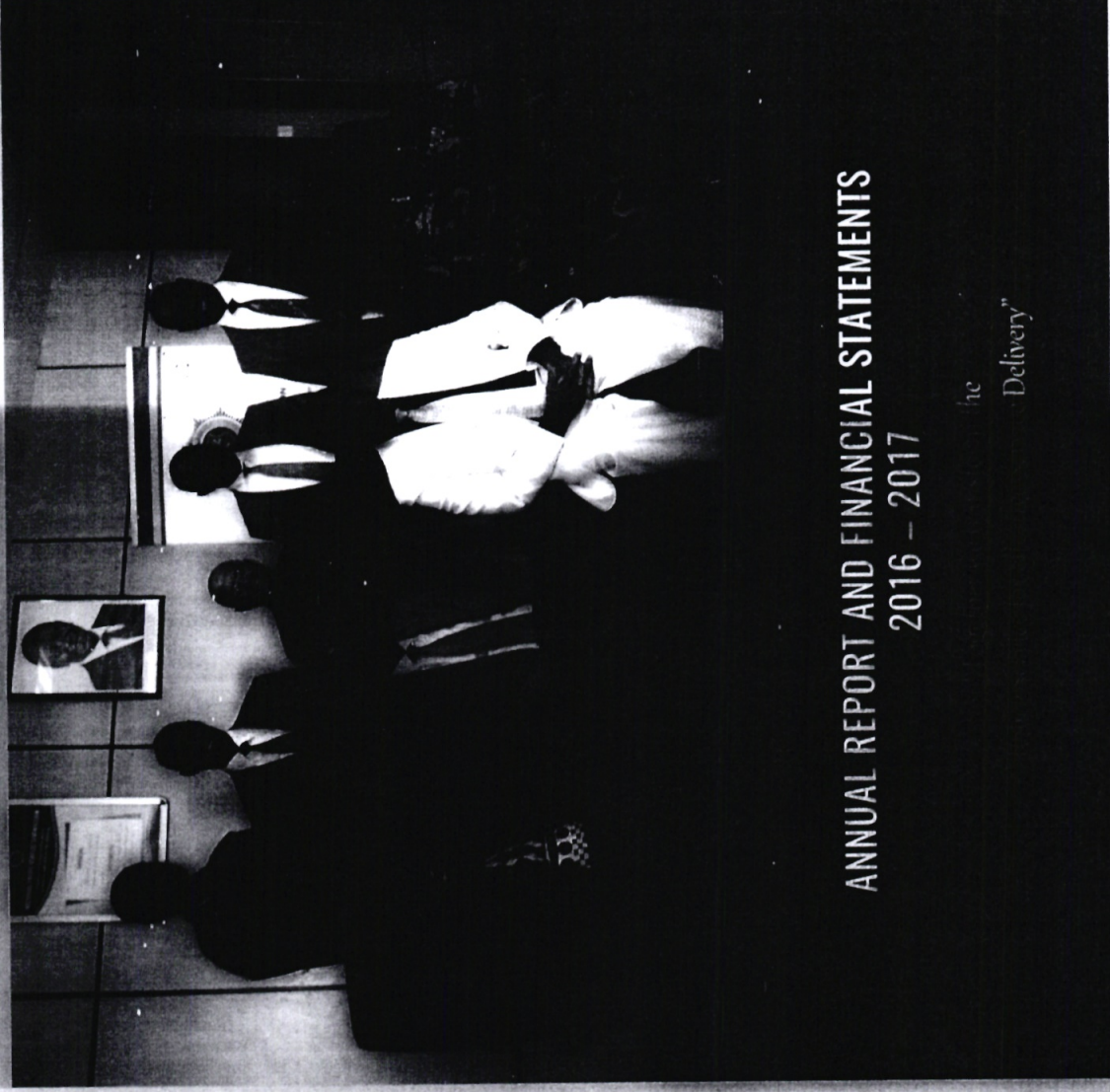




**NATIONAL POLICE
SERVICE COMMISSION**

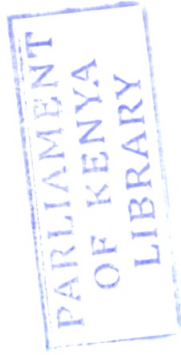
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**ANNUAL REPORT AND FINANCIAL STATEMENTS
2016 – 2017**

*the
Delivery™*

ABBREVIATIONS AND ACRONYMS



AIA

Appropriation In Aid

CEO

Chief Executive Officer

CPSB

County Public Service Board

EACC

Ethics and Anti-Corruption Commission

ICJ(K)

International Commission of Jurists(Kenya)

ICTJ

International Centre for Transitional Justice

IEC

Information Education & Communication

IFMIS

Integrated Financial Management Information System

IMLU

Independent Medico Legal Unit

IPOA

Independent Policing Oversight Authority

IPPD

Integrated Personnel Payroll Database

GAV

General Account Vote

JTA

Job Task Analysis

KHRC

Kenya Human Rights Commission

KNCHR

Kenya National Commission on Human Rights

LSK

Law Society of Kenya

NGEC

National Gender & Equality Commission

NPS

National Police Service

NPSC

National Police Service Commission

PRSC

Police Reforms Steering Committee

PRWG

Police Reforms Working Group

SGI

Security Governance Initiative

SOIP

Special officer Ranks to Inspectorate

SRC

Salaries and Remuneration Commission

UNODC

United Nations Office on Drugs and Crime



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I. EXECUTIVE SUMMARY

This is the 5th Annual Report of the National Police Service Commission (NPSC) since its establishment on 5th October 2012. The Commission is established under article 246 of the Constitution of Kenya 2010.

This Report is made in accordance with the provisions of section 26 of the NPSC Act. The Report covers the period from 1st July 2016 to 30th June 2017. This report is made up of the following six Chapters

- **Chapter 1** deals with the mandate, roles and functions of the Commission. It also tackles the roles of the Commission in addressing the National Development Agenda.

- **Chapter 2** gives an illustration of the performance review and performance of the Commission which include the recruitment of both Police and Civilian Staff within the service,

it also covers promotions, transfers, Discipline, Appeals and the Complain management within the Commission.

- **Chapter 3** focuses on NPSC programmes and stakeholder engagements. This includes vetting of Police Officers, Scheme of Service for the Service, Automation of the Commission Procedures, Job Task Analysis of the Service, Approval of the Service Training Curriculum,

The review of our strategic plan and engagement of Parliament and other stakeholders.

- **Chapter 4** Highlights the NPSC Corporate Governance Structures bearing in mind that the Commission is an appointing Body, Management Body,

Sets professional standards and values, Addresses discipline issues and also acts as an appellate body.

- **Chapter 5** addresses the challenges and recommendations which range from financial and budgetary constraints, lack of appreciation of the Commissions mandate, institutional challenges as well as transitional challenges. The Chapter also gives a way forward and future plans of the Commission.

- **Chapter 6** gives a summary of the Commissions Financial statements, the Auditor's report amongst other items.

Finally the report includes the organogram, tables, and pictorials to illustrate the various figures and activities as outlined in the various chapters.



Johnston M. Kavuludi, EBS, HSC Chairperson

Foreword by the Chairperson

We have yet again come to the end of the 2016/2017 financial year. The Commission has continued to deliver on its mandate in line with the Constitutional Provisions and the various legislations that guide our functions.

During the 2016/2017 financial year, the Commission was able to record a number of successes starting with the recruitment of 10,000 police officers who joined the Kenya Police College in Kiganjo, Nyeri, Administration Police Training College and the General Service Unit School both in Nairobi to undertake training as Police Constables.

The Commission was also able to put in place a contributory pension scheme for all the permanent staff. This will serve as their 'soft landing' once they exit the Commission or attain their retirement age.

In early 2017, the Commission embarked on the recruitment of its own staff after the terms of those seconded or deployed from the various Government Ministries and Agencies came to an end. Currently the Commission has in place a new Chief Executive Officer, Directors and their Deputies who were all hired through an open and competitive process.

On vetting, the Commission continued with the vetting of 1687 traffic police officers from Nairobi, Central, and Eastern Regions plus another 50 from Kajiado County who had not been covered in the previous financial year.

This brings the number of vetted Police Officers at an aggregate of 4000 across all ranks since we embarked on the vetting exercise in November 2013.

Inadequate funding, among other challenges, still remain a key feature as the Commission was only allocated Kshs 434 million during the 2016/2017 financial year for our recurrent expenditure, which was far below the requested allocation of Kshs 650 million.

Through prudent planning and thrift spending, the Commission was able to record significant milestones; including the promotions of 1178 police officers across the ranks; in itself an unprecedented milestone.

I therefore on my own behalf, and on behalf of the Commissioners and the Commission Staff extend our sincere appreciation to all our key stakeholders and partners for a job well done and look forward to an even more fruitful, eventful and fulfilling 2017/2018 Financial Year.



Joseph V. Onyango
Commission Secretary/Chief Executive Officer

Message from the Commission Secretary

During the financial year 2016/2017 the Commission made great strides towards the implementation of its mandate and also revitalized and enhanced the Secretariat.

As the newly appointed Commission Secretary/Chief Executive Officer, I am proud to be associated with the Commission team and I look forward to contributing towards the effective implementation of the Commission's mandate

The Commission is a major implementing institution in the police reform agenda. Police reform encompasses initiatives beyond modernization of police operations and ought to include the software aspects of police officers, the human resource management.

This is because proper human resource management of police officers creates a conducive environment for police officers to serve. This entails matters of recruitment, remuneration, promotions and transfers that form the terms and conditions of service, welfare of police officers including housing, working hours, leave management and psychological welfare of officers. These are areas the Commission is enthusiastic about enhancing and improving.

The Commission has over time developed various policies and regulations to guide the management procedures in the NPS. There is need for the Commission to enhance compliance in the NPS through increased sensitization and adherence to the standards. Following the increased compliance levels, the Commission will also be able to effectively oversee the implementation of the Commission's mandate within the NPS.

The Commission has put in place improved Corporate Governance structures that aim at ensuring effective systems that guide the decision making processes within the Commission.

During this reporting period, the Commission has been able to conduct key mandate activities such as recruitment, promotions and transfers of police officers and processed disciplinary decisions including appeals from affected police officers.

The Commission also concluded the development of the NPS Scheme of Service. These are career guidelines that will aid the fair and objective promotions of police officers.

All these human resource processes can be greatly enhanced and improved through automation of the NPSC and NPS systems to support speedy retrieval of information for decision making. The Commission has prioritized the development of an integrated ICT based Human Resource management systems connecting the Service to the Commission from all corners of the Republic.

This can be achieved through an increase in the budgetary allocation to the Commission.

The Commission has identified strategic activities that will be implemented during the upcoming **financial period. This includes the enhancement of the image and branding of the Commission** so as to improve our reach to clients; the NPS, implementation of a new vetting strategy that is envisaged to conclude the vetting of over 5,000 officers; the development of the second NPSC Strategic Plan and to make strides in the performance management systems of the NPSC and NPS. There are also plans to review our systems and procedures and institutionalizing guidelines and policies in the Service

The Commission is grateful to the United Nations Office for Drugs and Crime (UNODC) which supported the preparation of a road map for the development of performance management systems of the NPSC and NPS and the midterm review of the NPSC Strategic Plan 2014 – 2018. The Commission is also thankful to the United States Government for the joint engagement with the Kenya Government through the Security Governance Initiative that has police human resource management as an area of support.

The Commission appreciates and acknowledges the National Treasury, Parliament and other government institutions including the Independent Policing Oversight Authority; the Salaries and Remuneration Commission, K.N.C.H.R and the Ethics and Anti-Corruption Commission and all other stakeholders for continued collaboration and cooperation in the implementation of our mandates. We look forward for more collaborations in future.

Members of the Commission



Johnston M. Kavuludi,
EBS, HSC
Chairperson



Murshid A. Mohamed
Commissioner



Mrs. Mary Auma Owuor
Msc. Fayl, Deo
Commissioner



Ronald Leposo Musengi
Commissioner



Joseph Boinnet (IG)
Commissioner



Joel M. Kilili (DIG)
Commissioner



Samuel M. Arachi,
MBS(DIG)
Commissioner



Dr. Maj. (Rid)
Shadrack Muiu
Commissioner



Mr. Joseph Vincent Onyango
Commission Secretary /
Chief Executive Officer

Chapter 1: Background and Introduction

1.1 Commission Management Team

The Commission has a dynamic secretariat team that is in charge of the implementation of the Commission's mandate, functions and decisions.



