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ANNUAL REPORT

TRANSFORMED; CONNECTED; IMPACTFUL

INSTITUTE OF HUMAN RESOURCE MANAGEMENT

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING 30TH JUNE 2018, 30TH JUNE 2019, 30TH JUNE 2020 AND 30TH JUNE 2021

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

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QUICK OVERVIEW

Membership growth

In the year 2021, the Institute registered 1, 006 new members, increasing the total number of members to 15,605

- 1) Associate 8,825
- 2) Member -3,926
- 3) Practicing -2,532
- 4) Fellows -64
- 5) HR Firms -258

Revenue

In the year 2020/2021 the total revenue realised was Kshs. 185.3 Million up from Kshs. 182 Million in the year 2019/2020. This represent an increase of 2.4% from the previous year. Increase in revenue was noted across all revenue streams except for rental income following exit of the tenant

CPD Trainings

The Institute organizes Continuing Professional Development programs which are critical to the growth of HR professionals enhancing their skills and competencies for improved service deliver among their stakeholders.

A total of 49 programs were offered 25 were physical while 22 were virtual. A total of 2 Certification courses were also offered. These courses covered emerging trends and relevant topics in HR practice.

National Visibility

IHRM remains committed to driving the HR agenda in Kenya. The Institute has collaborated with numerous like-minded stakeholders. IHRM offered advisories to state and non-state actors on progressive people management practices. The Institute engaged the National Government, Counties, Parliament, Development Partners, Lobby groups, the Media and other stakeholders on matters of public interest.

Global Reach

IHRM prides itself in enhanced collaboration with HR professional bodies within the region setting the pace especially in local HR certification. The Institute has provided numerous opportunities for professionals to learn on a global set up.

HR Regulation

IHRM is mandated to regulate the Human Resource (HR) profession in Kenya, enhance competencies and capabilities while supporting innovative and transformative HR practices and standards. The IHRM further registers as members all persons who meet the required professional and ethical standards and to enforce compliance with the HRMP Act and related rights for its registered HR practitioners.

Institutional Sustainability

IHRM has invested in strengthening the secretariat which is the life line of the profession in implementing council resolutions in the service of members. The Institute has an elaborate capacity building program and has implemented policies promoting the success of the secretariat in in effect that of the HR profession in Kenya.





WHO WE ARE

The Institute of Human Resource Management (IHRM) is a Statutory Professional body established under the Human Resource Management Professionals (HRMP) Act, No. 52 of 2012. Its mandate is to regulate the HR profession in Kenya, enhance competencies and capabilities while supporting innovative and transformative HR practices and standards.

It is a State Corporation in the Ministry of Public Service, Gender and Affirmative Action. The Institute is domiciled and operates within the Republic of Kenya. It is governed by a Council and headed by the Executive Director who is responsible for general policy and strategic direction of the Council and is the Secretary to the Council

IHRM formerly known as the Institute of Personnel Management Kenya (IPM (K) was registered in the year 1987 as an association of personnel practitioners with the aim of sharing knowledge and experiences for professional development. IPM (K) changed its name to IHRM in July 2007 in pursuit of the development of a legal framework to govern the practice of Human Resource Management in Kenya. The Council has delegated authority to Branches made up of professionals within a given geographical location for devolution of services, networking, and continuous professional development.

IHRM is located in Nairobi City County on the 24th Floor of Prism Towers, 3rd Ngong Avenue, Upperhill. It offers a range of services including Registration of Members, Continuous Professional Development through training, Consultancy, Lobbying, and Advocacy.

IHRM has a membership of over 16,000 HR professionals from across all sectors of the economy (National Government, County Governments, State Corporations, NGOs, Academia, Faith-based organizations, Private sector and Consultancies).

Vision

Ethical, people-centric HR Professionals

Mission

To regulate and promote the practice of Human Resource Profession

Credo

Transformed. Connected. Impactful

Core values

- Professionalism
- Integrity
- · Innovation
- · Customer Focus
- · Excellence

The functions of the Institute include:

- (a) Establish, monitor, and publish the standards of professional competence and practice amongst human resource professionals;
- (b) Register persons who meet the required professional and ethical standards;
- (c) Promote research in human resource practice and related matters,
- (d) Publish books, periodicals, journals, and articles on human resource;
- (e) Provide a medium for communication and exchange of information, knowledge, and ethical standards for those persons engaged in the field of human resources management;
- (O Network with regional and international related bodies to promote and develop progressive;
- (g) Hold examinations and prescribe tests of competency deemed appropriate to qualify for membership and certification by the Institute;
- (h) Advise the Examinations Board on matters relating to examination standards and policies;
- (i) Advise the Registration Committee on matters relating to registration;
- (j) Regulate the practice, competence and professional conduct of human resource professionals;
- (k) Promote and protect the welfare and interests of the human resources profession;
- (1) Promote inter-professional collaboration with other professional bodies; and
- (m) Carry out any other functions prescribed for it under any of the provisions of this Act or under any written law.

NOTICE OF THE 2ND ANNUAL GENERAL MEETING OF THE INSTITUTE OF HUMAN RESOURCE MANAGEMENT

NOTICE is hereby given that the Second (2nd) Annual General Meeting of the Institute of Human Resource Management (the Institute) will be held both by Electronic Means (ZOOM) and at the Kenyatta International Convention Centre (KICC) on Friday, 10th February 2023 at 9.00 a.m. to transact the following business: -

AGENDA

- 1. To read the notice convening the meeting.
- 2. To confirm and adopt the minutes of the First (1st) Annual General Meeting held on 15th October 2019.
- 3. To receive a report by the National Chairman of the Institute on behalf of the Council.
- 4. To receive a report by the Executive Director of the Institute.
- 5. To receive, consider and adopt the Audited Financial Statements of the Institute for the financial years ended 30 June 2018, 30 June 2019, 30 June 2020 and 30 June 2021 together with the reports of the Council and Auditor General thereon.
- 6. To note that in accordance with Section 39 (3) of HRMP Act, the Auditor General continues in office as the Auditor of the Institute.
- 7. To consider any other business of which due notification will have been received by the Secretary.

BY ORDER OF THE COUNCIL

CHRP QURESHA ABDULLAHI
EXECUTIVE DIRECTOR AND SECRETARY
INSTITUTE OF HUMAN RESOURCE MANAGEMENT

Date: 20 January 2023

Distribution

- · All Council Members
- · All members of IHRM







MESSAGE FROM THE NATIONAL CHAIRMAN

Looking back the year 2021 was a challenging one for individuals and businesses especially due to the effects of the COVID-19 pandemic. Literally every sector was affected forcing organizations to rethink business approaches for continuity. The People Management function's role in provided the much needed continuity was magnified as business leaders looked to HR professionals for guidance in managing people during a crisis of this magnitude. It is important that we carry with us the lessons from this experience and create agile workplaces.

At the Institute we made adjustments in service delivery especially through virtual learning which provided Members timely information and maintained the sense of togetherness even during a challenging time. The experiences of the year 2021 have significantly influenced legislation, policy formulation and leadership strategies in the world of work.

I am pleased to report on the numerous activities and membership developments IHRM has recorded within this period. The Human Resource Profession in Kenya is in a new trajectory. Since 2012, the Institute of Human Resource Management has made several strides in respect to enacting various regulations such as; training and membership registration, elections to the council regulations, competency-based criteria, and branch networks policy among others.

The Institute provides knowledge, skills and attitudes that have become a key driver of growth and development globally. Production of qualified human resource professionals has become intensive and has led to training, coaching and mentorship to get higher value services to manage the labour force with the appropriate mix of technical and soft skills. We are pleased to revamp the HRM Magazine and other communication platforms as a means of continuously engaging members as well as for knowledge sharing.

The Strategic Plan (2020-2023) marks yet another milestone in the life of the Institute of Human Resource Management. This Plan takes off from a successful implementation regime of the previous Strategic Plan (2016-2020). It guarantees continuity and succession and further takes a bold initiative to chart a new path, introducing a new critical dimension in the conceptual framework of the Institute's mandate. The Institute is on track in implementing the key strategic areas as will be demonstrated in this report.

A lot of initiatives and partnerships are also in place to ensure continuous engagement among members and their professional body as well as with like-minded stakeholder both state and non-state actors for the growth of the profession.

CHRP Phillip Dalmas Odero COUNCIL NATIONAL CHAIRMAN



MESSAGE FROM THE EXECUTIVE DIRECTOR

The Institute of Human Resource Management continues to enjoy significant growth, entrenching its place as a regulator of the HR profession in Kenya. This would not have been possible without the collaboration of various stakeholders who continue to play a critical role in the growth and professionalization of the HR practice.

We value the contribution of Members, staff, partners, and especially the Government through our mother Ministry for their hard work and commitment which has resulted in the gains recorded so far. This signifies our advancing profession and our commitment to upholding public interest on behalf of the people of our beloved Nation. It is also a reflection of the IHRM Council's strong commitment to providing valuable and sought-after member services, support, resources, leadership, and collaboration with like-minded stakeholders

