REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
DATE: 15 NOV 2022
DAY: Tuesday
TABLED BY: Hon. Silvanus Osoro, MP Chief Whip Majority
CLERK-AT-THE-TABLE: Halima Sulaiman

REPORT OF THE AUDITOR-GENERAL ON NATIONAL CRIME RESEARCH CENTRE

FOR THE YEAR ENDED 30 JUNE, 2021

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
25 AUG 2022
RECEIVED

NATIONAL CRIME RESEARCH CENTRE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING

JUNE 30, 2021

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

Table of Contents

Page

ENTITY INFORMATION AND MANAGEMENT i

GOVERNING COUNCIL MEMBERS vii

MANAGEMENT TEAM xii

CHAIRMAN'S STATEMENT xv

STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE FINANCIAL YEAR 2020/2021 xviii

CORPORATE GOVERNANCE STATEMENT xix

MANAGEMENT DISCUSSION AND ANALYSIS xxvi

ENVIRONMENTAL AND SUSTAINABILITY REPORTING xxxii

REPORT OF THE GOVERNING COUNCIL xxxiv

STATEMENT OF GOVERNING COUNCIL MEMBERS RESPONSIBILITIES xxxv

REPORT OF THE INDEPENDENT AUDITORS ON THE NATIONAL CRIME RESEARCH CENTRE xxxvi

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021 1

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021 2

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE, 2021 3

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021 4

NOTES TO THE FINANCIAL STATEMENTS 7

APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS 18

APPENDIX II: CONFIRMATION OF INTERENTITY TRANSFERS 19

ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

The National Crime Research Centre (NCRC) is a State Corporation in the Ministry of Interior and Coordination of National Government. The Centre was established by an Act of Parliament, the National Crime Research Act Cap 62, No. 4 of 1997, Laws of Kenya. Its mandate is to carry out research on crime, root causes, crime prevention and to disseminate research findings and recommendations to Government agencies concerned with the administration of criminal justice and other stakeholders.

The Government set up the Centre to address serious threats to development caused by crime both at the National and County levels. NCRC recognizes that petty crimes, serious, organized and transnational crimes affect every sector of the country. Being the sphere of national security and public safety crime management therefore becomes paramount.

(b) Principal Activities

Vision

To be a world class crime research institution

Mission

To provide quality and authentic research into causes of crime, its prevention with a view of achieving a crime free society

Mandate

The mandate of NCRC as stipulated in the National Crime Research Centre Act (Act No. 4 of 1997 revised in 2012) is to carry out research into the causes of crime and its prevention and to disseminate research findings to such institutions as the Council may, from time to time, determine for appropriate action.

The functions of the Centre as per the Act are to;

i. carry out co-ordinated research into, and evaluate the impact of, programmes pursued by the agencies responsible for the administration of criminal justice;
ii. collate all crime related data;

iii. carry out research into any criminal activity and in particular—

- crime causation and prevention;
- group or culture related crimes;
- socio-political and economic causes of criminal behaviour including drug trafficking, peddling or addiction;
- the modus operandi of persons engaged in any criminal activity;
- juvenile delinquency;

iv. carry out research into deviations from the criminal justice system with a view to increasing the awareness and responsibility of the community in the rehabilitation of criminal offenders;

v. carry out research into the efficacy and adequacy of criminal investigation and prosecution agencies, the penal system and treatment of criminal offenders;

vi. disseminate its research findings through publications, workshops, seminars, the mass media and other appropriate means of dissemination;

vii. communicate its research findings and recommendations to the agencies of Government concerned with the administration of criminal justice, with a view to assisting them in their policy formulation and planning;

viii. liaise with any other research bodies within or outside Kenya engaged in the pursuit of similar or related research; and

ix. do all such things as appear necessary or expedient for the performance of its functions.

Strategic Objectives

i **To develop a National Crime Year Book on crime trends, roots, consequences and prevention**

This was done through: preparation, development and conduct of research in thematic crime categories; collation and analysis of crime reports from other agencies; county by county crime profiling on the Centre's Website; and publication of Annual National Crime Year Book.

ii. **To enhance management of crime and access to crime data and information**

This was realized through establishment and management of a crime data repository system. This involves collation of crime data from agencies, data from crime incidences reported through the mobile phone crime reporting application, on-line data mining from data bases and journals and analysis of the data.

iii. **To develop and implement an effective communication strategy to facilitate sharing of crime research information with agencies in the administration of criminal justice, the public and other interested stakeholders**

The realization of this objective involves: designing communication policy and strategy, validating, printing, publishing, uploading and launching crime reports; disseminating information through mass media platforms, stakeholder fora, crime research issue briefs, policy briefs and publications; strengthening feedback mechanisms; media advertisements, exhibitions, corporate social responsibility and creation and maintenance of an interactive website.

iv. **To enhance human resource capacity that will facilitate crime research work at all levels of Government**

This objective was achieved by way of: undertaking a Training Needs Assessment (TNA); Career and Skills based assessment; developing and implementing a training programme; developing Staff Establishment; Staff Grading and Salary Structure; identifying, recruiting, remunerating and retaining staff; developing and implementing staff medical and welfare scheme; facilitating staff attachment and exchange programme; implementing performance management system; carrying out employee satisfaction surveys; undertaking competency development of internal and external human resource to enhance level of professionalism; develop policy guidelines for effective payroll management; development of a framework to manage internships and attachments; review and re-alignment of Centre's functional and organizational structure to emerging crime prevention needs; and decentralization of administrative and operational functions to Counties to build a critical mass in crime research.

v. **To strengthen and promote inter-agency and collaboration at county, national and international levels**

This was done by developing strong and effective collaboration, partnership and networking through establishment of legal and/or policy frameworks. Specifically, the Centre undertook mapping and listing of potential collaborators and partners; and engage collaborators and partners through Memorandum of Understanding and Agreements.

vi. **To develop and implement relevant ICT policies, standards and procedures**

The Centre expanded and maintained ICT infrastructure and security systems. Specific undertakings were: development of relevant ICT policies, standards and procedures; acquisition of modern and secure ICT accessories; acquisition of secured online system for receiving and sending crime data/information; adoption of secure integrated systems for administrative and technical functions of the Centre (e.g, IFMIS, Payroll System, Digitalized Record Management System); development and implementation of a maintenance plan; and undertaking capacity building of staff.

vii. **To develop and implement a Financial Policy and Funding Strategies**

The Centre undertook formulation and implementation of a Resource Mobilization Strategy. Specifically, the Centre will undertake: Lobbying and consultation with National Treasury, mapping and identified other organisations that can provide funding; consultations with identified funding institutions; participation in the MTEF Budget process; development and submission of funding proposals to Development Partners; development of a Technical Assistance Framework; generation of Appropriation In Aid (AIA); development and implementation of a Financial Manual; and conduct regular internal audits and annual external audits.

(c) Key Management

The Centre's management is under the following key organs:

- Cabinet Secretary of responsible Ministry as Authorized Officer
- Principal Secretary of responsible Ministry as Accounting Officer
- Governing Council Chairperson and members

- Director/ CEO
- Management and staff in charge of Divisions.

(d) Fiduciary Management

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

No.	Responsibility	Name of the Staff
1.	Director/CEO	Mr. Gerard E. Wandera
3.	Chief Research Officer	Mr. Stephen M. Muteti
4.	Principal Research Officer	Mr. Vincent O. Opondo
5.	Senior Supply Chain Management Officer	Mr. Kennedy K. Kwambai
6.	Senior Human Resource Officer	Mr. John K. Kipkoros
7.	Internal Auditor	Mr. Simon N. Ndiritu
8.	Accountant	Mr. Samuel Ng'ang'a

(e) Fiduciary Oversight Arrangement

i. Audit and Finance Committee Activities
ii. Parliamentary activities
iii. Development partner's activities

(f) Entity Headquarters

ACK Garden Annex - Ground Floor
1st Ngong Avenue, Off Bishop's Road
P.O. Box 21180-00100
Nairobi, Kenya
Telephone No. 0202714735

(g) Entity Contacts

ACK Garden Annex - Ground Floor
1st Ngong Avenue, Off Bishop's Road
P.O. Box 21180-00100
Nairobi, Kenya
Telephone No. 0202714735

(h) Entity Bankers

Kenya Commercial Bank
Milimani Branch
P.O. Box 69696-00400
Nairobi, Kenya
A/C No. 1122479417

(i) Independent Auditors

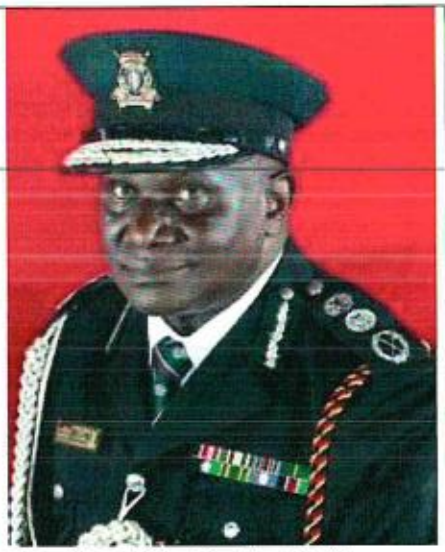
Auditor- General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(j) Principal Legal Adviser

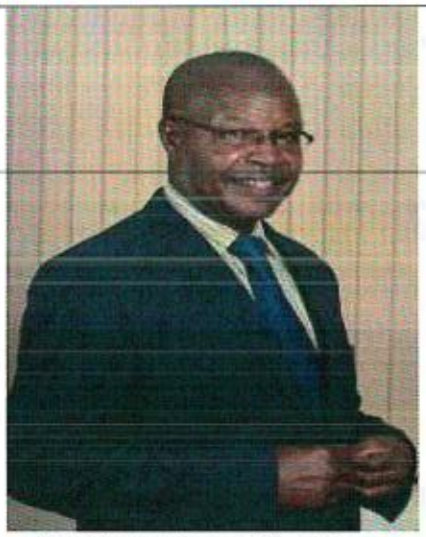
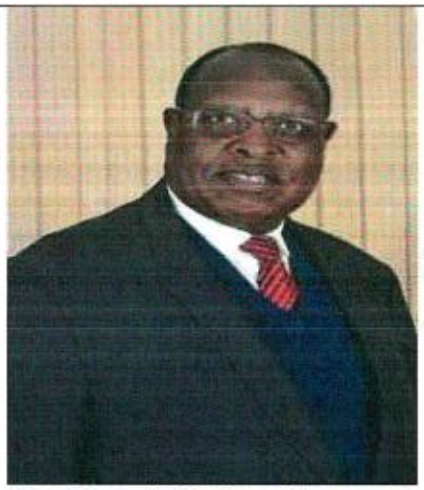
The Attorney General
Office of the Attorney General
& Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00100
Nairobi, Kenya

