

REPUBLIC OF KENYA



Enhancing Accountability

1 3 NATIONAL ASSEMBLY
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REPORT

OF

THE AUDITOR-GENERAL

ON

**STATE DEPARTMENT FOR EARLY LEARNING
AND BASIC EDUCATION**

**FOR THE YEAR ENDED
30 JUNE, 2021**



**MINISTRY OF EDUCATION
STATE DEPARTMENT FOR EARLY LEARNING AND BASIC EDUCATION**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2021**

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

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

The Ministry of Education was established through the Presidential Executive Order No. 1 of June 2018 (Revised) on “Organization of the Government of the Republic of Kenya”. The order created five State Departments namely, Early Learning and Basic Education, Vocational and Technical Training, University Education and Research, State department for Implementation of Curriculum Reforms and Post-Training and Skills Development. Each of the State Departments is headed by a Principal Secretary.

The Ministry is headed by the Cabinet Secretary for the Ministry of Education, Prof George A.O. Magoha, CBS who is responsible for the overall policy and strategic direction of the entity.

The Cabinet Secretary is assisted by three Chief Administrative Secretaries; namely Ms Mumina Bonaya, Dr. Sara Ruto and Mr Hassan Noor Hassan.

The State Departments under Ministry of Education are outlined below;

- i. The State Department of Early Learning and Basic Education whose Principal Secretary is Dr. Julius O. Jwan, CBS
- ii. The State Department for Vocational and Technical Training headed by Dr. Margaret W. Mwakima, CBS
- iii. The State Department for University Education and Research is headed by Amb. Simon Nabukwesi, CBS
- iv. The State Department for Post-Training and Skills Development is headed by Mr. Alfred Cheruiyot, CBS
- v. The State department for Implementation of Curriculum Reforms headed by Prof. Fatuma Chege

The accompanying financial statements constitute the financial statements for the State Department of Early Learning and Basic Education.

The vision, mission, core values and core function of the **State Department of Early Learning and Basic Education under Ministry of Education** include:

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Vision

Quality and inclusive education, training and research for sustainable development

Mission

To provide, promote and coordinate competence based equitable learner centred education and training and research for sustainable development

Mandate

The department has the mandate of provision of basic education to all citizens while addressing the demands of the Constitution, Kenya Vision 2030 and the Sustainable Development Goals. In so doing, the sub sector is mandated to: develop strategies to address internal efficiencies in the education system; improve financial management and accountability; and to make education in the country more inclusive, relevant and competitive regionally and internationally. In order to execute this mandate, the sub sector is organized into administration and technical departments with specific functions in the delivery of education and training services under the following four programs (i) Primary education; (ii) Secondary education; (iii) Quality assurance and standards and (iv) General administration, planning and support services.

Core Values

Access and equity - Every Kenyan has a right to access quality and relevant education and training. The State Department shall therefore create an enabling environment, opportunities and mechanisms to provide pathways to those seeking to pursue quality education at all levels.

Inclusivity and respect for cultural and social diversity- National values shall be respected and promoted in all Education institutions and this includes principles that pay attention to the people with disability and respect human dignity while ensuring equity, equality and protection of marginalized learners.

Non-discrimination - There shall be no discrimination on grounds of race, colour, gender, religion, national or social origin, economic status, political or other opinions.

Quality and Relevance - Emphasis shall be placed on demand driven and outcome based education.

Life-long Learning - The education programmes will be designed to operate within a framework of open-ended and flexible structures in the context of lifelong education and training.

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Entrepreneurship Culture – Education examination and competence assessment shall be centred on promoting and developing innovation, creativity and entrepreneurial minds for self-reliance.

Partnerships -Creating and promoting an enabling environment for Public-Private Partnerships for enhancing investment in delivery of education.

Information and Communication Technology- Promoting integration of information and communication technology

Core Functions

The core functions of the State Department of Early Learning and Basic Education include:

- a. Education Policy Management;
- b. Management of Continuing Education;
- c. Administration of Early Childhood Education,
- d. Education Standards and Norms;
- e. Management of Education Standards;
- f. Management of National Examinations and Certification;
- g. Curriculum Development;
- h. Quality Assurance in Education;
- i. Primary and Secondary Education Institutions Management;
- j. Teacher Education and Management;
- k. School Administration and Programme;
- l. Registration of Basic Education and Training Institutions;
- m. Special Needs Education Management;
- n. Representation of Kenya in UNESCO;
- o. Adult Education Management

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(b) Key Management

The State Department's day-to-day management is under the following key organs:

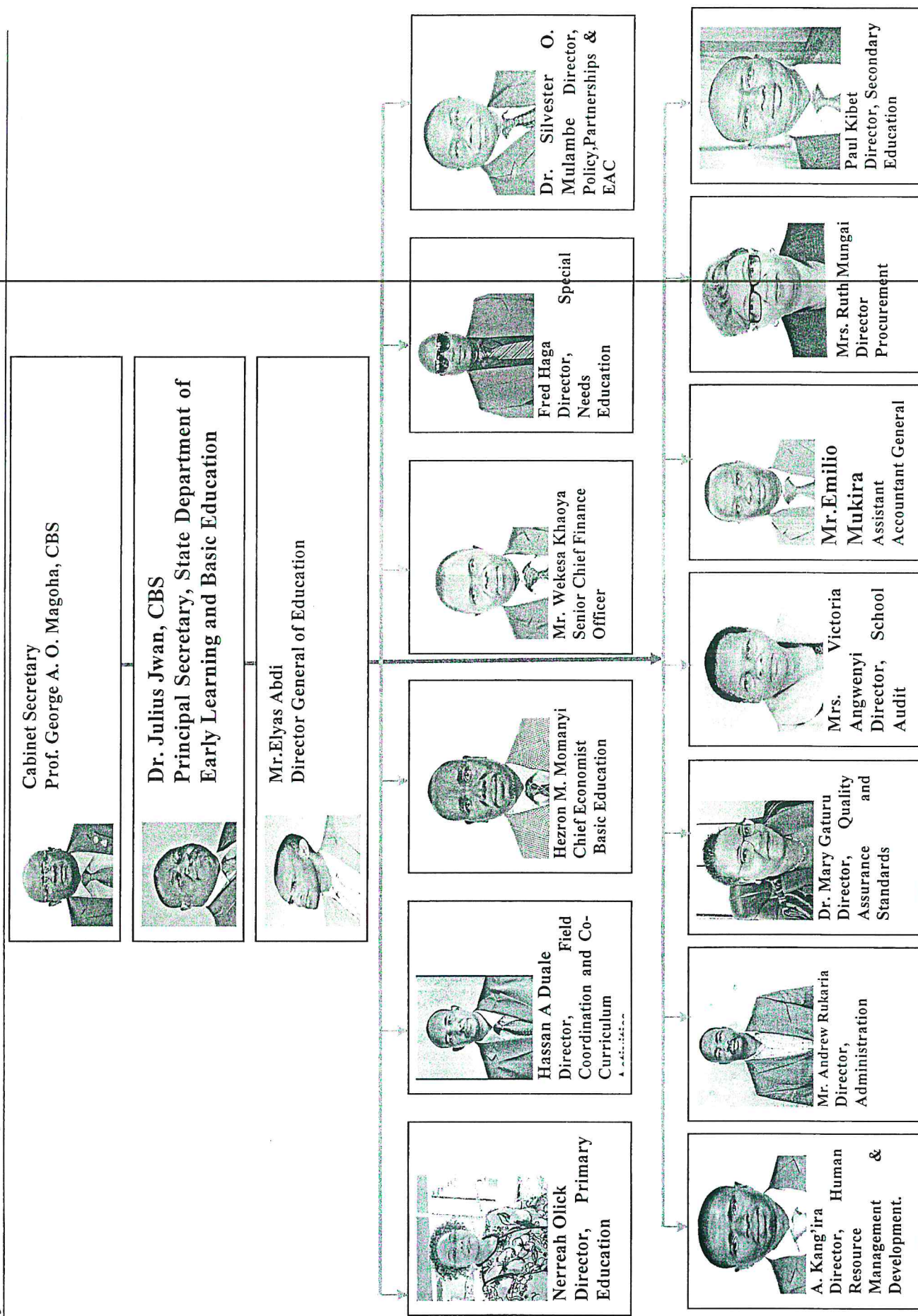
- i) The Ministry is headed by the Cabinet Secretary, Prof. George A. O. Magoha. As the Cabinet Secretary, he guides the overall policy direction of the Ministry. The Cabinet Secretary, in carrying out the mandate of Early Learning and Basic Education is assisted by the Principal Secretary in charge of Early Learning and Basic Education.
- ii) ~~The Principal Secretary oversees the management of the State Department and is the~~ administrative head of the State Department. The Principal Secretary is also the Accounting Officer of the State Department. To manage the State Department, the Principal Secretary is supported by a team of technical directors and heads of support of departments.
- iii) The Management of the Ministry comprises eleven (10) technical directorates and various administrative and support departments. The technical directorates include: Primary Education; Secondary Education; Field Coordination and Co-Curriculum Activities; Teacher Education and Early Childhood Development and Education; Schools Audit; Policy, Partnerships and East African Community Affairs; Projects Coordination and Delivery; Adult and Continuing Education; Quality Assurance and Standards and Special Needs Education. The support departments include the Central Planning and Projects Monitoring Unit, Finance, Accounts, Human Resource Management and Development, Administration, Supply Chain Management and Legal.

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(a) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 20xx and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Cabinet Secretary, Ministry of Education	Prof. George A. O. Magoha, CBS
2	Principal Secretary, State Department Early Learning and Basic Education	Dr. Julius Jwan, CBS
3	Director General of Education	Elyas Abdi
4	Secretary, Administration	Andrew Rukaria
5	Director, Primary Education	Nerreah Olick
6	Director, Secondary Education	Paul Kibet
7	Director, Field Coordination and Co-Curriculum Activities	Hassan A Duale
8	Chief Finance Officer	Martin Wekesa Khaoya
9	Director, School Audit	Victoria G. Angwenyi
10	Director, Policy, Partnerships & EAC	Dr. Silvester O. Mulambe
11	Director, Human Resource Mngt & Dev.	Paul Kang'ira
12	Director, Adult and Continuing Education	Ag. Franklin Mugambi
13	Director, Teacher Education and ECDE	Magret Mwandale
14	Director, Quality Assurance and Standards	Dr. Mary Gaturu
15	Director, Special Needs Education	Fred Haga
16	Director, Planning	Hezron M. Momanyi
17	Assistant Accountant General	CPA E. Mukira Gichigo
18	Head, Supply Chain Management Services	Regina W. Kanyi
19	Head, Legal	Christine Siranga
20	Head, ICT	Brian Kusimba



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Prof. George A. O. Magoha, CBS
Cabinet Secretary Ministry of Education

Prof. George Magoha was sworn in as Cabinet Secretary, Ministry of Education, on March 26, 2019. He is a Professor of Transplant Surgery. Before his appointment as Cabinet Secretary, Prof. Magoha was the Chairman of the Kenya National Examinations Council (KNEC) where he served from March 09, 2016 to March 08, 2019. He was also an Honorary Consultant Surgeon and Urologist at Kenyatta National Hospital and Nairobi Hospital. Before joining KNEC, Prof. Magoha served as Vice-Chancellor, University of Nairobi for 10 years from January 2005 to January 2015. Previously, he was Chairman of the African Network of Scientific and Technological Institutions and the Kenya Medical Practitioners and Dentists Board.

