ten (10) cross-cutting indicators in the PC were also implemented through the workplan. The Institute also delivered the core-mandate programmes and re-aligned the PC targets with the government priorities under the Bottom-up Economic Transformation Agenda (BETA). A summary of KIPPRA's performance on delivery of its core mandate during the FY2022-2023 is highlighted in table 7.1, based on 5 KRAs, 15 Strategic Objectives (SO) and 41 Key Performance Indicators (KPI):

Table 7.1 Achievements made in the FY2022/23

KRAs, SOs and KPIs	Activities	Achievements
KRA 1: Capacity development for an efficient and accountable public policy making process		
<i>SO1: Increase the capacity Development activities to widen the coverage of stakeholders</i>		
No. of capacity building programmes implemented	To deliver 3 capacity building programmes namely: Young Professionals, KIPPRA mentorship Programme for Universities (KMPUS); and Commercialized programme	<ul style="list-style-type: none"> 27 Young Professionals (YP) were enrolled; produced 14 information notes, 28 blog articles, 14 discussion papers and 14 policy briefs. 26 YP enrolled for FY2021/22 graduated on 20th December 2022. 4 KMPUS events held at: Pwani, Machakos, Dedan Kimathi and Maseno Universities. Commercialized capacity building programme generated KSh.40 million in A-I-A.
No. of capacity building sessions delivered	To deliver 50 capacity building sessions targeting: the Young Professionals; Participants during the KMPUS; and through the Commercialized programmes.	<p>A total of 84 capacity building sessions delivered: YP Programme (7); KMPUS (33) Commercialized programme (44).</p> <p>Session delivered (and number) included: Public Making Process (57); Systems of National Accounts (2); Mainstreaming Planning and Budgeting in Special Interest Groups (10); Development of 3rd generation CIDPs (1); Input-Output Tables and System of</p>

KRAs, SOs and KPIs	Activities	Achievements
		National Accounts (1); Governance Structures in a Devolved System of Government (15); Monitoring and Evaluation (2); Applied Policy Research Methods and tools for policy analysis (2); Essay writing (2); Research methods (1); Social accounting matrix (1); Creating Enabling Environment for Private Sector (1); Preparing media articles (1).
No. of persons capacity built	To build capacity of 3000 officers through delivery of the 3 capacity building programmes	<ul style="list-style-type: none"> 4,108 officers capacity built: Young Professionals (27); KMPUS (3,632); commercialized programme (449). Built capacity of Youth in Climate Change Action, who participated in COP 27 event held on 6-20 November 2022 in Egypt).
SO2: Improve capabilities to expand and deepen policy analysis tools		
No. of policy analysis tools developed and utilized.	<ul style="list-style-type: none"> To develop KTMM operational supply side module To develop a revenue and forecasting model for clients To conduct Computable General Equilibrium modelling 	<ul style="list-style-type: none"> The KTMM supply side and demand side modules were drafted Concepts for establishment of the KIPPRA Policy modeling unit was drafted. Commenced the process of establishing gender research centre.
KRA 2: Quality, relevance and responsiveness of policy research and analysis		
SO3: Deepen policy research and analysis to comprehensively Inform public policy		
No. of thematic research reports produced	<ul style="list-style-type: none"> To produce 120 thematic research outputs 	<ul style="list-style-type: none"> Published 99 thematic research outputs: 78 Discussion Papers, Working Papers, Special Reports; 9 Policy Briefs; 8 Journal Articles; 2 Manuals; 2 Conference Proceedings Report
No. of interdisciplinary research projects conducted	<ul style="list-style-type: none"> To produce the Kenya Economic Report (KER) 2023. To conduct KIPPRA Wide Survey (KWS) 2023. Produce Vision 2030 review research report 	<ul style="list-style-type: none"> The KER 2023 under the theme "Cost of Living and Role of Markets" was finalized by 31st March 2023. The KER2022 was published. The KWS 2023 under the theme "Accelerating Economic Growth and Development for ASALs in Kenya" was conducted - 35 research papers done. Vision 2030 research report on "Kenya Development Aspirations Beyond 2030" was completed.
SO4: Enhance policy surveillance and analysis		

KRAs, SOs and KPIs	Activities	Achievements
<ul style="list-style-type: none"> No. of blog, media and policy monitor articles published No. of policy seminars convened 	<ul style="list-style-type: none"> Publish 60 blogs / media articles To publish 4 quarterly policy monitors To convene 20 policy seminars to promote exchange of views on emerging policy issues. 	<ul style="list-style-type: none"> 38 media, blog and policy monitor articles produced. 4 Policy Monitor Issues (newsletters) published 46 policy seminars convened. Commenced the process of establishing a KIPPRA Virtual Policy.
<i>SO5: Strengthen data collection and management to support policy research and analysis</i>		
<ul style="list-style-type: none"> No. of policy surveys No. of quarterly market analysis reports 	<ul style="list-style-type: none"> To conduct 1 policy survey To publish 4 quarterly market analysis reports 	<ul style="list-style-type: none"> Prepared concept and tools for conducting policy survey on "County Climate Change Index". Published 4 Quarterly Market Analysis reports
<i>SO6: Establish a public policy repository (reservoir of research resources on public policy)</i>		
<ul style="list-style-type: none"> Bibliography of government policies No. of policy documents and KIPPRA publications uploaded on the repository 	<ul style="list-style-type: none"> To update the bibliography of government policies on the repository To upload new KIPPRA publications on the repository 	<ul style="list-style-type: none"> As at end of June 2023, the repository had 3037 documents of which 798 National Government, 1439 County Government, and 800 KIPPRA publications). A total of 9,995,764 searches conducted on the repository during the FY.
KRA 3: Policy engagement, outreach and impact		
<i>SO7: Expand and strengthen strategic networks and partnerships</i>		
<ul style="list-style-type: none"> No. of policy dialogue events (roundtables) conducted. No. of policy taskforces and working groups engaged in No. of forums with local & international Think Tanks No. of strategic partnerships at national and county level. 	<ul style="list-style-type: none"> To convene 40 roundtables to promote exchange of views on emerging policy issues. To participate in at least 40 government taskforces and working groups. To convene the Annual Kenya Think Tanks Forum 	<ul style="list-style-type: none"> Organized 65 roundtable events. Participated in 35 taskforces and working group including. 4th Kenya Think tanks symposium was held on 27th April 2023 themed "Mobilizing African Think Tanks for Effective Climate Negotiations" with participants from over 50 Kenyan Think Tanks. A communique and proceedings report were produced.
<i>SO8: Boost the Institute profile and accessibility as a center for public policy research and analysis</i>		
<ul style="list-style-type: none"> No. of customer satisfaction surveys conducted No. visits and downloads on the KIPPRA website and repository. 	<ul style="list-style-type: none"> To conduct external customer satisfaction survey To monitor usage on the KIPPRA websites and repository To distribute 30,000 hard copies of 	<ul style="list-style-type: none"> Conducted employee satisfaction survey. 179,773 website downloads recorded; shared 25,542 hard copy publications with stakeholders. Commenced establishment of KIPPRA Studio that will support production of content for

KRAs, SOs and KPIs	Activities	Achievements
<ul style="list-style-type: none"> No. of publications distributed to stakeholders 	<ul style="list-style-type: none"> KIPPRA publications to stakeholders 	<ul style="list-style-type: none"> dissemination through various KIPPRA communication channels.
<i>SO9: Strengthen knowledge management and communication (dissemination and outreach)</i>		
<ul style="list-style-type: none"> No. of dissemination forums organized No. of Conferences convened No. of knowledge management Infrastructure implemented Proportion of implementation of KIPPRA brand strategy. 	<ul style="list-style-type: none"> To organise 33 workshops To organize the 6th KIPPRA Annual Regional Conference (KARC) To implement the Electronic Document Management System (EDMS); To Develop Knowledge Management Strategy and Policy To implement branding activities 	<ul style="list-style-type: none"> Organized 42 research dissemination workshops. Convened the 6th KARC on 21 – 23 June 2023 at Pwani University, under the theme “<i>Accelerating Economic Growth and Development for ASALs in Kenya</i>”; 1000 delegates attended daily. EDMS & KIPPRA registry implemented. Knowledge Management Strategy and Policy was developed and approved for implementation Branding of KIPPRA Offices done. Commenced process of setting up infrastructure for production of the KIPPRA Public Policy Journal, to be actualized in FY2023/24.
KRA 4: Financial and institutional sustainability		
<i>SO10: Increase productivity through human capacity development and welfare improvement</i>		
<ul style="list-style-type: none"> No. of staff trained in relevant skills No. of performance management reviews No. of employee satisfaction surveys undertaken % of staff by category (gender, ethnicity, disability mainstreaming). 	<ul style="list-style-type: none"> To ensure 100% of staff are trained in short courses To build capacity of staff on usage of infographics To train staff on Kenya Sign Language To conduct staff performance appraisal. To ensure 5% of in-post staff are PWD 	<ul style="list-style-type: none"> Facilitated 1 staff member to attend a training on Kenya Sign Language. Staff performance appraisal for FY2021/22 was completed and Training Needs Assessment report done. Facilitated 38 in-post staff (55%) to attend short course to build skills. Improved percentage of in-post staff who are PWD from 3.0% in 2021/22 to 9.4% by end of June 2023. Affirmative action ensured in procurement process. Staff were sensitized in 30 topical areas.
No. of new staff recruited within the approved establishment	<ul style="list-style-type: none"> To recruit 42 staff / positions within the approved establishment of 171 	<ul style="list-style-type: none"> 42 positions advertised for and 32 new staff recruited in the year. 9 research assistants and 30 temporary staff engaged.
No. of interns and industrial attachées engaged	<ul style="list-style-type: none"> To engage 19 interns and 5 industrial attachées. 	<ul style="list-style-type: none"> Engaged 30 interns and 16 industrial attachées
<i>SO11: Enhance financial sustainability</i>		
<ul style="list-style-type: none"> Implementation of resource mobilization strategy and policy 	<ul style="list-style-type: none"> To implement 18 demand-driven projects and to raise 	<ul style="list-style-type: none"> Implemented 26 projects and raised KSh.82.36 million in A-in-A

KRAs, SOs and KPIs	Activities	Achievements
<ul style="list-style-type: none"> No. of new internal policies/ procedures approved Enacted KIPPRA Act Amendment Bill 	<ul style="list-style-type: none"> KSh.65 million in A-I-A Engage research associates To finalize and approve new internal policies / procedures 	<ul style="list-style-type: none"> Six internal policies were completed: Knowledge management policy and strategy; CSR policy; Public participation guidelines; Social media strategy; Concept for KIPPRA Journal 14 other policies / strategies were drafted, to be completed and approved in FY2023/24.
<i>SO12: Entrench risk management</i>		
<ul style="list-style-type: none"> % of implementation of the Integrated Risk Management System (IRMS) 	<ul style="list-style-type: none"> To implement the IRMS To produce 4 risk assessment reports 	<ul style="list-style-type: none"> Integrated Risk Management Policy and Framework developed and approved. The IRMS was utilized to produce 3 quarterly risk management reports. 16 functional risk management registers were inbuilt in the IRMS.
<i>SO13: Enhance efficiency in planning and service delivery</i>		
<ul style="list-style-type: none"> No. of service delivery systems automated. Implementation of Citizen's Service Delivery Charter 	<ul style="list-style-type: none"> To implement EDMS Automate workflows in the ERP system. To automate Citizens Service Delivery Charter (Video, audio, infographics, sign language) 	<ul style="list-style-type: none"> Implemented workflow automations to improve operational efficiency: E-procurement System; Imprest management; Leave management; EDMS; E-Recruitment portal; E-Learning Portal; and IRMS. Citizens Service Delivery Charter was translated into braille, sign language, video and audio. A tool to monitor its implementation developed.
KRA 5: Leadership and integrity		
<i>SO14: Promote governance in institutional development</i>		
<ul style="list-style-type: none"> Full Board in place % of compliance to statutory requirements Full implementation of the amended KIPPRA Act 	<ul style="list-style-type: none"> Ensure KIPPRA has a full Board in place; Uphold corporate governance practices. Comply with statutory requirements/ circulars pertaining to KIPPRA To implement recommendation from the Governance Audit and the Corruption Risk Assessment done in FY2021/22. 	<ul style="list-style-type: none"> Full Board was in place. 100% compliance with statutory requirements and circulars pertaining to KIPPRA Continued implementing recommendations from the Governance Audit that was conducted in FY2021/22. All workplan activities were in line with the KIPPRA Act and mandate. Implemented Corruption Risk Mitigation Plan.
<i>SO15: Entrench national values and principles of governance within and outside the Institute</i>		
<ul style="list-style-type: none"> % of staff sensitized on national values and principles of governance 	<ul style="list-style-type: none"> Sensitize all staff on National Values and Principles of Governance 	<ul style="list-style-type: none"> All staff were sensitized on National Values and Principles of Governance

KRAs, SOs and KPIs	Activities	Achievements
<ul style="list-style-type: none"> • % of implementation of commitments in the PC under the national values and principles of governance indicator • No. of promotional materials published and disseminated 	<ul style="list-style-type: none"> • To implement the 5 commitments on mainstreaming national values and principles of governance under PC indicator for 2021/22 • To produce the national values booklet in braille 	<ul style="list-style-type: none"> • Implemented 5 commitments on mainstreaming national values and principles of governance under the PC indicator in line with PC guidelines for FY2022/2023. • National values booklet in braille format produced and disseminated. Over 2000 copies of the children's national values booklet disseminated.