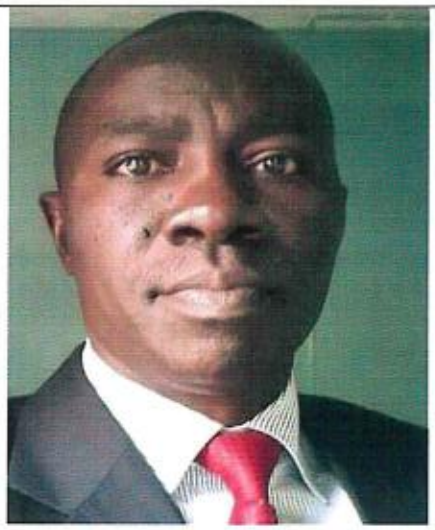
GOVERNING COUNCIL MEMBERS

	NAME	DETAILS
1.	**Hon. Justice (Rtd) Paul Kihara Kariuki, GH** **Chairman**	Attorney General of the Republic of Kenya Chairman, Governing Council, National Crime Research Post Graduate Diploma in Law Bachelor of Law (LLB) Date of Birth: 11th May, 1954
2.	**Hon. Justice Jessie W. Lesiit**	Judge of the Court of Appeal of Kenya Post Graduate Diploma in Law Bachelor of Law (LLB, Hon) Date of Birth: April 1959
3.	**Mr. Hilary N. Mutyambai, MGH, nsc (AU)**	Inspector General, National Police Service Master of Arts Degree in National Security Policy - Australian National University. Bachelor's Degree - University of Nairobi Special training on counter-terrorism and advanced security and Policing, Intelligence and Counter Terrorism Date of Birth: 1964

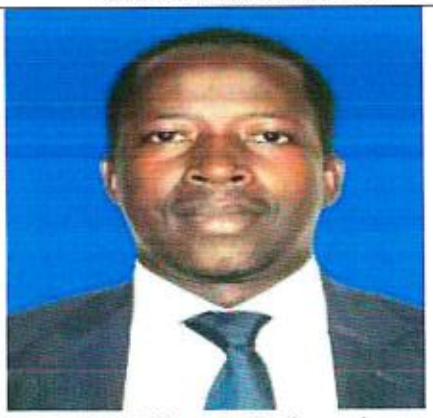
4.	 **Mr. Wycliffe Ogallo, EBS**	Commissioner General of Prisons, Kenya Prisons Service Master Degree Public Policy and Administration Bachelor of Arts Degree (Hons) Date of Birth: 2nd January 1960
5.	**Mrs. Mary Mbau, HSC.**	Director of Probation & Aftercare Services Master of Arts in Sociology Bachelor of Arts Sociology Date of Birth: 1961
6.	**Mr. Noah Sanganyi, HSC.**	Director of Children Services, Master of Arts in Sociology Bachelor of Arts in Social Work Date of Birth: 1962

7.	**Mr. Kenneth Odhiambo**	Deputy Director, Human Resource The National Treasury Bachelor of Arts in Political Science Post Graduate Diploma in Human Resources Management Certificate in Public Finance Management Date of Birth: 11th November, 1965
8.	**Mr. Dickson L. Magotsi**	Snr. Deputy Secretary, Ministry of Interior & Coordination of National Government Master's Degree in International Conflict Management Bachelor Degree in Political Science Date of Birth: 30th July 1971
9.	**Ms. Jacinta N. Nyamosi**	Ag. Deputy Director, Office of the Director of Public Prosecutions (ODPP) Advocate of the High Court of Kenya Post Graduate Diploma in Law Bachelor of Law (LLB) Date of Birth: 1st October, 1968

10.	 **Prof. Robinson M. Ocharo**	Associate Professor, Department of Sociology & Social Work, University of Nairobi PhD in Agricultural Extension M.A in Rural Sociology and Community Development B.A. in Sociology Certificate in Management of Land Acquisition, Resettlement & Rehabilitation (MLARR) Certificate in Disaster Management Emergency Response Certificate in Post – Disaster Recovery Framework Date of Birth: 1961
11.	 **Dr. Francis K. Arap Sang, CBS**	Assistant Professor of Criminal Justice Program, United States International University (USIU) Africa PhD in Sociology, Washington International University- USA Master of Science Degree in Criminal Justice, Leicester University- UK Graduate Strategic Police Leadership Bramshill Police Staff College- UK Date of Birth: 25th January, 1952
12.	**Prof. Sylvia Wairimu Kang'ara**	Associate Professor of Law Founding Dean of Riara University Law School Advocate of High Court Doctor of Juridical Sciences (SJD) Master of Laws (LLM) Post Graduate Diploma in Law Bachelor of Law (LLB) Date of Birth: 1973

13.	 **Mrs. Jacqueline Mbogo-Asinuli**	Chief of Party, Coffey International, Nairobi Master of Arts in Development Studies Bachelor of Education Date of Birth: 2nd December, 1976
14.	 **Mr. Gerard E. Wandera** **Secretary**	Director/CEO- National Crime Research Centre Masters in Business Administration. Bachelor of Arts (Business Administration & Economics) Higher Diploma in Sales & Marketing Diploma in Purchasing & Supplies Diploma in Crime & Violence Prevention Certificate in Public Policy & Research Consultancy Date of Birth: 27th July, 1969

MANAGEMENT TEAM

 Mr. Gerard E. Wandera **Director/CEO**	Master in Business Administration Bachelor of Arts (Business Administration & Economics) Higher Diploma in Sales & Marketing Diploma in Purchasing & Supplies Management Diploma in Crime & Violence Prevention Certificate in Public Policy & Research Consultancy
 Mr. Stephen M. Muteti **Chief Research Officer**	Master of Arts in Sociology, Bachelor of Arts, Sociology, Higher Diploma Human Resources Management
 Mr. Vincent O. Opondo **Principal Research Officer**	Master of Arts Development Studies Bachelor of Arts, Political Science & Sociology Forensic Investigations

 Mr. Samuel Ng'ang'a **Accountant**	BSc, International Business Administration– Accounting Option Certified Public Accountant (CPA-K)
 Mr. John Kipkoros **HRM& D, In-charge**	Bachelor of Arts, Political Science & Sociology Higher Diploma in HRM
 Mr. Kennedy Kwambai **Supply Chain Management, In-charge**	Bachelor of Business Management and Information Technology, Post Graduates Diploma in Purchasing & Supplies Certificate in Project Management Member of MKISM, MCIPS

 Mr. Simon N. Ndiritu **Internal Auditor**	Bachelor of Business Administration Certified Public Accountant (CPA-K)

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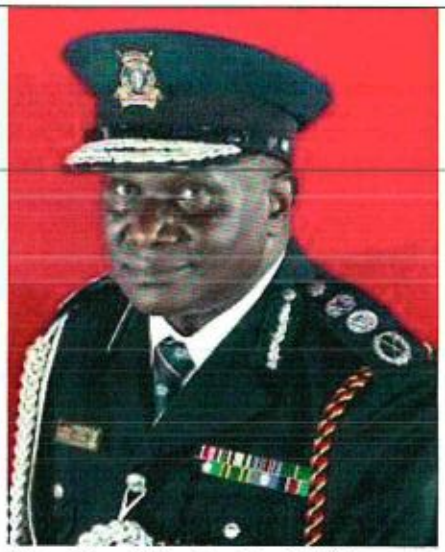
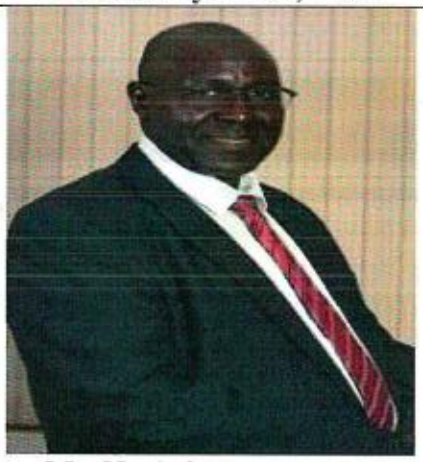
P.O. Box 30084
GPO 00100
Nairobi, Kenya

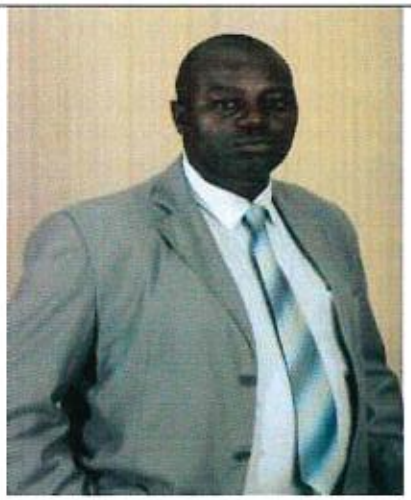
(j) Principal Legal Adviser

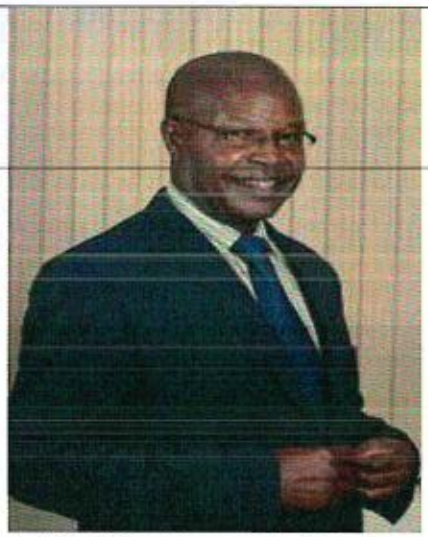
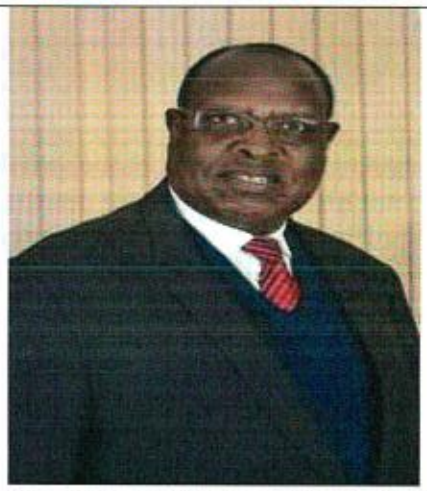
The Attorney General
Office of the Attorney General
& Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00100
Nairobi, Kenya