For two years, from August 2013 to August 2015, Prof. Magoha served as the President of the Association of Medical Councils of Africa. He also served as the Chairman of Kenya Association of Urological Surgeons (KAUS) from 1997 to 2013. While serving as Vice Chancellor of the University of Nairobi, Prof. Magoha was elected President of the Association of African Universities (AAU) in 2011, a position he held until 2013. He has been serving as a member of the AAU executive board since 2005.

Prof. Magoha served as a Commissioner at the Commission for University Education (CUE), previously called Commission for Higher Education (CHE), from 2005 to 2013. For his exemplary service, Prof. Magoha the Kenya Medical Association honoured Prof Magoha with Distinguished Service Award for services he offered to the Medical Profession in 2008. He represented the African Continent in the Confucius Council in Beijing, China from 2009-2015.

Born in 1952, Prof. Magoha undertook his primary education in Yala, Siaya County and Nairobi County before joining Starehe Boys Centre and Strathmore College for his high school education. He then proceeded to the University of Lagos in Nigeria where he studied Medicine. He furthered his studies in Surgery and Urology at Lagos University Teaching Hospital, University College Hospital, Ibadan; Royal College of Surgeons, Dublin, Ireland and Royal Postgraduate Medical School Hammersmith Hospital, London, Department of Urology, where he earned various academic awards.

He trained in executive management at the Stanford University, Graduate School of Business, and has many international professional honours and awards. Locally, the awards include Chief of the Order of Burning Spear (CBS), Moran of the Burning Spear (MBS) and Elder of the Burning Spear (EBS). Prof. Magoha joined the University of Nairobi as a Lecturer in Urological Surgery in 1988 and rose through the ranks to become a full Professor of Surgery in 2000. He served in various administrative positions at the University rising from Chairman of the Academic Department of Surgery in 1999, Dean of the School of Medicine, Principal of the College of Health Sciences, Deputy Vice-Chancellor in charge of Administration and Finance to Vice-Chancellor in January 2005.

Prof. Magoha has published more than 60 peer-reviewed publications and supervised to completion over 40 Master of Medicine (Surgery) students. He is a member of many professional bodies in Urology and Surgery including British Association of Urological Surgeons (BAUS) and Société Internationale d'Urologie (SIU). He is actively involved in research in male erectile dysfunction; prostate, testicular and penile cancers; circumcision, and HIV/AIDs. He is a fellow of the International College of Surgeons (ICS), African Academy of Sciences (AAS) and the Kenya National Academy of Sciences (KNAS), among others.

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Julius O. Jwan, PhD, MBS

Principal Secretary

State Department, for Early
Learning and Basic Education

Dr. Julius Jwan is the Principal Secretary, State Department for Early Learning and Basic Education in the Ministry of Education. Previously, Dr. Jwan served as the Principal Secretary, State Department for Vocational and Technical Training (VTT), in the Ministry of Education. Dr. Jwan has also served as the Director/CEO at the Kenya Institute of Curriculum Development (KICD). Prior to joining KICD, he was the Director – Programmes and Technical Services at the National Cohesion and Integration Commission (NCIC). He worked as a lecturer at Moi University rising from the position of a Tutorial Fellow to Senior Lecturer.

Before joining Moi University, he was a teacher at Ongalo Secondary School and Kaimosi Teachers' Training College.

Dr. Jwan holds a PhD Degree in Educational Leadership & Management from the UK. He also holds a Master of Science (MSc) Degree in Educational Research Methods-from the UK; a Master of Philosophy (MPhil) Degree in Education Communication & Management from Norway and another Master Degree in Linguistics from Moi University - Kenya where he also graduated with a Bachelor of Education Degree. He has attended several fellowships and short courses including: Procurement and Tendering Processes; and Senior Management Course for Public Officers (Kenya); Education for Sustainable Peace (Germany); Enhancing Governance and Financial Administration in Africa (Botswana); Transitional Justice and Governance in Africa (South Africa); Reconciliation as Process and Practice (Sweden); Democratic Governance for Development in Africa (Uganda), among others.

Dr. Jwan has published widely on educational leadership and management in international journals and book chapters. He has also published five books - two on educational leadership and management, two on research methods and one in communication. Dr Jwan is a winner of the Best Doctoral Thesis Award by the British Educational Leadership, Management and Administration Society (BELMAS) in 2011. He has also supervised a number of PhD and Masters students.

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(b) Fiduciary Oversight Arrangements

(i) Human Resources Management Advisory Committee Activities

Their duties include:

- Review of promotions of officers in Job Group A-P
- Review of confirmations in appointment
- Review of disciplinary matters
- Review of re-designation of officers from one cadre to another and
- Confirmation of surcharge of officers found to have misused government resources
- Overall coordination of the training functions in the State Department
- Review and implementation of the State Department training plan
- Review of induction of newly appointed officers and activities around long term training

(ii) The Budget Implementation Committee

Their duties include:

- To review and consider the cash flow plans. this shall involve regular review of the Ministerial cash plan and approval of any changes to the initial cash flow plan to be communicated to the National Treasury.
- To review the utilization of donor funds voted for the State Department
- To advice Accounting Officer on any Challenges related to the budget implementation.
- To review and recommend reallocation of expenditures.
- To review and approve the submission of the expenditure returns, IPPD, pending bills and A-I-A returns and recommend actions to be taken.
- To prepare budgets in consultation with Heads of Directorates/Departments.

(c) Entity Headquarters

State Department of Early Learning and Basic Education

P.O. Box 9583 - 00200

Jogoo House "B"

Harambee Avenue

Nairobi, Kenya

Entity Contacts

Telephone: +254-020-3318581

Email: ps@education.go.ke

Website: www.education.go.ke

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(d) Entity Bankers

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

(e) Independent Auditors

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

(f) Principal Legal Adviser

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

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II. FORWARD BY THE CABINET SECRETARY

The Ministry of Education (MOE) comprises the State Department of Early Learning and Basic Education; the State Department of Vocational and Technical Training; the State Department of University and Research; the State Department of Post Training and Skills Development and State department for Implementation of Curriculum Reforms. The vision of the Ministry is “*Quality and inclusive education, training and research for sustainable development*”.

The mission of the Ministry is “*To provide, promote and coordinate competence based equitable learner centred education and training and research for sustainable development.*” The sector’s overall goal is to increase access to education and training; improve quality and relevance of education, reduce inequality as well as exploit knowledge and skills in science, technology and innovation for global competitiveness.

During the 2020/21 FY the Ministry implemented 8 programmes including Primary Education; Secondary Education; Quality Assurance and Standards; University Education, Technical Vocational Education and Training; Research, Science Technology and Innovations; Youth Training and Development; and General Administration, Planning and Support Services.

To support implementation of the 8 programs the Government allocated a total of Ksh 97,155 million to the State Department of Early Learning and Basic Education during the 2020/21 FY. Out of this, Kshs. 88,224 million was voted under Recurrent while kshs. 8,931 million was voted under Development. The Ministry’s budget performance based on economic classification in the FY under review is provided in the attached Financial Statement.

Provision of quality and inclusive basic education has been a priority of the Kenya Government since independence, as stipulated in relevant policy documents, including Kenya Vision 2030, Constitution of Kenya, 2010 and the Basic Education Act, 2013.

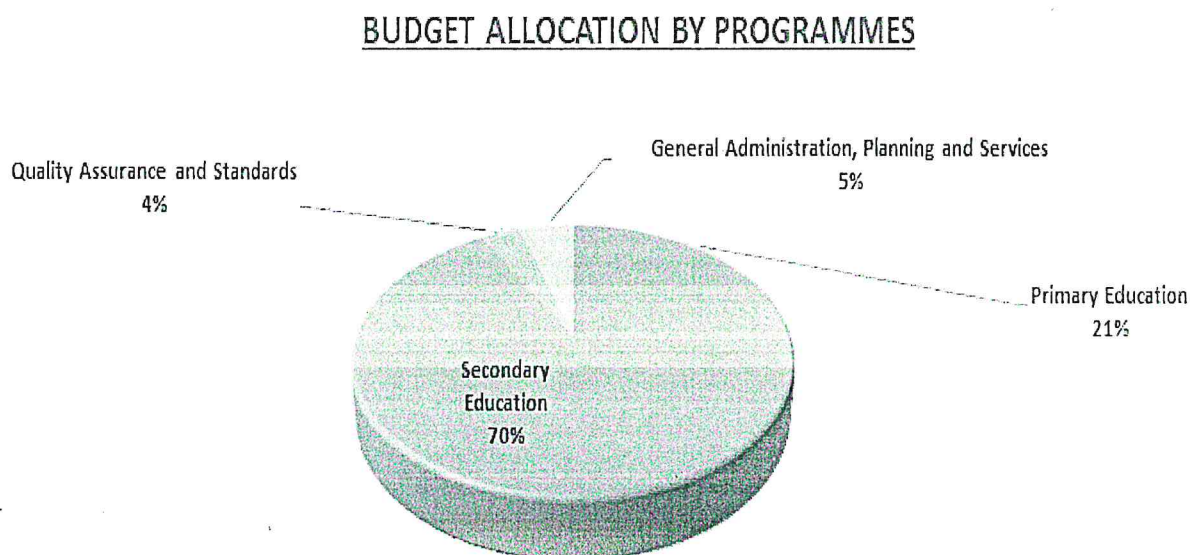
In the FY 2020/2021 the State Department was allocated a total of Ksh.97.2 billion. Out of the total allocation the Primary Education Programme received Ksh.20.8billion (20.9%), Secondary Education Programme received Ksh.68.7billion (70%), Quality Assurance and Standards was allocated Ksh.3.4billion (3.6%) and Ksh. 4.6 billion (4.8%) went to General Administration, Planning and

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Services. This is shown in figure 1 below.

Of the total budget allocation 63% was utilized in Subsidies and 26% was spent on Grants and Transfers to other Government Units. 7% was utilized in paying for Goods and Services while Compensation to Employees took 4%. This is illustrated in figure 2 below.