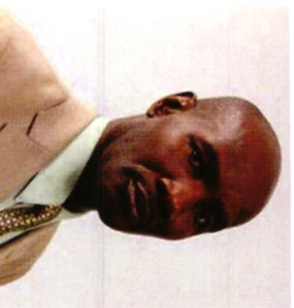
COMMISSION SECRETARY / CEO
MR. JOSEPH VINCENT ONYANGO

Mr. Onyango holds a Master's Degree in Strategic Development, a Higher Diploma in Human Resources and an Undergraduate in Sociology. Mr. Onyango has a comprehensive industry experience in Organizational Development, Leadership and Strategic Management. Before joining the Commission, he was the Director, Establishment and Management Consultancy Services at the Public Service Commission of Kenya.



MR. LONGINUS MULONDO:
DIRECTOR - STRATEGY, RESEARCH & VETTING

Mr. Mulondo holds a Bachelor's degree in Security Management from Egerton University, a Diploma in Security and Strategic Studies from University of Nairobi and Diploma in Communication and Media from Multimedia University. He has over twenty eight (28) years of experience in public service in management of security operations and strategic planning.



MR. PATRICK ODONGO
DIRECTOR, COMMUNICATION & OUTREACH

Mr. Odongo is a holder of a Master's Degree in Communication Studies and Bachelor's Degree (HONS) in Journalism and Media Studies both from University of Nairobi. He also holds a Diploma in Journalism from the Kenya Institute of Mass Communication. He has over 30 years' experience in the civil service. He had served as Manager / Communications at NPSC before his appointment as Director Communications and Outreach.



MRS. CHRISTINE ROTICH
DIRECTOR, HUMAN CAPITAL MANAGEMENT

Mrs. Christine Rotich holds an Executive M.B.A. from Jomo Kenyatta University of Agriculture and Technology (JKUAT), a Higher National Diploma in Human Resource Management and a BA (History and Government) from University of Nairobi. She has over 27 years' experience in the public service. Before joining the Commission she served at the Judges and Magistrate Vetting Board.



JONAM NGAU KINAMA
DIRECTOR, CORPORATE SERVICES

Mr. Kinama holds an Executive Master of Business Administration (EMBA) from Jomo Kenyatta University of Agriculture and Technology (JKUAT) and a Bachelors of Arts Anthropology from the University of Nairobi. He has over 25 years' experience in the civil service. Before his appointment to the Commission he served at the Ethics and Anti-Corruption Commission.

1.2 THE MANDATE OF THE COMMISSION

The National Police Service Commission (NPSC) is one of the independent commissions established under Chapter Fifteen of the Constitution 2010. The Commission is established under Article 246 of the Constitution. Article 246 (3) gives the Commission the mandate to: Recruit and appoint persons to hold or act in office in the police service, confirm appointments and determine promotions and transfers within the National Police Service; Observing due process, exercise disciplinary control over and remove persons holding or acting in offices within the Service; Perform any other functions as prescribed by the national legislation

ROLES AND FUNCTIONS OF THE COMMISSION

The functions of the Commission are also outlined in section 10 of the NPSC Act:

- i. Develop and keep under review all matters relating to human resources policies of members of the Service;
 - ii. With the advice of the Salaries and Remuneration Commission, determine the appropriate remuneration and benefits for the Service and staff of the Commission;
 - iii. Approve applications for engagement by police officers in trade and other businesses, in accordance with the law relating to matters of leadership and integrity under Article 80 of the Constitution;
 - iv. Co-operate with other State agencies, departments or commissions on any matter that the Commission considers necessary;
 - v. Provide for the terms and conditions of service and the procedure for recruitment and disciplinary measures for civilian members of the Service;
 - vi. Develop fair and clear disciplinary procedures in accordance with Article 47 of the Constitution;
 - vii. Investigate and summon witnesses to assist for the purposes of its investigations;
- Provided that-
- The Commission shall not undertake investigations on criminal matters;
 - Where, in the course of disciplinary investigation the Commission identifies violation of any written law, whether civil liability or criminal offence, the Commission shall recommend the prosecution of the offender in accordance with the law;
 - Provided that disciplinary proceedings by the Commission or the Inspector-General shall not be affected by any criminal or civil action commenced under paragraph (ii)
- viii. Exercise disciplinary control over persons holding or acting in office in the Service;
 - ix. Promote the values and principles referred to in Articles 10 and 232 of the Constitution throughout the Service;
 - x. Hear and determine appeals from members of the Service on disciplinary matters relating to transfers, promotions and appointments;
 - xi. Develop policies and provide oversight over training in the Service;
 - xii. Approve training curricula and oversee their implementation;
 - xiii. Investigate, monitor and evaluate the organization, administration and personnel practices of the Service
 - xiv. Receive and refer civilian complaints to the Independent Policing Oversight Authority, the Kenya National Commission on Human Rights, the Director of Public Prosecutions or the Ethics and Anti-Corruption Commission, as the case may be, where necessary;
 - xv. Review and make recommendations to the national government in respect of conditions of service, code of conduct and qualifications of officers in the Service;
 - xvi. Evaluate and report to the President and the National Assembly on the extent to which the values and principles referred to in Articles 10 and 232 are complied with in the Service;
 - xvii. Receive complaints and recommendations from police associations registered in accordance with the applicable law;
 - xviii. Perform such other functions as are provided for by the Constitution, the NPSC Act or any written law.

The Commission may make regulations generally for the better carrying into effect of any provisions of the NPSC Act, and in particular to provide for—

- a) appointments, confirmation of appointments, promotions and termination of appointments;
 - b) discipline;
 - c) appeals;
 - d) code of conduct for the Service;
 - e) training of members of the Service;
 - f) recruitment and transfers;
 - g) anti-discrimination;
 - h) affirmative action;
 - i) safety equipment;
 - j) ethics and anti - corruption;
 - k) dealing with conflict of interest;
 - l) information to be provided by the applicants;
 - m) tests to be undertaken by the applicants, and
 - n) vetting of applicants by the Commission.
- The NPS Act also provides that Commission may make regulations for the better carrying out of the purposes of the NPS Act, and in particular for—**
- a) regulating the hours of duty for police officers and the keeping and signing of records of attendance;
 - b) regulating and coordinating duties to be performed by police officers;
 - c) regulating the granting of leave to police officers;
 - d) prescribing arrangements and procedures for providing, assisting in or coordinating staff development programmes; and

e) the employment of civilian staff within the Service.

The Role of the Commission in Addressing the National Development Agenda

The Kenya Vision 2030 envisages “a society free from danger and fear” as the desired product of the expected reformed security sector.

The 2013-2017 Second Medium Term Plan identifies security and policing reform initiative as a priority programme for achieving the Vision.

The Government is now in the second five-year Medium Term Plan (MTP II) implementation period of the Kenya Vision2030 that aspires to making the country a newly industrialized.

“middle income country providing high quality of life for all citizens by the year 2030”.

In the second MTP, security is recognized as “a key incentive” for attracting investment and a thriving economy that the country envisions.

The National Police Service Commission is committed to supporting the implementation of Vision 2030 MTP II by ensuring the effective and efficient human resource management of the National Police Service.

CHAPTER 2: PERFORMANCE REVIEW AND ACHIEVEMENTS OF THE COMMISSION



President Uhuru Kenyatta presiding over pass-out parades NPS Officers

Constitutionally the Commission is mandated to “recruit and appoint persons to hold or act in offices in the service, confirm appointments, determine promotions and transfers, observing due process, exercise disciplinary control over and remove persons holding or acting in offices within the National Police Service”. Being an independent office the Commissions main objectives are:

- a) To protect the sovereignty of the people;
- b) To secure the observance of values and principles in Articles 10 and 232 of the Constitution throughout the Service; and
- c) To promote constitutionalism.

Section 10(1a) of the NPSC Act further states that the Commission shall on the recommendation of the Inspector-General develop and keep under review all matters relating to human resources policies of members of the Service.

In view of the above and in a bid to professionalize the Police service, the Commission during the reporting period (July 2016 – June 2017) undertook various activities as stated:

2.1 RECRUITMENT

2.1.1 Recruitment of 10,000 police constables

In 2013, Kenya had 83,165 police officers in service giving Kenya a police to civilian ratio of 1:505, which was not in line with the UN recommended ratio of 1:450.

The Commission has, during the last four years, conducted the recruitment and appointment of 37,000 police officers into the National Police Service. The annual recruitment of police officers has largely contributed to the increased ratio of police to civilians to 1:380.

During the reporting period, the Commission delegated the recruitment of police constables to the Inspector General of the Police,

in line with the NPSC (Recruitment and Appointment) Regulations 2015 and Section 10(2) of the National Police Service Commission Act which provides that subject to the provisions of the Constitution or any written law,

the Commission may delegate to the concerned Inspector General the recruitment, appointment and promotion of police officers under the rank of Superintendent of police.

The recruitment advertisement was placed in two daily newspapers (The Standard and The Nation Newspaper) and necessary applications forms could be easily accessed through six (6) government websites

www.npsc.go.ke

www.administrationpolice.go.ke

www.nationalpolice.go.ke

www.cid.go.ke

www.kenyapolice.go.ke

www.mygov.go.ke

(A) KENYA POLICE

GENDER	NO
MALE	3,379
FEMALE	592
TOTAL	3,971

(C) GSU RECRUITMENT - GENDER

GENDER	NO
MALE	1,991
FEMALE	0
TOTAL	1,991

(B) ADMINISTRATION POLICE

GENDER	NO
MALE	3,563
FEMALE	426
TOTAL	3,989

NO	TRIBE	TOTAL	NO	TRIBE	TOTAL
1	KIKUYU	301	27	TAITA	11
2	LUHYA	217	28	THARAKA	11
3	KAMBA	174	29	AJURAN	10
4	LUO	172	30	DIGO	9
5	KIPSIGIS	170	31	CHONYI	7
6	KISII	145	32	OGIEK	7
7	NANDI	135	33	BORANA	6
8	MERU	95	34	MURULE	6
9	MAASAI	54	35	POKOMO	6
10	TURKANA	44	36	GABRA	5
11	SOMALI	41	37	RABAI	5
12	KEIYO	38	38	SAKUYE	3
13	TUGEN	33	39	BURJUN	2
14	GIRIAMA	31	40	DOROBO	2
15	SABAOT	30	41	NUBI	2
16	TESO	28	42	ARAB	1
17	POKOT	27	43	DASANAACH	1
18	MARAKWET	24	44	JIBANA	1
19	KURIA	21	45	KAMBO	1
20	GURREH	19	46	KAUMA	1
21	DURUMA	18	47	MAKONDE	1
22	EMBU	18	48	ORMA	1
23	MBEERE	14	49	RENDILLE	1
24	DEGODIA	13	50	SALAT	1
25	SAMBURU	13	51	SWAHILI	1
26	SUBA	11	52	WATTA	1

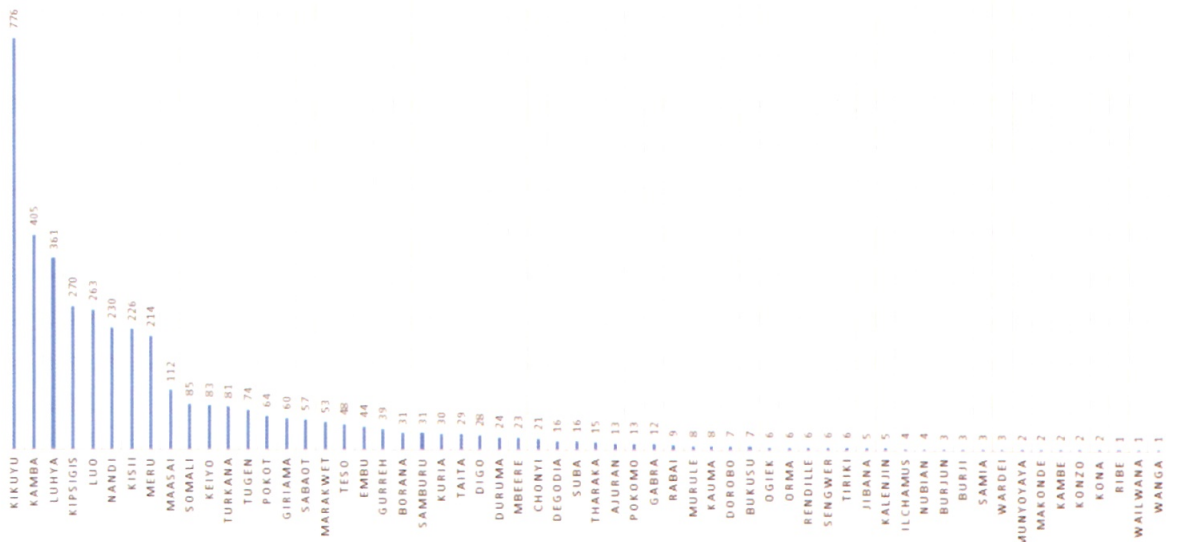
KENYA POLICE RECRUITMENT - TRIBE DISTRIBUTION

NO	TRIBE	TOTAL
1	KIKUYU	776
2	KAMBA	405
3	LUHYA	361
4	KIPSIGIS	270
5	LUO	263
6	NANDI	230
7	KISII	226
8	MERU	214
9	MAASAI	112
10	SOMALI	85
11	KEIYO	83
12	TURKANA	81
13	TUGEN	74
14	POKOT	64
15	GIRIAMA	60
16	SABAOT	57
17	MARAKWET	53
18	TESO	48
19	EMBU	44
20	GURREH	39

