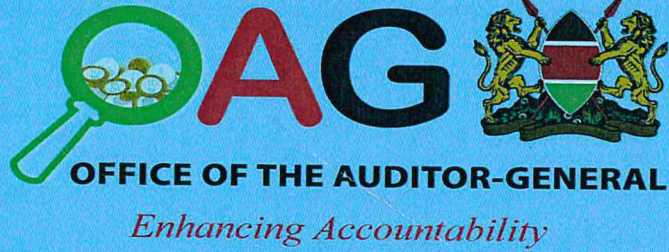




REPUBLIC OF KENYA



REPORT

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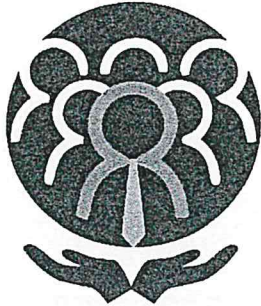
THE AUDITOR-GENERAL

ON

NATIONAL EMPLOYMENT AUTHORITY

**FOR THE YEAR ENDED
30 JUNE, 2020**

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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Employment opportunities for all

NATIONAL EMPLOYMENT AUTHORITY

Tel: +207855746/7

Fax: +254(0)273980

Email: dgnea@nea.go.ke or info@nea.go.ke

Seasons, Kasarani

P.O. Box 25780-00100

NAIROBI

NATIONAL EMPLOYMENT AUTHORITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30 2020

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

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I. KEY ENTITY INFORMATION

(a) Background information

The National Employment Authority (NEA) was established on 21st April, 2016 by an Act of Parliament (the National Employment Authority Act 2016) which effectively provided the legal framework and mandates for its operations. The Authority was created out of the then National Employment Bureau (NEB) which was one of the Departments in the Ministry of Labour and Social Protection. The National Employment Authority is domiciled in Kenya and has branches in various counties.

(b) Principal Activities

The principal activity of the NEA is to provide for a comprehensive institutional framework for employment management; enhancement of employment promotion interventions; and increasing access to employment by the youth, minorities and marginalized groups for connected purposes.

(c) Entity Headquarters

P.O. Box 25780-00100
Kasarani Seasons
Nairobi, Kenya

(d) Entity Contacts

Telephone: +207855746/7
E-mail: dg.nea@nea.go.ke OR info@nea.go.ke
Website: www.nea.go.ke

(e) Entity Bankers

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

(f) Independent Auditors

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

(g) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112 00200
Nairobi, Kenya

II. THE BOARD OF DIRECTORS



Mrs. Jacqueline Mugo

Executive Director of the Federation of Kenya Employers. She is a lawyer by profession and has spread her experience in Legal practice, human resource management and leadership. She holds a Bachelor of Laws (LLB, Hons), from the University of Nairobi, Advocate of the High Court of Kenya and a Higher Diploma in Human Resource Management from the Institute of Personnel Management.

Other national duties include: A Commissioner at the Salaries and Remuneration Commission, a Trustee of the National Social Security Fund (NSSF) Board of Trustees, a member of the Board of the Higher Education Loans Board (HELB). At the international level, she is a titular member of the Governing Body of the International Labour Organization (ILO), member of the Management Board of the International Organization of Employers (IOE).

Mrs. Mugo was the Chairperson of the East African Employers' Organization (EAEO) is also currently serving as the Secretary General of Business Africa – the voice of Employers on the African Continent, and represents employers on various forums in the continent including the African Union and the ACP-EU Follow-up Committee on Economic Partnership Agreements and the Joint EU-Africa Parliamentary Assembly (JPA).



Joan Adisi Machayo (Mrs.)

Joan is the Alternate Director, representing the Secretary/Chief Executive Officer, Public Service Commission. She has Over 25 years' experience in the public service in the area of human resource management and administration. Highly detailed, motivated, process driven and proactive person who embraces the opportunity to help grow an institution where innovation, creativity and inspiration meet.

Director Machayo started her career in 1990 as an Executive Officer, Ministry of Health. In 1999, she was Personnel and Administration Officer where she has rose through the ranks to the Director Human Resource Management and Development in 2017.

At PSC, she specializes in Overall Human Resource Management and development function including the human resource strategy for the in the public service, Policy formulation review monitoring and evaluation, Developing Human Resource in the public service including ensuring prudent management of training resources, Technical support and capacity building for the county public service and state agencies, Review of performance management and service improvement

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strategies for the public service, Development and review of the discipline and grievance management policies for the public service and Management of labor relations.

Director Joan Machayo holds a Bachelor's of Arts degree from the University of Nairobi (1989) and Masters of Business Administration (Human Resource Management (2006) and pursuing Phd in Business Administration (Strategic Management) since 2012 and is a full member of the Institute of Human Resource Management, Institute of Certified Public Secretaries of Kenya (ICPSK) and a member of African Association of Public Administration.



Vincent C. Kigen (Mr.)

Bachelor of Arts in Leadership and Management | 2019 – Ongoing
Bachelor of Arts Public Administration, Political Science & Sociology |
2008 – 2012

Advanced Diploma in Business Management | Aug 2007 – Aug 2008
Diploma in Business Management | June 2006 – July 2007



Nafula Wafula (Ms.)

Ms. Nafula is an advocate for gender equality and human rights and is passionate about Pan-Africanism, youth empowerment and social justice. She is currently the Vice Chairperson for Policy and Advocacy at the Commonwealth Youth Council. She is also the Programs Director at BrydgesCentre, an organization that provides child rescue and protection services, education and economic empowerment to at-risk youth and out-of-school girls. Nafula currently leads the centre's skills development program that has successfully trained 227 young people in vocational skills, tech, entrepreneurship and employability skills. She is also a consultant with a focus on gender mainstreaming, gender-based violence prevention and intervention, advocacy and effective campaigning and meaningful youth engagement. She currently serves as on the board of International Youth Foundation (IYF) and is a board member of Siasa Place, a youth serving organization focused on meaningful youth engagement and participation in political leadership, as well as the Global Network of Women's Shelters. She also serves on the Board of Kenya's National Employment Authority, which provides for a comprehensive institutional framework for: employment management; enhancement of employment promotion interventions; and increasing access to employment by the youth, minorities and marginalized groups and for connected purposes.

Nafula was selected for the prestigious 2019 Future Leaders Connect program and is a Laureate Global Fellow (2015), an East Africa Acumen Fellow (2015), a Spark Kenya Change maker (2015), and an Associate Fellow of the Royal Commonwealth Society. She is also a founding member of the Commonwealth Youth, Gender and Equality Network (CYGEN) on which she previously served as an executive member addressing early and child marriage, and a member of the committee

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addressing issues affecting youth transitioning from education to employment. She holds a Law Degree from Jomo Kenyatta University of Agriculture and Technology.



WINNIE KARINGITHI (MRS), OGW

Mrs. Karingithi holds a Master's Degree in Economics and Bachelor's Degree in Economics both from University of Nairobi (UON). She is a member of Economics Association of Kenya.

She joined the National Employment Board in 2018 as a representative of the Principal Secretary, State Department for Labour. She is currently the Chief Economist in the State Department for Labour.

Mrs Karingithi has 30 years working experience in government in the area of economic policy, planning and budgeting. She is in-charge of coordination of economic planning, formulation and implementation of the overall macro-economic policies related to Labour and Employment matters; budgeting; collection, production and compilation of statistical data; formulation and review of the Ministry's policies; development and monitoring the implementation of the Ministry's Strategic Plan, work plan and Performance Contract and Monitoring and Evaluation of the Ministry's activities /programs/projects.