Figure 1: Total Budget Allocation by Programmes in 2019/20 Financial Year



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BUDGET UTILIZATION AS PER ECONOMIC ITEM

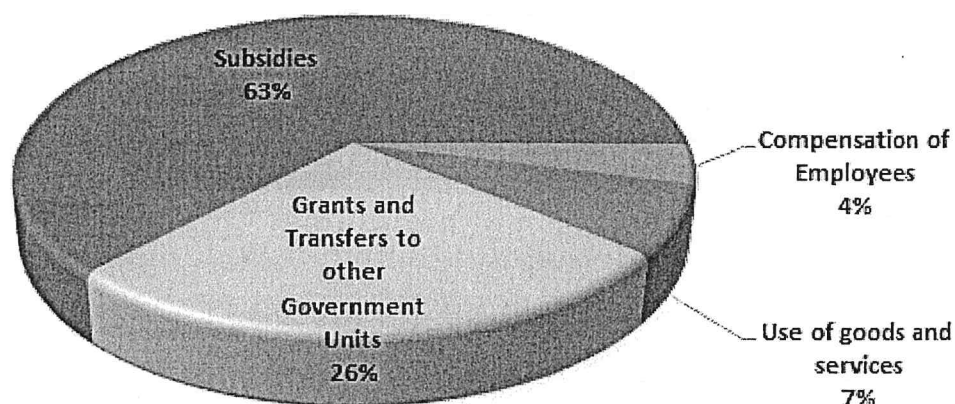


Figure 2: Budget Utilization by Expenditure Items in 2020/21 Financial Year in millions

	Actual Payments
Compensation of Employees	3,732
Use of goods and services	5,025
Subsidies	59,543
Transfers to Other Government Units	26,249
Other grants and transfers	5
Social Security Benefits	4
Acquisition of Assets	-
Finance Costs, including Loan Interest	-
Repayment of principal on Domestic and Foreign borrowing	-
Other Expenses	-
Total Payments	94,558

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	Approved Budget Allocation (millions)	Actual Payments (millions)	Variance
Compensation of Employees	3,778	3,732	46
Use of goods and services	5,065	5,025	40
Subsidies	59,545	59,543	2
Transfers to Other Government Units	28,745	26,249	2,496
Other grants and transfers	18	5	13
Social Security Benefits	4	4	0
Acquisition of Assets	-	-	-
Finance Costs, including Loan Interest	-	-	-
Repayment of principal on Domestic and Foreign borrowing	-	-	-
Other Expenses	-	-	-
Total Payments	97,155	94,558	2,597

Performance of Programs in the State Department of Early Learning and Basic Education

I. Pre-Primary Education:

The Constitution of Kenya 2010 in the fourth schedule assigned provision of ECDE to the County Government while the National Government is responsible for development of policy and standards as well as curriculum for the entire education spectrum. The sections below highlight overall achievements of ECDE between 2018/19 and 2020/21

In FY 2018/2019 the Ministry, with support from development partners collaborated with stakeholders to finalize the National Pre-primary Education Policy Standard Guidelines and, disseminated both the policy and the guidelines to the County Directors of ECDE and sub-county ECDE coordinators in the 47 counties. To prepare children for readiness for school, the Ministry with support from development partners also developed Tayari materials (Pupils/ work-books and teacher guides for Mathematics and Languages). The books have since been finalized and approved for use in schools. In addition, the Ministry in collaboration with stakeholders developed the Kenya School Readiness Assessment Tool (KSRAT) to guide the transition of ECDE children to the primary education cycle and to ensure quality learning. During the period under review, a total of 3,000 ECDE centers were assessed for

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standards and quality assurance. During the F/Y 2019/2020, the Ministry also monitored implementation of the policy in Kisumu County. The number of ECDE centers increased from 42,317 in 2018/19 to 46,530 in 2019/20. The net increment in the number of centers was 4,213 for the period, attributed to the efforts of county governments. Enrolment dropped from 3,390,545 in 2018/19 to 2,738,587 in 2019/20. This can be attributed to the removal of enrolment in day care centres from the pre-primary data.

In the year 2020/21, the directorate virtually sensitised all the 47 County ECDE Directors on pre-primary education policy and standard guidelines as well as the requirements of NESSP in relation to pre-primary education. The National Early Childhood Education Committee (NECEC) was established to oversee implementation of early childhood education across the counties. A retreat to induct the committee was carried out with support from Development Partners. The Kenya School Readiness Assessment Tool (KSRAT) was also aligned to the Competence Based Curriculum (CBC).

ECDE teacher training has been mainstreamed in public teacher training colleges. The minimum qualification for pre-primary teacher has been raised to Diploma in ECDE and entry qualification for training has been revised to C-plain in KCSE. The first pre-service ECDE cohort to train in CBC was admitted in May 2021 in six Teacher Training Colleges.

II. Free Primary Education:

Free Primary Education (FPE) funds to schools are used for instructional materials procurement and sustaining school operations to actualize the constitutional provision of compulsory basic education. In the review period 2018/19 - 2020/21, the Ministry disbursed to public primary schools, KShs 12.72 billion for 8,959,719 pupils in 2018/19, KShs 12.1 billion for 8,488,274 pupils in 2019/20 and KShs 12.2 billion for 8,592,810 pupils in 2020/21 financial years. This was an increase of 1.2% from the previous year. In addition, a sum of about KShs. 300 million is paid as top up for Special Needs Learners (SNE) annually from capitation grants at a rate of KShs 2,300 per child.

In the review period, schools supported by FPE grants grew from 22,674 schools in 2018/19 to 22,904 in 2019/20 and 22,998 schools in 2020/21 representing a growth of 1.4% over the review period. Applications for FPE grants support continue to be received from newly registered schools.

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Enrolment in both public and private primary schools decreased from 10,389,826 in 2018 to 10,072,040 in 2019. Free Primary Education (FPE) grants support public primary school learners at the rate of KShs. 1,420 per pupil annually. In addition to this, there are other strategic intervention support in targeted regions. These include school meals, low-cost boarding capitation and primary school's infrastructure improvement programs undertaken to enhance access in primary education. These efforts have resulted in improved GER in primary schools from 104.4 % in 2018 to 100.2% in 2019 and 99.6% in 2020 indicating improved efficiency in the system.

The Net Enrolment Rates (NER) stood at 91.8% in 2018. The Primary Completion Rate (PCR) has also increased from 84.2% in 2018 to 85.4% in 2019. In addition, the Government initiative in paying examination fees of almost KShs.1billion for all KCPE candidates in both public and private schools have seen candidature increase from 1,060,711 in 2018 to 1,088,986 in 2019 and 1,191,616 in 2020. The Free Primary Education initiative is further supported by various strategic interventions to increase access, equity, quality and relevance in primary education.

Primary Schools Infrastructure Improvement

During the period under review a number of primary schools undertook construction and renovation of classrooms including provision for schools affected by emergencies. These included support to 307 schools in 2018/19 FY, 211 schools in FY 2019/20 and 181 schools in 2020/21. This was achieved with budgetary allocation of KShs 200M in 2018/19 FY, KShs 330M for 2019/20 FY and KShs 240M in 2020/21. The second tranche of Kshs 120M for FY 2020/21 was however not released due to austerity measures. In FY 2020/21, the government funded Low-cost boarding school's infrastructure improvement under the Economic Stimulus Package (ESP) at the tune of KShs 300M. Similarly, only the first tranche of KShs 150M was released to 33 primary schools and disbursed for construction of 4 ablution blocks, 8 dining halls/cum kitchens and 21 dormitories. In FY 2020/21 the Government further allocated KShs 900M for procurement of desks for public primary schools as a mitigation measure against Covid-19 pandemic meant to increase social distancing and improve teaching learning environment. The funds were used in the procurement of 360,000 desks for primary schools supplied to 5,136 primary schools each getting 70 desks. This was also under the economic stimulus package that was meant to use local labor to spur the local economies against the harsh economic time

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occasioned by the pandemic. 450 desks were designed as a prototype by SEPU for emulation by the local artists to ensure quality and standards.

The high demand for the primary school's infrastructure improvement support across the country and more so in ASAL's, marginalized areas and newly registered upcoming schools continues to outstrip the allocated funds. Schools' infrastructure improvement greatly contributes to observation Health protocol on Covid-19 mitigations measures. It also supports realization of the "Big Four" agenda.

Expanding Education Opportunities in ASALs (and other Hardship Areas)

During the period under review, the State Department extended support of KShs 400M each year from 2018/19 to 2020/21 to Low-Cost Boarding public schools (LCBs) for pupil upkeep and workers' wages. The LCBs pupils are given a capitation of KShs 3,070 per pupil which is disbursed in two tranches during the Month of February and September. The pupils are drawn from local communities faced with challenges of nomadism, drought, cattle rustling and cultural practices that impact negatively on their education. Enrolment in the LCBs decreased from 114,437 in 2018/19 to 84,786 pupils in FY 2019/20 and further to 83,146 in FY 2020/21. The drops have been occasioned by enhanced data verification and upgrading some of the schools out of the targeted category.

In FY 2019/20, teachers and members of schools' boards of management from 57 LCBs were trained on financial management; a needs assessment was conducted in 15 schools to facilitate dialogue on the potential of establishing additional LCBs; an advocacy and community sensitization was conducted for 400 participants drawn from ASALs areas; and monitoring was carried out in 16 schools. The National Council for Nomadic Education in Kenya (NACONEK) carried out a baseline assessment of 188 LCBS in the FY 2018/2019. In FY 2019/20 monitoring was done in sampled counties on the LCB's status. It emerged that most of the facilities were not of the expected standards. Enrolment fluctuation caused by unfavorable cultural practices can be mitigated by expansion of low-cost boarding schools.

Special Needs Education:

The Department coordinates policy implementation and provision of education to learners and trainees with special needs and disabilities. The sub- program of Special Needs Education coordinates

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disbursements of FPE top up of 2,300 per child for procurement of specialized learning resources and assistive devices. It also coordinates disbursement of SNE boarding primary grants to cater for boarding expenses since primary schooling is free and also pays critical auxiliary staff. There are 3,031 public SNE primary educational institutions in the country. Of these, 2,699 are non-boarding integrated institutions and 332 are boarding special primary schools/units. The total enrolment of learners in special institutions and units currently stands at 132,466 pupils of which 34,313 are in boarding special schools/units, and 98,153 are enrolled in non-boarding integrated schools.

In the FY 2018/19, KShs 279.2M was disbursed as FPE top-up to 121,392 SNE learners enrolled in 2,935 SNE primary schools. In addition, KShs 445.2M was disbursed as grants to 31,519 learners in 290 special/integrated schools and units to subsidize boarding and personnel emoluments expenses. Therefore, these funds were used to subsidize boarding expenses since many learners attend boarding schools out of circumstances and not out of choice due to the few schools with requisite human resources and facilities to cater for their learning needs. The funds were also used to pay auxiliary staff such as transcribers, sign language interpreters, therapists and housekeepers. During the year, a total of 13,019 male and 11,102 female SNE learners were assessed.

In the FY 2019/20, KShs. 313.0M was disbursed as FPE to 136,081 learners enrolled in 3,043 SNE primary schools. In addition, 455 Million was disbursed as grants to 34,313 learners in 332 special/integrated schools and units to subsidize boarding and personnel emolument expenses. During the year, 90 male and 507 female SNE learners were assessed.

In the FY 2020/21, KShs. 304.7M was disbursed as FPE top-up to 132,466 SNE learners enrolled in 3,031 SNE primary schools. In addition, KShs 455.0M was disbursed as grants to 34,313 learners in 332 special/integrated schools and units to subsidize boarding and personnel emoluments expenses. There were no SNE learners assessed during the year.

Functional Assessment in Education: In the SNE sub-program there are 48 Educational Assessments and Resource Centres (EARCs) across the Country. These Centres play an important role in early identification, assessment and placement of learners with special needs and disabilities in schools. In FY 2018/19, KShs 55.8M was disbursed to the EARCs. In the FY 2019/20, KShs 25M was

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disbursed to the 48 EARCs. The balance of KShs 25.0M could not be disbursed because the centers were closed due to covid-19 pandemic. In the FY 2020/21 KShs 5.6M was disbursed to the 48 EARCs. The allocation to the EARCs has been reduced annually over the last 5 years hampering the operations of these centers. A total of 10,320 children were assessed for special needs and disabilities across the country during the FY 2019/20. In the FY 2020/21 assessments of learners were hampered due to Covid-19 pandemic. There are plans to establish 10 model Educational Assessment and Resource Centers (EARCs) in the eight regions across the country to enhance educational assessment, placement and referral of learners with disabilities.

