

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 21 MAR 2023	DAY: TUESDAY
FILED BY:	HON. SILVANUS OJORO MAJORITY PARTY WHIP
CLERK-AT THE TABLE:	IMZOPU

REPORT

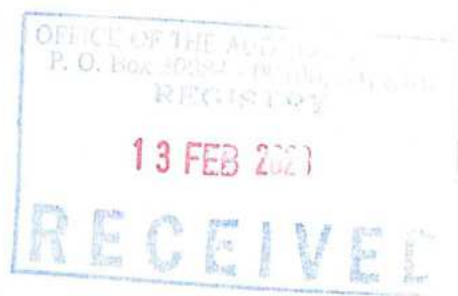
OF

THE AUDITOR-GENERAL

ON

**INDEPENDENT ELECTORAL AND
BOUNDARIES COMMISSION**

**FOR THE YEAR
ENDED 30 JUNE, 2022**



INDEPENDENT ELECTORAL AND BOUNDARIES COMMISSION

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2022

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

INDEPENDENT ELECTORAL & BOUNDARIES COMMISSION (IEBC)

TABLE OF CONTENTS

KEY COMMISSION INFORMATION AND MANAGEMENT	4
THE IEBC COMMISSION	8
THE IEBC MANAGEMENT TEAM	12
STATEMENT OF PERFORMANCE AGAINST OBJECTIVES FOR 2021/2022FY	16
CORPORATE GOVERNANCE STATEMENT	19
MANAGEMENT DISCUSSION AND ANALYSIS	22
ENVIRONMENTAL & SUSTAINABILITY REPORTING	27
CORPORATE SOCIAL RESPONSIBILITY (CSR)	29
STATEMENT OF THE ACCOUNTING OFFICER RESPONSIBILITIES	30
REPORT OF THE CHAIRPERSON	31
REPORT OF THE SECRETARY/CHIEF EXECUTIVE OFFICER	32
REPORT OF THE INDEPENDENT AUDITOR	34
STATEMENT OF FINANCIAL PERFORMANCE	35
STATEMENT OF FINANCIAL POSITION	36
STATEMENT OF CASH FLOWS	37
STATEMENT OF CHANGES IN NET ASSETS	38
STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS	39
SIGNIFICANT ACCOUNTING POLICIES	40
NOTES TO THE FINANCIAL STATEMENTS	46
ANNEXURES TO THE FINANCIAL STATEMENTS	58
APPENDIX I: IMPLEMENTATION STATUS OF AUDITOR GENERAL'S RECOMMENDATIONS	58
APPENDIX II: PROJECTS IMPLEMENTED BY IEBC	67
APPENDIX III: TRANSFERS FROM & TO OTHER GOVERNMENT ENTITIES	68

KEY COMMISSION INFORMATION AND MANAGEMENT

1. Background information

The Independent Electoral and Boundaries Commission is a Constitutional body established under Article 88 of the Constitution of Kenya and is a body corporate pursuant to Article 253 of the Constitution of Kenya. As per Article 88 of the Constitution of Kenya 2010, the Commission is responsible for conducting or supervising referenda and elections to any elective body or office established by the constitution, and any other elections as prescribed by an Act of Parliament. Article 88 and IEBC Act 2011 further enumerate the mandate of the Commission to include, inter alia, continuous registration of voters, revision of the voter's roll; delimitation of constituencies and wards boundaries; regulation of political parties process; development of a code of conduct for candidates and parties and monitoring of compliance with legislation on nomination of candidates by parties.

2. General Information

The Independent Electoral and Boundaries Commission is established under Article 88 of the Constitution of Kenya, 2010 and is a legal entity. It is operationalized through IEBC Act 2011.

The IEBC Act provides that the funds of the Commission are held in a fund known as the Independent Electoral and Boundaries Commission Fund. The fund has not been operationalized.

The Commission is required to prepare and submit its annual financial statements to the Auditor General by 30th September every year and a copy to the Controller of Budget, the National Treasury and the Commission of Revenue of Allocation as stipulated in Section 81 of the Public Finance Management Act, 2012.

3. Key Management

The Commission's day-to-day activities are run by the Secretariat. The secretariat's management was as follows:

(a)	Marjan H. Marjan	Commission Secretary/CEO.
(b)	Ruth Kulundu	Deputy Commission Secretary –Operations.
(c)	Obadiah Keitany	Deputy Commission Secretary –Support Services.
(d)	Osman Hassan Ibrahim	Director Finance.
(e)	Lorna Agnes Onyango	Director Human Resources and Administration.
(f)	Rasi Masudi	Director Voter Education, Partnerships and Communication.
(g)	Dr. Catherine Kamindo	Director Research, Electoral Boundaries and Risk Management.
(h)	Michael Ouma	Director Information and Communication Technology.
(i)	Moses Sunkuli	Ag. Director Voter Registration and Elections Operations.
(j)	Chrispine Owiye	Director Legal Affairs and Public Affairs.
(k)	Reuben K. Chirchir	Ag. Director Internal Audit and Compliance.
(l)	Harley K. Mutisya	Director Supply Chain Management.

4. Fiduciary Management

The key management personnel who held office during the 2021/2022 financial period ended 30th June, 2022 and had direct fiduciary responsibility were:

No.	Designation	Name
1.	Commission Secretary/CEO	Marjan H. Marjan.
2.	Deputy Commission Secretary – Operations.	Ruth Kulundu.
3.	Deputy Commission Secretary –Support Services.	Obadiah K. Keitany.
4.	Director Supply Chain Management	Harley K. Mutisya.
5.	Director Finance	Osman H. Ibrahim
6.	Ag. Director Internal Audit & Compliance	Reuben K. Chirchir.
7.	Director Human Resources & Administration	Lorna A. Onyango.
8.	Director Information & Communication Technology	Michael Ouma.
9.	Ag. Director Voter Registration & Elections Operations	Moses Sunkuli.
10.	Director Research, Electoral Boundaries & Risk Management	Dr. Catherine Kamindo.
11.	Director Voter Education, Partnerships & Communication	Rasi M. Masudi.
12.	Director Legal Affairs & Public Affairs	Chrispine Owiye.

5. Fiduciary Oversight Arrangements

Finance and Supply Chain Management Committee activities

The Commission has in place a Finance and Supply Chain Management Committee consisting of at least three Commissioners. The Committee has an oversight role over all finance and procurement matters. The Committee meets at least once a month.

Audit Committee activities

The Commission has in place an independent Audit Committee that is chaired by a non-executive member. The Audit Committee oversees the internal audit activity charged with the responsibility of continuous review and providing assurance on effectiveness of the Commission's Governance, Risk and Control.

Parliamentary Accounts Committee (PAC) activities

The Commission, in response to PAC invitation, explains any unresolved audit issues raised by the Auditor General. The Commission has received PAC recommendations up to 2019/2020 FY which are currently being implemented. The Commission is awaiting to appear before PAC for 2020/2021FY Auditor General Report.

Budget and Appropriation Committee

The Committee oversees the Commission on all matters related to coordination, control and monitoring of the of the budget proposals. It also discuss and reviews the estimates and make recommendations to the House for funding.

Development Partner Oversight activities

For the period under review, the Commission received support from IFES, which is implemented under Direct Implementation Method (DIM).

External/Statutory Audit Activities

The Commission is annually subjected to audit by the Office of the Auditor General as required by law. OAG undertakes; Continuous, Systems/Compliance and Annual audits on the Commission finances and operation activities. In special circumstances, OAG conduct Special Audits.

Budgetary Control Activities

The Office of Controller of Budget (COB) of Kenya is an independent office established to oversee implementation of the budgets of the National and County Governments by authorizing withdrawal from public funds.

The Commission files the required quarterly and annual budget implementation reports to the Officer of the Controller of Budget. Further, the Commission has put in place a standing committee on Budget Implementation which advises the Commission on budgetary matters.

The Commission is committed to compliance and prudence in the management of the finances, collaborates with the relevant statutory oversight institutions and continues to undertake internal financial reviews whose outcome enables the Commission to strengthen its operational and financial systems.

6. Commission Bankers

Central Bank of Kenya
Haille Sellasie Avenue
P.O. Box 60000-00200
NAIROBI.

Kenya Commercial Bank Ltd.
University Way Branch
P.O. Box 4012-00300
NAIROBI.

Cooperative Bank of Kenya Ltd
University Way Branch
P.O. Box 48231-00100
NAIROBI.

Housing Finance Company Bank Ltd
P.O. Box 30088-00100
NAIROBI.

7. Commission Auditors

The Auditor General
Kenya National Audit Office
Anniversary Towers
P.O. Box 30084- 00100
NAIROBI.

8. Commission Headquarters

The Independent Electoral and Boundaries Commission
Anniversary Towers, 6th Floor,
P.O Box 45371-00100
NAIROBI.

9. Principal Legal Advisor

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112-00200
NAIROBI.

THE IEBC COMMISSION



Chairperson: Mr. Wafula W. Chebukati

Key Qualifications:

- Master of Business Administration from Jomo Kenyatta University of Agriculture and Technology.
- Bachelor of Law Degree from the University of Nairobi.
- Post Graduate Diploma from the Kenya School of Law.
- Advocate of the High Court of Kenya.

Experience:

- Over 32 years' experience in legal practice specializing in litigation and dispute resolution, conveyancing, labour laws, company mergers and acquisitions, Maritime and treaties.
- Works on a full-time basis as a chairperson of the Commission.
- Chairs the Dispute Resolution Committee and the Electoral Code of Conduct Committee.

Vice Chairperson: Ms. Juliana Whonge Cherera



Key Qualifications:

- Master of Education, Leadership and Educational Management from Kenya Methodist University.
- Bachelor of Education (Arts). Honours from Kenyatta University.
- Dip. Project Management; KIM.
- Dip. Early Childhood Development Education (ECDE); KNEC.
- Strategic Leadership and Development Program; KSG
- Senior Management Course (SMC); KSG

Experience:

- Ms Cherera Has over 19 years' experience in Education and Management in the public sector.
- Before her appointment to the Commission, she worked as Chief Officer Executive in the Strategic Delivery Unit of the Mombasa County Government.
- Member of Mombasa County Emergency Household Relief and Nutrition Support Project Coordination Committee.
- Secretary to the Mombasa County Economic Recovery and Legacy Strategy.
- Member of Kenya Devolution Support Program Committee.
- Works on a full-time basis as a vice chairperson of the Commission.
- She Chairs the Voter Education, Partnerships and Stakeholders Engagement Committee.



Commissioner: Francis M. Wanderi

Key Qualifications:

- Master of Science in Management (MSc. Mgmt.); from Arthur D. Little Management Institute at Boston, USA.
- Bachelor of Education; UoN.
- Transformative Leadership and Change Management.
- Corporate Governance Course by Commonwealth Association for Corporate Governance.

Experience:

- Over 33 years in senior management within public and private institutions characterized by integrity and a high performance, and with a proven track record in development and execution of strategy, people and change management and, leadership and innovation toward realization of organizational objectives and visions.
- Mr. Francis M. Wanderi is a former Chairperson of EPZ and director Roots Credit Ltd.
- He Chairs Finance and Supply Chain Management Committee.



Commissioner: Irene Cherop Masit

Key Qualifications:

- Master's degree in Strategic Human Resource Management from the University of Manchester, UK.
- Bachelor of Law degree - University of Nairobi.
- Bachelor of Arts degree in Social work -University of Nairobi.
- Post Graduate Dip from Kenya School of Law.
- Member of International Certified Addiction Professional (ICAP I-Treatment; Colombo Plan Global Centre for Credentialing and Certification.
- Member of Institute of Internal Auditors (IIA).
- Advocate of the High Court of Kenya.

Experience:

- Ms. Irene Masit has over 26 years work experience and knowledge in Government and Non – Governmental Organizations.
- She is the immediate former board member, National Government Constituency Development Fund (NGCDF).
- She has knowledge and experience in Finance, Governance, Management and Public Administration.
- Chairs the Legal, Compliance and Political Party Liaison Committee and the Leadership and Integrity Committee.



Commissioner: Prof. Abdi Yakub Guliye

Key Qualifications:

- PhD in Animal Nutrition from Rowett Research Institute/ University of Aberdeen, Scotland, UK.
- Master of Science in Animal Production from University of Aberdeen, Scotland, UK.
- Bachelor of Science in Animal Production from Egerton University.

Experience:

- Prof. Guliye has over 28 years of university teaching experience, of which in the last 8 years he had additional administrative/ managerial roles. He also served in various Boards of Institutions/Organizations, having chaired committees such as Audit and Risk Management as well as Finance.
- Chairs the Election Operations, Research and Boundary Delimitation Committee.



Commissioner: Mr. Justus Nyang'aya

Key Qualifications:

- Master of Arts (M.A) Education from the Institute of Education, University of London (IOE), UK.
- Diploma in Leadership, Governance, Peace and Conflict Transformation from the United Nations' University -International Leadership Academy in Jordan -Amman.
- He studied educational science in Kenya and Great Britain.

Experience:

- Mr. Nyang'aya has over 33 years of experience in Strategic Leadership, Governance and Social Accountability Organizations.
- He was director of Lead Africa, an organisation working for the Qualification of African Managers.
- Former Country Director, Amnesty International Kenya. Amnesty Kenya's work concentrates on the prevention of forced evictions, the protection of housing rights and women's rights.
- He also worked for the Netherlands Development Organisation as well as UNESCO.
- Chairs the Information and Communication Technology Committee.



Commissioner: Mr. Boya Molu

Key Qualifications:

- Master's in Business Administration (HR Management Option), Periyar University, India.
- Bachelor of Business Administration from Karnatak University, India.
- Higher National Diploma in Human Resources Management (KNEC), IHRM Kenya.

Experience:

- Has over 16 years' experience in Human Resource Management and administration mainly in public sector.
- Prior to joining the Commission Mr. Molu served in various capacities at the Central Bank of Kenya (CBK) and the Judiciary in Human Resource and Administration Directorate.
- Also served as a council member of the Institute of Human Resources Management (IHRM) Kenya.
- Chairs the Human Resource, Administration and Training Committee.