****KRA = Key Result Area; SO = Strategic Objective; KPI = Key Performance Indicator**

8. Corporate Governance Statement

KIPPRA practices good corporate governance to achieve the best possible level of organizational performance. Effective governance is the most fundamental among imperatives for successful, effective and sustainable think tanks. It was recognized from the onset of KIPPRA's establishment that for the Institute to support policy formulation within the Government of Kenya, both operational autonomy and an effective governance framework were requisite for the Institute to effectively achieve its mandate. The Institute adhered to the Mwongozo Code of Governance for State Corporations in its use of public resources. The Institute relied on the leadership and guidance of the Board, who gave the Institute strategic direction, safeguarded the Institute's resources, and monitored corporate performance.

Board charter

The Board Charter was reviewed and aligned to the Mwongozo Code of Governance and approved by the Board in December 2020. The conduct of the Board is governed by the terms of the Board Charter ensuring that its role is independent from that of Management and that there is no conflict of interest affecting the duties of the Directors to the Institute. The Board has delegated the responsibility for the day-to-day business of the Institute to the Executive Director.

Process of appointment and removal of Directors

Pursuant to section 7 of the KIPPRA Act, members of the Board are appointed by the Cabinet Secretary, National Treasury and Economic Planning while the Chairperson of the Board is appointed by President through a Gazette Notice.

During the financial period 2022/2023, the KIPPRA Board was not fully constituted. As at 30th June 2023, the Board had a membership of eleven (11) excluding the Executive Director. The members of the Board of Directors who served during the year are shown on page viii to xii.

During the year, Dr Phoebe Josiah's term expired on 16th October 2022. Mr Koitamet Olekina resigned from the Board on 9th January 2023. Mr John Olela replaced Mr Zachary Mwangi as the Alternate to the PS, National Treasury and Economic Planning with effect from 11th April 2023. Ms Anita Chepseba replaced Ms. Caroline Saroni as the designated representative of the Hon. Attorney General to the Board effective 10th May 2023. Dr Boaz Cheluget was appointed *vide* Gazette Notice No. 7487 published on 9th June 2023 but the Institute had not received his appointment letter as at 30th June 2023.

Table vi (1): Composition of Board and Board Committees.

S/No.	Members	Full Board	Programs Committee	Human Resource and General Purposes Committee	Finance Committee	Audit Committee
1.	Dr Benson A Ateng'	✓ *				
2.	Ms Christine Wanjala	✓	✓			✓ *
3.	Prof Harrison Maithya	✓	✓ *	✓		
4.	Ms Fatuma Hussein	✓	✓		✓	
5.	Dr Chris Galgalo	✓		✓	✓	
6.	Ms. Phoebe Nkaabu	✓		✓	✓	
7.	Mr. Samuel Wambugu	✓			✓	✓
8.	Dr Kevin Ongeti	✓	✓		✓ *	
9.	Dr Fred Simiyu, HSC	✓		✓		✓
10.	Mr John Olela	✓	✓			✓
11.	Ms Anita Chepseba	✓		✓		✓

* Chairperson

Roles and Responsibilities of the Directors.

The roles and responsibilities of members are outlined in section 194 of the PFM Act, 2012. Organizational goals and values of the Institute are stated and articulated in the Institute's Strategic Plan, Annual Work Plans, and Service Charter. The Institute is running a five-year strategic plan that is implemented through annual work plans. The Strategic Plan is reviewed mid-way, while annual work plans are reviewed on a quarterly basis. Implementation of the Strategic Plan, Work Plan, and Service Charter is monitored through the annual Performance Contract agreement signed between the Board and the Government (parent Ministry), between the Executive Director and the Board, and between the Executive Director and Heads of Departments.

Table vi (2): Number of Board meetings held.

S/No.	Description	No. of meetings held
1	Full Board	7
2	Human Resource & General-Purpose Committee	18*
3	Programs Committee	5
4	Finance Committee	5
5	Audit Committee	5
Total		40

**The Committee held additional meetings due to the recruitment of senior officers in KIP 2 and 3 positions which fall within Board purview.*

Board and member performance.

The Board and Board Committees are required to meet at least quarterly or as required. The Committees have been set up with clear terms of reference to facilitate efficient and effective decision making of the Board in discharging its duties, powers and authorities.

a) Board Meetings

S/No.	Name	No. of meetings During the year	No. of meetings attended
1.	Dr Benson Ateng	7	7 out of 7
2.	Ms Christine Wanjala	7	7 out of 7
3.	Prof Harrison Maithya	7	7 out of 7
4.	Ms Phoebe Nkaabu	7	5 out of 7
5.	Dr Phoebe Josiah*	7	2 out of 7
6.	Dr Chris Galgallo	7	7 out of 7
7.	Ms Fatuma Hussein	7	4 out of 7
8.	Dr Fred Simiyu	7	7 out of 7
9.	Dr Kevin Ongeti	7	6 out of 7
10.	Mr Samuel Wambugu	7	4 out of 7
11.	Mr Zachary Mwangi*	7	1 out of 7
12.	Mr Koitamet Olekina*	7	3 out of 7
13.	Ms Caroline Saroni*	7	5 out of 7
14.	Mr John Olela	7	2 out of 7
15.	Ms Anita Chepseba	7	1 out of 7

**Dr Phoebe Josiah's term expired on 16th October 2022. Mr Koitamet Olekina resigned from the Board on 9th January 2023. Mr John Olela replaced Mr Zachary Mwangi as the Alternate to the PS, National Treasury and Economic Planning with effect from 11th April 2023. Ms Anita Chepseba replaced Ms. Caroline Saroni as the designated representative of the Hon. Attorney General to the Board effective 10th May 2023.*

b) Programmes committee

The Programmes Committee is charged with the review of annual and quarterly work plans, and Performance Contracts.

S/No.	Name	No. of meetings During the year	No. of meetings attended
1.	Prof Harrison Maithya	5	5 out of 5
2.	Ms Christine Wanjala	5	5 out of 5
3.	Dr Phoebe Josiah	5	2 out of 5
4.	Dr Chris Galgallo	5	5 out of 5
5.	Ms Fatuma Hussein	5	2 out of 5
6.	Dr Fred Simiyu	5	5 out of 5
7.	Mr John Olela*	5	0 out of 5

**Mr John Olela was appointed to the Committee during the Board meeting held on 26th April 2023 hence no meetings attended.*

c) Human Resource and General-Purpose Committee

The Human Resource and General-Purpose Committee advises the Board on organizational structure, administration, human resource policy and capacity enhancement/ building, reviews the salaries, benefit packages and service contracts, recruitment of senior staff ensuring that these are competitively structured and linked to performance. The Committee also makes recommendations for broad guidelines that promote operational efficiency.

S/No.	Name	No. of meetings During the year	No. of meetings attended
1.	Mr. Koitamet Olekina	18	13 out of 18
2.	Prof. Harrison Maithya	18	17 out of 18
3.	Ms Phoebe Nkaabu	18	14 out of 18
4.	Dr Kevin Ongeti	18	17 out of 18
5.	Ms Caroline Saroni	18	14 out of 18
6.	Dr Phoebe Josiah*	18	8 out of 18
7.	Ms Fatuma Hussein	18	6 out of 18
8.	Dr Fred Simiyu*	18	1 out of 18
9.	Dr Chris Galgallo*	18	1 out of 18
10.	Ms Anita Chepseba*	18	0 out of 18

Dr Phoebe Josiah was involved in the recruitment meetings as the Chairperson of the Audit Committee since Deputy Director, Internal Audit was among the positions to be filled. Dr Fred Simiyu and Dr Chris Galgallo were appointed to the Committee during the Board meeting held on 26th April 2023 hence only attended one meeting. Ms Anita Chepseba was appointed to the Committee during the Board meeting held on 16th June 2023 and therefore did not attend any meetings.

d) Finance Committee

The Finance Committee reviews annual budgets and procurement plans, quarterly and annual financial reports.

S/No.	Name	No. of meetings During the year	No. of meetings attended
1.	Dr Kevin Ongeti	5	5 out of 5
2.	Mr Zachary Mwangi	5	2 out of 5
3.	Mr Samuel Wambugu	5	2 out of 5
4.	Mr. Koitamet Olekina	5	3 out of 5
5.	Dr Chris Galgallo	5	5 out of 5
6.	Ms Phoebe Nkaabu	5	5 out of 5

e) Audit Committee

The Audit Committee works closely with the internal audit unit and plays a critical role in reviewing financial information and ensuring that the system of internal controls is effectively administered. It considers significant audit findings identified by the Institute's internal and external auditors. The Committee maintains oversight on internal controls, and makes recommendations on financial information, risk management, policies and audit issues.

S/No.	Name	No. of meetings During the year	No. of meetings attended
1.	Dr Phoebe Josiah	5	2 out of 5
2.	Ms Christine Wanjala	5	5 out of 5
3.	Mr. Samuel Wambugu	5	2 out of 5
4.	Dr Fred Simiyu	5	5 out of 5
5.	Mr Zachary Mwangi	5	1 out of 5
6.	Ms Caroline Saroni	5	4 out of 5
7.	Ms Anita Chepseba*	5	0 out of 5

**Ms Anita Chepseba was appointed to the Committee during the Board meeting held on 16th June 2023 hence no meetings attended.*

f) Ad-hoc Committees

No Ad-hoc committee was constituted during the Financial Year under review.

Induction and training

The Board was trained on Board Audit and Risk Oversight at the Kenya School of Government from 25th to 27th July 2023.

The Board underwent an induction programme for board members facilitated by the Institute for Certified Secretaries from 20th to 22nd April 2023.

Succession plan

The Board reviewed, evaluated, and approved the overall Institute structure, the assignment of senior management responsibilities and plans for senior management development and succession.

Board Performance

The Board undertakes an annual evaluation of its performance and effectiveness to identify the areas for improvement and addresses them. Performance evaluation is conducted with the assistance of SCAC, an independent party. Board Evaluation for the FY 2021/22 was conducted on 14th July 2023. The Board received and adopted the Board Performance Evaluation Report for FY 2021/2022 on 30th August 2022. The Corporate Board performance stood at a score of 92.92%.

Conflict of interest, board remuneration, ethics, and governance audit

The Board continued to implement the KIPPRA Conflict of Interest Policy. A conflict-of-interest register was maintained and filled before start of all Board meetings.

Board members were remunerated for their services in accordance with the prevailing relevant legislative provisions and/or guidance from the relevant authority. The breakdown of the board remuneration is captured in note number thirty-one (Note No.31)

The Board adopted, implemented, and monitored compliance with the Institute's Code of Conduct and Ethics.

Mwongozo Compliance

The Board has continued to implement the Mwongozo Code of Governance for State Corporations. The Code is implemented on a "comply or explain basis" recognizing that state corporations are at different levels of compliance with corporate governance norms.

The Code stipulates that the Board membership of all state corporations shall be between seven and nine members. The Institute has not complied with this requirement since the KIPPRA Act No. 15 of 2006 provides for thirteen board members excluding the Executive Director. The Institute has compiled proposals for amendment on review of the KIPPRA Act which include review of the Board membership to nine members. Once the KIPPRA Bill is developed and enacted, the Institute will be compliant with this requirement.

The Code also stipulates that Board meetings should be held at least four times a year, and not more than four months shall elapse between the date of one meeting and the date of the next meeting. A schedule of dates of the meetings will be agreed upon by the Board members and set out in the Board workplan. The Board Human Resources and General Purposes Committee held eighteen meetings during the year under review exceeding the number of meetings set out in the Board calendar. This was necessitated by the recruitment of nine senior management staff to allow for longlisting, shortlisting and interviews for the positions by the Board.

Communication and reporting to stakeholders

KIPPRA has developed communication policy and procedures, which provide guidelines on internal and external communication. They outline what should be communicated to internal and external stakeholders as well as the specific channels to be used for each type of communication.

The Institute also has a communication strategy to enhance awareness and effective communication of its products and services to stakeholders. The strategy identifies categories of stakeholders and their specific communication needs, their preferred channels of communication and specific timeliness when they are to receive the information. The communication strategy has key performance indicators that can be measured and evaluated to ensure KIPPRA's communication goals are met.

The Institute's citizens' delivery charter is another tool that ensures timely provision of services and products to customers. This includes promptly responding to enquiries and timely resolution of complaints. Tools also have been developed to monitor the implementation of the charter.

The Institute conducts regular internal and external customer surveys to determine satisfaction levels among the Institute's customers and to identify areas of improvement.

9. Management Discussion and Analysis

Section A

KIPPRA's operational and financial performance

KIPPRA is supported by the National Government through the National Treasury by way of transfer of funds for operational use. These funds are channelled to the Institute through its bank account after this has been budgeted for and approved by the Board of Management. During the year, the State Department for Planning transferred a total of Ksh 563.968 million. The Institute also realized Ksh 150.894 million as A.I.A from rendering of services and interest income. Other Incomes (KIPPRA Regional Conference, Sale of KIPPRA Publications, gain on disposal of motor vehicle and reimbursements from ACBF for administration costs incurred.) accounted for Ksh 2.233 million.