Digital Literacy Program (DLP): In FY 2018/19 the program under the Kenya Institute of Curriculum Development (KICD) received KShs 20M for digital content. KICD implemented the on-line course for primary school teachers on both ICT integration in learning and implementation of CBC completed and rolled out where 9,000 teachers were trained. In addition, vetted Grade 3 interactive digital content was put under curation and finalization of the new Universal Design for Learning (UDL) platform for SNE digital content development and utilization was done.

In FY 2019/20, the Ministry was allocated KShs. 800M for establishment of smart classrooms across the country under the Digital Literacy Programme to support the implementation of the Competency – Based Curriculum. A total of 8,000 public primary schools were identified from the counties to benefit from KShs. 97,500 per school to establish the smart classrooms which included refurbishment of existing Grade 4 classrooms by improving on security (burglar proof on windows and doors) of the classrooms, establish electrical wiring, construction of a storage and charging cabinet and fixing of a white board in the classroom. The approvals were done but disbursements failed because of the failure to receive the exchequer.

In FY 2020/21 under the economic stimulus package, the program was allocated KShs. 300M for DLP activities through recruitment of 1,000 ICT interns to be posted across the country to support the ICT integration in teaching and learning. However, only the advertisement, shortlisting, and interviews were done without any deployment since funds were not availed. This could have gone a long way to assist the learners during the Covid-19 Mitigation measures as most learning was taking place virtually or with computers blended learning. Equally, like the previous financial year, funds allocated for

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smart classroom establishment were not released by the exchequer.

School Health, Nutrition and Meals

School Meals Program: The program operates under two modes of Regular School Meals Program (RSMP) and the Home-Grown School Meals Program (HGSMP). Under the RSMP, the World Food Program (WFP) supported the Government in providing mid-day meals. Foodstuffs were procured and ~~taken to schools via the sub county offices where they are stored temporarily before the secondary~~ distribution to school, however this mode has since been wound up. In FY 2019/20, the program received KShs 1,358 million for provision of hot day meal for 837,178.00 learners; the amount was short of 3.7billion expected for an ideal calendar year of 60 days per term at KShs. 11/= per child per day for three terms in an academic calendar year. The underfunding normally results in logistical challenges in primary and secondary transportation of the foodstuff from the central stores to the counties and subsequently from the sub counties to the schools.

In FY 2020/21 the program received Ksh.1.894 billion, utilized to feed 834,037 pupils. Corn Soya porridge was also introduced in this program and used to feed 598,386 pupils newly enrolled in grades one to three .The Covid-19 pandemic had a major impact on the food supplied to schools earlier in the year with assessment reports indicating that some foodstuff -mainly cereals, cooking oil and salt could have gotten spoilt, the Unit organized and the food was the learners were summoned to collect their ration to avoid the spoilage.

In FY 2020/21 the unit received KShs. 1.85 billion under MoE and KShs 200M used to expand target to include urban slums-due to covid-19 impact under (learning continuity in basic education -by -GPE. a total of 1,841,000 learners benefitted. further KShs. 240M was added in the close of the year to procure cereals for use by the learners given the harsh economic occasioned by the Covid-19 pandemic and harsh weather conditions in the targeted area. The Ministry further introduced nutritious corn soya porridge for learners in ASAL areas and slums areas across the country to check on malnutrition and sustain the learners in schools. The program supports food security in learning institutions which fall under the big four agendas.

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Sanitary Towels Provision: The programme provides sanitary towels to all menstruating girls in public primary schools throughout the school calendar. The intervention targets menstruating girls in schools whose greatest challenge is absenteeism caused by reproductive health issues. The provision has ensured access, retention, performance and transition of the vulnerable girls in all regions across the country. In the 2018/19 Financial Years, the programme under the Ministry of Public Service, Gender and Youth. A sum of KShs. 375M was allocated for use in all 47 counties benefitting 1,359,008 girls. The programme was transferred back to the Ministry of Education in the FY 2019/2020.

In the 2019/20 Financial Year, the program was allocated KShs. 375.0M used to procure sanitary towels for 1,300,000 girls in 47 counties across the country. The programme targets class 6,7 and 8 girls, the age at which menstruation is most likely to commence for majority of girls, though, many more girls who are at puberty stage and are in lower classes are also included. Planned monitoring was not done in 2019/20 due to COVID-19 pandemics. In FY 2020/21. KShs. 470M was allocated for the program and used to procure pads for 1,675,679 girls across the country in targeted age groups

Kenya Primary Education Development (PRIEDE) Project

The PRIEDE Project is estimated to cost KShs. 9.7B is funded jointly by GPE at KShs. 8.8B and GOK- KShs. 884M. PRIEDE aims at improving Early Grade Mathematics (EGM) Competency and Strengthening Management Systems at School and National levels. The grant has enabled the achievement of pupil/textbook ratio of 1:1 in mathematics for grade 1' and 2 as a result of distribution of 10,539,073 books to pupils and teachers in public primary schools as at June 15th, 2019.

EGM books distributed in FY 2018/2019 were reviewed versions that were aligned to CBC. Out of the distributed EGM books, 21, 987 were adapted to suit special needs learners in the areas of Hearing Impaired (HI), Physically Impaired (PI), Low Vision (LV) and Totally Blind (TB). In addition, more than 102,157 teachers were trained on EGM methodologies and equipped with necessary skills to align EGM to CBC. Curriculum support officers (CSOs) have been providing pedagogical support to the teachers through lesson observation. The TSC carried out regular teacher appraisals using the TPAD system which enhanced instructional supervision among head teachers, CSOs, TSC field officers and

this resulted in improved teacher preparation and increased pupil/teacher contact.

In order to strengthen school management systems, the project facilitated training for head teachers and five BOM members from the 4,000 target schools on preparation of School Improvement Plans (SIP) and management of school resources. A total of 250 school auditors were also trained on a risk-based audit approach. The auditors then carried out on-site audits in the 4,000 SIP schools to establish the capacity of schools in management and accounting of school resources. The Kenya National Examination Council (KNEC) carried out KCPE school specific analysis for the year 2018 and prepared and disseminated reports for the 4,000 pilot schools while those of more than 22,000 primary schools were made available on the KNEC website. The reports provide schools with information needed for identifying schools' priorities and strategies when developing a School Improvement Plan (SIP).

All the 4,000 SIP schools successfully utilized the SIP grants enabling provision of supplementary textbooks benefiting a total 1,934,583 pupils in classes 3 to 8 and a total of 34,737 teachers. The grant has also enabled improvement of the learning environment through renovation of classrooms, sanitary facilities and water harvesting in the schools. As a result, most of the schools recorded a positive deviation in 2018, 2019 and 2020 KCPE, implying that improved governance, management, and accountability systems at school level had proportionate positive influence on achievement of learning outcomes.

During the period under review, the project facilitated data collection using NEMIS has been ongoing and utilization by the directorate of Secondary Education in disbursement of capitation was actualized. Basic Education Statistical Booklet for 2019 was developed and approved. 2020 calendar year data processing ongoing under the Strengthening NEMIS initiative. Statistical booklet to be published based on updated data in the system upon completion. KNEC conducted studies to monitor learning which included: 2 NASMLA class 3 studies (2018), MLA form 2 (2018) and NASMLA class 7 (2019). The Class 5 Reading and Mathematics assessment under the Ending Learning Poverty Initiative has also been conducted to determine learners' proficiency in Reading and Mathematics

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among 10-year-old. The project also supported the development of the National Education Sector Strategic Plan (NESSP) 2018-2022.

To enhance Early Grade teacher competencies the project has rolled out the implementation of School Based Teacher Support (SBTS) initiative with the aim of improving teacher pedagogical practices as well as content Mastery. A manual to guide the implementation of the SBTS initiative was developed and distributed to all the public schools. Education officials and Grade 1, 2 and 3 teachers were trained on the initiative and implementation is ongoing. Under the initiative teachers get opportunities to learn from one another and receive professional support from the CSOs and QASOs.

The Project has also put in place an initiative to scale up the School Improvement Programme (SIP) to all public primary schools. In this regard a guideline to utilization of capitation grant and other school funds was developed. Education officials and Schools management were trained on the guidelines. The implementation of the guidelines at the school level is ongoing.

III. Secondary Education Program

The Secondary Education Programme has five sub programs implemented under it, which include: Secondary Bursary Management Services, Free Day Secondary Education: Secondary School Education Services, In-service Training (CEMASTEAs); and Special Needs Education.

Free Day Secondary Education

During the period under review, a total of KShs. 178.24 billion was spent on sustaining the Free Day Secondary Education (FDSE) program. In the FY 2018/19, KShs. 59.4 billion was disbursed to 8,819 public secondary schools to support 2.96 million students enrolled in these schools. In the FY 2019/20, KShs. 59.4 billion was disbursed to 8,845 public secondary schools to support 3.045 million students enrolled in these schools. In the FY 2020/21, KShs. 59.42 billion was disbursed to 9,024 public secondary schools to support 3,289,885 students enrolled in these schools Overall, the number of secondary schools reduced from 11,399 schools in 2018 (9,643 public and 1,756 private) to 10,463 in 2019 (8,933 public and 1,530 private) and increased to 10525 (9169 public and 1,356 private) in 2020. The GER increased from 70.3% in 2018 to 71.2% in 2019. The NER remains at 53.2% in 2019.

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This indicates how the FDSE program continues to spur access to secondary education. As part of the FDSE program, the GOK started the supply of instructional materials and provision of medical insurance for students in public secondary schools.

Textbook supply to Secondary schools: In an effort to ensure a student textbook ratio of 1:1, the Government of Kenya supplied textbooks to secondary schools from Form 1 to Form 4. In the FY 2018/19, a total of 32,840,474 textbooks were distributed to secondary schools. This included 14,786,293 books for 14 elective subjects and 18,054,181 textbooks for six core subjects. No textbooks were supplied in 2019/20. In 2020/21, a total of 14,118,184 set books for English literature and Fasihi ya Kiswahili were provided to the 8,935 public secondary schools. This is in line with the instructional materials policy developed by the Ministry of Education. About 97% of the schools have reported achieving a student book ratio of 1.1 in 20 subjects for forms 1 to 4. This initiative should be sustained to ensure that learners have different textbooks and learning materials at their disposal.

Medical insurance for secondary school students: During the period under review the GOK provided medical insurance to all students in public secondary schools. In the FY 2018/19, at a cost of KShs. 3.9 billion, 2.9 million students were insured. In the FY 2019/20, at a cost of KES 4.11 billion, 3.045 million students were insured. In 2020/21 FY, at a cost of KShs. 4.44 billion, 3.29 million students were insured. The major challenges are some students are still not registered on the NEMIS portal and limited awareness of the benefits of this insurance scheme.

Secondary School Infrastructure Improvement

Improving secondary school infrastructure aims at enhancing access, transition, equity, relevance and quality education by funding schools to construct new or rehabilitate, expand and equip their infrastructure. This is necessary to bridge the gap in infrastructure needed for the 100% transition programme. Besides, the demand is an additional 15,191 classrooms, 7601 Laboratories and 7,601 WASH facilities that will continue to rise annually due to increases in enrolment at this level. This will result in existing schools having an optimal level of a minimum of 3 streams. Further, increased enrolment will require additional laboratories to enhance provision of science, technology, engineering and mathematics subjects.