THE IEBC MANAGEMENT TEAM



CPA Marjan H. Marjan

CEO/Commission Secretary

Profession/Qualifications:

- MBA in Strategic Management - University of Nairobi (UoN);
- BCom (Accounting Option) - (UoN);
- Certified Public Accountant (CPA-K);
- Certified Information Systems Auditor (CISA);
- Certified Internal Auditor (CIA);
- Certification in Control Self-Assessment (CCSA)
- Certified Quality Assessor (CQA);
- Practicing Member of ICPAK in good standing;
- Member of Information Systems Audit & Control Association (ISACA);
- Member of Institute Internal Auditor (IIA).



CPA Obadiah K. Keltany

Deputy CEO/ Deputy Commission Secretary – Support Services

Profession/Qualifications:

- MBA Finance – University of Nairobi (UoN);
- BCom Insurance (UoN);
- Certified Public Accountant (CPA-K);
- Certified Internal Auditor (CIA);
- Certified Information Systems Auditor (CISA);
- Certified Public Secretary (CPS-K);
- Certified Quality Assessor (CQA);
- Post Graduate Diploma in Corporate Governance (KCA);
- Member of ICPAK in good standing;
- Member of Information Systems Audit & Control Association (ISACA);
- Member of Institute of Internal Auditors (IIA);
- Member of Institute of Certified Secretaries of Kenya.



Ruth Kulundu

Deputy CEO/Deputy Commission Secretary - Operations

Profession/Qualifications:

- MBA –Strategic Management- (UON).
- Bachelor of Commerce BCOM -(UoN);
- Associate of Chartered Insurance Institute - ACII (London).
- Associate of Chartered Insurance Institute - AIIK (Kenya).
- Associate of Chartered Institute of Arbitrators (Kenya Chapter).



CPA Osman H. Ibrahim, OGW

Director Finance

Profession/Qualifications:

- MBA Finance – University of Nairobi (UoN);
- Bachelor of Commerce –UoN;
- Certified Public Accountant (CPA-K);
- Member of ICPAK in good standing.
- Member of IIA –Kenya in good standing;
- Member of Institute of Internal Auditor(IIA);



Chrspine Owtye

Director Legal and Public Affairs.

Profession/Qualifications:

- Master of Law in Law Governance and Democracy - University of Nairobi.
- Bachelor of Law degree (LLB) – Moi University;
- Post Graduate Diploma- Legal Education(Kenya School of Law);
- Certificate in Prosecution (CID Training School).
- Advocate of the High Court of Kenya;
- Member of the Law Society of Kenya;
- Commissioner for Oaths and Notaries Public.
- Member of the International Commission of Jurists.
- Member of the International Police Association.



Dr. Catherine M. Kamindo

Ag. Director Research Boundaries & Development

Profession/Qualifications:

- PhD Education Policy and Management- University of Durham (UK);
- Master of Education Educational Administration- Kenyatta University;
- Bachelor of Education - Kenyatta University;
- Certificate in Strategic Communication- The World Bank;
- Certificate in Management of Democratic Elections in Africa- University of South Africa;
- Professional Certificate in Electoral Processes-International Centre for Parliamentary Studies (UK);
- Full Member (FKIM) Kenya Institute of Management;
- African Union Certified Long and Short-Term Elections Observer;
- Kenya Association of Educational Administration (KAEM);
- American Political Science Association (APSA).



Moses Sunkuli

Ag. Director Voter Registration and Electoral Operations

Profession/Qualifications Profession/Qualifications:

- MBA, Strategic Management-Kenyatta University;
- Bachelor of education, Arts -Moi University;
- Diploma in Business Management- Kenya Institute of Management;
- Certificate, Management of Democratic Elections in Africa - UNISA;
- Strategic Leadership Management Course - Kenya School of Government;
- Member (KIM) Kenya Institute of Management.



Rasi Masudi

Director Voter Education, Partnerships & Communication

Profession/Qualifications:

- Executive MBA;
- Bachelor of Science in Agricultural Economics;
- Diploma in Farm Management.



Harley Kisyula Mutisya

Director Supply Chain Management

Profession/Qualifications:

- PHD in Business Administration (UoN);
- MBA in Procurement & Supply Chain Management (UoN);
- BCOM in Supply Chain Management (UoN);
- Diploma in Logistical Management from Cerford Institute;
- Certified Procurement and Supply Professional (CPSP-K);
- Chartered Associate (ACI Arb);
- Member Kenya Institute of Supplies Management (KISM);
- Certified Practitioner-(KISM);
- Fellow Logistics Society of Kenya;
- Member Chartered Institute of Procurement and Supply (UK);



Michael Ouma

Director ICT

Profession/Qualifications:

- MBA, Strategic Management (UoN)
- B.Tech-Electrical & Communications Engineering-Moi University;
- Professional Scrum Master I, Scrum.org;
- Member of Information Systems Audit & Control Association (ISACA);
- Member, Kenya Institute of Management;
- Fellow, Computer Society of Kenya;



CPA Reuben Chirchir

Ag. Director Audit & Compliance

Profession/Qualifications:

- Master's in Business Administration in Finance (MBA)- USIU;
- Bachelor of Arts, BA(Hons), Economics - University of Nairobi;
- Certified Public Accountant (CPA-K);
- Member of ICPAK;
- Member of IIA -Kenya.



Lorna A. Onyango

Director Human Resource & Administration

Profession/Qualifications:

- Master of Business Administration (HRM);
- Post Graduate Diploma;
- Bachelor of Arts (Sociology) (UoN);
- Certificate, Human Resource Audit;
- Certificate, Payroll Management;
- Licensed Human Resource Professional;
- Member, Institute of Human Resource Management (IHRM), Kenya.

STATEMENT OF PERFORMANCE AGAINST OBJECTIVES FOR 2021/2022FY

Section 81 Sub-section 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

IEBC has three strategic pillars and objectives within its Strategic Plan for the FY 2019/2020-2023/2024.

These strategic pillars are as follows:

Pillar 1: Managing Elections.

Pillar 2: Institutional Transformation.

Pillar 3: Trust and Participation.

The Commission develops its annual work plans based on the above three pillars. Assessment of the Commission's performance against its annual work plan is done on a quarterly basis. The Commission achieved its performance targets set for its 2020-2024 strategic pillars, as indicated in the table below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Managing Elections	Strengthen Electoral, Legal framework and Enforcement.	<p>All Electoral Laws reviewed and harmonized by August.</p> <p>The percentage reduction in reported cases of electoral offences by Political Parties, Candidates and other Stakeholders.</p>	<p>Workshops Public participation JLAC for consultation on the Commission's proposals.</p> <p>Stakeholder engagement with IEBC External Counsel.</p>	<p>-Developed comprehensive Matrix of Proposals developed and draft bill discussed with Stakeholders.</p> <p>-Submitted the four draft bills to parliament;</p> <ul style="list-style-type: none"> • Draft Elections (General) Regulations, 2022. • Draft Elections (Voter education) Regulations, 2022. • Draft Elections (Technology) Regulations, 2022. • Draft (Registration of voters) Regulations, 2022. • Draft Elections (Party Primaries and Party Lists) Regulations, 2022.
	Enhance compliance in electoral processes.	Number of election disputes heard and determined.	Staff, tribunal, advocates.	325 election disputes.

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
	Elections operations implemented for enhanced voter experience.	Conduct all by-elections within the statutory timelines.	<ul style="list-style-type: none"> Sourcing of election materials. Training of Election officials. Nominations. Polling. Tallying. 	Nine (9) by-elections conducted, one (1) Member of the National Assembly and five (5) Members of County Assembly and 3 other elections i.e. 1 Red cross. 1 Law Society of Kenya. 1 Judiciary.
		Number of candidates registered for elections	<ul style="list-style-type: none"> Sourcing of materials. Training of Election officials. Registration. 	16,105
		Number of new Polling Stations created	Sourcing of materials. Training of Election officials. Equipment, forums and workshops.	5,373
	Register eligible Kenyan Citizens as voters.	Number of eligible voters registered.	<ul style="list-style-type: none"> Continuous voter registration. Continuous cleaning of register. 	New registered voters 2,743,594 Total registered voters 22,464,755.
	Equity in Representation in Parliament and County Assembly levels. Delimitation of Electoral Areas.	Review of Electoral Boundaries.	<ul style="list-style-type: none"> Stakeholder participation. Forums Consultations with relevant authorities. 	Draft Strategy in Voter Education, Partnership and Communication Strategy Development. 5,346 Number of GPS coordinates collected for the gazette registration centers.
Pillar 2: Institutional Transformation	Strengthen corporate governance and communication in IEBC.	A risk-based Annual Internal Audit Plan developed and implemented. Quarterly progress reports on risk management Developed. The IEBC Risk Register reviewed.	<ul style="list-style-type: none"> Development of annual audit plan. Continuous audit reviews Quarterly Risk review plans Desktop reviews. 	<ul style="list-style-type: none"> 10 Quarterly internal audits. 12 Risk Reviews conducted. IEBC Risk Register Updated. 10 audit reports issued.

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
	Provide adequate office space and a conducive work environment.	Acquire and own office facilities for the IEBC Headquarters and field offices by 2020.	Sourcing funds Office reallocation Construction of warehouses and county and constituency offices.	<ul style="list-style-type: none"> Constructed of 5 county warehouses (Wajir, Garissa, Kakamega, Machakos, Isiolo counties). Developed a preliminary report on the construction of the Uchaguzi Centre.
Pillar 3: Trust and Participation	Empower Kenyans to Effectively participate in the electoral process.	Percentage of Kenyans directly or indirectly reached with voter education information prior to an electoral activity.	<ul style="list-style-type: none"> Continuous voter education. Review Workshops and for an advertisements. 	<ul style="list-style-type: none"> 55 % voter turnout in the by elections 43% voter turnout during voter registration.
	Strategic Partnership and Collaboration with Stakeholders.	Accreditation of election observers during key electoral processes.	<ul style="list-style-type: none"> Briefings. Accreditations. 	<ul style="list-style-type: none"> 69 observers for 6 by-elections. 15,157- Long Term Observers.
	Empowering political parties and independent candidates to effectively participate in the electoral Process.	Strengthen collaboration with the Office of the Registrar of Political Parties.	<ul style="list-style-type: none"> Political party liaison meeting. Training of political parties. 	<ul style="list-style-type: none"> Collaboration framework approved.
	Enhanced mechanisms for liaison with Political Parties.	No. of Political Parties Liaison committee (PPLC) meetings held.	<ul style="list-style-type: none"> Meetings. Stakeholder forums. 	<ul style="list-style-type: none"> Six (6) Political Parties Liaison Committee (PPLC) meetings held in the period under review.

CORPORATE GOVERNANCE STATEMENT

The Commission is accountable to the public and stakeholders through Parliament for ensuring that it complies with the highest standards of corporate governance and operational ethics. The Commission has embraced corporate governance by promoting the right corporate culture and values.

The Commission exercises reasonable care to ensure that the management of the Commission is carried out in the best interest of the citizens of Kenya. The overall management of the Commission is the responsibility of the Commissioners.

The Commission recognizes the need to conduct its affairs with integrity and in accordance with generally accepted corporate practices and internationally developed principles of corporate governance.

The Commission

The size, composition and appointment of the Commission is prescribed by Article 250 of the Constitution and by the IEBC Act 2011. Seven (7) Commissioners worked on a full-time basis during the year under review. Each Commissioner is appointed to serve for a single term of six (6) years.

The Commission is well composed in terms of range and diversity of skills, knowledge, age and experience in various sectors which makes it effective and provides an appropriate skills balance for the oversight of the Commission's mandate.

The Commission Committees and their Responsibilities

The Commission delegates certain functions to committees without abdicating its own responsibilities. The Commission has developed a committee structure that assists in the execution of its duties, powers and authorities. The Committees are appropriately constituted drawing membership from amongst the Commissioners with the appropriate set of skills and experience and directors co-opted from various directorates.

The Commission has in place an independent Audit Committee that is chaired by a non-executive member. It also has two independent audit committee members and one Commissioner.

The Audit Committee: Oversees the internal audit activity charged with the responsibility of continuous review and providing assurance on effectiveness of the Commission's Governance, Risk and Control.

Human Resource Training and Administration Committee: Provides advisory and oversight on human resource management, training and development, facilities and general administration.

Finance and Supply Chain Management Committee: The main role of the Finance and procurement Committee is to provide financial oversight for the Commission. The responsibilities include oversight over; Budgeting and budgetary control, Procurement, Financial management and reporting. It ensures compliance with relevant laws, Regulations and international standards especially Public Financial Management (PFM) Act, Public Procurement and Asset Disposal (PPAD) Act and Accounting Standards.

Election Operations, Research and Boundaries Delimitation Committee: Provides oversight on voter registration and election operations planning, boundary delimitation and risk monitoring and compliance.

Information and Communication Technology Committee: Provides oversight on the formulation and integration of ICT in the management of elections and research and planning.

Legal, Compliance and Political Party Liaison Committee: Oversees settlement of disputes relating to or arising from nominations, electoral code of conduct, campaign finance and code of ethics compliance. It also provides oversight on legal reforms, implementation of regulations and corporate governance.

Voter Education, Partnerships and Stakeholders Engagement Committee: Provides oversight on voter education, Partnerships, stakeholder engagement policies and strategies.

During the period under review, the Commission conducted the following committee meetings as per the table below;

S/No.	Committee	Key Responsibility	No. of Meetings
1.	Plenary.	Oversight, Strategy and Policy Formulation.	18
2.	Finance and Supply Chain Management Committee.	Procurement and Finance Oversight.	7
3.	Audit, Risk and Compliance Committee.	Oversight on Governance, Risk and Compliance.	3
4.	Human Resources, Training and Administration Committee.	Advisory and Oversight on Human Resource functions.	13
5.	Legal, Compliance and Political Party Liaison Committee.	Legal Oversight and Compliance.	6
6.	Information and Communication Technology Committee.	Oversight on Election Planning and Implementation.	4
7.	Election Operations, Research and Boundaries Delimitation Committee.	Technical oversight on voter registration and election operations planning, boundary delimitation and review.	2
8.	Voter Education, Partnerships and Stakeholders Engagement Committee.	Oversight on voter education, Partnerships, stakeholder engagement policies and strategies.	4

Impartiality and Independence of Members

Every member of the Commission and employee shall perform their functions impartially and independently without influence from any person, authority or organization.