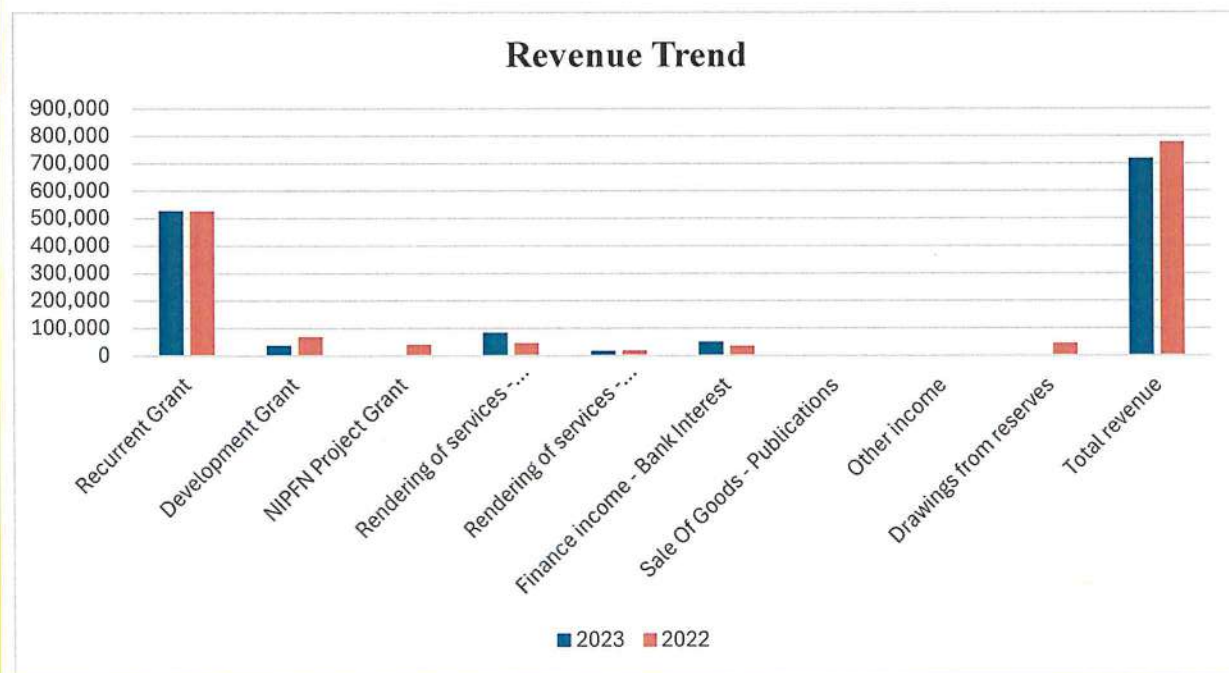
Summary of financial results;

i. Revenue

a. Tabulated revenues

S/No.	Description	2023	2022	2021
1	Transfers from other governments entities	563,968	633,607	414,280
2	Rendering of services – A.I. A	100,691	63,892	53,838
3	Sale of goods	147	61	74
4	Finance income	50,203	34,433	22
5	Other income	2,806	1,498	3,462
6	Retained Earnings	-	43,769	71,624
	Total	717,095	777,260	543,300

b. Trend



KIPPRA's operational and financial performance

The graph above provides a trend of revenues realized in FY 2022/23. From the graph exchequer releases accounted for 78% of the revenues realized, rendering of services 14%, finance income 7% and other incomes 1%.

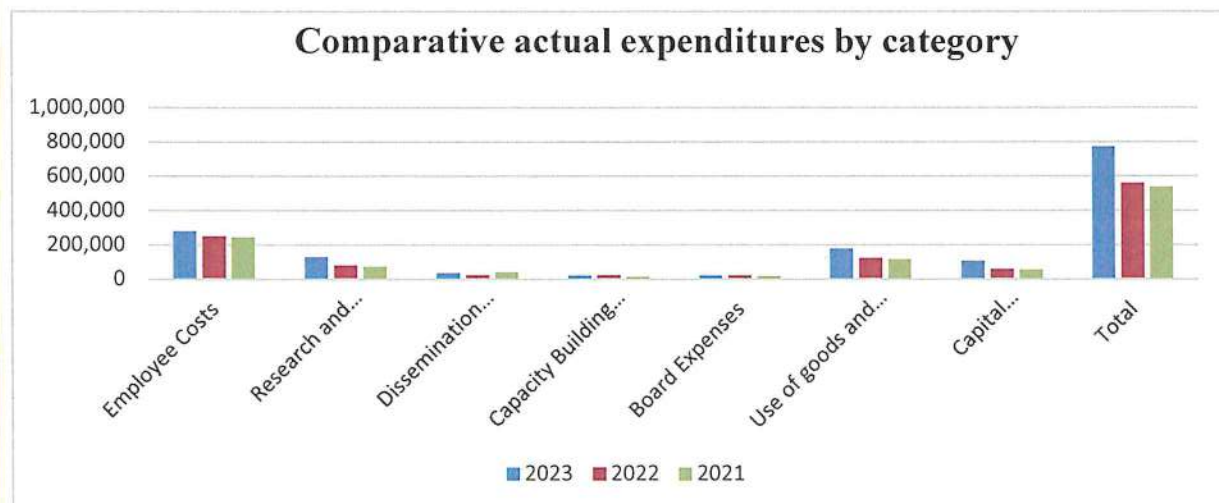
ii. Expenditure

The Graph below provides a comparison between expenditures incurred in FY 2022/23, FY 2021/22 and FY 2020/21. From the graph there was an overall 33% increase in spending in FY 2022/23.

a. Tabulated Expenditure

S/No.	Description	2023	2022	2021
1	Employee Costs	279,817	249,053	245,349
2	Research and analysis	129,769	78,779	72,852
3	Dissemination Workshops	35,078	20,993	41,769
4	Capacity Building Programs	21,264	20,190	12,761
5	Board Expenses	21,892	19,384	17,761
6	Use of goods and services	177,639	122,212	115,557
7	Capital Expenditures	105,839	56,899	54,593
8	Total	771,298	557,419	536,810

b. Trend

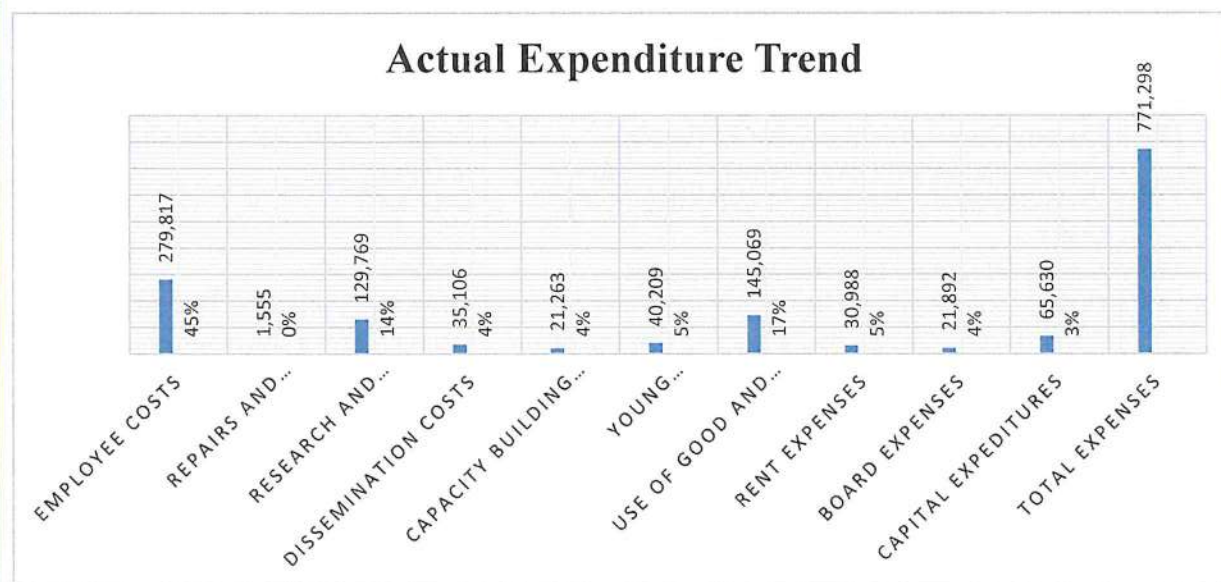


FY 2022/2023 Actual expenditure Trend

In fulfilment of its mandate, the Institute incurred expenses on various line items. Personnel emoluments accounted for 45%, use of goods accounted for 17% with Board allowances accounting for 4% of total expenses. Research and Analysis costs accounted for 14%, dissemination costs 4%, and capacity building programmes costs 4% of the total expenses. Capital

KIPPRA's operational and financial performance

expenditure accounted for 5% representing the Young Professionals programme costs while purchase of fixed assets had 3% of the total expenses.



Section B

Entity's compliance with statutory requirements

The Institute has complied with PFM Act 2012 and PPAD Act 2015 and their respective regulations. It has also complied with other legal requirements such as submission of statutory deductions i.e. timely remittance of NHIF, NSSF, PAYE, NITA, HELB, VAT withholding and Income tax withholding.

Access to Government Procurement Opportunities (AGPO)

As provided by PPAD Act 2015, in the FY 2022/23, the Institute awarded a total of Ksh 144,871,006 to the AGPO in line with 30% AGPO allocation. Women were awarded 110 contracts amounting to Ksh 65,064,691 the Youth 47 contracts amounting to Ksh 47,007,953 and 6 contracts were awarded to PWDs amounting to Ksh 32,798,362 which surpassed the 2% target. The Institute also in compliance to awarding at least 40% of the total value of the procurement budget to goods and services produced locally awarded Ksh 218,872,728 against an annual target of Ksh 162,934,286.

Section C

Key projects and investment decisions the entity is planning/implementing

	Project Name	Institution / Client
1.	KIPPRA Young Professional Programme	Youth from Public and Private sectors
2.	Local Economic Development Plan	Kisumu County, UNHABITAT, UCLGA
3.	Kenya Economic Transformation Outlook 2022	African Center for Economic Transformation (ACET)
4.	Development of KIPRA Strategic Plan 2023 – 2028	Kenya Industrial Property Institute
5.	Development and implementation of M&E project	Communication Authority of Kenya
6.	Cost Benefit Analysis for Nuclear Reactor	NUPEA

Key projects and investment decisions the entity is planning/implementing

7.	Human Capital in Africa: Case for Kenya: - <i>Project: The Contribution of School and non-school environment on Pupil Performance</i>	African Economic Research Consortium (AERC)
8.	Human Capital in Africa: Case for Kenya" - <i>Project: Do social assistance interventions foster education attainment in Kenya?</i>	African Economic Research Consortium (AERC)
9.	Human Capital in Africa: Case for Kenya: - <i>Project: Institutional Support and Strengthening</i>	African Economic Research Consortium (AERC)
10.	Child Sensitive Planning and Budgeting Policy Briefs	UNICEF
11.	County Integrated Development Plans III	UNDP / COG
12.	Econometric Model on Roads Annuity Fund	State Department for Planning
13.	Consolidating Gains and Deepening Devolution in Kenya	United Nations Development Program (UNDP)
14.	Design and implementation of a process evaluation of government catalytic funds.	Ministry of Youth Affairs, Sports, and the Arts; State department of Youth Affairs.
15.	Facilitating dialogue and linkages to resilience/ livelihoods/ agriculture program in a cash plus context	FAO-KIPPRA

Section D

Major risks facing the Institute

Overview of Risk Management in KIPPRA

The Institute is implementing the Integrated Risk Management Policy Framework (IRMPF) and the Integrated Risk Management System (IRMS). During the FY2022/23, the Institute developed and received approval of the IRMPF to support implementation of enterprise-wide approach to risk management. The Institute develop digital platform, the IRMS, to support monitoring, analysis, evaluation and reporting of risks across all functions of the Institute.

The approved IRMPF provides guidelines on the management of risks within its risk Universe (i.e., Financial, Operational, Compliance and Financial Risks). The operational risks identified are spread across the following functions: human resource, finance, information communication and technology (ICT), research and strategy and planning.

The Institute has developed a robust risk management approach which identifies risks that would impede the achievement of the Institute's strategic objectives. In doing this the Institute developed a risk register totalling 167 risks broken down as follows: 119 operational, 25 compliance, 16 financial and 7 strategic. Additional information of the 16 financial risks are detailed in table 3 below. Of these, 6 have been assessed as having high net risk (i.e., 5 Operational and 1 Compliance). None in the Financial or Strategic risk categories had high net risk. Most of these risks also have poor control rating (Table 1), this provides an opportunity for improvement.

Table 1: Summary on current high risks

Name of Risk	Description	Gross Risk Rating*	Control Ratings	Net Risk**
Operational Risks				

Major risks facing the Institute

Manuals risk	Risk associated with development, application and preparation of capacity building / training manuals and materials which are relevant, appropriate and accurate	High	Poor	High
Peer review risks	Risks that can occur during the quality assurance of KIPPRA research publications and capacity building manuals.	High	Poor	High
Research peer review risks				
Internet down time risk	Risk of internet service disruptions	High	Moderate	High
Custodian risk	Risks that arise from general security of library resources in the library; borrowed by staff and KIPPRA publications in the store	Medium	Poor	High
Compliance Risks				
Quality assurance improvement risk	Risks of not conducting and implementing a quality assurance and improvement program (QAIP)	High	Poor	High

*Gross Risk = The amount of damage caused by a risk when all preventive measures fail.