NO	TRIBE	TOTAL
21	BORANA	31
22	SAMBURU	31
23	KURIA	30
24	TAITA	29
25	DIGO	28
26	DURUMA	24
27	MBEERE	23
28	CHONYI	21
29	DEGODIA	16
30	SUBA	16
31	THARAKA	15
32	AJURAN	13
33	POKOMO	13
34	GABRA	12
35	RABAI	9
36	MURULE	8
37	KAUMA	8
38	DOROBO	7
39	BUKUSU	7
40	OGIEK	6

NO	TRIBE	TOTAL
41	ORMA	6
42	RENDILLE	6
43	SENGWER	6
44	TIRIKI	6
45	JIBANA	5
46	KALENJIN	5
47	ILCHAMUS	4
48	NUBIAN	4
49	BURJUN	3
50	BURJI	3
51	SAMIA	3
52	WARDEI	3
53	MUNYOYAYA	2
54	MAKONDE	2
55	KAMBE	2
56	KONZO	2
57	KONA	2
58	RIBE	1
59	WAILWANA	1
60	WANGA	1

TOTAL



2.1.2 MONITORING OF POLICE CONSTABLES

To ensure transparency and credibility of the recruitment process, the Commission deployed its staff to various recruitment centers across the country as observers. In a bid to have a corruption free process observers from other government agencies (IPOA, CAJ, Human Rights) and the general public were allowed to closely observe the process.

The breakdown of the numbers and areas where the recruitment took place is as follows:

2.1.4 CIVILIAN STAFF RECRUITMENT

The current strength of civilian staff in the NPS stands at two thousand and twenty nine (2,029) against an authorized establishment of eleven thousand seven hundred and forty four (11,744) uniformed police officers.

In order to bridge the glaring gap, the Service is in the process of securing funding from Treasury to undertake external recruitment to fill a total of nine thousand seven hundred and fifteen (9,715) vacant positions.

However, to foster and maintain institutional memory and continuity, the service forwarded the positions they would wish to fill internally. During the reporting

period, the Commission gave authority to the National Police Service to commence the process of recruitment of the following positions:

Due to the spontaneity of incidents of insecurity especially in Elgeyo Marakwet owing to the rampant cattle rustling incidences, there was need to recruit police reservist to assist the police in areas that were experiencing insecurity in the country.

TABLE 1

NATIONAL POLICE RESERVE RECRUITMENT	
S/No.	Region
1.	Lamu
2.	Elgeyo Marakwet
3.	Lalkipia
4.	Turkana
5.	Baringo
6.	Samburu
7.	West Pokot
8.	Kitui
Total	

PERFORMANCE REVIEW AND ACHIEVEMENTS OF THE COMMISSION

TABLE 2

No	Designation	JG	No. of Posts	Advert No.
1.	Assistant Director Corporate Support Services	P	1	1/2017
2.	Assistant Director ICT	P	1	2/2017
3.	Principal Accountant	N	2	3/2017
4.	Principal Economist	N	1	4/2017
5.	Principal Counselor	N	1	5/2017
6.	Chief Human Capital Management Officer	M	3	6/2017
7.	Chief Records Management Officer	M	2	7/2017
8.	Chief Supply Chain Management Officer	M	2	8/2017
9.	Chief Office Administrator	M	7	9/2017
10.	Chief Accountant	M	2	10/2017
11.	Senior Accountant	L	4	11/2017
12.	Senior Human Resource Management Officer	L	5	12/2017
13.	Senior Communication Technology Officer	L	1	13/2017
14.	Senior Records Management Officer	L	2	14/2017
15.	Senior Hospitality Officer	L	11	15/2017
16.	Senior Assistant Officer Administrator	L	10	16/2017
17.	Records Management Officer	K	4	17/2017
18.	Assistant Office Administrator 1	K	20	18/2017
19.	Accountant 11	J	10	19/2017
20.	Supply Chain Management II	J	10	20/2017
21.	Finance Officer III	J	3	21/2017
22.	ICT Officer II	J	5	22/2017
23.	Supply Chain Management Officer Assistant III	H	5	23/2017
TOTAL				

The internal recruitment has already commenced and is earmarked for completion during the next financial year.

PROMOTIONS

2.2.1 Promotions and Promotion on merit for uniformed officers.

The Commission has the mandate to determine all promotions in the National Police Service. The NPSC Act further provides that the Commission may delegate the promotion of officers below the rank of Assistant Superintendent of Police. The Commission however retains the mandate and responsibility to determine the promotions of officers of the rank of Assistant Superintendent of Police and above.

- has performed satisfactorily in the previous post;
 - has the required educational qualifications;
 - has potential for further development;
 - has integrity in accordance with Chapter Six of the Constitution; and
 - meets the criteria as may be set out in the announcement or advertisement regarding the position in question;
- During the reporting period the Commission considered and determined promotions for 2,393 police officers who were promoted into the next rank.

TABLE 3

SN	Description	Cases Handled
1	Confirmation in appointment	515
2	Posthumous Confirmation	140
3	Promotion of Gazetted officers	
	CP to AIG	45
	SSP to CP	20
	SP to SSP	442
	ASP to SP	211
	CP to ASP from APS	165
	CP to ASP (HTC)	254
	IP to CI	592
4	Promotion on Merit	9
TOTAL		2,393

2.2.2 Promotion Interviews - Higher Training Course

Higher Training Course is a six month training course for Chief Inspectors who after successful completion are to be promoted from the rank of Chief Inspectors to the rank of Assistant Superintendent of Police.

Among the criteria applied for consideration for promotion is the completion of the relevant promotion courses. For promotion into gazetted officer ranks the Service undertakes certain courses such as the Higher Training Course and SOLP course.

It is a requirement that after the HTC, the Commission undertakes interviews of the officers who have completed the course, before approving the promotions of the officers to the rank of ASP.

This is done to ensure effective transfer of training and their suitability and readiness to shoulder additional responsibilities that come with the higher rank

2.1.2.1 HTC for Kenya Police Service Course 98

Interviews were conducted on 10th and 11th January, 2017 for a total of 33 officers. However, only 31 officers were promoted. One officer died prior to the interviews and thus was posthumously promoted, while the two remaining officers did not attain the cut off mark of 50% and will be re-considered after getting a progress report on their performance.

2.1.2.3 HTC for Kenya Police Service Course 99

Interviews were conducted on 30th and 31st January, 2017 for a total of 32 candidates. All the candidates were promoted to the rank of Assistant Superintendent of Police.

The HTC Breakdown is as follows:

S/NO.	HTC Trainings	No. of officers
1.	HTC 98	29
2.	HTC 99	32
3.	HTC DCI 2	33
TOTAL		94

2.2.3 Promotion of members of the Civilian staff in the NPS

During the reporting period, the Commission also considered the promotions for civilians in the National Police Service. The Commission took into consideration that the civilians due for promotion as per the various career progression guidelines (PSC Human Resource Manual, 2001).

The promotions were conducted based on merit, skills and criteria in the career progression guidelines.

Promotions are awarded based on merit and giving equal opportunities to gender and reflecting regional, ethnic and geographic diversity.

The NPS has a Human Resource Advisory Committee that deliberates and recommends the promotion cases for civilian officers from Job Group "A" to "L" to the Commission for approval. However, promotion cases for officers from job group "M" and above are handled by the

TABLE 5

	Designation	No
1	Support Staff	7
2	House Keeper	1
3	Clerical Officers	23
4	Charge Hand Officers	18
5	Cleaning Supervisor	61
6	Supply Chain Management Officers/Assistants	15
7	Chef	3
8	Office Administrators	23
9	Artisan	7
10	Nurse	1
11	Accountants	1
12	Hospitality Officer	1
13	Cook	1
14	Library Assistant	1
15	Armourers	9
16	Telephone operators	1
17	Information Tech Officer	1
		174

2.2.4 Promotion of members of the staff in the NPSC

The Commission has an NPSC Human Resource Advisory Committee that handles all matters Human Resource for all Commission staff as well as the cases forwarded cases from the NPS Human Resource advisory committee for determination and approval. In the year under review 5 cases were handled.

TRANSFERS

2.1.3 Transfer of officers in the NPS

The Commission has the mandate to determine transfers of officers in the NPS.

Transfer under the NPSC Transfer and Deployment Regulations, 2015 means the relocation of an officer to a new duty station and the officer from then onwards falls under the new posting and respective pay point.

The role of the Inspector-General is to recommend to the Commission, in writing, the authorization of transfers as may be necessary for purposes of attaining the required distribution of officers in the Service.

It is the role of the Inspector General to recommend the distribution of officers in the NPS.

Distribution of police officers means the number of police officers required in a certain police station, unit, formation, post or outpost.

During this reporting period, the Commission has determined the following transfer cases:

TABLE 6

S/NO	Description	Total No. of cases
1.	Transfer cases recommended by the NPS	273
2.	Request for transfers submitted by police officers	62
TOTAL		335

2.1.4 Transfer of service / Secondment

'Transfer of Services' the movement of a pensionable employee from one public service organization to another which has reciprocal pension arrangements and has been declared 'public service' for purposes of preserving the employees previous pensionable services- while 'secondment' means the temporary deployment of an officer outside the NPS with or without more responsibilities.

The NPSC Regulations provide that government institutions may request the Inspector-General to second or attach a member of the Service to the institution for a specified period of time, not exceeding three years. Any further extension of the secondment or attachment period by the Inspector-General shall be with the approval of the Commission. Transfer of Services must also be approved by the Commission. During this period, the Commission considered

TABLE 7

S/NO	Description	Total No. of cases
1.	Transfer of Service cases	29
2.	Secondment Cases	21
TOTAL		50

2.2.5 DISCIPLINE

The NPSC Act at section 10 (4) provides that the 'disciplinary control' envisaged under Article 246 (3) of the Constitution shall mean:

- (a) The development and prescription of fair and clear disciplinary procedures and mechanisms in accordance with Article 47 of the Constitution;
- (b) Ensuring compliance with the prescribed disciplinary procedures and guidelines formulated by the Inspector-General;
- (c) Ensuring compliance with the due process in disciplining members of the Service;
- (d) Receiving of regular reports from the Inspector-General on disciplinary matters handled by the Service;
- (e) Reviewing or ratifying of disciplinary actions taken by the Inspector-General;
- (f) Hearing and determining appeals from the members of the Service; and
- (g) Observing due process, removing persons holding or acting in offices within the Service.

The NPS Act at section 89(6) provides that the disciplinary sanction of 'dismissal' and 'reduction in rank' only take effect after the approval and confirmation by the Commission.

In order to effectively execute this mandate, the Commission has a Transfer and Discipline committee that deliberate all disciplinary cases' from the Service to ensure compliance with the procedures.

The committee then recommends to the Board for approval. The Commission handled the following disciplinary cases in the period under review:

TABLE 8

S/NO	Description	Total No. of cases
1.	Dismissals	206
2.	Reduction in rank cases	12
3.	Disciplinary Cases	52
4.	Posthumous Reinstatement case	4
5.	Reinstatement cases	5
TOTAL		279

APPEALS

The NPS Discipline procedures provide that a person aggrieved by a decision of the Commission may apply to the Commission to review that decision.