Prior to joining the Ministry of Labour, Mrs. Karingithi worked with Ministry of Planning for a period of 12 years where she was in charge of coordinating project design, Monitoring and Evaluation, reviewing of policies affecting the development of micro and small enterprises. She has attended several courses including *Basic Training Course for Productivity Practitioners*; Strategic Leadership Development Programme; *Monitoring, Evaluation and Learning Course*; *Small and Medium Enterprise Development and a Diploma in Project Management*



**Maren Omondi (Mrs.) – Member,
National Employment Authority Board**

1983 to 1987: Bachelor of Education (University of Eastern Africa – Baraton)

2002 to 2006: Masters of Education - Guidance and Counselling (Egerton University)

2012 to 2013: Diploma in Business Management (Kenya Institute of Management)

PhD in Educational Psychology – ongoing (Jaramogi Oginga Odinga University of Science and Technology)

Maren Omondi has a wide experience in financial and human resource management having been a Principal of TVET institutions from 2009 to date:

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- 1992 to 2009: Trainer, Ramogi Institute of Advanced Technology
- 2009 to 2012: Principal, Moi Institute of Technology
- 2012 to 2015: Principal, Baringo Technical College
- 2015 to 2019: Principal, Shamberere Technical Training Institute
- 2019 to date: Principal, Ramogi Institute of Advanced Technology.

She completed Senior Leadership Development Program (Kenya School of Government) and has held key leadership positions in Kenya Association of Technical Training Institutions (KATTI).

- 2016-2018: Secretary, KATTI Western Region.
- 2018-2019: Chairperson, KATTI Western Region
- 2019- Date: Secretary General KATTI.

Maren has participated in several workshops and seminars in auditing, financial management, procurement, governance, and management of institutions among others and in international workshops on TVET issues. She is also a Member of Kenya Guidance, Counselling and Psychological Association.



Mr. Ngecho Mark Lugwisa

Mr. Ngecho Mark Lugwisa joined the National Employment Authority Board of Directors in November 2017 as the representative to the Cabinet Secretary - The National Treasury & Planning. He is currently the Senior Investment Officer/Government Investment and Public Enterprises at The National Treasury & Planning. He holds Bachelor's Degree in Business Administration 2nd class Upper (Accounting Option) from Bugema University, Uganda, and he is currently undertaking his professional training in CPA programmes. He has also attended short-term courses in Corporate Governance and Accounting Skills Management.

Mr. Ngecho has over 9 years' experience in the public sector, having previously worked in the Directorate of Government Accounting and Quality Assurance - The National Treasury & Planning, Departments of National Sub County Treasuries where he served in Sub County Treasury for 8 years, 4 of which he served as The National Sub County Accountant, Loiyangalani National Sub County Treasury – Marsabit County. Prior to joining Public service, Mr. Ngecho worked in private sector as an Office Manager, Tax Credit Consulting Ltd (Management Consulting Firm with Bias in Tax Planning and Management) and more recently as customer advisor/Lead Generator in Barclays Bank of Kenya.

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Amb. Michael Oyugi

Amb. Michael Adipo Okoth Oyugi is currently the Director for Diaspora & Consular Affairs at the Ministry of Foreign Affairs, Nairobi, Kenya. Prior to this appointment, he served as Kenya's Ambassador to Austria, Hungary, Slovakia, and Permanent Representative to the United Nations & International Organizations based in Vienna. During this time, he chaired or co-chaired various Committees or Working Groups of the UN Organizations based in Vienna. He was also a member of The Multilateral Committee of Ambassadors of The International Peace Institute, Vienna Chapter. Ambassador Oyugi has led numerous Kenya delegations to various UN conferences and has served in various other capacities in the Kenyan Foreign Service.

Ambassador Oyugi is a career diplomat of longstanding in the Ministry of Foreign Affairs of Kenya specializing in multilateral diplomacy. He has been on posting in Kenyan Embassies/Missions in France, Switzerland, Ethiopia and Austria. He holds a B.A. degree in International Relations and French language from the University of Nairobi, and post – graduate diploma of specialization in international relations and in multilateral diplomacy from the Geneva Institute of Graduate Studies. He also studied diplomacy and international relations at the Rio Branco Institute in Brasilia, Brazil.



Prof. Walter Oyawa

Date of Birth: 23rd August, 1965

PhD Civil Engineering Structural Engineering

MSc and BSc in Civil Engineering

Executive Master of Business Administration (EMBA)

Certificate in Corporate Governance for Directors

He has served as Ag. Vice Chancellor/CEO of Multimedia University of Kenya (MMU), Principal/CEO of the then Multimedia University College, Ag. Principal of the pioneering College of Engineering & Technology (COETEC) at JKUAT, Director of a research Centre at JKUAT christened SMARTEC, and the Chairman of the Department of Civil, Construction & Environmental Engineering at JKUAT
Deputy Commission Secretary/Deputy CEO (Administration and Finance Commission for University Education (CUE) Kenya

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(h) Board Committees

The following Committees were in place:

(i) Finance, Human Resource & Governance

	Name	Position
1.	Vincent Kigen	Chair
2.	Joan Andisi	Member
3.	Jacqueline Mugo	Member
4.	Winnie Karingithi	Member
5.	Mark Ngecho	Member
6.	Edith Okoki	Ag. Director General

(ii) Employment, Promotion Services & Strategy



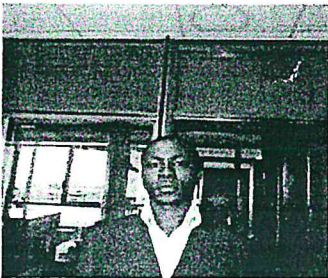
	Name	Position
1.	Jacqueline Mugo	Chair
2.	Michael Oyugi	Member
4.	Winnie Karingithi	Member
5.	Maren Omondi	Member
6.	Nafula Wafula	Member
7.	Joan Andisi	Member
9.	Prof. Walter Oyawa	Member
10.	Edith Okoki	Ag. Director General

(iii) Audit Risk and Compliance

	Name	Position
1.	Prof. Walter Oyawa	Chair
2.	Maren Omondi	Member
3.	Michael Oyugi	Member
4.	Nafula Wafula	Member
5	Mark Ngecho	Member

III. KEY MANAGEMENT

This comprises the Ag. Director General and top management that is responsible for the day-to-day running of the Authority and implementation of key policies passed by the Board.

	<p>1. Edith Okoki Ag. Director General Edith Okoki is the Ag. Director General, National Employment Authority. She has vast experience in Employment promotion and strategies, Research and data Management, Labour Migration Management and Human Resource Management. In addition to this practical experience, she holds a Master's degree in Business Administration, Bachelor of Law degree and a Bachelor of Arts degree in Public Administration.</p>
	<p>2. Festus Mutuse Ag. Strategy and Quality Assurance Master of Business Administration, BA in Business and Economics Mr. Mutuse joined the National Employment Authority in April 2018 He is the Acting Director Strategy and Quality Assurance. He has vast experience in planning, employment promotion and strategies, Research and data Management, Labour Migration Management and Human Resource Management. He holds a Master's degree in Business Administration and is a full member of the Institute of Human Resource Management</p>
	<p>3. Mr. Michael Mutua Ag. Head of Finance Bachelor of Arts (Economic & Business Studies) MBA Finance (On-going at KU)</p>

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4. CPA Margaret Nyaywera,

Head Accounting Unit

Ministry of Labour and Social Protection

IV. CHAIRPERSON'S STATEMENT

The Board, through its three Board Committees, continued to exercise its oversight role and providing strategic direction to the Authority in line with the NEA Act 2016, State Corporations Act, and Mwongozo guidelines. During the financial year 2019/2020, the Authority accomplished various milestones in line with the financial resources that were availed. During the period, the Authority's Strategic Plan 2018-2022 was reviewed. The Plan provides a blue print and the basis of our core activities and mandate from where the Authority's performance will be measured and upraised. The plan is aligned to the Kenyan Vision 2030; Medium Term Plan and the NEA Act, 2016. The following operationalization manuals were also developed. These were; the Human Resource Policy and Procedures Manual, Organizational Structure, Proposed Staffing Levels and Career Progression Guidelines. Further, the National Internship Policy and Guidelines were finalized and are awaiting Cabinet approval to pave way for the rolling out of the National Internship Programme. Implementation of the Programme will help to enhance employability of the young graduates leaving universities and tertiary institutions thus assisting to reduce unemployment spells among young Kenyan graduates.