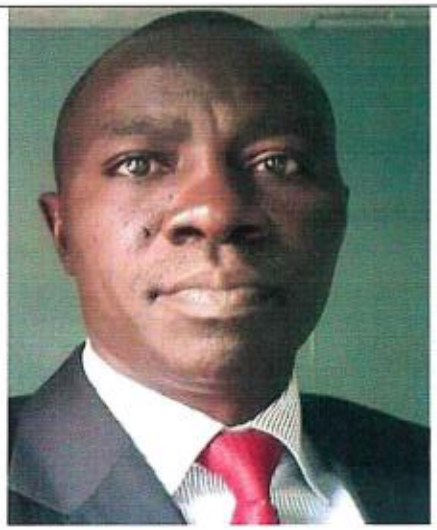
GOVERNING COUNCIL MEMBERS

	NAME	DETAILS
1.	**Hon. Justice (Rtd) Paul Kihara Kariuki, GH** **Chairman**	Attorney General of the Republic of Kenya Chairman, Governing Council, National Crime Research Post Graduate Diploma in Law Bachelor of Law (LLB) Date of Birth: 11th May, 1954
2.	**Hon. Justice Jessie W. Lesiit**	Judge of the Court of Appeal of Kenya Post Graduate Diploma in Law Bachelor of Law (LLB, Hon) Date of Birth: April 1959
3.	**Mr. Hilary N. Mutyambai, MGH, nsc (AU)**	Inspector General, National Police Service Master of Arts Degree in National Security Policy - Australian National University. Bachelor's Degree - University of Nairobi Special training on counter-terrorism and advanced security and Policing, Intelligence and Counter Terrorism Date of Birth: 1964

4.	 **Mr. Wycliffe Ogallo, EBS**	Commissioner General of Prisons, Kenya Prisons Service Master Degree Public Policy and Administration Bachelor of Arts Degree (Hons) Date of Birth: 2nd January 1960
5.	 **Mrs. Mary Mbau, HSC.**	Director of Probation & Aftercare Services Master of Arts in Sociology Bachelor of Arts Sociology Date of Birth: 1961
6.	 **Mr. Noah Sanganyi, HSC.**	Director of Children Services, Master of Arts in Sociology Bachelor of Arts in Social Work Date of Birth: 1962

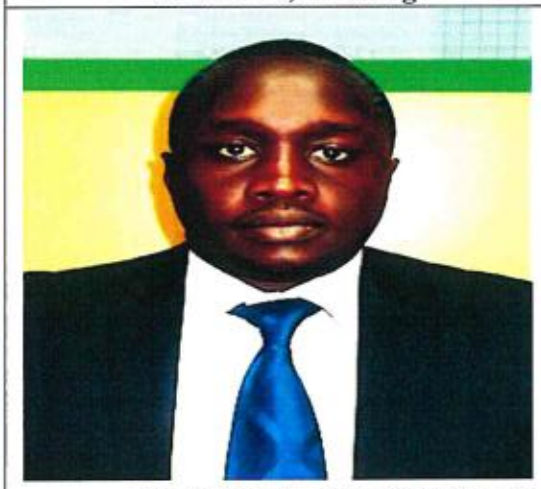
7.	 **Mr. Kenneth Odhiambo**	Deputy Director, Human Resource The National Treasury Bachelor of Arts in Political Science Post Graduate Diploma in Human Resources Management Certificate in Public Finance Management Date of Birth: 11th November, 1965
8.	**Mr. Dickson L. Magotsi**	Snr. Deputy Secretary, Ministry of Interior & Coordination of National Government Master's Degree in International Conflict Management Bachelor Degree in Political Science Date of Birth: 30th July 1971
9.	**Ms. Jacinta N. Nyamosi**	Ag. Deputy Director, Office of the Director of Public Prosecutions (ODPP) Advocate of the High Court of Kenya Post Graduate Diploma in Law Bachelor of Law (LLB) Date of Birth: 1st October, 1968

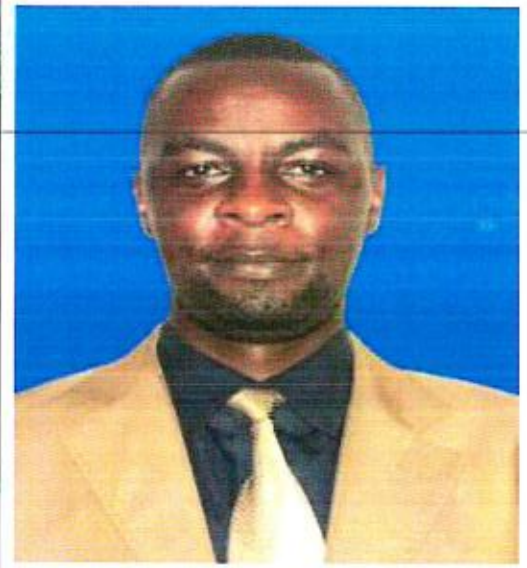
10.	 **Prof. Robinson M. Ocharo**	Associate Professor, Department of Sociology & Social Work, University of Nairobi PhD in Agricultural Extension M.A in Rural Sociology and Community Development B.A. in Sociology Certificate in Management of Land Acquisition, Resettlement & Rehabilitation (MLARR) Certificate in Disaster Management Emergency Response Certificate in Post – Disaster Recovery Framework Date of Birth: 1961
11.	 **Dr. Francis K. Arap Sang, CBS**	Assistant Professor of Criminal Justice Program, United States International University (USIU) Africa PhD in Sociology, Washington International University- USA Master of Science Degree in Criminal Justice, Leicester University- UK Graduate Strategic Police Leadership Bramshill Police Staff College- UK Date of Birth: 25th January, 1952
12.	**Prof. Sylvia Wairimu Kang'ara**	Associate Professor of Law Founding Dean of Riara University Law School Advocate of High Court Doctor of Juridical Sciences (SJD) Master of Laws (LLM) Post Graduate Diploma in Law Bachelor of Law (LLB) Date of Birth: 1973

13.	 **Mrs. Jacqueline Mbogo-Asinuli**	Chief of Party, Coffey International, Nairobi Master of Arts in Development Studies Bachelor of Education Date of Birth: 2nd December, 1976
14.	 **Mr. Gerard E. Wandera** **Secretary**	Director/CEO- National Crime Research Centre Masters in Business Administration. Bachelor of Arts (Business Administration & Economics) Higher Diploma in Sales & Marketing Diploma in Purchasing & Supplies Diploma in Crime & Violence Prevention Certificate in Public Policy & Research Consultancy Date of Birth: 27th July, 1969

MANAGEMENT TEAM

 Mr. Gerard E. Wandera **Director/CEO**	Master in Business Administration Bachelor of Arts (Business Administration & Economics) Higher Diploma in Sales & Marketing Diploma in Purchasing & Supplies Management Diploma in Crime & Violence Prevention Certificate in Public Policy & Research Consultancy
 Mr. Stephen M. Muteti **Chief Research Officer**	Master of Arts in Sociology, Bachelor of Arts, Sociology, Higher Diploma Human Resources Management
 Mr. Vincent O. Opondo **Principal Research Officer**	Master of Arts Development Studies Bachelor of Arts, Political Science & Sociology Forensic Investigations

 Mr. Samuel Ng'ang'a **Accountant**	BSc, International Business Administration– Accounting Option Certified Public Accountant (CPA-K)
 Mr. John Kipkoros **HRM& D, In-charge**	Bachelor of Arts, Political Science & Sociology Higher Diploma in HRM
 Mr. Kennedy Kwambai **Supply Chain Management, In-charge**	Bachelor of Business Management and Information Technology, Post Graduates Diploma in Purchasing & Supplies Certificate in Project Management Member of MKISM, MCIPS

 Mr. Simon N. Ndiritu **Internal Auditor**	Bachelor of Business Administration Certified Public Accountant (CPA-K)

CHAIRMAN'S STATEMENT

The National Crime Research Centre (NCRC) is a State Corporation established by the National Crime Research Act Cap 62 Laws of Kenya. Its mandate is to carry out research into the causes of crime, its prevention and to disseminate research findings and recommendations to the Agencies of the Government concerned with Administration of Criminal Justice with a view to assisting them in their policy formulation and planning. The Executive Order Number 1 of June 2018 moved NCRC from the Office of the Attorney General and Department of Justice to the Ministry of Interior and Coordination of National Government. The Executive Order also expanded the Centre's mandate to include crime management.

During the Financial Year 2020/2021, the Governing Council worked tirelessly with the Chief Executive Officer to realize the Centre's mandate. Specifically, in furtherance of the Centres' mandate and in line with the prioritization of crime research in the Medium Term Plan III (MTP III) 2018-2022 (pages 124-126) and the Strategic Plan 2018-2022, the Centre continued to contribute to national development, as a crime research enabler and coordination agency through two-pronged ways aimed at informing and strengthening the administration of criminal justice. This was done, first by undertaking research on crime trends, roots, consequences and prevention on critical thematic areas, and second, by undertaking evidence-based crime management. The core mandate activities were specifically aligned to MTP III and the Big 4 Agenda, and generally, to Sustainable Development Goals (SDGs), Agenda 2063, the Kenya Constitution and Kenya Vision 2030. It is important to note that these activities were prioritized during the year because they contributed to the sterling performance in FY 2019/2020 where NCRC was rated very good and **number 1** within the Training and Research Institution cluster with a composite score of 2.8899, **number 32 out of 227** State Corporations and **position 2** in the Governance, Justice, Law and Order Sector Working Group.

It is important to mention that the realization of the Centre's mandate faced operational capacity challenges, the key ones being low financial, infrastructural and human resources. Key to note is that the budgetary funding remained at **below 9.0% of the required** financial resource (that is, Kshs. 158 Million against 1.936 Billion) while staffing levels remained at **below 15.0%** of the approved establishment. These constraints played a role in slowing down the achievement of the Centre's strategic targets. To redress the situation, the Governing Council is closely consulting with the National Treasury and working with the parent Ministry for enhanced financial, infrastructural and human resources for improved operational capacity.

The Governing Council acknowledges the continued support of the parent Ministry, NCRC stakeholders and collaborators and the dedication of the management and secretariat in the outstanding performance which has recently put the Centre in the map of public service delivery and also earned it recognition from national institutions.

HON. JUSTICE PAUL KIHARA KARIUKI
ATTORNEY GENERAL/CHAIRMAN
GOVERNING COUNCIL
NATIONAL CRIME RESEARCH CENTRE

REPORT OF THE CHIEF EXECUTIVE OFFICER

The preparation of the annual report that highlights the financial situation as well as the collective achievements, institutional challenges and the way forward during the year is one of the statutory obligations of the Centre. The 2020/2021 Annual Report reflects the Centre's continued commitment to generate quality and authentic evidence-based research findings and policy recommendations to deliver lasting detrimental effect on common crimes, serious, organized and transnational crimes impacting on Kenya and its regional interests.