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In the 2018/19 FY KShs. 2.1 billion was disbursed to 864 schools and was used to develop 1140 classrooms, 198 laboratories, 14 libraries, 70 dormitories, 24 administration blocks and 26 Dining halls. In the 2019/20 FY KShs. 610 million was disbursed to 248 schools and was used to develop 342 classrooms, 74 laboratories and 148 WASH facilities. In the 2020/21 FY KShs. 2.315 billion was used for infrastructure development. It was used to procure 262,757 desks and chairs for secondary school under the economic stimulus Programme. The reminder was used to develop 905 classrooms, 95 Laboratories 347 WASH facilities.

National Secondary Schools Rehabilitation Initiative: The aims of expanding national schools are twofold. First, is to enhance access to national schools hence improve equity in line with the Kenya Constitution 2010, national cohesion and integration. Second, is to improve and expand infrastructural facilities to allow for more students to transit from primary to secondary schools. This will not only stimulate academic excellence but also improve education standards in all counties.

In FY 2018/19, KShs 300 million was disbursed to 42 National schools, these schools utilized these funds to construct 57 classrooms, 9 laboratories, 12 ablution blocks, 1 administration block. 8 dormitories, 2 offices, 1 bore hole, 1 bakery, 3 perimeter walls, 1 Dining Hall and 1 Gate. In FY 2019/20, KShs. 150M has been disbursed to 15 schools and these schools are in the process of approval and construction of various additional infrastructure facilities. In FY 2019/20, KShs. 150M has been disbursed to 15 schools and these schools are in the process of approval and construction of various additional infrastructure facilities.

Grants to Secondary Schools in ASAL and Pockets of Poverty: This fund is used to enhance equity as it enables the learners in ASAL and Pockets of Poverty to access Secondary Education. Part of this fund is used for Service gratuity where grants are disbursed to schools for retiring Board of Management (BoM) employees in secondary schools with Pay Change/ Advice GP 33 who were employed before 1993 when the Ministry was disbursing grants directly to retired BoM employees.

In 2018/19 these funds were not disbursed to secondary schools as they were utilized to reduce the deficit created in the disbursement of FDSE grants to schools. However, KES 9.992 Million was

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paid as gratuity to 84 BOM retirees in secondary schools. in 2019/20, the funds were not disburse. in 2020/20. A total of KShs 40.15 million was disbursed to 80 school categories as pockets of poverty.

Supply of Science Laboratory Equipment to Schools: In order to provide skills that alleviate unemployment by enabling the youth to be self-employed and compete in the global job market, there is an increased need to promote science as the avenue through which self-sustaining skills can be imparted. As a result, the government, with the support of other stakeholders, has increasingly prioritized construction of science laboratories, science rooms, provision of laboratory equipment and science kits mainly in public secondary schools to improve quality of education and support quality in the 100% transition to secondary education.

This programme has not been funded for FY 2018/19 and FY 2019/20. According to the MOE 2015 statistical survey, there were a total of 5,444 (66%) public secondary schools with at least one science laboratory and 8,053 schools without laboratories compared to 819 private schools with at least one laboratory and 324 schools without laboratories. In these schools, students get into contact with laboratory apparatus and materials for the first-time during KCSE. Hence, the need for continued and up scaling of funding to a level that can construct and equip new laboratory infrastructure in secondary schools.

Secondary Schools Computer Supply: ICT provides capabilities and skills needed for a knowledge-based economy. It is envisaged that ICT will be a universal tool for education training and management. To achieve this vision, the government will equip all public secondary schools with appropriate ICT infrastructure and provide appropriate competencies and policies in order to embrace digital learning processes as envisaged in the new curriculum.

In FY 2018/19, the funds were not utilized due to delay in the procurement process. In FY 2019/20 the funds were used to procure 2085 computers that were distributed to 218 secondary schools. In FY 2020/21 the funds were used to procure 2040 computers that were distributed to 200 secondary schools. Since its inception, the programme has only covered approximately 36% of targeted public secondary schools and to meet the increasing demand as more schools are established and being connected with electricity.

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Secondary Education Quality Improvement Project (SEQIP): During the FY 2018/19, the Ministry spent a total of KShs 17.3M to conduct a Schools Infrastructure Needs Assessment (SINA) in 1,431 Secondary Education for regular learners and 7 SNE Secondary Schools to inform prioritization in provision of a Minimum Package for Safe School Infrastructure (MPSSI).

In order to improve transition from Primary to Secondary education in the 110 targeted Sub-counties and 15 urban centres with informal settlements, the Ministry in the FY 2019/20, spent a total of KShs. 906.9 M in payment of school fees, provision of school kit and Stipend (Transport to and from school and pocket Money) for the first cohort of 9000 beneficiaries, targeted to benefit from the Elimu Scholarship Programme.

During the FY 2018/19 to 2020/21 review period, a total of KShs. 250.9 M and KShs. 106.1M was spent on meeting the cost of consultancy services for supervision of construction of classrooms, Laboratories and toilets and implementation of the Elimu Scholarship Programme respectively. In an effort to ensure good management, coordination and regulation of the scholarships, the Ministry utilized KShs. 3.3 M to undertake a capacity assessment for Jomo Kenyatta Foundation.

Secondary Schools Computer Supply

ICT provides capabilities and skills needed for a knowledge-based economy. It is envisaged that ICT will be a universal tool for education training and management. To achieve this vision, the government will equip all public secondary schools with appropriate ICT infrastructure and provide appropriate competencies and policies in order to embrace digital learning process as envisaged in the new curriculum. In FY2019/20 the funds were used to procure 2085 computers that were distributed to 218 secondary schools. Since its inception, the programme has only covered approximately 35% of targeted public secondary schools and to meet the increasing demand as more schools are established and being connected with electricity.

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exams to 752,602 (369,394 male and 383,208 female) in 10,223 examination centres. The KCSE special needs candidates increased from 1,499 in FY 2018/19 to 1,673 in FY 2019/20 and dropped to 1,179 in FY 2020/21.

During the period under review, the Council received KShs. 501.3M for its personnel emoluments, administrative operations and to provide examinations and assessment of post schools candidates which is an enabler of the “Big Four” Agenda in areas of Universal Health Care; Food and Nutrition Security, Affordable Housing, and Industrialization, Manufacturing and Agro-Processing. The Government funding received for operations in FY 2018/19 was KShs. 175.2M and KShs. 177M in FY 2019/20 which subsequently dropped to KShs. 149.1M in FY 2020/21. These capitations have not been adequate to fund the personnel emoluments in the period. Personnel emoluments are therefore not fully funded through the grant provided.

Through SEQIP funding; in FY 2018/19, In line with the Competency Based Curriculum (CBC), KNEC conducted a Pilot study of the Grade 3 assessment in 100 schools across the country, out of the 235 schools which had been identified by KICD for piloting on the Competency Based Curriculum. This pilot informed the level of preparedness for Monitoring of the Early Years Learners at Grade 3. Based on the results of the pilot, KNEC in partnership with KICD, TSC, CEMASTEIA and MoE conducted training of 215,253 primary school teachers, 1,075 Curriculum Support Officers (CSOs), 600 tutors from 30 Teacher Training Colleges had undergone capacity building on CBC and CBA. In May 2019, KNEC developed tools for Grade 3 assessment and adopted the same for learners with disability.

In the FY 2019/20, KNEC conducted the first assessment of Grade 3 learners through the 2019 Monitoring of Learner progress (MLP). A total of 1,282,150 learners were identified in 37,374 primary schools. Out of these, 604,522 (47.15%) were female, while 677,628 (52.85%) were male. A total of 5,224 learners with Special Needs were identified out of which 2,125 were on regular (age-based) pathway and 3,099 were on SNE (stage-based) pathway. In FY 2019/20, the project managed to successfully implement ICT infrastructure improvement in support of examinations and assessment.

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In the FY 2020/21, KNEC conducted second 2020 Grade 3 national assessments and Grade 4 school based assessments. A total of 1,327,512 for 2020 Grade 3 learners were identified through CBA Portal in 35,858 primary schools. Out of these, 633,267 (47.70%) were female, while 694,245 (52.29%) were male. 2020 Grade 4 MLP was administered to 1,404,738 learners through CBA Portal in 37,376 primary schools. Out of these, 664,942 (47.70%) were female, while 739,796 (52.29%) were male. This is the CBC Pioneer Class expected to undertake summative assessments at Grade 6 in December 2022.

School Based formative assessments tools were downloaded and printed by head teachers and handed over to the class teachers. The Class teachers administered the tasks, marked, scored the scripts, and uploaded the performance levels of each learner on the CBA portal. The 2019 MLP report was compiled and published to enable dissemination of information and formulation of policies that affect quality of education in the Triad of Learning. The 2020 MLP reports for MLP Grade 3 and 4 are under review for approval.

1.3.3 Quality Assurance and Standard

The Ministry quality assures education standards across the three levels of curriculum management that is; curriculum development, curriculum implementation and curriculum evaluation. This is done through development of standards, assessment of standards and quality in all school programs, training of teachers and officers on curriculum implementation. The Ministry is expected to quality assure education standards in all 89,361 institutions of learning that include pre-primary , primary , secondary and teacher training colleges.

During the period under review 10,096 schools were assessed in FY 2018/19, 12,433 schools in FY 2019/20 and 18,119 schools in 2020/21. In the period under review, quality assurance monitored the implementation of 8 co curriculum activities in FY 2018/2019 and 8 activities in FY 2019/20 and no activities in FY 2020/21.

The Ministry quality assured teaching practice of teachers in ECDE, PTE, TACE, SNE and DTE. In the period under review, 6,870 teachers were assessed in 2018/19, in FY 2019/20, 4,545

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teachers were assessed and 6,334 teachers were assessed in FY 2020/21.

During the period under review, the Ministry developed the National Quality Assurance and Standards Framework (NEQASF). This was developed up to 100% in the year 2018/19. In the FY 2019/20 the Ministry developed training manuals for induction of education officers on the NEQASF and trained 450 quality assurance officers on the same. The NEQASF has developed a platform for automation of the Quality Assurance process. The Ministry has conducted a data needs analysis in readiness for automation. In 2020/21 the ministry digitized the assessment tools contained in the NEQASF and trained 32 TOTs on the use of the digitized tools.

The Ministry introduced IBQA which is a paradigm shift that enhances efficiency and effectiveness of the quality assurance process. The concept of IBQA was embedded in the framework, therefore the training of education managers on IBQA which had been proposed was rescheduled to be done later when the Ministry will be implementing and rolling out the NEQASF. In the year 2018/19, 400 Quality assurance officers were trained on CBC implementation. This aimed at enhancing the capacity of quality assurance officers in monitoring CBC implementation in schools.

1.3.4 Co-curricular Activities

The sub-sector coordinates co-curricular activities from zonal level to national level and to East Africa regional level in some activities. Co-curricular activities are critical for the attainment of National goals of Education. Through co-curricular activities, National unity is achieved. Learners from diverse ethnic and social backgrounds compete on equal platforms. During these activities, the sub sector is able to identify and nurture the talents of individual pupils.