**Net Risk = The amount of risk remaining after preventive measures are used successfully.

Actions taken in addressing the risks rated high

The Institute has adopted a robust risk management approach and practices aimed to ensure achievement of its key objectives. As established in the Risk Management Report, each highly related risk has in place internal control mechanisms aimed at ensuring achievement of the strategic objectives and the mandate of the Institute thus mitigating risk that may affect this achievement which is summarised in the table (2) below. This are amongst what the Institute monitors to ensure efficiency.

Section E

Material arrears in statutory and Other financial obligations

KIPPRA does not have loan default, pending bills, tax default, outstanding staff & pension obligations/actuarial deficit on pension schemes and non-payment of dividends & loan redemption to the National Exchequer.

Section F

The Institute's Financial probity and serious governance issues

There is no financial improbity reported by internal audit/Board audit committee, external auditors, or other National Government Agencies providing oversight and there are no governance issues among the Board of directors and senior management including conflict of interest.

Section G

Future Developments and other information

KIPPRA intends to construct its own headquarters once the land is acquired. This will also host the KIPPRA Campus where capacity building of young professionals and public officers shall be carried out.

10. Environmental And Sustainability Reporting

KIPPRA exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant products and services, and improving operational excellence.

i) Sustainability strategy and profile

The Institute's Strategy Plan 2018-2023 is embedded on the following pillars: efficiency, accountability, sustainability, innovation, effectiveness, relevance, and responsiveness. The Institute's activities as presented in the Strategic Plan are guided by national commitments to the global development agenda such as the Sustainable Development Goals (SDGs), East African Development Agenda (2050) and African Union Agenda 2063 on the Africa we Want. At national level, the Institute is guided by the Kenya Vision 2030 and its Medium-Term Plans, and the 2010 Constitution of Kenya. This together with the SWOT and PESTEL analysis, the evaluation of the political, economic, social, technological and legal factors that may affect the Institute's operations, informed the establishment of the Institute's 5 key results areas. These include (1) Capacity Development for an Efficient and Accountable Public Policy Making Process (2) Quality, Relevance and Responsiveness of Policy Research and Analysis, (3) Policy Engagement, Outreach, and Impact (4) Financial and Institutional Sustainability; and (5) Leadership and Integrity. The institute undertook ISO re-certification during the year and the Standard Operating procedures were updated.

ii) Environmental performance

Towards environmental sustainability, KIPPRA has been implementing recommendations from the environmental Impact Assessment Report.

- Submit quarterly reports to the National Environmental Management Authority (NEMA)
- Waste bins provided and are well labelled and segregated for the different types of waste using colour coded dustbins, enabling easy recycling and a means of protecting the environment.
- The lights and water taps are switched off when not in use, since staff at the institute and other occupants in the entire building are reminded of the importance of conserving energy, water and maintaining a clean environment by use of reminder stickers found withing the offices, corridors and the cloak rooms.
- Fire extinguishers have been installed in most section within the premises and all these are serviced annually.

Towards managing biodiversity, the Institute enhanced environmental ecology through tree planting initiatives. Kenya's forest cover is estimated at 7.2 per cent of the country's territory, which is below the recommended global minimum of 10 percent. The Presidential National Tree Growing Campaign aims to accelerate tree cover by 10 percent by 2032 through growing and restoration of 15 billion trees. In line with this as well as with the aim of increasing the countries forest coverage and restore the water catchment areas essential for supporting livelihoods and balancing the ecosystems, the institute has planted **10,150 trees** over the period under review. The breakdown is as follows:

- a) The Institute participated in the Green Africa Foundation Tree Planting in Arina primary school, Unga Village, Ndhiwa Sub- County, Homa Bay country. Demonstrating their commitment to environmental conservation, the Institute generously sponsored and planted 200 trees during the event. This significant involvement aimed to foster a greener and

healthier ecosystem in the local community. By actively participating in such initiatives, the Institute effectively contributes to the preservation and protection of the environment, ensuring a sustainable future for generations to come.

- b) Planted 500 new trees in Kereita Forest located in Kiambu County during the forest run challenge 500. The Forest Run Challenge **500** not only pushed participants to their physical limits but also allowed them to contribute to the conservation and rejuvenation of Kereita Forest, leaving a legacy for generations to come. The objective of the tree planting event was to raise funds to rehabilitate at least 600 hectares (equivalent to planting at least 600,000 trees) of the country's key water towers between the year 2021 and 2030. Specifically, the Forest Challenge also aims at empowering local communities by purchasing seedlings from them and creating employment for members of communities that live adjacent to woodlands under restoration.
- c) Tree planting during the 19th Edition Standard Chartered Marathon Nairobi. Tree Planting - 11 KIPPRA staff participated in Kereita forest in Kiambu challenge on November 26th, 2022, and sponsored 250 trees for planting geared towards environmental conservation. KIPPRA staff participate in the 19th Edition Nairobi Standard Chartered Marathon and planted trees.
- d) KIPPRA staff in collaboration with the Wildlife Research Training Institute (WRTI) planted 1,000 trees at the Naivasha Game Farm in support of the government's reforestation initiative during staff team building retreat held on 29th April 2023. The Institute planted 1,000 more trees at KWS in Naivasha on 19th May 2023.



- e) Planted 200 trees at Pwani University, Kilifi on 24th June 2023
- f) Planted 8,000 trees at Misango Hills, in Kakamega County and Kaptagat in Elgeyo Marakwet.

As part of the Presidential National Tree Growing Campaign of planting 15 billion trees by 2032, KIPPRA in partnership with the National Treasury and Economic Planning, KIPPRA sponsored and participated in planting 8,000 trees. This monumental endeavour aims to propel the nation's tree cover forward by an impressive 10 percent by the year 2032. With a remarkable goal of growing and restoring trees, this campaign serves as a resolute commitment towards environmental preservation and the sustainable future of Kenya.



iii) Employee welfare

he Institute in supporting employee welfare and through the KIPPRA Staff Welfare Committee ensured continued implementation of the;

- (i) The Human Resource Policy and Procedure Manual January 2020 section 2.15.10 has the provision of principles of affirmative action, gender and persons living with disability and national values will apply. The Institute observes gender mainstreaming, balance on appointment, promotion and ensure that a minimum of a third (1/3) are of either gender in recruitment process.
- (ii) Reviewed and revised Rewards and Recognition Policy referring to Public Service Commission, Human Resource Policies and Procedures Manual for the Public Service (May 2016), Public Service Commission, Guidelines for implementation of Performance Rewards and Sanctions in the Public Service (December 2016) and the Public Service Commission, Performance Rewards and Sanctions Framework for Public Service (May 2016).
- (iii) The staff transition to permanent and pensionable terms.

Further, the Institute through it's KIPPRA Health and Safety Committee undertook the following activities aimed at enhancing employee welfare;

- a. Promoted condom use through requisition from National Aids Control Program as well as distribution of condoms at KIPPRA premises and sensitized staff on HIV and Aids
- b. Ensured supplies and replenishing of the First Aid boxes.
- c. KIPPRA first aid and fire marshals were trained in compliance with the Occupational Safety and Health Act of 2007, (OSHA, 2007).
- d. Ensured provision of a screening package for HIV, Cancer, Blood pressure, Blood sugar and BMI in the KIPPRA medical health package.

Environmental And Sustainability Reporting (Continued)

iv) Market place practices

a) Responsible Supply chain and supplier relations

KIPPRA ensures that the suppliers are accorded opportunities without discrimination. This is done through rotation in requesting for quotations as well as ensuring that procurement that are done through open tender are advertised through medium with wide coverage. Suppliers are given feedback after the procurement process is finalized through notification of award or regret letters stating reasons why they were unsuccessful in the tendering process. Suppliers are also sensitized on Public Procurement and Asset Disposal Act and Regulations to offer them capacity building on the legal framework guiding procurement in public sector.

Suppliers' payments are processed without delay once delivery and inspection of goods is concluded. This is done through coordination between Supply Chain Management and Finance departments.

b) Product stewardship

KIPPRA which is ISO certified has in place policies and Procedures on Control of Nonconforming Outputs which covers the detection of non-conforming products and services within KIPPRA's operations and taking the necessary corrective or preventive actions to avoid unintended use or delivery. The non-confirming outputs may be identified during production, inspection, testing, verification, or outputs returned by customers, during service delivery, during internal and external quality audits, after service delivery, and through customer feedback.

KIPPRA ensures that outputs (both products and services) that do not conform to requirements of the customers are identified and controlled to prevent their unintended use or delivery. Where non-conformity is detected during processing, it is suspended until action is taken to eliminate the detected non-conformity.

v) Corporate Social Responsibility / Community Engagements

KIPPRA seeks to be a good corporate citizen in all aspects of its operations and activities. To this end, the institute's commitment to be social and economic responsible has been seen through implementation of various impactful Corporate Social Responsibility / Community Engagements as a way of giving back to the community. In the FY 2022/2023, KIPPRA implemented the following CSR activities.

a) Development of the Institutes CSR policy

To explore how to maximise the development potential of the CSR agenda, the CSR Committee has developed a CSR policy for the Institute for policy guidance. The non-existence of the CSR policy had denied the institute a structured way of executing its CSR activities. This policy therefore provides a framework for the Institute to implement its CSR activities and provide guidance for decision-making. The policy is in line with the Guidelines under the Mwongozo Code of Governance for State Corporations which provides guidance on development, implementation, and financing of CSR activities. The policy sets a broad framework and gives direction for implementing CSR activities

by focusing on community engagement, capacity building, environmental sustainability, and staff involvement among others.

b) CSR-PWDS

Kenya is a signatory of the United Nations Convention on the Rights of Persons with Disabilities; the Protocol to the African Charter on Human and People's Rights on the Rights of Persons with Disabilities; and the East Africa Community Policy on Persons with Disabilities. These instruments provide a platform for addressing issues that affect people with disabilities. In line with KIPPRA mandate, the Institute engages in research work and policy analysis aimed at helping deal with issues that affect persons with disabilities. As part of CSR activities, the Institute implemented the following activities.

i) Visit to Kipsaina Integrated Primary School for Physically challenged

The committee visited Kipsaina Integrated Primary School for Physically challenged and issued twenty-seven (27) cards to the disabled students. KIPPRA also donated to the school the following items: One hundred and forty-seven (147) sanitary towels, Crutches; food items; One projector; One white board; one laptop, school clothing for the physically disabled learners and soft drink.

ii) UHAI festival.

To attempt to alleviate some of the challenges faced by PWDs, KIPPRA supported 300 PWDs all over the country to participate in the UHAI festival event held in Mombasa County. The Uhai Festival offers a platform that not only celebrates people with disabilities but also offers them inclusion, networking and visibility through sporting and entertainment activities. Some of the activities at the event included: Roll Ball for the blind, sitting volleyball, wheelchair racing, amputee football, deaf football, and blind football. The Institute promoted the event by sponsoring water, glucose, and food to the PWDs participants during the event held on 2nd and 3rd December 2022. KIPPRA sponsored items worth Ksh 70,000.



Environmental And Sustainability Reporting (Continued)

iii) Visit to Mother Teresa Home in Huruma Nairobi:

KIPPRA staff paid a visit to Missionaries of Charity Mother Teresa Home in Huruma Nairobi to donate charitable items on the 16th of December 2022.

iv) Visit to Machakos School for the Deaf

The Machakos school for the deaf visit was organised by the corporate and social responsibility (CSR) committee in partnership with Kenya Institute for Special Education (KISE) on provision of expertise in assessing learners with Hearing Impairment on 16th June 2023. The institute assessed status of 36 learners and prepared a report.

11. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the Institute's affairs.

i) Principal activities

The principal activity of the Institute is to provide quality public policy advice to the Government of Kenya and other stakeholders by conducting objective research and analysis and through capacity building to contribute to the achievement of national development goals.

ii) Results

The results of the Institute's Financial Performance for the year ended 30th June 2023 are set out on page 1.

iii) Directors

The members of the Board of Directors who served during the year are shown on page ix to xv. During the year, Dr Phoebe Josiah's term expired on 16th October 2022. Mr Koitamet Olekina resigned from the Board on 9th January 2023. Mr John Olela replaced Mr Zachary Mwangi as the Alternate to the PS, National Treasury and Economic Planning with effect from 11th April 2023. Ms Anita Chepseba replaced Ms. Caroline Saroni as the designated representative of the Hon. Attorney General to the Board effective 10th May 2023. Dr Boaz Cheluget was appointed *vide* Gazette Notice No. 7487 published on 9th June 2023 but the Institute had not received his appointment letter as at 30th June 2023.

iv) Auditors

The Auditor-General is responsible for the statutory audit of the Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. Auditor General to carry out the audit of the Kenya Institute for Public Policy Research and Analysis for the year/period ended June 30, 2023, in accordance to section 23 of the Public Audit Act, 2015.

By Order of the Board



Dr Rose Ngugi, OGW
Executive Director/Secretary to the Board

Date:...20th February 2024.....

12. 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 the Institute, which give a true and fair view of the state of affairs of the Institute at the end of the financial year and the operating results of the Institute for that year. The Directors are also required to ensure that the Institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the Institute. The Directors are also responsible for safeguarding the assets of the Institute.