The Financial Year 2020/2021 was also marred by unprecedented public health challenge - the Corona Virus (COVID-19) Pandemic - with serious direct and indirect effects on complex socio-economic domains, including crime.

Key Achievements

During the 2020/2021 Financial Year, the Centre realized significant strides in crime research and crime management that purpose for action, despite the disruptions and setbacks occasioned by the COVID-19 pandemic situation in the country.

With regard to **undertaking research on crime** trends, roots, consequences and prevention, the Centre undertook studies on: An Assessment of the Impact of COVID -19 on Crime and Security Management in Kenya; 2020 National Crime Mapping; Crime Risk Factors on the "Big Four Agenda; The Role of Chiefs in Localized Crime and Security Management in Kenya: A case of Last Mile Security; Factors Shaping Police Performance in Kenya; Study on Efficacy and Adequacy of the Criminal Justice System in Kenya: The Case of Why the Government Loses Criminal Cases.

Subsequently, the Centre completed research reports on: Protecting the Family in the Time of Covid-19 Pandemic: Addressing the Escalating Cases of Gender-Based Violence, Girl Child Disempowerment and Violation of Children Rights in Kenya; Factors Shaping Police Performance in Kenya; The Role of Chiefs in Localized Crime and Security Management in Kenya: A Case of Last Mile Security; Study on Efficacy and Adequacy of the Criminal Justice System in Kenya: The Case of why the Government Loses Criminal Cases; and a Study of Urban and Peri-urban Residential Housing-related Crimes in Nairobi, Mombasa and Kisumu Cities.

On **Crime Management**, the Centre:

1. Disseminated to the Ministry of Interior and Coordination of National Government and other relevant stakeholders findings and recommendations from research reports on: Protecting the Family in the Time of Covid-19 Pandemic: Addressing the Escalating Cases of Gender-Based Violence, Girl Child Disempowerment and Violation of Children Rights in Kenya; A Study on Perceptions and Experiences of Corruption in the Public Service in Kenya; Perceptions on Capital Offences and Punishment in Kenya; Masculinity and Intimate Partner Violence: Hearing the Voices of Men; Factors Shaping Police Performance in Kenya; A Study on the Delivery of Community-based Sentences: The Case of Probation Orders in Kenya.

2. Prepared and disseminated to the Ministry of Interior and Coordination of National Government and other agencies in the administration of criminal justice crime advisories through **Issue and Policy Briefs** on: Escalating Cases of Gender-based Violence, Violations of Children's Rights and Girl Child Disempowerment; Religious Donations and Disguised Public Sector Corruption in Kenya; Boy Masculinity Angle to Recurring Student Unrests and Violence in Secondary Schools; and Recommendations towards the Unexplained Wealth Orders (UWO).

3. In collaboration with REINVENT-Kenya and other Governance, Justice and Law and Order Sector (GJLOS) agencies, convened the National State of Crime and its Prevention in Kenya Conference, on the 10th March, 2021. A total of 84 delegates attended physically while over 100 followed virtually through the NCRC online social media platforms. The conference thematic areas were: *Home-based Crimes and Family Violence in the Context of COVID-19; Governance and Leadership in the Context of Government Fight against Corruption; Election Crimes and Offences; and Countering Violent Extremism and Terrorism.*

4. Participated in research partnerships and collaboration activities with Rongo University on curriculum review in media and security studies; Kenya School of Government (Security Management Institute) and National Counter Terrorism Centre on preventing and countering violent extremism and organized crime; Power of Mercy Advisory Committee's follow up study on pardoned offenders in Kenya.

5. Renewed its Memorandum of Understanding (MOU) with Rongo University in June, 2021 on mutual areas of interest on: crime and violence prevention; democracy, peace and security research; natural resource conflict involving pastoral and fishing communities; food scarcity and insecurity; countering and preventing violent extremism.

6. Updated County by County crime profiles and shared information on top crimes in Kenya; crime hotspots; and National Crime Burden in Kenya on the Centre's website.

7. Undertook collation, uploading and management of crime data from various agencies to enhance generation of national crime trends and provide coordinated crime research platform for practitioners and scholars to access information.

8. Received, analysed and shared crime data received through the Centre's Mobile Phone Crime Reporting Application to capture crimes witnessed by the public to inform policy.

We therefore urge state and non-state actors to increasingly embrace the importance of crime research as an enabler of national development and hence the need to adequately support it.

VINCENT O. OPONDO
Ag. DIRECTOR/CEO

STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE FINANCIAL YEAR 2020/2021

The Centre's strategic pillars are summarised as follows:

- Crime Research
- Crime Management
- Administrative Services

The Centre develops its annual workplan based on the above pillars. Assessment of the Board's performance against its annual workplan is done annually. The Centre achieved its targets set for FY 2020/2021 period as indicated in the table below:

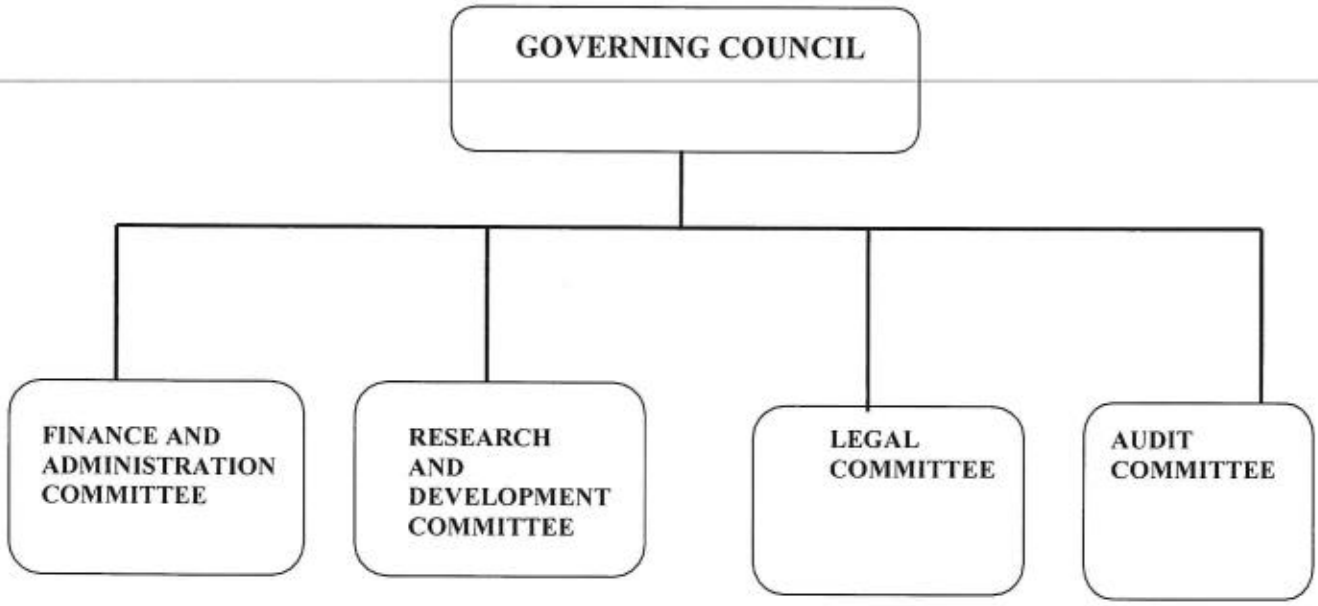
Programme Activity	Key outputs	Key performance indicators	Achievement	Achievement	Target	Achievement
Activity			2018/19	2019/20	2020/21	2020/21
Research on Causes of crime and its prevention	Inform policy and planning in the criminal justice system	Number of institutional research reports	1	4	5	4
		No. of joint crime researches	2	2	1	1
Disseminate research finding and recommendations to agencies in the criminal justice system and public	Increased access and sharing of crime research information	No. of policy/ Issue briefs, and workshops	8	10	14	16
		Publications	3	0	6	6
		National Conference	1	0	1	1
Crime Incidence monitoring	Real-time crime and incidence capture and reporting	Crime research app. (Report a crime/incidence Online	100%	100%	100%	100%
		No. of incidences / crime reported and updated	100%	100%	100%	100%

Programme Activity	Key outputs	Key performance indicators	Achievement	Achievement	Target	Achievement
Crime data repository management and	Secure National Crime Repository	No. of crime collated reports	27	27	27	27
Activity			**2018/19**	**2019/20**	**2020/21**	**2020/21**
Crime research collaborative, partnership and networking	To strengthen and promote inter-agency and collaboration at County and National Govt.	No. of partnerships and/or MOU'S signed	2	1	4	6
	Review of NCRC documents	No. Policy documents,	5	1	2	3
	Performance Contract cross cutting issues	% Performance contact reports	100%	100%	100%	100%

CORPORATE GOVERNANCE STATEMENT

NCRC Governing Council is established under section six (6) of the National Crime Research Centre Act, Cap 62 Laws of Kenya. The Governing Council is committed in ensuring that the Centre conducts its business guided by the Centre's core values that include public safety, integrity, professionalism, transparency and accountability, research confidentiality, collaboration and partnership, creativity and innovation and inclusivity and public participation. The principles and standards adhered to by the Governing Council have been developed with close reference to the Constitution of Kenya 2010 and the Code of Governance for State Corporation (Mwongozo).

i) NCRC Governance Structure



ii) Governing Council size, Composition and Independence

The Governing Council consists of fifteen (15) members; eight (8) being *ex-officio* members by virtue of the various government offices they hold. The Governing Council draws its membership from the key stakeholders in crime prevention and security issues in the country by seeking representation from the following offices: Office of the Attorney General and Department of Justice, Permanent Secretary to The Treasury, the Chief Justice, Office of the Director of Public Prosecutions, Inspector General of Police, Commissioner for Social Services, Commissioner of Prisons, Director of Probation and Aftercare, representatives of universities in Kenya being persons eminently qualified in the fields of criminal law, sociology or criminology and representation from non-governmental organizations. Governing council members are independent of management and owe their duties to the Centre and not their nominating stakeholders when conducting the Centre's business.

iii) Governing Council Appointment, Cessation and Removal

The Cabinet Secretary responsible for the Centre selects and appoints Council members. Every appointment is by name and by notice in the Kenya Gazette. A member ceases to be a council member if they die, resign from the office in which they represent in the Governing Council, is

convicted of a criminal offence and sentenced to a term of imprisonment or is adjudged bankrupt. A member is removed from office if they violate the Constitution or any other written law, are found guilty of gross misconduct in performance of their duties, if physically or mentally incapable of performing the functions of a council member, if declared incompetent or neglect their duties or if absent from three consecutive meetings of the Council without a reasonable explanation.

iv) Governing Council Responsibility

The basic responsibility of the Council members is to exercise their best judgment and to act in a manner that they reasonably believe to be in the best interest of the Centre and its stakeholders. In discharging that obligation, the members rely on the honesty and integrity of the Centre's management, staff and its external professional advisors.