The activities coordinated by the Ministry includes; Music festivals, Drama festivals, Primary games and sports, Secondary games and sports, Special needs schools' games and sports and Science and Engineering fairs. The winners at the various national competitions have competed favorably in EA regional competitions whereby the secondary schools have emerged the winners in the Federation of East African games for 2 years in the 3 years under review. There is also the E.A Community Essay writing competition which is an outreach program by member states to sensitize the people on

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regional integration. The competitions were not held in 2020-2021 after the ban on co-curricular competitions due to the Covid-19 pandemic.

The Sub- county, County, Regional, National and East Africa regional competitions are partially funded through the direct budgetary allocations for co-curricular activities. In 2018//19, the vote was Kshs. 713 million, Ksh.702 Million in FY 2019/20, and Kshs.362 Million was allocated in FY 2020/21. In addition, some Ksh.73.5 million was allocated in 2018/2019, and Ksh.65 million in 2019/20 and Kshs.126.8 Million to specifically support the National and E.A Music festivals. This co-curricular fund was distributed to the various levels as follows; Sub-counties KSh.172.5 million (KShs. 500,000 per sub-county), Counties Kshs. 141 million (KShs 3.0 million per county) and regions KShs. 40 million (Kshs. 5 million per region) and the rest left at the headquarters to run the national level competitions. However, in 2020/21, KShs 78.75 million, KShs 70.5 million and KShs. 20 million was given to sub-counties, Counties and regions respectively, while the rest was left to the headquarters. These funds were inadequate to run all the co-curricular activities at the sub-counties, counties and regions. In 2020/21, most of the funds were utilized in holding workshops for developing protocols for holding various disciplines of co-curricular activities during the Covid-19 pandemic period.

In order to bridge the funding deficit, funding at the sub counties, counties and regions have been enhanced from the activity vote head in the FPE and FDSE capitation. In FY 2018/19 and 2019/20, the field officers received more funding for running the co-curricular activities from the FPE and FDSE capitation vote of activity money at the rate of KShs.40 (Total KShs. 340 M) and Ksh.650 per student (Total Kshs.1.625 Billion and KShs. 1.755 Billion respectively) in primary and secondary schools' capitation respectively and it was deducted directly at the ministry headquarters and then sent as AIEs to these field offices. There was no money from FPE and FDSE that was sent to the field in 2020/21 since the actual activities had been suspended and thus no need for the money. The money was used for transportation and accommodation of the participants, teachers, referees and judges. It was also used in procurement of certificates and trophies for awards to winners.

In the case of the Nationals and East Africa regional competitions, the amount allocated is inadequate. Therefore, the various technical officers and the official's source for sponsors and partners to cater

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for the deficit. Most of these sponsors are not permanent and the amount given also varies from one year to another and hence cannot be relied on. In most cases, the sponsors give their contributions in forms of materials such as uniforms, games kits, trophies, and certificates.

The activities scheduled for the 2nd half of the FY 2019/20 could not be completed when the schools were abruptly closed due to Covid-19 pandemic. Most of the activities for term one 2020 were only done up to the County level. Consequently, the unspent funds by the field officers were recalled back. The money for the FY 2020/2021 was reduced during the supplementary budget when the signs of not holding the actual activity were very clear.



Prof. George A. O. Magoha, EGH
CABINET SECRETARY

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III. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

The *Vision, Mission and Strategic Objectives* guiding the Kenya NESSP 2018-2022 are outlined as follows:

Vision: ‘*Quality and inclusive education, training and research for sustainable development*’

Mission: ‘*To provide, promote and coordinate competence based equitable learner centred education, training and research for sustainable development*’

Strategic Objectives:

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity’s performance against predetermined objectives.

The key development objectives of the *National Education Strategic Plan (NESSP) 2018-2022* are to:

- a) Improve access and participation in Education and Training*
- b) Increase equity and inclusiveness in Education and Training*
- c) Improve Quality and relevance in Education and Training*
- d) Improve governance and accountability in Education and Training*

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

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MDA Program	Objective	Outcome	Indicator	Performance
Primary Education Program	To enhance access and equity of primary education.	Increased enrolment and improved inclusivity in primary education	% Increase in Gross Enrolment Rates (GER) and Net Enrolment Rates (NER)	In FY 19/20 primary education GER improved from 104 % to 100.2% and increased the NER from 91.2% to 92.5%.
Secondary Education Program	To enhance access and equity of secondary education.	Increased enrolment and improved inclusivity in secondary education	% Increase in Gross Enrolment Rates (GER) and Net Enrolment Rates (NER)	In FY 19/20 secondary education GER improved from 70.3 % to 78.5% and increased the NER from 51.1% to 53.3%.
Quality Assurance and Standards	To develop, maintain and enhance education quality standards	Improved quality and relevance of primary and secondary education	% Improvement in learning outcomes	The proportion of learners attaining minimum proficiency (50% benchmark) in Mathematics, increased with 5 percentage points from 71.1% at Baseline (2017) to 76.1 % at Endline (2019).

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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY

REPORTING

The Ministry of Education exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on three pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile -

The Government of Kenya (GoK) is committed to providing quality education, training, science and technology to all Kenyans. This is in line with the provisions of the Constitution of Kenya. Specifically, Articles 43(f) and 53(1) (b) of the Constitution provide for the right to education and the right to free and compulsory basic education, respectively. In Kenya's development blueprint, education and training is meant to provide the required knowledge, skills and attitudes necessary to contribute to the country's transformation into a newly industrializing, middle-income country that provides high quality of life to all its citizens by 2030. Education is also an enabler in the achievement of GoK's Big Four Agenda (housing, universal health, manufacturing and food security). Therefore, in fully achieving the aforementioned, MoE recently developed an all-inclusive sector-wide plan, the National Education Sector Strategic Plan (NESSP) 2018-2022, that spells out policy priorities, programmes and strategies for the education sector.

To realize national educational aspirations as provided in the Constitution and Vision 2030, which includes numeracy, literacy, life skills and industry relevant skills, various policy reforms have been rolled out. One key reform is the introduction of CBC, which is aimed at creating an ethical, engaged and empowered citizen. It seeks to nurture every learner's potential by ensuring all learners acquire the core competencies as provided in the Basic Education Curriculum Framework (BECF). CBC emphasizes formative rather than summative evaluations. In the implementation of the new curriculum, the 8-4-4 structure will eventually be replaced by the 2-6-6-3 structure, which consists of 2 years of pre-primary (for ages 4-5); 3 years of lower primary and 3 years of upper primary (for ages 6-11); and 3 years of junior secondary as well as 3 years of senior secondary (for ages 12-17 years).

Kenya is a signatory to several international conventions and agreements, including those on commitment to the development of education. The conventions and agreements underscore the need to eliminate all forms of discrimination and barriers, which then open doors for all citizens to be served with their right to education. To illustrate Kenya's commitment to the conventions and agreements signed, the country was one of the few that were close to meeting the Universal Primary Education under the Millennium Development Goals and the Education for All targets. To achieve the targets, Kenya adopted the Free Primary Education Policy (2003) and Free Day Secondary Education Policy (2008). In the current global orientation, Kenya has ratified Sustainable Development Goals and inherently showed its commitment to SDG4, which calls for inclusive and equitable quality education and promotion of lifelong learning opportunities for all. The SDG-4 is domesticated in the 2018-

2. Environmental performance

The Ministry of Education has adopted and domesticated the National Environmental Policy from the Ministry responsible for Environment. The Ministry has mainstreamed the environmental aspects into education and training through the Education for Sustainable Development Policy. The success of implementation of this policy has seen schools for environmental clubs and implement the school greening programmes at school level. Major shortcomings in the implementation of environmental programmes in the Ministry include inadequate funding due to the non-core nature of the mandate, expansive geographical spread of our schools and field offices and many uncoordinated partners. The Ministry is finalizing its e-waste management policy in an effort to guide the disposal of e-waste as the roll out of ICT integration in teaching and learning in the education institutions; and governance and management of the education system gains highest priority.

3. Employee welfare

In the period under review the sub sector carried out sensitization to 108 members of staff in 2018/19 and 2019/2020 FY drawn from the Ministry's headquarters and field offices on handling of public complaints. The Ministry screened members of staff on blood pressure, cancer, diabetes, Sexually Transmitted Infections (STI) and BMI through various service providers. Other services provided to members of staff included sensitization of members of staff on blood safety, dental health, family planning and counseling, as more were sensitized on Alcohol and Drug Abuse (ADA) prevention measures. In the same period, members of staff were counseled and tested for HIV status both at the Headquarters and in the field and 115,840 condoms distributed to members of staff and other stakeholders.

The sub sector also undertook training needs analysis; inducted newly recruited Chief Education Officers; conducted pre-retirement training and sensitizations; undertook promotional courses such as SLDP, Senior Management Course, Customer Care and Public Relations; short-term skills enhancement courses including basic counseling skills, sensitization and dissemination of HIV and AIDs information, support and care for people living with HIV and AIDS, emerging threats and security response among others. In addition to the short term training programs, the sub sector also sponsored officers for masters, bachelors and diploma courses locally and overseas. The state department also provided industrial attachment opportunities to over 120 youths in tertiary institutions. There has been a decline in number of staff with capacities enhanced due to financial constraints.

The Ministry has made a commitment in the ISO 9001:2015 Quality Management System to improve the welfare of staff, protect them in their work environment, protect the Government facilities, equipment and assets as well as the safety of information through the Information

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Security Management System (ISMS) Standard.

In spite of these achievements, the sub sector faced a lot of challenges that are a major hindrance to its achieving the set goals of eradication of illiteracy as envisioned in the Vision 2030. This is attributed to various factors key among them is an aging workforce where 360, 487 and 492 officers left the service under natural attrition by 2019/2020 occasioning the state department to operate with current staff of 4,471 against an Authorized establishment of 8,994. Inadequate manpower is a hindrance to the State Department achieving its mandate of provision of education services to Kenyans.

4. Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

b) Responsible Supply chain and supplier relations- explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices

d) Product stewardship- outline efforts to safeguard consumer rights and interests

5. Community Engagements-

Government services by their nature are social services which are guaranteed to citizens by the Constitution. As guided by the Constitution of Kenya all programs implemented in the State Department of Early Learning and Basic Education in terms of policy formulation, development of strategic plans, MTEF budget formulation, project implementation arrangements; and monitoring and evaluation are accomplished through an extensive stakeholder consultation process. The key stakeholders include the Government and its Agencies, Development Partners, Civil Society, Non-Government Organizations, Faith Based Organizations, Political leaders, Community Leaders, Parents and Learners.

V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

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

The Accounting Officer in charge of the State Department of Basic Education accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2017, and of the entity's financial position as at that date. The Accounting Officer charge of the State Department of Basic Education further confirms the completeness of the accounting records maintained for the State Department, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the State Department of Basic Education confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further

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the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The *entity's* financial statements were approved and signed by the Accounting Officer on

30/9 2021.