The Board remains focused on its mandate in regard to addressing the country's employment challenge. To this end implementation of the National Employment Policy and Strategy for Kenya are on course for purposes of exploring job opportunities for Kenyans, particularly the youth, minorities and marginalized. The overall goal is to promote full employment and access to employment opportunities for all. The Authority seeks partnership and collaboration with stakeholders for purposes of tackling unemployment in the country. In this regard, the Authority liaises closely with the mother Ministry and other organizations/institutions at local and international levels for the realization of this noble cause.

The greatest challenge to the Authority is lack of adequate staff. Majority of the seconded staff are nearing retirement age. This has continued to hamper effective service delivery and fulfilment of the Authority's mandate. Our success as an Authority is pegged on how we handle these challenges in the next few years to come.

I take this opportunity to acknowledge the commitment and contribution of my fellow Board members during the year under review and thank our Ag. Director General Mrs. Edith Okoki and her team for their continued excellent work. I also extend my appreciation to the Cabinet

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Secretary for the Ministry of Labour and Social Protection, Hon Simon Chelungui and the Principal Secretary, State Department for Labour, Mr. Peter Tum, for their continued leadership and guidance.



Amb Michael Oyugi

Ag. CHAIRPERSON

V. DIRECTOR GENERAL'S STATEMENT

The Authority's mandate and core activities are anchored in the National Employment Authority Act 2016 and guided by the State Corporations Act, and Mwongozo guidelines. The Authority's functions include creation of interventions to increase access to employment opportunities to Kenyans, particularly the youth, minorities and marginalized. Further, the Authority advises the government on the development and implementation of policies and programmes for employment promotion locally and abroad.

Achievements

Under the able strategic leadership and guidance of our Board, the management and staff of the Authority managed to accomplish various targets that were set in the financial year 2019/2020. The Strategic Plan 2018-2022 was finalized. The Strategic Plan was reviewed to align it to the NEA Operationalization Instruments. It will guide implementation of the Authority's strategic programmes and activities for the next five years in line with Kenya's Vision 2030 and Medium-Term Plan.

A total of 57,559 job seekers were placed in employment locally and abroad. 70% are in non-skilled or semi-skilled (domestic workers, cleaners, security & protective and in construction industry) while about 30% are engaged in skilled and professional cadre (Hospitality, Aviation, Engineering and Technicians, Sales and marketing, High level and middle management)

The period under contemplation also saw the operationalization of the Curriculum on Homecare Management that was launched in 2018. In developing the Curriculum, NEA took cognize of fact that despite the increase in demand for Homecare workers, both locally and abroad, there has not been any national training curriculum to guide training providers in this sector. The curriculum aims at creating a qualified, productive, healthy workforce with practical knowledge and skills in homecare management. It promotes knowledge, skills, values and attitude that will enable them to manage or perform operations of homecare services in private households, children's homes, hospitals, hostels, and boarding institutions both locally and abroad.

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Lack of pre-departure training for Kenyan migrant workers results in some of them experiencing culture shock; this affects their productivity and often leads to absconding of duty and subsequent premature termination of employment contracts. The challenges associated with lack of pre-departure training and orientation mainly affect the unskilled and semi-skilled workers. The Pre departure and Life skills Course Units of the Curriculum therefore aims at acquainting migrant workers to envisaged challenges in the new environment in the host country. Twenty-Four (24) training Institutions were accredited to undertake training on the curriculum on Home Care Management course. Over 67,521 migrant workers were trained in readiness to take up foreign jobs.

The Authority vetted and registered 302 Private Recruitment Agencies involved in registration and placement of job seekers locally and abroad through the Inter-ministerial vetting committee. Most of the registered recruitment agencies were those exporting labour to foreign countries majority being in the Middle East. Regulations for Private Employment Agencies were also reviewed and submitted to AGs office.

The NEA offices were equipped with internet connectivity and installation of Orange land line. Five (5) Regional Offices (Nyeri, Nakuru, Embu, Nairobi and Kakakega) and 7 County offices (Isiolo, Meru, Machakos, Kisii, Homa Bay, Kericho and Embakasi) were networked. The Authority developed a web-based services (NEAMIS) for registration of jobseekers, interns, employers and private employment agencies. A mobile application to facilitate jobseekers was also developed. Through this, the jobseekers are able to register and secure vacancies online on their mobile phones while employers are also be able to post job vacancies using the system.

The Authority finalized the National Internship Policy and Guidelines that will assist in the placement of graduates from universities and other tertiary institutions into internship positions. Internship is aimed at exposing the graduates into the world of work and to enhance their employability skills and personal career development. A portal under the web-based services (NEAMIS) was developed for registration of jobseekers, interns, Employers and Private Recruitment Agencies was developed to facilitate jobseeker's registration and placement.

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Challenges

The staff shortage remained acute in the sense that in some instances, several county employment offices are being manned by one staff. Also, a number of staff are due to retire or are retiring in the next one year. The Board is closely pursuing the issue of recruitment with the relevant authorities.

Collaborations

The Authority continues to collaborate with the mother Ministry, National Industrial Training Authority, the PSC, the Youth Fund, and other Government agencies to streamline employment, internship and labour migration management in the Country. Internationally and regionally, the Authority collaborates with ILO, IOM, WAPES, AAPES, EAC Secretariat, and Northern Corridor Integration Projects in the development, implementation and monitoring of conventions, Laws and Policies related to employment issues. The Authority intends to reach out to other institutions and stakeholders in its quest for continuous development and modernization of the labour market information.

Appreciation

I am grateful to the leadership of the Ministry of Labour and Social Protection and all stakeholders for the support given to the Authority in the financial year 2019/2020. My profound thanks also go to the Chair of the Board and Board Members for the support and guidance provided during the year; and to the staff at the Authority for their collective effort made in ensuring that the Authority fulfilled its mandate. This report is a testimony to the great work put in to ensure compliance with the law and value for money to the citizens of our great country.


Mrs. Edith Okoki

Ag. DIRECTOR GENERAL

VI. CORPORATE GOVERNANCE STATEMENT

Introduction

The Board of the National Employment Authority regards corporate governance as pivotal to the attainment of the Board's core mandates and ensuring that the Authority is managed to facilitate employment and internship to the youth, marginalized groups and minority effectively.

Board Composition and Appointment

The National Employment Authority comprises of a Chairperson and nine (9) non-executives board members, one (1) represent the private sector institutions and eight (8) members represents the public sector. Each member is eligible to serve for a maximum of two terms of three (3) years each. The Chairperson of the Board is appointed by the Cabinet Secretary responsible for labour.

Board Roles and Responsibilities

The Board members are independent of management, they appoint the Director General and establish a framework for the delegation of authority and ensure succession planning for the Director General and senior management is in place. Their role is to advise, constructively challenge and monitor the success of the management in delivering the agreed performance targets set out by the Board.

The roles and responsibilities of the Chairperson of the Board, the board members and Director General remain distinct and separate which ensures a balance of power of authority and provides for checks and balances such that no one individual has unfettered powers of decision making. Their roles have been documented and are expected to be independent and free from conflict upon appointment.

The Chairperson provides overall leadership to the Board without limiting the principles of collective responsibility for Board's decisions. The Chairperson builds an effective board and sets the board agenda in consultation with the Secretary/Director General and ensures effective communication to stakeholders.