In furtherance of its responsibilities, the Council members undertake the following:

(a) Determine the Centre's mission, vision, purpose and core values;
(b) Review, evaluate and approve, on a regular basis, long-term plans for the Centre;
(c) Review, evaluate and approve the Centre's budget and financial forecasts;
(d) Review, evaluate and approve major resource allocations and capital investments;
(e) Ensure that the procurement process is cost-effective and delivers value for money;
(f) Review and approve the operating and financial results of the Centre;
(g) Ensure effective, accurate, timely and transparent disclosure of pertinent information on the Centre's operations and performance;
(h) Ensure that effective processes and systems of risk management and internal controls are in place;
(i) Review, evaluate and approve the overall Centre's structure, the assignment of senior management responsibilities and plans for senior management development and succession;
(j) Review, evaluate and approve the remuneration structure of the Centre;
(k) Adopt, implement and monitor compliance with the Centre's Code of Conduct and Ethics;
(l) Review on a quarterly basis the attainment of targets and objectives set out in the

agreed performance measurement framework with the Government of Kenya;

(m) Review periodically the Centre's strategic objectives and policies relating to sustainability and social responsibility/investment;

(n) Enhance the Centre's public image and ensure engagement with stakeholders through effective communication;

(o) Monitor compliance with the Constitution, all applicable laws, regulations and Standards; and

(p) Review, monitor and ensure that the Centre is effectively and consistently delivering on its mandate.

(q) Any other role they are called upon to do by any relevant authority.

v) Council Induction and Continuous Skills Development

New council members undertake an effective induction programme in order to familiarize themselves with their responsibilities as council members, they also familiarize themselves with general principles of corporate governance and council practices. Council members are provided with access to continuing development programs that are designed to keep members abreast with the latest developments in the research sector's best practice, corporate governance and critical issues relating to the operation of the public sector.

vi) Chairperson and Director/Chief Executive Officer

The roles of the Chairperson of the Governing Council and Director/CEO remain distinct and separate. The Chairperson is primarily responsible for the activities of the Council and its committees. The Director/ CEO is responsible for overseeing the execution of the Council's directions and policies to ensure desirable outcome, effective and efficient running of the Centre from day to day hence serving as the link between the Council and the Management of the Centre.

vii) Council Remuneration

The Council is remunerated as per the guidelines on conditions and terms of service for state corporations' Chief Executive Offices Chairmen and Board Members, Management Staff and Unionisable Staff'' issued on 23rd November 2004 by state corporations Advisory Committee.

Council members are paid sitting allowances for every meeting attended.

viii) Council and Committee meetings

The Council has four committees; Research and Development Committee, Finance and Administration Committee, Legal Committee and the Audit Committee meet at least once in every three months. Council's work plan, together with the calendar of meetings for 2020/2021 was adopted by Council in advance and the same sent to all Council members. Adequate notice is given for each meeting and the agenda as well as documents for discussion sent to Council members in advance to allow time for appropriate review.

ix) Conflict of interest

Council members are required to declare conflict of interest if and when it arises. The Director/ CEO keeps a record of conflicts of interest declared for accountability purposes.

x) Council Charter

The Governing Council is guided by the Council Charter in carrying out its duties and responsibilities to the Centre. The Council Charter provides for statement of good governance that Council members are required to adhere to, guiding principles, size, composition and appointment of council members, appointment, cessation and removal of council members and practices to be followed by council members.

xi) Governance Audit

The Governing Council ensures that a governance audit of the Centre is undertaken and the same is geared towards ensuring that the Centre conforms to the highest standards of good governance.

xii) Governing Council and Committee meetings held during Financial Year 2020/2021

In Compliance with the National Crime Research Centre Act, Cap 62 LoK, State Corporations Act Cap 446 LoK and *Mwongozo*; Code of Governance for State Corporations, Council members dedicated adequate time and met as required in order to effectively run business of the Centre. The number of Council and committee meetings as well as attendance of council members is as indicated in the table below:

GOVERNING COUNCIL MEETINGS				MEETINGS OF THE COMMITTEES							
	Name	No. of Meetings	No. of Meetings Attended	Finance & Administration		Research & Development		Legal		Audit	
				No. of Meetings	No. of Meetings Attended	No. of Meetings	No. of Meetings Attended	No. of Meetings	No. of Meetings Attended	No. of Meetings	No. of Meetings Attended
1.	Hon. Justice Paul Kihara Kariuki	6	1								
2.	Justice Jessie Wanjiku Lesiit	6	4					2	2		
3.	Mr. Hilary Mutyambai	6	2			5	3			3	2
4.	Mr. Kenneth Odhiambo	6	5	4	4					3	3
5.	Mr. Jacob Ondari (out-going member)	3	3	4	1			2	0		
6.	Ms. Jacinta Nyamosi (in-coming member)	3	2	4	2			2	2		
7.	Mr. Noah Sanganyi	6	6			5	4	2	2		

	GOVERNING COUNCIL MEETINGS			MEETINGS OF THE COMMITTEES							
	Name	No. of Meetings	No. of Meetings Attended	Finance & Administration		Research & Development		Legal		Audit	
				No. of Meetings	No. of Meetings Attended	No. of Meetings	No. of Meetings Attended	No. of Meetings	No. of Meetings Attended	No. of Meetings	No. of Meetings Attended
8.	Mr. Wycliffe Ogallo	6	6			5	4			3	3
9.	Mrs. Mary Mbau	6	6	4	4			2	2		
10.	Dr. Robinson Ocharo	6	6			5	5			3	3
11.	Dr. Francis Kipkurui arap Sang	6	6					2	2	3	3
12.	Prof. Sylvia Wairimu Kang'ara	6	4	4	2			2	1		
13.	Ms. Jacqueline Mbogo-Asinuli	6	6	4	4	5	5				
14.	Mr. Dickson Magotsi	6	6			5	5			3	3
15.	Mr. Gerard E. Wandera	6	6	4	4	5	5	2	2		

MANAGEMENT DISCUSSION AND ANALYSIS

a) Operational Performance

During the 2020/2021 Financial Year, the Centre realized significant achievements and growth in the two broad areas of the core mandate, that is, undertaking research on crime trends, roots, consequences and prevention on critical thematic areas and undertaking evidence-based crime management.

With regard to undertaking research on crime trends, roots, consequences and prevention, the Centre completed research reports on: Protecting the Family in the Time of Covid-19 Pandemic: Addressing the Escalating Cases of Gender-Based Violence, Girl Child Disempowerment and Violation of Children Rights in Kenya; Factors Shaping Police Performance in Kenya; The Role of Chiefs in Localized Crime and Security Management in Kenya: A Case of Last Mile Security; Study on Efficacy and Adequacy of the Criminal Justice System in Kenya: The Case of why the Government Loses Criminal Cases; and a Study of Urban and Peri-urban Residential Housing- related Crimes in Nairobi, Mombasa and Kisumu Cities.

On undertaking crime management, the Centre:

1. Disseminated to the Ministry of Interior and Coordination of National Government and other relevant stakeholders findings and recommendations from research reports on: Protecting the Family in the Time of Covid-19 Pandemic: Addressing the Escalating Cases of Gender-Based Violence, Girl Child Disempowerment and Violation of Children Rights in Kenya; A Study on Perceptions and Experiences of Corruption in the Public Service in Kenya; Perceptions on Capital Offences and Punishment in Kenya; Masculinity and Intimate Partner Violence: Hearing the Voices of Men; Factors Shaping Police Performance in Kenya; A Study on the Delivery of Community-based Sentences: The Case of Probation Orders in Kenya.
2. Prepared and disseminated to the Ministry of Interior and Coordination of National Government and other agencies in the administration of criminal justice crime advisories through Issue and Policy Briefs on: Escalating Cases of Gender-based Violence, Violations of Children's Rights and Girl Child Disempowerment; Religious Donations and Disguised Public Sector Corruption in Kenya; Boy Masculinity Angle to Recurring Student Unrests and Violence in Secondary Schools; and Recommendations towards the Unexplained Wealth Orders (UWO).

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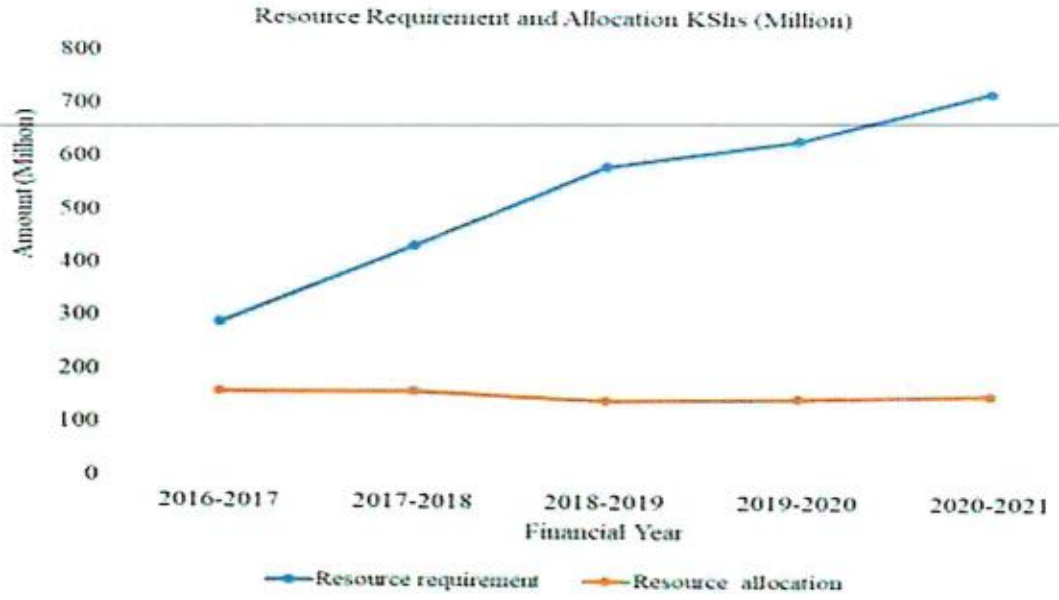
4. Participated in research partnerships and collaboration activities with Rongo University on curriculum review in media and security studies; Kenya School of Government (Security Management Institute) and National Counter Terrorism Centre on preventing and countering violent extremism and organized crime; Power of Mercy Advisory Committee's follow up study on pardoned offenders in Kenya.
5. Renewed its Memorandum of Understanding (MOU) with Rongo University in June, 2021 on mutual areas of interest on: crime and violence prevention; democracy, peace and security research; natural resource conflict involving pastoral and fishing communities; food scarcity and insecurity; countering and preventing violent extremism.
6. Updated County by County crime profiles and shared information on top crimes in Kenya; crime hotspots; and National Crime Burden in Kenya on the Centre's website.
7. Undertook collation, uploading and management of crime data from various agencies to enhance generation of national crime trends and provide coordinated crime research platform for practitioners and scholars to access information.
8. Received, analysed and shared crime data received through the Centre's Mobile Phone Crime Reporting Application to capture crimes witnessed by the public to inform policy.

