



# KENYA INSTITUTE OF SUPPLIES MANAGEMENT

Annual report 2022



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## Who we are

KISM is the national body for professionals in the practice of procurement and supply chain management in Kenya. The Institute draws its mandate from the “Supplies Practitioners Management Act No.17 of 2007.

## Our Mandate

KISM is mandated by the Supplies Practitioners Management Act, 2007 to license and regulate the procurement and supply chain management (P&SCM) profession in Kenya.

## Our Vision

Competent and ethical supply chain management practitioners.

## Our Core-values

The following are the values that KISM has chosen to guide the culture and behaviour of the Institute’s management and staff:



# Message from the Chairman



Esteemed fellow professionals, Council members, KISEB Board of Directors, our parent ministry, the National Treasury, our sister institution, the Public Procurement Regulatory Authority, our esteemed partners, and most importantly, our students, the future of our profession, it is my singular pleasure to welcome you all to our third AGM and the first for the newly elected Council Members who came into office upon gazettelement on February 3rd, 2023. This report is a dual-pronged edition that covers both the Annual Report for 2022 and the activities of the 1st Quarter of 2023.

This Annual Report provides a concise, material, and honest assessment of how KISM has grown over the last year. It provides an overview of the impact made through the Council and Statutory Committees, operational and governance performance, and activities undertaken by Management for the Institute in the financial year 2022.

This report is prepared in accordance with the International Financial Reporting Standards (IFRS) Framework and the International Integrated Reporting Framework. The Annual Financial Statements have been audited by the Office of the Auditor General in line with the Public

Audit Act, 2015, as the Institute is in receipt of grants from the National Treasury.

This report provides information on the key matters we believe are in the interests of our members and could substantively affect the value creation at KISM. Written primarily to provide an overview of the strides made by the Institute in the achievement of its mandate in the FY2022, the report enables members and key stakeholders to make an informed decision of KISM's ability to attend to members' needs as well as provide efficient and effective regulation of the supply chain profession.

It presents the identified material information through a clearly-structured narrative that provides an overview of the key activities undertaken by the Institute in the FY 2022. It is important to note that the financial statements submitted are for the FY 2020 due to delay in ratification of the Annual Audit reports by the Office of the Auditor General. The 2021 and 2022 statements have been submitted to the Office of the Auditor General, and it is our hope that we should be able to call for a Special Annual General Meeting to reduce the backlog from the Statements.

The Council's Audit and Risk Committee and the Corporate Affairs Committee provide internal assurance to the Council on the execution of the seven strategic pillars. The Institute's financial, operating, compliance, and risk management controls are assessed by the Internal Audit function, which is overseen by the Council's Audit and Risk Committee.

The Council believes that this report addresses all material issues and presents a balanced and fair account of the Institute's performance for the reporting period, as well as an accurate reflection of our core strategic commitments for the short-, medium, and long-term institutional operations.

As we look towards 2023 and beyond, our focus as a council and secretariat will be to bring to fruition the projects that we have initiated and continue to work with stakeholders to amplify the strategic role that Supply Chain Management (SCM) plays in the national discourse. We are committed to serving our members and stakeholders with excellence by actively listening to their needs, providing exceptional service, accepting feedback, and continuously striving to exceed their expectations. Our top priorities are your satisfaction and success, and we are dedicated to building strong relationships based on trust, transparency, and mutual respect. Our ongoing and upcoming work includes:

- Automating our Membership Registration portal to fast-track membership, license processing and renewals within a 72-hour turnaround, based on the online CPD status self-service portal. We will also enhance instant notification to members of all application categories on a real-time basis. For new applications, the processing time will be within 14 days. We will enforce compliance through regular issuance of public notices to all institutions to ensure enforcement and implementation of our laws and regulations. Additionally, as we review the SCMP-2022 Draft Bill, we plan to implement the proposal for one-off membership payments and annual Practice License renewal.
- Continuing to review the costs of our training programs for members and expanding the breadth and scope of opportunities through which Members can earn and exceed the required CPD points every calendar year. We will enhance our Training of Trainers (ToT) program by training and onboarding new trainers and experts in other topical areas (e.g., soft skills) as well as reviewing the merchandise and training venues that attract members. We will introduce an e-learning platform to offer training and certification to members, create an E-learning platform for the delivery and broadcasting of various training programs, provide access to past trainings and presentations, establish a symbiotic relationship between licensed firms,

consultants and the institute through periodic forums organized to address emerging issues in the SCM Sector as we initiate the development of the CPD and accreditation regulations that will be part of the general regulations. We will also reinvent CPD training programs to make them interactive and motivating to promote both the personal and professional growth of members. Under Elimu Mashinani, we will create regional-based trainings, workshops and seminars to the county levels to ensure accessibility and affordability. Most importantly, we will diversify our training programs to cater for an all-inclusive supply chain covering all sectors: public, private, humanitarian, health, logistics, warehousing, clearing and forwarding.

- Establishing a Membership Advocacy and Welfare Association (following the pattern of the Institute of Engineers of Kenya) in this calendar year. We will institute supportive and facilitative legal reforms, operationalize professional indemnity cover to cater for unforeseen professional mishaps in the course of duty, and partner with Wanunuzi Sacco for tailor-made products suitable for SCM practitioners e.g., benevolent fund, housing, cars, land, KISM membership payments, among other initiatives to improve the welfare of our members.
- Fast-tracking the process of the repeal of the SPMA 2007 and establishing the SCMP 2022 Bill with the support of the National Treasury. We will also embark on developing the relevant regulations applicable to the new SCMP 2022 Act, including establishing the Standards of SCM Practice and Compliance among others, Registration and Licensing, Continuous Professional Development and Accreditation, Disciplinary, Council Elections, General and Special Meetings of the Institute, Examinations, Regional Chapters, Fellow and Honorary Membership among others.
- Fully operationalizing KISM Mashinani and subjecting the Regional Chapters Policy to Stakeholder Engagement and Sensitization.

We will soon be rolling out election regulations for members in the counties to facilitate the election of their regional chapter representatives.

- We have also finally kicked off our Kenya College of Supply Chain Management, which will be located at KISM Towers with a major focus on an e-learning module to ensure convenience, reach, and affordability.

- In this season, we will be very intentional in establishing and enhancing strategic partnerships with premier learning institutions, pursue reciprocal regional and international professional bodies that position the Institute as an authority in SCM on the continent and beyond.

- In this season, we will be very intentional in establishing and enhancing strategic partnerships with premier learning institutions, pursue reciprocal regional and international professional bodies that position the Institute as an authority in SCM on the continent and beyond.

- We will also continue collaboration and caucuses with relevant organizations for increased member opportunities. We will institute and implement annual joint collaborative training with other professional bodies such as ICPAK, IHRM, ICS, BORAQS, EBK, CLE, LSK, MSK, and PRSK, among others, to enhance the KISM brand image.

- We will partner with the Ministry of Education in introducing and embedding SCM Professionalism in schools to undertake SCM work as per the PPADA.

- We have signed an MoU with Strathmore University, School of Business, to establish a partnership framework for industry engagement and collaborative agreement with respect to strengthening and conducting joint research to bring a fusion between academia and industry, a long-overdue partnership. We will continue building on this partnership with other local, regional, and global institutions of higher learning.

- A critical work that we have already started is enhancing collaboration with the Council of Governors and County Governments to entrench SCM professionalism and protection of our members so as to prevent perennial victimization and intimidation.

- We will continue partnering with CoG and National Treasury on the scheme of service as well as welfare and professional development matters affecting SCMs at County Governments. We will also continue working with National Treasury, PPRA, and CoG to promote professionalism & KISM qualification, and Capacity Building for all SCM staff in County Governments.

- From the foregoing summary preview of the projects that we are working on as a Council, it is clear that we have our work cut out for us. We are all here for a season and for a reason: what legacy do we want to bequeath to the next generation of professionals. It is time to roll up our sleeves and get to work for the greater good of the Institute and profession.

- The Good Word challenges us that: “Whatever your hand finds to do, do it with all your might, for in the realm of the dead, where you are going, there is neither working nor planning nor knowledge nor wisdom” Eccl. 9:10. We are operating in a truly VUCCA (Volatile, Uncertain, Complex, Chaotic and Ambiguous) environment where we must constantly recalibrate our plans in keeping with the turbulent and ever-rapid pace of change in both the macro and micro-economic, social, political, global, and local dynamics.

- This calls for us, individually and collectively, to develop a future readiness leadership skill set, which is key in managing the BANI (Brittle, Anxious, Non-linear, and Incomprehensible) world we are living in. This calls for the ability to foresee the future, accept chaos and uncertainty, and understand the impact of our actions and/or inactions. It calls for leaders who know how to operate in ambiguity, which paradoxically moves the leader to act.



This is the time; this is the hour when we must be nimble, agile, and adept in navigating this unfamiliar and ever-evolving terrain as we put our best foot forward to deliver value for our stakeholders.

Finally, on behalf of the Council and the Secretariat, I would like to express my sincere gratitude for your unwavering support, dedication, and active participation that have been instrumental in making KISM a success story. I want to assure you that your voices have been heard, your opinions valued, and your contributions recognized. We remain committed to continuously improve and deliver value to our esteemed members as we work towards our shared vision of excellence in our profession. We welcome any feedback that will help both the Secretariat and the Council build a truly member-driven Pan-African Centre of Supply Chain Management Excellence, which is our ultimate goal.