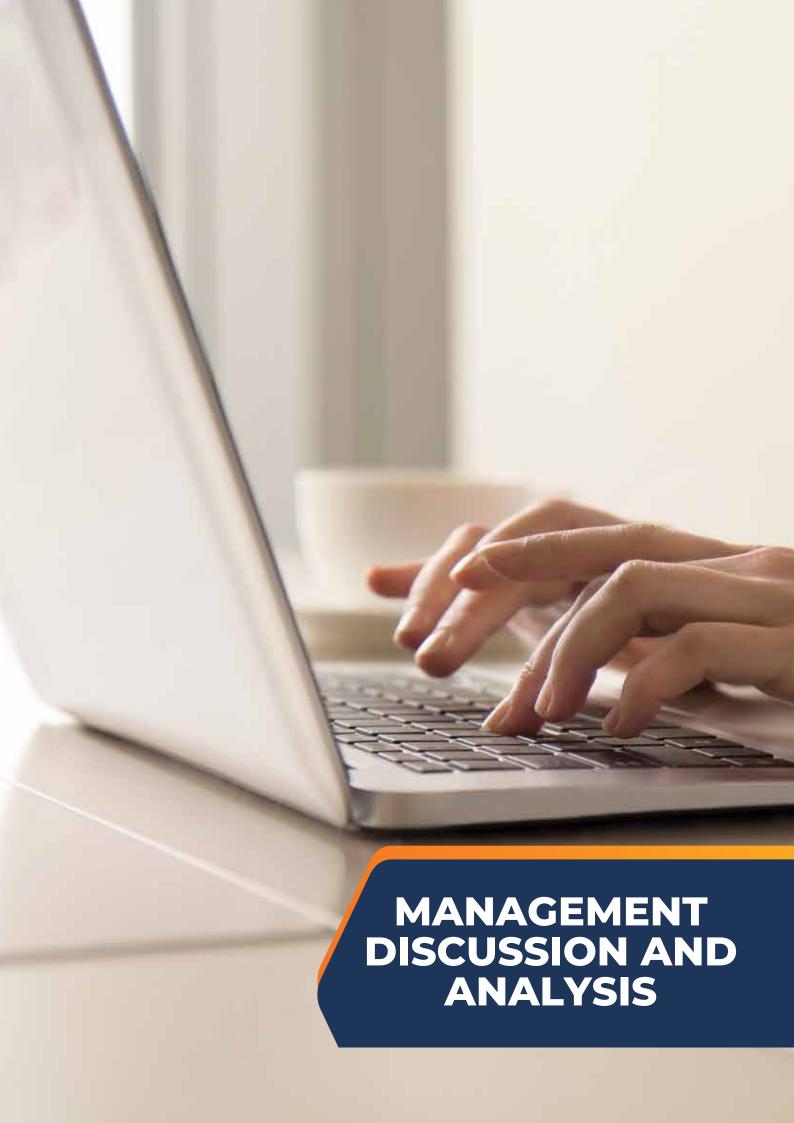
The world of work continues to change and for professionals to remain relevant in a rapidly changing environment, Continuous Professional Development is critical. IHRM developed a vibrant calendar that covers emerging trends in the HR space. The calendar caters to professionals at various stages of their professional journey from Executives to entrants. In the year 2021, IHRM hosted numerous training programs across sectors engaging in structured CPD programs. The Institute completed the installation of an ERP system significantly enhancing member services through the use of technology. Members can now access their invoices, make payments, and book events at the comfort of their desks. Further integration with existing systems is ongoing to ensure that Members easily track their CPD points and enhance events management pre, during and post the event...

Despite the tough economic times, and the effects of the COVID-19 pandemic across the board, we have ensured the survival of the institution by striving to maintain a healthy financial position. The Institute recorded notable achievements which were made possible by the dedicated workforce and guided by the Finance and HR Committee and the Council.

IHRM's regulatory role has been designed to match best practices in the regulation of professional practice by having clear standards, a body of knowledge, and requisite skills and competencies. Employers continue to engage dully registered members with an increase in inquiries before they hire. There is growing appreciation of the fact that HR professionals operate in a regulated environment as per the HRMP Act No. 52 of 2012. The Council has in place a vibrant Disciplinary Committee that handles any professional misconduct.

I would like to sincerely thank the Institute's Secretariat for their hard work, often going above and beyond their limit. Their passion for the HR profession is commendable. Our partners and stakeholders are critical to the success of IHRM and it is a pleasure to continue working with them. Special gratitude to the members who volunteer their time to serve in various branches, committees, and Council your sacrifice is not in vain as the HR Profession has recorded significant growth on your account. I would like to sincerely thank you all on behalf of IHRM and the HR profession.

CHRP Quresha Abdullahi EXECUTIVE DIRECTOR



Membership

In the year 2020/2021, the Institute continued to maintain the membership as well as increase in new members during the period. The Institute has conducted various activities such as holding trainings, seminars, workshops, conference, congress among other annual events to sustain engagement and regular communication with the stakeholders. The Institute also conducted CPD trainings to maintain high reputation of the profession and to protect the various stakeholders' interests.

Revenue

In the year 2020/2021 the total revenue realised was Kshs. 185.3 Million up from Kshs. 182 Million in the year 2019/2020. This represent an increase of 2.4% from the previous year. Increase in revenue was noted across all revenue streams except for rental income following exit of the tenant.

Operating Costs

The total operating costs for the year 2020/2021 stood at Kshs. 160.6 Million having increased from Kshs. 154.4 Million in the year 2019/2020. This attribute relates mainly to increase membership activities during the period translating to increase in operating costs.

Profit

The summaries above therefore translate to decrease in operating surplus of Kshs. 2.8 Million. In the year 2019/2020 the Institute realised operating surplus of Kshs. 27.5 Million compared to operating surplus of Kshs. 24.7 Million for the year 2020/2021.

Governance

The Council is the governing body of IHRM and is responsible for the overall governance of the Institute. It comprises 9 Members:

- a) The Chairman and six members elected from the institute's membership
- b) One member representing the Principal Secretary responsible for public service
- c)One member representing the Principal Secretary responsible for labour and human resource development

Role of Council

- a) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period
- b) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Institute
- c) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial material statements, and ensuring that they are free from misstatements, whether due to error or fraud
- d) Safeguarding the assets of the Institute;
- e) Selecting and applying appropriate accounting policies; and
- f) Making accounting estimates that are reasonable in the circumstances.
- g) Issuing standards of professional practice
- h) Issuing the regulations and guidelines to govern the operations of the Institute
- i) Provide strategic leadership
- i)Overall performance evaluation
- k) Stakeholder engagement



The Council is committed to the highest standards of behaviour and accountability from members and accordingly endorses the principles code of ethics which sets out the manner in which Members and employees should conduct themselves. The composition of the Council is governed by the Institute's Constitution which also details how Council Members are appointed, removed and/or replaced upon expiry of their term in office.

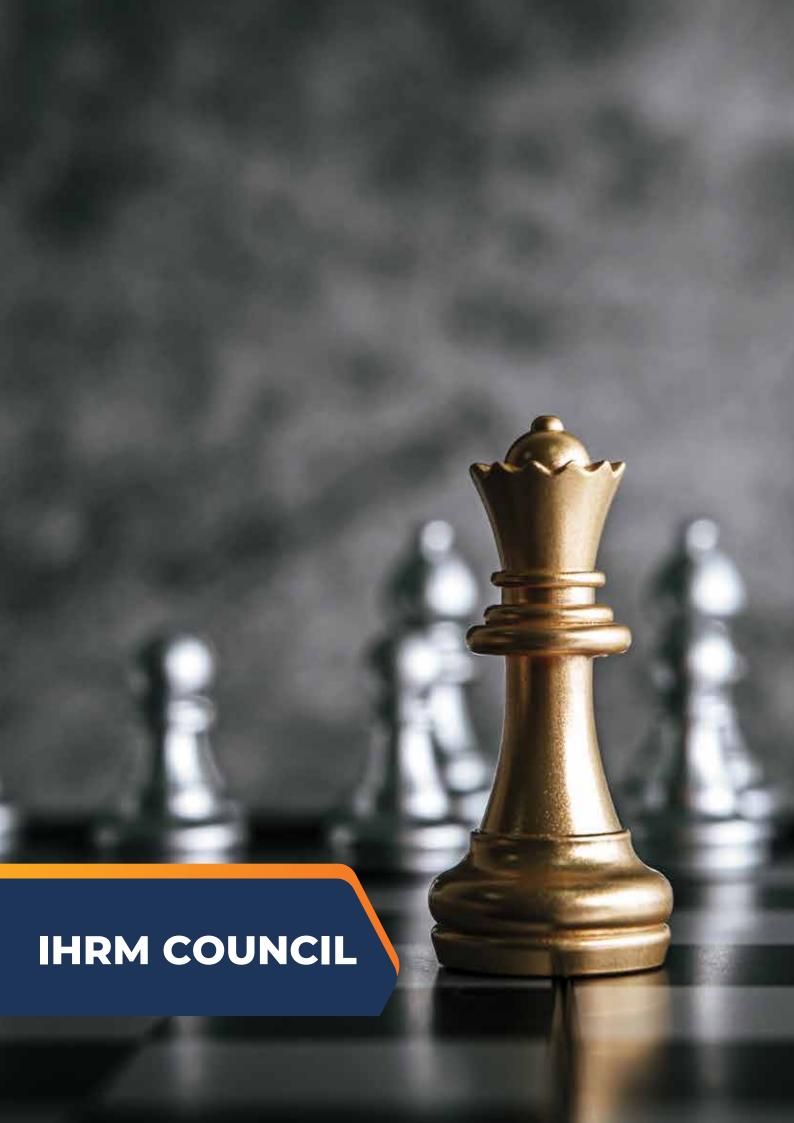
The composition of the council member reflects the duties and responsibilities it is to discharge and perform as the representatives of the members. The Council members are independent of management and free from other relationships which could materially interfere with the exercise of their independent judgment. The council and committee normally meets quarterly and has as tabulated below between 1 July 2020 and 30 June 2021. Special purpose meetings are held as required.

	Particulars	Meetings
1.	Council Members	9
2.	Registration Committee	1
3.	Disciplinary Committee	2
4.	Audit, Risk & Compliance Committee	3
5.	Human Resource & Finance Committee	9
6.	Continued Professional Development & Membership Services Committee	1

The Council has one standing committee: Registration Committee. The council and committee members do not have a remuneration but would be paid meeting allowances whenever they are called upon.

According to the HRMP Act, the Council establishes Committees to support in the delivery of the Institute's mandate. The Governance of the various committees is as shown below:

- 1. Governance, Integrity, Audit and Risk Committee
- 2. Finance, Administration, and Resource Mobilization Committee
- 3. Membership and CPD Committee
- 4. Registration, Compliance and Quality Assurance Committee- Statutory





CHRP Odero. Phillip Dalmas National Chairman



Mr. Abdisalam MohammedCouncil Member – Nairobi/Central/North Eastern
Region Representative



CHRP Patricia OkelloCouncil Member – Nyanza/Western
Region Representative



Ms. Hellen ApiyoCouncil Member – Ministry of Labour
Representative



Mr. John Mutisya Mwanzia Council Member – Coast/Eastern Region Representative



CHRP Catherine Mwangi Council Member – Nairobi/Central/North Eastern Region Representative



Dr. Jacob MbijjiweCouncil Member – Ministry of Public Service
Representative



CHRP Beatrice Cherotich Bii Council Member - Representing Rift Valley Region



Ms. Lilian Ngala Council Member – Nairobi/Central/North Eastern Region Representative



CHRP Quresha Abdullahi Council Secretary/ Executive Director

IHRM COUNCIL COMMITTEES

In line with best Governance practices, the Council is organized into Committees whose responsibility includes advising the Council, discussing and capturing key deliberations, propose options for action and make recommendations for the Council to endorse or decide on a matter as guided by their respective Terms of Reference.