The procedures also provide that the Authorized officer of the NPS shall undertake prescribed disciplinary processes. An officer aggrieved by the decision of the Service on any disciplinary matter may appeal to the Commission to relook at the case.

In view of the above the Commission receives numerous appeal cases ranging from Appeals against dismissals, suspensions, reduction in rank, transfers from individual officers and from the Service. In this reporting period the following appeal cases were handled:

TABLE 9

Description	No. Received	Finalized cases	Under process	Pending responses from the Service
Appeals against dismissals/ for reinstatement	385	50	68	215
Appeal against Transfer	283	210 (cases forwarded to the IC for further information)	73	210
		260		
TOTAL	668		141	425

The bulk of the cases not yet concluded were appeals submitted to the Commissioner of Police before the establishment of the Commission, and the Commission is still awaiting crucial information from the Service.

In 2013 the Commission made a resolution that appeal cases concluded by the Commissioner of Police or the Public Service Commission,

where applicable, were not to be reopened, while cases that were not concluded and the officers were still awaiting feedback are to be concluded by the Commission.

TABLE 11

S/No	Description	Cases Handled
1	Retirement Cases (officers who qualify to retire under 12 year, 20 year or 50 year rule and opt to retire before attaining 60 years)	52
2	Request for extension of service beyond sixty years	1
3	Request for extension of contract	1
4	Request for Extension of service due to disability (over 60 years)	4
TOTAL		58

To be able to conclude these cases, the Commission requires certain information including recommendations from the Service Headquarters and the affected officers' personal and confidential files to inform the deliberations regarding the appeal.

2.2.6 COMPLAINTS

The Commission is committed to maintaining its responsiveness to the needs of our various stakeholders by promptly and professionally handling all complaints sent to us from all aggrieved parties or their representatives.

In the year under review the Commission handled complaints mainly from IPOA, CAJ and police officers themselves as indicated in the table below:

TABLE 10

Description	No. Received	Under process	Pending responses from the Service
IPOA Cases	66	23	43
CAJ	58	16	42
Police Officers	79	21	58
TOTAL	203	60	143

2.2.7 RETIREMENT

A police officer below the rank of Deputy Inspector General shall retire from the Service on attainment of the age of sixty years but may, with the approval of the Commission, be permitted to retire on attaining the age of fifty years. The Commission handled the following retirement and extension of service cases:

CHAPTER 3: NPSC PROGRAMMES AND STAKEHOLDER ENGAGEMENTS

During the financial year, the Commission implemented the following major projects that are still ongoing:

3.1 VETTING PROGRAMME



NPSC Commissioners Ronald Musengi, and Murshid Mohammad leading a vetting panel.

During the financial year 2016/17 the Commission continued to undertake the vetting exercise of the police officers who are serving or served in the traffic department. The following table gives a summary of all officers who were vetted in different parts of the country in that financial year:

In the same financial year the commission was able to process results for vetting of 904 officers who had been vetted in the following areas: Coast, Nyanza, Western, Rift Valley Region and the table below gives a summary:

In addition the commission was able to process the review applications which were made by 118 officers adjudged to be unsuitable to serve. The review process is still ongoing and results for the review were to be issued in the next financial year.

TABLE 12

Region	Number of officers
Coast	238
Nyanza	201
Western	152
Rift Valley Region	328
Nairobi	936
Central region	290
Upper Eastern Region	90
Lower Eastern Region	220
Total number of traffic officers vetted so far	2455
Traffic police officers to be vetted	Traffic police officers to be vetted
North Eastern Region	38
Those who missed the field sessions	237
Total number of ex traffic police officers	562
ASP who missed vetting during the vetting of their cohorts	31
Total number of officers awaiting vetting	868

The members of the Service due to undergo vetting are over 76,000 officers. The Commission is in the process of developing a strategy for the vetting to be concluded within a reasonable period taking into consideration the numbers vetted so far and the resources utilized. This new strategy is targeted for completion and piloting during the next financial year

TABLE 13

S/No	Region	Total Number Vetted: 904	Total Removed 127	Reasons for removal	Number of officers Affected	Number pended
1.	Coast	236	36	Unexplained financial transactions	10	21
				Sending and receiving money from and to money to officers	8	
				Operating matatu business	5	
				Receiving money from Transporters/breakdown owners	12	
				Professional misconduct	1	
2.	Western	149	23	Unexplained financial transactions	8	30
				Sending and receiving money from and to money to officers	6	
				Operating matatu business	2	
				Receiving money from Transporters/breakdown owners	3	
				Professional misconduct	4	
3.	Rift Valley	320	50	Unexplained financial transactions	33	6
				Sending and receiving money from and to money to officers	5	
				Operating matatu business	8	
				Transporters/breakdown owners	4	
4.	Nyanza	199	18	Unexplained financial transactions	9	16
				Operating a matatu business	5	
				Receiving money from Transporters /breakdown owners	3	
				Interdicted for corruption case	1	

3.2 SCHEME OF SERVICE FOR THE NPS NATIONAL POLICE SERVICE

In order to provide a well-defined career structure which will attract and retain professional police officers, the Commission in conjunction with the Service and other stakeholders developed a Scheme of Service which clearly defined job description and specification for different ranks for proper deployment and career progression.

The Scheme of Service establishes standards for recruitment, training and advancement within the National Police Service.

This will be the antidote for the glaring stagnation, lack of merit and will promote performance, career planning and succession management in the Service.

The Scheme of service was finalized and presented to the Service in October, 2016

3.3 AUTOMATION OF THE NPSC PROCEDURES

The Commission recognizes that for efficient services, the records and processes of the Commission need to be automated. In the 2016/2017 financial year, the commission developed and launched a digital system for the vetting process – VETPOL. This vetting module of the system was implemented and is still in use in the Commission.

an automated process of sieving the officers recommended for promotion by applying the objective criteria determined by the Commission.

The Commission is still in the process of building the modules and piloting for roll out in all NPS HR processes.

3.4 JOB TASK ANALYSIS OF THE NPS

The Governments of Kenya and the United States of America entered into an agreement termed the 'Security Governance Initiative' with a view to support Kenya in the areas of police human resource management; border security and Administration of Justice. The Police Human Resource Management focus area identified the main activities to be the carrying out of a Job Task Analysis on the duties performed by police officers of the rank below Inspector of Police and the development of a human resource management software system integrated between the Service and the Commission.

In October 2016 the Job Task Analysis (JTA) was conducted targeting officers of the ranks below Inspector of Police.

The aim of the JTA was to analyze the 'general' duties carried out by officers who form the majority in numbers in the Service, with a view to find out and analyze the tasks carried out by police officers, the difficulty, importance and frequency of each task and identify the gaps in training, tooling and kitting.

The report on the JTA was submitted to the National Police Service Commission and the National Police Service in December 2016.

The report highlighted 12 recommendations for consideration by the Commission and the Service including: the need to improve the pay and benefits for its officers and to improve the transparency of the promotion and transfer process. These issues were clearly and frequently stated as barriers to performance.

The Commission and the Service are in the process of implementing the recommendations of the JTA report for an improved NPS.

an automated process of sieving the officers recommended for promotion by applying the objective criteria determined by the Commission.

The Commission is still in the process of building the modules and piloting for roll out in all NPS HR processes.

APPROVAL OF THE NPS TRAINING CURRICULUM

Section 79 of the NPS Act provides that the Commission shall approve the Training Curricula of the NPS and oversee their implementation.

The Commission is geared towards ensuring that appropriate training opportunities and facilities are provided to assist serving police officers acquire the necessary additional qualifications, experience, skills for efficient service delivery.

In order to achieve the above, during this financial period, the Commission approved one (1) proposed training curriculums for the General National Police Service and four (4) training curriculums specific for the Directorate of Criminal Investigations as indicated below:

1. National Police Service-Police Basic Training Course (Syllabus and Regulations).
2. DCI Training School, Craft certification in Forensic Investigation (syllabus and Regulations).
3. DCI Training School- Craft certification in Crime Investigation (syllabus and Regulations).
4. DCI Training School- Fundamentals of Criminal Investigation I (Syllabus and Regulations).

5. DCI Training School- Fundamentals of Criminal Investigation II (Syllabus and Regulations).

The implementation of the approved curricula has already commenced.

3.5 REVIEW OF THE NPSC STRATEGIC PLAN

During the Financial period, the Commission looked at the NPSC Strategic Plan and developed a mid-term report that highlights the status of the implementation of the Strategic Plan. The objective of the Strategic Plan Midterm Review Report was to identify and utilize the strengths of the Commission while putting in place timely interventions to address challenges and gaps identified. The Midterm report also provided information on the priority areas that have not yet been accomplished as contemplated in the Strategic Plan.

The Commission identified the key activities in the Strategic Plan that have not been implemented and prioritized the activities for implementation in the 2017/2018 Work Plan for the Commission.

The Commission also took into consideration that there are activities that may not be implemented during the remaining period of the Strategic Plan.

Therefore, the Commission resolved to place the pending activities for incorporation into the strategies for the next series of the Strategic Plan that is scheduled for 2018 – 2022.

The Commission recognizes Parliament as a key stakeholder. Parliament represents the people of constituencies and counties, deliberates and resolves issues of concern with a view to preserve the interests of the public.

During the reporting period, the Commission has had several engagements with Committees of the National Assembly and the Senate on issues relevant to security and human resource management of the NPS.

REORGANIZATION OF COMMISSION MANAGEMENT

The Commission has a total of one hundred and seventy six (176) members of staff against an establishment of 252 members of staff. Permanent and Pensionable (40 officers), seconded (27 officers), deployed staff (19 officers), contractual staff (46 officers) and deployed security officers (44 officers).

ENGAGEMENTS WITH PARLIAMENT AND OTHER INDEPENDENT COMMISSIONS



NPSC Commissioner Mary Owour greeting Mrs. Agnes Ombiamo - Controller of Budget during the 5th Annual Conference of Constitutional Commissions and Independent offices

The need for the Commission to have its own employees is crucial, taking into consideration majority of the staff in the Commission are either seconded, deployed or are on contractual terms of service. This leaves the Commission in a precarious position as it has only 40 permanent officers. There was also an urgent need to build capacity in the Commission as the current employees are strained. **A total of 176 officers are serving 11,744 uniformed officers and 2,029 civilian officers as well as the general public.** The Commission has been operating below establishment due to the ongoing austerity measures adopted in Government specifically the freezing on recruitment of additional public officers.

Due to the foregoing, the Commission engaged in several deliberations with the National Treasury in order to obtain approval and authority to recruit senior members of staff. The Commission advertised for 16 positions on 9th January, 2017 in the Daily Nation and the Standard Newspaper.

During the reporting period, shortlisting and interviews for the positions of the Chief Executive Officer and Directors were conducted with a panel consisting of all the Commissioners and nominees from the Public Service Commission for additional expert input on standards of public service.

Following the recruitment process, Mr. Joseph Vincent Ongango was appointed and sworn in as the Chief Executive officer. Mr. Jonam Kinama was appointed as the Director in charge of Corporate Service. Mrs. Christine Rotich was appointed to be in charge of Human Capital Management. Mr. Patrick Odongo was appointed to be in charge of Communication and Outreach.

The recruitment process also culminated in the appointment of Mr. Longinus Mulondo as the Director in charge of Strategy, Research and Vetting, and Mr. Stephen Mbogo, Mr. George Okinda and Mrs. Nancy Muchangi as Deputy Directors in charge of Research and Strategy, Human Capital Management and vetting respectively.

The recruitment process is still ongoing for the remaining advertised positions for managers and other senior officers.

The Commission has also prioritized the continuation of the recruitment process for the entire Commission secretariat, with a view of meeting the approved establishment and enhance service delivery.