I would like to leave us with this exhortation from the Good Word, which states, "Finally, brethren, whatsoever things are true, whatsoever things are honest, whatsoever things are just, whatsoever things are pure, whatsoever things are lovely, whatsoever things are of good report; if there be any virtue, and if there be any praise, think on these things" (Phil. 4:8). I encourage you all to stay united, stay engaged, stay connected, and continue to be active members of our vibrant community. Together, we will continue to achieve new heights and make a positive impact in our field and generation. Let's remember the clarion call that **"KISM NI MIMI NA WEWE; KISM NI SISI ZOTE; KISM NI YETU...TUSTAWISHE KISM YETU PAMOJA."**

Thank you, fellow members, for your continued trust and support on this exciting journey of making supply chain management an integral pillar in the socio-economic discourse, locally and globally. We are the ones to make it happen; We Are the Change Agents That We Have Been Waiting For. Together we can do great exploits for God, for country, and for our profession because we are stronger together!

God bless KISM, God Bless our members, and God Bless Our Beloved Country Kenya.

**John Karani**

A handwritten signature in black ink that reads 'John K'.

**MKISM, MCIPS Chairman**



# Our Key Strategic Drivers

## Corporate Social Responsibility

Develop and implement KISM community engagement strategy to drive positive perception across all communities

## Human Capital Optimization (Employee Engagement)

Design and deploy modern, effective, and progressive approaches to human capital management.

## Customer Experience

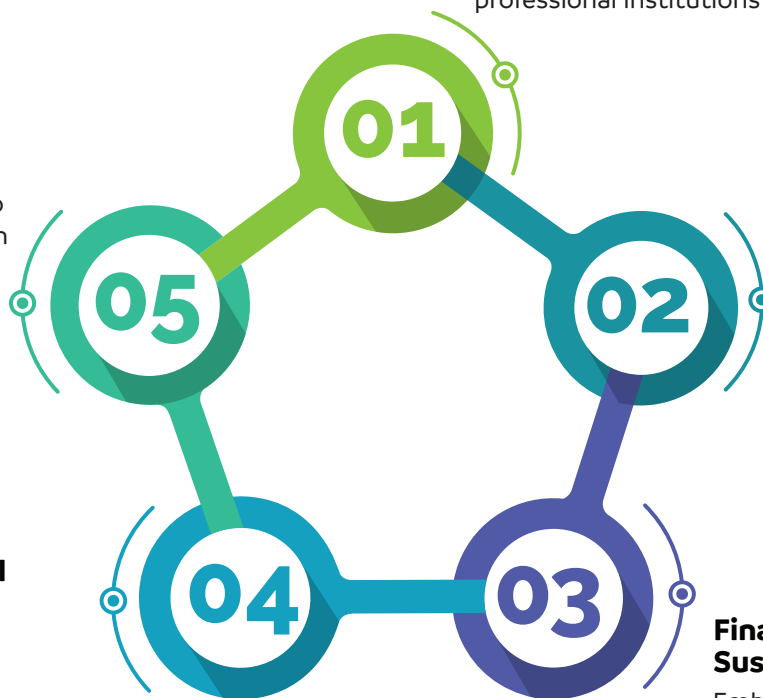
Customer Experience is a key result area in service delivery to our members. Our goal is to rank first amongst our peer group of professional institutions in Kenya.

## Operational Efficiency

Deliver quality services, and innovative solutions to our network of members, partners, clients and optimization of resources

## Financial Sustainability

Embed best practice governance structures that ensure revenue growth, cost management, and surplus; Audit and Governance, Revenue diversification by optimizing KISM Towers Leasing, KISEB revenue and other resource mobilization initiatives.



# 2022 Council Members



**Mr. John Karani**  
Council Chairman



**Ms. Grace Murichu-Kariuki**  
Council member



**Mr. Moses A. Omondi**  
Council member



**Mr. Jeremiah K. Nthusi**  
Council member



**Ms. Nimo Abdullahi**  
Council member



**Dr. Vincensia Anyango**  
Council member



**Ms. Diana Nadzua Mwacharo**  
Council member



**Mr. Henock Kirungu**  
Council Member Rep. PPRA



**Mr. Martin Ainea Omuse**  
Council Member Rep. CS  
National Treasury



**Cs. Serah Esendi Okumu**  
Ag. Chief Executive Officer/  
Council Secretary



# 2023 Council Members



**Mr. John Karani**  
Council Chairman



**Mary Ann Kuvochi Karanja**  
Council Member



**Mr. Moses A. Omondi**  
Council member



**Mr. Jeremiah K. Nthusi**  
Council member



**Jennifer Cirindi**  
Council member



**Fidel Muema**  
Council member



**Mark Kanda**  
Council member



**Mr. Henock Kirungu**  
Council Member Rep. PPRA



**Mr. Martin Ainea Omuse**  
Council Member Rep. CS  
National Treasury



**Cs. Serah Esendi Okumu**  
Ag. Chief Executive Officer/  
Council Secretary



# Statutory Committees

The Supplies Practitioners Management Act (SPMA), 2007 provides for the following Statutory Committees of the Institute:

- a. Registration Committee as provided in section 15(1) of the SPMA; and
- b. Disciplinary Committee as provided in section 22(1) of the SPMA.

The mandates of the Registration and Disciplinary committees were provided in section 15(3) and section 23 of the SPMA.

## A. Registration Committee

Registration Committee's mandate derived from the Institute's Mandate Section 3(1) of the Supplies Practitioners Management Act, 2007. Their function is to register and license all supplies practitioners in Kenya and to regulate their practice. The committee steers registration and licensing of professionals as well as registering and licensing corporate firms.

The Committee members are as follows:

	<b>Name</b>	<b>Status</b>
1	<b>Mr. Moses Allan Omondi</b>	Chairperson
2.	<b>Mr. Hosea Kemboi</b>	Member
3	<b>Mr. Samson Mugwe</b>	Member
4	<b>Ms. Nancy Kimemia</b>	Member
5	<b>Mr. Paul Nthiga</b>	Member
6	<b>Dr. Martin Gachukia</b>	Registrar



## Description

## Mandate

## Statutory provision

The Registration Committee shall consist of—

- (a) a Chairperson who shall be appointed by the Council from amongst the members of the Council;
- (b) two persons who shall be qualified supplies practitioners appointed by the Council from amongst the members of the Institute;
- (c) one person nominated by the Federation of Kenya Employers;
- (d) the Attorney-General or his representative nominated by him in writing;
- (e) one person nominated by the Kenya National Examination Council;
- (f) one person nominated by the Director-General of the Public Procurement Oversight Authority;
- (g) the Registrar, appointed by the Minister on the recommendation of the Council.

The functions of the Registration Committee shall be to—

- (a) receive applications for registration;
- (b) approve applications for registration and grant of practicing certificates and licenses in accordance with the provision of this Act;
- (c) monitor compliance with professional, quality assurance, and other standards published by the Council for observance by the members of the Institute;
- (d) prescribe regulations to govern quality assurance programmes including actions necessary to rectify deviations from published standards;
- (e) where appropriate and based on the results of a quality assurance investigation recommend to the Council that a member's conduct be referred for inquiry under section 23;
- (f) advise the Council on matters about professional and other standards necessary for the achievement of quality assurance;
- (g) perform any other functions connected therewith or incidental thereto.

# Committee Performance

In the year under review the performance of the Committee was as follows:

## Total Membership in Various Categories


Overall total number of active members in the Institute in year 2022 stood at 7,726 this number constituted 6,325 members, 667 students and 716 Associates.

### Total membership

CATEGORY	2022	2021	2020	2019
Full MemberShip	6,325	5,304	5,612	4,450
Student Membership	667	490	319	524
Associate Membership	716	701	401	512
Corporate Membership	18	5	13	5
TOTAL	7,726	6,500	6,345	5,491

**28.92%**

Increase in membership since 2019




### membership renewal

YEAR	Member	Associate	Students	Totals
2022	5,465	494	183	6,142
2021	3,474	403	153	4,030
2020	3,050	102	48	3,200

**47.89%**

Increase in membership renewal




### membership new application

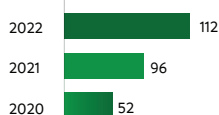
Year	Member	Associate	students	Totals
2022	1695	81	90	1,866
2021	1255	50	171	1,476
2020	1394	98	48	1,540

**17.47%**

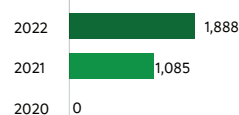
Increase in new applications since 2019



### Upgrades



### Account activations



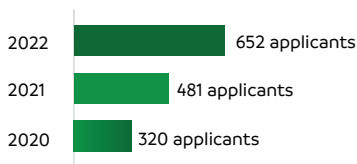


## Inactive accounts 2022

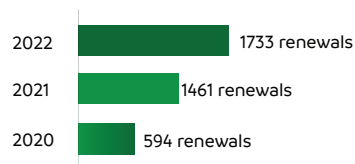
The Institute was transitioning from the Manual Membership, upgrade and licence registration to an online end-to-end membership registration of first-time applicants which is now 100 percent implemented and operational, notification and filling of online registration documents for the same is fully running.

Member login Portal was set-up and tested. Functions supporting self-services such as renewals and confirmation of CPD points currently available, as well as download of receipting. The activation of the member portal: member.kism.or.ke has been slow and we request all members to consider activating their member portal to ensure this is completed this year.