Disclosure of Conflict of Interests

If a member of the Commission or an employee is directly or indirectly interested in any matter before the Commission and is present at any meeting of the Commission at which the matter is the subject of consideration, he/she shall as soon as practicable disclose the fact and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the matter or be counted in the quorum of the meeting during consideration of the matter.

INDEPENDENT ELECTORAL & BOUNDARIES COMMISSION (IEBC)

A member or employee whose personal interest conflicts with their official duties shall in writing, declare as soon as practicable the personal interests to their supervisor or other appropriate person or body and comply with any directives given to avoid the conflict and refrain from participating in any deliberations with respect to the matter.

MANAGEMENT DISCUSSION AND ANALYSIS

Operational and Financial Performance

The Commission successfully conducted (6) by-elections during the 2021/2022 financial year. These were one (1) Members of National Assembly and five (5) Member of County Assembly. The Commission further undertook Enhanced Continuous Voter Registration in which 2,743,594 new voters were registered. In addition, the Commission undertook verification of the Register of Voters and Candidate registration for the 2022 General Election of which 16,105 candidates were registered to contest for elections.

Summary of Budget Performance for the Year Ended 30th June 2022

The Commission was allocated Kenya shillings twenty three billion, one hundred and sixty five million five hundred and ninety one thousand, seven hundred and seventy five shillings (Kshs.23,165,591,775) in the printed estimated during the FY2021/22.

Through supplementary budget estimates, the budget was increased by eight million, eight hundred and thirteen thousand, nine hundred thousand and five hundred and fifty seven shillings (Kshs. 8,813,903,557) resulting to a revised budget of Kenya shillings twenty three billion, one hundred sixty five million, five hundred and ninety one thousand, seven hundred and seventy five (Kshs. 23,165,591,775).

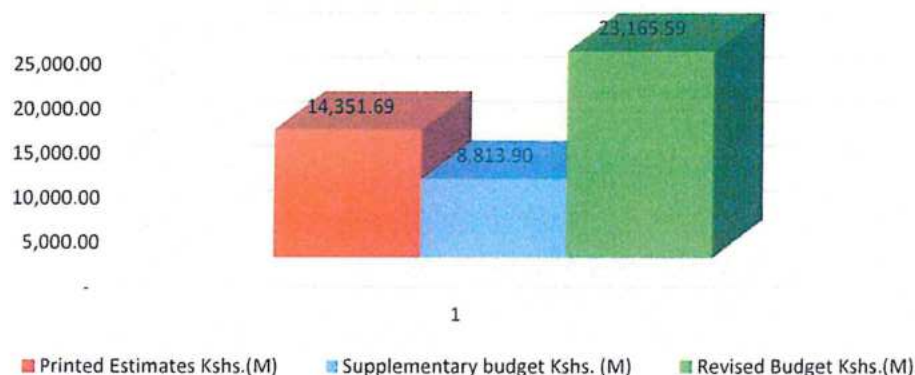
Table 1 below indicates the overall budget performance for the Commission.

Table 1: Commission's Overall Budget

Description	Printed Estimates Kshs.(M)	Supplementary budget Kshs. (M)	Revised Budget Kshs.(M)
IEBC Vote 2031 (Recurrent)	14,226.69	8,813.90	23,040.59
IEBC Vote 2031 (Development)	125.00	-	125.00
Grand Total	14,351.69	8,813.90	23,165.59

Figure 1: The bar graph below illustrates the overall budget

OVERALL BUDGET FY2021-2022 (KSHS.Million)



During the FY2021/2022 and in execution of its mandate, the Commission spend a total of Kshs.19, 682,558,581.90 (nineteen billion six hundred and eighty two million, five hundred and fifty eight thousand five hundred and eighty-one shillings). Table 1 below indicates the budget allocation Vs the budget utilization by sub-programmes during the FY2021/2022.

Table 1: Budget Allocation Vs Budget Expenditure by Sub- Programmes

Sub-Programme Description	Approved Budget (Kshs)	Actual Payments (Kshs)	Unutilized Budget (Kshs)
General Administration Planning & Support Services	4,101,095,180	3,768,581,038.05	332,514,141.95
Voter Registration and Electoral Operations	11,750,804,649	9,424,306,205.65	2,326,498,443.35
Voter Education and Partnerships	1,309,197,256	1,144,496,193.40	164,701,062.60
Electoral Information and Communication Technology	5,902,498,083	5,269,038,208.90	633,459,874.10
Delimitation of Electoral Boundaries	101,996,607	76,136,935.90	25,859,671.10
Grand Total	23,165,591,775.00	19,682,558,581.90	3,483,033,193.10

Fig.2: The bar graph below illustrates Budget Allocation Vs Budget Utilization by Sub-Programmes.

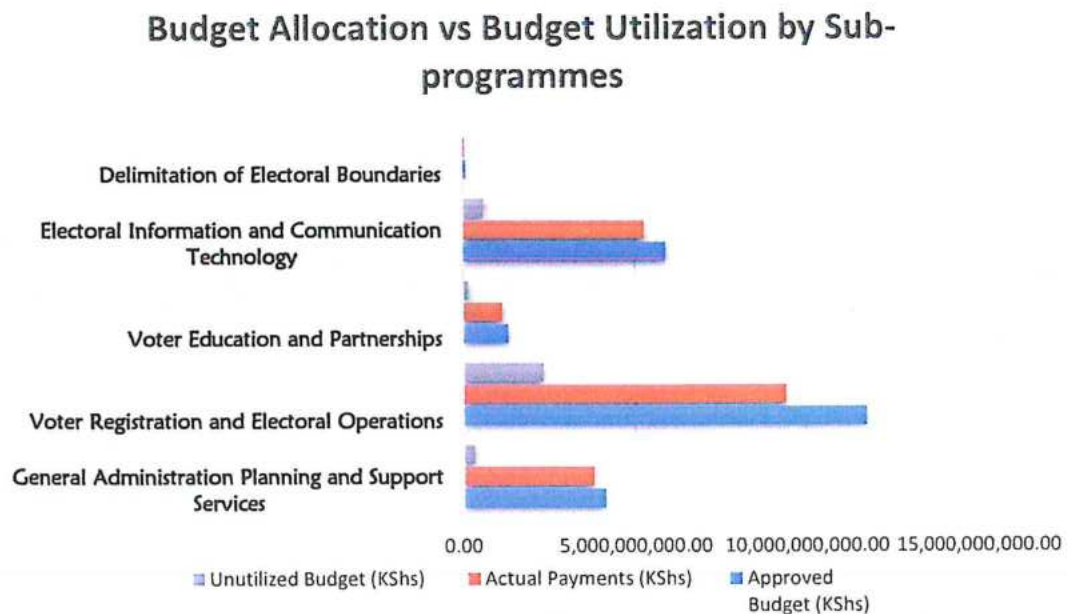
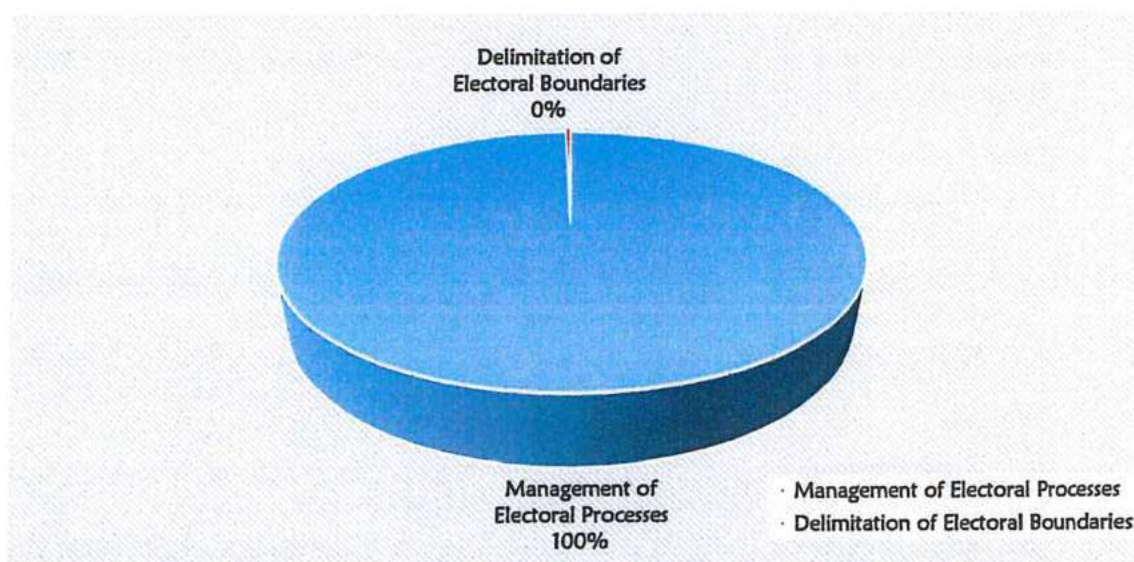


Table 2 below indicates the budget allocation Vs the budget utilization by economic classification during the FY2021/2022.

Table 2: Budget Allocation Vs Budget Expenditure by Programmes

S/No.	Description	Approved Budget (Kshs)	Actual Payments (Kshs)
1	Management of Electoral Processes	23,063,595,168.00	19,606,421,646.00
2	Delimitation of Electoral Boundaries	101,996,607.00	76,136,935.90
	Grand Total	23,165,591,775.00	19,682,558,581.90

Fig.3: The bar graph below illustrates Budget Allocation by Programmes

During the period under review, the Commission was allocated Kshs. 23,165,529,000 in both recurrent and development expenditures. The Commission received exchequer of Kshs. 19,641,465,000 and other internally generated income of Kshs. 143.45 million totalling to Kshs. 19.785 billion. The funds were utilized to fund the conduct of the by elections, general election activities, purchase of election equipment's and materials and construction of five (5) office buildings and other administrative operations of the commission.

The Commission continued to settle 2017 General Election pending bills amounting Kshs. 429.611,000. However, due to budgetary constraints, the Commission was unable to settle pending bills of Kshs 2.05 billion as of 30th June, 2022. Outstanding bills of Kshs.182 million were accrued during the year under review. A detailed listing of these bills has been provided as an annex to this report.

Compliance with Statutory Requirements

The Commission complied with its tax obligations and all its statutory obligations in the implementation of its mandate.

Key Projects and Investment

The Commission continued the construction of five (5) county warehouses in Garissa, Wajir, Isiolo, Kakamega and Machakos counties. The Commission had planned to construct its own building to house its head office to enhance security and efficiency in its operations. However, the project was not funded during the period under review.

The Commission will continue to pursue funding to implement the project since the Commission headquarter offices are currently located in a rented building, which is not conducive for its operations due to congestions, uncontrolled movement in and out of the offices and disruptions to the business enterprises during heightened political activities.

Risk Management Activities

The Commission has put in place a risk management framework for risk identification and mitigation. Further, it has embedded risk management in all its planning, execution, evaluation and business continuity arrangements.

Some of the key risks facing the Commission include:

- **Strategic Risks:** These are risks that affect the ability to carry out the long-term goals and objectives as articulated in the IEBC Policy.
- **Compliance Risks:** These are risks associated with non-compliance with applicable laws and regulations which could result in litigation and conflicts of interest.
- **Political Risks:** This is a major risk factor affecting staff performance and safety. These risks could also be attributed to political perception of major political parties on the Commission's role.
- **Reputational Risks:** The risk of significant negative public opinion and or perception that results in a critical loss of confidence in the institution.
- **Financial Risks:** The risk of financial loss that may include ineffectiveness of internal controls, financial processes for reporting, budgeting, and fiscal stewardship as well as the monitoring of full financial and performance reporting. These risks may also affect the ability to acquire assets, technology, etc.
- **Technological Risks:** This is a possibility of failure of technology employed by the Commission in the conduct of elections and rapid technological change resulting to obsolescence.
- **Operational Risks:** The risk of direct or indirect loss or inability to provide core services, especially to stakeholders, resulting from inadequate or failed internal processes, resources (including human resources, equipment malfunction), and systems.

Statutory and Financial Obligations

As at the 30th June, 2022, the Commission had pending bills amounting Kshs. 2.051 billion.

Financial Probity and Governance

To obtain assurance on compliance and prudence in the management of the election finances, the Commission has collaborated with the relevant statutory oversight bodies and continues to undertake internal financial reviews whose outcome enables the Commission to strengthen its operational and financial systems.

ENVIRONMENTAL & SUSTAINABILITY REPORTING

The Independent Electoral and Boundaries Commission is a credible electoral management body that strives to meet the democratic aspirations of the people of Kenya.

Our Mission is to conduct transparent, efficient, and impartial elections; and undertake boundary delimitation for equitable representation and sustainable democracy.

In its endeavors to achieve its mandate, the Commission is guided by the following principles and core values:

- Adherence to the rule of law - We conduct our businesses within the law.
- Inclusivity - We respect gender, race, class and disability in the conduct of electoral activities.
- Integrity - We conduct our affairs with utmost honesty.
- Accountability - We endeavor to be responsible for our actions.
- Teamwork - We work collaboratively as colleagues to achieve Commission goals.
- Innovativeness - We transform the electoral process by exceeding the expectations of Kenyans.

i. Sustainability strategy and profile

The Independent Electoral and Boundaries Commission is a Constitutional body established under Article 88 of the Constitution of Kenya and is a body corporate pursuant to Article 253 of the Constitution of Kenya.

The Constitution of Kenya 2010, IEBC Act 2011 and the Elections 2011 have been the greatest sustainability pillars of the Commission and the achievements of its mandate. The National Assembly has enacted and or amended several Statutes that enable the Commission to carry out its mandate. The role played by the State and Non-State Stakeholders and Partners in the election process have sustained the operations and the implementation of the key commission strategies.

To effectively sustain its operations, the Commission has put in place structures, strategies, policies and procedures to support its operations. In the achievement of its mandate, the commission has anchored its operations and strategy in three main pillars: Managing of elections, institutional transformation and enhancing of public trust.