TRAINING AND DEVELOPMENT OF NPSC STAFF

The Commission in a bid to equip its lean staff with necessary skills and competences trained members of staff in the following areas:

TABLE 14

S/NO	TRAINING UNDERTAKEN	NO. OF PERSONS TRAINED
1.	Group training ON NPSC	59
2.	Pension Scheme Drivers (Refresher course - KHIBT)	12
3.	Clerical officer (Proficiency Examination)	4
4.	Diploma Course	1
5.	Master's Degree	2
6.	Senior Management	4
7.	Course Symposium	1
8.	Seminar ICPAK 33rd	5
9.	Seminar Public Relations & Customer Care	1
10.	HR/ Labour Laws Audit Course	1
11.	CPA Part II & III	1
12.	Secretarial Management Course	1
TOTAL		

CHAPTER 4: NPSC CORPORATE GOVERNANCE STRUCTURES

4.1 INTRODUCTION

The core functions of the NPSC revolve around four main areas listed below:

- ☒ Appointing Body – recruiting, promotion, transfer and deployment processes
- ☒ Management Body – Monitoring the implementation of the police reforms and human resource policy and management activities, including training and review of human resource management policies
- ☒ Professionals Standards and Values – setting professional standards, ethics and integrity of the National Police Service.
- ☒ Discipline – removal of officers from the NPS
- ☒ Appeals Body – hearing and determining appeals against disciplinary and other human resource actions of the National Police Service.

4.2 COMMISSION BOARD

The Commission conducts its mandate through deliberations and decisions made at Board meetings. The Commission Board is required by law to meet a minimum of 6 times a year.

The Board is comprised of:

- The Chairperson**
- Inspector General of Police**
- Deputy Inspector General of the KPS**
- Deputy Inspector General of the APS**
- 4 civilian Commissioners**

The Commission Board executes its mandate through committees. The committees sit at the Commission offices and develop recommendations for consideration and determination by the Board.

The committees are aligned to the mandate and functions of the Commission. The following are the committees and their functions:

4.1.1 RECRUITMENT, APPOINTMENT AND PROMOTIONS COMMITTEE

Functions

- a) Coordinate the overall recruitment process of NPS members who include civilian staff of the NPS.
- b) Undertaking and evaluating baseline surveys on the gender, ethnic distribution and stagnation of officers in various ranks in the NPS with a view of making the necessary recommendations.
- c) Provide leadership in management and coordination of recruitment appointments and promotions in the NPS

- d) Coordinate the implementation of the NPS recruitment, promotions policies and regulations
- e) Review job description and Schemes of Service within NPS
- f) Oversee and provide reports on the implementation of the NPSC recruitment and appointment and promotions regulations

4.1.2 DISCIPLINE AND TRANSFERS COMMITTEE

Functions:

- a) Implement and review of the policies, regulations, guidelines and procedures on Disciplinary matters and Appeals in the NPS
- b) Conduct public enquiries and publish the outcome of such inquiries on matters related to the commission mandate
- c) Promote the compliance with the disciplinary procedures in the Service
- d) Develop the schedule of penalties for the offences against discipline in the NPS
- e) Review and recommend confirmation of disciplinary sanctions under section 89 (6) of the NPS Act i.e. restitution, stoppage of salary increments, reduction in rank and dismissals from the NPS.
- f) To recommend disciplinary action against an officer who commits a criminal offence.
- g) Provide leadership in management and coordination of transfers in the NPS
- h) Coordinate the implementation of the NPS transfer and deployment policies and regulations
- i) Coordinate the development of a skills inventory in the NPS
- j) Recommend transfers of the NPS staff in the Service, formations and across the country
- k) Oversee and provide reports on the implementation of the NPSC discipline and transfer and deployment regulations

4.1.3 STRATEGY, DEVELOPMENT OF POLICIES AND CAPACITY BUILDING COMMITTEE FUNCTIONS

- a) Coordinate undertaking of various research and surveys as stipulated in the strategic plan.
- b) Develop and review policies and procedures to mainstream cross cutting issues – gender, human rights, conflict of interest, anti-corruption etc
- c) Provide leadership on complaints management, case management and litigation involving the NPS and NPSC
- d) Develop appropriate guidelines for formation and recognition of police associations.
- e) Provide leadership in development and implementation of performance and change management systems and measures.
- f) Development, management, monitoring and evaluation of training programmes for NPS
- g) Develop terms and conditions of service for NPS staff; including pay and benefits.
- h) Develop and operationalize the NPS Staff welfare scheme; insurance, medical scheme etc
- i) Approve applications for engagement by police officers in trade and other businesses.
- j) Review the vetting strategy and oversee its implementation
- k) Develop the strategy for periodic HR audit and report on the HR actions taken by the NPSC, including on emerging trends and recommendations
- l) Develop recommendations for NPS Housing policy

4.1.4 AUDIT AND APPEALS COMMITTEE

This committee will have the main internal and operational secretariat functions of the commission.

Functions

- a) Conducting audit on implementation of the Commission's decisions by the NPS.
- b) Conduct audit on operations of the civilians in NPS
- c) Audit of the NPSC Secretariat operations and structures.
- d) Oversee data management of the Commission
- e) Recommend the treatment of an appeal from an aggrieved officer.
- f) Implementing the policy and procedures for Appeals to the NPSC
- g) Develop guidelines, Monitor and Evaluate all complaints received in the commission.
- h) Conduct public enquiries and publish the outcome of such inquiries on matters related to the commission mandate

4.1.5 OPERATIONS COMMITTEE

This committee will have the main internal and operational secretariat functions of the commission.

- a) Coordinate resource mobilization for NPSC
- b) Coordinate NPSC Stakeholder engagement.
- c) Coordinate NPSC budget making process and oversee its implementation
- d) Oversee implementation of overall NPSC communication strategy
- e) Oversee administration and management of NPSC
- f) Monitoring and Evaluation of the implementation of strategic plan.
- g) Oversee implementation of overall NPSC ICT strategy
- h) Develop job descriptions/specifications for NPSC staff
- i) Develop and operationalize the NPSC Staff welfare scheme
- j) Develop and coordinate implementation of the NPSC code of conduct and operations manuals for internal NPSC procedures

4.1.6 EXECUTIVE COMMITTEE OF THE COMMISSION

- a) The function of this Committee will be to receive reports and briefs from the Committees for purposes of giving policy direction and to make final recommendations to the Commission Board
- b) This committee is chaired by the Chairperson of the NPSC

4.3 PROCEDURES AND GUIDELINES FOR EACH COMMITTEE:

Each committee is required to:

1. Develop a schedule of the committee's meetings for seamless and continuous functioning of the Commission's operations

2. Develop the committee's work plans and activities for the period (weekly, monthly, quarterly, annual etc) - this would be drawn from the Strategic plan
3. The Committees is required to prepare board papers in the following format that complies with Meeting Standards:
 - i. Proposed format;
 - ii. Minute number
 - iii. Issue
 - iv. Technical input/advice
 - v. Legal Opinion
 - vi. Committee Recommendation
 - vii. Resolutions

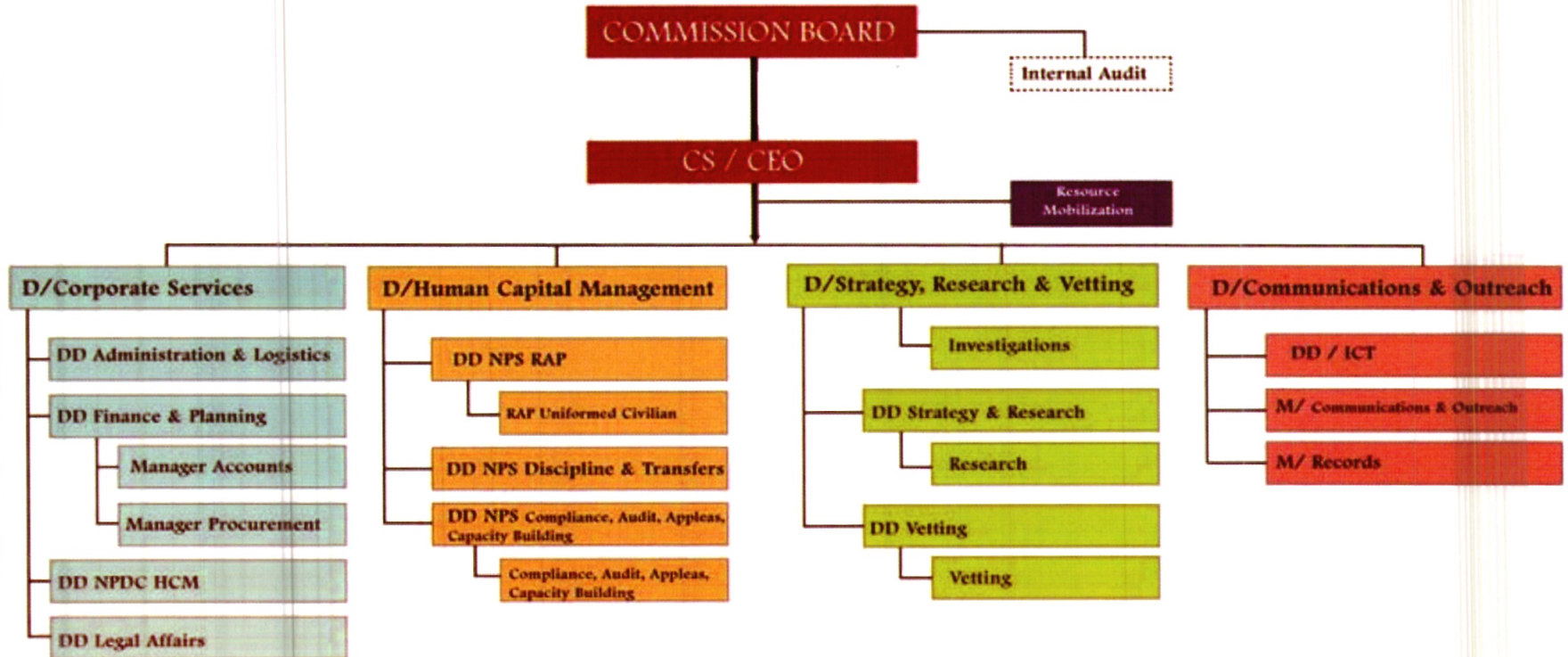
4.4 COMMISSION SECRETARIAT STRUCTURE

1. Head of the Secretariat: Commission Secretariat/Chief Executive Officer
2. Directorates
 - a. Human Capital Management
 1. Recruitment Appointment and Promotions
 2. Discipline and Transfers
 3. Compliance audit, Appeals and Capacity Building
 - b. Communication and Outreach
 1. Includes ICT management - digitalization of all HR processes, Public Relation & Record Relation
 - c. Strategy Research and Vetting
 1. Vetting as a continuous process, innovative strategies and research.
 - d. Corporate Services
 1. Legal affairs
 2. Internal NPSC processes - administration, procurement, accounts, internal HR and finance and logistics

The organisation structure has at its apex the Commission Board then the Executive, the CS/CEO followed by the Directorates.



NATIONAL POLICE SERVICE COMMISSION ORGANOGRAM



CHAPTER 5. CHALLENGES AND RECOMMENDATIONS

5.1 FINANCIAL AND BUDGETARY CONSTRAINTS:

The Commission was allocated Kshs 434 million during the 2016/2017 financial year for our recurrent expenditure.

This was against the request for Kshs 650 million. The Commission was therefore operating with a deficit of Kshs 216 million affecting the roll out of key programmes, and therefore the institution scaled down the activities for the financial year in order to adapt to the allocation.

To bridge the deficit, the Commission has plans to engage the National Treasury to increase the funding to meet the requests.

The Commission is also engaged in a resource mobilization strategy that involves collaboration with stakeholders in achieving joint initiatives.

5.2 LACK OF APPRECIATION OF THE COMMISSION'S MANDATE

The Commission has developed key policies and regulations that go a long way towards reforming the human resource management of the NPS especially recruitment, promotions, transfers and disciplinary procedures. The NPS has failed to adhere to the procedures affecting the implementation and impact of reforms in the NPS.

5.3 INSTITUTIONAL CHALLENGES:

The Commission has been operating without a complete establishment affecting productivity due to the low number of staff having a huge work load to undertake.

The Commission has also been adversely affected by the National Treasury policy on freezing of employment. This has resulted in the Commission having inadequate number of staff to complete the work load effectively.

The Commission also has staff on temporary terms affecting their morale and productivity.

The Commission is engaging the National Treasury to authorize the recruitment of staff of the Commission.

5.4 TRANSITIONAL CHALLENGES

The Commission was established in 2012 to manage the human resources of the NPS.

The Commission took over from the Public Service Commission which had delegated the management of the police to the Commissioner of Police. Human resources can only be effectively managed by the direct implementation and management of the payroll of the NPS.

This is because matters of recruitment, effecting promotions, transfers and disciplinary sanctions have direct impact on the payroll of officers.

The Commission has been unable to directly implement or oversee implementation of its decisions due to the fact that the Commission does not manage the payroll of the NPS.