The Directors are responsible for the preparation and presentation of the Institute's financial statements, which give a true and fair view of the state of affairs of the Institute for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Entity; (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 Institute; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Institute's 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 Institute's financial statements give a true and fair view of the state of Institute's transactions during the financial year ended June 30, 2023, and of the Institute's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the Institute, which have been relied upon in the preparation of the Institute's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors have assessed the Institute's ability to continue as a going concern. Nothing has come to the attention of the Directors to indicate that the Institute 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 Institute's financial statements were approved by the Board on **17th August 2023** and signed on its behalf by:


Prof. Benson A. Ateng', MBS
Chairperson of the Board

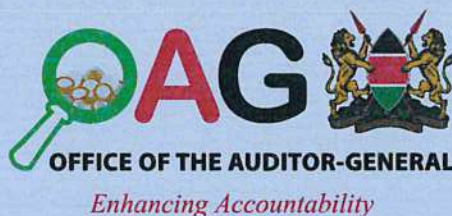
Date... 25/02/2024


Dr Rose Ngugi, OGW
Executive Director/Accounting Officer,
Secretary to the Board

Date: ...20th February 2024.....

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA INSTITUTE FOR PUBLIC POLICY RESEARCH AND ANALYSIS (KIPPRA) FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Institute for Public Policy Research and Analysis (KIPPRA) set out on pages 1 to 44, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial

Report of the Auditor-General on Kenya Institute for Public Policy Research and Analysis (KIPPRA) for the year ended 30 June, 2023

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya Institute for Public Policy Research and Analysis (KIPPRA) as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Kenya Institute for Public Policy Research and Analysis Act, 2006 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Misstatement of Property, Plant and Equipment

The statement of financial position and as disclosed in Note 23 to the financial statements reflects property, plant and equipment balance of Kshs.357,219,297 which includes land valued at Kshs.250 million measuring 2.57 hectares in Upper Kabete allocated to the Institute and issued with a title deed. The land was meant for construction of the Institute's Headquarters. However, the Director of Veterinary Services (DVS) wrote to the KIPPRA Management informing them that the land was among other irregularly allocated parcels of land which were hived off from the veterinary land at Kabete and its development would curtail the operations of Central Veterinary Laboratories. The issue was referred to the National Land Commission and the DVS disallowed any development thereon.

In 2016, the Institute initiated the construction of offices on the land, but the State Department for Livestock proposed an alternative piece of land on the basis that the current land was not ideal as it is within the Kabete Veterinary Bio-facilities and drainage. The construction project was therefore halted. However, as at 30 June, 2023, the Institute had not been allocated an alternative piece of land and could not also access the allocated parcel of land as the Department of Veterinary Services had fenced it off.

In the circumstances, the ownership, accuracy and fair statement of property, plant and equipment balance of Kshs.357,219,297 as at 30 June, 2023 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.920,693,259 and Kshs.789,967,142 respectively resulting in an under-collection of Kshs.130,726,116 or 14% of the budget. Similarly, the Institute spent Kshs.771,552,798 against an approved budget of Kshs.920,693,259 resulting to an under-expenditure of Kshs.149,140,461 or 16% of the budget.

The under-collection and under-expenditure affected the planned activities and may have impacted negatively on delivery of goods and services to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 2330. The standards require that I plan and perform

the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Directors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to continue to sustain its services.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

26 March, 2024

14. Statement of Financial Performance for the Year Ended 30 June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	526,683,561	633,607,000
		526,683,561	633,607,000
Revenue from exchange transactions			
Rendering of services	7	100,691,946	63,892,000
Sale of goods	8 (a)	147,200	61,000
Finance income	9	57,770,478	34,433,000
Other income	8(b)	2,085,916	1,498,000
Total Revenue from exchange transactions		160,695,540	99,884,000
			43,769,000
Total revenue		687,379,101	777,260,000
Expenses			
Use of goods and services .	11	338,065,621	234,493,000
Employee costs	12	279,816,682	249,053,000
Board Expenses	13	21,892,144	19,384,000
Depreciation and amortization expense	14	25,165,648	20,974,000
Repairs and maintenance	15	1,555,251	1,884,000
Finance costs	16	756,748	634,000
Total expenses		667,252,094	526,422,000
Other gains/(losses)			
Gain/Loss on foreign exchange transactions	10	13,225,716	3,924,000
Surplus/ (deficit) before tax		33,352,723	254,762,000
Taxation	17	23,626,940	5,163,000
Surplus/(deficit) for the period/year		9,725,781	249,599,000
Remission to National Treasury		-	-
Net Surplus for the year		9,725,781	249,599,000

The notes set out on pages 7 to 43 form an integral part of these Financial Statements.

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

Dr Rose Ngugi, OGW
Executive Director

CPA Teddy Bett
Deputy Director, Finance
ICPAK M/No. 11072

Prof. Benson A. Ateng', MBS
Board Chairperson

Date: 20th February 2024

Date: 20/02/24

Date: 20/02/2024

15. Statement of Financial Position as at 30 June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	19	897,174,587	916,455,000
Receivables from Exchange Transactions	21	18,432,258	13,093,000
Inventories	22	-	3,793,000
EFD-Kenya Account	19(b)	-	4,825,000
Total Current Assets		915,606,845	938,166,000
Non-Current Assets			
Property, Plant and Equipment	23	357,219,297	65,759,000
Intangible Assets	24	7,673,497	8,841,000
Total Non- Current Assets		364,892,794	74,600,000
Total Assets		1,280,499,639	1,012,766,000
Liabilities			
Current Liabilities			
Trade and Other Payables	25	21,977,631	29,147,000
Current Provision	26	13,828,699	4,810,000
Deferred Income	28	168,663,963	220,133,000
EFD-Kenya Account	19(b)	5,462,522	4,825,000
Total Current Liabilities		209,932,814	258,915,000
Non-Current Liabilities			
Non-Current Employee Benefit Obligation	29	80,633,260	63,853,000
Total Non- Current Liabilities		80,633,260	63,853,000
Total Liabilities		290,566,074	322,768,000
Net Assets			
Accumulated Surplus		576,500,781	632,079,000
Capital Fund		173,513,783	68,000,000
Revaluation Reserve		239,919,000	(10,081,000)
Total Net Assets		989,933,564	689,998,000
Total Net Assets and Liabilities		1,280,499,639	1,012,766,000

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

Dr Rose Ngugi, OGW
Executive Director

Date: 20th February 2024

CPA Teddy Bett
Deputy Director, Finance
ICPAK M/No. 11072

Date: 20/02/2024

Prof. Benson A. Ateng', MBS
Board Chairperson

Date: 20/02/2024

16. Statement of Changes in Net Assets for the Year Ended 30 June 2023

Description	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/ Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at July 1, 2021	-	-	-	430,617,000	-	-	430,617,000
Issued new capital	-	-	-	-	-	-	-
Revaluation gain	-	(10,081,000)	-	-	-	-	(10,081,000)
Transfer of excess depreciation on revaluation	-	-	-	-	-	-	-
Deferred tax on excess depreciation	-	-	-	-	-	-	-
Fair value adjustment on investments	-	-	-	(43,769,000)	-	-	(43,769,000)
Surplus/ deficit for the year	-	-	-	249,599,000	-	-	249,599,000
Capital/development grants received during the year	-	-	-	-	-	68,000,000	68,000,000
Transfer of depreciation/amortization from capital fund to retained earnings	-	-	-	(4,368,000)	-	-	(4,368,000)
As at June 30, 2022	-	(10,081,000)	-	632,079,000	-	68,000,000	689,998,000
As at July 1, 2022	-	(10,081,000)	-	632,079,000	-	68,000,000	689,998,000
Transfer of retained earnings to capital fund.	-	-	-	(65,304,000)	-	65,304,000	-
Issue of new share capital	-	-	-	-	-	-	-
Revaluation gain	-	250,000,000	-	-	-	-	250,000,000
Transfer of excess depreciation on revaluation	-	-	-	-	-	-	-
Deferred tax on excess depreciation	-	-	-	-	-	-	-
Fair value adjustment on investments	-	-	-	-	-	-	-
Surplus/ (deficit) for the year	-	-	-	9,725,781	-	-	9,725,781
Capital/development grants received during the year	-	-	-	-	-	40,209,783	40,209,783
As at June 30, 2023	-	239,919,000	-	576,500,781	-	173,513,783	989,933,564

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

		2022-2023	2021-2022
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	6	563,967,603	593,780,000
Development partners grants		-	39,827,000
Rendering of services	7	100,691,946	63,892,000
Other income	8	1,896,048	1,498,000
Sale of goods	8	147,200	61,000
Total receipts		666,702,797	699,058,000
Payments			
Use of goods and services	11(b)	348,443,511	245,143,000
Employee costs	12(c)	274,087,291	246,573,000
Board Expenses	13(b)	21,403,932	19,384,000
Repairs and maintenance	15(b)	1,389,401	1,884,000
Total payments		645,324,135	512,984,000
Net cash flows from/(used in) operating activities		21,378,661	186,074,000
Cash flows from investing activities			
Purchase of PPE and Intangible assets	18 (b)	(65,629,628)	(16,690,000)
Proceeds from sale of PPE	8	189,868	-
Finance income	9	57,770,478	34,433,000
Young Professionals Programme Costs	18 (a)	(40,209,783)	-
Net cash flows from/(used in) investing activities		(47,879,065)	17,743,000
Cash flows from financing activities			
Accumulated funds used to finance NIPFN Project activities	20	(7,219,991)	(14,967,000)
Net cash flows from financing Activities		(7,219,991)	(14,967,000)
Net increase/(decrease) in cash & Cash equivalents		(19,280,413)	188,850,000
Cash and cash equivalents at 1 July		916,455,000	727,605,000
Cash and cash equivalents at 30 June	19	897,174,587	916,455,000

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


Dr Rose Ngugi, OGW
Executive Director


CPA Teddy Bett
Deputy Director, Finance
ICPAK M/No. 11072


Prof. Benson A. Ateng', MBS
Board Chairperson

Date: 20th February 2024

Date: 20/02/2024

Date: 20/02/2024

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs a	Kshs b	Kshs C=(a+b)	Kshs d	Kshs e=(c-d)	f=d/c*100
Revenue						
Recurrent Grant	525,780,000	903,561	526,683,561	526,683,561	-	100%
Development Grant	83,000,000	(25,715,958)	57,284,042	37,284,042	20,000,000	65%
Other Capital Grant (Deferred Income)	55,569,016	9,920,963	65,489,979	65,304,000	185,979	100%
Development Partners (EU-NIPFN & UNICEF)	30,000,000	-	30,000,000	-	30,000,000	0%
Rendering of Services	104,800,000	-	104,800,000	102,925,062	1,874,938	98%
Finance Income	40,200,000	-	40,200,000	57,770,478	(17,570,478)	144%
Other Income	81,344,243	14,891,434	96,235,677	-	96,235,677	0%
Total Income	920,693,259	-	920,693,259	789,967,142	130,726,116	
Expenses						
Use of Goods and Services	342,413,373	15,794,995	358,208,368	338,065,621	20,142,747	94%
Employee costs	389,822,960	-	389,822,960	279,816,682	110,006,278	72%
Remuneration of Directors	22,492,915	0	22,492,915	21,892,144	600,771	97%
Finance costs	900,000	0	900,000	756,748	143,252	84%
Taxation	24,294,995	0	24,294,995	23,626,940	668,055	97%
Repairs and Maintenance	2,200,000	0	2,200,000	1,555,251	644,749	71%
Total Recurrent Expenditure	782,124,243	15,794,995	797,919,238	665,713,388	132,205,850	
Capital Expenditure						
Young Professionals Program	83,000,000	(25,715,958)	57,284,042	40,209,783	17,074,259	70%
Fixed Assets & Operating System Costs	55,569,016	9,920,963	65,489,979	65,629,628	(139,649)	100%
Total Capital Expenditure	138,569,016	(15,794,995)	122,774,021	105,839,411	16,934,610	
Total Expenditure (Recurrent & Capital)	920,693,259	-	920,693,259	771,552,798	149,140,461	
Surplus for the period				18,414,344	(18,414,344)	

N/B: On actuals comparison, the overall absorption is at 97.6% (i.e., Kes. 771,552,798/789,967,142*100)

Budget notes

1. Revenue

- European Union (NIPFN) and UNICEF grants: The Institute did not receive funds from the development partners.
- Rendering of Services: The Institute had committed to putting more effort into generation more appropriations in Aid in FY 2022/23 Performance Contract. This resulted in the improvement of revenue realized during the year.
- Finance Income: The Institute performed exemplarily well in realizing income earned from bank deposits.

2. Operating Costs.

- Compensation to employees: Variance was a result of impending recruitments and replacements.
- Repairs and maintenance costs: The variance was because of cost cutting measures instituted to manage costs incurred under the line item.
- Capital Expenditures: The variance represents funds committed to finance YP programme for FY 2022/23 to be finalized in October 2023.

19. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Kenya Institute for Public Policy Research and Analysis (KIPPRA) is established by and derives its authority and accountability from KIPPRA Act No 15 of 2006. The Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institute's principal activity is to develop human and institutional capacities for the Government of Kenya and other stakeholders by conducting objective research and analysis and through capacity building to contribute to the achievement of national development goals.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Institute. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p>

Standard	Effective date and impact:
	<p>Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held.</p> <p>Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</p> <p>Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</p> <p><i>(The standard is relevant, however in the current year, the Institute does not have a financial instrument.)</i></p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity.</p> <p>The key features of the operation of those social benefit schemes; and</p> <p>The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p> <p><i>(The Institute operates a gratuity scheme where its staff are engaged on contract earning gratuity at 31% of basic pay and disability benefit is provided for in the staff insurance cover.)</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p>

Standard	Effective date and impact:
	<p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><i>(The standard shall not have an impact on the Institute (in the current year) since the Institute does not have financial instruments)</i></p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <p><i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <p><i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <p>IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p> <p><i>(No impact to the Institute since it operates a gratuity scheme where its staff are engaged on contract earning gratuity at 31% of basic pay and disability benefit is provided for in the staff insurance cover. Further the Institute does not have any Financial Instrument)</i></p>

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

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>The Institute have lease for it's rental premises. The standard will have an impact in reporting the same going forward.</i></p>
IPSAS 44: Non- Current Assets Held for	<p>Applicable 1st January 2025</p>

Standard	Effective date and impact:
Sale and Discontinued Operations	<p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>The Institute does not have Non- Current Assets Held for Sale hence the standard does not have an impact to the Institute.</i></p>

iii. **Early adoption of standards**

The Institute did not early – adopt any new or amended standards in the financial year 2022/2023.