## Licence applications



## Licence renewals



## Membership revenue

The Institute financial performance in relation to Membership subscription is as follows:

Year	2020	2021	2022
Membership subscriptions	36,314,500	36,514,500	45,992,429

## Good standing status 2022 (CPD compliance)

All members of the Institute are required to undergo CPD programs prescribed by the council as stipulated in the SPMA, 2007 and this allows members of the Institute to improve their capabilities with the added advantage of learning. The Institutes professionals standard committee organized 26 workshops, 21 webinars, 29 in house trainings and 3 KISM workshops in support of the CPD program. The Institute further provided for other free webinars that attracted free CPD to members that cumulatively led to 24 free CPD. In addition, the Institute accredited other partners to offer CPD training for the purpose of meeting the minimum requirements of 24 CPD.

The Institute will continue to provide more avenues for all members to achieve the required CPD in order to be in good standing. Further, the Institute is putting in place processes for members to access and track their CPD points at their comfort through their member portal.



# B. Disciplinary Committee

The Disciplinary Committee is a statutory committee established under Section 22 of the Supplies Practitioners Management Act, No. 17 of 2007. Its mandate is to receive and investigate complaints related to cases of professional misconduct. The Committee has the authority to order the removal from the register, suspension of registration, or revocation of the practicing license of a Supplies practitioner. Additionally, the committee may impose fines on a supply's practitioner found guilty of professional misconduct.

## Description

## Statutory provision

- (1) There is hereby established a committee of the Council, to be known as the Disciplinary Committee, which shall consist of eight members, of whom;
- (a) the Chairperson shall be appointed by the Council from amongst members of the Council;
  - (b) three persons shall be nominated by the Council from among members of the Institute;
  - (c) one member shall be nominated by the Director-General of the Public Procurement Oversight Authority;
  - (d) one member shall be nominated by the Attorney-General;
  - (e) one Advocate shall be nominated by the Law Society of Kenya;
  - (f) one engineer nominated by the Institute of Engineers of Kenya;
  - (g) one accountant nominated by the Institute of Certified Public Accountants of Kenya.
- (2) The Chief Executive Officer of the Institute shall be the secretary of the Disciplinary Committee and shall not have voting power.

## Mandate

The Disciplinary Committee shall receive and investigate complaints against supplies practitioners in accordance with the rules and regulations under this Act.



## Committee members

S/N	Name	Status
1	Dr. Vincensia Apopa	Chair
2.	Ms. Joan Kweyu	Member
3	Mr. Anthony Ogwang	Member
4	Mr. Alfred Baliach	Member
5	Advocate Samson Masila	Member/LSK Rep
6	Ms. Judith Chimau	Member/Attorney General Rep
7	Serah Okumu	Secretary/Ag. CEO

## In the year under review the performance of the Committee was as follows:

### Complaints received

The committee received a total of two complaints which were submitted anonymously. The Committee reviewed the complaints in efforts to establish their authenticity. The challenges in receiving anonymous complaints with regard to establishing the complainant were encountered and advisory sought from state agencies tasked with handling anonymous complaints for further guidance. That notwithstanding investigations as to the allegations levied were undertaken and are currently under review by the committee.

### Sensitization of the Disciplinary Policies

Sensitization of the Disciplinary policies was undertaken by the committee in efforts to inform the membership and general public of the provisions therein. The sensitizations were held both virtually and physically and more sessions shall be held in the year 2023 to inform the general public of the provisions with regard to discipline of supplies professionals.

### Development of the Investigations and Procedures Manual

The committee is currently working on an investigation procedures manual that will ensure systematic approach to an investigation, and provide a detailed plan on sensitization to give more insights to the members on the disciplinary instruments.

### Strategic collaborations

The Committee has sought strategic collaborations with key state entities in efforts to promote enforcement of the SPMA with regard to discipline. Prospective collaborations with the Public Procurement Regulatory Authority (PPRA) and the Ethics and Anti-Corruption Commission (EACC) are underway.

# Council Commitees

## Professional Standards Committee

### Mandate

The Professional Standards Committee (PSC) is a committee of the Council established pursuant to Section 1(1) of the First Schedule of the Supplies Practitioners Management Act, 2007. Its function is to assist the Council in professionalization of procurement practice in Kenya. The Committee is responsible for promoting

capacity development in the procurement and supply chain management profession by developing policies and providing oversight in training and research. The committee essentially oversees the operations of the Training Department of the Institute and reports to the council on the same. The Committee, in consultation with the Chairman of the Council. In the period April 2022 to December 2022, the committee was comprised as below:

S/N	NAME	STATUS
1	Nimo Hussein	Chair
2.	Jeremiah Nthusi	Member
3.	Diana Mwacharo	Member
4.	Serah Okumu	Secretary/ Ag. CEO





## A. Committee Charter

The Council approved the Committee Charter, which outlines the committee's membership, terms of reference, and conduct of meetings, among other governance provisions. The committee charter was prepared in accordance with the Mwongozo (Code of Governance), the provisions of the State Corporations Act, and prevailing circulars to ensure compliance with governance best practices.

## B. Workshops and Webinars

In 2022, the Institute successfully conducted 29 workshops and 10 webinars for Continuing Professional Development (CPD). The workshops focused on a variety of themes, including trainings on the standard tender documents, World Bank financed projects, compliance ethics, and risk. Additionally, the Institute hosted a regional conference in Dar es Salaam.

The revenue collected from these activities amounted to KShs. 139,506,500, with a surplus of 77,873,360. To further enhance the quality of its workshops while reducing costs, KISM has considered collaborating with other institutions such as NCIA, DCI, PPRA, AG, OAG, ODP, CI Arb, IHRM, ICPAK, Strathmore, and ICS.

In efforts to increase member participation in the council elections, the Institute hosted a number of free webinars during the year. These webinars also facilitated access to CPD points, which were mandatory for license renewals.

## C. Expression of Interest for 2022

In November 2022, the Institute issued an expression of interest to expand its trainer database and ensure that it has access to a wide range of experts in supply chain management. This move aimed to prevent dependence on a limited pool of trainers and to bring diversity and creativity to the CPD program. The Institute received 150 applications from interested trainers covering various areas of expertise in the appendices.

To equip trainers with modern training skills for adult learning, a virtual training of trainers (ToT) was conducted for the applicants on 30th -31st January 2023. The ToT focused on enhancing presentation skills, planning sessions, incorporating legal case studies, and soft skills, as well as informing the trainers of the Institute's expectations regarding training.

Selected applicants will receive admission letters into the KISM Trainers' database and will be requested to share their preferred themes from the CPD calendar they wish to train on. They will also be asked to make brief presentations via Zoom, and a team appointed by the CEO within the Secretariat will select trainers. This selection process aims to ensure transparency and provide equal opportunity for all applicants to train.

To improve the quality of trainings, the Secretariat will consider feedback from participants on trainers'

performance and use this data to measure their effectiveness. This approach will ensure continuous improvement in the quality of trainings and the overall value of the CPD program.

## E. Development of KISM CPD workshop course outlines

To enhance the quality of KISM CPD workshop course outlines, an 8-member team of trainers was formed. Each trainer was assigned two or three course outlines to develop, based on prescribed guidelines and ToR's. Following this, a three-day workshop was held to review the course outlines. During the review process, each course outline was carefully evaluated, and feedback was given on key areas such as the framing of the theme, objectives, target group, and course description. The feedback was used to make recommendations for improvements.

This collaborative approach was adopted to ensure that the content of the course outlines was of high quality, benefiting from diverse opinions and experiences from different sectors. The team of trainers brought their wealth of experience and expertise to bear on the task, resulting in more robust and comprehensive course outlines. The revised course outlines will serve as a guide to KISM trainers in the delivery of CPD workshops, thus enhancing the quality of training provided by the Institute.

## F. In-house trainings

In 2022, KISM provided in-house trainings to a total of 1647 individuals through 37 workshops held for 26 different organizations, including state corporations, counties, and a few from the private sector. The total revenue generated from these trainings was KShs. 22,209,999.70, with a net surplus of KShs. 13,979,199.70.

KISM is proud to have provided customized trainings to these organizations, tailored to meet their specific needs and requirements. The Institute believes that by working closely with organizations, it can help improve their supply chain management practices and contribute to the overall growth and development of the economy.

KISM will continue to offer in-house trainings to organizations in the coming years, as it believes that these trainings provide a valuable opportunity for organizations to enhance the skills and knowledge of their staff, leading to improved efficiency and effectiveness in their supply chain management practices.



## G. Competition Authority of Kenya

In response to the request by the Competition Authority to benchmark with other institutions on accreditation and award of CPD points, KISM has initiated the process of conducting a thorough analysis with several similar institutions. Productive meetings have been held with IHRM, LSK, and ICS, and more such interactions are planned to cover a wider range of institutions. The information gathered from this exercise will be used to guide in revising the KISM CPD policy. The report on the findings of the benchmarking exercise has been presented to the Council for review and consideration, with the objective of arriving at a way forward. Once a decision is made, the Authority will be promptly informed. This exercise is aimed at enhancing the quality of CPD training offered by KISM and ensuring that it is at par with industry standards.

## H. Automation of Workshop Registration and Award of CPD points

The KISM workshop booking process has been upgraded to an automated system to streamline the registration process for attendees. This new system also enables electronic tracking of workshop attendance, which is tied to the awarding of CPD points. Attendees are required to register daily through the system to generate CPD points. This ensures that participants do not miss any sessions and provides them with an accurate record of their attendance and CPD points earned. This innovative system is designed to make the registration process more convenient for attendees and more efficient for the Institute.