The Commission recommends that the management of the payroll of the NPS be managed by the Commission for effective implementation of its mandate.
Judicial processes and adverse decisions

The Commission has numerous cases in court where decisions made by the Commission and the NPS are challenged for various reasons. Many of the cases stem from the lack of adherence to the law and regulations on the human resource procedures.

The cases are also spread across the country which is limiting for the number of legal staff within the Commission to effectively respond to.

The Commission has also been affected by the adverse decisions that have been made by the court, especially with regard to the vetting exercise, where the judgements have given orders to the Commission to vet officers afresh.

The Commission has engaged the NPS to adhere to the law in order to avoid litigation. The Commission has also put in place measures to implement the orders in the various judgements and adhere to principles outlined for fair administrative action in the vetting process.

5.1.10 WAY FORWARD AND FUTURE PLANS

1. In the next financial year, the Commission has earmarked key activities that will be prioritized for implementation. These activities include:
2. To complete the reorganization of the Commission secretariat with complete staffing and orientation of the new team on the mandate of the Commission.
3. Automation of the NPSC and NPS human resource processes and NPSC standard operating procedures.
4. Development of priority policies such as the NPS Training Policy and other policies such as on retirement and post-exit management of NPS.
5. Implement the new vetting strategy which will see over 5,000 officers vetted within the financial year.
6. Enhancing the image and branding of the Commission.
7. Enhancing compliance levels of the NPS to NPSC regulations and Board decisions.
8. Development of the 2018 – 2022 Strategic Plan of the Commission.

Pictorials



NPSC Chairperson, Johnston Kavuludi, giving his speech during the IPOA 2017 Outstanding Police Service Awards.



NPSC Staff attending to a visitor at NPSC Stand during the 5th Annual Conference of Constitutional Commissions and Independent offices.

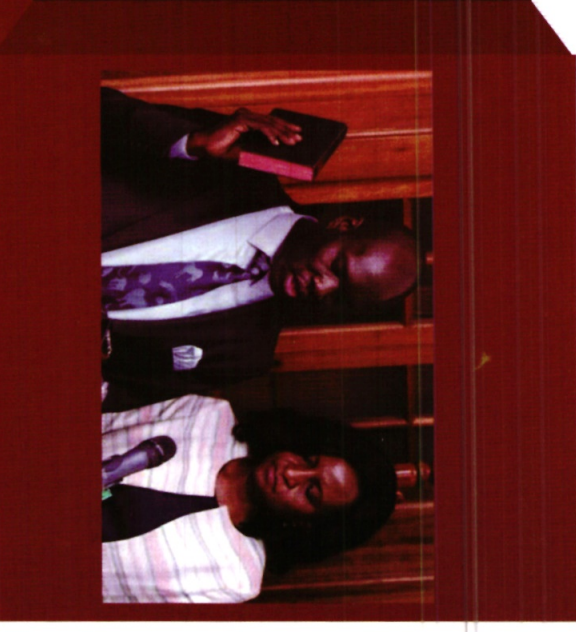


NPS Commissioners, with representatives from British High Commission and NPS graduate officers at the NPS-Strategic Leadership and Command Course No. 2/2016-Eagles on their graduation at the Kenya Police Staff College-Loresho

Pictorials



NPSC Chairman Johnstone Kavuludi greeting the Chief Justice David Maraga during the swearing in of the NPSC CS/CEO Joseph Vincent Onyango at the Supreme Court.



NPSC CS / CEO Joseph Onyango taking oath of office in the presence of Anna Amadi Chief Registrar of the Judiciary.



NATIONAL POLICE SERVICE COMMISSION

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2017

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

6.1 KEY ENTITY INFORMATION AND MANAGEMENT

(a) Key Management

The Commission's day-to-day management takes place under the following organs:

- Directorate of Corporate Services
- Directorate of Human Capital Management
- Directorate of Information, Education and Communication
- Audit Department

6.1.1 Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Ojango Omumu
2.	Director CSS	Peter M. Wamoto
3.	Director HCM	Frederick Mugambi
4.	Ag. Director IEC	Winfred Kitonga
5.	Internal Auditor	Jonai Mukungu

6.1.2 Fiduciary Oversight Arrangements

Review of the NPSC Strategic Plan

During the Financial period, the Commission looked at the NPSC Strategic Plan and developed a mid-term report that highlights the status of the implementation of the Strategic Plan. The objective of the Strategic Plan Midterm Review Report was to identify and utilize the strengths of the Commission while putting in place timely interventions to address challenges and gaps identified. The Midterm report also provided information on the

priority areas that have not yet been accomplished as contemplated in the Strategic Plan.

The Commission identified the key activities in the Strategic Plan that have not been implemented and prioritized the activities for implementation in the 2017/2018 Work Plan for the Commission.

The Commission also took into consideration that there are activities that may not be implemented during the remaining period of the Strategic Plan. Therefore, the Commission resolved to place the pending activities for incorporation into the strategies for the next series of the Strategic Plan that is scheduled for 2018 – 2022.

6.1.3 Reorganization of Commission management

The Commission has a total of one hundred and seventy six (176) members of staff against an establishment of 252 members of staff. Permanent and Pensionable (40 officers), seconded (27 officers), deployed staff (19 officers), contractual staff (46 officers) and deployed security officers (44 officers).

The need for the Commission to have its own employees is crucial, taking into consideration majority of the staff in the Commission are either seconded, deployed or are on contractual terms of service. This leaves the Commission in a precarious position as it has only 40 permanent officers.

There was also an urgent need to build capacity in the Commission as the current employees are strained. A total of 176 officers are serving 11,744 uniformed officers and 2,029 civilian officers as well as the general public.

The Commission has been operating below establishment due to the ongoing austerity measures adopted in Government specifically the freezing on recruitment of additional public officers.

Due to the foregoing, the Commission engaged in several deliberations with the National Treasury in order to obtain approval and authority to recruit senior members of staff. The Commission advertised for 16 positions on 9th January, 2017 in the Daily Nation and the Standard Newspaper.

During the reporting period, short listing and interviews for the positions of the Chief Executive Officer and Directors were conducted with a panel consisting of all the Commissioners and nominees from the Public Service Commission for additional expert input on standards of public service.

Following the recruitment process, Mr. Joseph Vincent Onyango was appointed and sworn in as the Chief Executive officer, Mr. Jonam Kinama was appointed as the Director in charge of Corporate Service, Mrs. Christine Rotich was appointed to be in charge of Human Capital Management, and Mr. Patrick Odongo was appointed to be in charge of Communication and Outreach. The recruitment process also culminated in the appointment of Mr. Longinus Mulondo as the Director in charge of Strategy, Research and Vetting, and Mr. Stephen Mbogo, Mr. George Okinda and Mrs. Nancy Muchangi as Deputy Directors in charge of Research and Strategy, Human Capital Management and vetting respectively.

The recruitment process is still ongoing for the remaining advertised positions for managers and other senior officers.

The Commission has also prioritized the continuation of the recruitment process for the entire Commission secretariat, with a view of meeting the approved establishment and enhanced service delivery.

6.1.4 Parliamentary committee activities

The Commission recognizes Parliament as a key stakeholder. Parliament represents the people of constituencies and counties, deliberates and resolves issues of concern with a view to preserve the interests of the public.

During the reporting period, the Commission has had several engagements with Committees of the National Assembly and the Senate on issues relevant to security and human resource management of the NPS.

Audit Committee

The Audit Committee has been established of which the chairman was appointed by the accounting officer, and other members.

The mandate of Audit Committee is;

- i. To assist the accounting officer/Chief Executive Officer in enhancing internal controls in order to improve efficiency, transparency and accountability.
- ii. Review audit issues raised by both internal and external auditors.

The Audit Committee met 3 out of 4 times in the year.

(d) Entity Headquarters

P.O. Box 47363
GPO 00100
Sky Park Plaza
Woodvale Close, Westlands
Nairobi, Kenya

Entity Contacts

Telephone: (254) 709099000
E-mail: info@npsc.go.ke
Website: www.npsc.go.ke

(e) Entity Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

(f) Independent Auditors

Auditor General

Kenya National Audit Office

Anniversary Towers, University Way

P.O. Box 30084

GOP 00100

Nairobi, Kenya

(g) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

6.2 STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the National Police Service Commission is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the Commission for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the National Police Service Commission accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Commission's financial statements give a true and fair view of the state of entity's transactions during the financial year ended

June 30, 2017, and of the entity's financial position as at that date. The Accounting Officer charge of the National Police Service Commission further confirms the completeness of the accounting records maintained for the Commission, which have been relied upon in the preparation of the Commission's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the National Police Service Commission confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the Commission's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The Commission's financial statements were approved and signed by the Accounting Officer on 29th September, 2017.

Commission Secretary

Name: Joseph V. Oryango

Number: 5133

Chief Accountant

Name: Esther Kitonyi

ICPAK Member

6.3 REPORT OF THE INDEPENDENT AUDITORS ON THE NATIONAL POLICE SERVICE COMMISSION

We have audited the accompanying financial statements of National Police Service Commission for the year ended June 30, 2017, which comprise: (i) a statement of receipts and payments; (ii) a statement of financial assets and liabilities; (iii) a statement of comparative budget and actual amounts; (iv) a statement of pending bills as at June 30, 2017; and (v) a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Commission's Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the commission's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at June 30, 2017, and its receipts and payments, as well as cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Auditor General

Date



6.4 STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016-2017 Kshs	2015-2016 Kshs
RECEIPTS			
Exchequer releases	1	429,100,000	459,500,000
Transfers from Other Government Entities	2	7,676,236	2,072,419
TOTAL RECEIPTS		436,772,675	461,572,419
PAYMENTS			
Compensation of Employees	3	199,790,784	193,873,166
Use of goods and services	4	200,902,045	249,836,975
Transfers to Other Government Units	5	8,776,411	871,181
Acquisition of Assets	6	24,593,433	16,667,016
TOTAL PAYMENTS		434,062,673	461,248,338
SURPLUS		2,713,563	324,081

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29th September, 2017 and signed by:

Commission Secretary

Name: Joseph V. Onyango

Chief Accountant

Name: Esther Kitonyi

ICPAK Member Number: 5133

6.5 STATEMENT OF ASSETS AND LIABILITIES

	Note	2016-2017 Kshs	2015-2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	7A	17,620,986	7,545,739
Cash Balances	7B	<u>6,446</u>	<u>207,810</u>
Total Cash and cash equivalent		17,627,432	7,753,549
Accounts receivables - Outstanding Imprests	8	<u>1,791,205</u>	<u>1,787,635</u>
TOTAL FINANCIAL ASSETS		19,418,637	9,541,184
FINANCIAL LIABILITIES			
Accounts Payables - Deposits and retentions	9	<u>14,917,439</u>	<u>7,429,469</u>
NET FINANCIAL ASSETS		<u>4,501,198</u>	<u>2,111,715</u>
REPRESENTED BY			
Fund balance b/fwd	10	2,111,715	1,787,635
Prior year adjustment	11	(324,080)	-
Surplus for the year		<u>2,713,563</u>	<u>324,081</u>
NET FINANCIAL POSITION		4,501,198	2,111,716

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29th September, 2017 and signed by:

Commission Secretary

Name: Joseph V. Onyango

Chief Accountant

Name: Esther Kitonyi

ICPAK Member Number: 5133



6.6 STATEMENT OF CASH FLOWS

		2016-2017	2015-2016
		Kshs	Kshs
Receipts for operating income			
Exchequer Releases	1	429,100,000	459,500,000
Transfers from Other Government Entities	2	7,676,236	2,072,419
Payments for operating expenses			
Compensation of Employees	3	199,790,784	193,873,166
Use of goods and services	4	200,902,045	249,836,975
Transfers to Other Government Units	5	8,776,411	871,181
Adjusted for:			
Changes in receivables		(3,570)	(94,219)
Changes in payables		7,487,970	(7,791,527)
Adjustments during the year	11	(324,080)	-
Net cash flow from operating activities		34,467,316	9,105,351
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	(24,593,433)	(16,667,016)
Net cash flows used in Investing Activities		(24,593,433)	(16,667,016)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at BEGINNING of the year		7,753,549	15,315,215
Cash and cash equivalent at END of the year	7A+B	17,627,432	7,753,550

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29th September, 2017 and signed by:

Commission Secretary

Name: Joseph V. Onyango

Chief Accountant

Name: Esther Kitonyi

ICPAK Member Number: 5133

GM1. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	435,340,000	(341,300)	434,998,700	429,100,000	5,898,700	99%
Transfers from Other Government Entities	-	-	-	7,672,236	(7,672,236)	100%
PAYMENTS	443,012,675	(341,300)	442,671,375	436,772,676	5,898,700	99%
Compensation of Employees	189,520,000	10,200,100	199,720,100	199,790,784	(70,684)	100%
Use of goods and services	217,474,000	(7,397,000)	210,077,000	200,902,045	9,174,955	96%
Transfers to Other Government Units	-	-	-	8,776,411	(8,776,411)	100%
Acquisition of Assets	28,346,000	(3,144,400)	25,201,600	24,593,433	608,167	98%
Total Payments	435,340,000	(341,300)	434,998,700	434,062,673	9,785,188	98%
Surplus	7,672,675	-	7,672,675	2,713,563	(3,687,678)	

Notes

- (a) Transfers from other Government entities amount represent erroneous remittances from the Pensions Department in to our Recurrent Account. These were paid back to the Director of Pensions Account with Central Bank of Kenya.