Principal Secretary

Dr. Julius Jwan



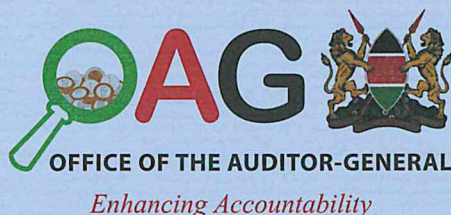
Assistant Accountant General

E. Mukira Gichigo

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REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR EARLY LEARNING AND BASIC EDUCATION FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of State Department for Early Learning and Basic Education set out on pages 1 to 34, which comprise the statement of

Report of the Auditor-General on State Department for Early Learning and Basic Education for the year ended 30 June, 2021

financial assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the State Department for Early Learning and Basic Education as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Subsidies

As disclosed in Note 7 to the financial statements, the statement of receipts and payments for the year ended 30 June, 2021 reflects subsidies to Public Corporations of Kshs.59,541,584,343. The following anomalies were noted in respect of disbursement to schools;

- 1.1 The subsidies to Public Corporations include subsidies to 9,024 Secondary Schools amounting to Kshs.36,739,481,231. However, the data on the number of students per school and county at any time of disbursement could not be verified. The reason for non-verification was due to inability to access the student enrollment data in the National Education Management Information System (NEMIS) as a result of restrictions by the Management. The failure to grant access to the system contravenes Section 9(e)(i) of the Public Audit Act, 2015 which states that without prejudice to the powers given under the Constitution and this Act and for the purposes of carrying out his or her duties effectively, the Auditor-General, or an officer authorized for the purpose of this Act, shall have powers of unrestricted access to (i) all books, records, returns, reports, electronic or otherwise and other documents of entities listed under Article 229(4) of the Constitution; (ii) any property or premises used or held by State Organs or public entities covered by Article 229(4) of the Constitution and subject to audit under this Act. It was therefore not possible to validate the data used for disbursement of subsidies to schools.
- 1.2 The Management disbursed a total of Kshs.57,029,236,841 as subsidy for free day secondary school. However, although the Management of the schools receiving subsidy funds are required to upload an acknowledgement receipt in the system as evidence of receipt of funds in the school's bank account, none of the listed schools raised an acknowledgment receipt in the system. Further, the disbursement schedule included payments amounting to Kshs.137,084,111 made to 225 secondary schools whose bank account numbers format differed significantly from the format of bank accounts for banks supported by the national banking system. In

addition, there were no confirmation receipts from the benefiting schools. It was therefore not possible to confirm whether the schools bank account numbers were correctly captured and the concerned schools received the funds.

- 1.3 The capitation disbursement report provided for audit verification included an amount of Kshs.8,284,401 that was disbursed to schools that had the same bank accounts numbers even though the names and sub county of the schools were different indicating an error in the funds transmission. The anomaly was not explained and there was no evidence of refunds provided to indicate correction of the error.
- 1.4 The Management disbursed amount totalling Kshs.638,435,316 to secondary schools in October, 2020. The amount comprised of disbursements to 3,808 schools in respect of operation account and 3,810 schools in respect of tuition account. Although the Management explained the amounts were as a result of some schools that had not received their earlier capitation monies for reasons that they had not updated form one admissions data in the NEMIS system together with unexplained loss of data in the system, the basis of identification of the beneficiary schools was not supported by any documentation in form of claims from the benefiting schools or evidenced by any duly approved Management report or exception report from the system to indicate that the benefiting schools had not received the earlier disbursement.

Further, a sample of the school included in the list receiving this disbursement had been included in the schools that had received their regular disbursement on time and therefore the payment was a duplication. The Management did not provide explanation for the anomaly.

In addition, payments made to 31 schools were made to bank account whose format did not conform to the national banking system of coding and although the Management of the schools receiving capitation funds are required to upload an acknowledgement receipt in the system, as evidence of receipt of funds in the school's bank account, none of the listed schools raised an acknowledgment receipt in the system.

- 1.5 The subsidies to Public Corporations include an amount of Kshs.22,140,000 paid to 82 secondary schools in the Arid and Semi-Arid Land (ASAL) areas each receiving Kshs.270,000. Management explained that the money was meant for the support of the needy students in the ASALs. However, no documentation was provided to support the basis of identification of the needy schools. Further, no policy guidelines or directives were provided to support the commitment and payment of these funds by the Ministry. In addition, there was no acknowledgement of receipt of these funds from the benefiting schools.

In the circumstances, the accuracy and validity of subsidies to Public Corporations of Kshs.59,541,584,343 could not be confirmed.

2.0 Transfers to Other Government Units

The statement of receipts and payments reflects transfers to other Government units of Kshs.26,249,256,281. The following observations were noted with regard to these transfers.

- 2.1 During the year under review the Management disbursed a total of Kshs.834,403,799 to 1,933 schools which shared the same Teachers Service Commission school identification numbers even though the name of the school and the resident sub counties were different. The Management did not explain the cause of the anomaly.

- 2.2 The transfers to other Government units balance includes Kshs.7,759,910,950 disbursed to primary schools. The guidelines for disbursement includes a condition that the school holds a uniquely identifiable bank account in a reputable bank. However, it was observed that disbursement totalling Kshs.2,690,020 were made to 12 primary schools that shared the same bank account numbers in NEMIS system implying there could have been duplication in disbursement. No explanation for this discrepancy has been made.
- 2.3 During the year under review, the special needs schools were paid an amount of Kshs.684,722,561. However, the enrolment data used reflected variances in the number of students used as a basis for computation of the disbursement. The disbursement for the period January to March, 2021 was Kshs.98,049,371 comprising of two disbursements. The first disbursement was in respect of 17,508 pupils which amounted to Kshs.56,773,571 while the enrollment for top-ups or second disbursement was based on 17,946 pupils and amounted to Kshs.41,275,800. The variance of 438 pupils has neither been explained nor reconciled.
- 2.4 The balance includes transfers to foreign missions amounting to Kshs.305,691,659. However, no documentation was provided to support the transactions arising from the foreign stations except unsupported statement of expenditures amounting to Kshs.261,601,128.
- 2.5 Transfers to other Government Units include transfer to National Government entities amounting to Kshs.19,692,518,327 which further include recurrent and capital grants to thirty-two (32) Primary Teachers Training Colleges and four (4) Diploma Teachers Training Colleges amounting to Kshs.394,686,400 and Kshs.70,200,000 respectively. However, the colleges have not confirmed receipts of these transfers in any way. Further, no accountability statements for these transfers by the Colleges have been provided to confirm that the funds were applied for the intended purpose in line with the approved budget. The Colleges have never prepared financial statements for audit as required by Public Audit Act, 2015.

In the circumstances, the accuracy and validity of transfers for Government Units of Kshs. 26,249,256,281 could not be confirmed

3.0 Receivables - Outstanding Imprest and Clearance Accounts

As disclosed in Note 12 to the financial statements, the statement of financial assets and liabilities reflects account receivables - outstanding imprest and clearance accounts balance of Kshs.154,469,857. The following observations were noted:

- 3.1 The balance includes Kshs.44,090,531 in respect to eight education offices outside the country. However, the amounts due from these offices were not supported by bank reconciliation, cashbooks and bank statements. Further, although the foreign missions had unquantified balances brought forward from the previous year, the amounts have not been accounted for in the movement to arrive at the current year closing balances.
- 3.2 Accounts receivables balance also includes balance from Teachers Service Commission of Kshs.9,537,963. However, the reported balance differs with the corresponding balance in the Teachers Service Commission's financial statements balance of Kshs.45,738,914 leading an unexplained variance of Kshs.36,200,951.

Under the circumstances, the accuracy and existence of accounts receivables balance of Kshs.154, 469, 857 as at 30 June, 2021 could not be ascertained.

4.0 Compensation of Employees

The statement of receipts and payments reflects an expenditure of Kshs.3,732,621,411 incurred on compensation of employees while data from the Human Resource Department and IPPD indicates expenditures of Kshs.3,503,860,093 with a resultant variance of Kshs.228,761,318.

The reconciliation between the two sets of balances revealed an expenditure of Kshs.125,783,113 paid by foreign offices in respect of temporary employees which was not supported. Further, the reconciliation revealed payment to adult education teachers amounting to Kshs.12,813,569 that was also not supported.

Under the circumstances, the accuracy and validity of the compensation of employees expenditure totalling Kshs.3,732,621,411 for the year ended 30 June, 2021 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1.0 Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.97,156,731,800 and Kshs.96,589,049,499 respectively, resulting in under receipts of Kshs.567,682,301 or 0.5% of the budget. Similarly, the State Department spent Kshs.94,541,008,850 out of the approved expenditure budget of Kshs.97,156,731,800 resulting in under expenditure of Kshs.2,615,722,950 or 2.6% of the budget. The under receipt of the budgeted funds and under-expenditure constrained execution of planned activities and delivery of services by the State Department.

2.0 Pending Bills

Note 19.1 and Note 19.2 to the financial statements indicates that the State Department had pending bills totalling Kshs.6,313,285 as at 30 June, 2021. Management did not explain why the bills were not settled during the year. Failure to settle bills during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

3.0 Delayed Exchequer Releases

Exchequer issues totalling Kshs.1,219,201,876 were received in the bank account of the State Department during the month of June, 2021 as detailed below:

Date Funds Received in the Bank Account	Amount (Kshs.)
03 June, 2021	336,212,338
14 June, 2021	471,910,800
21 June, 2021	15,015,749
24 June, 2021	396,062,987
Total	1,219,201,876

The delay in Exchequer releases may have resulted in low absorption of the budget thus negatively affecting timely implementation of the program of the State Department and provision of services to the public.

4.0 Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2021. Management has not provided reasons for the delay in resolving the prior year audit issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness

and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Procurement of Computers

During the year, a total of Kshs.199,920,000 was paid to a firm for supply and delivery of 2,040 computers to two hundred (200) secondary schools in all the 47 Counties. The following anomalies were observed:

- i. The Management used an expired framework contract from the State Department of Information, Communication and Technology dated 07 October, 2018 which expired on 07 November, 2019.
- ii. There were no minutes of the committee adopting the use of procurement process of another entity.
- iii. There was no executed supply contract or agreement between the State Department and the supplier to actualize the supply. This contravenes Section 135(1) of Public Procurement and Asset Disposal Act, 2015.
- iv. The Local Purchase Order was issued on 03 September, 2020 with a validity period of 30 days. The supply was however made on 25 May, 2021 which was more than eight months after the expiry of LPO validity. There was no evidence of extension of LPO validity. This contravenes Section 139(1) and (2) Public Procurement and Asset Disposal Act, 2015.
- v. The 2,040 computers were delivered to the State Department's store and distributed to 200 secondary schools across the forty-seven (47) Counties. However, the basis of identification and selection of the benefiting schools was not documented and provided for audit review.

Consequently, the Management is in breach of the law.

2.0 Un-Procedural Acquisition and Payments of Desks

The statement of receipts and payments reflects an expenditure on transfer to other Government units of Kshs.26,249,256,281. The balance includes an expenditure of Kshs.1,897,135,000 received from The National Treasury to fund schools' infrastructure on protocols set up by the Ministry of Health on social distancing due to the Covid-19 pandemic, and to stimulate the economy by providing job opportunities to the local artisans. To achieve these, the State Department engaged artisans from all the counties in selected schools to supply seventy (70) desks and fifty (50) lockers to primary and secondary schools respectively, for each school selected.