4. Summary of Significant Accounting Policies

a) **Revenue recognition**

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

Fees, taxes and fines

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

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Institute and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

Notes to the Financial Statements (Continued)

ii) Revenue from exchange transactions

Rendering of services

The Institute recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for the Current FY 2022/2023 was approved by the National Assembly on May 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Institute upon receiving the respective approvals to conclude the final budget. Accordingly, the Institute recorded additional appropriations in November 2022 and April 2023 budget following the governing body's approval.

Notes to the Financial Statements (Continued)

The Institute's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 18 of these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Institute operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is

probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable Institute and the same taxation authority.

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

ii) When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Institute 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 on other assets is calculated on the straight-line balance basis to write down the cost of each asset, or the re-valued amount, to its residual value over its estimated useful life using the following annual rates:

S/No.	Description	Rate %
1.	Computers	33.3
2.	Motor vehicles	25.0
3.	Office Furniture and Fittings	12.5
4.	Office Equipment's	12.5

f) Leases

Finance leases are leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Institute. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Institute also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Institute will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Institute. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

h) Research and development costs

The Institute expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Institute can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Institute does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Institute's financial statements.

A financial instrument is any contract that gives rise to a financial asset of one Institute and a financial liability or equity instrument of another Institute. At initial recognition, the Institute measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

a) Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

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

b) Financial liabilities

Classification

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

j) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

i) Raw materials: purchase cost using the weighted average cost method.

ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

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

k) Provisions

Provisions are recognized when the *Institute* 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 *Institute* 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.

l) Social Benefits

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

m) Contingent liabilities

The Institute 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.

n) Contingent assets

The Institute 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 Institute 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.

o) Nature and purpose of reserves

The Institute creates and maintains reserves in terms of specific requirements. The Institute retains reserves meant to be utilized to fund its mandate.

p) Changes in accounting policies and estimates

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

q) Employee benefits

Retirement benefit plans

The Institute provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Institute pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

r) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

s) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

t) Related parties

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

u) Service concession arrangements

The *Institute* analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Institute* recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Institute* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

v) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the NCBA Bank and Kenya Commercial Bank (KCB) 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.

w) Comparative figures

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

x) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *Institute'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.

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

Useful lives and residual value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 25. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

In the process of applying the Institute's accounting policies, management has made judgments in determining:

- Whether assets are impaired
- The classification of financial assets and leases
- Provisions and contingent liabilities

Notes to the Financial Statements (Continued)

6. a) Transfers from Other Government entities

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Unconditional grants		
Operational grant		
Operational grant	526,683,561	525,780,000
Other grants	-	39,827,000
Development Grant	37,284,042	68,000,000
Total Unconditional Grants	563,967,603	633,607,000
Young Professionals Programme	-	-
Total government grants and subsidies	563,967,603	633,607,000

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

Name of the Entity sending the grant	Amount recognized to Statement of Financial performance Kshs	Amount deferred under deferred income Kshs	Amount recognized in capital fund. Kshs
National Treasury & Planning/State Department for Planning	563,967,603	-	563,967,603
Total	563,967,603	-	563,967,603

7. Rendering Of Services – Appropriations in Aid (A.I.A)

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Training Fees- Capacity Building courses	17,419,256	18,734,000
Service Fees (Research consultancy)	83,272,690	45,158,000
Total Appropriations In Aid (A.I.A)	100,691,946	63,892,000

a) Research Consultancy Schedule

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
UN-Habitat-Local Economic Development analysis of Kisumu County under Covid-19 Pandemic		1,076,000
AERC - Addressing Health Financing gaps & Vulnerabilities in Africa project		307,000
Brookings - IWOSS case study		1,743,000
EPRA - Design and develop an integrated demand forecasting tool for petroleum products		4,195,000
AERC - GPIR Grant	2,438,690	409,000
Fairtrade - Identifying Country and Regional Advocacy and Policy Influencing Priorities for Fairtrade Products		1,558,000
Brookings - Analyzing constraints to urban related growth in Africa MMC	3,162,500	3,179,000
KAM - Power outages in Industries and its Impact on production costs	-	3,349,000

Kenya Institute for Public Policy Research and Analysis (KIPPRA)
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Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
UN-Wider - Savings Book Project	3,909,195	1,435,000
RISA - Strengthening Research to Support the Devolved System of Government In Kenya	-	11,492,000
ACODE - Convening an East African Green Economy Hub: Towards Natural Capital Based Economies	123,846	129,000
Mastercard - PEP study on empirical review of youth employment policies and their impact in Kenya.	2,357,500	3,573,000
KDB - Assessment of Structures and Profitability of milk distribution	-	3,544,000
AERC – Human Capital Development	-	1,785,000
NuPEA - Cost Benefit Analysis of a research realtor project in Kenya	-	2,125,000
GRADE - Preparation of a policy brief “Our Common agenda”	-	513,000
FAO - An Assessment of Cash- Plus Option for Social Protection for Agriculture-dependent households and training Government Officers on Applied Research Methods.	3,747,243	2,245,000
KLDC - Formulation of the Kenya National Leather Policy	-	1,373,000
AERC - Impact of Covid 19 Pandemic and Livelihoods in Africa	126,500	1,128,000
ACBF - Refining Long-term strategic vision and Development of Strategic plan 2023-27	1,942,449	-
ACET - Preparation of Kenya Country Economic Transformation Outlook (CETO)	3,002,765	-
PPRA - Assessment of the uptake of 30% procurement spend set aside for YWP	3,332,977	-
AERC - Understanding the short- and long-term effects of Covid-19 on Kenya's Health Sector	1,004,870	-
UNDP - Review of CIDP II and Development of CIDP III	13,795,881	-
World Resource Institute Analyzing existing economic models used by the Government in assessing green transition	16,474,542	-
SALIA - Consultancy services for the preparation of a policy brief	311,791	-
UNICEF- Child Sensitive Budgeting project	3,361,200	-
FANARPAN - Ukana Ustawi and ClimBer Initiatives in Kenya	685,860	-
IFPRI - Development of Public Spending Datasets, and Public Spending Analysis in 2022	7,312,697	-
Kenya Roads Board - Development of KRB Strategic Plan for 2023-2027	3,963,153	-
ACBF - In- Country data collection for Design and Development of Local Partner Identification platform	2,530,000	-
AERC - Leveraging on special drawing rights for sustaining economic recovery	430,560	-
KIPI - Consultancy for Development of Strategic plan 2023-2027	1,723,537	-
State Department for Youth Affairs	7,534,933	-
Total revenue from research consultancy	83,272,690	45,158,000

Notes to the Financial Statements (Continued)

b) Capacity Building Programmes

Source	FY 2022-23	FY 2021-22
	Kshs	Kshs
Retirement Benefits Authority	-	472,000
NACOSTI	-	52,000
NSSF	-	5,492,000
Makueni County	434,519	5,952,000
Bungoma County	-	851,000
Financial Services Centre	127,000	79,000
Baringo County	-	435,000
Energy and Petroleum Regulatory Authority	-	707,000
Kenya National Highways Authority	-	898,000
State Department for Devolution	679,680	1,418,000
Kenya Coast Guard Services	-	284,000
Council for Legal Education	-	57,000
Kenya Rural Roads Authority	-	956,000
County Assembly of Makueni	-	328,000
State Department for Public Service	-	218,000
Competition Authority of Kenya	-	229,000
Kenya Industrial Estates Ltd	-	109,000
Uongozi Institute	89,700	88,000
Action Against Hunger	-	109,000
Nyandarua County	10,663,088	-
Adrian Njoroge	109,100	-
Rono Clinton	109,100	-
KU Teaching & Referral Hospital	109,100	-
Nairobi County	3,216,569	-
Eswatini Economic Policy Analysis & Research Centre	1,881,400	-
Total revenue from research consultancy	17,419,256	18,734,000

8. Other Income

(a) Sale of Goods

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Sale of KIPPRA Publications	147,200	61,000
Total other Income	147,200	61,000

(b) Other Miscellaneous Income

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
KIPPRA Regional Conference	895,000	120,000
Disposal of Assets	189,868	-
Other income (Gain on Disposal of Motor vehicles; ACBF Reimbursements)	1,001,048	1,378,000
Total other Income	2,085,916	1,498,000

Notes to the Financial Statements (Continued)

9. Finance Income

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Interest from Bank deposits	57,770,478	34,433,000
Total finance income	57,770,478	34,433,000

NB: This is interest earned on our current bank account balances.

10. Other Gains

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Foreign exchange gain	13,225,716	3,924,000
Total other Income	13,225,716	3,924,000

10. (a) Computation of foreign exchange gain

Description	FY 2022-23 Rate @140.5235	FY 2021-22 Rate @115	Gain
Exchange Rate Adjustment of USD 518,178	72,816,186.18	59,590,470.00	13,225,716.18
Total	72,816,186.18	59,590,470.00	13,225,716.18

11. Use of Goods and Services

Description	FY 2022-23 Kshs	FY 2021-22 Restated Kshs
Professional Services	5,279,091	6,095,000
Audit Fees	2,695,000	1,257,000
Research and Capacity Building Costs	186,138,453	119,962,000
Insurance	1,520,723	1,521,000
Legal Expenses	2,392,626	493,000
Postage	1,212,255	576,000
Printing and Stationery	3,162,661	3,396,000
Rent expenses	30,988,153	27,356,000
Training	14,993,647	18,517,000
Travel, Subsistence & Other Allowances	19,201,558	17,174,000
Other General Expenses*	70,481,454	38,144,000
TOTALS	338,065,621	234,491,000

NB: Restatement of FY 2021-22 is on the inclusion of Research and capacity building costs and merging of the motor vehicle expenses, Telephone, Internet, Library, Monitoring & Evaluation expenses and in other general expenses. However, the total figures reported remain the same.

Notes to the Financial Statements (Continued)

a) Other General Expenses Include

Description	FY 2022-2023	FY 2021-2022 Restated
	Kshs	Kshs
Motor vehicle expenses	4,005,108	1,848,000
Telephone	1,632,559	1,048,000
Internet	1,258,867	1,948,000
Library	5,010,342	4,246,000
Monitoring & Evaluation Expenses	13,936,050	10,785,000
Other expenses	35,484,139	18,269,000
Tax Provision	7,500,000	-
Provision for Audit Fees	1,400,000	-
Additional Provision for Accrued Leave	254,389	-
TOTALS	70,481,454	38,144,000

b) Use of Goods and Services Reconciliation

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Total of Use of Good & Services (Less Rent expense & Research cost)	120,939,015	115,406,000
Bank charges (Note 16)	756,748	634,000
Tax Paid (Note 17)	23,626,940	5,163,000
Rent Paid during the year (11 c)	32,576,564	27,303,000
Research Costs paid during the year (Note 11 e)	176,729,243	100,814,000
Accrued Costs – (Use of Good & Services)	(6,185,000)	(4,177,000)
Actual Payment for Use of Goods & Services	348,443,511	245,143,000

c) Rent Expenses

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Prepaid rent b/f	4,147,325	4,200,000
Rent paid during the year (c/flow)	32,576,564	27,303,000
Prepaid rent c/f	(5,735,736)	(4,147,000)
Actual Rent expense for the year	30,988,153	27,356,000

d) Research and Capacity Building Costs Reconciliation

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Research and analysis	105,338,249	69,789,000
Dissemination Workshops	35,105,881	20,993,000
Capacity Building Programs	21,263,486	20,190,000
Research Publications	24,430,837	8,990,000
Total Research Costs	186,138,453	119,962,000

e) Research and Capacity Building Costs Reconciliation

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Total Research Costs	186,138,453	119,962,000
Accrued Costs	(9,409,210)	(19,148,000)
Actual Research & Capacity Building Costs	176,729,243	100,814,000

Notes to the Financial Statements (Continued)

12. Employee Costs

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Basic Salaries	128,165,638	123,584,000
House Allowances	32,663,780	31,001,000
Commuter Allowances	7,063,000	6,517,000
Telephone Allowances	2,425,662	7,027,000
Other Remunerative Benefits*	12,469,744	11,135,000
NSSF Employer Contribution	552,920	188,000
Employer contribution to health insurance schemes	25,606,215	20,918,000
Gratuity	38,703,070	35,540,000
Other employee related costs *	32,166,654	13,143,000
Employee costs	279,816,682	249,053,000

* a) Other Remunerative Benefits include:

Description: Other Employee related costs breakdown	FY 2022-23	FY 2021-22
	Kshs	Kshs
Responsibility Allowance	4,306,000	3,525,000
Leave Allowance	5,378,674	4,846,000
Special Duty Allowance	872,969	409,000
Acting Allowance	1,498,696	1,589,000
Salaries for staff on deployment	30,695	-
Salary Arrears	382,709	766,000
Total other employee related costs	12,469,744	11,135,000