## I. 2023 CPD Calendar

2023 CPD Calendar: The themes for the 2023 CPD calendar have been carefully selected from proposals obtained through a survey of practitioners, past evaluation reports, and informal feedback. An online survey was conducted between 5th August and 2nd September 2022, allowing members to propose various topics they wished to be trained on. The Institute has also taken into account emerging issues in global

supply chain management, including sustainability, information technology, inclusivity and diversity, resilience, and revisions on government policies. This year, the calendar comprises of 27 workshops and 21 webinars.

**Target Group:** The Institute has designed the themes to address the diverse needs of various sectors and industries, including the public, private, and third sector organizations. Specialized courses have been introduced for specific industries, such as manufacturing, logistics firms, health, and water-based companies, in response to outcries from the private sector, which had felt neglected by the Institute.

In every quarter, the Institute has included courses targeting the private and third sector organizations. Additionally, during months when public participation is low, such as June and July, training focusing on the private sector has been factored in. The courses specifically target HoPs and senior executives. Other groups that the Institute targets include user departments, county officials, CECs, and committees engaged in procurement processes. The Institute has also introduced the inclusion of a soft skill course at every workshop as a value add to the CPD program.

**Webinars:** The 2023 CPD calendar includes an increased number of webinars. The webinar themes are designed to not only address technical areas in supply chain but also to focus on practitioners' welfare through soft skill courses.



## SPURS Awards



The Kenya Institute of Supplies Management (KISM) is the national body that represents professionals in the field of procurement and supply chain management in Kenya. The mandate of KISM is derived from the Supplies Practitioners Management Act No. 17 of 2007.

KISM's annual event, the KISM Spurs SCM Excellence Awards, aims to promote the supply chain management profession through recognition and rewards. The inaugural awards ceremony was held in 2020, featuring seven categories. The categories were increased to seventeen in the following year and eighteen in the current year. The awards have attracted participants from diverse sectors.

The SPURS awards program acknowledges the innovative supply chain strategies that are employed to achieve value for money, comply with regulatory frameworks, and meet national goals on sustainability and socio-economic development. The program's objective is to motivate supply chain professionals to aspire to greater heights and embrace integrity and excellence in performing their duties.

## Spurs Awards Judges

This Institute invited members through expression of interest to those who wished to sit in the panel and the following panel of judges were picked to lead the awards;

- 1. Linda Ingari Osundwa**
- 2. Andrew Kiarie**
- 3. Joy Njau**
- 4. Mariam Mahmud**
- 5. Dr. Aleri Adoyo**
- 6. Victor Manan**



**SPURS  
Awards 2022  
WINNERS**

<b>Best Public Procurement Project of The Year Award</b>	<ul style="list-style-type: none"> <li>• KeNGEN</li> <li>• IEBC</li> </ul>
<b>Best ICT Adoption of The Year Award</b>	<ul style="list-style-type: none"> <li>• Safaricom</li> <li>• Moi Teaching And Referral Hospital</li> <li>• Kenya Copyrights Board</li> </ul>
<b>Team Excellence Award of the Year</b>	<ul style="list-style-type: none"> <li>• Davis And Shirliff</li> </ul>
<b>Best County Supply Chain Management Function of The Year</b>	<ul style="list-style-type: none"> <li>• Uasin Gishu</li> <li>• Mandera</li> <li>• Nyeri County</li> </ul>
<b>Supply Chain Rising Star of The Year (Under 35)</b>	<ul style="list-style-type: none"> <li>• Mohamed Abdirahman</li> <li>• Ibrahim Isaack Abdul</li> <li>• Rita Mwaniki</li> </ul>
<b>Supply Chain Academic Excellence Award</b>	<ul style="list-style-type: none"> <li>• Wilson Wambani</li> </ul>
<b>Best Supply Chain Research Paper of The Year Award</b>	<ul style="list-style-type: none"> <li>• Fidel Muema</li> </ul>
<b>Best Supply Chain Research Paper of The Year Award</b>	<ul style="list-style-type: none"> <li>• Kenya Electricity Generating Company (Kengen)</li> <li>• Safaricom</li> </ul>
<b>Experienced Supply Chain Professional of The Year Award (Over 20 Years Experience)</b>	<ul style="list-style-type: none"> <li>• John Karuri</li> <li>• Alex Musungu</li> <li>• John Ngesah</li> </ul>
<b>Best Supply Chain Student of The Year Award</b>	<ul style="list-style-type: none"> <li>• Ruth Wanjiru Mugo</li> <li>• Klaus Katumaa Liluma</li> <li>• Njoroge Njogu Paul</li> </ul>
<b>Women In Supply Chain Award</b>	<ul style="list-style-type: none"> <li>• Jamilla Abdi Adan</li> <li>• Jamilla Ramadhan</li> <li>• Margaret Ngari</li> </ul>
<b>Women In Supply Chain Award</b>	<ul style="list-style-type: none"> <li>• Kenya Electricity Generating Company (Kengen)</li> </ul>
<b>Special Needs and Persons with Disabilities In Supply Chain Award</b>	<ul style="list-style-type: none"> <li>• Brendah Arusei</li> </ul>
<b>Unsung Hero of The Year Award</b>	<ul style="list-style-type: none"> <li>• Dr. Wilson Aruasa</li> </ul>
<b>Best Supply Chain Curriculum of The Year Award</b>	<ul style="list-style-type: none"> <li>• Kenya Institute of Supplies Management (KISEB)</li> </ul>



# Corporate Affairs Committee

## Mandate

The Committee is tasked with oversight over Governance aspects of the Institute focusing on Financial and Human Resource Optimization. The Committee worked on reviewing the Organizational Structure and entrenching Standard Operating Procedures at the Institute. The Committee members were as follows:

S/N	NAME	STATUS
1	Ms. Diana Mwacharo	Chair
2.	Mr. Moses Omondi	Member
3	Mr. Henock Kirungu	Member
4	Serah Okumu	Secretary/and Ag. CEO

In the year under review the performance of the Committee was as follows:

### A. Committee Charter

The Committee Charter was approved by the Council providing for its membership, terms of reference, conduct of meeting among other governance provisions. The committee charter has been prepared in accordance with the Mwongozo(Code of Governance) and the provisions of the state corporations act as well as prevailing circulars.

### B. Categorization of the Institute and approval of HR Instruments

The Institute had requested categorization through National Treasury and submitted HR Instruments for approval. The Institute was initially categorized at PC 6C. However, an appeal was made for re-categorization from PC6C to PC6B. The appeal was based on the fact that the Institute is a state corporation that has been in existence for the last fifteen (15) years and is currently implementing a pay structure above the proposed category due to its regulatory role in the industry. The Institute's pay structure is being implemented effectively within the set budgetary provisions, and there would be no significant difference if the Institute is elevated to PC6B.

The PS responded to the appeal, advising the Institute to implement the pay structure before requesting a re-categorization. The Institute received approval for its HR Instruments (HR Manual, Career Guidelines, Organization Structure, Grading, and Staff Establishment) and is currently working towards implementing the categorization and HR Instruments with assistance from SCAC.

### C. Talent Acquisition

In 2022, the Institute welcomed three new members of staff, including the Corporate Secretary/Manager, Legal Services, Human Resource and Administration Manager, and Finance Officer. As of December 31st, 2022, the approved establishment was at 48%. However, there is a plan and budget in place to increase the establishment to 63% in 2023 by filling the remaining positions.

### D. Performance Management

By virtue of being a State Corporation, the Institute is required to engage in performance contracting to enhance service delivery and support the Government in implementing economic recovery strategies to reposition the economy for steady and sustainable growth. To this end, the Institute's management and staff underwent training on performance contracting with the assistance of the performance contracting secretariat and are ready to be onboarded onto the 2023/2024 performance contract. The National Treasury has confirmed the Institute's onboarding in the 20th cycle of the performance contract.

In 2022, the Institute conducted performance appraisals and evaluated the results. The Reward, Recognition, and



Sanction Policy will be applied based on the achieved results. Performance targets for 2023 have been signed by appraisees and supervisors, and monitoring will be done continuously throughout the year. The Institute is committed to continuous improvement and will conduct an evaluation at the end of the year.

## E. Learning and Development

The Institute places great emphasis on staff development and training. In line with this, staff members were given opportunities to attend training sessions that were identified during their performance appraisal. Even staff who were members of professional bodies attended trainings to acquire Continuing Professional Development (CPD) points necessary for their membership and license renewal. To support staff career progression, the Institute also encouraged them to enroll in courses privately.

In preparation for 2023, the Institute conducted a comprehensive Training Needs Assessment (TNA) to identify areas where staff needed to be trained. The TNA findings informed the development of a schedule for in-house training, policies sensitization, and committee training. This schedule will ensure that all staff members receive the training they need to perform their roles effectively.

The Institute remains committed to staff development and will continue to invest in training to improve the skills and competencies of its workforce.

## F. Internal Policies Development

The Internal policies approved by the Council in 2022 were as follows:

- Organizational structure and staff establishment;
- Human Resource Procedures Manual;
- Career Progression Guidelines;
- Financial Management and Procedures Manual;
- Procurement and Asset Disposal Policy;
- Code of Conduct for Staff;
- Sexual Harassment Policy.
- Reward, Recognition and Sanction Policy

## G. Unaudited financial performance 2022

The performance of the Institute for the period ended 31st December 2022 is generally fair, with a few of the revenue targets met. The expenditures for the period remained generally within the Institute business levels albeit the revenue mis on some lines. The Institute performance for the year upto December 2022 recorded a gross surplus of 38.6M against an expected surplus of 4.4M realising a growth of 716%. The annual financial statements and its accompanying notes for the period ended 31st December 2022 have been submitted to the Office of the Auditor General in preparation for review.