The Commission, over the years has developed well-trained and experienced staff on matters election operations and technology. To this end, it has received benchmarking delegations from Africa and beyond. Further, it has well established structures in its county and constituency offices spread across country.

ii. Employee welfare

The Commission policy on recruitment ensures the Commission's commitment to ensuring that the one third-gender rule is observed as well promotes affirmative action to ensure diversity in the workplace. The Commission's Shortlisting and Interview Guidelines ensure that recruitment processes are geared towards observing and promoting regional and gender balance.

Currently the percentage gender distribution is 35% female and 65% male, while the ethnic representation within the Commission is forty-three (43) ethnic tribes out the forty-six (46) existing ethnic communities.

The commission had seven workers with disabilities of which two (2) were female while five (5) were male. The Commission supports officers to be in good professional standing with their professional bodies by facilitating their Annual Subscription and Continuous Professional Development (CPD) training. In addition, the staff are trained in career development courses, specialized skills and seminars and workshops.

The Commission has a robust Performance Management System (PMS) that include Target Setting and the Annual Performance Appraisals. The Commission also recommend honors, awards, and issues commendation letters in recognition of exemplary performance.

iii. Market place practices

The Commission operates in an environment with a wide range of risk profiles, making free and fair election competitive focus in a very competitive elective political environment. Election code of conduct provides the commission and the public with details of malpractices that may impair competitive elections. It provides guidelines, addressing such issues as election fraud, bribery, violence, conflicts of interest, among other election irregularities.

The Commission has consistently applied the most competitive procurement method based on the prevailing procurement laws and regulation with emphasis on maximizing value for money and equity in the procurement processes. The Commission also conducts due diligence on third parties to ensure that it engages the right supplier in its procurement.

The Commission has established responsible supplier relationship by strict compliance to the public procurement and asset disposal processes and principles as laid down in the public procurement and asset disposal legislative framework. Further, the Commission has enhanced its communication as a tool in bettering the management of the existing suppliers. The use of online procurement modules has further enhanced efficiency hence increased trust in our procurement process. This has made suppliers to have a better understanding of the Commission's business goals.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Commission's overriding Corporate Social Responsibility theme is "Connecting with the Voter".

In the period under review, the Commission undertook several CSR initiatives most of with other humanitarian initiatives.

- i. Donation of sanitary towels to various Schools.
- ii. Donation of sanitizers and facemasks to schools and the public.
- iii. Donation of books, Geometrical Sets, Pens and White Board to schools.
- iv. Sponsoring football tournaments for schools.
- v. Visiting children homes and donating of foodstuffs.
- vi. Open-air markets clean up.
- vii. Wall painting in a school.
- viii. Donation of soft drinks and snacks to a school of the deaf.
- ix. Painting of school gate and donation of iron sheets for two classrooms.
- x. Donation of IEBC branded hand washing tanks and soaps to schools.
- xi. Cleaning of the environment.
- xii. Donation of football materials for a local football team.
- xiii. Donation of water tanks to schools.
- xiv. Distribution of IEBC branded bags and pens to students and teacher.

Further, the Commission has institutionalized the management of school student council elections, where the Commission uses the opportunity to inculcate democratic tenets in the learner's minds. The school council elections are regularly coordinated by the Commission's County and constituency offices in their respective electoral area.

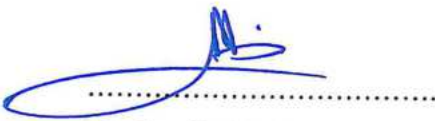
STATEMENT OF THE ACCOUNTING OFFICER RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012, requires the Accounting Officer to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Commission as at the end of period and of its operating results. It also requires the Accounting Officer to ensure that the Commission maintains proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Commission. The Accounting Officer is also responsible for safeguarding the Commission's assets.

The Accounting Officer is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (IPSAS) and in a form that complies with the standards prescribed by the Public Sector Accounting Standards Board (PSASB). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, safeguarding the assets, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Accounting Officer accepts responsibility for financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Accounting Officer is of the opinion that the financial statements give a true and fair view of the state of financial affairs of the Commission and of its financial position. The Accounting Officer further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Accounting Officer to indicate that the Commission will not remain a going concern for at least the next twelve months from the date of this statement.



Marjan H. Marjan

Commission Secretary

REPORT OF THE CHAIRPERSON

I am pleased to present the Commission's annual financial statements for the period ended 30th June 2022.

The Commission successfully conducted six (6) by-elections during the 2021/2022 financial year. These were for the position of a Member of National Assembly and five Members County Assembly. The Commission further undertook Enhanced Continuous Voter Registration (ECVR) exercise of which 2,743,594 new voters were registered, Register of Voter verification and candidate's registration for the 2022 General Election.

In the 2021/2022 financial year, the Commission was allocated Kshs. 22.9 billion under the recurrent vote and Ksh.125 million under development vote. The Commission received exchequer amounting Kshs. 19.5 billion for recurrent expenditure and Kshs.111.6 million for development expenditure. Further, income of Ksh.143 million was generated internally from the candidate's registration fees and disposal of boarded items.

Looking forward to the National Treasury to provide adequate budget allocation and timely release of exchequer to fund the settlement pending bills amounting Kshs. 2.0 billion some of which continue to attract interest due to non-payment.

I wish to register and applaud the Members and Staff of the IEBC as well as all partners and stakeholders for their support towards fulfilling Commission's mandate as enshrined in the Constitution of Kenya.

In Conclusion, I sincerely convey the gratitude of the Commission to the National Government, the National Treasury, Parliament, partners, stakeholders and staff of the Commission for their continued support towards fulfilling our mandate.

.....
W.W. Chebukati

Chairperson

REPORT OF THE SECRETARY/CHIEF EXECUTIVE OFFICER

The Independent Electoral and Boundaries Commission, hereby, submits its annual financial statements for the period between 1st July, 2021 and 30th June, 2022. During this period, the Commission was allocated a total of Kshs. 22.941 billion for recurrent expenditure and Kshs. 125 million for development to facilitate implementation of the Commission's programmes, activities and projects. Further, the commission internally generated incomes amounting to Kshs. 149 million from candidates' nomination registration fees, and auction and disposal of boarded items.

The annual financial statements comprise of the Statement of the Financial Performance, Statement of the Financial Position, Statement of Changes in Net Assets, Statement of Cash Flows and Statement of Combined Budget Execution. The Commission has continued to ensure probity and prudence in the management of its resources in accordance with the provisions of the Public Finance Management Act (PFM), 2012 and the attendant regulations. The Statements of the Commission are also prepared in conformity with the International Public Sector Accounting Standards (IPSAS) on prudent financial management and reporting.

Legally, the mandate of the Commission is derived from Article 88 of the Constitution of Kenya, 2010 and statutory instruments that include; the IEBC Act, 2011, the Elections Act, 2011 and the attendant election regulations. The Commission is responsible for enforcing the Electoral Code of Conduct and monitoring compliance relating to the nomination of candidates by parties. It also conducts investigation of electoral malpractices in Kenya.

More so, the Mission of the Commission is to conduct transparent, efficient, and impartial elections; and undertake boundary delimitation for equitable representation and sustainable democracy. This is reflected in the conduct of the elections and the election related activities in a manner that consistently delivers the desired results. During the reporting period, the Commission successfully conducted six (6) by-elections consisting of (1) Member of the National Assembly and five (5) Members of County Assembly. In addition, the commission conducted three (3) elections for other constitutional bodies.


Besides, the Commission conducted enhanced continuous voter registration, updated the roll/register of voters which realised 2,743,594 new voters, verification of register of voter in which 5,334,483 verified their details. Consequently, the registered number of voters stood at 22,464,755 as at 30th June, 2022. Additionally, the commission registered 16,105 candidates for 2022 general elections.

It is prudent to also note that public trust and participation are key pillars in the Commission's strategic direction aimed at instilling confidence and trust in the electoral processes among citizens. In cognizance of this, the Commission has continued to work very closely with various electoral stakeholders to ensure transparency and inclusivity in the electoral process. During the reporting period, the Commission accredited 389 observers for the by-elections, and 1,517 as long-term observers for the general election.

As regards risks management and assurance, the Commission recognizes that the two are important corporate governance pillars. To this end, the Commission has embedded a robust risk

management framework in all its operations and functions. Furthermore, the Commission has put in place continuous risks assessment and mitigation strategies to enhance internal controls and compliance. The Commission has also undertaken enterprise wide risks management trainings, established a Risks Register and continuous review of the Commission's processes and operations.

Finally, I wish to sincerely appreciate the Commission Chairperson, Commissioners and members of staff for their relentless dedication and commitment in the realization of the Commission's set-out goals and objectives. I am also obliged to all partners and stakeholders for their immense support towards the fulfilment of the Commission's mandate as enshrined in the Constitution of Kenya, 2010. Indeed, building a better electoral body demands concerted efforts from both the internal and external actors. I request everyone to carefully read and analyse these statements and provide invaluable feedbacks to gear the Commission forward.

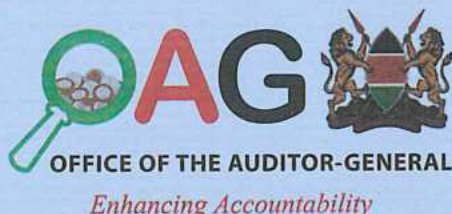


Marjan H. Marjan

Commission Secretary

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON INDEPENDENT ELECTORAL AND BOUNDARIES COMMISSION FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the Independent Electoral and Boundaries Commission set out on pages 35 to 66, which comprise the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of cash flows, statement of net assets, and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting

policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Independent Electoral and Boundaries Commission as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Long Outstanding Receivables

As previously reported, the statement of financial position reflects balances of Kshs.11,160,000 and Kshs.26,193,000 in respect of accounts receivables and car loan accounts receivables, respectively which have been outstanding for more than fifteen (15) years since 2008. As disclosed in Notes 10 and 11 to the financial statements, the amounts relates to imprests and salary advances held by staff and outstanding car loans to Commissioners of the defunct Electoral Commission of Kenya. The funds were recovered from the Commissioners final dues but were retained by The National Treasury. Management has indicated that the Commission is engaging The National Treasury with a view of getting the money refunded or obtaining approval to write off the accounts receivables from the Commission's accounting records.

In the circumstances, the recoverability of the long outstanding accounts receivables totalling Kshs.37,353,000 could not be ascertained as at 30 June, 2022.

2. Inaccurate Inventory Balance

The statement of financial position and disclosure Note 12 of the financial statements reflects an inventory balance of Kshs.907,560,000 which relates to the August, 2022 General Elections. The Commissions held significant quantities of strategic and non-strategic election materials in various stores in its national, county and constituencies offices. However, as reported in the previous years, the disclosed amount does not include items of undetermined values inherited from the defunct Electoral Commission of Kenya and some purchased by the Independent Electoral and Boundaries Commission which have not been valued. In addition, there was no stock taking carried out to determine the value of stocks held as at 30 June, 2022.

In the circumstances, the accuracy and completeness of inventories balance of Kshs.907,560,000 reflected in the financial statements could not be confirmed as at 30 June, 2022.

3. Property, Plant and Equipment

The statement of financial position and disclosure Note 13 to the financial statements reflects property, plant and equipment balance of Kshs.2,966,356,000. However, review of the balance revealed the following unsatisfactory matters:

Report of the Auditor-General on Independent Electoral and Boundaries Commission for the year ended 30 June, 2022

3.1 Untitled Land and Buildings

As reported in the previous years, the balance excludes the cost of fifty-six (56) parcels of land on which the Commission's office blocks have been constructed in the counties. Further, the Commission had not obtained ownership documents for eighty-four (84) parcels of land allocated by the National and County Governments and whose values were not included in the financial statements. The financial statements also excludes the value of a parcel of land located in Mandera whose value has not been determined and is subject to ownership dispute between the Commission and the County Government of Mandera.

3.2 Unconfirmed Ownership and Valuation of Motor Vehicles

Included under property, plant and equipment balance of Kshs.2,966,356,000 as at 30 June, 2022 are motor vehicles with a carrying amount of Kshs.56,447,000. However, examination of the motor vehicles status report as at 30 June, 2022 and field inspection revealed that there were two hundred and fifty-six (256) motor vehicles, three (3) motor boats and two (2) folk lifts. However, only the cost of one hundred and fifty-nine (159) motor vehicles was included in the property, plant and equipment balance of Kshs.2,966,356,000. Further, two hundred and ten (210) motor vehicles are still registered under the defunct Electoral Commission of Kenya and have not been transferred to the Independent Electoral and Boundaries Commission while eighty-five (85) motor vehicles, three (3) motor boats and one (1) folk lift were grounded with some being unserviceable and have been idle for over three (3) years.

In addition, four (4) motor vehicles grounded in private garages in Mombasa and Meru counties have accumulated storage costs of Kshs.3,202,600.

In the circumstances, the accuracy, completeness and ownership of the property, plant and equipment balance of Kshs.2,966,356,000 reflected in the financial statements as at 30 June, 2022 could not be ascertained.

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

Key Audit Matters

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

Other Matter

Pending Bills

Note 15 to the financial statements indicates that the Commission had pending bills totalling Kshs.2,051,567,000 as at 30 June, 2022 that were not settled during the financial year 2021/2022 but were instead carried forward to 2022/2023 financial year. Some of the pending bills date to more than ten (10) years ago. Further, the amount includes legal pending bills totalling Kshs.1,733,343,356 which have increased from Kshs.1,316,180,629 reported as at 30 June, 2021. The Commission risks legal actions since the debt has been outstanding for the past ten (10) years.

Failure to settle bills during the year in which they relate to adversely affects the provisions of the subsequent year to which they have to be charged.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Carry out County Accounting Functions in IFMIS

The Statement of financial performance indicates that the Commission incurred expenditure totalling to Kshs.15,801,962,000 out of which Kshs.4,576,896,665 related to county offices. Although the Accounting Officer had appointed the County Election Managers as Authority to Incur Expenditure (AIE) Holders, the county offices were not linked to IFMIS even though internet infrastructure required for use of IFMIS existed in the county offices.