1.Governance, Integrity, Audit and Risk Committee

The Governance, Integrity, Audit and Risk Committee assists the Council by advising it on all governance, integrity, audit and risk matters regarding the operation of the Institute.

1) Mr. John Mwanzia - Chairman

2) Mr. Nelson Mukuriah - Member 3) Mr. Allan Ngunze - Member 4) Ms. Philisters Obunga- Member 5) Mr. Gilbert Nyandiga- Member

2.Finance, Administration, and Resource Mobilization Committee

The Finance, Administration and Resource Mobilization Committee assists the Council by advising it on all finance policies and matters regarding the annual operations and long-range operating and capital budgets of the Institute.

1. Mr. Abdisalam Sheikh Mohamed - Chairman

Mr. Peter Ngigi - Member
 Ms. Mary Murigah - Member
 Mr. Bernad Wekulo - Member

Human Resource (HR), Public Policy & Lobbying Committee

- 1. CHRP Catherine Mwangi Chairperson
- 2. Ms. Ebla M. Mohamed Member
- 3. Prof. Robert K.W. Egessa Member
- 4. CHRP Samson Ole Tipape Member
- 5. Mr. Rusheid Delwash– Member

3. Membership and CPD Committee

The Membership and CPD Committee assist the Council by advising it on all matters relating to Continuing Professional Development (CPD) and Membership Services to the members of the Institute HR, Public Policy and Lobbying Committee

- 1. CHRP Beatrice Bii Chairperson
- 2. Mr. Yusuf Saleh Member
- 3. Mr. John Mwanzia Member

4. Registration, Compliance, and Quality Assurance Committee- Statutory

The purpose of the Registration, Compliance and Quality Assurance Committee is to receive applications for registration and monitor on the Council's behalf compliance with professional quality assurance and other standards published by the Council for observance by the members of the Institute.

- 1. CHRP Patricia Okello Chairperson
- 2. Ms. Joan Onyinkwa Member
- 3. Ms. Margaret Nguu Member
- 4. Ms. Phoebe Nyangi Member
- 5. Mr. Thomas Achok Member

5. Complain, Investigation & Disciplinary Committee

The Complain, Investigation, and Disciplinary Committee handles all matters touching on the conduct of members. In the year under review, the following was the membership of the Committee:-

Ms. Lillian Ngala - Chairperson
 Dr. Jacob Mbijjiwe - Member
 Ms. Hellen Apiyo - Member
 Ms. Catherine Mwangi - Member



ORGANIZATION STRUCTURE

STRATEGIC REVIEW

Statement of the Institute of Human Resource Management performance against predetermined objectives for FY 2020/2021

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

Institute of Human Resource Management has 5 strategic themes and objectives within the current Strategic Plan for the FY 2020/2021. These themes are as follows:

- 1. Strengthening Member Services
- 2. Enhancing Member Welfare
- 3. Operationalize Consultancy Services
- 4. Institutional sustainability and Growth
- 5. Linkages and Stakeholder Engagement

The Institute develops its annual work plans based on the above 5 themes. Assessment of the Council's performance against its annual work plan is done periodically. The Institute achieved its performance targets set for the FY 2020/2021 period for its 5 strategic themes, as indicated in the diagram below:

Strategic Theme	Objective	Key Performance	Activities	Achievements
		Indicators		
1. Strengthening Member Services	Innovate value propositions to meet new and emerging needs along with creating long value to members with the view of attracting members.	Survey ReportMembership ReportsNew productsTraining reports	Trainings,EventsCPDsPartnerships with various stakeholders	 Increase in registration of new members Higher renewal of annual membership Enhanced CPD program for developments Establishment of new branches Vibrant branch forums
2. Enhancing Member Welfare	Establish an association to promote member welfare and offer financial support. Promote the Huduma HR SACCO to enhance members' quality of life	 Develop a framework for the association and establish mechanisms to manage expected change Product diversification Member sensitization 	 Increase number of products Marketing and membership drives 	1. Increased member
3. Operationalize Consultancy Services	Establish HR standards to enhance professional practice Engage in public policy formulation, research and advisory in best HR practice	 Participate in national discourse Establish a research and consultancy unit 	 Offer advisories Carry our research Bid for consultancy service jobs Develop standards 	Standardization for HR practice Increased spun of influence Increased number of standards developed Increase in number of consultancies offers
4. Institutional Sustainability and Growth	Building capacity in order to set up standards as a basis of regulating HR practices, while ensuring good governance and in a constantly changing environment. Enhance governance by putting up structures of the Council, efficient and sustainable institutional management	 Establishing various committees and to perform regulatory tasks Enactment of various rules and regulations Council meetings Branch Activities 	- Effective Council meetings - Continuous monitoring and evaluation of the Strategic Plan - Review and gazettement of Code of Conduct	1. Effective Council meetings 2. Steady growth of HRMPEB 3. Sustaining a strong risk management strategy through legal framework and adopting inclusiveness 4. Sustaining vibrant committees to take up various tasks from time to time. 5. Handling several professional issues 6. Promoting the amendment of the HRMP Act
5. Linkages and Stakeholder Engagement	To ensure that the Institute's statutory roles, its mission, values and its	- Level of engagement with stakeholders	- Online Activities	 Enhanced advocacy and lobbying Increased visibility



ENVIRONMENTAL & SUSTAINABILITY REPORTING

The Institute has an established commitment to sustainability and national profile for performance and innovation in this area. We were pioneers in developing a human resource practising approach to sustainability that connects our activities to the educational requirements and practical sustainability through Green HRM initiatives especially tree planting. We see sustainability as a force for transformative change across our human resource activities, business operations, public outreach and the entire human resource experience.

Sustainability strategy and profile

The Institute of Human Resource Management is a leading professional membership organisation in advancing growth and development in human resource activities. The successful implementation of the 2020-2023 strategic plan has brought a lot of efficiency and effectiveness in terms of quality, accuracy, speed and real time capacity for interactive feedback on various communication platforms.

Environmental performance

The Institute of Human Resource Management takes responsibility and compelled to creating links between disclosures on environmental performance. The Institute has taken an active part in articles writing campaigns as we believe good environmental gain appropriate recognition and benefits by the larger public.

The Institute has natured a plan for properly implementing and maintaining the compliance to the legal requirements, corrective, preventive, recording and managing information relating to environmental performance from time to time. The Institute is inherently well placed for measuring, managing and communicating their environmental performance for the period. Environmental performance reporting has enabled the Institute to;

- i) Provide Management information helping in exploiting cost saving measures,
- ii) Chance to set out what we believe is significant at the Institute.

IHRM takes pride in the Green HRM initiative where IHRM Members target to plant 4.7 Million trees in 3 Years. The initiative is aligned with the global and national agenda and climate change. The Government launched an initiative which will mobilize the nation to engage in growing trees across the nation which will contribute to combating the effects of climate change. So far close to 500,000 trees have been planted through the branch network across the country.

HUMAN CAPITAL

The Institute has a high-performance which is member centric and quality service delivery. The Institute has promotes a performance culture in alignment with the overall strategic objective of the organization. IHRM is committed to equal opportunity promoting diversity and inclusion at the secretariat. IHRM strives to provide benefits, facilities, and services to the employees as part of its employee welfare policy. These activities are undertaken by the Institute to ensure that the employees have a comfortable and a conducive working environment.

Welfare activities enhance employees' morale, create an engaged workforce as well as develop an improved image of the Institute. In addition to this, the Institute ensures compliance to all statutory requirements. Some of the areas the Institute has addressed includes;

- i) Provision of various facilities, services and amenities to improve their health, efficiency, economic betterment and social status.
- ii) Regular remuneration and other economic benefits available to employees.
- iii) Introduction of new measures as proposed by the employers, regulations, employees or best practices in the market,
- iv) Bringing about the development of the whole personality of the worker to make them better.

MARKET PLACE PRACTICES

Responsible competition practice.

The Institute has a responsibility of conducting business with integrity. Meaning, it strives to;

- i. Maintaining and promoting competition
- ii. Protecting the interests and safety of consumers, and supporting fair trading in markets affecting consumers and other entities,
- iii. promoting the economically efficient operation,
- iv. Undertaking market studies to support competition, consumer and regulation.

The goal of the Institute on competition is to contribute to overall welfare and economic growth by promoting market conditions in which the nature, quality, and price of goods and services are determined by competitive market forces. In addition to benefiting consumers and a general economy as a whole, such a competitive environment rewards enterprises that respond efficiently to consumer demand. The Institute is therefore working along the Kenya competition law that encourage competition in the economy by prohibiting restrictive trade practices, controlling monopolies, concentrations of economic power and prices for connected purpose.

Responsible Supply chain and supplier relations Supplier relationship is very important and remains most basic level the resources for the products or services the Institute would provide to run the business. The key advantages of strong and healthy supplier relationship include; dedicated service, preferential pricing and special credit terms. Through this, your supply chain becomes more efficient, cost effective and productive.

- i) Effective, open two-way communication is at the heart of any strong business relationship,
- ii) A mutual appreciation and willingness to consider the needs and opinions of suppliers,
- iii) Being open and honest with the suppliers,
- iv) Ensuring all benefits are split straight down the line.
- v) Trust is the cement holding a strong relationship with our suppliers,
- vi) Adapting and embracing innovation as a means of improving services



HR AWARDS 2021

The Institute is aiming at forming longer, stronger bonds with suppliers. This offers better value through quality, reliability, value for money, and clear communication.