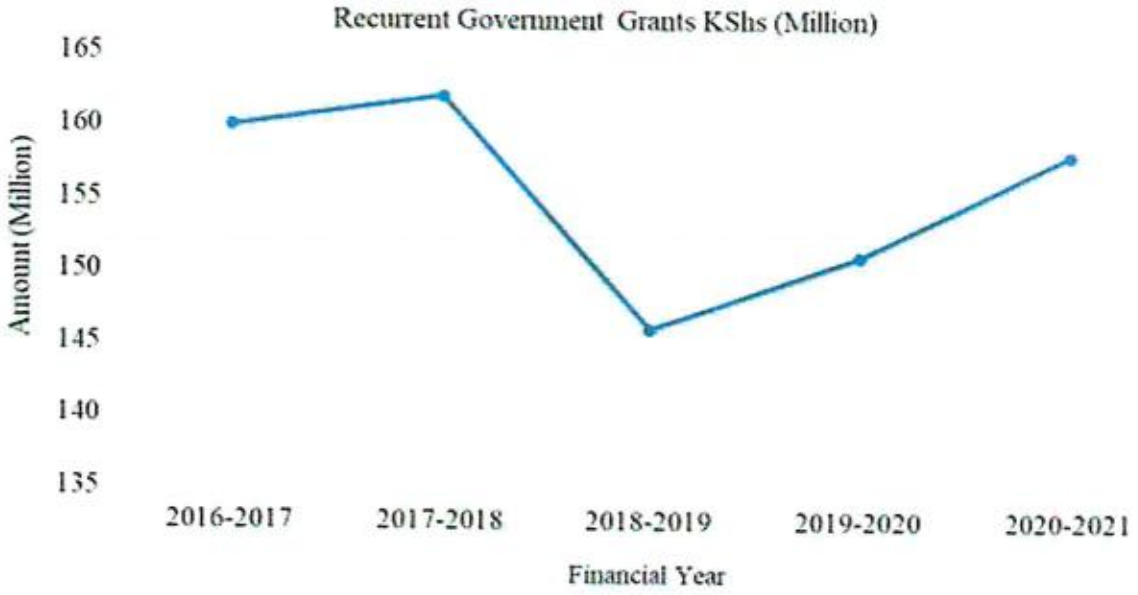
b) Financial Performance

i. Resource Requirement vs Resource Allocation

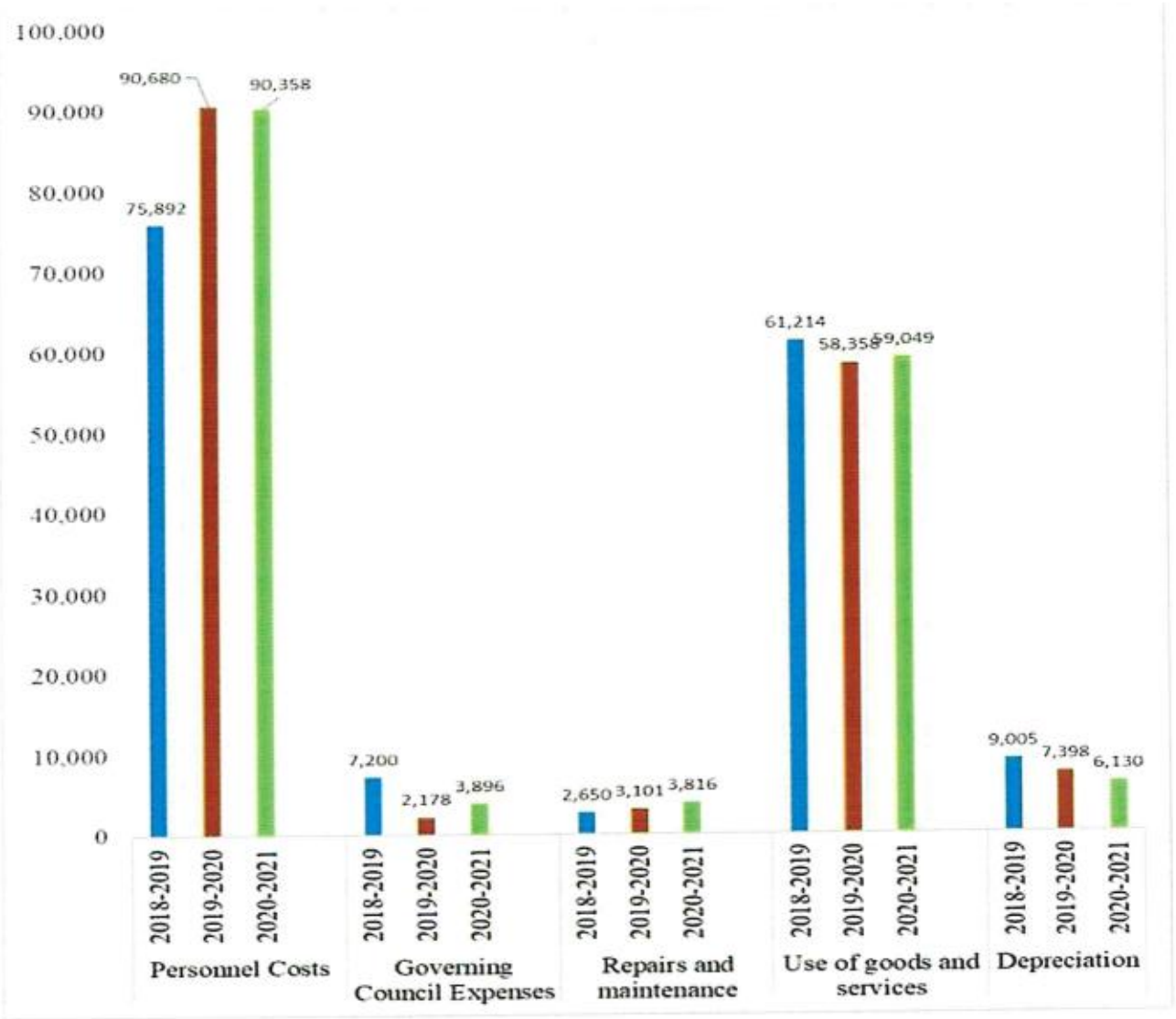


Over the years the Centre allocation is less than the resource requirement by a huge margin hence not able to optimally achieve its mandate.

ii. Recurrent Government Grants Trend



iii. Recurrent Expenditure Analysis Financial Years 2018-2019, 2019-2020 and 2020-2021



NB: Depreciation is a non-cash item

- The personnel cost increased in the Financial Year 2019/2020 due to Salaries and Remuneration Commission (SRC) Job Evaluation which increased the annual personnel emoluments to Kshs.90 million from an average of Kshs.75 million.
- Governing Council expenses in the Financial Year 2018/2019 were higher than the subsequent FY 2019/2020 and 2020/2021 due to a benchmarking trip to UK and Australia by members of the Governing Council.
- Repairs and maintenance cost and use of good and services expenses were relatively the same range for the three financial years.
- The depreciation expenses had a reduction trend over the period due to decrease in net book value of the assets.

iv. Entity's Compliance with Statutory Requirements

There is no major noncompliance that is likely to expose the organization to potential liability.

v. Key Projects and Investment decisions the entity is planning to implement

No project is being implemented at the moment due to lack of budgetary allocations. The Centre has a plan to construct a data repository.

vi. Major Risks facing the entity

Due to budgetary constraints and late receipt of transfer of the grants the Centre is exposed to the both operational and liquidity risks.

Human capacity risk in that the Centre has 27 substantive staff compared to the approved staff establishment of 217.

vii. Material Arrears in Statutory/Financial Obligations

No material arrears in statutory and financial obligations for the Centre.

viii. The Entity's financial probity and serious Governance issues

The number of staff in-post against the approved staff establishment hence lack of capacity in terms of personnel and skill. Most senior positions are not filled.

c) Challenges

i. Inadequate staff capacity.
ii. Wholly funded by the National Treasury from the Government Exchequer funding often subject to budgetary rationalization.
iii. Vulnerability of online cyber-attacks including ransom hackers on crime related data.
iv. Service delivery was not efficient due to COVID-19 pandemic.

The Mitigation of the Challenges include:

i. National Treasury has approved the recruitment of additional full-time staff subject to availability of internal budget savings from Ministry of Interior and Coordination of National Government.

ii. Improved resource mobilization Strategies, through lobbying National Treasury for more exchequer funding and donor funding.

iii. Proposal to design, develop and implement Centre's Crime Data Security System and Repository.

iv. Rally on the increased visibility of the agency in National Security Forum to position the Centre as a high profile and leading institution in the prevention of security threat of crime and its negative impacts.

v. Increased engagement of Interns and External Resource persons.

vi. The Centre holds virtual meetings.

d) Opportunities

a) The Centre is legitimately the Research Liaison Partner of the Judicial Service Commission Act and National Council for Administration of Justice (NCAJ) under Sec. 35 (3) Judiciary Service Commission Act.

b) Crime Research is recognized as a flagship activity/project under MTP III 2018-22 to deal with pervasive national security threat challenging the realization of Kenya Vision 2030, SDG No. 16, Big 4 Agenda and AU Agenda 2063.

c) Strong collaboration with the global and national leading agencies, professional bodies in crime research, management and related capacities.

d) High profile Governing Council and Skilled and competent staff on NCRC mandate

e) Availability of competent professionals internally and externally within the labour. market.

e) Entity's Compliance with Statutory Requirements

The Centre has fully complied with the remission of statutory deductions.

ENVIRONMENTAL AND SUSTAINABILITY REPORTING

a) Sustainability Strategy and Profile

As a Corporate Social Responsibility policy requirement, NCRC strives to engage in a sustained effort to create a social environment that provides the opportunity to achieve its mandate effectively. In this regard, NCRC builds a strong symbiotic relationship with its stakeholders.