*Other employee related costs include:

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Recruitment Costs	12,005,806	1,577,000
Group life Insurance	1,118,437	556,000
Casual wages	19,042,411	11,010,000
Total other employee related costs	32,166,654	13,143,000

b) Employment Costs Reconciliation

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Total Employment Costs	279,816,682	249,053,000
Accrued costs	(5,729,391)	(2,480,000)
Actual Payment for Employment Costs	274,087,291	246,573,000

13. Board Expenses

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Chairman/Directors' Honoraria	1,020,000	927,000
Sitting allowances	4,499,300	6,730,000
Medical Insurance	605,287	554,000
Induction and Training	2,955,100	287,600
Other allowances (related expenses e.g., Mileage claims, Per diems)	12,812,457	8,297,000
Total	21,892,144	19,384,000

Notes to the Financial Statements (Continued)

b) Board Expenses Reconciliation

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Total Board Expenses	21,892,144	19,384,000
Accrued Expenses	(488,212)	-
Actual Payment for Board Expense	21,403,932	19,384,000

14. Depreciation and Amortization Expense

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Property, plant and equipment	21,121,892	18,833,000
Intangible assets	4,043,756	2,141,000
Investment property carried at cost	-	-
Total depreciation and amortization	25,165,648	20,974,000

15. Repairs and Maintenance

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Property & Equipment	1,541,651	74000
Other repairs and maintenance	13,600	1,810,000
Total repairs and maintenance	1,555,251	1,884,000

b) Repair and Maintenance Costs Reconciliation

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Total Repair and Maintenance Costs	1,555,251	1,884,000
Accrued Costs	(165,850)	-
Actual Repair and Maintenance Costs	1,389,401	1,884,000

16. Finance Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank charges	756,748	634,000
Bank Charges for the year	756,748	634,000

17. Taxation

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Current income tax charge	16,059,520	-
Tax charged on interest income (Withholding tax)	7,567,420	5,163,000
Income tax expense reported in the statement of financial performance	23,626,940	5,163,000

NB: The current income tax charge is the corporation tax that was in arrears and not provided for.

Notes to the Financial Statements (Continued)

18. Capital Expenditure

(a) Young Professionals Programme

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Monthly Allowances	25,440,000	20,240,000
Medical	1,721,302	2,907,000
Research and operating costs	13,048,481	6,971,000
Total Young Professionals Program costs	40,209,783	30,118,000

b) Fixed Assets & Operating Systems

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Furniture & Fittings	34,713,979	4,954,000
Computers	16,069,160	635,000
Office Equipment's	11,969,689	1,269,000
Intangible Assets	2,876,800	9,832,000
Total Fixed Assets & Operating Systems Costs	65,629,628	16,690,000

19. Cash & Cash Equivalents

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Current account	897,174,587	921,280,000
Total cash and cash equivalents	897,174,587	921,280,000

Detailed Analysis of the Cash and Cash Equivalents

Financial institution	Account number	FY 2022-23	FY 2021-22
		Kshs	Kshs
a) Current account			
1) NCBA Bank (USD)	6433060047	72,816,186	36,097,000
2) NCBA Bank	6433060052	45,101,594	62,404,000
3) NCBA Bank	6433060073	1,066,171	1,034,000
4) NCBA Bank	6433060094	31,496,878	122,240,000
5) NCBA Bank	6433060115	645,972,322	590,075,000
6) NCBA Bank	6433060107	80,633,260	63,853,000
7) NCBA Bank (USD)	6433060136	3,041,290	2,487,000
8) NCBA Bank	6433060128	2,421,232	2,338,000
9) Kenya Commercial bank	1254842756	14,625,655	40,752,000
Sub- total		897,174,587	921,280,000
Grand total		897,174,587	921,280,000

Included within cash and cash equivalents are funds designated for the EFD project liability (note 17 (b)).

Notes to the Financial Statements (Continued)

N/B: Conversion of USD to KES

Account Name	Account No.	Currency	Amount	Exchange Rate	2023
					KShs
KIPPRA -Projects	6433060047	USD	518,178.00	140.5235	72,816,186
Account Name	Account No.	Currency	Amount	Exchange Rate	2022
					KShs
KIPPRA -Projects	6433060047	USD	313,885.36	115	36,096,816

Account Name	Account No.	Currency	Amount	Exchange Rate	2023
					KShs
KIPPRA -EFD	6433060136	USD	21,642.57	140.5235	3,041,290
Total					3,041,290

b) EFD Kenya Account

The Institute entered an MoU with the United Nations Economic Commission for Africa (UNECA) in 2013 for research consultancy "Regional Assessment of Agricultural Production, Climate change, Agricultural trade and Food Security". Funds received from UNECA were to support specific annual budgeted activities. Surplus funds at the end of each year were carried forward to the following year and remain a liability to UNECA. The Institute charges the Unit a nominal rent and proportionate level of overheads. The outstanding UNECA funds are held in the EFD account and the balance as at 30 June 2023 was Shs. 5.4 million (2022: Shs. 4.8 million). The Institute is holding the same amount in a separate bank account for repayment of this liability, which is presented separately from cash and cash equivalents.

Financial Institution	Account number	FY 2022-23	FY 2021-22
		Kshs	Kshs
		Exchange Rate @140.5235	Exchange Rate @115
Current Account			
1) NCBA Bank (USD)	6433060136	3,041,290	2,487,000
2) NCBA Bank	6433060128	2,421,232	2,338,000
Sub- total		5,462,522	4,825,000

20. Accumulated funds used to finance NIPFN activities.

Descriptions	FY 2022-23	FY 2021-22
	Kshs	Kshs
Staff Salaries	746,722	9,713,000
Research Costs	-	3,774,000
Publication Costs	259,200	1,480,000
Support to KIPPRA Conference	6,214,069	-
Total Financing	7,219,991	14,967,000

Notes to the Financial Statements (Continued)

21. Receivables from Exchange Transactions

(a) Receivables from Exchange Transactions (Current)

Descriptions	FY 2022-23	FY 2021-22
	Kshs	Kshs
Current receivables		
Project Income receivable	8,120,707	5,036,000
Training fees receivable	-	398,000
Disposal of motor vehicles	-	-
Rent deposit	4,215,465	3,017,000
ACBF Receivables	28,490	130,000
Prepaid Rent	5,735,736	4,147,000
Car park deposits	331,860	332,000
Security Bid – Ministry of Culture & National Heritage	-	-
Salary Advance	-	33,000
Total current receivables	18,432,258	13,093,000

(b) Ageing analysis for Receivables from exchange transactions

Description	FY 2022-23		FY 2021-22	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	9,669,468	52%	4,708,000	36%
Between 1- 2 years	4,215,465	23%	5,036,000	38%
Over 3 years	4,547,325	25%	3,349,000	26%
Total (a+b)	18,432,258		13,093,000	

22. Inventories

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Consumable stores	4,055,088	3,793,000
Medical supplies	-	-
Spare parts and meters	-	-
Other goods held for resale (Library)	-	-
Less: Allowance for impairment	(-)	(-)
Total inventories at the lower of cost and net realizable value	4,055,088	3,793,000

NB: This doesn't affect the financial position since the consumables had been expensed.

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Notes to the Financial Statements (Continued)

23. Property, Plant and Equipment

Description	Land	Motor Vehicles	Furniture & Fittings	Office Equipment	Computer Equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As of 1 st July, 2022	-	17,389,483	64,901,006	32,357,984	25,606,933	140,255,406
Additions during the Year	-	-	34,713,979	11,969,689	16,069,160	62,752,828
Disposal during the Year	-	-	-	-	-	-
Revaluation Reserve	250,000,000	-	-	-	-	250,000,000
As of 30th June, 2023	250,000,000	17,389,483	99,614,985	44,327,673	41,676,093	453,008,234
Additions during the period	-	-	0	0	0	0
Disposal during the period	-	-	(114,832)	(2,405,457)	(2,955,400)	(5,475,689)
As of 30th June, 2023		17,389,483	99,500,153	41,922,216	38,720,693	447,532,545
Depreciation						
As of 1 st July, 2022	-	6,238,239	26,552,648	19,316,150	22,390,207	74,497,243
Depreciation for the year	-	4,347,371	8,441,240	3,425,372	4,907,909	21,121,892
Disposal for the period	-	0	(114,832)	(2,235,655)	(2,955,400)	(5,305,887)
As of 30th June, 2023	-	10,585,610	34,879,056	20,505,867	24,342,716	90,313,248
Charge for the period	-	4,347,371	8,441,240	3,425,372	4,907,909	21,121,892
Depreciation on Disposal	-	-	-	-	-	-
As of 30th June, 2023	250,000,000	6,803,873	64,621,097	21,416,350	14,377,977	357,219,297
Net book value as of 30th June 2023	250,000,000	6,803,873	64,621,097	21,416,350	14,377,977	357,219,297
Net book value as of 30th June 2022	-	11,151,000	38,349,000	13,042,000	3,217,000	65,759,000

N/B: KIPPRA was allocated land measuring 2.570 hectares by Government of Kenya in August 2010 situated in Kabete – Kangemi. In October 2011, the parcel of Land was valued at Ksh 64 million by Ministry of Lands. The land's utilization was disputed by the Ministry of Agriculture, Livestock & Fisheries and proposed an alternative that has never materialized to date. On 24th August 2016, KIPPRA Land was valued at Kes. 250 million by Ministry of Lands and Physical Planning and these amounts were adopted by the Institute on 30th June 2023.

Notes to the Financial Statements (Continued)

Property plant and Equipment includes the following assets that are fully depreciated:

Description	Cost or valuation
Plant and Machinery	-
Motor Vehicles including Motorcycles	-
Computers and Related Equipment	14,657,000
Office Equipment, Furniture and Fittings	6,194,000
Total	20,851,000

24. Intangible Assets – Software Costs

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Cost		
At beginning of the year	24,244,000	14,412,000
Additions	2,876,800	9,832,000
At end of the year	27,120,800	24,244,000
Additions–internal development	-	-
At end of the year	27,120,800	24,244,000
Amortization and impairment		
At beginning of the year	15,403,547	13,262,000
Amortization	4,043,756	2,141,000
At end of the year	19,447,303	15,403,000
Impairment loss	-	-
At end of the year	19,447,303	15,403,000
NBV	7,673,497	8,841,000

25. Trade and Other Payables

Description	FY 2022-23		FY 2021-22	
	Kshs		Kshs	
Trade payables	16,248,240		27,104,000	
Payments received in advance	-		-	
Employee payables	5,729,391		2,043,000	
Third-party payments	-		-	
Other payables	-		-	
Total trade and other payables	21,977,631		29,147,000	
Ageing analysis: (Trade and other payables)	FY 2022-23	% of the Total	FY 2021-22	% of the Total
Under one year	21,977,631	100%	29,147,000	100%
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (tie to above total)	21,977,631	100%	29,147,000	100%

Notes to the Financial Statements (Continued)

26. Current Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Ksh
Balance b/d (1.07.2022)	4,809,748	-	-	4,809,748
Additional Provisions	254,389	-	8,900,000	9,154,389
Provision utilized	(135,438)	(-)	-	(135,438)
Total provisions as at 30.6.2023	4,928,699	-	8,900,000	13,828,699

NB: Other provision comprises of Tax and Audit fees provision for at Kshs. 7,500,00 and Kshs. 1,400,000

27. Finance Lease Obligation

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
At the start of the year	19,951,000	19,951,000
Additional provision	8,188,000	-
Paid during the year	(-)	(-)
At end of the year	28,139,000	19,951,000

Maturity Analysis

Period	Amount (Kshs)
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 and Onwards	28,139,000
Less: Unearned Interest	(-)
Total	28,139,000

Analysed as:

Description	Amount (Kshs)
Current	28,139,000
Total	28,139,000

NB: Finance lease represents the rent obligation.

28. Deferred Income

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
National government (GoK)	168,663,963	220,133,000
International funders	-	-
Public contributions and donations	-	-
Total deferred income	168,663,963	220,133,000

NB: Represents receipts of development grant from 2010 to 2019 earmarked for the construction of KIPPRA Research Centre and capital commitments at the end of the year.

Notes to the Financial Statements (Continued)

The deferred income movement is as follows:

Description	National government	International funders	Public contributions and donations	Total
Balance brought forward	220,133,000	-	-	220,133,000
Additions	(31,469,037)	-	-	(31,469,037)
Transfers to Capital fund	(20,000,000)	-	-	(20,000,000)
Transfers to income statement	-	-	-	-
Other transfers	-	-	-	-
Balance carried forward	168,663,963	-	-	168,663,963

29. Employee Benefit Obligations

Retirement benefit Asset/ Liability

The Institute operates a gratuity scheme for qualifying employees which qualifies as a defined benefit scheme. Under the plan, the employees are entitled to 31% of their monthly basic salary for every month of service. The monthly gratuity is paid to a separate gratuity bank account maintained internally by the Institute from where gratuity is paid out from whenever a staff contract comes to an end or whenever an employee leaves employment.