The Institute successfully hosted the 2nd edition of the HR Awards. The HR Awards seeks to Identify and award HR individuals and Institutions that have made invaluable Milestones and Contribution:

- In the Professional Body of HR- Knowledge, Policies, Structure and Processes.
- Through Development and implementation of above board HR Initiatives that have resulted to immense success of Projects or the Organizations they work in.
- By Demonstrating Compliance and adherence to high standards of HR codes, statutes and Values while executing their roles and leading people strategies in projects or organizations.
- By Bringing to the limelight different HR

INVITATION OF FELLOWS

For a long time IHRM did not expand the number of Fellows of the Institute main because of the transition period as the Institute operationalized the HRMP Act. In recognizing outstanding achievements of its members in promoting best HR practices the Council invited Fellows in a commendation ceremony during the Annual gala dinner.

Achieving Fellowship status is a significant milestone in a member's professional and career journey. It demonstrates to employers and business associates that the member has extensive experience and has made a substantive long-term commitment to professionalism and ethics. In 2021, 21 members were awarded Fellowship status.



The Institute enjoys a cordial working relationship with the media as a trend setter and influencer on employment and people management matters in the country receiving coverage on both print and electronic media on various subject matters.

The Institute has maintained a very high standard in marketing and advertising for the various services so far put in the market. Ethical marketing involves everything from ensuring that advertisements are ethically sounding to building meaningful relationships with customers.

Product stewardship

The Institute of Human Resource management ensures that the services offered have the greatest ability to minimize adverse impacts to the consumers. The Institute continue to be a leading pillar in the human resource regulations through initiatives in product safety and content sharing. When appropriate, the Institute escalates product stewardship issues to the regulatory bodies and Council of Members for appropriate guidance.

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Corporate Social Responsibility / Community Engagements

The Institute of Human Resource Management considers corporate social responsibility an integral part of the activities. Over the period, it is clear that the corporate social responsibilities activities have; attracted and maintained cordial relationships with various stakeholders, enhanced customer service and contributed to the general wellbeing of our society.

IHRM has identified three main areas through which to engage the community, promote environmental sustainability, and remain socially responsible to our communities. They include:

- 1. Environmental sustainability- Green HR Initiative- Planning trees and promoting Green HR practices
- 2. Enhancing Employability through career fairs and workshops
- 3. Philanthropy- Giving back to the society

Branch Activities

The Institute through the Branch Network undertook the following activities within their communities and among HR professionals. In the year 2021, the branches achieved several milestones in learning and development, stakeholder engagement especially the County Governments, and influencing public policy.

Table on branch activities

	BRANCH	TOPIC FORUM/TRAININGS/	DATE
1.	Nyanza Branch Forum	1 nd Quarter Training	19th March ,2021
		Topic: Work place diversity	
		3 nd Quarter forum	
		Topic: Human Resources auditing & compliance requirements.	11th October,2021
2.	Mt. Kenya North Branch	1 nd Quarter Training	11th February ,2021
		Topic: Labour law Training	
		2 nd Quarter Forum	
		Topic: Emotional intelligence	4 th April ,2021
		3 rd Quarter Training	16th September ,2021
	9/11/2017/11/2017	Topic: Conflict Mediation & resolution	
3.	Coast/ Eastern Branch	3 rd Quarter Training	28th September,2021
		The role of HR in the enforcement of data protection	
		Mental Health trends in the workplace.	
		Official opening of 25th Annual HR Conference in Mombasa.	
			26th to 29th October, 2021
4.	Western Branch	1 nd Quarter Training	11th February 2021
		Topic: Enhancing employee job embeddedness: opportunities &	
		challenges.	4th June ,2021
		2 nd Quarter Forum	
		Topic: Leadership role during covid-19 ERA	8th April ,2021
		Topic: Mental Health at workplace	
5.	Mt. Kenya South Branch	2 nd Quarter Forum	27th May ,2021
		Topic: Effective industrial relations management	
		3 rd Quarter Training	
		Topic: Mental wellness at workplace among issues Affecting HR	12th Dec ,2021
6.	Nairobi South West	1 nd Quarter Training	19th March ,2021
	7 10 07 17 17 17 17 17 17 17 17 17 17 17 17 17	Topic: Transition &change	
		2 nd Quarter Forum	9 th April ,2021
		Topic: Learning and development	
7.	Central Rift Branch	3 rd Quarter Training	9th November,2021
		Topic: Designing employee assistance programs & initiatives.	

Date Visit	Region	Branch Name	Loc	ation of Visit/Hotel	Acco	omplishments	
9 th July 21	Rift Valley Region	Turkana	Turk	Tree I Branc		Governor's office Planting ch members meet the chair.	
26 th July 21	Coast /Eastern	Coast /Eastern		le Inn, Taita Taveta Voi hnical Training Institute Visited Governor's office Tree Planting Branch members meet the chai		Planting ch members meet the chair.	
29 th July 21	Rift Valley Region	Central Rift branch	Meri	rica Hotel Visited Governor's Tree Planting,		ed Governor's office. Planting, ch members meet the chair.	
30th July 21	Rift Valley Region	South Rift Branch	Suns	shine el	Visited Governor's office Tree Planting Branch members meet the chair.		
6 th August 21	Nairobi /Central & North Eastern Region	North Eastern Branch	Lant	tern Hotel	Tree	ed Governor's office. Planting ch members meet the chair.	
29 th July 21	Nairobi /Central & I	North Eastern Reg	ion	Mt. Kenya North		Laikipia County Community Library Tree Planting/Fruits Branch meeting for Elections.	
30 th July 21	Nairobi /Central & l	North Eastern Reg	ion	Nairobi North East		Tree Planting at Riuru Sports Club	
31st July 21	Nairobi /Central & l	North Eastern Reg	ion	Nairobi South West		Tree Planting at Cheleta Primary Sch, Runda	
31 st July 21	Nairobi /Central & l	North Eastern Reg	ion a	Mt. Kenya North (Mur Sub-Branch	ranga	Tree Planting Kambirwa Area	
30 th July	Nairobi /Central & l	North Eastern Reg	ion	Mt. Kenya South		Macheo Children's Home Career fair (MKU) Tree Planting/foodstuff	
28 th July 21	Nyanza /Western Ro	egion		Western Branch		Kababii University/Kanduyi Children's home Career fair (University) Tree Planting & Donated foodstuff	
24 th July 21	Nyanza /Western Ro	egion		Nyanza Branch		St. Antony Special Sch. Donated Food stuff	

	Branch	Date	Moderator	Venue
1.	Nairobi South West	28/01/2021	Chairman, Council Members &	Nairobi safari Club
			Secretariat	5pm – 8pm
2.	Nairobi North East	29/01/2021	Chairman, Council Members &	Nairobi safari Club
	J. V. Pakiller J. All V.		Secretariat	5pm – 8pm
3.	Mt. Kenya North	04/02/2021	Chairman, Council Members &	Kongoni camp
	(Nanyuki)		Secretariat	
4.	Mt. Kenya South (Thika)	05/02/2021	Chairman, Council Members &	Eton Hotel
			Secretariat	
5.	Kisii/ Nyamira/	09/02/2021	Chairman, Council Members &	Mocha Hotel, Kisii
	Transmara		Secretariat	2pm – 5pm
6.	Western (Kakamega)	10/02/2021	Chairman, Council Members &	Golf Hotel, Kakamega
	Vo 7/33/A1/A1/A1/A1/A1/A1/A1/A1/A1/A1/A1/A1/A1/		Secretariat	2pm – 5pm
7.	Nyanza (Kisumu)	11/02/2021	Chairman, Council Members &	Sharon Hotel, Kisumu
4 176			Secretariat	2pm – 5pm

Council County Visits 2021

	County	Date	Moderator	Received by			
1.	Laikipia	04/02/2021	Chairman, Council Members & Secretariat	County Secretary, Mr. Karanja Njora			
2.	Vihiga	10/02/2021	Chairman, Council Members & Secretariat	County Governor H.E. Dr. Wilber K. Ottichilo			
3.	Siaya	11/02/2021	Chairman, Council Members & Secretariat	Governance Executive Madam Dorothy Owino & County Secretary Mr. Joseph Ogutu			

Member Value Proposition

The Institute will continue to enhance the member value proposition via its programs and activities to enhance engagement and retention. The Institute has negotiated discounted rates with some stakeholders such as Strathmore University and Chiromo Hospital Group. The Institute has also revived the Huduma HR Sacco which is the Member Welfare vehicle. IHRM has continued to develop products and services to address member needs especially through automation, continuous engagement, free learning opportunities and shortened turn around time.

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING 30TH JUNE 2018 MEMBERS OF THE COUNCIL DURING THE FINANCIAL YEAR 2017/2018

MEMBERS OF THE COUNCIL DURING THE FINANCIAL YEAR 2017/2018.

Ref	Councils	Details
1.	Mr. Elijah Sitimah	National Chairman
2.	Mr. Stephen K. Malakwen	Vice Chairman
3.	Mr. Ahmed Diriye	Member
4.	Mr. Gilbert Nyandiga	Member
5.	Ms. Miriam Mwangi	Member
6.	Dr. Sammy Nyambari	Member
7.	Mr. John Gecaga	Member
8.	Dr. Amani Komora	Member
9.	Mr. Wyclife Osoro	Member
10.	CHRP Dorcas Wainaina	Council Secretary/ Executive Director

(a) Entity Headquarters P.O. Box 6132 - 00300 Prism Towers, 24th Floor, 3rd Ngong Avenue Nairobi, KENYA

(c) Entity Bankers Absa Bank Harambee Avenue Branch P.O. Box 30120 GPO 00100 NAIROBI, KENYA

(d)Independent Auditors Auditor General Office of the Auditor General Anniversary Towers, University Way P.O. Box 30084 GPO 00100 Nairobi, Kenya (b) Entity Contacts
Telephone: (254) 020 221 3745, 224 0213
E-mail: info@ihrm.or.ke
Website: www.ihrm.or.ke

2. Kenya Commercial Bank of Kenya Kipande House Brach P.O. Box 30012 GPO 00100 NAIROBI, KENYA

(e) Principal Legal Adviser The Attorney General State Law Office Harambee Avenue P.O. Box 40112 City Square 00200 Nairobi, Kenya

REPORT OF THE COUNCIL MEMBERS

The Council Members submit their report together with the audited financial statements for the year ended June 30, 2018, which show the state of the Institute's affairs.

Principal activities

The principal activities of the Institute are to promote professional human resource practices in Kenya.