The Director General is responsible to the Board, and takes the overall responsibility for the management of the National Employment Authority for effective and efficient day-to-day running of its affairs. The Director General recommends the strategy to the Board, implements it, and makes operational decisions. Noting that the position also doubles as the

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secretary to the Board, the Director General ensures appropriate and timely information flows within the Board, its committees and management.

Other roles include:

- (a) Determine the organization’s mission, vision, purpose and core values.
- (b) Set and oversee the overall strategy and approve significant policies of the organization.
- (c) Ensure the strategy is aligned with the purpose of the organization and the legitimate interests and expectations of its shareholders and other stakeholders.
- (d) Ensure that the strategy of the organization is aligned to the long-term goals of the organization on sustainability so as not to compromise the ability of future generations to meet their own needs.
- (e) Ensure availability of adequate resources for the achievement of the organization’s objectives.

Board Meetings Attendance

The National Employment Authority Act provides that the Board shall meet at least four times in every financial year and not more than four months shall elapse between the date of one meeting and the date of the next meeting. The chairperson may, and upon requisition in writing by at least five members, convene a special meeting of the Board at any time for the transaction of the business of the Board.

The table below details board membership and attendance at scheduled board meetings during the year: -

Board Membership and Attendance of Meetings.

Board Member	Classification	Sector	Organization	Attendance
	Chairperson			
Mrs. Winnie Karingithi	Member	Public	Ministry of, Labour and Social Protection, State Department for Labour.	8/8
Marren Omondi	Member	Public	Kenya Association of Technical Training Institutions	4/8
Mr. Vincent C. Kigen	Member	Private	National Youth Council	4/8
Mr. Michael Oyugi	Member	Public	Ministry of Foreign affairs and International Trade	8/8
Ms Nafula Wafula	Member	Private	National Youth Council	4/8
Mrs. Jacqueline Mugo	Member	Private	Federation of Kenya	8/8

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			Employers	
Prof. Walter Oyawa	Member	Public	Commission on University Education;	8/8
Mrs. Joan Machayo	Member	Public	Public Service Commission	4/8
Mr. Mark Ngecho	Member	Public	National Treasury	8/8
Mrs. Edith Okoki	Ag. Director General	Public	National Employment Authority	8/8

Board Committees and Responsibilities

The Board delegates certain functions to well-structured committees but without abdicating its own responsibilities. The Board has developed a committee structure that assists in the execution of its duties, powers and authorities. Terms of Reference guide each Committee, which outlines its responsibilities as mandated by the Board. The Committees are appropriately constituted drawing membership from amongst the board members with appropriate skills and experience. The Board may co-opt into the membership of the committees established any person whose knowledge and expertise may be required.

The committees are expected to operate transparently, ensure full disclosure to the Board and conduct themselves within the rules and procedures set out by the board. Matters deliberated by the Committees are presented to the board by the respective chairperson during the next board meeting. The Board Committees and their TOR's are as below:

1. Finance, Human Resource and Governance committee

The Finance, Human Resource and Governance committee assists the board in fulfilling its oversight responsibilities for funds collection, sourcing of funds, allocation and disbursements, review of budgets and implementation of reports.

The responsibilities of the committee are as follows: -

- 1) To approve and maintain budgetary systems of the Authority;
- 2) Monitor the financial reporting process to ensure compliance with all regulatory returns, and reports as required to be filed;
- 3) Review, approve or recommend to the Board as appropriate all matters pertaining to investments;
- 4) Review the annual procurement plan;

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- 5) To receive a quarterly report on the actual expenditure compared to budget
- 6) To approve recommendations on Terms of Conditions of Employment in the Authority, recruitment functions and staff appraisals;
- 7) To ensure that effective management succession planning and management development plans are in place;
- 8) To approve programmes and policies involving the overall compensation of employees and Authority's collective bargaining agreement;
- 9) To review and monitor corporate performance against approved targets;
- 10) Review the Authority's corporate governance policies and practices;
- 11) Implement a system for the regular assessment of the Board and its committees with respect to their respective mandates and charters and carry out an annual assessment of individual directors;
- 12) Establish and oversee internal procedures and monitoring systems to promote compliance with applicable laws, regulations and standards;
- 13) Ensure a Comprehensive and independent Legal Audit is carried out at least once every two years;

Committee Membership

Name	
Mr. Vincent Cheruiyot Kigen	Chairman
Mrs. Joan Machayo	Member
Mrs. Marren Omondi	Member
Mr. Mark Lugwisa	Member
Mrs. Winnie Karingithi	Member
Mrs. Jacqueline Mugo	Member
Mrs. Edith Okoki	Ag. Director General

Board Members Induction and Training

During the year, the new board members were inducted on 'Mwongozo' at a workshop held in Mombasa. Board members were also trained in corporate governance.

2. Employment Promotion Services and Strategy committee

The responsibilities of the committee are as follows: -

1. To ensure the implementation of national policies on employment.
2. To approve strategies on formulation of Employment policies and strategies national and county governments

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3. Develop regulations to facilitate effective labour migration management;
4. Monitor Employment and placement of job seekers in formal and informal or any other form of employment locally and internationally;
5. Advice on Employment policy reviews;

Committee Membership

Name	Position
Mrs. Jacqueline Mugo	Chairman
Mr. Michael Oyugi	Member
Prof. Walter Oyawa	Member
Mrs Joan Machayo	Member
Ms Nafula Wafula	Member
Mrs. Marren Omondo	Member
Mr. Vincent C. Kigen	Member
Mrs. Winnie Karingithi	Member
Mrs. Edith Okoki	Ag. Director General

1. Audit & Risk Management committee

The Audit & Risk Management committee reviews the annual financial statements of the Authority, focusing particularly on; Compliance with Government Financial Regulations, International Accounting Standards, other legal requirements and best practice.

The responsibilities of the committee are as follows: -

1. Discuss and review the management letter and any other communications between the external auditor(s) and management;
2. consider the major findings of internal investigations and management's response;
3. To approve and monitor compliance with significant policies and procedures which have a material impact on the operations of the Authority;
4. Review of the adequacy, scope, functions and resources of the internal audit function, and ensure that it has the necessary authority to carry out its work;
5. Review the compliance and effectiveness of the Authority's accounting and internal control systems;
6. Review and make recommendations on management programs established to monitor compliance issues;

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7. Ensure the careful and responsible management of resources entrusted upon the Authority;
8. Promote and enhance corporate accountability- ensuring effectiveness, efficiency, accountability, transparency and integrity of people, structures, processes among others;
9. Establish a NEA risk management policy;
10. To understand and monitor the principal risks of the environment under which the Authority operates and to oversee appropriate risk management;
11. Review guidelines, policies from Management with respect to risk assessment, risk management and major financial risk exposures;
12. Review the implementation of the Risk management framework on a quarterly basis;
13. Appoint and evaluate a Committee responsible for risk management in the Authority

Committee Membership

Name	Position
Prof Walter Oyawa	Chairman
Ms Nafula Wafula	Member
Mr. Michael Oyugi	Member
Mr. Mark Ngecho	Member

Conflict of Interest, Code of Conduct and Ethics

During the year, board members and employees demonstrated their commitment to the public service through professionalism, integrity, moral and ethical requirements with no conflict of interest. They also showed political neutrality through compliance with relevant laws.

Appointment and Removal of Directors

The NEA Act provides for the Cabinet Secretary responsible for Labour to appoint the Chairperson.

The Board of Directors are nominated by the organizations of representation from both the public and private sector, appointed, and gazetted by the Cabinet Secretary.

The appointed Directors serve for a term of three (3) years and are eligible for re-appointment for one further and final term of three years.