Further, the AIE disbursements were made through IFMIS but the expenditure at the County offices was done manually. As a result of County budgeting, expenditure management and control, accounting and reporting functions were manual and implemented outside IFMIS contrary to Chapter 3.0 of the Commission's Finance and Accounts Policies and Procedures Manual.

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

2. Failure to Use E-Procurement System

Examination of the Commission's records revealed that expenditure totalling Kshs.856,993,800 was incurred at the County offices for budget items that involved procurement. The expenditure was authorized by the County Elections Managers who

Report of the Auditor-General on Independent Electoral and Boundaries Commission for the year ended 30 June, 2022

were appointed AIE Holders by the Accounting Officer. However, examination of the payment vouchers, local purchase orders and local service orders supporting the expenditure revealed that the procurement was implemented outside e-Procurement system and manual returns sent to the Head office for further processing. This was contrary to Regulation 54 of the Public Procurement and Asset Disposal Regulations, 2020 which require procuring entities to use the e-Procurement system.

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

3. Outstanding Court Awards

The statement of financial position reflects a balance of Kshs.20,813,000 in respect of receivables from non-exchange transactions which, as disclosed in Note 9 to the financial statements, includes an amount of Kshs.5,396,000 described as Court awarded costs. As reported in the previous years, the balance relates to Appropriations-In-Aid (AIA) receivables from court cases decided in the year 2013 and for which costs had been awarded to the Commission. However, the Management did not demonstrate the measures taken to collect the amounts awarded or collect the revenue due as required under Regulation 64 (1) of the Public Finance Management (National Government) Regulations, 2015.

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

4. Status of Construction of the County Warehouses

Field inspection carried out in the counties revealed that all the Commission's warehouse construction projects lagged behind schedule as indicated below:

County	Project Cost Kshs.	Project Cost Paid as at 30 June, 2022 Kshs.	Project Duration	Expected Completion Date
Machakos	39,996,999	28,127,526	24 weeks	16 September, 2021
Garissa	40,503,510	34,707,318	30 weeks	30 July, 2021
Wajir	40,000,000	34,275,861	30 weeks	30 November, 2021
Isiolo	37,106,200	33,925,872	30 weeks	31 August, 2021
Kakamega	42,000,000	42,783,076	40 weeks	18 December, 2021
Renovation of ICT Warehouse -Nairobi	93,898,250	56,110,235	52 weeks	12 May, 2022

Further, a contract for the proposed phased refurbishment of a go-down at Supplies Branch Industrial area was awarded at a total cost of Kshs.93,898,250 for a project period of 52 weeks and completion date of 12 May, 2022. However, the contractor had not completed the works as at the time of the audit in December, 2022. In addition, the Contract Implementation Team (CIT) report to support payments of Kshs.15,354,155 to

the contractor was not provided casting doubt on the value for money on the expenditure incurred on the project.

5. Lack of Career Progression Guidelines

During the year, the Commission filled eighty-eight (88) vacancies by promoting employees to various grades. However, career progression guidelines as stipulated in Section 3.26.2 of the Commission's Human Resource and Administration Manual (Policies and Procedures) were not provided for audit review.

In the circumstances, the Management was in breach of the guidelines and the considerations that were put into account for the promotions could not be confirmed.

6. Lack of a Comprehensive Asset Register

As reported in the previous years, the Commission did not maintain a comprehensive asset register. This was contrary to Regulation 143(2) of the Public Finance Management (National Government) Regulations, 2015 which states that the register of land and buildings shall record each parcel of land and each building and the terms on which it is held, with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, lease hold terms, maintenance contracts and other pertinent management details.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. KIEMS Kit Status

Review of the Commission's ICT status report dated 30 June, 2022 showed that the Commission had a total of 59,100 Kiems kits which comprise of 45,000 Morpho kits and 14,100 VIU kits. However, 124 Morpho kits were missing and 3,376 Morpho kits had become faulty leaving a balance of 41,500 Morpho kits functional and ready for use during

Report of the Auditor-General on Independent Electoral and Boundaries Commission for the year ended 30 June, 2022

the August, 2022 General Election and pre-general election activities. The remaining kits were not enough to cover the 46,229 polling stations and an additional 14,100 kits were procured for the increased stations and cover for contingencies making a total of 55,600 functional Kiems kits.

Further examinations of records provided revealed that the Kiems Kits and related accessories were distributed to various counties and after General Election were retrieved back to the Central warehouse but the following items were missing as indicated below:

Item	Opening Balance/ Procured Kits	Available Kits	Missing Kits
Power Banks_ Morpho	41,500	38,331	3,169
Power Banks_ VIU	30,000	29,439	561
32 GB Sd cards	120,700	119,083	1,657
Sim Cards - Safaricom	49,564	34,772	14,792
Sim Cards - Airtel	28,551	17,662	10,889
Sim Cards Telkom	24,312	16,090	8,222

In the circumstances, the Commission appears to lack strategies to mitigate the risks associated with loss or damage of its critical election equipment.

2. Failure to Fill Existing Vacancies

The approved staff establishment indicated that there were two hundred and thirty-two (232) vacancies in various cadres of staff which were not filled by the time of this audit in November, 2022. The posts included twenty (20) County Accountants in the Directorate of Finance, twenty-six (26) County Supply Chain Management Assistants in the Directorate of Supply Chain Management, sixteen (16) Senior Elections Officers and five (5) Assistant Elections Officer in the Directorate of Voter Registration and Electoral Operation, among others. In addition to failure to fill these posts, there was lack of segregation of duties at County offices and the casual staff discharged key roles and were privy to Commission's confidential information and documentation.

In the circumstances, the confidential data at IEBC were put at a risk of being disclosed to outside parties.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. 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 Independent Electoral and Boundaries Commission policies and procedures may deteriorate.

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Independent Electoral and Boundaries Commission to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 February, 2023

STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended 30th June, 2022			
	Note	2021/2022 Unaudited Kshs 000	2020/2021 Audited Kshs 000
Incomes			
Transfers from Other Governments	1	19,641,645	4,991,329
Other Incomes	2	143,464	3,556
Total Incomes		19,785,109	4,994,885
Expenses			
Use of Goods & Services	3	(7,902,443)	(1,256,940)
Employee Costs	4	(5,901,167)	(2,828,972)
Commissioners Expenses	5	(28,732)	(7,082)
Depreciation & Amortization	6	(1,506,092)	(629,496)
Repairs & Maintenance	7	(463,528)	(109,067)
Total Expenditure		(15,801,962)	(4,831,557)
Surplus in the Year		3,983,147	163,328

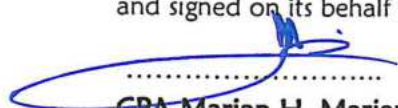
The significant accounting policies and notes to the financial statements on page 40 to 57 form an integral part of these financial statements.

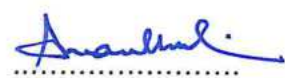
STATEMENT OF FINANCIAL POSITION

As at 30th June, 2022			
	Note	2021/2022 Unaudited Kshs 000	2020/2021 Audited Kshs 000
Assets			
Current Assets			
Cash and Cash Equivalents	8	597,768	131,519
Receivables from Non-Exchange Transactions	9	20,813	16,971
Accounts Receivable	10	11,160	11,160
Car Loan Accounts Receivable	11	26,193	26,193
Inventory	12	907,560	-
Total Current Assets		1,563,494	185,844
Non-Current Assets			
Property, Plant & Equipment	13	2,966,356	1,763,351
Intangible Assets	14	1,152,660	1,386
Total Non-Current Assets		4,119,016	1,764,737
Total Assets		5,682,510	1,950,580
Liabilities			
Accounts Payable	15	2,051,567	2,299,626
Provision for Gratuity	16	31,604	19,330
Refundable Deposits	17	53,392	43,909
Total Liabilities		2,136,563	2,362,865
Net Assets			
Accumulated Fund		726,765	766,367
Revenue Reserve		2,804,496	(1,178,651)
Capital Reserve		14,686	-
Total Net Assets		3,545,947	(412,285)
Total Net Asset and Liabilities		5,682,510	1,950,580

The significant accounting policies and notes to the financial statements on page 40 to 57 form an integral part of these financial statements.

The financial statements from page 35 to 39 were approved and authorized by the Commission and signed on its behalf by:


 CPA Marjan H. Marjan
 ICPAK M/No. 2786
 Commission Secretary


 CPA Osman H. Ibrahim
 ICPAK M/ No. 2544
 Director Finance

.....
 W.W. Chebukati
 Chairperson

STATEMENT OF CASH FLOWS

For the Year Ended 30th June, 2022			
	Note	2021/2022 Unaudited Kshs 000	2020/2021 Audited Kshs 000
<u>Cash flows from Operating Activities:</u>			
Operating Surplus/(Deficit)		3,983,147	163,328
Transfers to Exchequer	18	(39,602)	(32,699)
<u>Adjustments for Non-Cash Items:</u>			
Depreciation & Amortization	6	1,506,092	629,496
Computers Donated by IFES	13	14,686	-
Accruals Adjustment	15	-	57,337
Negotiation Savings	15	-	138,996
<u>Changes in Working Capital:</u>			
(Increase)/Decrease in Non-Exchange Transactions	9	(3,841)	4,931
(Increase)/Decrease in Election Inventory	12	(907,560)	-
Increase/(Decrease) in Accounts Payables	15	(248,059)	(825,188)
Increase/(Decrease) in Provision for Gratuities	16	12,274	(14,425)
Increase/(Decrease) in Refundable Deposits	17	9,483	6,910
Net Cash Flow from Operating Activities		4,326,620	128,688
<u>Cash flows from Investing Activities:</u>			
Purchase of Property, Plant & Equipments	13	(3,860,371)	(74,294)
Proceeds from Disposal of Equipment		-	62
Increase in Staff Mortgage & Car Loan Scheme	18	-	(11,384)
Net Cash Flow from Investing Activities		(3,860,371)	(85,616)
<u>Cash flows from Financing Activities:</u>			
Cash flows from Financing Activities		-	-
Net Cash Provided by Financing Activities		-	-
Net Decrease in Cash & Cash Equivalent		466,249	43,071
Cash & Cash Equivalent at Beginning		131,519	88,448
Cash & Cash Equivalents at the End	8	597,768	131,519

The significant accounting policies and notes on 40 to 57 form an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS

For the Year Ended 30th June, 2022					
	Note	Capital Reserve	Revenue Reserve	Accumulated Fund	Total (Kshs)
		KShs. 000	KShs. 000	KShs. 000	KShs. 000
Balance as at 30th June 2020		<u>-</u>	<u>(1,330,596)</u>	<u>602,732</u>	<u>(727,864)</u>
Surplus/(Deficit) for the Year		-	163,328	-	163,328
2019/2020FY Funds Returned to N.Treasury	18	-	-	(32,699)	(32,699)
Rounding Off Variances		-	-	1.0	1.0
Accruals Adjustment & Credit Notes	15	-	-	57,337	57,337
Negotiation Savings				138,996	138,996
Transfers to Staff Car & Mortgage Fund	18	<u>-</u>	<u>(11,384)</u>	<u>-</u>	<u>(11,384)</u>
Balance as at 30th June 2021		<u>-</u>	<u>(1,178,651)</u>	<u>766,367</u>	<u>(412,285)</u>
Surplus/(Deficit) as at 30th June, 2022		-	3,983,147	-	3,983,147
2020/2021FY Funds Returned to N.Treasury	18	-	-	(39,602)	(39,602)
Computers Donated by IFES	13	14,686	-	-	14,686
Rounding Off Variances		-	-	1.0	1.0
Transfers to Staff Car & Mortgage Fund		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance as at 30th June, 2022		<u>14,686</u>	<u>2,804,496</u>	<u>726,765</u>	<u>3,545,947</u>

The significant accounting policies and notes on 40 to 57 form an integral part of these financial statements.

STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS

Item	Approved Annual	Actual Payments Annual	Variance Annual	Performance Percentage
	KShs '000	KShs '000	KShs '000	%
Incomes				
Exchequer Releases - Recurrent Vote 2031	22,940,591.78	19,530,010.24	3,410,582	85%
Exchequer Releases - Development Vote 2031	125,000	111,635.12	13,365	89%
Appropriation in Aid	100,000	143,463.46	(43,463)	143%
Total Income	23,165,592	19,785,108.82	3,380,483	85%
Management of Electoral Processes				
Expenditure				
Wages and Salary Contributions	4,333,774	4,211,103.82	122,670	97%
Social Contributions	203,643	129,801.27	73,842	64%
Goods and Services	13,389,657	10,584,410.50	2,805,247	79%
Routine Maintenance	1,266,326	1,070,868.84	195,458	85%
Social Security Benefits	3,164	3,000.09	163	95%
Acquisitions of Fixed Capital Assets	3,808,632	3,548,875.11	259,757	93%
Domestic Lending and On-lending	58,362	58,362.02	-	100%
Sub-Total	23,063,558	19,606,421.65	3,457,137	85%
Delimitation of Electoral Boundaries				
Wages and Salary Contributions	22,952	19,556.53	3,396	85%
Goods and Services	77,245	56,433.07	20,811	73%
Routine Maintenance	1,800	147.34	1,653	8%
Sub-Total	101,997	76,136.94	25,859.67	75%
Total Expenditure	23,165,555	19,682,558.58	3,482,996	85%

Note 20 Budget Information & Other Disclosures provides explanations on material utilization differences.

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 execution statement is prepared on cash basis. The figures in the financial statements have been adjusted to incorporate accruals, receivables and capital expenditure (i.e assets and inventory).

SIGNIFICANT ACCOUNTING POLICIES

For the Year Ended 30th June, 2022

1. Statement of compliance and basis of preparation – IPSAS 1

The Commission's financial statements have been prepared in accordance with and comply with the International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Commission and all values are rounded to the nearest thousand (Kshs 000) which may in some cases make the added decimal balances to vary. The accounting policies have been consistently applied in all the years presented.

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

2. Summary of Significant Accounting Policies:

a) Revenue Recognition - Revenue from Non-Exchange Transactions (Fees, Charges and Fines) – IPSAS 23

The Commission recognizes revenues from nomination fees 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 future economic benefits or service potential associated with the asset will flow to the Commission 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 Commission and can be measured reliably.