Results

The results of the Institute for the year ended June 30, 2018, are set out on page 29 to page 35

Council Members

The members of the Council who served during the year are shown on page 26

Surplus remission

The Institute did not make remittance to the Consolidated Fund.

Auditors

The Auditor General is responsible for the statutory audit of the Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Council

CHRP Quresha abdullahi

Secretary to the Council

STATEMENT OF COUNCILS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 requires the Council to prepare financial statements in respect of that Institute, which give a true and fair view of the state of affairs of the Institute at the end of the financial period and the operating results of the Institute for that period. The Councils are also required to ensure that the Institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the Institute. The Councils are also responsible for safeguarding the assets of the Institute.

The Councils are responsible for the preparation and presentation of the Institute's financial statements, which give a true and fair view of the state of affairs of the Institute for and as at the end of the financial year (period) ended on June 30, 2018. This responsibility includes:

(i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Institute; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Institute; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Councils accept responsibility for the Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012.

The Councils are of the opinion that the Institute's financial statements give a true and fair view of the state of Institute's transactions during the financial year ended June 30, 2018, and of the Institute's financial position as at that date.

The Councils further confirms the completeness of the accounting records maintained for the Institute, which have been relied upon in the preparation of the Institute's financial statements as well as the adequacy of the systems of internal financial control. Nothing has come to the attention of the Councils to indicate that the Institute will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements
The Institute's financial statements were approved by the Council on 11th of August 2022 and signed on its behalf by:

REPORT OF THE INDEPENDENT AUDITOR FOR THE FINANCIAL STATEMENTS OF INSTITUTE OF HUMAN RESOURCE MANAGEMENT

Opinion

I have audited the accompanying Financial Statements of the Institute of Human Resource Management set out on pages 1 to 48, which comprise of the statement of financial position as at 30th June 2018, and the statement of financial performance, the statement of changes in net assets statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act 2015.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Institute of Human Resource Management as at 30th June 2018 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 do not comply with the Human Resource Management Professionals Act, 2012 and the Public Finance Management Act, 2012.

Key Audit Matter

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

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis of Adverse Opinion and Basis of Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Report on Effectiveness of Internal Controls, Risk Management and Governance

As required by Section 7(1)(a) of the Public Audit Act,2015, because of the significance of the matters discussed in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Responsibilities of Management and those Charged with Governance.

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

In preparing the financial statements, Management is responsible for assessing the Institute's ability to continue to sustain its 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 Institute or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015. In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with provisions of Section 48of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution.

Reasonable assurance is high 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, my responsibility is 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 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 and 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 control, risk management and overall governance process and systems in accordance with provisions of Sections 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 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 judgment and maintain professional skepticism throughout the audit. I also:

Identify and assess the risk 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 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 on the Institute's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to continue to sustain its services.

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

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

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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 in 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. 16 September, 2022.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2017-2018	2016-2017
		Kshs	Kshs
Revenue from exchange transactions			
Revenue from Member Services	6	210,577,568	-
Seminars, Workshops & Trainings	6	-	102,182,368
Membership Fees	6	-	39,778,811
Consultancy	6	-	5,629,900
Rental Revenue from Property	7	439,000	-
Finance Income	8	4,806,507	-
Other Incomes	9	-	6,217,498
Total revenue		215,823,075	153,808,578
Expenses			
Direct Costs	10	74,833,433	-
Employee Costs	11	31,847,081	-
Repairs & Maintenance	12	183,781	-
General Expenses	13	14,539,818	-
Depreciation Expense	14	1,343,119	3,650,039
Contracted Professional Services/Consultancy	15	7,875,821	2,388,703
Council & Governance Costs	16	2,307,362	-
Finance costs	17	184,318	-
Membership Expenses	18	-	3,827,244
Training Materials & Expenses	19	-	43,506,383
Operating/Administration Costs	20	-	58,565,705
Total expenses		133,114,733	111,938,074
Other gains/(losses)			
Surplus/(deficit) before tax		82,708,342	41,870,503
Corporate Tax Provision		24,812,502	-
Surplus/(deficit) for the period		57,895,840	41,870,503
Remission to National Treasury		-	-
Net Surplus for the year		57,895,840	41,870,503
Attributable to:			-
Surplus attributable to owners of the controlling Institute		57,895,840	41,870,503

Accounting Officer Quresha Abdullahi

Finance Manager Job Akuno ICPAK Member No: 9119 National Chairman Dalmas Odero

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Notes	2017-2018	2016-2017
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	21	173,274,097	51,476,778
Treasury Bills		-	50,213,563
Debtors		-	35,509,600
Receivables from exchange transactions	22	30,626,138	-
Receivables from non-exchange transactions	23	15,675,275	-
Related Parties	24	8,495,228	-
Total Current Assets		228,070,738	137,199,941
Non-Current Assets			
Property, plant and equipment	25	8,262,502	14,202,705
Investment Property	26	-	19,443,685
Investment in Subsidiary	26	-	11,233,627
Investments	26	30,677,312	-
Total Non- Current Assets		38,939,814	44,880,017
Total Assets		267,010,552	182,079,958
Liabilities			
Current Liabilities			
Trade and other payables	27a	3,445,801	22,804,333
Employee benefit obligation	27b	464,341	-
VAT Control Account	27c	18,011,395	-
Corporate Tax Provision	28	27,917,551	-
Total Current Liabilities		49,839,088	22,804,333
Financed by			
Accumulated Funds		217,171,464	159,275,624
			400 000 000
Total Liabilities		267,010,552	182,079,958

Accounting Officer Quresha Abdullahi Finance Manager Job Akuno ICPAK Member No: 9119 **National Chairman**

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2018

	notes	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/ Development Grants/Fund	Total
As at July 1, 2016		-	-	-	117,405,120	-	-	117,405,120
Surplus/ (Deficit) for the year		-	-	-	41,870,504	-	-	41,870,504
As at June 30, 2017		-	-	-	159,275,624	-	-	159,275,624
As at July 1, 2017		-	-	-	159,275,624	•	-	159,275,624

	notes	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/ Development Grants/Fund	Total
As at July 1, 2017		-	-	-	159,275,624	-	-	159,275,624
Surplus/ (Deficit) for the year		-	-	-	57,895,840	-	-	57,895,840
As at June 30, 2018		-	-	-	217,171,464	-	-	217,171,464
As at July 1, 2018		-	-	-	217,171,464	-	-	217,171,464

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	2017-2018	2016-2017
	Kshs	Kshs
Receipts		
Revenue from Member Services	199,785,753	-
Seminars, Workshops & Trainings	-	102,182,368
Membership Fees	-	39,778,811
Consultancy	-	5,629,900
Other Income	-	4,083,994
Total	199,785,753	151,675,073
Payments		
Direct Costs	69,678,200	-
Employee Costs	37,455,964	-
Repairs & Maintenance	183,781	-
General Expenses	13,639,819	-
Office Rent	-	-
Office Utilities	-	-
Contracted Professional Services	7,875,821	2,388,703
Council & Governance Costs	2,307,362	-
Finance costs	184,318	-
Membership Expenses	-	3,827,244
Training Materials Expenses	-	43,734,191
Operating/Administration Costs	-	62,386,740
Total	131,325,264	112,336,878
Net Cash Flow from Operating Activities	68,460,489	39,338,195
Cash Flow from Investing Activities		
Rental Revenue from Property	439,000	148,679
Finance Income	4,806,507	2,133,504
Purchase of Assets	(2,122,240)	(8,833,783)
Treasury Bills	-	50,213,563
Net Cash flows from investing activities	3,123,267	43,661,963
-		
Net Increase/(Decrease) in Cash	71,583,756	83,000,158
Cash and cash equivalents at 1 July 2017	101,690,341	18,689,000
Cash and cash equivalents at 30 June 2018	173,274,097	101,689,158

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2018

	Original	Adjustments	Final	Actual on	Performance	% of
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c = (a+b)	d	e = (c-d)	f = d/c
Revenue						
Revenue from Member Services	161,382,500	-	159,532,500	210,577,568	(51,045,068	132%
Rental Revenue from Property	500,000	-	500,000	439,000	61,000	88%
Finance Income	2,300,000	-	2,300,000	4,806,507	(2,506,507)	209%
Other Income - Dinner (Branches & HQ)	1,850,000	-	1,850,000	-	1,850,000	0%
Total Income	164,182,500	-	164,182,500	215,823,075	(53,490,575)	131%
Expenses						
Direct Costs	33,369,480	-	33,369,480	74,833,433	(41,463,953)	224%
Employee Costs	24,082,445	-	24,082,445	31,847,081	(7,764,636)	132%
Repairs & Maintenance	450,000	-	450,000	183,781	266,219	41%
General Expenses	14,422,000	-	14,422,000	14,539,818	(117,818)	101%
Depreciation & Amortization	2,448,837	-	2,448,837	1,343,119	1,105,718	55%
Contracted Professional Services	1,650,000	-	1,650,000	7,875,821	(6,225,821)	477%
Council & Governance Costs	3,079,422	-	3,079,422	2,307,362	772,060	75%
Finance Costs	260,000	-	260,000	184,318	75,682	71%
30th Anniversary Expenses	4,140,000	-	4,140,000	-	4,140,000	0%
Training gift items	6,000,000	-	6,000,000	-	6,000,000	0%
Resource Persons	3,951,000	-	3,951,000	-	3,951,000	0%
Miscellaneous Expenses	3,000,000	-	3,000,000	=	3,000,000	0%
Software Maintenance	200,000	-	200,000	=	200,000	0%
Travel and Entertainment expenses	950,000	-	950,000	-	950,000	0%
IHRM Act Amendment Expense	4,200,000	-	4,200,000	-	4,200,000	0%
Total expenses	102,203,184	-	102,203,184	133,114,733	(53,352,549)	130%
Surplus/(deficit) for the period	61,979,316	-	61,979,316	82,708,342	(138,026)	133%

Notes

Revenue – Actual subscription earned is from active members and not all members as budgeted. Additional funds were invested hence increased interest.

Expenses – Revised chart of account for reporting requirement realigned the budget lines. Additional costs were incurred above the initial annual budget.

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDING 30TH JUNE 2019



MEMBERS OF THE COUNCIL DURING THE FINANCIAL YEAR 2018/2019.