VII. MANAGEMENT DISCUSSION AND ANALYSIS

The National Employment Authority management team oversees development and implementation of annual budget approved by the National Employment Authority Board. NEA management therefore monitors the implementation of approved budget in line with the PFM Act 2012, Public Procurement and Assets Disposal Act 2015, Corporate Work Plan and the Performance Contract during the Financial Year.

The Management gives advice to the Board of Directors on issues related to budget implementation and prepares quarterly, semi-annual and annual reports to The National Treasury. This promotes accountability and transparency in the use of public financial resources.

The approved budget for 2019/20 FY for the National Employment Authority was KShs. 250 million comprising of a government grant of Kshs. 230 million and Internally Generated Revenue (AIA) of KShs. 20 Million. The Authority on the other hand received KShs. 222.5 Million from the parent State Department for Labour and therefore the actual receipt is what the Authority could account for.

It is worthy to note that in terms of revenue generated through fees charged for registration, the target set, of Kenya shillings, 20 Million in AIA was exceeded. The Authority collected a total of KShs. 104 Million thus surpassing the target by Kshs. 84 Million. It is expected that the Authority will seek approval to utilise the excess AIA to finance part of its activities in following financial year of 2020/21.

Other key achievements during the FY 2019/2020 include the following:

Operationalization of the National Employment Authority in terms of putting in place structures to enable recruitment of staff, finding office accommodation, purchase of motor vehicles, furniture and fittings, computers and office equipment. The Authority finalized development of operationalization manuals to enable recruitment of its staff. These were HR and Procedure Manual, Career Progression Guidelines, Organization Structure, Staff establishment and staffing levels. During the same period, the Authority revised the NEA Strategic Plan, finalised the Internship Policy and Guidelines, the Home Care Management Curricula (with pre-departure module) and developed draft Occupational Guidance Guidelines for job seekers.

VIII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Employment plays a vital role in the realization of full economic potential and living standard of an individual and the general welfare of society, thereby providing the opportunity for people to build better lives. At NEA, we are fully committed to playing our part in helping our country achieve sustainable growth through our Corporate Social Responsibility (CSR) programmes. Our CSR programmes will focus our commitment to economic, environmental and social issues. NEA will invest in initiatives geared towards supporting communities in the areas of education and training, environment, water and health as part of its contribution to the sustainable development of the youth, minority, and marginalized members of the Kenyan society. Through our CSR programmes, we will support sustainable, long-term initiatives that will contribute to positive change to the communities by empowering and availing them new opportunities.

NEA seeks to work with various communities across Kenya to improve access to training opportunities for the youth, minority and marginalized. This is because a well-grounded skills development is a strong foundation that will ensure that these groups of underprivileged people are appropriately skilled for the demanding job market. Our initiatives will aim at delivering sustainable training programs that support communities from the grassroots.

IX. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ending June 30, 2020, which show the state of the Authority's affairs.

Principal activities

The National Employment Authority (NEA) was established in April 2016 by the National Employment Authority Act, 2016. The Authority was created to: provide a framework and facilitation of employment of Kenyans in the private sector; develop a framework to facilitate increased employment of Kenyans in the national government, county governments, state organs, and national and county government entities; promote foreign employment to absorb excess labour force; maintain a database of all Kenyans seeking employment; facilitate and promote equity and diversity, and eliminate discrimination in employment of Kenyans; give effect to the constitutional values and principles in matters of employment and give effect to provisions to Articles 55(c) and 56(c) of the Constitution; and facilitate and track employment creation. National Employment Policy and Strategy for Kenya provides the policy framework for employment creation in the country. The Act provides for a comprehensive institutional framework for employment management; enhancement of employment promotion interventions; and increasing access to employment by the youth, minorities and marginalized groups.

Results

Employment Promotion

1. Implementation of the National Employment Policy and Strategy

The National Employment Policy and Strategy for Kenya was passed by the National Assembly in July 2015. The overall objective of the policy is to promote full employment as a priority in national, economic and social policy and to enable the economically active population to attain and secure sustainable livelihood through productive and freely chosen employment. The policy proposes several strategies aimed at accelerating employment creation within the country and enhance its sustainability.

The Authority developed a plan of action for the National Employment Policy and Strategy for Kenya and a framework that will monitor employment creation. The framework will enable the Authority to monitor the number and quality of jobs being created in all new and ongoing projects in Kenya.

2. Development and implementation of mechanisms for internship placement in the Country

Section 36 of the National Employment Authority Act, 2016 requires the Authority to facilitate placement of graduates at tertiary institutions in positions of internship. The Act also mandates the Authority to monitor all placements to ensure that persons on internship are not exploited or their rights are not violated by any employer or institutions in which they are undertaking internship.

Kenya lacks an adequate legal framework or guidelines to guide internship in the country. This has led to uncoordinated implementation of internship interventions. In addition, there is no framework for monitoring internship programmes in the country despite the fact that internship offers benefits to both the employers and the interns.

In order to address this challenge, the Authority has developed a draft policy and guidelines on internship that will facilitate placement of trainees in internship, establish, and maintain a database of trainees seeking and on internship.

3. Foreign Employment Administration and Labour Migration Management

Labour migration and foreign employment provides employment opportunities for increased foreign remittances, skills transfer and source of livelihood to thousands of Kenyan migrant workers.

During the financial year under review, the Authority in collaboration with stakeholders established mechanism that will effectively streamline labour migration management in the country and at the same time enhance promotion of foreign employment. The Authority undertook the following measures; negotiation and signing of bilateral labour agreements; registration of employment agencies and development of draft Labour Migration Policy and Bill.

4. Re-engineering Public Employment Services

The National Employment Authority's outreach of Public employment services in the country is currently restricted to 28 counties due, mainly, to lack of human resource. There is need to cover the rest of the 19 counties in the country. Towards this end, the Authority undertook a re-engineering of public employment Services countrywide which will include the following activities; establishment of 19 more county employment offices; purchase of equipment for all county employment offices; and recruitment of staff. Enhancing and Modernization of Public Employment Services

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The existing public employment offices will be modernized mainly through expansion, adoption of Information and Communications Technology (ICT), establishment of Resource Centres and capacity building for officers. The Authority targets to establish new Public Employment Offices, staffed with qualified officers and equipped to handle activities of a modern employment office. The employment offices will primarily serve the functions of placement of registered jobseekers in employment and collection of Labour Market Information. Special programmes for supporting new graduates to find employment will be developed alongside guidance and counselling services to enable jobseekers develop their occupational awareness and make the right choice of their jobs. The employment offices will also be used in implementing internship programmes for introducing trainees to the world of work.

Auditors

The Auditor General is responsible for the statutory audit of the Authority in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act to carry out the audit of the Authority for the year/period ended June 30, 2020 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his/her behalf.

By Order of the Board


Mrs. Edith Okoki

Ag. **DIRECTOR GENERAL**

Date: 14/4/2021.....

X. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act*), requires the Directors to prepare financial statements in respect of the Authority, which gives a true and fair view of the state of affairs of the Authority at the end of the financial year and the operating results of the Authority for that year. The Directors are also required to ensure that the Authority keeps proper accounting records, which disclose with reasonable accuracy the financial position of the Authority. The Directors are also responsible for safeguarding the assets of the Authority.

The Directors are responsible for the preparation and presentation of the Authority's financial statements, which give a true and fair view of the state of affairs of the Authority for the financial year ended on June 30, 2020. 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 Authority, (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

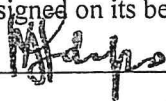
The Directors accept responsibility for the Authority's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act). The Directors are of the opinion that Authority's financial statements give a true and fair view of the state of Authority's transactions during the financial year ended June 30, 2020, and of the Authority's financial position as at that date. The Directors further confirm completeness of the accounting records maintained by the Authority which have been relied upon in the preparation of the Authority's financial statements, as well as the adequacy of the systems of internal financial control.