The entity financial statements were approved on 29th September, 2017 and signed by:

Commission Secretary
Name: Joseph V. Onyango

Chief Accountant
Name: Esther Kitonyi
ICPAK Member Number: 5133

6.9 BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2017		2017	2017	
	Kshs	Kshs	Kshs	Kshs	Kshs
NPSC HUMAN RESOURCE MANAGEMENT	435,340,000	(341,300)	434,998,700	425,286,261	9,712,439
Sub-Programme 1: Human capital management	194,870,000	9,600,100	204,470,100	204,540,659	(70,559)
Sub-programme 2: Police Vetting	89,582,500	(5,905,000)	83,677,500	83,199,841	477,659
Sub-programme 3: Administration and Standard Setting	150,887,500	(4,036,400)	146,851,100	137,545,761	9,305,339

SIGNIFICANT ACCOUNTING POLICIES

Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of disclosure. This summary is disclosed as an annexure to the entity's financial statements.

4. In-kind contributions

In-kind contributions are donations that are made to the Commission in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Commission includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

5. 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.

Restriction on cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2017, this amounted to KShs 14,917,439 compared to KShs 7,429,469 in prior period as indicated on note 9. There were no other restrictions on cash during the year.

6. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

7A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Account Type	2016-2017	2015-2016
			Kshs	Kshs
Central Bank of Kenya, 1000181486, Kshs.	2,703,547	Recurrent	2,703,547	116,270
Central Bank of Kenya, 1000182202, Kshs.	14,917,439	Deposit	14,917,439	7,429,469
Central Bank of Kenya, 1000182563, Kshs.	0	CBK-165	-	-
Total			17,620,986	7,545,739

7B: CASH IN HAND

	2016-2017	2015-2016
	Kshs	Kshs
Cash in Hand - Held in domestic currency, Recurrent	6,446	207,810
Total	6,446	207,810

Cash in hand has been analysed as:

	2016-2017	2015-2016
	Kshs	Kshs
Headquarters, NPSC, Cash Office, Recurrent	6,446	207,810
Total	6,446	207,810

The Board of Survey report is attached in the Annex.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8: ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

Description	2016-2017	2015-2016
	Kshs	Kshs
Government Imprests	86,650	83,080
Salary advances	1,330,000	1,330,000
Airtime Overpayment	374,555	374,555

A breakdown of the outstanding imprests is provided below and as Annex.

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Salary Advance				
Commission members	2014	1,330,000	-	1,330,000
Airtime Overpayment				
Esther Chui	2014	200,955	-	200,955
Mr. Rtd. Muiu	2014	173,600	-	173,600
Imprest				
Mr. Kengara	2015	47,500	-	47,500
Mr. Omar	2015	27,000	-	27,000
Mr. Antony Mulira		5,500	(5,460)	40
Mr. R. Oluoch	2017	12,500	(390)	12,110

The salary advance amount of Ksh. 1,330,000 was recovered by the National Treasury from Commissioners salaries; however the funds had not been remitted to the Commission as at the time of reporting. The balance of airtime overpayment will be recovered from the estate of the late Esther Chui and the final dues of the Rtd. Major Shadrack Muiu by the National Treasury on behalf of the Commission. The balance of Ksh. 74,500 is being followed from the institutions where the officers are working, and the remainder has already been paid by the officers.

9. ACCOUNTS PAYABLE

Description	2016-2017	2015-2016
	Kshs	Kshs
Deposits	14,917,439	7,429,469
Total	14,917,439	7,429,469

Accounts Payable represent money held in trust for third parties as provided as an annex to the financial statements.

Description	2016-2017	2015-2016
	Kshs	Kshs
Bank accounts	7,545,739	15,224,081
Cash in hand	207,810	91,134
Accounts Receivables	1,787,635	1,693,416
Accounts Payables	(7,429,469)	(15,220,996)
Total	2,111,715	1,787,635

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. FUND BALANCE BROUGHT FORWARD

11. PRIOR YEAR ADJUSTMENTS

Description of the error	2016 - 2017	2015 - 2016
	Kshs	Kshs
Adjustments on bank account balances	(116,270)	-
Adjustments on cash in hand	(207,810)	-
	(324,080)	-

Prior year adjustments represent bank balances at the end of the last financial year. These amounts were recovered by the National Treasury in the current financial year. Consequently, these amounts have been reduced from the fund balance brought forward.

12. RELATED PARTY DISCLOSURES

The following comprise of related parties to the National Police Service Commission

- Key management personnel that include the Cabinet Secretaries and Accounting Officers
- Other Ministries Departments and Agencies and Development Projects:

Related party transactions:

	2016/2017
2015/2016	Kshs
	Kshs
Key Management compensation	<u>21,215,211</u>
<u>20,218,649</u>	
Transfers from Other Ministries Departments and Agencies:	
Pensions Department	<u>7,676,236</u>
<u>2,072,419</u>	
Transfers to other Ministries Departments and Agencies:	
Pensions Department	<u>8,776,411</u>
=	
National Treasury	=
<u>871,181</u>	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. OTHER IMPORTANT DISCLOSURES

13.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Construction of civil works	1,032,226	5,094,806
Supply of goods	429,534	491,038
Supply of services	696,395	2,152,349
	2,158,155	7,738,193

13.2: PENDING STAFF PAYABLES (See Annex 2)

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Middle management	950,178	-
Lower Level/ Unionisable Employees	148,947	-
	1,099,125	-

Middle management of the Commission includes officers serving at scale 5 and scale 6 while the lower management officers/Unionisable Employees represent officers serving at scale 2 to scale 4. They have since been paid their salary in full.

13.3: OTHER PENDING PAYABLES (See Annex 3)

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Amounts due to third parties	14,917,439	7,429,469
	14,917,439	7,429,469

14. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

...nued)

14. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS (cont)

Reference No. on the external audit Report	Issue/Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and signature)	Status:	Timeframe:
1. Procurement of staff medical insurance scheme and group life/personal	Examination of prequalified list of suppliers, tender documents, tender register, committee minutes and payment vouchers revealed that the Commission	During FY 2014/2015, the Commission through the tender committee renewed the medical contract owing to lack of its own list of pre-qualified firms at the time. The Commission had advertised for firms to be prequalified in November 2014 but the process of analyzing the firms which tendered was not yet complete at the time when the insurance cover was expiring. Due to time limitation and inadequate budgetary provisions to advertise for the service	Director Human Capital Management	Resolved	Done

Reference No. on the external audit Report	Issue/Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status:	Timeframe:
accident covers	procured group medical and group life accident cover at a cost of Kshs. 26,432,077/= and Kshs. 1,341,366/= respectively using restricted tendering method contrary to Section 102(i) of the Public Procurement and Asset Disposal.	provision, the Commission sought for direct procurement process. CFC Heritage Insurance Company which is a reputable insurance company had offered good services to the satisfaction of the Commission in the previous year hence the renewal. However, now the Commission has a list of prequalified firms which was used to source for the service for the Commissioners and staff members for the year 2016/2017.			

Reference No. on the external audit Report	Issue/Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status:	Timeframe:
	<p>life accident cover at a cost of Kshs. 26,432,077/= and Kshs. 1,341,366/= respectively using restricted tendering method contrary to Section 102(i) of the Public Procurement and Asset Disposal, 2015.</p>	<p>Procurement Oversight Authority indicated that a procurement process and choice of a method is the responsibility of the procuring entity and that the Commission should be guided by its procurement plan pursuant to section 26(3) of the Public Procurement and Disposal Act, 2015. Further, the Commission was advised that a procuring entity may opt to use an alternative procurement method in line with section 29(3) of the Act and upon fulfilment of the requirements for use of each of such methods set out in the Act and its attendant regulations. In light of this, the Commission requested for the approval</p>			

Reference No.	on the external audit Report	Issue/Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status:	Timeframe:
			<p>Tender Committee to use Restricted Tendering method to invite the firms from its list of prequalified suppliers to bid for the tender. Subsequently, the Tender Committee approved a list of seventeen insurance firms and insurance brokerage firms drawn from the Commission's list of prequalified suppliers to participate in the tender.</p> <p>Out of the seventeen firms, twelve collected the tender documents and seven responded. Out the seven responding firms four firms passed the preliminary evaluation, and were subjected to the</p>			

Reference No. on the external audit Report	Issue/Observations from Auditor	Management comments	Focal Point person to resolve the issue <i>(Name and designation)</i>	Status:	Timeframe:
		<p>technical evaluation. On completion of the technical evaluation process, three firms i.e. M/S Heritage Insurance, HP Insurance Brokers and AON Insurance Brokers met the set pass mark of 85 points. The three firms were further evaluated on the basis of the proposed benefits and the limits of their various covers. Finally, M/S Heritage Insurance emerged the winning firm and were awarded the tender to provide medical insurance services for the Commissioners and Staff of NPSC.</p>			
3.	Irregular recruitme (a) Examination of note 4 to the	(a) Reconciliation of basic wages for temporary staff	Director HCM	Resolved	

Reference No. on the external audit Report	Issue/Observations from Auditor	Management comments	Focal Point person to resolve the issue <i>(Name and designation)</i>	Status:	Timeframe:
nt of employees on contract	financial statements reflects Kshs. 61,333,208/= relating to basic wages to temporary employees. Audit examination of the payment vouchers paid	It is true we have an item in our budget known as contractual employees which caters for temporary employees and deployed staff (civil servants, security personnel and investigators). In addition the item also caters for daily allowances payable to the external panel members who sit in the vetting of police panels at the Commission.			

Reference No. on the external audit Report	Issue/Observations from Auditor	Management comments	Focal Point person to resolve the issue <i>(Name and designation)</i>	Status:	Timeframe:
	<p>to temporary employees totalled to Kshs. 32,353,200/=.</p> <p>No reconciliation has been provided regarding the variance of Kshs.</p>				

Reference No. on the external audit Report	Issue/Observations from Auditor	Management comments	Focal Point person to resolve the issue <i>(Name and designation)</i>	Status:	Timeframe:
	28,980,008/=				
	(b) Further audit of personal files, human resource minutes and payment vouchers indicates that out of the sixty (60) contracted employees.	<p>(b) Engagement of temporary staff for more than 12 months</p> <p>It is true the Commission has engaged temporary staff on a six (6) months renewable contract subject to their services still being required and subject to exemplary job performance. These members of staff who include research assistants, financial analysts, legal assistants, investigators, software developers, hansard transcribers are engaged on a need basis to offer support in the vetting secretariat unit which was established by the Commission for purposes of the</p>	Director HCM		

Reference No. on the external audit Report	Issue/Observations from Auditor	Management comments	Focal Point person to resolve the issue <i>(Name and designation)</i>	Status:	Timeframe:
	<p>thirty nine(39) of them have served the Commission for a period of more than 12 months contrary to Section E.S20(1) of the Code of Regulations</p>	<p>vetting of police officers exercise. As indicated above the contract is for six (6) months after which a fresh or new contract is entered into if the services are still required.</p> <p>The Commission had noted that if it kept on replacing temporary staff with new ones after expiry of every contract, then the work would be adversely affected since it takes time to train new staff to the required performance levels hence service delivery including set targets would be terribly compromised.</p>			

Reference No. on the external audit Report	Issue/Observations from Auditor	Management comments	Focal Point person (Name and designation)	Status:	Timeframe:
	<p>2006. No explanation has been provided.</p>				
(c) In addition, the	<p>employees on contract were paid for thirty one (31) working days including</p>	<p>(c) Payment of temporary employees for 30/31 days It is true the Commission pays a daily allowance to the temporary staff which includes Saturdays and Sundays. This was necessitated by the fact that preparation for vetting files and documentation and actual participation during vetting calls for working</p>	<p>Director HCM</p>		

Reference No. on the external audit Report	Issue/Observations from Auditor	Management comments	Focal Point person to resolve the issue <i>(Name and designation)</i>	Status:	Timeframe:
	<p>Saturdays and Sundays contrary to employment letters that states that the amount payable will be on daily basis. Further, the recruitment process was</p>	<p>late beyond the normal working hours including working over the weekends and public holidays both in Nairobi and when in the field in the counties.</p> <p>A copy of the attendance and punctuality register is hereby attached as supporting documents for your perusal and retention</p>			

Reference No.	on the external audit Report	Issue/Observations from Auditor	Management comments	Focal Point person (Name and designation)	Status:	Timeframe:
4.	Pending bills	The Commission had total outstanding bills amounting to Kshs. 7,733,191.65. No explanation has been provided for	It is true that at the end of the financial year, the Commission accrued a pending bill of Kshs.7,733,191.65. The bills remained unpaid due to closure of the IFMIS system, submission of wrong bank details, and loss of data in the Internet Banking system and inadequate budgetary provision. These pending bills have been paid as they form part of the	Director Corporate services	Done	
		not clear since there were no advertisement placed.				