Ref	Councils	Details
1.	Mr. Joseph Vincent Onyango, MBS	Chairman
2.	Mr. Stephen K. Malakwen	Vice Chairman
3.	Mr. Wycliffe Osoro	Member
4.	Mr. Bildad Kisero	Member
5.	Ms. Miriam Ndiritu	Member
6.	Ms. Hellen Apiyo	Member
7.	Ms. Patricia Okello	Member
8.	Dr. Jacob Mbijjiwe	Member
9.	Mr. Ahmed Diriye	Member
10.	CHRP Dorcas Wainaina	Council Secretary/ Executive Director

(a) Entity Headquarters P.O. Box 6132 - 00300 Prism Towers, 24th Floor, 3rd Ngong Avenue Nairobi, KENYA

(b) Entity Contacts

Telephone: (254) 020 221 3745, 224 0213

E-mail: info@ihrm.or.ke Website: www.ihrm.or.ke

(c) Entity Bankers Absa Bank Harambee Avenue Branch P.O. Box 30120 GPO 00100 NAIROBI, KENYA

2. Kenya Commercial Bank of Kenya Kipande House Brach P.O. Box 30012 GPO 00100 NAIROBI, KENYA (d)Independent Auditors
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(e) Principal Legal Adviser The Attorney General State Law Office Harambee Avenue P.O. Box 40112 City Square 00200 Nairobi, Kenya

REPORT OF THE COUNCIL MEMBERS

The Council Members submit their report together with the audited financial statements for the year ended June 30, 2019, which show the state of the Institute's affairs.

Principal activities

The principal activities of the Institute are to promote professional human resource practices in Kenya.

Results

The results of the Institute for the year ended June 30, 2019, are set out on page 40 to page 46.

Council Members

The members of the Council who served during the year are shown on page 37

Surplus remission

The Institute did not make remittance to the Consolidated Fund.

Auditors

The Auditor General is responsible for the statutory audit of the Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Council

CHRP Quresha abdullahi

Secretary to the Council

STATEMENT OF COUNCILS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 requires the Council to prepare financial statements in respect of that Institute, which give a true and fair view of the state of affairs of the Institute at the end of the financial period and the operating results of the Institute for that period. The Councils are also required to ensure that the Institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the Institute. The Councils are also responsible for safeguarding the assets of the Institute

The Councils are responsible for the preparation and presentation of the Institute's financial statements, which give a true and fair view of the state of affairs of the Institute for and as at the end of the financial year (period) ended on June 30, 2019.

This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Institute; (iii) Designing, implementing maintaining and controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Institute; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Councils accept responsibility for the Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Councils are of the opinion that the Institute's financial statements give a true and fair view of the state of Institute's transactions during the financial year ended June 30, 2019, and of the Institute's financial position as at that date.

The Councils further confirms the completeness of the accounting records maintained for the Institute, which have been relied upon in the preparation of the Institute's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Institute's financial statements were approved by the Council on 11th of August 2022 and signed on its behalf by:

REPORT OF THE INDEPENDENT AUDITOR FOR THE FINANCIAL STATEMENTS OF INSTITUTE OF HUMAN RESOURCE MANAGEMENT

Opinion

I have audited the accompanying Financial Statements of the Institute of Human Resource Management set out on pages 1 to 39, which comprise of the statement of financial position as at 30 June, 2019, and the statement of financial performance, the statement of changes in net assets, the statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article of the Constitution of Kenya and Section of the Public Audit Act 2015.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly the financial position of the Institute of Human Resource Management as at 30 June,2019 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 do not comply with the Human Resource Management Professionals Act 2012 and the Public Finance Management Professionals Act, 2012.

Key Audit Matter

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.

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resource sections of my report, based on the audit procedures performed. I confirm that public resources have not been applied lawfully and in an effective way.

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 fee from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Institutes ability to continue to sustain its 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 Institute or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor General in accordance with the authorities, which govern them, and that public resources a reapplied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, viewing the effectiveness of how the Institute monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities I 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 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, my responsibility is to express a conclusion about whether, in all material respects,

the activates, 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 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 and 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 control, risk management and overall governance process and systems in accordance with provisions of Sections 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 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 judgment and maintain professional skepticism throughout the audit. I also:

Identify and assess the risk 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 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 on the Institute's ability to continue to sustain its services. If I conclude that a material

uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion.

My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to continue to sustain its services.

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

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

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

I communicate with the Management regarding, among other mattes, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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 in 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.

16th September, 2022.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2018-2019	2017-2018
		Kshs	Kshs
Revenue from non-exchange transactions		-	-
Revenue from exchange transactions			
Revenue from Member Services	6	220,888,681	210,577,568
Rental Revenue from Property	7	1,079,900	439,000
Finance Income	8	7,635,210	4,806,507
Total revenue		229,603,791	215,823,075
Expenses			
Direct Costs	9	85,992,707	74,833,433
Employee Costs	10	24,321,002	31,847,081
Repairs & Maintenance	11	99,210	183,781
General Expenses	12	14,151,569	14,539,818
Depreciation Expense	13	2,059,745	1,343,119
Contracted Professional Services	14	6,102,633	7,875,821
Council & Governance Costs	15	5,705,333	2,307,362
Finance costs	16	200,666	184,318
Total expenses		138,632,865	133,114,733
Other gains/(losses)			
Surplus/(deficit) before tax		90,970,926	82,708,342
Corporate Tax Provision		27,291,278	24,812,503
Surplus/(deficit) for the period	1	63,679,648	57,895,839
Remission to National Treasury		37777777. <u>-</u>	- () () - () - ()
Net Surplus for the year	//	63,679,648	57,895,839
Attributable to:			
Surplus attributable to owners of the controlling Institute		63,679,648	57,895,839

Accounting Officer Quresha Abdullahi Finance Manager Job Akuno ICPAK Member No: 9119 National Chairman Dalmas Odero

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Notes	2018-2019	2017-2018
		Kshs	Kshs
Assets	1.33.4		-//////
Current Assets			7,5111111
Cash and cash equivalents	17	266,115,838	173,274,097
Receivables from exchange transactions	18	24,492,195	30,626,138
Receivables from non-exchange transactions	19	17,725,402	15,675,276
Related Parties	20	10,871,703	8,495,228
Total Current Assets		319,205,138	228,070,738
Non-Current Assets			
Property, plant and equipment	21	9,489,421	8,262,502
Investments	22	30,677,312	30,677,312
Total Non- Current Assets		40,166,733	38,939,814
Total Assets		359,371,871	267,010,552
Liabilities	7.7		
Current Liabilities			
Trade and other payables	23	6,211,038	3,445,801
Employee benefit obligation	24	837,872	464,341
VAT Control Account	25	17,717,566	18,011,395
Corporate Tax Provision	26	53,754,283	27,917,551
Total Current Liabilities		78,520,759	49,839,088
			(4/- //-
Financed by			
Accumulated Funds		280,851,112	217,171,464
	(1)		
Total Liabilities		359,371,871	267,010,552

Accounting Officer Quresha Abdullahi

Finance Manager Job Akuno ICPAK Member No: 9119 National Chairman Dalmas Odero

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2019

	notes	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained	Proposed dividends	Capital/ Development Grants/Fund	Total
As at July 1, 2017		n ////	(1) j	9//	159,275,624	-	- T	159,275,624
Surplus/ (Deficit) for the year		W // -	-	-	57,895,840	-	-	57,895,840
			y 16 N/1	9.11				
As at June 30, 2018	/ /	- / -	7 1 7 7 7 -	-	217,171,464	6 -	-	217,171,464

	notes	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/ Development Grants/Fund	Total
As at July 1, 2018	7,111	-	-	-	217,171,464	-	- () () () () () () () () () (217,171,464
Surplus/ (Deficit) for the year		-	-	-	63,679,648	-	-	63,679,648
As at June 30, 2019		-		-	280,851,112	-	-	280,851,112

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	2018-2019	2017-2018
		Kshs
Receipts		
Revenue from Member Services	229,809,946	199,785,753
Total	229,809,946	199,785,753
Payments		
Direct Costs	92,904,880	69,678,200
Employee Costs	23,947,471	37,455,963
Repairs & Maintenance	99,210	183,781
General Expenses	13,436,458	13,639,819
Contracted Professional Services	6,102,633	7,875,821
Council & Governance Costs	5,705,333	2,307,362
Finance costs	200,666	184,318
Total	142,396,651	131,325,265
Net Cash Flow from Operating Activities	87,413,295	68,460,489
Cash Flow from Investing Activities		
Rental Revenue from Property	1,079,900	439,000
Finance Income	7,635,210	4,806,507
Purchase of Assets	(3,286,664)	(2,122,240)
Net Cash flows from investing activities	5,428,446	3,123,267
Net Increase/(Decrease) in Cash	92,841,741	71,583,756
Cash and cash equivalents at 1 July 2018	173,274,097	101,690,341
Cash and cash equivalents at 30 June 2019	266,115,838	173,274,097

Accounting Officer Quresha Abdullahi

Finance Manager Job Akuno ICPAK Member No: 9119 National Chairman Dalmas Odero

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2019

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	S
	a	В	c = (a+b)	d	e = (c-d)	f = d/c
Revenue						
Revenue from Member Services	187,280,000		187,280,000	164,277,806	23,002,194	88%
Membership and subscription	61,314,425	<u>-</u> N	61,314,425	56,610,875	4,703,550	92%
Consultancy	12,000,000	() () <u>-</u>	12,000,000	/ //) -	12,000,000	0%
Dinners and HR Forums	3,650,000		3,650,000		3,650,000	0%
Rental Revenue from Property	1,056,072		1,056,072	1,079,900	(23,828)	102%
Finance Income	4,699,503		4,699,503	7,635,210	(2,935,707)	162%
Total income	270,000,000	/ Y 7-	270,000,000	229,603,791	40,396,209	85%
Expenses				///////////////////////////////////////		
Direct Costs	89,945,640	<u>-</u>	89,945,640	85,992,707	3,952,933	96%
Governance expenses	6,737,800	_	6,737,800	24,321,002	(17,583,202)	361%
Staff expenses	24,818,727	-	24,818,727	99,210	24,719,517	0%
HRMP amendment expenses	5,032,000	-	5,032,000	14,151,569	(9,119,569)	281%
Administration expenses	19,837,699	/-	19,837,699	2,059,745	17,777,954	10%
Communication & Publicity	11,000,000	-	11,000,000	6,102,633	4,897,367	55%
Repairs and Maintenance	1 - 4 - 1/1//2-	1/2 // 3/14	// -	5,705,333	(5,705,333)	(100)%
Depreciation and amortization	-	V	-	200,666	(200,666)	(100)%
Total expenses	157,371,866	-	157,371,866	138,632,865	18,739,001	88%
Surplus/(deficit) for the period	112,628,134	_	112,628,134	90,970,926	21,657,208	81%

Notes

Revenue - Additional funds invested in treasury bills above the budget projection has caused a positive variance in comparisons.