During the year under review, NCRC engaged in corporate social responsibilities focussed on ensuring environmental sustainability. During the World Water Day celebrated on 22nd March, 2021, the Centre used its social media platform to advocate for the need to take care of our water bodies.

Further, during the International Day of Forests, NCRC shared digital messages advocating for the eradication of illegal logging to protect the country's forests. Illegal logging, which remains a key environmental crime in Kenya, has negatively impacted national development especially food security through interferences with environmental and climatic conditions. In its message, NCRC raised awareness of the need to protect Kenya's water bodies and forests.

The Centre continued to engage in collaboration and partnership, networking and coordination frameworks to enhance research activities. The Centre further strengthened its linkages with institutions under NCAJ to benefit from economies of scale on shared platforms.

Towards ensuring the sustainability of the Centre and its core activities, NCRC continued to mobilise financial, human resource and infrastructural resources from state and non-state actors. Collaboration and partnerships in research and administrative services were prioritised.

b) Employee Welfare

Guided by the NCRC Human Resource and Procedure Manual, the Centre provided medical insurance scheme, flexible working programs due to Covid-19 and compliance with Occupational Safety and Health Act of 2007, (OSHA) by maintaining a clean and safe working environment, providing adequate office space, putting signage, fire extinguishers, sanitary equipment and clean drinking water to all staff.

c) Market Place Practices

National Crime Research Centre Supply Chain Section prepares an Annual Procurement Plan using the template issued by Public Procurement Regulatory Authority which details; the description of goods and service, time of acquisition, cost and method of procuring for the Centres, the Centres usually allocates 30% of its total procurement to the Disadvantaged Group through different tendering process. The process is posted on a public website known as the Public Procurement Information Portal as directed thus helps to enhance transparency and openness.

The Centre also upholds high standard of Integrity and various mechanisms have been put in place to ensure that this is achieved, these mechanisms includes:

- All Bidders are required to sign a sworn affidavit not to participate in any corrupt activity during bidding.
- A corruption reporting procedure is in place to enable corruption complains to be channeled for action.
- Strict adherence to the Public Procurement Act 2015 and Regulation 2020 that helps the Centre achieve good practice, fair competition and respect to its suppliers.
- Adherence to Service Charter which helps in safe guarding consumer rights, interest through provision of information and prompt payments to suppliers.

d) Community Engagements

The conduct of research entailed collection of data from community members in households and Focus Group Discussions. The community was also engaged in crime management through reporting of crime via the mobile phone crime reporting application and social media platforms.

REPORT OF THE GOVERNING COUNCIL

The Directors submit their report together with the audited financial statements for the year ended June 30, 2021 which show the state of the Centre's affairs.

Principal Activities

The objectives of National Crime Research Centre is to carry out research into the causes of crime and its prevention and to disseminate research finding and recommendations to the Government agencies concerned with the administration of criminal justice system.

The Centre is mandated to undertake six principal activities which forms its strategic themes. The activities include development of the Kenya Annual Crime Year Book, National Crime Data Repository Unit and Systems, National Crime Research Communication Strategy, Human Resource Capacity in Crime Research at all levels of Government, Crime Management, Collaboration and Resource Mobilization for research initiatives.

Results

The results of the entity for the year ended June 30, 2021 are set out on pages 1 to 5.

Directors

The members of the Governing Council who served during the year are shown on page vii to xi.

Surplus remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The entity is not a regulatory entity and did not make any surplus during the year Financial Year 2020/2021 hence no remittance to the Consolidated Fund.

Auditors

The Auditor General is responsible for the statutory audit of the Centre in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2021.

By Order of the Governing Council

Ag. DIRECTOR/ CEO
NATIONAL CRIME RESEARCH CENTRE

DATE: 3/8/2022

REPUBLIC OF KENYA

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

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL CRIME RESEARCH CENTRE FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and relevant laws and regulations that have a direct effect on the financial statements.

B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Crime Research Centre set out on pages 1 to 18, which comprise the statement of financial position as at

30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows 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 Crime Research Centre as at 30 June, 2021, 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 Crime Research Act Cap 62 of the Laws of Kenya.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Crime Research Centre 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.

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Centre's financial reporting process, reviewing the effectiveness of how the Management monitors

compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of 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 Centre'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 Centre to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Centre to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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

CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 July, 2022

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from Ministries, Departments and Agencies – Ministry of interior and Coordination of National Government	9	158,328,606	151,933,400
Total revenue		**158,328,606**	**151,933,400**
Expenses			
Use of goods and services	10	60,393,376	58,358,105
Employee costs	11	89,014,621	90,680,577
Governing Council Expenses	12	3,896,200	2,178,400
Depreciation expense	13	6,130,790	7,398,516
Repairs and maintenance	14	3,816,718	3,101,797
Total expenses		**163,251,705**	**161,717,395**
Deficit for the period/year	24	**(4,923,099)**	**(9,783,995)**

The Financial Statements set out on pages 1 to 4 were signed on behalf of the Governing Council by:

Ag. Director/C.E.O
Vincent O. Opondo

Date 3/8/2022

Head of Finance & Accounts
Samuel Ng'ang'a Maina
ICPAK Member Number: 13520

Date 03/08/2022

Chairman Governing Council
Hon Justice Paul Kihara Kariuki

Date 3rd August 2022

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	15	1,678,691	1,178,639
Receivables from non-exchange transactions	17	10,611,258	10,482,507
Inventories	18	440,308	426,065
Total		**12,730,257**	**12,087,211**
Non-current assets			
Property, plant and equipment	19	35,848,370	41,979,160
Total assets		**48,578,627**	**54,066,371**
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	20	4,674,016	5,238,661
Total liabilities		**4,674,016**	**5,238,661**
Net assets		**43,904,611**	**48,827,710**
Reserves		**43,904,611**	**48,827,710**
Total net assets and liabilities		**43,904,611**	**48,827,710**

The Financial Statements set out on pages 1 to 4 were signed on behalf of the Governing Council by:

Ag. Director/C.E.O
Vincent O. Opondo

Date 3/8/2022

Head of Finance & Accounts
Samuel Ng'ang'a Maina
ICPAK Member Number: 13520

Date 03/08/2022

Chairman Governing Council
Hon Justice Paul Kihara Kariuki

Date 3rd August 2022

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE, 2021

	NOTES	Retained Surplus	Total
		Kshs	Kshs
At July 1, 2019		58,611,705	58,611,705
Deficit for the period		(9,783,995)	(9,783,995)
At June 30,2020		**48,827,710**	**48,827,710**
At July 1, 2020		**48,827,710**	**48,827,710**
Deficit for the period		(4,923,099)	(4,923,099)
At June 30, 2021		**43,904,611**	**43,904,611**

The Financial Statements set out on pages 1 to 4 were signed on behalf of the Governing Council by:

Ag. Director/C.E.O
Vincent O. Opondo

Date 3/8/2022

Head of Finance & Accounts
Samuel Ng'ang'a Maina
ICPAK Member Number: 13520

Date 03/08/2022

Chairman Governing Council
Hon Justice Paul Kihara Kariuki

Date 3rd August 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Surplus/ (Deficit) for the Year	24	**(4,923,099)**	**(9,783,995)**
Adjusted for:			
Depreciation	13	6,130,790	7,398,516
Cash Generated from within Changes in Working Capital		**1,207,691**	**(2,385,479)**
Increase/Decrease in Debtors	17	(128,751)	(3,032,021)
Increase/Decrease in Creditors	20	(564,645)	1,593,177
Changes in Inventory	18	(14,243)	2,737,713
Net Cash Flow from Operating Activities		**(707,639)**	**1,298,869**
Cash flow from Investing Activities			
Purchase of Assets	19	0	0
Net Cash Flow from Investing Activities		**0**	**0**
Increase in Cash and Cash Equivalents		500,053	(1,086,610)
Cash and Cash Equivalent at the Beginning	16	1,178,638	2,265,248
Cash and Cash Equivalent at the End		**1,678,690**	**1,178,638**

The Financial Statements set out on pages 1 to 4 were signed on behalf of the Governing Council by:

Ag. Director/C.E.O
Vincent O. Opondo

Date 3/8/2022

Head of Finance & Accounts
Samuel Ng'ang'a Maina
ICPAK Member Number: 13520

Date 03/08/2022

Chairman Governing Council
Hon Justice Paul Kihara Kariuki

Date 3rd August 2022

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Original Budget	Adjustment	Final Budget	Actual	Performance difference Kshs	% Performance Difference
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021
Revenue						
Government grants & Subsidies	162,328,606	(4,000,000)	158,328,606	158,328,606	(4,000,000)	2.5%
Balance BF	1,178,639	-	1,178,639	1,178,639	-	
Total Income	**163,507,245**	**(4,000,000)**	**159,507,245**	**159,507,245**	-	
Expenses						
Employee costs	85,737,000	5,000,000	90,737,000	90,358,821	378,179	0.4%
Governing Council Expenses	10,896,000	(7,000,000)	3,896,000	3,896,200	200	0%
Use of Goods and Services	60,687,000	(800,000)	59,887,000	59,049,176	837,824	1.3%
Routine Maintenance - Vehicles and other Transport Equipment	5,000,000	(1,200,000)	3,800,000	3,816,718	(16,718)	0.4%
TOTALS	**162,320,000**	**(4,000,000)**	**158,320,000**	**157,120,915**	1,199,085	0.7%

Reconciliation between expenditure in the statement of financial performance and the statement of comparison of budget and actual amounts;

Total expenditure as per statement of comparison of budget and actual amounts	Kshs.157,120,915
Add: Depreciation and amortisation expense for the year	Kshs. 6,130,790
Total expense as per the statement of financial performance	Kshs. 163,251,705

NOTES ON STATEMENT OF BUDGET

i) The Centre had a balance of a reconciled bank balance of Kshs 1,678,691. This amount has been included in the statement of budget for the year and expensed

ii) Due to Covid 19 pandemic there was change in operational strategies hence budget revision during the year. The budget vote line changes were approved by the Governing Council.

iii) The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance; the budget is prepared on a cash basis and eventually restated to accrual. 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.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on accrual Basis Financial Reporting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

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

The financial statements have been prepared on the basis of historical cost. The cash flow statement is prepared using the indirect method.

3. ADOPTION OF NEW AND REVISED STANDARDS

The Centre did not adopt any new or amended standards in the year 2021.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

The entity receives Government grants through the Ministry of Interior and Coordination of National Government. Revenue is recognized once received.

b) Budget Information

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single line statement to determine the needs of the entity. Even with the adoption of the accrual basis there is some basis, timing or entity differences that would require reconciliation between the actual comparable amounts presented as a separate additional financial statement of comparison of budget and actual amounts especially provisions of gratuity that is payable after successful completion of the contact period.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

c) Property, Plant and Equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non- exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. The Centre has no intangible assets.