NATIONAL EMPLOYMENT AUTHORITY
Reports and Financial Statements
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Nothing has come to the attention of the Directors to indicate that the Authority will not remain as a going concern for at least the next twelve months from the date of this statement.

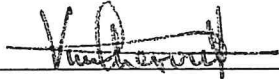
Approval of the financial statements

The Authority's financial statements were approved by the Board on 14/4/2021
2021 and signed on its behalf by:

Signed: 

Name: AMB Michael Dyugi

Director

Signed: 

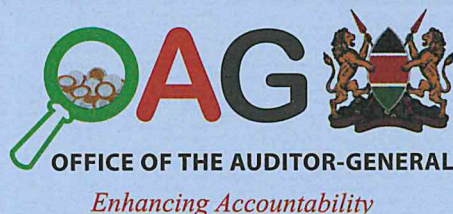
Name: MR. KELVIN VINCENT

Director



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL EMPLOYMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of the National Employment Authority set out on pages 1 to 18, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of cash flows, statement of changes in net assets and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Employment Authority as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the National Employment Authority Act, 2016.

Basis for Opinion

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final revenue budget and actual revenue on comparable basis of Kshs.302,356,000 and Kshs.390,213,762 respectively resulting to an over-funding of Kshs.87,857,762 or 29% of the budget. Similarly, the Authority had an approved expenditure budget of Kshs.302,356,000 against an actual expenditure of Kshs.254,934,618, resulting to an overall under-expenditure of Kshs.47,521,382 or 16%. The under expenditure may have impacted negatively on the achievement of the planned goals and objectives of the Authority.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Weak Internal Control

Section 18(1) of National Employment Authority Act, 2016 provides that the Board shall competitively appoint suitably qualified staff as may be necessary for the efficient

performance of the functions of the Authority. However, and as previously reported, the Authority largely depended on staff seconded from the parent Ministry. Key Departments such as Procurement and Accounting were handled by only one person. The weak internal control environment may have hindered the ability of the Authority to effectively deliver on its mandate.

2. Lack of an Information Technology Policy and Data Recovery Strategy

As previously reported, the Authority had not developed a comprehensive Information Technology Policy and did not have in place a documented Data Recovery Strategy. In the circumstances, data confidentiality, integrity and availability could not be confirmed. In addition, IT service continuity and ability to recover from an interruption or disaster could not be confirmed.

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

Responsibilities of Management and the Board of Directors

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

In preparing the financial statements, Management is responsible for assessing the Authority's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the International Public Sector Accounting Standards (Accrual Basis) of accounting unless Management is aware of the intention to terminate the Authority or to cease operations.

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

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

The Board of Directors is responsible for overseeing the Authority's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems

are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a

basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Authority to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Authority to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathunge
AUDITOR-GENERAL

Nairobi

16 November, 2021

NATIONAL EMPLOYMENT AUTHORITY
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STATEMENT OF FINANCIAL PERFORMANCE

Description	Note	2019-2020	2018-2019
		Kshs	Kshs
Revenue			
Licenses and permits	4	104,752,250	47,084,333
Grants Transfers from Ministry	5	222,500,000	180,000,000
Total		327,252,250	227,084,333
Expenses			
Use of goods and services	6	3,695,279	1,172,429
Employee costs	7	1,343,743	3,497,983
Remuneration of directors	8	15,941,173	22,962,472
Depreciation and amortization expense	9	36,406,412	34,154,781
Repairs and maintenance	10	13,749,010	2,931,986
General expenses	11	205,359,584	214,306,483
Finance costs/Bank Charges	12	47,178	122,108
Total		276,542,379	279,148,242
Other gains/(losses)			
Surplus before tax		50,709,871	-52,063,909
Taxation		-	-
Surplus/(deficit)for the period		50,709,871	-52,063,909
Surplus Carried Forward		50,709,871	-52,063,909

The notes set out on pages 7 to 18 form an integral part of these Financial Statements

Ag. Director General

Head of Finance

Chairperson of the Board

Name: EDITH OROH

Name: Margaret Nyawera

Name: Amb Michael Dyugi

Sign: [Signature]

Sign: [Signature]

Sign: [Signature]

Date: 14/4/2021

Date: 14/4/2021

Date: 14/4/2021

NATIONAL EMPLOYMENT AUTHORITY
Reports and Financial Statements
For the Year Ended June 30, 2020

STATEMENT OF FINANCIAL POSITION

Description	Note	2019-2020	2018-2019
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	13a	134,354,144	62,961,512
Accounts receivables	15	3,750,000	2,725,000
Total		138,104,144	65,686,512
Non-current assets			
Property, Plant & Equipment	9	60,008,205	81,615,967
Sub-Totals: Non-current assets	9	60,008,205	81,615,967
Total		198,112,349	147,302,479
Liabilities			
Current liabilities			
Provision for audit fee	16	200,000	100,000
Sub- Totals:		200,000	100,000
Non-current liabilities			
Sub- Totals: Non-current liabilities		-	-
Total		200,000	100,000
Net assets		197,912,349	147,202,480
Financed By;			
Surplus for the year		50,709,871	-52,063,909
Surplus Brought Forward		147,202,480	199,266,389
Total		197,912,351	147,202,480

The Financial Statements set out on pages 1 to 18 were signed on behalf of the Board of Directors by:

Ag. Director General

Head of Finance

Chairperson of the Board

Name: Walter Oron

Name: Margaret Nyamira

Name: Amb Michael Oyugi

Sign: [Signature]

Sign: [Signature]

Sign: [Signature]

Date:

Date:

Date:

NATIONAL EMPLOYMENT AUTHORITY
Reports and Financial Statements
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STATEMENT OF CHANGES IN NET ASSETS

	Surplus	Accumulated surplus
Balance as at 30 JUNE 2017	0	154,869,738
Surplus/(deficit) for the period	44,396,651	44,396,651
Transfers to/from accumulated surplus	-	-
Balance as at 30 JUNE 2018	0	199,266,389
Surplus/(deficit) for the period	-52,063,909	-52,063,909
Transfers to/from accumulated surplus	-	0
Balance as at 30 JUNE 2019		147,202,480
Surplus/(deficit) for the period	50,709,871	50,709,871
Transfers to/from accumulated surplus	-	0
Balance as at 30 JUNE 2020	0	197,912,351

Ag. Director General

Head of Finance

Chairperson of the Board

Name: EDITH OKOKI

Name: Margaret Nyaywayi

Name: Amb Michael Oyugi

Sign: [Signature]

Sign: [Signature]

Sign: [Signature]

Date: 14/4/2021

Date: 14/4/2021

Date: 14/4/2021

NATIONAL EMPLOYMENT AUTHORITY
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STATEMENT OF CASH FLOWS

Description	Not e	2019-2020	2018-2019
		Kshs	Kshs
Cash flows from operating activities			
Licenses and permits	4	104,752,250	47,084,333
Government grants and subsidies	5	222,500,000	180,000,000
Total		327,252,250	227,084,333
Payments			
Compensation of employees	7	1,343,743	3,497,983
Remuneration of Directors	8	15,941,173	22,962,472
Repairs and Maintenance	10	13,749,010	2,931,986
Use of goods and services	6	3,695,279	1,172,429
General expenses	11	205,359,584	214,306,483
Finance cost	12	47,178	122,108
Taxation paid		-	-
Total		240,135,967	244,993,461
Net cash flows from operating activities before working capital changes		87,116,283	-17,909,128
Changes in working capital			
Increase or (Decrease) in payables	16	100,000	
Increase or (Decrease) in receivables		-1,025,000	1,525,000
Net cash flows from operating activities		86,191,283	-16,384,128
Cash flows from investing activities			
Purchase of property, equipment and intangible assets	9	-14,798,650	-59,163,409
Proceeds from sale of property, plant and Equipment			
Net cash flows used in investing activities		-14,798,650	-59,163,409
Cash flows from financing activities			
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		71,392,633	-75,547,537
Cash and cash equivalents at 1 JULY 2019		62,961,511	138,509,049
Cash and cash equivalents at 30 JUNE 2020	13	134,354,144	62,961,512