Interest Income

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

b) Budget Information – IPSAS 24

The annual budget is prepared and presented in a single statement to determine the needs of the Commission. The Commission has adopted the standard which requires budget information to be presented in the financial statements.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the Year Ended 30th June, 2022

c) Taxes – IAS 12

Income tax

Income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the tax 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 Commission 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.

d) Property, Plant and Equipment – IPSAS 17

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 Commission 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.

The depreciation rates are 30% for Computers, 25% for motor vehicles, 12.5% for office equipment and 12.5% for furniture and fittings on reducing balance basis.

e) Intangible Assets – IPSAS 31

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.

The amortization rate for intangible assets of the Commission is 30% on reducing balance basis.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the Year Ended 30th June, 2022

f) Research and Development costs

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

- The technical feasibility of completing the asset so that the asset will be available for use or sale.
- Its intention to complete and its ability to use or sell the asset.
- How the asset will generate future economic benefits or service potential.
- The availability of resources to complete the asset.
- 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.

g) Provisions – IPSAS 19

Provisions are recognized when the Commission 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 Commission expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

h) Contingent Liabilities

The Commission does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

i) Contingent Assets

The Commission 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 Commission in the notes to the financial statements.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the Year Ended 30th June, 2022

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.

j) Nature and Purpose of Reserves

The Commission creates and maintains reserves in terms of specific requirements. Commission to state the reserves maintained and appropriate policies adopted.

k) Changes in Accounting Policies and Estimates – IPSAS 3

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

l) Employee Benefits – IPSAS 25

Retirement Benefit plans

The Commission provides retirement benefits for its full-time employees. It operates a defined contribution plan which is a post-employment benefit plan under which the Commission pays fixed contributions into a separate Commission (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. The Scheme is administered by ICEA Lions Asset Management Ltd.

m) Foreign Currency Transactions – IPSAS 4

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.

n) Cash and Cash Equivalents

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the Year Ended 30th June, 2022

o) Comparative Figures

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

p) Significant Judgments and Sources of Estimation Uncertainty – IPSAS 1

The preparation of the Commission'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 Commission based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Commission.

Such changes are reflected in the assumptions when they occur (IPSAS 1.140).

Useful Lives and Residual Values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in the note on provision for gratuity.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are where applicable, discounted to present value where the effect is material.

q) Subsequent Events – IPSAS 14

There have been no events subsequent to the financial year end with a significant impact on the financial statements.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the Year Ended 30th June, 2022

r) Inventories – IPSAS 12

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

3. Adoption of New and Revised Standards

i) Relevant new standards and amendments to published standards effective for the year ended 30 June 2021.

Standard	Effective date and impact:
Standard: IPSAS 39: Employee Benefits	Applicable: 1st January 2018 The objective of IPSAS 39 was to create convergence to changes in IAS 19 Employee benefits. The IPSASB needed to create convergence of IPSAS 25 to the amendments done to IAS 19. It was intended to ensure accurate information relating to pension liabilities arising from the defined benefit scheme. Not applicable to IEBC. Pension scheme that is administered by trustees.

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

Standard	Effective date and impact:
Standard: IPSAS 40: Public Sector Combinations	Applicable: Applicable: 1st January 2019 The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3-Business combinations and combinations arising from non-exchange transactions which are covered purely under Public Sector combinations as amalgamations. Not Applicable to IEBC.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30th June, 2022

1. Transfers from Other Governments

Description	2021/2022	2020/2021
	Shs 000	Shs 000
Unconditional Grant		
Operational Grant	19,530,010	4,920,449
Development Grant	111,635	70,880
Total	19,641,645	4,991,329

2. Other Incomes

Description	2021/2022	2020/2021
	Shs 000	Shs 000
Candidate Registration Fees	122,097	2,160
Proceeds from Disposal of Boarded items, Voter Registers & Maps	18,167	1,396
Costs Awarded in favour of the Commission (Court Awards)	3,200	-
Total	143,464	3,556

During the period under review, the Commission embarked on the auction and disposal of several boarded items, unserviceable motor vehicles and obsolete election materials and equipment.

The candidate registration fees received in the period were from the candidates cleared to vie in the August 2022 General elections and by-elections.

In 2021/2022 financial year, the Commission had a budget target to collect Kshs.100 million in form of candidate registration fees from candidates interested in contesting in 2022 General Election.

Actual candidate registration fees collected in 2021/2022 and 2016/2017 General Elections were Kshs.122.097 million and Kshs.107 million respectively.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**For the Year Ended 30th June, 2022****3. Use of Goods and Services**

Description	2021/2022	2020/2021
	Shs 000	Shs 000
Utilities, Supplies & Services	13,155	12,079
Communications, Supplies & Services	420,111	53,365
Printing & Advertising	473,427	38,818
Rentals of Produced Assets	1,648,268	358,357
Training Expenses	334,340	99,695
Hospitality Supplies & Services	672,319	206,754
Insurance Costs	255,858	228,491
Specialized Materials & Supplies	3,388,061	53,812
Office & General Supplies & Services	58,673	52,818
Fuel, Oil & Lubricants	53,939	45,941
Bank Services, Commission & Charges	508	542
Contracted Guards	10,812	8,822
Membership Fees, Dues & Subscriptions	2,933	5,425
Legal Dues, Arbitration & Compensation	136,350	79,149
Contracted Professional services	86,873	1,080
Contracted Technical services	339,550	720
Witness Expenses	-	-
Parking Charges	7,266	11,071
Total	7,902,443	1,256,940

4. Employee Costs

Description	2021/2022	2020/2021
	Shs 000	Shs 000
Salaries & Wages - Permanent Employees	1,281,323	1,128,398
Salaries & Wages - Contractual Employees	1,564,446	218,782
Personal Allowances -Payroll	1,143,619	986,223
Contributions to Pensions & Health Schemes	124,114	177,866
Domestic Travel & Subsistence	1,490,713	295,848
Foreign Travel & Subsistence	281,678	4,261
Gratuity Expense	15,274	17,594
Total	5,901,167	2,828,972

NOTES TO THE FINANCIAL STATEMENTS (Continued)For the Year Ended 30th June, 2022**5. Commissioners Expense**

Description	2021/2022	2020/2021
	Shs 000	Shs 000
Travelling & Accommodation Expenses	25,860	5,235
Communication Expense	810	540
Club Membership Subscription.	2,062	1,307
Total	28,732	7,082

The Commissioners are paid facilitative allowances and mobile airtime as per the SRC rates and their employment contract. They draw their salaries from the Consolidated Fund administered by the National Treasury.

6. Depreciation and Amortization Expense

Description	2021/2022	2020/2021
	Shs 000	Shs 000
Depreciation on Property, Plant & Equipment	1,012,095	628,902
Amortization on Intangible Assets	493,997	594
Total	1,506,092	629,496

7. Repairs & Maintenance Expenditure

Description	2021/2022	2020/2021
	Audited	Audited
	Shs 000	Shs 000
Routine Maintenance of Vehicles	39,249	14,926
Routine Maintenance of Other Assets	424,279	94,141
Total	463,528	109,067

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year Ended 30th June, 2022

8. Cash and Bank

Bank Account Information	2021/ 2022 KSh 000	2020 / 2021 KSh 000
KCB IEBC Mombasa A/c - 1116811162	2,512	121
KCB IEBC Kwale A/c - 1213387787	519	29
KCB IEBC Kilifi A/c - 1116804042	6,356	594
KCB IEBC Tana River A/c - 1213382645	2,645	9
KCB IEBC Lamu A/c - 1213649188	2	13
KCB IEBC Taita Taveta A/c - 1213372356	2,225	785
KCB IEBC Garissa A/c - 1116817365	52	9
KCB IEBC Wajir A/c - 1116539934	837	100
KCB IEBC Mandera A/c - 1116539934	685	60
KCB IEBC Marsabit A/c - 1212713311	2,255	13
KCB IEBC Isiolo A/c - 1116800543	4,419	1
KCB IEBC Meru A/c - 1116774127	76	9
KCB IEBC Tharaka Nithi A/c - 1213689465	28	8
KCB IEBC Embu A/c - 1213760690	39	11
KCB IEBC Kitui A/c - 1213362768	6	116
KCB IEBC Machakos A/c - 1116791366	10	617
KCB IEBC Makueni A/c - 1213508398	4	2,504
KCB IEBC Nyandarua A/c - 1213379695	31	1,935
KCB IEBC Nyeri A/c - 1116756439	2	6
KCB IEBC Kirinyaga A/c - 1213919738	3	309
KCB IEBC Murang'a A/c - 1213929717	39	6
KCB IEBC Kiambu A/c - 1116811553	32	1
KCB IEBC Turkana A/c - 1213415977	1,941	3
KCB IEBC West Pokot A/c - 1213417163	8	4
KCB IEBC Samburu A/c - 1214135293	47	6
KCB IEBC Trans Nzoia A/c - 1214152538	5	5
KCB IEBC Uasin Gishu A/c - 1116791110	9	5
KCB IEBC E.Marakwet A/c - 1213364442	4	3
KCB IEBC Nandi A/c - 1213934052	8	2
KCB IEBC CEM Baringo A/c - 1213382173	5	11
KCB IEBC Laikipia A/c - 1213935350	4	5
KCB IEBC Nakuru A/c - 1116816857	4	18
KCB IEBC Narok A/c - 1213928338	360	3
KCB IEBC Kajiado A/c - 1213407435	2	16
KCB IEBC Kericho A/c - 1213840767	60	6
KCB IEBC Bomet A/c - 1116805243	89	6
KCB IEBC Kakamega A/c - 1116744694	14	6
KCB IEBC Vihiga A/c - 1213361087	5	4
KCB IEBC Bungoma A/c - 1116566443	1	559
KCB IEBC Busia A/c - 1213393167	1	1
KCB IEBC Siaya A/c - 1213697832	49	12
KCB IEBC Kisumu A/c - 1116780445	53	5
KCB IEBC Homa Bay A/c - 1214158560	168	47
KCB IEBC Migori A/c - 1213543320	1,587	70
KCB IEBC Kisii A/c - 1116811235	1,796	9,879
KCB IEBC Nyamira A/c - 1213365708	505	117
KCB IEBC Nairobi A/c - 1116817721	7	29
CBK IEBC Recurrent A/c - 1000181729	22,557	21,432
CBK IEBC Deposit A/c - 1000181931	53,392	43,909
CBK IEBC Development A/c - 1000182148	-	-
KCB IEBC University Way A/c - 1117602532	115,908	37,833
KCB IEBC US Dollar A/c - 1211876888	114	104
KCB IEBC Call A/c	10,000	10,000
KCB IEBC Salary Control A/c - 1126334723	18	163
CO-OP IEBC Recurrent A/c - 1141174387	366,268	-
Total	597,768	131,519

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year Ended 30th June, 2022

9. Receivables from Non-Exchange Transactions

Description	2021/2022 Shs 000	2020/2021 Shs 000
Outstanding Imprests	5,250	1,683
Salary Advances	167	796
Prepayments	10,000	9,097
Court Awarded Costs	5,396	5,396
Total	20,813	16,972

10. ECK Accounts Receivable

The uncleared old balances of Kshs 11,160,000 consists of Electoral Commission of Kenya staff salary advances and imprests that were outstanding at the time the defunct Electoral Commission of Kenya was disbanded in 2008.

The Commission has provided evidence to the National Treasury's Old Balances Taskforce that the amounts were recovered from the terminal dues and final salaries and wages to the Electoral Commission of Kenya staff.

11. ECK Car Loan Accounts Receivable

The former Ministry of Justice, National Cohesion & Constitutional Affairs recovered Kshs. 26,193,965.00 on account of car loan recoveries, Kshs. 11,160,000 on account of imprests/advances from the Commissioners and Staff of the defunct Electoral Commission of Kenya (ECK) and forwarded to the National Treasury after the disbandment of the ECK.

The Commission requested the Permanent Secretary to the National Treasury to refund the car loan recoveries and imprests/advances or authorize the Commission to write off the same from the books of accounts as per Section 69 (1)-(4) of the PFMA, 2012 and the PFMA 2012, Regulations. The Commission is yet to receive any feedback.

12. Inventory

Description	2021/2022 Shs 000	2020/2021 Shs 000
Inventory	907,560	-
Total	907,560	-

The Commission held significant quantities of strategic and non-strategic election materials in various stores in its National, County and Constituency offices. The disclosed amount does not include several store items inherited from the defunct Electoral Commission of Kenya and boarded items whose values have not been valued.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year Ended 30th June, 2022

13. Property, Plant and Equipment Movement Schedule (Ksh.000)

	Office Buildings Kshs. '000	Computers & Kshs. '000	Motor Vehicles Kshs. '000	Office Kshs. '000	Furniture and Kshs. '000	Totals Kshs. '000
Cost:						
As at 30th June 2021	203,686	14,478,411	718,117	366,765	102,539	15,869,518
Additions	-	1,717,069	17,520	343,722	14,611	2,092,922
Buildings Under Construction (WIP)	122,177	-	-	-	-	122,177
Disposals	-	-	-	-	-	-
As at 30th June 2022	325,863	16,195,480	735,637	710,487	117,150	18,084,617
Depreciation:						
As at 30th June 2021	(22,129)	(13,116,576)	(660,374)	(242,653)	(64,435)	(14,106,167)
Acc. Dep. on Disposals	-	-	-	-	-	-
Charge for the Year	(4,539)	(923,671)	(18,816)	(58,479)	(6,589)	(1,012,095)
As at 30th June 2022	(26,668)	(14,040,247)	(679,190)	(301,132)	(71,025)	(15,118,262)
Net Carrying Amount:						
As at 30th June 2022	299,195	2,155,233	56,447	409,355	46,125	2,966,356
As at 30th June, 2021	181,557	1,361,835	57,743	124,112	38,104	1,763,351

The Commission capitalized five (5) office buildings that were under construction as at 30th June 2022. No depreciation has been charged on buildings under construction. Full year depreciation has been charged for completed buildings in the year of completion.