## H. Pending Bills

As at the end of period December 2022, the Institute closed with a total of Ksh 121.8M growing from 79M for a similar period in 2021. On payables the Institute closed in December 2022 with Ksh 286.6M being a drop from a similar period in 2021 of 381M. The bulk of the payables relates to the Institute construction.

As at end of February 2023, the pending bills closed with Ksh. 268,642,079.40 due to vendors and contractors and accounts receivables as at end of February of Ksh. 97,527,292.9. The reduction from 121.8M by 24million is a collection made in the period January to February 2023. The efforts towards aggressive follow up have been undertaken with freed credit facilities playing a crucial role in forestalling liquidity risks.

## I. Oversight over the leasing of KISM Towers

KISM Towers a total occupancy of 57,893.54 sq. ft. out of which 42,432.50 sq. ft. is occupied by owners and 15,461.04 is leased from a total lettable space of 111,670.00 sq. ft. The building has a total of receivables of 12.768M from service charges with the large proportion of the receivables due from PPRA that accounts for 11.815M.

The rent due as at February 2023 stood at 10.5M with the largest proportion being due from Bunisha Ltd owing 5.9M. KISM Towers has tenants in 1st floor Wing B, Ground floor three shops, 5th – 7th floor, 8th floor wing B, 9th floor half of wing B, 10th to 12th floor.

Efforts to close out the joint management between KISM, KISEB and PPRA/PPRB of the Towers is underway.



# Audit and Risk Committee

## Mandate

The Committee plays a crucial role in ensuring the Institute's operations are effective in terms of risk management, financial reporting, financial management, governance, and internal control processes. Its membership consists of highly qualified professionals who provide reasoned insights that add value and improve the Institute's operations. The Committee Charter, approved by the Council, outlines its terms of reference, conduct of meetings, and other governance provisions. The charter adheres to the Mwongozo (Code of Governance) and the provisions of the state corporations act, as well as prevailing circulars. The Committee's contributions have been invaluable to the Institute's success, and we remain committed to upholding the highest standards of governance and accountability. The Committee's membership is as follows:

S/N	NAME	STATUS
1.	Ms. Grace Murichu	Chair
2.	Ms. Nimo Hussein	Member
3.	Dr. Vincensia Apopa	Member
4.	Mr. Douglas Gikunda	Internal Auditor/Secretary

### A. Implementation status of Year 2022 Risk Based Annual Audit Plan:

The committee reviewed processes scheduled in the year 2022, provided recommendations to auditees, appraised the council on outstanding matters quarterly and continuously tracked recommendation implementation for sustained improvement.

that the Institute's operations comply with established policies and guidelines by approving the Business Continuity Plan, Corruption Prevention and Whistleblowing Policy, Gifts Policy, and Conflict of Interest Policy. Its reasoned insights and recommendations have added value and continuously improved the Institute's operations in the areas of risk management, financial reporting, financial management, governance, and internal control processes.

### B. Policy Framework:

The Committee has made significant progress in strengthening the Institute's governance framework by successfully developing and implementing the Audit Committee and Internal Audit Charters. The Audit Committee Charter outlines the Committee's objectives, authority, composition and operation, while the Internal Audit Charter establishes the Internal Audit function and defines its purpose, authority, scope, and responsibility. Additionally, the Internal Audit department has developed an Internal Audit Policy and Procedure Manual that provides guidelines for consistency, stability, continuity, acceptable performance standards, and coordination of the function's staff. The manual is currently awaiting review by the Audit and Risk Management Committee for Council approval.

The Committee has also played a vital role in ensuring

### C. Approval of Year 2023 Risk Based Annual Audit Plan

The Audit & Risk Management Committee successfully approved and adopted the Institute's plan for 2023. In the first quarter of 2023, the committee conducted an assessment of the procedures and practices related to the Institute's financial statements, budgetary performance, financial management, transparency and accountability mechanisms, and other financial-related processes for the year 2022. This provided assurance that the Institute's financial operations were in compliance with relevant regulations and policies, and any areas of improvement were identified for implementation. The findings and recommendations of the assessment were presented to the management and council for review and action.



# Strategy Committee

The Committee is tasked with oversight over the implementation of the Strategic plan in efforts to enhance implementation. The membership of the Committee is as follows:

S/N	NAME	STATUS
1	Jeremiah Nthusi	Chair
2.	Henock Kirungu	Member
3	Grace Murichu	Member
4	Serah Okumu	Secretary/Ag. CEO

## A. Mid-year review of the Strategic Plan 2020-2024

The Institute conducted a mid-year review of its strategic plan in August 2022 to address emerging issues and identify areas for improvement. The review resulted in the identification of key amendments to the plan, which will be incorporated to achieve the Institute's deliverables. Additionally, the Council's manifesto will also be incorporated into the strategic plan to ensure alignment with government agenda. Resource persons will be sourced from the National Treasury to guide the Institute in achieving its goals. This will enable the Institute to stay current and relevant in its operations and provide effective services to its stakeholders.

## B. Performance Contracting

The Institute has successfully submitted request for onboarding in the 20th Performance contracting cycle. The Performance contracting Secretariat has already trained the Management of the Institute in efforts to identify areas for incorporation in the Performance contract with the inclusion of the strategic plan deliverables. The performance contracting cycle shall be under the National Treasury as the parent ministry.

## C. Performance appraisal systems

The Committee successfully implemented the performance appraisal system at the Secretariat for the first time, and all staff members signed their performance contracts. The Committee is currently working on onboarding the performance appraisal system into the ERP to digitize the process and automate all processes at the Institute. Staff members have already signed their performance contracts for the year 2023, and the Committee is committed to continuously improving the performance appraisal process to enhance service delivery and aid in the achievement of the Institute's strategic plan.

## D. KISM College of Supply Chain

The Kenya Institute of Supply Chain Management (KISM) has taken a significant step towards establishing a Centre of Supply Chain Management excellence through the creation of the Kenya College of Supply Chain Management. The college is in the process of being accredited by the Technical and Vocational Education and Training Authority (TVETA) and aims to offer a wide range of courses to enhance the marketability of SCM professionals, including KISEB certifications CPSP-K and APS-K, Chartered Institute of Logistics & Transportation (CILT) certification, APICS/ASCM, VCARE, CIPS, ITC, ICS, E-Learning platforms, and more. The college has already begun to attract students from other African countries, and the Institute aims to make it a Pan-African Centre of Excellence.

To operationalize the KISM College of Supply Chain, the Committee has secured space on the 2nd floor of KISM Towers along Ngong Road and has awarded the contract to a contractor who has already signed. The Ministry of Public Works has also been engaged to provide a team to supervise the partitioning of the space. The process of staffing and onboarding of board members is currently under review by the Council committees, with partitioning of the school space underway. This initiative will not only help cut on the rent that was being paid for the premises but also create a hub for supply chain professionals.

## E. Performance Contracting

As part of KISM mandate of achieving objectives of KISM strategic plan 2020-2024, KISM Mashinani Initiative (Regional Chapters) through devolving its activities in the regions it has played a key role to driving and supporting KISM's commitment and aspiration to be a customer-focused Institute, dedicated to enabling its customers achieve their desired goals in the procurement and supply chain management, and restore public confidence in a sector at the heart of social economic development.

The Regional Chapter Policy is intended to coordinate creation, operation and management of branches so as to achieve the objectives for which the branches have been formed and ensure access to services at regional level and guide the establishment of regional branches of the Institute and further operationalise the governance of the identified regional branches. The Policy delineates and clarifies roles between the Headquarters and Branches in order to reduce possible areas of conflict and enhance complementarity.

KISM has set out deliberately to ensure inclusivity and much wider participation by its branches in shaping its corporate strategic direction and annual work plans. To this end, the leadership in branches develop their annual work plans including proposed continuous professional development (CPD) events. This is meant to reduce the cost of compliance with professional obligations on the member. Additionally, by involving branch leadership in prioritizing programs, KISM will be more relevant in meeting member needs.

## F. Internal Policy Development

The Committee was able to develop the following policies which were approved by the Council:

- Corporate Social Investment Policy
- Stakeholder Management Policy
- ICT Policy
- Information Security Policy

The Policies are now in force.

## G. Mentorship and Coaching

The Committee has been able to spearhead operationalisation of mentorship and coaching which was launched this year in March 2023. We invited interested mentors to avail themselves to take the first cohort of mentees through the programme.