Expenses - Needs to conduct several branch activities in the period to enhance members' services and revision of the chart of account to meet reporting needs.



MEMBERS OF THE COUNCIL DURING THE FINANCIAL YEAR 2019/2020.

Ref	Councils	Details
1.	Mr. Joseph Vincent Onyango, MBS	National Chairman
2.	Mr. Stephen K. Malakwen	Vice Chairman
3.	Mr. Wycliffe Osoro	Member
4.	Mr. Bildad Kisero	Member
5.	Ms. Patricia Okello	Member
6.	Ms. Hellen Apiyo	Member
7.	Ms. Catherine Mwangi	Member
8.	Dr. Jacob Mbijjiwe	Member
9.	Mr. Abdisalam Sheikh Mohammed	Member
10.	Ms. Irene Kimacia	Council Secretary/ Ag. Executive Director

(a) Entity Headquarters
P.O. Box 6132 - 00300
Prism Towers, 24th Floor,
3rd Ngong Avenue
Nairobi, KENYA

(b) Entity Contacts

Telephone: (254) 020 221 3745, 224 0213

E-mail: info@ihrm.or.ke Website: www.ihrm.or.ke

(c) Entity Bankers Absa Bank Harambee Avenue Branch P.O. Box 30120 GPO 00100 NAIROBI, KENYA

2. Kenya Commercial Bank of Kenya Kipande House Brach P.O. Box 30012 GPO 00100 NAIROBI, KENYA (d)Independent Auditors
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(e) Principal Legal Adviser The Attorney General State Law Office Harambee Avenue P.O. Box 40112 City Square 00200 Nairobi, Kenya

REPORT OF THE COUNCIL MEMBERS

The Council Members submit their report together with the audited financial statements for the year ended June 30, 2020, which show the state of the Institute's affairs.

Principal activities

The principal activities of the Institute are to promote professional human resource practices in Kenya.

Results

The results of the Institute for the year ended June 30, 2020, are set out on page 51 to page 56

Council Members

The members of the Council who served during the year are shown on page 48

Surplus remission

The Institute did not make remittance to the Consolidated Fund.

Auditors

The Auditor General is responsible for the statutory audit of the Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Council

CHRP Quresha abdullahi

Secretary to the Council

STATEMENT OF COUNCILS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 requires the Council to prepare financial statements in respect of that Institute, which give a true and fair view of the state of affairs of the Institute at the end of the financial period and the operating results of the Institute for that period. The Councils are also required to ensure that the Institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the Institute. The Councils are also responsible for safeguarding the assets of the Institute.

The Councils are responsible for the preparation and presentation of the Institute's financial statements, which give a true and fair view of the state of affairs of the Institute for and as at the end of the financial year (period) ended on June 30, 2019.

This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Institute; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Institute; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Councils accept responsibility for the Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Councils are of the opinion that the Institute's financial statements give a true and fair view of the state of Institute's transactions during the financial year ended June 30, 2020, and of the Institute's financial position as at that date.

The Councils further confirms the completeness of the accounting records maintained for the Institute, which have been relied upon in the preparation of the Institute's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Institute's financial statements were approved by the Council on 11th of August 2022 and signed on its behalf by:

REPORT OF THE INDEPENDENT AUDITOR FOR THE FINANCIAL STATEMENTS OF INSTITUTE OF HUMAN RESOURCE MANAGEMENT

Opinion

I have audited the accompanying Financial Statements of Institute of Human Resource Management set out on pages 1 to 39, which comprise of the statement of financial position as at 30th June, 2020, 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.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Institute of Human Resource Management as at 30th June, 2020, AND International Public Sector Accounting Standards (Accrual Basis) and do not comply with Human Resource Management Professionals Act, 2012 and Public Finance Management Act, 2012.

Key Audit Matter

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

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis of Adverse Opinion and Basis of Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Report on Effectiveness of Internal Controls, Risk Management and Governance

As required by Section 7(1)(a) of the Public Audit Act,2015, because of the significance of the matters discussed in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Responsibilities of Management and those Charged with Governance.

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

In preparing the financial statements, Management is responsible for assessing the Institute's ability to continue to sustain its services, disclosing, as applicable basis accounting unless Management is aware of the intention to terminate the Institute to cease operations. Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with 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 Institute's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective process 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 provisions of Section 48of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution.

Reasonable assurance is high 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, my responsibility is to express a conclusion about whether, in all material respects, the activates, 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 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 and 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 control, risk management and overall governance process and systems in accordance with provisions of Sections 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 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 judgment and maintain professional skepticism throughout the audit. I also:

Identify and assess the risk 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 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 on the Institute's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to continue to sustain its services.

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

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

•Perform such other procedures as I consider necessary in the circumstances

I communicate with the Management regarding, among other mattes, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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 in 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. 16 September, 2022.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2019-2020	2018-2019
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	17	264,685,133	266,115,838
Receivables from exchange transactions	18	41,460,406	24,492,195
Receivables from non-exchange transactions	19	19,064,059	17,725,402
Related Parties	20	13,471,404	10,871,703
Total Current Assets		338,681,002	319,205,138
Non-Current Assets			3 / / / / / / / / / / / / / / / / / / /
Property, plant and equipment	21	14,866,096	9,489,421
Investments	22	30,677,312	30,677,312
Total Non- Current Assets		45,543,408	40,166,733
Total Assets		384,224,409	359,371,871
Liabilities			15 17 (1) T
Current Liabilities			
Trade and other payables	23	4,470,413	6,211,038
Employee benefit obligation	24	564,231	837,872
VAT Control Account	25	14,561,686	17,717,566
Corporate Tax Provision	26	64,554,694	53,754,283
Total Current and Non- Current Liabilities		84,151,024	78,520,759
Financed by:			
Accumulated Funds		300,073,386	280,851,112
Total Liabilities		384,224,409	359,371,871

Accounting Officer Quresha Abdullahi

Finance Manager Job Akuno ICPAK Member No: 9119 National Chairman Dalmas Odero

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2020

	notes	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/ Development Grants/Fund	Total
As at July 1, 2018		-	-	_	217,171,464	-	-	217,171,464
Surplus/ (Deficit) for the year	1	-	-	-	63,679,648	- // / -	- / / · / -	63,679,648
As at June 30, 2019		177 A 4 =	/ *	177 -	280,851,112	-	Artico I-	280,851,112

	notes	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Refained	Proposed dividends	Capital/ Development Grants/Fund	Total
As at July 1, 2019		-	-	/ / / -	280,851,112	- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	10/4/////	280,851,112
Surplus/ (Deficit) for the year		-	-	-	19,267,274	- /	-	19,267,274
As at June 30, 2020		// // -	-	-	300,118,386		-	300,118,386

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	2019-2020	2018-2019
	Kshs	Kshs
Receipts		
Revenue from Member Services	151,609,552	229,809,946
Total	151,609,552	229,809,946
Payments		
Direct Costs	71,021,999	92,904,880
Employee Costs	31,205,094	23,947,471
Repairs & Maintenance	48,808	99,210
General Expenses	24,457,135	13,436,458
Contracted Professional Services	16,640,530	6,102,633
Council & Governance Costs	13,100,209	5,705,333
Finance costs	236,882	200,666
Total	156,710,657	142,396,651
Net Cash Flow from Operating Activities	(5,101,105)	87,413,295
Cash Flow from Investing Activities		
Rental Revenue from Property	614,600	1,079,900
Finance Income	12,412,504	7,635,210
Purchase of Assets	(9,356,704)	(3,286,664)
Net Cash flows from investing activities	3,670,400	5,428,446
Net Increase/(Decrease) in Cash	(1,430,705)	92,841,741
Cash and cash equivalents at 1 July 2019	266,115,838	173,274,097
Cash and cash equivalents at 30 June 2020	264,685,133	266,115,838

Accounting Officer Quresha Abdullahi

Finance Manager Job Akuno ICPAK Member No: 9119 **National Chairman**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

	Original	Adjustments	Final budget	Actual on	Performance	% of
	budget			comparable basis	difference	utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	В	c = (a+b)	d	e = (c-d)	f = d/c
Revenue				3		
Revenue from Member Services	261,094,500		261,094,500	168,940,283	92,154,217	65%
Rental Revenue from Property	1,318,041	-	1,318,041	614,600	703,441	47%
Finance Income	8,121,881	- / / / · / · ·	8,121,881	12,412,504	(4,290,623)	153%
Total income	270,534,422	-	270,534,422	181,967,387	88,567,035	67%
Expenses		/ /		7,779/72		The state of the s
Direct Costs	109,737,626	/ -	109,737,626	69,542,201	40,195,425	63%
Employee Costs	37,159,883	-	37,159,883	30,931,453	6,228,430	83%
Repairs & Maintenance	325,000	-	325,000	48,808	276,192	15%
General Expenses	21,250,000	-	21,250,000	19,962,598	1,287,402	94%
Depreciation & Amortization	4,150,000	-	4,150,000	3,980,029	169,971	96%
Contracted Professional Services	5,100,000	-	5,100,000	16,640,530	(11,540,530)	326%
Council & Governance Costs	6,367,810	-	6,367,810	13,100,209	(6,732,399)	206%
Finance Costs	315,000	_	315,000	236,882	78,118	75%
Total expenses	184,405,319	-	184,405,319	154,442,710	29,962,609	84%
Surplus/(deficit) for the period	86,129,103	-	86,129,103	27,524,677	58,604,426	32%

Note

Revenue - Membership revenue was budgeted for all registered members but only a fraction paid up. Secondly, the apartment tenant vacated in the period.