NATIONAL EMPLOYMENT AUTHORITY
Reports and Financial Statements
For the Year Ended June 30, 2020

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Description	Original	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs
Property taxes	-	-	-	-	-
Public contributions and donations	-	-	-	-	-
Fines, penalties and levies	-	-	-	-	-
Licenses and permits	20,000,000	-	20,000,000	104,752,250	-84,752,250
Government grants and subsidies	230,000,000	-	230,000,000	222,500,000	7,500,000
Unutilized cash balances B/F	52,356,000	-	52,356,000	62,961,512	-10,605,512
Rendering of services	-	-	-	-	-
Finance Income	-	-	-	-	-
Total	302,356,000	0	302,356,000	390,213,762	-87,857,762
Expenses					
Compensation of employees	41,600,000	- 36,600,000	5,000,000	1,343,743	3,656,257
Goods and services	201,295,000	23,300,000	224,595,000	209,054,864	15, 640,136
Remuneration of directors	23,840,000	-	23,840,000	15,941,173	7,898,827
Repairs and maintenance	16,520,000	-1,300,000	15,220,000	13,749,010	1,470,990
Finance cost	101,000	-	101,000	47,178	53,822
Other payments	-	-	-	-	-
Asset Additions	19,000,000	14,600,000	33,600,000	14,798,650	18,801,350
Total	302,356,000	0	302,356,000	254,934,618	47,521,382
Surplus carried down	0	0	0	135,279,144	-135,379,145

NOTES TO THE FINANCIAL STATEMENTS

1) GENERAL INFORMATION

The National Employment Authority is established by an Act of Parliament and derives its authority and accountability from The National Employment Act No. 3 of 2016. The Authority is wholly owned by the Government of Kenya and is domiciled in Kenya. Its principal activity is to provide for a comprehensive institutional framework for employment management; enhance employment promotion interventions; enhance access to employment for youth, minorities and marginalized groups and for connected purposes.

2) STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The entity's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the entity. The financial statements are prepared on accrual basis.

3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a). Revenue recognition

i). Revenue from non-exchange transactions- Fees, taxes and fines

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

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

ii). Revenue from exchange transactions- Rendering of services

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

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Interest income

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

b). Budget information

The National Treasury approved the original budget for FY 2019-2020. The budget was revised and additional appropriation made to the approved budget. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of financial performance has been presented.

c). Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income.

Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate

d. Property, plant and equipment

Depreciation is calculated on a straight-line basis annually regardless of the date of purchase and carrying amount written-off. After the useful life of the assets.

The annual depreciation rates are as follows:-

Furniture, Fixtures and fittings	12.5%
Plant and Equipment	12.5%
Electronic Data processing equipment	33.0%
Motor Vehicles	25.0%
Software	20.0%

All property, plant and equipment are stated at NBV since they were acquired during the year under review and delivered in the same period. Hence, depreciation was provided for. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity

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recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

e). Cash and Cash Equivalent

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.

f). Related Parties

The Authority regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Authority, or vice versa. Members of key management are regarded as related parties and comprise the Board of Directors, the chief executive officer and the senior managers.

The following transactions were carried out with related parties;

Description	2019/2020	2018/2019
	Kshs	Kshs
(i) Key management compensation		
(ii) Board remuneration		
Allowances paid to board members	15,941,173	22,962,472
(iii) Grant from GOK	222,500,000	180,000,000

a). Contingent Liabilities

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

Contingent Assets

The Authority does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain

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future events not wholly within the control of the Authority in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

b) Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Authority financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods

State all judgements, estimates and assumptions made: e.g.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Authority based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Authority. Such changes are reflected in the assumptions when they occur IPSAS 1.140

Useful lives and residual values

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

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

iii). Financial Risk Management Objectives and Policies

An entity's activity exposes it to a variety of financial risks, including credit risk, liquidity risk and interest rates. The company's overall risk management programme focuses on the

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unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

The authority regularly reviews its risk management policies and systems to reflect changes in markets and emerging best practices. Risk management is carried out by the management under the supervision of the Board of Directors. The Board provides policies for overall risk management, as well as policies covering specific areas such as liquidity risk, interest rate risk, credit risk, use of non-derivative financial instruments and investing excess liquidity.

a). Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company.

Credit risk arises from bank balances, trade receivables and amounts due from related parties. The company's management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilization of credit limits is regularly monitored.

NOTES ON BUDGET PERFORMANCE VARIANCES

The over collection of Kenya shillings **87,857,762** and under expenditure of Kenya shillings **47,521,382** was due to: -

- An amount of **Kenya shillings 104,752,250** was a collection of licences and permits from registration of private recruitment agencies and an increase of account receivable of **KShs. 1,025,000** totalling to **KShs. 105,777,250** Hence, this amount will be accounted for by the Authority.
- The actual government grant received from the State Department for Labour was less by **Kshs. 7,500,000**
- The under expenditure of **Kenya shillings 3,656,257** in respect to compensation of employees was due to Authority's inability to employ its own staff during the period under review. There was also no salary top-up paid to the deployed staff to the Authority.
- The under expenditure of **Kenya shillings 15,640,136** in respect to Goods and Services was due to suspension of some of the critical planned activities after the outbreak of Covid 19 pandemic that required domestic and foreign travel

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4. Licences & Permits

Description	2019-2020	2018-2019
	Kshs.	Kshs.
Sale of Goods and Services-AIA	104,752,250	47,084,333
Total	104,752,250	47,084,333

5. Grants Transfers from Ministry

Name of the Entity sending the grant	2019-2020	2018-2019
	KShs	KShs
Ministry of Labour& Social Protection	50,000,000	45,000,000
Ministry of Labour& Social Protection	50,000,000	45,000,000
Ministry of Labour& Social Protection	50,000,000	45,000,000
Ministry of Labour& Social Protection	72,500,000	45,000,000
Total	222,500,000	180,000,000

6. Use of Goods and Services

Description	2019-2020	2018-2019
	KShs	KShs
Electricity	476,074	68,506
Water	51,802	94,813
Security	2,882,542	905,984
Postage Services	164,041	103,126
Subscriptions to membership bodies	120,820	0
Total	3,695,279	1,172,429

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7. Employee Costs

	2019-2020	2018-2019
	KShs	KShs
Salaries and wages		-
Housing benefits and allowances		-
Commuted Leave	-	1,164,223
Intern Salary	1,343,743	2,333,760
Total	1,343,743	3,497,983

8. Remuneration of Directors

Description	2019-2020	2018-2019
	KShs	KShs
Chairman's Honoraria	680,000	960,000
Directors Sitting Allowance	10,677,813	8,512,955
Other allowances	4,583,360	13,489,517
Total	15,941,173	22,962,472

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9. Property, Plant and Equipment