## H. Strategic Collaborations

In the year under review there were strategic collaborations that the Institute secured in efforts to enhance implementation of its mandate. The collaborations signed off were:

- KISM and Strathmore Business School
- KISM and CIPS
- KISM and Chartered Institute of Arbitrators





# Council Evaluation

Corporate governance best practices require that Board conduct self-evaluation of its performance on annual basis. Further, Mwongozo, the Code of Governance State Corporations, requires that Board carry out annual performance evaluation and file a report thereof with the parent Ministry and the State Corporations Advisory Committee (SCAC). This is the report of Kenya Institute of Supplies Management (KISM) Board self-evaluation for the year 2020/2021. The evaluation was conducted as a self/peer review with each Board Member completing a form for the Board (BE 1), the Chairperson (BE 2), the CEO (BE4) and self and fellow Board Members (BE3). The results were analyzed to obtain a mean score on each rated item and thereafter the results transcribed into forms- BE1, BE2, BE3 and BE4 presented herein as follows: -

1. Summary of Board evaluation results
2. Board Self Evaluation results - Form BE.1
3. Chairman of the Board Performance evaluation results -Form BE2; Mr. John Karani Ndiwa
4. Individual Board Members Performance evaluation results - Form BE3, in respect of the following Members: -

- a) **Dr. Vincensia Anyango Apopa**
- b) **Ms. Grace Catherine Njeri Murichu**
- c) **Ms. Diana Nadzua Mwacharo**
- d) **Mr. Henock Korosso Kirungu**
- e) **Mr. Jeremiah Kiio Nthusi**
- f) **Ms. Nimo Abdullahi Hussein**
- g) **Mr. Moses Allan Omondi**

5. Chief Executive Officer's performance evaluation results - Form BE4: Dr. Martin Gachukia

## Summary of the performance evaluation results for the year 2021/2022;

	Name	Position	Raw Score	Score2021-22
1	John Karani	Chairperson	4.0875	81.7500
2	Diana Mwacharo	Member	3.9313	78.6250
3	Grace Catherine Njeri Murichu	Member	3.8438	76.8750
4	Henock Kirungu	Member	4.2438	84.8750
5	Jeremiah Kiio Nthusi	Member	4.3188	86.3750
6	Moses Allan Omondi	Member	4.2750	85.5000
7	Nimo Abdullahi Hussein	Member	4.3375	86.7500
8	Dr. Vincensia Anyango Apopa	Member	3.8875	77.7500
9	Martin Gachukia	CEO	2.4619	49.2381
10	Serah Esendi Okumu	CS	4.3333	86.6667
<b>CORPORATE BOARD PERFORMANCE</b>			3.7480	74.9600

# Other Key Milestones Achieved by the Council

## A. Council Elections

The second Council Elections were held on 11th to 13th January 2023 electronically. The Election results were as following with the successful members gazetted on 3rd February 2023. The Council members took office upon gazettement.

### KISM Chair Elections

Rank	Candidate	Votes	% votes
1	John Karani Ndiwa	2126	57.49%
2	Vincencia Anyango Apopa	1317	35.61%
3	Geofrey Kipng`eno Rotich	235	6.35%

### Other Council Member Elections

Rank	Candidate	Council Member	% Votes
1	Jeremiah Kioo Nthusi	1920	51.92
2	Fidel Muema Peter	1786	48.30
3	Moses Allan Omondi	1762	47.65
4	Jeniffer Cirindi Njiru	1620	43.881
5	Maryanne Kuvochi Karanja	1534	41.48
6	Mark Kemboi Kanda	1283	34.69
7	Diana Nadzua Mwacharo	1241	33.56
8	Purity Kanini	1204	32.56
9	Mohamed Ibrahim Ali	1162	31.42
10	Josphat Tingos Kiprotich	1161	31.40
11	Joy Murugi Njau	1130	30.56
12	Mohamednur Khalif Adow	973	26.31
13	Wilfred Jared Maloba	952	25.74
14	Cheboss Juma Ben	951	25.72
15	Idi Pembere	709	19.17
16	Albert Irungu Muriithi	436	11.79
17	Adan Hassan Noor	410	11.09
18	Anne Wangui Burugu	289	7.82
19	Robert Riziki Kazungu	268	7.25
20	Dennis Ovicdos Onchari Oichoe	143	3.87
21	Francis Kariuki Kamendi	138	3.73

# We Appreciate

The Institute recognises the contribution of the Dispute Resolution Committee that was able to effectively and efficiently address several disputes raised during the process. The members of the Dispute Resolution Committee were as follows:

- a. **Ms. Gladys Wamaita** – Nominated member from NCIA. She is an advocate of the High Court and an Accredited Mediator.
- b. **Prof. Michael Wabwile** – Nominated by LSK. He is the Council Member of LSK, Advocate of High Court, Board Member KSL and Founding Dean of the Faculty of Law at Egerton University.
- c. **Chris Odida** – KISM Licensed Member, SCM Practitioner, Certified Arbitrator
- d. **Kimani Muema** – KISM Licensed Member, SCM Consultant
- e. **Mercy Mburugu** – KISM Licensed member and SCM Practitioner

The judgements issued by the Committee are accessible in the website through

<https://kism.or.ke/dispute-resolution/>



## B: Legislative Reforms

It is commendable that the SPMA 2007 has finally been reviewed to comply with the 2010 constitution and modern developments. The fact that the draft SPMA 2022 Draft has been subjected to Stakeholder and Member Sensitization and feedback incorporated is an indication of transparency and inclusivity in the process. The successful approval of the Council Election Regulations by the National Assembly and the use of electronic voting during the elections held on 11th to 13th January 2023 is a positive development that shows a commitment to embracing technology and efficiency. It is hoped that the review of the SPMA will lead to more effective procurement and supply chain management practices in Kenya.

## C: Research and Consultancy

The establishment of a Center of Excellence Hub for Research, Consultancy, and Resource Mobilization in Supply Chain Management is a commendable initiative by the Council. By creating a platform for Supply Chain Management Consultants to collaborate and share experiences, the Hub will enable members to expand their networks, generate business proposals, and research papers. Undertaking industrial and economic studies and research will also help policy makers keep pace with the ever-changing business environment, which is a positive contribution to the overall economic development of Kenya. It is hoped that the Center of Excellence Hub will create opportunities for consultants and researchers in the procurement and supply chain management sector, and help improve the quality of services provided to businesses and organizations in Kenya.





## **D: County Government Engagements**

The Council has embarked on initiatives aimed at enhancing collaboration with Council of Governors & County Assemblies to ensure that capacity building for SCM Professionals is prioritized to entrench professionalism at the County level. The aim of the partnership is to also to ensure that SCM Professionals are not victimized when they resist political overtures and that they are not targeted during transitional governments. There is also an important initiative to decentralized SCM roles to Departmental level to increase roles for SCM professionals.

## **E: Entrenching SCM Professionalism in Schools**

There are many schools which have bigger procurement budgets than many Procurement Entities but being managed by non SCM professionals. To this end, KISM, through the Research & Consultancy arm has developed a Concept Note and presented to Ministry of Education motivating for the training Secondary School Principals and Heads of TIVETs on PPADA 2015 and attendant Regulations, 2020. Also lobbying for schools with a budget above a certain threshold to establish Procurement Functions to ensure good Procurement Practices and Value for money.

## **F: Amplifying the Role of SCM Professionals**

We continue to work with stakeholders to amplify the fact that SCM is a Strategic function and not clerical/tactical/operational. We are steadily gaining recognition as an Institute and as SCM Professionals. But there is still a lot of work to be done in aligning County Governments especially County Governors and MCAs. Within many Procurement Entities, SCM Professionals must continue to fight to earn a seat at the table by continuously and strategically engaging Accounting Officers, User Departments, Technical, Evaluation, Implementation Committees among others.

# **Wanunuzi Sacco**



## **Mandate**

WANUNUZI SACCO is registered in accordance with the Co-operative Societies Act. Wanunuzi SACCO is specially formed for the Supply Chain Management professionals aimed at positively transforming members' lives by developing a culture of saving for future investments. The SACCO aims at forming a strong welfare part of the supply chain profession, where members can save and gradually grow their savings and create a resource pool of funds from which loans can be borrowed for productive purposes at a fair and reasonable interest rates.

S/N	NAME	STATUS
1	Dr. Harley Mutisya	Chair
2	Dr. Peter Munene	Vice Chair
3	Ms. Lois Thuge	Secretary
4	Mr. Ronald Sang	Treasurer
5	Mr. Idy Pembere	Member
6	Mr. Amos Sikuku	Member
7	Mr. Dennis Ombachi	Member

The SACCO has grown to support the welfare part of the Intitute and in particular the Last expense product. We encourage all member of the institute to be part of the Supply chain last expense which covers members and their loved ones, supporting them with economic challenges that comes with the loss of a loved one.

## Last expense/benevolent fund for supply chain professionals

The SACCO has grown to support the welfare part of the Intitute and in particular the Last expense product. We encourage all member of the institute to be part of the Supply chain last expense which covers members and their loved ones, supporting them with economic challenges that comes with the loss of a loved one.

Members	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7
Principal	50,000	100,000	150,000	200,000	300,000	400,000	500,000
Spouse	50,000	100,000	150,000	200,000	300,000	400,000	500,000
Children (Max 4)	50,000	100,000	150,000	200,000	300,000	400,000	500,000
Parents Max 2	50,000	100,000	150,000	200,000	300,000	400,000	500,000
Parents-in-law (Max 2)	50,000	100,000	150,000	200,000	300,000	400,000	500,000
Individual principal (21-30yrs)	300	500	750	1,200	1,800	2,800	4,000
Annual premium	2,000	3,500	5,200	8,100	1,1500	17,900	23,000
Monthly premium	170	250	450	680	1,000	1,500	2,000
Additional child annual	250	500	500	1,000	1,000	1,000	1,000

# Benevolent fund application



## Mandatory documents, Copies of:

- a) Dully Filled proposal application form
- b) Member`s ID or Valid Kenyan Passport
- c) Member`s KRA pin
- d) Member spouse`s ID or valid passport
- e) Member parents & Parent/in-laws: ID or Valid Passport each
- f) Member`s children`s Birth Certificate or notification each

## Cover notes:

- a) Cover does not exclude among others HIV/AIDS, Covid, Passive political violence, & terrorism and Suicide
- b) Minimum entrants – 10 group members
- c) Group must fill an Excel template provided and provide all supporting documents before payment is accepted
- d) Valid claims will be paid within 48 working hours after submitting full documentation
- e) Five (5) claims per year per family without reinstatement premium
- f) Waiting period is one month for the nuclear family and 3 months for parents and parents in law
- g) No waiting period for accidental death
- h) Scheme members joining after 3rd month will pay annual premiums but enjoy cover only on the remaining months