Depreciation rates are as below:

The assets are depreciated annually on reducing balance basis and charged to the statement of comprehensive income at the rates shown below;

Furniture and Fittings	12.5%
Office Equipment's	12.5%
Computers	33%
Motor Vehicles	25%

Full depreciation is charged in the year of acquisition and none in the year of disposal.

d) Research and Development Costs

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

i) The technical feasibility of completing the asset so that the asset will be available for use or sale

ii) Its intention to complete and its ability to use or sell the asset

iii) How the asset will generate future economic benefits or service potential

iv) The availability of resources to complete the asset

v) The ability to measure reliably the expenditure during development

NOTES TO THE FINANCIAL STATEMENTS (Continued)

e) Inventory

The Centre inventory comprises of consumable stores at the end of the financial year Inventory is valued at an average cost as at the end of the financial year.

f) Provisions – IPSAS 19

Provisions are recognized when the Entity has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate is made of the amount of the obligation. The Centre gives provision for gratuity as per staff's contract.

g) Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity 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.

h) Changes in accounting policies and estimates – IPSAS 3

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

i) Employee benefits Retirement benefit plans

The Entity provides retirement benefits for its staff and gratuity for the contracted staff. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

j) Related parties

The Entity regards a related party as a person or an entity with the ability to exercise control or exercise significant influence over its operating and financial decisions.

The Centre is related to:

i) The National Government;
ii) The Parent Ministry;
iii) Key management Personnel;
iv) Governing Council Members;

k) Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and cash at bank as at the end of the financial year.

l) Comparative figures

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

m) Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

6. ACCOUNTS RECEIVABLES

All revenue is invoiced and recorded when service has been provided. When circumstances dictate, that repayment will not be received it is treated as an accounts receivable for reporting purposes. In case the account will not be collected, the receivable is written off from the books.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. ACCOUNTS PAYABLES

This is money owed by the Center to its customers by the end of the financial year.

8. TAXATION

The Centre is nonprofit Semi-Autonomous Government Agency (SAGA) and is exempted from taxes by an Act of Parliament.

9. TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount Recognized in Capital Fund.	Total Grant income during the year	2020-2021	2019-2020
			KShs	KShs	KShs	KShs
Ministry of Interior and Coordination of National Government	158,328,606	0	0	0	158,328,606	151,933,400
Total	**158,328,606**	0	0	0	**158,328,606**	**151,933,400**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. USE OF GOODS AND SERVICES

Description	2020-2021	2019-2020
	KShs	KShs
Research	20,339,024	15,654,220
Subscriptions	301,800	333,400
Advertising	334,737	372,517
Audit fees	232,000	0
Conferences and delegations	3,281,355	2,660,463
Consulting fees	458,269	855,174
Domestic travel	1,344,200	0
Consumables	5,317,569	4,769,915
Fuel and oil	1,323,190	1,871,859
Insurance	327,086	776,257
Printing and stationery	1,128,718	1,934,155
Bank charges	329,415	0
Rental	20,374,455	23,580,739
Telecommunication	1,455,619	1,942,693
Training	956,569	1,000,360
Other general expenses	2,889,370	2,606,353
Total	**60,393,376**	**58,358,105**

11. EMPLOYEE COSTS

	2020-2021	2019-2020
	KShs	KShs
Salaries and wages	34,829,538	35,907,807
Employee related costs - contributions to pensions and medical aids	14,866,166	13,670,524
Travel, motor car, accommodation, subsistence and other allowances	27,085,583	28,734,182
Housing benefits and allowances	12,233,334	12,368,064
Employee costs	**89,014,621**	**90,680,577**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. GOVERNING COUNCIL EXPENSES

Description	2020-2021	2019-2020
	KShs	KShs
Governing Council	3,896,200	2,178,400
Total director emoluments	**3,896,200**	**2,178,400**

13. DEPRECIATION EXPENSE

Description	2020-2021	2019-2020
	KShs	KShs
Property, plant and equipment	6,130,790	7,398,516
Total depreciation and amortization	**6,130,790**	**7,398,516**

14. REPAIRS AND MAINTENANCE

Description	2020-2021	2019-2020
	KShs	KShs
Motor Vehicles	2,584,660	2,224,415
Other Assets	1,232,058	877,382
Total repairs and maintenance	**3,816,718**	**3,101,797**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. CASH AND CASH EQUIVALENTS

Description	2020-2021	2019-2020
	KShs	KShs
Current account	1,484,059	1,113,882
Cash in Hand	194,632	64,757
Total cash and cash equivalents	**1,678,691**	**1,178,639**

16. DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

Financial institution	Account number	2020-2021	2019-2020
		KShs	KShs
a) **Current account**			
Kenya Commercial bank	1122479417	1,484,059	1,113,882
Sub- total		**1,484,059**	**1,113,882**
b) Others(specify)			
Cash in Hand		194,632	64,757
Sub- total		**194,632**	**64,757**
Grand total		**1,678,691**	**1,178,639**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	KShs	KShs
Current receivables		
Customer Prepayments – Training Bond	0	34,875
Lloyd Masika – Rental Deposits	1,949,026	1,949,026
Lloyd Masika – Parking Fees Deposits	108,000	108,000
CIC Insurance – General Life	639,984	668,367
CIC Insurance – Medical Cover	4,891,065	4,821,767
Lloyd Masika – Rent	2,479,748	2,436,993
Safaricom Limited	4,500	4,500
Postal Corporation of Kenya	4,725	4,725
The Standard Group	115,493	118,496
Vista Prime Ltd	120,000	18,755
Institute of Certified Public Accountants	5,600	11,200
Human Resource Institute	4,500	5,500
Kenya Library Information Services	135,000	135,000
CIC Insurance GPA	153,617	160,303
Institute of Internal Auditors	0	5,000
Total	**10,611,258**	**10,482,507**

18. INVENTORIES

Description	2020-2021	2019-2020
	KShs	KShs
Consumable stores	440,308	426,065
Total inventories at the lower of cost and net realizable value	**440,308**	**426,065**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Total
Cost	**KShs**	**KShs**	**KShs**	**KShs**	**KShs**
At 1July 2019	**24,438,724**	**65,811,555**	**13,632,071**	**3,863,830**	**107,746,180**
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
At 30th June 2020	**24,438,724**	**65,811,555**	**13,632,071**	**3,863,830**	**107,746,180**
Additions	0	0	0	0	**0**
Disposals	0	0	0	0	**0**
At 30th June 2021	**24,438,724**	**65,811,555**	**13,632,071**	**3,863,830**	**107,746,180**
Depreciation and impairment					
At 30 June 2019	**18,261,815**	**26,954,610**	**11,416,495**	**1,735,584**	**58,368,504**
Depreciation	1,544,227	4,857,118	731,140	266,031	7,398,516
At 30 June 2020	**19,806,042**	**31,811,728**	**12,147,635**	**2,001,615**	**65,767,020**
Depreciation	1,158,171	4,249,978	489,864	232,777	6,130,790
At 30th June 2021	**20,964,213**	**36,061,706**	**12,637,499**	**2,234,392**	**71,897,810**
Net book values					
At 30th June 2021	**3,474,511**	**29,749,849**	**994,572**	**1,629,438**	**35,848,370**
At 30th June 2020	**4,632,682**	**33,999,827**	**1,484,436**	**1,862,215**	**41,979,160**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
		KShs
	KShs	
Office of the Auditor General	464,000	928,000
Gratuity	4,210,016	2,588,098
PAYE	0	1,722,563
Total Trade and other payables	**4,674,016**	**5,238,661**

21. EVENTS AFTER THE REPORTING PERIOD

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

22. ULTIMATE AND HOLDING ENTITY

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the **Ministry of Interior and Coordination of National Government**. Its ultimate parent is the Government of Kenya.

23. CURRENCY

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

24. DEFICIT

The statement of financial performance includes the depreciation expense which is a non-cash item. The Centre also had some brought forward cash balances during the year.

APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The Centre had obtained a qualified report on the basis of the two issues indicated on the table below for the period ending 30th June, 2019.

Ref. No. on the External Audit, Report	Issue/ Observation's from Auditor	Management Comments	Focal Point person to resolve the issue	Status	Timeframe
1.Unsupported prior year adjustments	The statement of changes in net assets had a prior year adjustment of Kshs 188,885 relating to inventories due to under valuation of the inventory as at 30th June, 2018	The difference was caused by system valuation method of averaging against the manual inventory valuation of actual cost. The system valuation method was adjusted to actual cost valuation	Accountant	Finalized	-
2.Unpaid audit fees	Audit fees payable to the Auditor General of Kshs 696,000 relating to financial years 2014/2015, 2015,2016 and 2016/2017 were outstanding.	The audit fees have since been settled	Accountant	Finalized	-

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VINCENT O. OPONDO
Ag. DIRECTOR/CEO
NATIONAL CRIME RESEARCH CENTRE

Date 3/8/2022

.....
HON. JUSTICE PAUL KIHARA KARIUKI
CHAIRMAN
NATIONAL CRIME RESEARCH CENTRE

Date 3rd August 2022

APPENDIX II: CONFIRMATION OF INTERENTITY TRANSFERS

Confirmation of amounts received by (National Crime Research Centre)} as at 30th June 2021							
Amounts Disbursed by Ministry of Interior as at 30th June 2021							
Reference Number	Date Disbursed	Recurrent GoK Grants (Ksh) a	Development GoK/Donor Grants (ksh) b	Inter- Ministerial (ksh) c	Total (ksh) D=(a+b+c)	Amount received by (NCRC) as at 30th June 2021 (ksh) e	Differences (Ksh) =(d-e)
FT211865YHMV	05/07/2021	26,000,000.00	0	0	26,000,000.00	26,000,000.00	0.00
FT211166XP1Y	26/04/2021	10,582,151.75	0	0	10,582,151.75	10,582,151.75	0.00
FT21035QQYTF	04/02/2021	40,582,151.00	0	0	40,582,151.00	40,582,151.00	0.00
FT2022561Y4R	12/08/2020	40,582,151.75	0	0	40,582,151.75	40,582,151.75	0.00
FT20314MKPS2	9/11/2020	40,582,151.75	0	0	40,582,151.75	40,582,151.75	0.00
TOTAL		158,328,606.25	0	0	158,328,606.25	158,328,606.25	0.00

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

Head of Accounts, State Department for Interior and Citizen Services

Name: JAMES K. KARORI

Signature:

Date: 12/08/2021

Head of Accounts & Finance, National Crime Research Centre

Name: SAMUEL NGANGA MAINA

Signature:

Date: 20/08/2021