Description	Defined benefit plan (Gratuity)	Post-employment medical benefits	Other Benefits:	2022-2023	2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Current benefit obligation	80,633,260	-	-	80,633,260	63,853,452
Non-current benefit obligation	-	-	-	-	-
Total employee benefits obligation	80,633,260	-	-	80,633,260	63,853,452

Recognition of Retirement Benefit Asset/ Liability

a) Amounts recognised in the Statement of Financial Position

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Present value of internally funded obligations	80,633,260	63,853,000
The movement in the defined benefit obligation over the year was as follows:		
At start of year	63,853,452	60,142,000
Utilized during the year	(21,923,262)	(31,829,000)
Charge to profit or loss	38,703,070	35,540,000
At end of year	80,633,260	63,853,000

The Institute also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Institute's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 200 per employee per month. Other than NSSF the Institute operates a gratuity scheme for qualifying employees which qualifies as a defined benefit scheme. Under the plan, the

employees are entitled to 31% of their monthly basic salary for every month of service. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

30. Non-Current Provisions

Description	Long service leave	Bonus Provision	Gratuity provisions	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at the beginning of the year	-	-	63,853,452	4,809,748	68,663,200
Additional Provisions	-	-	38,703,070	254,389	38,957,459
Provision utilized	(-)	(-)	(21,923,262)	(135,438)	(22,058,700)
Change due to discount and time value for money	-	-	-	-	-
Less: Current portion	(-)	(-)	(-)	(-)	-
Balance at the end of the year	-	-	80,633,260	4,928,699	85,561,959

31. Cash Generated from Operations

	FY 2022-23	FY 2021-22
	Kshs	Kshs
Surplus for the year before tax	9,980,170	249,599,000
Adjusted for:		
Depreciation	21,121,892	18,833,000
Non-cash grants received	(-)	(-)
Contributed assets	(-)	(-)
Impairment	4,043,756	2,141,000
Gains and losses on disposal of assets	-	(474,000)
Contribution to provisions	8,900,000	-
Contribution to impairment allowance	-	-
Finance income	(57,770,478)	(34,433,000)
Finance cost	24,383,689	5,787,000
Working Capital adjustments		
Increase in inventory	(-)	784,000
Increase in receivables	4,968,194	3,193,000
Increase in deferred income	(31,723,426)	(91,630,000)
Increase in payables	21,977,631	11,033,000
Increase in payments received in advance	15,751,623	-
Net cash flow from operating activities	21,633,050	164,833,000

32. Financial Risk Management

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

Notes to the Financial Statements (Continued)

i) Credit risk

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

Financial Risk Management

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
As at 30th June 2023				
As at 30 June 2023				
Receivables from exchange transactions	18,432,258	-	-	18,432,258
Receivables from non-exchange transactions	-	-	-	-
Bank balances	896,891,991	-	-	896,891,991
Total	915,324,249	-	-	915,324,249
As at 30 June 2022				
Receivables from exchange transactions	13,093,000	-	-	13,093,000
Receivables from non-exchange transactions	-	-	-	-
Bank balances	916,455	-	-	916,455

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Institute has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Institute has significant concentration of credit risk on amounts due from county governments. The board of directors sets the Institute's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

Notes to the Financial Statements (Continued)

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Institute's directors, who have built an appropriate liquidity risk management framework for the management of the Institute's short, medium and long-term funding and liquidity management requirements. The Institute manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Institute under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2023				
As at 30 June 2022				
Trade payables	21,977,631	-	-	21,977,631
Current portion of borrowings	-	-	-	-
Provisions	-	-	4,928,699	4,928,699
Deferred income	-	-	197,207,259	197,207,259
Employee benefit obligation	-	-	80,633,260	80,633,260
Total	21,977,631	-	282,769,218	304,746,848
As at 30 June 2021				
Trade payables	21,977,631	-	-	21,977,631
Current portion of borrowings	-	-	-	-
Provisions	-	-	4,809,748	4,809,748

iii) Market risk

The Institute has put in place an internal audit function to assist it in assessing the risk faced by the Institute on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Institute's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Risk Management Committee. The Institute's Strategy and Planning Department is responsible for the development of detailed risk management policies (subject to review and approval by Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Institute's exposure to market risks or the way it manages and measures the risk.

Notes to the Financial Statements (Continued)

a) Foreign currency risk

The Institute has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Institute manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

b) Interest rate risk

Interest rate risk is the risk that the Institute's financial condition may be adversely affected as a result of changes in interest rate levels. The Institute's interest rate risk arises from bank deposits. This exposes the Institute to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Institute's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Institute's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Institute considers relevant and observable market prices in its valuations where possible.

Notes to the Financial Statements (Continued)

Financial Risk Management

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2023				
Financial Assets				
Quoted equity investments	-	-	-	-
Non- financial Assets				
Investment property	-	-	-	-
Land and buildings	250,000,000	-	-	250,000,000
	250,000,000	-	-	250,000,000
As of 30th June 2022				
Financial Assets				
Quoted equity investments	-	-	-	-
Non- financial Assets				
Investment property	-	-	-	-
Land and buildings	250,000,000	-	-	250,000,000
	250,000,000	-	-	250,000,000

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

The objective of the Institute's capital risk management is to safeguard the Institute's ability to continue as a going concern. The Institute capital structure comprises of the following funds:

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Revaluation reserve	250,000,000	10,081,000
Retained earnings – realized during the year	-	47,693,000
Capital reserve	-	-
Total funds	250,000,000	57,774,000
Total borrowings	-	-
Less: cash and bank balances	896,891,991	916,455,000
Net debt/ (excess cash and cash equivalents)	646,891,991	858,681,000
Gearing	72%	94%

Notes to the Financial Statements (Continued)

33. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

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

Other related parties include:

- i) The Parent Ministry; The National Treasury & Economic Planning, State Department for Economic Planning
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of directors.

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Total	-	-
B) purchases from related parties		
Total	-	-
b) Grants /transfers from the government		
Grants from national govt	563,967,603	593,780,000
Grants from county government	-	-
Donations in kind	-	-
Total	563,967,603	593,780,000
c) Expenses incurred on behalf of related party		
Total	-	-
d) Key management compensation		
Directors' emoluments*	21,892,144	19,384,000
Compensation to key management	111,476,601	78,780,000
Total	697,336,348	691,944,000

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Notes to the Financial Statements (Continued)

Breakdown of Director's emoluments

S/No	Name	Honoraria	Sitting Allowances	DSA	Mileage	Board Induction / Training	Board Retreat - Review of strategic Plan	Board Medical Cover / GPA	FY 2022-23	
									Kshs	
1.	Dr. Benson Ateng'	1,020,000	500,000	220,000	105,000	-	-	-	1,845,000	
2.	Dr. Fred Simiyu	-	540,000	220,000	143,000	-	-	-	903,000	
3.	Dr. Phoebe A. Josiah	-	340,000	473,000	341,000	-	-	-	1,154,000	
4.	Dr. Chris Galgalo Ali	-	580,000	764,000	667,000	-	-	-	2,011,000	
5.	Mr. Zachary Mwangi	-	200,000	73,000	50,000	-	-	-	323,000	
6.	Ms. Phoebe Nkaabu	-	640,000	473,000	299,000	-	-	-	1,412,000	
7.	Ms. Christine Wanjala	-	620,000	874,000	372,000	-	-	-	1,866,000	
8.	Ms. Fatuma Hussein	-	320,000	146,000	51,000	-	-	-	517,000	
9.	Dr. Kevin Ongeti	-	700,000	655,000	741,000	-	-	-	2,096,000	
10.	Prof. Harrison Maithya	-	740,000	819,000	495,000	-	-	-	2,054,000	
11.	Mr. Koitamet Olekina	-	460,000	327,000	196,000	-	-	-	983,000	
12.	Ms. Caroline Saroni	-	520,000	203,000	38,000	-	-	-	761,000	
13.	Mr. Samuel Wambugu	-	180,000	-	37,000	-	-	-	217,000	
14.	Ms. Anita Chepseba	-	100,000	91,000	2,000	-	-	-	193,000	
15.	Mr. John Olela	-	140,000	109,000	31,000	-	-	-	280,000	
16.	Board Induction / Training	-	-	-	-	3,957,000	-	-	3,957,000	
17.	Board Retreat - Review of strategic Plan	-	-	-	-	-	715,000	-	713,000	
18.	Board Medical Cover / GPA	-	-	-	-	-	-	605,000	605,000	
Total									21,892,000	

Notes to the Financial Statements (Continued)

34. Contingent Assets and Contingent Liabilities

Contingent Liabilities

Description	FY 2022-23	FY 2021-22
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case against the Entity	66,795,000	66,795,000
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	6,590,000
Others (Specify)	-	-
Total	66,795,000	73,385,000

Court Cases & Contracts

Court Cases & Contracts	FY 2022-23	FY 2021-22
	Kshs	Kshs
Court case Mr. Nicholas Ogola's against KIPPRA	21,794,904	21,794,904
Court case Prof. Mwangi Kimenyi's against KIPPRA	45,000,000	45,000,000
Tectura International Limited – Professional services costs	-	6,589,918
Court case Manaseh Otieno Oiro against KIPPRA	168,186	-
Arbitration case Josim Instantaneous Consultium (K) Ltd against KIPPRA	4,164,864	-
Total	71,127,954	73,384,822

N/B: The court case are all Employment and Labour related.

35. Capital Commitments

Capital Commitments	FY 2022-23	FY 2021-22
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	20,107,000	32,210,000
Total	20,107,000	32,210,000

((NB: Capital commitments will be carried out in the next financial year disclosed in accordance with IPSAS 17. They represent commitments that were authorised, contracted and those already contracted for and ongoing).

36. Events after the Reporting Period

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

37. Ultimate And Holding Entity

The Kenya Institute of Public Policy Research and Analysis is a State Corporation under the National Treasury and Planning, State Department for Economic Planning. Its ultimate parent is the Government of Kenya.

38. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

20. Appendices

Appendix I: Implementation Status of Auditor-General's Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	KIPPRA Land	This is being pursued through the PS Planning	Not Resolved	June 2024



Executive Director

Date: 20th February 2024.....

Appendix II: Projects implemented by the Institute

Projects implemented by the Institute Funded by development partners and/ or the Government.

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements. (Yes/No)
KIPPRA Young Professional Programme		GoK	One year Program – Continuous in Cohorts	N/A	No	Yes

Status of Projects completion

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	KIPPRA Young Professional Programme	57,284,042	57,284,042	76.5%	57,284,042	43,812,783	GoK

Appendix III: Inter-Entity Transfers

	ENTITY NAME:	Kenya Institute for Public Policy Research and Analysis (KIPPRA).		
	Breakdown of Transfers from the State Department for Economic Planning for FY 2022/2023			
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (Ksh)</u>	<u>Indicate the FY to which the amounts relate</u>
		01.08.2022	43,815,000	FY 2022/23
		02.09.2022	43,815,000	FY 2022/23
		29.09.2022	43,815,000	FY 2022/23
		28.10.2022	43,815,000	FY 2022/23
		24.11.2022	43,815,000	FY 2022/23
		29.12.2022	43,815,000	FY 2022/23
		01.02.2023	43,815,000	FY 2022/23
		03.03.2023	29,266,781	FY 2022/23
		13.04.2023	59,266,780	FY 2022/23
		03.05.2023	5,595,222	FY 2022/23
		06.06.2023	62,924,889	FY 2022/23
		26.06.2023	62,924,889	FY 2022/23
		Total	526,683,561	

	ENTITY NAME:	Kenya Institute for Public Policy Research and Analysis (KIPPRA).		
	Breakdown of Transfers from the State Department for Economic Planning for FY 2022/2023			
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (Ksh)</u>	<u>Indicate the FY to which the amounts relate</u>
		18.10.2022	15,750,000	FY 2022/23
		02.11.2022	15,750,000	FY 2022/23
		27.06.2023	5,784,042	FY 2022/23
		Total	37,284,042	

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Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/ Others	Total Amount - KShs	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
State Department for Economic Planning	Various as Appendix v	Recurrent	526,683,561	526,683,561	-	-	-	-	526,683,561
State Department for Economic Planning	Various as Appendix v	Development	37,284,042	37,284,042	-	-	-	-	37,284,042
Total			563,967,603	563,967,603	-	-	-	-	563,967,603

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Appendix V: Inter-Entity Confirmation Letter

[Insert your Letterhead]

[Insert name of beneficiary Entity]
[Insert Address]

The [insert SC/SAGA/Fund name here] wishes to confirm the amounts disbursed to you as of 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by xxxx as at 30 th June 2023						
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30 th June (Current FY)			Amount Received by KIPPRA (KShs) as at 30 th June 22 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)		
		The Institute did not have transfers in the year				
Total						

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Entity:

Name Sign Date

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Appendix VI: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Quarter "Ksh"				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Youth climate change	Youth in climate change action	Bring together youth in Climate change arena and provide a space for policy decision engagement on climate change action	Youth climate change action symposium	-	1,236,000	-	-	GoK	KIPPRA
Youth climate change action	Youth in climate change action		Building Momentum for COP27 - Youth in climate change action symposium	-	228,000	-	-	Projects	World Resource Institute
Youth climate change action	Youth in climate change action		Youth in climate change action symposium	-	1,694,000	174,000	-	GoK	KIPPRA
Corporate Social Responsibility	Corporate Social Responsibility	Environmental conservation	Tree planting activities	128,000	215,000		740,000	GoK	KIPPRA
	TOTALS			128,000	3,373,000	174,000	740,000		

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Appendix VII: Reporting on Disaster Management Expenditure

Column I Programme	Column II Sub- programme	Column III Disaster Type	Column IV Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Column V Expenditure item	Column VI Amount (Kshs.)	Column VII Comments
– The Institute did not have any expenditure on disaster to report on.						