14. Intangible Assets Movement Schedule

The intangible assets consist of elections transmission and nominations system, exchange server systems, scanner software, antivirus software, research/SPSS software, accounting software and security access control systems.

	2021/2022 Kshs. '000	2020/2021 Kshs. '000
Cost:		
As at 1st July	66,871	66,871
Additions	1,645,272	-
As at 30th June	1,712,143	66,871
Amortization:		
As at 1st July	(65,485)	(64,891)
Charge for the Year	(493,997)	(594)
As at 30th June	(559,482)	(65,485)
Net Carrying Amount	1,152,660	1,386

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year Ended 30th June, 2022**15. Recurrent Accounts Payable**

Description	2021/2022	2020/2021
	Shs 000	Shs 000
Balance at the beginning of the year	2,299,626	3,124,814
Accruals in the Period	181,552	52,281
Accruals & Credit Notes Adjustments	-	(57,337)
Negotiation Savings	-	(138,996)
Accruals Settled in the Period	(429,611)	(681,136)
Total	2,051,567	2,299,626

16. Provision for Gratuity

The Commission operates an unfunded gratuity scheme for its contracted senior employees.

The estimated amount for gratuities payable as at the end of the period is as shown below:

Description	2021/2022	2020/2021
	Shs 000	Shs 000
Balance at the beginning of the year	19,330	33,755
Gratuity expense paid in the period	(3,000)	(32,019)
Accrued Gratuities in the year	15,274	17,594
Total	31,604	19,330

17. Refundable Deposits

Description	2021/2022	2020/2021
	Shs 000	Shs 000
Balance at the beginning of the year	43,909	36,999
Retention Fees & Other Deposits Withheld	9,483	6,910
Retention Fees & Deposits Paid	-	-
Total	53,392	43,909

The retentions and deposits withheld includes monies retained by the Commission from construction companies who are yet to complete the construction works and other refundable deposits on hired ballot boxes, equipment and taxes.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year Ended 30th June, 2022

18. Related Party Transactions

Entities and other parties related to the entity include those parties who have abilities to exercise control or exercise significant influence over its operating and financial decisions.

The Government of Kenya is the principal financier to the Commission's activities by way of exchequer releases.

During the period under review, the Commission had transactions detailed with related parties as follows:

Description	2021/2022	2020/2021
	Shs 000	Shs 000
Salary Advances issued to staff at Zero Interest Rate	167	796
Transfers to Mortgage & Car Loan Scheme (HFC)	-	11,384
Unspent Balances returned to National Treasury	39,602	32,699
Total	39,769	44,879

19. Disclosure on Grants and Donor Support

In the 2021/2022 financial year, the Commission received support from International Foundation for Electoral Systems (IFES) and Electoral Law and Governance Institute of Africa (ELGIA) through Direct Implementation Method as shown below;

Description	2021/2022	2020/2021
	Shs 000	Shs 000
Electoral Support Services in Kind		
Electoral Law and Governance Institute of Africa (ELGIA)	12,242	-
International Foundation for Electoral Systems (IFES)	300,958	-
Total	313,200	-

The electoral support in kind was on consultancies, workshops, voter education materials printing and communication. The Commission also received one hundred and ten (110) all-in-one Hewlett Packard computer donations from International Foundation for Electoral Systems (IFES). The value of the donated computers at the balance sheet rate was Kshs.14,685,727.76 (USD 129,800.00).

In compliance with IPSAS 23, the Commission discloses the economic benefits in the notes to the financial statements since the benefits were not received as actual transfers of cash but in kind.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year Ended 30th June, 2022

20. Budget Information & Other Disclosures

The National Assembly approved the original budget for 2021/2022 financial year in June 2021 and the Commission was allocated Kshs. 22,940.591 million for the Recurrent Vote and Kshs.125 million under Development Vote.

The Commission's budget execution statement was prepared on a cash basis and informed by the actual income and expenditure as reflected in the IFMIS system.

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 adjusted from the cash basis to the accrual basis.

The material variances in the budget execution statement can be explained as follows:

a) Significant Savings/Unutilized budget of Kshs.3.48 Billion.

There was significant unutilized budget of Kshs.3.48 billion. This was because of the reduction of polling stations from the initial planned 53,300 to 46,229 polling stations. Polling stations are determined by the actual number of voters who register before an election and has a relationship with quantity of election materials, human resources and services required.

b) AIA Collections (149%)

Appropriation in aid earned by the Commission as at 30th June, 2022 was mainly from nomination fees/ candidate registration fees received ahead of the August General Elections.

The amounts of appropriation-in-aid (AIA) receivable is largely dependent on the number of candidates seeking elective posts and number of elections held in a period.

c) Routine Maintenance for Boundaries Activities –8%

Most of routine maintenance procurement processes had not been concluded as at 30th June, 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year Ended 30th June, 2022

21. Contingent Assets

IPSAS 19 prescribes the accounting treatment for provisions, contingent liabilities and contingent assets and defines their identification and recognition.

During the financial year, the Commission issued letters of credit to acquire additional KIEMs and associated software and ballot papers whose deliveries and contract closure were expected to be concluded in the subsequent financial year. Consequently, the Letters of Credit were secured by use cash collateral and the values of cash collateral were as tabulated below:

Cash Collateral Account	Event	Amount	Forex Rate as at 30.6.2022	Amount (Kshs.)
Co-op Bank Collateral Account, University Way Branch.	Supply and delivery of KIEMs Kits and Associated software & accessories.	UDS 7,445,346.9	117.8324	877,303,094.06
KCB Bank Collateral Account, University Way Branch.	Supply and Delivery of Ballot papers.	EUR 2,560,023.2	124.0203	317,494,845.27
Total Value of Contingent Asset				1,194,797,939.33

During the previous financial years, the Commission was awarded costs amounting to Kshs.59.854 million (taxed costs) and Kshs. 205.060 million (capped costs). However, collection of capped costs requires taxation before determination of actual amount collectable. Further, indigent litigants acting as surrogates for politicians out to cushion themselves against award of costs filed some petitions.

22. Contingent Liabilities

IPSAS 19 prescribes the accounting treatment for provisions, contingent liabilities and contingent assets and defines their identification and recognition.

The Commission has been sued in various cases with the potential exposure of at least Kshs. 170.061 million to pay various general election pending bills, which have not been validated, by the National Treasury's internal audit department or have pending court cases. The Commission is a defendant or co-defendant in various election petition litigations and claims. The outcomes of these litigations and claims are yet to be determined.

During the financial year, the Commission entered into a contractual arrangement or commitment to acquire additional KIEMs and associated software and ballot papers whose deliveries and contract closures were expected to be concluded in the subsequent financial year. The value of contingent liability as at the reporting date is as tabulated below:

Firm Name	Event	Amount	Forex Rate as at 30.6.2022	Amount (Kshs.)
Smartmatic International Holding B.V.	Supply and delivery of KIEMs Kits and Associated software & accessories.	UDS 7,445,346.9	117.8324	877,303,094.06
Inform Hellas	Supply and Delivery of Ballot papers.	EUR 2,560,023.2	124.0203	317,494,845.27
Total value of Contingent Liability				1,194,797,939.33

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year Ended 30th June, 2022

23. Employee Benefits: Defined Contribution Scheme

IPSAS 25 prescribes the accounting and disclosure requirements for employee benefits and establishes the matching principle that the cost of the employee benefits should be recognized in the period in which the employee provides the services to the entity and not when they are paid or become payable.

The Commission runs a defined contribution pension scheme. The assets of the scheme are held in a separate trustee administered fund, which is funded by contributions from both the Commission as the employer at 15% and employees at 7.5% of basic salary. The scheme is currently managed by ICEA Lion Asset Management.

The Commission's contributions to the above scheme are charged to the income and expenditure account in the period to which they relate.

The main purpose of the scheme is the provision of retirement benefits for members upon retirement from the founder's service and relief for the dependants of deceased members.

The latest fund financial position and performance is as summarized below:

	2021/2022	2020/2021
Description	Shs 000	Shs 000
Net Assets available for Benefits at the Start of Year	3,216,487	2,564,668
Income from dealings with Members	275,420	276,263
Benefits Payable to Seceding Members	(81,462)	(32,244)
Net Returns on Investments	8,472	419,298
Administrative Expenses	(11,926)	(11,497)
Net Assets available for Benefits at the End of Year	<u>3,406,991</u>	<u>3,216,487</u>

24. Number of Employees

The average number of permanent and pensionable employees for the Commission as at 30th June, 2022 and 30th June, 2021 stood at nine hundred and fourteen (914) and eight hundred and forty (846) respectively.

The Commission however engages contractual staff on a need basis.

Gender distribution is 35% female and 65% male, while the ethnic representation within the Commission is forty-three (43) ethnic tribes out the forty-six (46) existing ethnic communities.

Description	2021/2022	2020/2021
	Shs 000	Shs 000
No. of Permanent & Pensionable Staff	914.00	846
Total	<u>914.00</u>	<u>846</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year Ended 30th June, 2022

25. Entity Tax Status

The Commission is a government agency, fully funded by the government and is therefore tax exempt. The Commission pays taxes as per the regulations.

26. Subsequent Events

The Commission is not aware of any matter or circumstances arising after the end of the financial year, not otherwise dealt with in the financial statements, which would significantly affect the financial position and the results of its operations as laid out in these financial statements.

ANNEXURES TO THE FINANCIAL STATEMENTS

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 EXTERNAL AUDIT REPORT	ISSUE / OBSERVATION FROM AUDITOR	MANAGEMENT COMMENTS	FOCAL POINT PERSON TO RESOLVE THE ISSUE.	STATUS	TIME FRAME
Auditor General Report of October 2018 for the Financial Year 2016/2017.	1.6 Purchase of Kenya Integrated Election Management Systems (KIEMS) Kit.	1. Matter does not fall under Commission's purview.	DICT	Unresolved	2019/2020
		2. A verification exercise has been done.	DICT	Unresolved	
		3. The Commission has been allocated funds and has planned for support and maintenance of the KIEMS to ensure re-usability of the technology in future.	DICT		
		4. The Commission has put in place accounting and financial controls and procurement systems to enhance compliance with the Public	CEO	Unresolved	
		5. Procurement and Assets Disposal Act as well as the circulars issued by the Public Procurement Regulatory Authority.	DICT		
Auditor General Report of October 2018 for the Financial Year 2016/2017.	2.0 Supply, Delivery, Implementation, and Commissioning of Network Examination of Payment Vouchers (a) Mismanagement of 553 Thuraya Modems and SIM Cards Loaded with Data Transmission.	1. Matter does not fall under Commission's purview. (Office of the Auditor General)	DICT	Unresolved	2019/2020
		2. The Commission has planned to request Communication Authority to provide the Current and future network coverage and plan to ensure 100% transmission of result.	DICT	Unresolved	2019/2020
		3. The satellite modems still remains backup option in areas where there is no coverage and in critical transmission tallying centers	DICT	Unresolved	2019/2020
	(b) Procurement of additional 1,000 Thuraya SIM Cards Loaded with Data.	The Commission has put in place accounting and financial controls and procurement and inventory systems to facilitate timely reconciliations and enhance compliance	DICT	Unresolved	2019/2020

INDEPENDENT ELECTORAL & BOUNDARIES COMMISSION (IEBC)

REFERENCE NO. ON EXTERNAL AUDIT REPORT	ISSUE / OBSERVATION FROM AUDITOR	MANAGEMENT COMMENTS	FOCAL POINT PERSON TO RESOLVE THE ISSUE.	STATUS	TIME FRAME
		with the stipulated laws and regulations.			
	(c) Undelivered SIM Cards from Another Firm	The Commission has put in place accounting and financial controls and procurement and inventory systems to facilitate timely reconciliations and enhance compliance with the stipulated laws and regulations.	DICT	Unresolved	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	2.2 Management of 1,000 Thuraya Modems and Sim Cards Loaded with Data	For future elections, the Commission shall make an appeal to the Communication Authority in ensuring that the MNOs appreciate that elections are activities of national importance and therefore their services and charges in regard to elections should not be at commercial rates.	DICT	Unresolved	2019/2020
		The rates should be based on actual consumption. This will be enforced during contracting in accordance with the PPDA	DICT	Unresolved	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	2.3 Failure to Provide Payment Vouchers and Other Documents.	For future elections, the Commission shall make an appeal to the Communication Authority in ensuring that the MNOs appreciate that elections are activities of national importance and therefore their services and charges in regard to elections should not be at commercial rates.	DICT	Unresolved	2019/2020
		Record management has been improved and documentation done at all times.			2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	3.1 Procurement of data centres and back up infrastructure (cloud services).	The Commission undertook an audit of all pending bills and submitted an Internal Audit Report to National on November 2018 for funding.	DICT	Unresolved	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	3.2 Change of Mode of Result Transmission Infrastructure	Matter does not fall under Commission's purview. (Office of the Auditor General)	DICT	Unresolved	2019/2020

INDEPENDENT ELECTORAL & BOUNDARIES COMMISSION (IEBC)

REFERENCE NO. ON EXTERNAL AUDIT REPORT	ISSUE / OBSERVATION FROM AUDITOR	MANAGEMENT COMMENTS	FOCAL POINT PERSON TO RESOLVE THE ISSUE.	STATUS	TIME FRAME
Auditor General Report of October 2018 for the Financial Year 2016/2017.	4. Purchase of Oracle Database and Security Solution.	The Commission has put in place accounting and financial controls, systems and standards to enhance compliance with the stipulated laws and regulations.	CEO	Unresolved	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	5. Procurement of Co-location Services for Data Centre and Disaster Recovery Site.	This was a security solution /systems or software and services procured based on a needs analysis for the operation of the commission. Includes the conduct of the election and therefore it is still required, the system is in use, part of the solution included the support and Maintenance of the BVR IBM Servers – SLA, for which the Communication requested for funds and has been allocated to procure an SLA in the FY2019/2020.	DICT	Unresolved	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	6. Supply and Delivery of Ballot Papers for Elections, Statutory Declaration Forms and The Register of Voters.	The Commission has so far made recoveries worth Kshs. 150,501.71 USD in form of swift transfers.	DICT	Unresolved.	2019/2020
		The Commission has instituted a recovery process for the balance of Kshs.4, 981,474.00.	DICT	Unresolved.	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	7. Supply and Delivery of Ballot Boxes for the General Elections.	The Commission has already complied with establishment of framework contracts. This exercise is a continuous process.	DICT	Unresolved.	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	8. Supply and delivery of badges. Audit Findings	The Commission carries out market surveys for procurements to ensure competitiveness and value for money.	CEO	Unresolved.	2019/2020
	(a) Alteration of Contract Price Schedule	The commission has enhanced the capacity of the SCMD to facilitate continuous compliance.	DSCM		2019/2020
	(b) Variation of Contract Price.	The Commission has put in place accounting and financial controls and procurement and inventory systems to facilitate timely reconciliations and enhance compliance with the stipulated laws and regulations.	DSCM	Unresolved.	2019/2020