The management committee of the SACCO also increased loan products in the year 2022 which now includes:

- a)Emergency loan
- b)Investment Loan
- c)Normal Loan
- d)Elimu loan
- e)MwanaKISM loan

All members of KISM are encouraged to join and be part of building our great SACCO. Members of the institute may join the SACCO by the link on the website [www.wanunuzisacco.or.ke](http://www.wanunuzisacco.or.ke)

For more information on the SACCO and how you can join, please go to our SACCO website [www.wanunuzisacco.or.ke](http://www.wanunuzisacco.or.ke)  
[admin@wanunuzisacco.or.ke](mailto:admin@wanunuzisacco.or.ke)

# Financial Report

The Institute financial performance in brief is given below:

	2018	2019	2020	2021	2022
<b>Income in Ksh</b>					
Grant from Partners	-	0	33,365,327	-	
Membership Subscriptions	24,036,000	27,589,000	36,314,500	36,514,500	45,992,429
Workshop receipts	100,110,121	142,442,803	67,680,513	144,189,653	176,556,261
Membership Dinner	800,500	0			
Programme Tuition Fees	6,488,000	5,171,500	1,115,500	0	
Other Income	12,338,194	10,363,564	7,064,962	28,170,900	40,412,635
<b>Total Income</b>	<b>143,772,815</b>	<b>185,566,866</b>	<b>145,540,802</b>	<b>208,875,053</b>	<b>262,961,325</b>
<b>Expenses</b>					
Administrative Expenses	66,635,090	71,779,956	69,835,056	119,112,911	121,005,340
Operating Expenses	50,347,373	66,624,367	38,593,431	107,559,188	103,282,242
<b>Operating Surplus/(Deficit)</b>	<b>26,790,351</b>	<b>47,162,543</b>	<b>37,112,315</b>	<b>-17,797,046</b>	<b>38,673,743</b>

## Total Revenue Trend- Audited Financial Statements

In 2022 the Institute registered a total revenue of KShs 262.9 million. The income was derived from the various sources including membership subscriptions, workshop training and CPD, practicing licenses, school income and inhouse trainings. During the year the Institute further received support from the National Treasury, a funding that was utilized in ramping up the fund and directed towards the Construction of KISM Towers.





# Strategic Plan Performance FY 2021/22 the Period

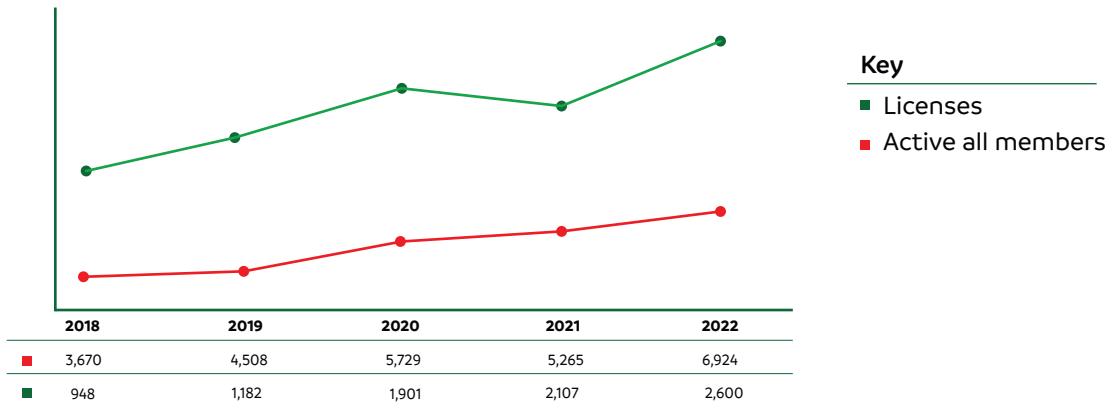
During the period under review the Institute registered the following performance metrics against the performance indicators set as shown in the table below

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Ensure seamless onboarding of members	Growth in membership and licensed practitioners Sustained compliance levels	Renewal of 8,000 members and Increased membership to 10,000 License all members 8,000	Sensitization of members and stakeholders; compliance assessments, gazette all the licensed members	Renewed 6,325 Licensed and Gazetted 3,205
Pillar 2: Membership Discipline	Enforce compliance to Disciplinary Policy, Code of Ethics, Regulations Guidelines and Standards of Professional Practice	Investigation reports, Interview reports, Letters to all MDA's and County Government/Government agencies Sensitisation reports, approved Code of Ethics and Disciplinary Policy and Procedures, Standards of Professional Practice, advisories to recruiting agencies;	Investigate all reported cases of professional misconduct and conduct disciplinary proceedings where necessary Continuously sensitize members on the SPMA, and other rules, laws and regulations applicable to members; Develop Code of Ethics and Disciplinary Policy and Procedures, Develop Standards of Professional Practice	One case determined; Code of Ethics and Disciplinary Policy and Procedures developed and Launched;
Pillar 3: Regulation of Practitioners	safeguard the public interest through regulation	Standards of Professional Practice; legal regime,	Develop the Standards of Professional Practice, competency audit, review the SPM (Council Election) Regulations, 2015; review SPMA, 2007 to align to the Constitution, 2010	SPM (Council Election) Regulations repealed; draft SCM Practitioners Bill, 2022
Pillar 4: Membership Welfare and Advocacy	Review the Institute's membership welfare and enhance the SCM Brand through strategic partnerships, devolution.	regional chapters, regional policy, SPURS Awards; MoUs and Collaboration Agreements	Develop, Establish regional chapter and the attendant policy; organise and convene SPURS Awards and Dinner; negotiate and collaborate with Strategic Partners and other agencies/stakeholders	regional chapters Policy developed; Launched four regional Chapters, namely Kisumu, North Rift, Western and Coast. convened the 3 <sup>rd</sup> SPURS Awards and Dinner; collaboration and MoU's with PPRA, CoG, ICPAK, Strathmore University
Pillar 5: Financial Sustainability	Enhance financial probity through revenue maximization and prudent utilization of resource	Grow income by 25% and optimise utilization of the budget	diversify revenue streams; utilizing the unutilised office space	Onboarded 5 tenants,
Pillar 6: Institutional Strengthening	Strengthen the capacity of the Institute in line with the relevant regulations to support its delivery of its mandate.	Net Promoter Index Governance instruments Staff Satisfaction Index Infrastructure- BCP Audit Benchmarking reports Recruitment of additional staff	Develop manuals, Governance Instruments-Code of conduct, Staff Sensitisation, Corruption and Bribery Prevention, ICT Policy, Finance Manual, BCP, Risk and Management, Procurement and Supply Chain, Reward, Recognition and Sanction, Dress Code Policy	All manuals developed have been approved Governance instruments adopted Institute categorisation Target setting adoption BCP Draft Business Process Re-engineering Recruited HRA, CS, FO, SCM
Pillar 7: Training and Professional Capacity Development	Develop Proficiency of the supply chain professionals	Quality training programs School Commissioned 25 Hybrid training Programs 4000 supply chain professionals trained	Develop the training concepts and programs Market the training programs Develop the capacity of the trainers Evaluate the training programs and trainers	22 training programs 11 in houses training with 1401 professionals trained 22 training programs mounted across the country with total participation of 2500 professionals (3900 procurement professionals trained.)

# Performance of KISM Major Business Units

Brief on major sources of business in line with the Institute mandate is given here below.

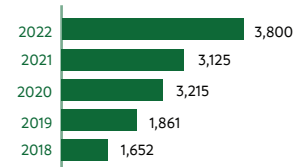
## Membership Subscriptions and Practicing Licenses Trend



## Workshop CPD Income Trend

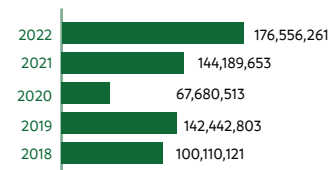
### Workshop attendance

The CPD has continued to attract growing numbers due to the requirement for CPD and the growing need on member capacity building



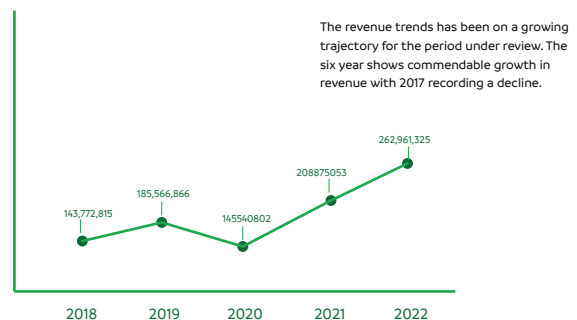
### Workshop receipts

With the growing numbers in attendances over the years, the Institute registered growth in workshop income.



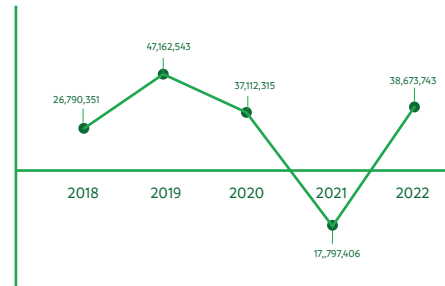
## Total revenue trend

In 2019 the Institute registered a total revenue of Ksh 186.366 million. The income was derived from the various sources including membership subscriptions, workshop training and CPD, practicing licenses, school income and inhouse trainings. During the year the Institute further received support from the National Treasury, a funding that was utilized in ramping up the fund and directed towards the Construction of KISM Towers.