Expenses – Increase in membership activities at branch levels and additional contracted professional services



MEMBERS OF THE COUNCIL DURING THE FINANCIAL YEAR 2020/2021

Ref	Councils	Details
1.	Mr. Joseph Vincent Onyango, MBS	National Chairman
2.	Mr. Stephen K. Malakwen	Vice Chairman
3.	Mr. Wycliffe Osoro	Member
4.	Mr. Bildad Kisero	Member
5.	Ms. Patricia Okello	Member
6.	Ms. Hellen Apiyo	Member
7.	Ms. Catherine Mwangi	Member
8.	Dr. Jacob Mbijjiwe	Member
9.	Mr. Abdisalam Sheikh Mohammed	Member
10.	Ms. Irene Kimacia	Council Secretary/ Ag. Executive Director

(a) Entity Headquarters P.O. Box 6132 - 00300 Prism Towers, 24th Floor, 3rd Ngong Avenue Nairobi, KENYA

(b) Entity Contacts

Telephone: (254) 020 221 3745, 224 0213

E-mail: info@ihrm.or.ke Website: www.ihrm.or.ke

(c) Entity Bankers Absa Bank Harambee Avenue Branch P.O. Box 30120 GPO 00100 NAIROBI, KENYA

2. Kenya Commercial Bank of Kenya Kipande House Brach P.O. Box 30012 GPO 00100 NAIROBI, KENYA (d)Independent Auditors Auditor General Office of the Auditor General Anniversary Towers, University Way P.O. Box 30084 GPO 00100 Nairobi, Kenya

(e) Principal Legal Adviser The Attorney General State Law Office Harambee Avenue P.O. Box 40112 City Square 00200 Nairobi, Kenya

REPORT OF THE COUNCIL MEMBERS

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

Principal activities

The principal activities of the Institute are to promote professional human resource practices in Kenya.

Results

The results of the Institute for the year ended June 30, 2021, are set out on page 61 to page 67

Councils

The members of the Council who served during the year are shown on page 58

Surplus remission

The Institute did not make remittance to the Consolidated Fund.

Auditors

The Auditor General is responsible for the statutory audit of the Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the period ended June 30, 2021 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

CHRP Quresha abdullahi Secretary to the Council

STATEMENT OF COUNCILS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 requires the Council to prepare financial statements in respect of that Institute, which give a true and fair view of the state of affairs of the Institute at the end of the financial period and the operating results of the Institute for that period. The Councils are also required to ensure that the Institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the Institute. The Councils are also responsible for safeguarding the assets of the Institute.

The Councils are responsible for the preparation and presentation of the Institute's financial statements, which give a true and fair view of the state of affairs of the Institute for and as at the end of the financial year (period) ended on June 30, 2021.

This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Institute; (iii) Designing, maintaining implementing and controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Institute; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Councils accept responsibility for the Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Councils are of the opinion that the Institute's financial statements give a true and fair view of the state of Institute's transactions during the financial year ended June 30, 2021 and of the Institute's financial position as at that date.

The Councils further confirms the completeness of the accounting records maintained for the Institute, which have been relied upon in the preparation of the Institute's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Institute's financial statements were approved by the Council on 11th of August 2022 and signed on its behalf by:

REPORT OF THE INDEPENDENT AUDITOR FOR THE FINANCIAL STATEMENTS OF INSTITUTE OF HUMAN RESOURCE MANAGEMENT

Opinion

I have audited the accompanying Financial Statements of Institute of Human Resource Management set out on pages 1 to 38, which comprise of the statement of financial position as at 30 June, 2021 and the statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the audit.

In my opinion, because of the significance of the matters discussed in the basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the Institute of Human Resource Management 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 (Accrual Basis) and not comply with Human Resource Management Professionals Act, 2012 and the Public Finance Management Act, 2012.

Basis for Opinion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Responsibilities of Management and the Council

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

In preparing the financial statements, Management is responsible for assessing the Institute's ability to continue to sustain its 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 Institute or to cease operations. Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

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

Those charged with governance responsible for overseeing the Institute'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 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' 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.

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 Articles 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 overall 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 weakness 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 f 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 controls.

Evaluate the appropriateness of accounting policies used and 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 Institute's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are adequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to continue to sustain its services.

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

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

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

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

CPA Nancy Gathungu, CBS AUDITOR-GENERAL Nairobi. 19th September, 2022.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Revenue from exchange transactions			
Revenue from Member Services	6	174,229,383	168,940,283
Rental Revenue from Property	7	- // / / / / / / / / / / / / / / / / /	614,600
Finance Income	8	11,065,797	12,412,504
Total revenue	Y	185,295,180	181,967,387
Expenses			
Direct Costs	9	56,776,254	69,542,201
Employee Costs	10	29,792,481	30,931,453
Repairs & Maintenance	11	582,373	48,808
General Expenses	12	22,109,549	19,962,598
Depreciation Expense	13	11,149,836	3,980,029
Contracted Professional Services	14	19,835,461	16,640,530
Council & Governance Costs	15	20,076,245	13,100,209
Finance costs	16	241,285	236,882
Total expenses	4	160,563,484	154,442,710
Other gains/(losses)			
Surplus/(deficit) before tax		24,731,696	27,524,677
Corporate Tax Provision	<i>y</i>	6,182,924	8,257,403
Surplus/(deficit) for the period		18,548,772	19,267,274
Remission to National Treasury		- //	-
Net Surplus for the year		18,548,772	19,267,274
Attributable to:			
Surplus attributable to owners of the controlling Institute		18,548,772	19,267,274

Accounting Officer Quresha Abdullahi

Finance Manager Job Akuno ICPAK Member No: 9119 National Chairman Dalmas Odero

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Assets	4,744	2/4/	-/_//
Current Assets			
Cash and cash equivalents	17	194,027,118	264,685,133
Receivables from exchange transactions	18	109,190,822	41,460,406
Receivables from non-exchange transactions	19	23,607,866	19,064,059
Related Parties	20	13,739,603	13,471,404
Total Current Assets		340,565,409	338,681,002
Non-Current Assets			
Property, plant and equipment	21	63,989,630	14,866,096
Investments	22	30,677,312	30,677,312
Total Non- Current Assets		94,666,942	45,543,408
Total Assets		435,232,350	384,224,409
Liabilities			
Current Liabilities	7/1/1/5		// // // //
Trade and other payables	23	34,295,549	4,470,413
Employee benefit obligation	24	2,341,858	564,231
VAT Control Account	25	18,009,713	14,561,686
Corporate Tax Provision	26	61,918,073	64,554,694
Total current Liabilities		116,565,192	84,151,024
Financed by:			
Accumulated Funds		318,667,158	300,073,386
Total Liabilities		435,232,350	384,224,409

Accounting Officer Quresha Abdullahi

Finance Manager Job Akuno ICPAK Member No: 9119 National Chairman Dalmas Odero

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

	notes	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/ Development Grants/Fund	Total
As at July 1, 2019		-	-	-7/	280,851,112	-	-	280,851,112
Surplus/ (Deficit) for the year		- // // /	-	-	19,267,274	-	-	19,267,274
As at June 30, 2020		-	-//////	-	300,118,386		-	300,118,386

	notes	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/ Development Grants/Fund	Total
As at July 1, 2020		-	-	-	300,118,386	- '\/ //	-	300,118,386
Surplus/ (Deficit) for the year	- // A	-	-	-/	18,548,772	-	-	18,548,772
As at June 30, 2021		-	-	-	318,667,158	-	-	318,667,158

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	2019-2020	2018-2019
	Kshs	Kshs
Receipts		
Revenue from Member Services	87,650,410	151,609,552
	Lak Misk I	
Total	87,650,410	151,609,552
Payments		77777
Direct Costs	23,503,091	71,021,999
Employee Costs	18,790,309	31,205,094
Repairs & Maintenance	582,373	48,808
General Expenses	16,847,543	24,457,135
Contracted Professional Services	19,835,461	16,640,530
Council & Governance Costs	20,076,245	13,100,209
Finance costs	241,285	236,882
Total	99,876,307	156,710,657
Net Cash Flow from Operating Activities	(12,225,897)	(5,101,105)
Cash Flow from Investing Activities		
Rental Revenue from Property	-	614,600
Finance Income	11,065,797	12,412,504
Purchase of Assets	(69,497,915)	(9,356,704)
Net Cash flows from investing activities	(58,432,118)	3,670,400
Net Increase/(Decrease) in Cash	(70,658,015)	(1,430,705)
Cash and cash equivalents at 1 July 2020	264,685,133	266,115,838
Cash and cash equivalents at 30 June 2021	194,027,118	264,685,133

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	В	c = (a+b)	d	e = (c-d)	f = d/c
Revenue				- / / / / / // //		
Revenue from Member Services	123,305,500	-	123,305,500	174,229,383	(50,923,883)	141%
Rental Revenue from Property	-	-	- // // //	-	-	0%
Finance income	12,412,503	-	12,412,503	11,065,797	1,346,706	89%
Total income	135,718,003	-	135,718,003	185,295,180	(49,577,177)	137%
Expenses						
Direct Costs	47,552,292	-	47,552,292	56,776,254	(9,223,962)	119%
Employee Costs	43,970,472	-/	43,970,472	29,792,481	14,177,991	68%
Repairs & Maintenance	1,030,800	-	1,030,800	582,373	448,427	56%
General Expenses	29,629,208	-	29,629,208	22,109,549	7,519,659	75%
Depreciation & Amortization	2,448,837	-	2,448,837	11,149,836	(8,700,999)	455%
Contracted Professional Services	2,800,000	-	2,800,000	19,835,461	(17,035,461)	708%
Council & Governance Costs	5,973,000	-	5,973,000	20,076,248	(14,103,248)	336%
Finance Costs	260,000	- 1 ///// (/	260,000	241,285	18,715	93%
Total expenses	133,664,609	-	133,664,609	160,563,487	(26,898,878)	120%
Surplus/(deficit) for the period	2,053,394	-//	2,053,394	24,731,693	(22,678,299)	1204%

Note

Revenue – Under projection of membership revenue for the period and increase of revenue from waiver benefit offered.

Expenses - Increase in fixed assets leading to increase in depreciation, increase in membership activities (costs) and branch networks across the country.