Reference No. on the external audit Report	Issue/Observations from Auditor	Management comments	Focal Point person to resolve the issue <i>(Name and designation)</i>	Status:	Timeframe:
	failure to settle the pending bills.	first charge of the approved Commission budget.			
5. Unsupport ed/dispute d payment of rent and parking fees	In paragraph 482.2 of prior year's report, unsatisfactory matters were disclosed relating to failure by the commission to sign a lease agreement	It is true that the Commission has not signed the Lease Agreement for occupation of Skypark Building. However, the Commission is using the Head of Terms signed between the Landlord and the Commission, which is legally binding for payment of rent on quarterly basis. It is important to note that Commission has to pay for the space it is occupying to avoid being locked out by the Landlord.	The CEO	Not resolved	

Reference No. on the external audit Report	Issue/Observations from Auditor	Management comments	Focal Point person to resolve the issue <i>(Name and designation)</i>	Status:	Timeframe:
	<p>with the landlord.</p> <p>The matter has not been resolved.</p> <p>Further, examination of the head terms signed between the landlord and the commission revealed anomalies.</p>	<p>The delay in signing the Lease Agreement is due to contentious issues in the draft Lease Agreement, between the Ministry of Public Works, Lands and Housing and the Landlord.</p> <p>The Commission has taken steps to further engage the Ministry of Public Works, Lands and Housing and the Attorney General to give their final advice after which the Lease will be signed.</p>			

Reference No. on the external audit Report	Issue/Observations from Auditor	Management comments	Focal Point person to resolve the issue <i>(Name and designation)</i>	Status:	Timeframe:
	For instance the 2 nd instalments are from 1 st of February 2015 to 31 st of January 2015 making the document void.	We will further engage the landlord on the escalation Clause dates once the Attorney General gives us his guidelines on the Lease agreement document.			
6.	Hospitality supplies and services Reflected under Receipts and payments is Kshs. 249,836,976/=	It is true that the hospitality, supplies and services item has Kshs. 36,121,418/= as reflected under note 5 while the trial balance reflects Kshs. 37,459,646/= as expenditure incurred during the year.	Chief Accountant	Resolved	

Reference No. on the external audit Report	Issue/Observations from Auditor	Management comments	Focal Point person (Name and designation)	Status:	Timeframe:
	relating to use of goods and services. Included in this is Kshs. 871,181/= in Note 6 being a payment/transfer to the National Treasury, and the balance represents Hospitality, for Supplies and some being pending bills. Services as reflected under note 5. The trial balance reflects Kshs. 37,459,646/= as expenditure incurred during the	The variance of Kshs. 1,338,228/= includes a figure of Kshs. 871,181/= in Note 6 being a payment/transfer to the National Treasury, and the balance represents Hospitality, payments that did not go through internet banking. Supplies and some being pending bills. Adjustments have been done in our records to reflect the correct position explained above and the records are available for verification.			

Reference No. on the external audit Report	Issue/Observations from Auditor	Management comments	Focal Point person to resolve the issue <i>(Name and designation)</i>	Status:	Timeframe:
	year. No explanation has been provided for the variance of Kshs. 1,338,228/=.				

Commission Secretary

Chief Accountant

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
	A	B	C		D=A-C	
Sub-Total						
Construction of civil works						
Rickways Renovators	15,437,420	2013	14,405,194	1,032,226	5,094,806	Insufficient Budgetary Allocation
Sub-Total	15,437,420		14,405,194	1,032,226	5,094,806	
Supply of goods						
Kyeka Enterprises	242,000	2017	-	242,000	2,781,164	Not forwarded to Accounts for processing
Sevachi Enterprises	187,534	2017	-	187,534	-	Not forwarded to Accounts for processing

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
			-	429,534	2,781,164	
Sub-Total			-	242,000	2,781,164	
Supply of services						
Madara Motors Services	30,392	2017	-	30,392	245,862	Not forwarded to Accounts for processing
A-One Auto Services Ltd	107,629	2017	-	107,629	-	Not forwarded to Accounts for processing
Superior Tours and Travel Ltd	145,000	2017	-	145,000	-	Not forwarded to Accounts for processing

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
MFI Document Solutions	363,545	2017	-	363,545	-	Not forwarded to Accounts for processing
Safaricom Ltd	49,829	2017	-	49,829	-	Not forwarded to Accounts for processing
Sub-Total	696,395		-	696,395	245,862	
Grand Total	16,563,349		14,405,194	2,158,155	8,121,832	

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	b	c	d=a-c		
Sub-Total							
Middle Management							
Patrick Odongo	6	173,523.00		76,190.00	97,333.00	-	Insufficient budgetary allocation
Catherine Wangechi Macharia	6	173,523.00		76,994.00	96,529.00	-	Insufficient budgetary allocation
Jacinta Mwende Kitheka	6	173,523.00		76,994.00	96,529.00	-	Insufficient budgetary allocation
Moses Ayub K.	6						Insufficient budgetary

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
Mungai		173,523.00		72,257.00	101,266	-	allocation
Joh Ndungu Mwangi	5	122,000.00		67,590.00	54,410.00	-	Insufficient budgetary allocation
Elina Victoria Emitundo	5	122,000.00		67,500.00	54,500.00	-	Insufficient budgetary allocation
1.							
Sub-Total		938,092.00		437,525.00	500,567		
Unionisable Employees							

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
Hildah W. Gachemi	4	106,000.00		49,200.00	56,800.00	-	Insufficient budgetary allocation
Salim David Kiptrotich	4	106,000.00		47,380.00	58,620.00	-	Insufficient budgetary allocation
Christine R.M. Ezekiel	4	106,000.00		46,020.00	59,980.00	-	Insufficient budgetary allocation
Gladys Kajuju Orwaru	4	106,000.00		47,580.00	58,420.00	-	Insufficient budgetary allocation
Alice Chelimo Soweke	4	106,000.00		46,020.00	59,980.00	-	Insufficient budgetary allocation
Morrine Mumbi Ngigi	4	90,000.00		38,418.00	51,582.00	-	Insufficient budgetary allocation

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
George Rabu Robert Ikiugu	4	90,000.00		36,918.00	53,082.00	-	Insufficient budgetary allocation
Peter Onyango Ojune	4	90,000.00		38,563.00	51,437.00	-	Insufficient budgetary allocation
Susan Wanjiru Wangui	3	70,000.00		31,369.00	38,631.00	-	Insufficient budgetary allocation
Benjamin Kiarie	3	70,000.00		30,437.00	39,563.00	-	Insufficient budgetary allocation
Lilian Kagwitia	3	70,000.00		30,437.00	39,563.00	-	Insufficient budgetary allocation
Naftali Omwoyo	2	53,000.00		21,770.00	31,230.00	-	Insufficient budgetary allocation

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
Sub-Total		1,063,000.00		464,112.00	598,888.00	-	
Grand Total		2,001,092.00		901,637.00	1,099,455.00	0	

1,099,455.00

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	b	c	d=a-c		
Amounts due to Employee pension scheme							
NPSC Pension scheme	Staff pension scheme contribution	167,949		-	167,949	1,539,892	To be transferred to the Pension Scheme account
Sub-Total		167,949			167,	1,539,892	

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
					949		
Amounts due to Estate							
Charles Muthusi-Deceased	The deceased was in the vetting panel for police officers	41,068		0	41,068	41,068	The letters of administration have not been submitted for payment
Beatrice Marete-Deceased	The deceased was an employee of the Commission	27,042		0	27,042	27,042	The letters of administration have not been submitted for payment

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
Sub-Total		68,109		0	68,109	68,109	
Amounts due to Third Parties							
Rickways Renovators		13,994,749		0	13,994,749	4,874,437	Waiting for defects period to end

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
Sub-Total		13,994,749		0	13,994,749	4,874,437	
Others (specify)							
CEO- NPSC	The funds were paid by the Ministry of Defence for repair of a Commission motor vehicle which was involved in an accident	567,000		-	567,000	567,000	For payment of repair of motor vehicle

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
CEO- NPSC	The amount is a balance after payment of medical insurance premium to Heritage Insurance from NPS	232		-	232	232	To be transferred to the Exchequer
CEO- NPSC	The amount is a balance from repair of a Commission motor vehicle, having been paid by a third party.	19,399			19,399	19,399	To be transferred to the Exchequer
CEO- NPSC	The amount is owed to a third party	100,000			100,000	100,000	No bank details have been availed

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
Sub-Total	686,631	-	-	686,631	686,631	686,631	
Grand Total	14,917,439		-	14,917,439	7,169,469	14,917,439	

ANNEX 4 - SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2015/2016	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 2016/2017
Land	0	0	0	0
Buildings and structures		0	0	
Transport equipment	116,540,181	19,500,000	0	116,540,181
Office equipment, furniture and fittings	3,945,758	3,410,183	0	23,445,758
ICT Equipment, Software and Other ICT Assets	33,998,856	1,683,250	0	37,409,039
Other Machinery and Equipment	12,487,172	0	0	14,170,422
Total	166,971,967	24,593,433	0	191,565,400

NB: The balance as at the end of the year is the cumulative cost of all assets bought by the Commission. Additions during the year tie to note 6 on acquisition of assets during the year.

ANNEX 7- REPORTS GENERATED FROM IFMIS

The following financial Reports Generated from IFMIS should be generated and attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. GOK IFMIS Receipts and Payments Statement
- iv. GOK IFMIS Statement of Financial Position
- v. GOK IFMIS Statement of Cash Flows
- vi. GOK IFMIS Notes to the Financial Statements
- vii. GOK IFMIS Statement of Budget Execution
- viii. GOK IFMIS Statement of Deposits
- ix. GOK IFMIS Budget Execution by Programme and Economic Classification
- x. GOK IFMIS Budget Execution by Heads and Programmes

6.10 SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes below.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The receivables and payables are disclosed in the Statement of Assets and Liabilities. The Statement of Assets and Liabilities is not mandatory statement under the IPSAS Cash basis but is encouraged in order to disclose information on assets and liabilities.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the entity all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements comply with and conform to the form of presentation prescribed by the PS/ASB.

2. Reporting entity

The financial statements are for the National Police Service Commission. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012 and has no Development expenditure.

3. Recognition of receipts and payments

a) Recognition of receipts

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the entity.

Tax receipts

Tax Receipts is recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

Transfers from the Exchequer

Transfer from Exchequer is recognized in the books of . accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

SIGNIFICANT ACCOUNTING POLICIES

Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds; sovereign bonds and external loans acquired by the entity or any other debt the Entity may take on will be treated on cash basis and recognized as receipts during the year of receipt.

Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2017, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These

are recognised in the financial statements the time associated cash is received.

b) Recognition of payments

The entity recognises all expenses when the event occurs and the related cash has actually been paid out by the entity.

Compensation of employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

Use of goods and services

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Interest on borrowing

Borrowing costs that include interest are recognized as payment in the period in which they incurred and paid for.

Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.