	Motor vehicles(25%)	Furniture and fittings(12.5%)	Computers(33%)	Office Equipments(12.5%)	Software(20%)	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs
As At 1 July 2018	45,523,000	5,993,000	20,101,110	3,600,500	-	75,217,610
Additions	30,959,400	9,650,225	17,573,784	-	980,000	59,163,409
Disposals	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-
As At 30 th June 2019	76,482,400	15,643,225	37,674,894	3,600,500	980,000	134,381,019
As At 1st July 2019	76,482,400	15,643,225	37,674,894	3,600,500	980,000	134,381,019
Additions	-	10,239,450	1,960,000	2,599,200	-	14,798,650
Disposals	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-
As At 30 th June 2020	76,482,400	25,882,675	39,634,894	6,199,700	980,000	149,179,669
Depreciation and impairment						
As At 1 July 2018	11,380,750	749,125	6,030,333	450,063	-	18,610,271
Charge for the year	19,120,600	1,955,403	12,432,715	450,063	196,000	34,154,781
As At 30 June 2019	30,501,350	2,704,528	18,463,048	900,126	196,000	52,765,052
As At 1st July 2019	30,501,350	2,704,528	18,463,048	900,126	196,000	52,765,052
Charge for the year	19,120,600	3,235,334	13,079,515	774,963	196,000	36,406,412
As At 30 June 2020	49,621,950	5,939,863	31,542,563	1,675,088	392,000	89,171,464
Net book values						
As At 30 th June 2020	26,860,450	19,942,813	8,092,331	4,524,612	588,000	60,008,205
As At 30 th June 2019	45,981,050	12,938,697	19,211,846	2,700,375	784,000	81,615,967

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10. Repairs and maintenance

Description	2019-2020	2018-2019
	KShs	KShs
Property/Building Maintenance	11,629,758	1,188,966
Equipment and machinery		
Vehicles	2,107,252	1,743,020
Furniture and fittings	12,000	-
Total	13,749,010	2,931,986

11. General Expenses

Description	2019-2020	2018-2019
	KShs	KShs
Advertising	3,537,580	3,269,540
Admin fees	2,140,000	4,409,100
Audit fees	200,000	100,000
Catering services, Conferences & delegations	72,292,212	47,073,711
Consumables	2,156,000	13,958,103
Subscriptions to Newspapers	464,800	-
Fuel and oil	2,145,067	3,803,332
Insurance	2,499,997	2,686,098
Legal expenses	-	-
Travel & Subsistence Costs	91,456,931	102,800,607
Office & general Supplies	11,026,462	13,301,894
Printing and stationery	9,633,350	4,002,691
Telecommunication	1,988,500	5,316,172
Training	3,224,636	13,585,236
Other (Sanitary & cleaning materials, Supplies & services)	2,594,050	-
Total	205,359,584	214,306,483

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12. Finance costs

Description	2019-2020	2018-2019
	KShs	KShs
Bank Charges	47,178	122,108
Total	47,178	122,108

13. (a) Cash and Cash Equivalents

Description	2019-2020	2018-2019
	KShs	KShs
Current account	134,354,144	62,961,512
Cash book posting	-	-
Others(Cash in Hand)	-	-
Total	134,354,144	62,961,512

13 (b). Detailed analysis of the cash and cash equivalents

		2019-2020	2018-2019
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	120512093	134,354,144	62,961,512
Sub- total		134,354,144	62,961,512
b) Others(specify)			
cash in hand		-	-
Sub- total		-	-
Grand total		134,354,144	62,961,512

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14. Use of Goods and Services

	2019-2020	2018-2019
Description	KShs	KShs
Use of goods and services	3,695,279	1,172,429
General expenses	205,359,584	214,306,483
Total	209,054,864	215,478,912

15. Accounts Receivables

	2019-2020	2018/2019
	KShs	KShs
Sale of Goods and services	3,750,000	2,725,000
Total	3,750,000	2,725,000

16. Provisions for audit fees

	2019-2020	2018-2019
	KShs	KShs
Provision for audit fees	200,000	100,000
Total	200,000	100,000

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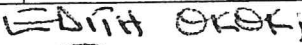

XII. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

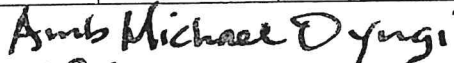

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
1.1	Receipts				
	The Authority had budgeted for receipts totalling Kshs. 302,356,000.00 against the comparable actual amount of Kshs. 390,213,762.00 resulting to excess receipts of Kshs. 87,857,762.00 or 22%		Board		
1.2	Expenditure				
	Overall, the Authority under spent its budgeted amount by Kshs. 47,521,382 or 15%. The under expenditure occurred under Use of Goods and Services, Compensation of Employees costs, Repairs and maintenance and Assets additions at Kshs. 23,521,523 or 49%, Kshs. 3,656,257 or 7%, Kshs. 1,470,990 or 3% and Kshs. 18,801,350 or 39% respectively.		Board and Management		
2.0	Analysis of internal controls at the Authority revealed that the entity largely depended on staff seconded from the parent ministry to discharge its mandate which in effect impacts on its operations		Board	Not Resolved	All the process required for categorization have

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
	through reliance on a lean staff establishment. This has in effect led to the operations of the entity being handled by only one personnel in a department such as in the procurement and accounting section. In the circumstances, the entity may not effectively enforce its internal control mechanisms to deter resultant abuse of the systemic weaknesses.				been finalised. The Authority is waiting for the approval letter from the office of the President
3.0	A review of internal controls at the Authority revealed weaknesses that included the absence of documented data recovery strategy and an information technology policy with no indicative measures in place to counter risks. Consequently, the Authority may be under threat in terms of loss of strategic data and information regarding its operations, exposure to cyber-attacks, poor response to fire outbreaks and unsafe storage of information technology resources.	Lack of internal control systems occasioned by lack of key staff to develop and manage the systems	Board & Management	Not Resolved	Staff will be recruited once the Authority has been categorized



 Ag Director General
 (National Employment Authority) Chairperson of the Board)

Date... 14/4/2021

Date... 14/4/2021

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REPUBLIC OF KENYA STATE DEPARTMENT FOR LABOUR NATIONAL EMPLOYMENT AUTHORITY		P.O. 30	
BANK RECONCILIATION REPORT AS AT 30TH JUNE 2020			
BANK BALANCE AS PER BANK STATEMENT		ESK	US
			156,074,897
Less			
1) Payment in cash book not in bank		(36,392,193)	
2) Receipts in bank not in cashbook		0	
Sub-total			56,392,193
Add			
3) Payment in bank not in cashbook		1,236,291	
4) Receipts in cash book not in bank		0	
Sub-total			1,236,291
BANK BALANCE AS PER CASHBOOK			120,896,957

"I certify that I have verified the Bank Balance in the cash book with the bank statement and that the above reconciliation is correct"

Signature: [Signature] Designation: Accountant Date: 30/06/2020

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F.O. 51

REPUBLIC OF KENYA

Date: 03/07/2020

- Report of the Board of Survey on the Cash and Bank Balances of NEA as at the close of Business on 30th June 2020. The Board, consisting of (Names and official titles) assembled at the office of the Director General NEA at 10.00 a.m.(time) on the 3/7/2020 and the following cash was produced:

Notes	..	..	..	..Sh	.....Nil.....
Silver	..	..	..	..Sh	.....Nil.....
Copper	..	..	..	..Sh	.....Nil.....
Cheques (As Per details on reverse)..	..	..	..	..Sh	.....Nil.....

It was observed that cheques amounting to Sh.....N/A..... etc.....

Had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coins or notes.

The Cash Book reflected the following balances as at the close of business on the 30th June 2020.

Cash on Hand	..	..	..	..	..Sh	.....Nil.....
Bank Balance	..	..	..	..	..Sh	.....120,896,958=21.....

The Bank Certificate of Balance showed a sum of Kshs One Fifty-Six Million and Fifty-Two Thousand Eight Hundred and Fifty-Nine cents Sixty-Five (sh156,052,859cts65)

Standing to the credit of the account on 30th June 2020.

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached

Edith Gichana

[Signature] 3/07/2020

Chairman

Benson Njenga

[Signature] 3/7/2020

Secretary

Lacy Kibuu

[Signature] 3/7/2020

Member of the Board

Date: 3/7/2020

GPK(L)

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