INDEPENDENT ELECTORAL & BOUNDARIES COMMISSION (IEBC)

REFERENCE NO. ON EXTERNAL AUDIT REPORT	ISSUE / OBSERVATION FROM AUDITOR	MANAGEMENT COMMENTS	FOCAL POINT PERSON TO RESOLVE THE ISSUE.	STATUS	TIME FRAME
	(c) Delivery Costs	The Commission has engaged the vendor on negotiations to recover the extra cost of transport not incurred by the vendor.	DSCM	Unresolved.	2019/2020
		The Commission has put mechanisms in place to ensure that contracts are tied to specifications.	DSCM	Unresolved.	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	9. Supply of gas lamp mantles (i) Irregular Award of Contract.	The Commission has put in place accounting and financial controls, systems, standards to enhance compliance with the stipulated laws and regulations.	DSCM	Unresolved.	2019/2020
	(ii) Direct Procurement	The Commission has put in place accounting and financial controls and procurement and inventory systems to facilitate timely reconciliations and enhance compliance with the stipulated laws and regulations.	DSCM	Unresolved	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	10. Supply and delivery of Security Seals	The Commission has put in place accounting and financial controls and procurement and inventory systems to facilitate timely reconciliations and enhance compliance with the stipulated laws and regulations.	DSCM	Unresolved	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	11. Supply, Delivery, Installation Implementation and Commissioning of Wide Area.	The Commission has put in place accounting and financial controls, systems, standards to enhance compliance with the stipulated laws and regulations.	DICT	Unresolved.	2019/2020
	Network in Two Hundred and Ninety (290) New Locations, Eighteen (18) Existing Sites.	The Commission has appointed a new director supply chain management (DSCM).	DICT	Unresolved.	2019/2020
	Provision of Dedicated Internet Services.	The Commission is also enhancing capacity of the procurement function to enhance compliance	DICT	Unresolved.	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	12. Irregular procurement of transport services.	The Commission has put in place accounting and financial controls, systems, standards to enhance compliance with the stipulated laws and regulations.	DSCM	Unresolved.	2019/2020

INDEPENDENT ELECTORAL & BOUNDARIES COMMISSION (IEBC)

REFERENCE NO. ON EXTERNAL AUDIT REPORT	ISSUE / OBSERVATION FROM AUDITOR	MANAGEMENT COMMENTS	FOCAL POINT PERSON TO RESOLVE THE ISSUE.	STATUS	TIME FRAME
		The Commission has appointed a new director supply chain management (DSCM).	DSCM	Unresolved.	2019/2020
		The Commission is also enhancing capacity of the procurement function to enhance compliance.	DSCM	Unresolved.	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	13. Supply of BVR kit internal batteries.	The batteries are in good and usable state are continuously being used for the maintenance of the BVR Kits and to support the CVR activities that are ongoing in the field.	DSCM	Unresolved	2019/2020
		The batteries are continuously being used for the maintenance of the BVR Kits and to support the CVR activities that are ongoing in the field.	DSCM	Unresolved	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	14. Provision of Strategic Communication and Integrated Media Campaign Consultancy Services.	The Commission has conducted status and situation analysis.	DVEP	Unresolved.	2019/2020
	(i). Award of the contract	The Commission is in the process of developing the strategic media campaign manual.	DVEP	Unresolved.	2019/2020
	(ii). Payment before confirmation of Delivery of Services.	The manual will be tabled upon finalization. The Commission undertook an audit of all pending bills and submitted an Internal Audit Report to National on November 2018.	DVEP	Unresolved.	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	15. Unauthorized Notification of Awarded Contracts.	The Commission has put in place mechanisms to ensure that only the Accounting Officer notifies the successful and unsuccessful bidders on the awards.	DSCM	Unresolved	2019/2020
Auditor General Report of October 2018 for the Financial Year 2016/2017.	16. Failure to Provide Performance Security.	The Commission has put in place accounting and financial controls, systems, standards to enhance compliance with the stipulated laws and regulations.	DSCM	Unresolved.	2019/2020
Auditor General Report of October 2018 for the	17. Undisclosed Court Awards to the Commission.	The detailed report on the recovery of costs has been prepared.	DLPA	Unresolved.	2019/2020

INDEPENDENT ELECTORAL & BOUNDARIES COMMISSION (IEBC)

REFERENCE NO. ON EXTERNAL AUDIT REPORT	ISSUE / OBSERVATION FROM AUDITOR	MANAGEMENT COMMENTS	FOCAL POINT PERSON TO RESOLVE THE ISSUE.	STATUS	TIME FRAME
Financial Year 2016/2017.					
Auditor General Report of 23 rd May 2016.	Irregular Procurement and payment of Additional 4600 Electronic Voter Identification Devices (EVIDs).	The payment of the handheld EVIDs were procured within the law and payment were based on subsisting contract between the parties and not the subject of variation	CEO	Matter in court.	2019/2020
Auditor General Report of 23 rd May 2016.	Irregular Payment for transportation of Election Materials.	Mr. Abdullah Yusuf Farah swore an affidavit claiming that he was also the owner of the Alhamdul Company. The Commission is streamlining its records management system.	CEO	Not within the purview of the Commission.	2019/2020
Auditor General Report of 23 rd May 2016.	Irregular procurement of election materials due to lack of approved procurement plan for the year.	The priorities were in the procurement plan. The procurement plan was available for review.	CEO	Unresolved	2019/2020
Auditor General Report of March 2017.	Irregular Payment of Legal Dues, Arbitration & Compensation.	The additional pending bills paid were paid with due approvals and adequately support based on ARO.	DLPA	Unresolved	2019/2020
Auditor General Report of March 2017.	Use of Law Firms that were not Prequalified.	The Commission has used the prequalification lists of other public entities as is permissible under section 32 of the now repealed Public Procurement and Disposal Act, 2005.	DLPA	Unresolved	2019/2020
Auditor General Report of March 2017.	Legal Representation without valid contracts.	Letter of instructions duly signed based on the ARO.	DLPA	Unresolved	2019/2020
Auditor General Report of March 2017.	Procurement of air tickets totaling to Kshs.9, 247,782.00 through direct procurement contrary to Section 74 (3) of the Public Procurement and Disposal Act, 2005.	The tickets were procured directly from vendors who are registered by I.A.T.A.	DSCM	Unresolved	2019/2020

INDEPENDENT ELECTORAL & BOUNDARIES COMMISSION (IEBC)

REFERENCE NO. ON EXTERNAL AUDIT REPORT	ISSUE / OBSERVATION FROM AUDITOR	MANAGEMENT COMMENTS	FOCAL POINT PERSON TO RESOLVE THE ISSUE.	STATUS	TIME FRAME
Auditor General Report of 2018	Irregular Procurement of Catering Services.	The rates were determined through competitive tendering processes that resulted in various rates being awarded to different suppliers in various counties where award was based on the lowest evaluated bidder.	CEM	Unresolved	2019/2020
Auditor General Report for 2018/2019 & 2019/2020 financial years.	Property, Plant and Equipment: not included in the financial statements. No register of lands and buildings.	Some of the parcels of land and buildings inherited from the defunct Electoral Commission of Kenya had no ownership and their value could not be ascertained due to lack of official hand over documents from the defunct Electoral Commission of Kenya.	AO	Unresolved	2019/2020
Auditor General Report for 2018/2019 & 2019/2020 financial years.	Inventories: the value of these inventories was not determined and disclosed in the financial statements.	The Commission has embarked on an elaborate disposal process that will culminate in the determination of the value of the inventory in the Commission warehouses.	DSCM	Unresolved	2022/2023
Auditor General Report for 2018/2019 & 2019/2020 financial years.	Contingent Liability: Failure to factor in possible future obligations relating to legal fees on the pending court cases and claims in the financial statements.	It would not be possible to have a realistic estimate of the probable cost since the costs are determined upon conclusion of the cases. The Commission is of the view that the costs are reasonably ascertained when	DF	Unresolved	2022/2023

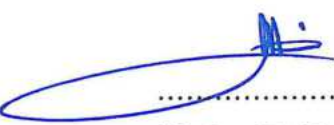
INDEPENDENT ELECTORAL & BOUNDARIES COMMISSION (IEBC)

REFERENCE NO. ON EXTERNAL AUDIT REPORT	ISSUE / OBSERVATION FROM AUDITOR	MANAGEMENT COMMENTS	FOCAL POINT PERSON TO RESOLVE THE ISSUE.	STATUS	TIME FRAME
		judgements are made.			
Auditor General Report for 2018/2019 & 2019/2020 financial years.	Account Payables: failure to settle bills during the year to which they relate distorts the financial statements for the year, and adversely affects the provisions for the subsequent year to which they have to be charged.	The pending bills were accrued due to lack of exchequer for payments, which had been planned for and processed up to the Internet Banking level The Commission has made several efforts to secure the budgetary provision to facilitate settlement of the said bills in addition to settling them as first charge.	AO	Unresolved	
Auditor General Report for 2018/2019 & 2019/2020 financial years.	Uncollected Revenue: No satisfactory explanation has been provided for failure to collect promptly the taxed costs and for the delay in taxation of the capped costs.	Hampered by taxation in court which takes long. Recovery of costs is dependent on successful securing of certificates from taxing officers in Court followed by appropriate execution proceedings.	DLPA	Unresolved	2022/2023
Auditor General Report for 2019/2020 Financial Year.	ECK Accounts Receivable: Amount of Kshs.11, 160,000 and Kshs.26,193,000	The amounts relate to Imprest or salary advances and car loans respectively held by staff of the defunct Electoral Commission of	DHRA	Unresolved	2022/2023

INDEPENDENT ELECTORAL & BOUNDARIES COMMISSION (IEBC)

REFERENCE NO. ON EXTERNAL AUDIT REPORT	ISSUE / OBSERVATION FROM AUDITOR	MANAGEMENT COMMENTS	FOCAL POINT PERSON TO RESOLVE THE ISSUE.	STATUS	TIME FRAME
	have been outstanding for more than ten (10) years.	Kenya. The funds were recovered from the final dues of the staff and former Commissioners by the National Treasury but were not remitted to the Commission. The Commission is engaging the National Treasury with a view of getting the money refunded or obtaining an approval to write it off from the Commission books of accounts.			

.....
W.W. Chebukati
Chairperson



Marjan H. Marjan
Commission Secretary

APPENDIX II: PROJECTS IMPLEMENTED BY IEBC

The following Projects were implemented by the Commission and were fully funded by the Government of Kenya under the development budget.

No.	Project name	Project Contract sum (Kshs)	Total Spent to Date (Kshs):	Completion Percentage to Date:	Budget (Kshs)	Actual (Kshs)	Source of Funds
1	Proposed construction of Warehouse for IEBC Isiolo County	37,106,200.00	37,106,200.00*	100%	40,000,000.00	37,106,200.00	GOK -Development
2	Proposed Construction of Wajir County Multipurpose Warehouse and Perimeter Wall	49,500,079.00	40,000,000.00	81%	40,000,000.00	49,500,079.00	GOK -Development
3	Proposed Construction of IEBC Kakamega County Warehouse	42,783,208.00	42,783,208.00*	100%	40,000,000.00	42,783,208.00	GOK -Development
4	Proposed Construction of Warehouse for IEBC Machakos County.	35,843,260.00	35,843,260.00 *	100%	40,000,000.00	35,843,260.00	GOK -Development
5	Proposed construction of IEBC Garissa County multipurpose warehouse	40,503,511.20	40,503,511.20*	100%	40,000,000.00	40,503,511.20	GOK -Development
TOTAL		205,736,258.20	196,236,179.20		200,000,000.00	205,736,258.20	

*Funding for the projects was done in June, 2022 and the contractors were doing final touches on the projects as at 30th June, 2022.

APPENDIX III: TRANSFERS FROM & TO OTHER GOVERNMENT ENTITIES

ACTUAL TRANSFERS TO & RECEIPTS FROM OTHER GOVERNMENT ENTITIES IN 2021/2022FY						
Name of the MDA transferring funds to & from IEBC	Date as per CBK Bank Statement	Nature: Recurrent/Development/ Others	Amount (Kshs).	Statement of Financial Performance (Kshs).	Where recorded/recognized	
					Exchequer /Government Grant (Kshs).	Statement of Changes in Net Assets (Kshs).
National Treasury Exchequer Dept.	23-Jul-21	Recurrent Vote (2020/2022fy IEBC Closing CBK Recurrent Balance Recovery by National Treasury).	(21,965,063.95)	-	-	(21,965,063.95)
National Treasury Exchequer Dept.	9-Dec-21	Recurrent Vote (2020/2022fy IEBC Closing CBK Recurrent Balance Recovery by National Treasury).	(17,637,310.05)	-	-	(17,637,310.05)
TOTAL FUNDS TRANSFERRED TO N.T			(39,602,374.00)	-	(39,602,374.00)	(39,602,374.00)
IEBC	Various Dates	2021/2022FY Recurrent Exchequer Funding.	19,530,010,242.05	19,530,010,242.05	19,530,010,242.05	19,530,010,242.05
IEBC	Various Dates	2021/2022FY Recurrent Exchequer Funding.	111,635,119.20	111,635,119.20	111,635,119.20	111,635,119.20
TOTAL FUNDS TRANSFERRED TO IEBC BY N. TREASURY			19,641,645,361.25	19,641,645,361.25	19,641,645,361.25	19,562,440,613.25