### Surplus Perspective

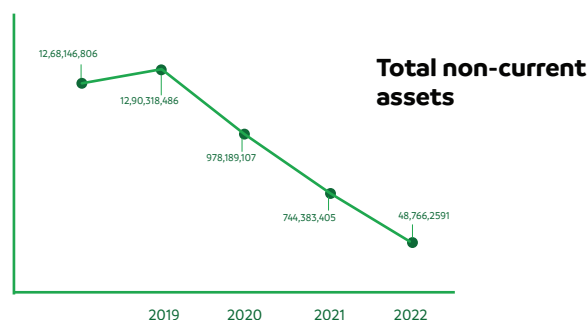
Surplus realized during the years 2015 to 2019 is as given in the graph below. The consistent surplus growth is attributed to prudent management, agile and committed team supported by lean structure, consistent membership growth, diversified revenue schemes and thrift financial management policies.



### Overview of the Statement of Financial Position

The asset value during the period has grown from 487.6million to 1,268.1million. The growth is given in the figure below. The remarked growth is contributed by the completion of KISM towers that houses KISM headquarters and operations.

	Notes	2022	2021
<b>Assets</b>			
Cash and Cash equivalents	16	69,079,014	89,225,503
Receivables from Exch. Transactions	18	127,267,819	93,262,802
Funds due from KISEB	20	4,325,464	4,325,464
Total Current Assets		200,672,297	186,813,769
Property, Plant and Equipment	22	1,266,484,751	1,288,102,413
Intangible Assets	24	1,662,055	2,216,073
Total Non- Current Assets		1,268,146,806	1,290,318,486
Total Assets		1,468,819,103	1,477,132,255
<b>Current Liabilities</b>			
Trade and Other Payables	27	337,994,868	422,626,873
Total Current Liabilities		337,994,868	422,626,873
Total Non- Current Liabilities			
Total Liabilities		337,994,868	422,626,873
<b>Net Assets</b>			
Accumulated Surplus		350,295,110	311,621,367
Asset Grant	21	780,529,125	742,884,015
Total Net Assets		1,130,824,234	1,054,505,382
Total Net Assets and Liabilities		1,468,819,103	1,477,132,255





# KISM Towers

## Occupancy Level

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- Total Lettable Area: 111,670.00 sq. ft.
  - Owner Occupied Area: 42,432.50 sq. ft.
  - Leased space: 15,461.04 sq. ft.
  - The current occupancy stands at 52%. Vacant space: 53,776.46 sq. ft.
- 
- A LOO for a tenant who has shown interest in a space on the 9th floor of Wing B, awaiting the client's review and signing commencing 1st April 2023
  - We have a potential tenant from National Treasury (KNEST) who have requested that we process the letter of offer which is in process



# KISM Regional Conference 2022

The KISM Regional Conference held in December 2022 in Dar es Salaam, Tanzania was a successful initiative that aimed to bring together supply chain management practitioners and regulators in East Africa to discuss issues related to regional and global procurement practices. The conference theme, "Seizing New Sustainable Opportunities in the Wake of Supply Chain Volatility: East Africa Region," focused on efforts to transform supply chain practices towards more sustainable business practices and contribute towards the UN Sustainable Development Goals (SDGs). Participants from East Africa and other international countries discussed various subthemes including supply chain volatility, environmental sustainability, digitization procurement, inclusivity, regionalization, and effective governance in supply chain sustainability. Several resolutions were made at the conference, including the establishment of efficiencies in the procurement process, the enactment of strong laws to accelerate economic growth and independence, practitioners being key stakeholders in decision-making for planning and purchasing of medicine and medical equipment, and the development of policies and action plans that take into consideration inclusivity and diversity. Additionally, supply chain practitioners should contribute to good governance, set procurement targets for the amount and percentage spent with marginalized groups, take proactive steps to expand relationships with marginalized group-owned businesses, undertake capacity-building training for marginalized groups, track and measure progress, and be able to respond quickly to business and supply disruptions while practicing risk reduction.



Regional conference participants pose for photo, during the conference at Johari Rotana Hotel, Dar Es Salaam, Tanzania. The participants were from the East Africa Region. (Kenya, Uganda, Tanzania and Rwanda)

# A picture is worth...



KISM Chair pays a courtesy visit to Wajir Governor, During his regional chapter visits



Chair interacts and poses for a photo with SCM staff from Meru University during sensitization on compliance with SPMA 2007 program.



During the visits to various regions, the objective was to address the well-being and adherence to regulations and compliance of members. While on one of these visits, Chair Karani had an opportunity to have a chat on the same and pose for a picture with the governor, H.E Mutahi Kahiga, and his team from the county government of Nyeri.



Establishment of collaborative partnerships: During the signoff of KISM-STRATHMORE MOU.



-The Council Chair visit to Kenya Urban Roads Authority (KURA)





KISM Continuous professional development workshops.



Chief of Staff and Head of Public Service who was the Chief Guest giving his Key note speech.



Director of Supply Chain Management, The National Treasury addressing the Participants



Photo: During the procurement for world bank financed projects workshop, The event attracted participation from organizations undertaking world bank projects within East and South Africa.



The Council Chair visit to Kenya Urban Roads Authority (KURA)



The main sponsor of the day, a little dance won't hurt.



Mr. Patrick Wanjuki, the Director General of the Public Procurement Regulatory Authority, addressed the audience and shared his remarks.





The KISM Council led by Chair Mr. Karani and the A.g CEO Ms. Serah Esendi presents a plaque of appreciation to the Chief Guest Mr. Felix Kosgei and His Spouse.



Safaricom PLC receiving an award during the Gala Dinner



Chair man of the Council his keynote speech during the Spurs Gala Dinner awards Ceremony.



Chief of Staff and Head of the Public Service, Mr. Felix Kosgei together with Chair of the Council Mr. John Karani.



A. g CEO Ms. Serah Esendi, Giving her welcoming remarks during the Annual gala dinner.



KISM members congregate at the Carnivore grounds for the celebration of the Spurs Annual Gala Dinner awards.

## Regional Conference.



Guest arrives at the regional conference in Dar Es Salam



An opening prayer, KISM Supply chain prayer.



KISM A.g CEO Ms. Serah Esendi gives her opening remarks welcoming guests and participants to the conference.



Council Chairman of the KISM welcomes delegates and gave his remarks.



Panel Discussion



Participants following the proceedings during the conference



## KENYA INSTITUTE OF SUPPLIES MANAGEMENT

*Promoting Professionalism in Supply Chain Management.*

### SUPPLY CHAIN PRAYER

Our Almighty God,

We commit ourselves to be honest, ethical and transparent and behave in the best interests to provide quality and reliable services to the public. That is why we have accepted to be answerable and liable for our conduct. In so doing, we embrace ideas that drive learning and positive changes, which add value, improve procurement, and supply chain management.

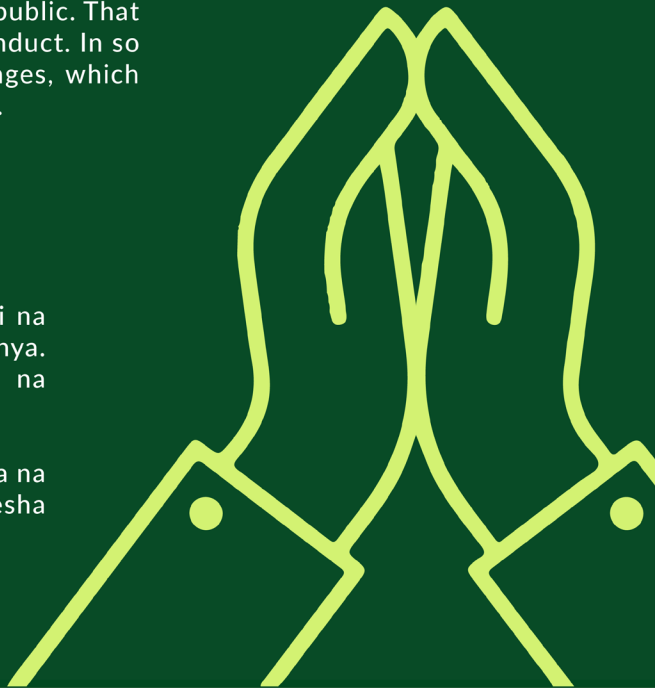
So help us God

### OMBI LA WANUNUZI NA UGAVI

Mungu wetu, tumedhamiria kuwa waaminifu, waadilifu, wawazi na kutoa huduma inayoaminika na yenye ubora kwa umma wa wakenya. Ndiyo maana tumekubali kuwajibika kwa matokeo ya kazi na matendo yetu.

Kwa kufanya hivyo, tunapokea mawazo yanayochochea kujifunza na kufanya mabadiliko chanya yatakayoongeza tija ili kuboresha mnyororo wa thamani katika tasnia ya ununuzi na ugavi

Tunaomba Mungu utusaidie



 @kismgt

 Kenya Institute of Supplies Management

 Kenya Institute of Supplies Management

#### REACH US



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## Annual report 2022

Kenya Institute of Supplies Management is a national body for professionals in the practice of procurement and supply chain management in Kenya. The Institute draws its mandate from the Supplies Practitioners Management Act No.17 of 2007 (the SPMA) to inter alia, register, license all supplies practitioners in Kenya and to regulate their practice.

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