The following observations were made:

- i. Details on how the needs assessment was identified was not provided and, social distancing in secondary schools could not have been achieved through an increased number of lockers without the corresponding increase in the number of classrooms or student's population.
- ii. Procurement records to ascertain value for money, quality of the supplies, how uniform prices were arrived at in all Counties and competition among the artisans were not provided for audit review.
- iii. A total of Kshs.10,214,400 was paid to staff from the State Department Headquarters as daily subsistence allowances to monitor the distribution of the desks and lockers to their respective destinations in all Counties notwithstanding that the State Department has established offices in all the Counties and the staff in these offices could have been used with minimal or no costs. This expenditure of Kshs.10,214,400 was therefore against Section 79(2b) of the Public Finance Management Act, 2012 which states that a public officer employed in a National Government state organ or public entity should ensure that resources within the officer's area of responsibility are used in a way that is lawful and authorized and is effective, efficient, economical and transparent.
- iv. Authority to Incur Expenditures (AIEs) totalling Kshs.1,897,135,000 dated 01 October, 2020 were sent to all forty-seven (47) counties but funding was not effected and instead, actual payments were centralized at the Head Office using a Safaricom application not prescribed by The National Treasury. No explanation was provided for using a private application instead of using IFMIS being the national payment system as per the Public Financial Management Act, 2012.

Under the circumstances, the Management was therefore in breach of law.

3.0 Use of Expired Contract-Service of Lifts in Jogoo House

As disclosed in Note 6 to the financial statements, the State Department spent a total of Kshs.22,011,337 on routine maintenance - other assets. The State Department had entered into a three (3) year contract with a firm for Kshs.4,284,720 beginning 01 July, 2017 and ending 30 June, 2020. However, after the expiry of the contract on 30 June, 2020, no new contract was entered into or extension granted. The State Department continued to pay the firm from 01 July, 2020 to 30 April, 2021 without any contract and therefore an amount of Kshs.1,734,822 was paid irregularly.

Under the circumstances, the regularity of Kshs.1,734,822 paid as routine maintenance other assets for the year ended 30 June, 2021 could not be confirmed.

4.0 Use of Expired Lease Agreements

As disclosed in Note 6 to the financial statements, the State Department incurred an expenditure of Kshs.158,824,241 in respect to rentals of produced goods which includes an amount of Kshs.30,198,837 in respect to the payment of rental facilities, service charge and parking fees for offices of the State Department of Basic Education. However, payments totalling Kshs.5,368,886 for rent, service charge and

parking and Kshs.1,736,495 for rates, all totalling Kshs.7,105,381, were made on the basis of an expired lease agreement with the Kenya Reinsurance Corporation that had lapsed on 28 February, 2021.

Under the circumstances, the regularity of Kshs.7,105,381 paid as rental facilities, service charge and parking for the year ended 30 June, 2021 could not be confirmed.

5.0 Transfers to Other Government Units

The statement of receipts and payments reflects an expenditure of Kshs.26,249,256,281 in respect of transfers to other Government units which, as disclosed in Note 8 to the financial statements, includes an amount of Kshs.4,256,588,506 relating to Capital Grants to Government Agencies and other levels of Government. The amount includes disbursement of infrastructure grants in form of Economic Stimulus funds to secondary schools amounting to Kshs.1,504,057,600.

The following anomalies were noted;

- i. There was no documented basis on how the amount of funds for each of the recipient was determined to justify the disbursements from receiving schools, Bill of Quantities duly approved by County Works Officer and approved plan of the facility to be funded.
- ii. The disbursements to 15 National schools amounting to Kshs.185,000,000, were not supported by official applications and approved budget for the schools.
- iii. The disbursement of infrastructure grants of Kshs.287,557,600 to 113 National schools and Kshs.1,031,500,000 to 480 schools under Extra-County and Sub-County categories were not supported by official applications from the receiving school, Bill of Quantities duly approved by county works officer and duly approved plans of the facility to be funded except for six that submitted the application only.
- iv. Two (2) schools that submitted applications for funding had requested Kshs.6,141,272 and Kshs.4,172,056 respectively but they were awarded Kshs.10,000,000 each. There was no justification for the enhanced disbursement as no approved Bills of Quantities and building plans were provided by the applicant.

The award of infrastructure funds to schools without application letters, justification and accountability documents was in breach of the State Department disbursement guidelines that advocates for fairness, equitability and accountability.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of Audit Committee

The term of the Audit Committee came to an end in October, 2020 and a new Audit Committee was not appointed hence rendering limited oversight and governance over the ministerial activities. The financial statements were also not reviewed and approved by the Committee before being submitted for audit.

In the circumstance, oversight and effectiveness of internal controls in the State Department could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the State Department's ability to continue sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the State Department 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 State Department's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, ~~whether due to fraud or error, design and perform audit procedures responsive to~~ those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the State Department'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 State Department of Early Learning and Basic Education 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 State Department of Early Learning and Basic Education to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

22 April, 2022

MINISTRY OF EDUCATION
STATE DEPARTMENT FOR EARLY LEARNING AND BASIC EDUCATION
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VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH

JUNE 2021

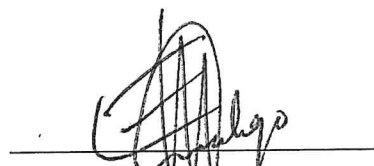
	Note	2020-2021	2019-2020
		Kshs	Kshs
RECEIPTS			
Proceeds from Domestic and Foreign Grants	1	-	37,133,403
Transfers from National Treasury	2	95,170,875,514	85,194,795,003
Proceeds from Sale of Assets	3	1,348,173,985	1,366,685,975
Other Revenues	4	70,000,000	85,568,010
TOTAL REVENUES		96,589,049,499	86,684,182,391
PAYMENTS			
Compensation of Employees	5	3,732,621,411	3,754,061,173
Use of goods and services	6	5,009,016,505	4,572,964,454
Subsidies	7	59,541,584,343	58,778,993,798
Transfers to Other Government Units	8	26,249,256,281	20,387,731,550
Other grants and transfers	9	4,777,342	5,640,099
Social Security Benefits	10	3,752,968	2,062,368
TOTAL PAYMENTS		94,541,008,850	87,501,453,442
SURPLUS/DEFICIT		2,048,040,648	(817,271,051)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/9 2021 and signed by:



Principal Secretary

Dr. Julius Jwan



Assistant Accountant General

E. Mukira Gichigo

ICPAK Member Number: 19940

MINISTRY OF EDUCATION
STATE DEPARTMENT FOR EARLY LEARNING AND BASIC EDUCATION
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For the year ended 30 June, 2021

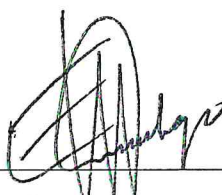
VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2021

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	11A	3,466,545,326	1,527,776,487
Cash Balances	11B	149,226	35,419
Total Cash and Cash Equivalents		3,466,694,552	1,527,811,906
Accounts Receivables - Outstanding Imprest and Clearance Accounts	12	154,469,857	70,099,009
TOTAL FINANCIAL ASSETS		3,621,164,409	1,597,910,915
LESS: FINANCIAL LIABILITIES			
Accounts Payables - Deposits	13	64,881,834	64,897,059
NET FINANCIAL ASSETS		3,556,282,575	1,533,013,856
REPRESENTED BY			
Fund balance b/fwd.	14	1,533,013,856	2,331,424,511
Prior year adjustments	15	(24,771,930)	18,860,396
Surplus/Deficit for the year		2,048,040,649	(817,271,051)
NET FINANCIAL POSITION		3,556,282,575	1,533,013,856

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/9/ 2021 and signed by:



Principal Secretary
Dr. Julius Jwan



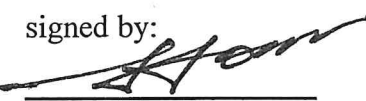
Assistant Accountant General
E. Mukira Gichigo
ICPAK Member Number: 19940

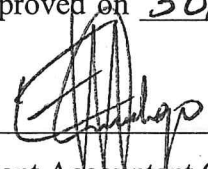
MINISTRY OF EDUCATION
STATE DEPARTMENT FOR EARLY LEARNING AND BASIC EDUCATION
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IX. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2021

	Note	2020-2021	2019-2020
		Kshs	Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Proceeds from Domestic and Foreign Grants	1	-	37,133,403
Transfers from National Treasury	2	95,170,875,514	85,194,795,003
Other Revenues	4	70,000,000	85,568,010
		95,240,875,514	85,317,496,416
Payments for operating expenses			
Compensation of Employees	5	3,732,621,411	3,754,061,173
Use of goods and services	6	5,009,016,505	4,572,964,454
Subsidies	7	59,541,584,343	58,778,993,798
Transfers to Other Government Units	8	26,249,256,281	20,387,731,550
Other grants and transfers	9	4,777,342	5,640,099
Social Security Benefits	10	3,752,968	2,062,368
		94,541,008,850	87,501,453,442
Adjusted for:			
Changes in receivables		(84,370,848)	73,818,638
Changes in payables		(15,225)	(17,088,229)
Adjustments during the year	15	(24,771,930)	18,860,396
Net cashflow from operating activities		590,708,661	(2,108,366,220)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	3	1,348,173,985	1,366,685,975
Net cash flows from Investing Activities		1,348,173,985	1,366,685,975
CASHFLOW FROM BORROWING ACTIVITIES			
NET INCREASE IN CASH AND CASH EQUIVALENT		1,938,882,646	(741,680,245)
Cash and cash equivalent at BEGINNING of the year		1,527,811,906	2,269,492,152
Cash and cash equivalent at END of the year		3,466,694,552	1,527,811,907

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/9/ 20 21 and signed by:


Principal Secretary
Dr. Julius Jwan


Assistant Accountant General
E. Mukira Gichigo

ICPAK Member Number: 19940

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X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% Utilisation Difference to Final Budget
		a	b	c=a+b	D	e=c-d	f=d/c %
	RECEIPTS						
	Exchequer releases	94,717,474,686	906,657,114	95,624,131,800	95,170,875,514	453,256,286	99%
	Proceeds from Foreign Borrowings	100,000,000	-	100,000,000	-	100,000,000	0%
	Proceeds from Sale of Assets	1,362,600,000	-	1,362,600,000	1,348,173,985	14,426,015	99%
	Other Receipts	70,000,000	-	70,000,000	70,000,000	-	100%
	Total Receipts	96,250,074,686	906,657,114	97,156,731,800	96,589,049,499	567,682,301	
	Payments						
21	Compensation of Employees	3,368,747,768	409,476,116.00	3,778,223,884	3,732,621,411	45,602,473	99%
22	Use of goods and services	5,064,999,450	516,334.00	5,065,515,784	5,009,016,505	56,499,279	99%
25	Subsidies	59,415,207,684	130,467,335.00	59,545,675,019	59,541,584,343	4,090,676	100%
263	Transfers to Other Government Units	28,379,062,142	366,197,329.00	28,745,259,471	26,249,256,281	2,496,003,190	91%
261/2/4	Other grants and transfers	18,000,000	-	18,000,000	4,777,342	13,222,658	27%
27	Social Security Benefits	4,000,000.00	-	4,000,000.00	3,752,968	247,032	94%
31	Acquisition of Assets	57,642.00	-	57,642.00	-	57,642.00	-
	Grand Total	96,250,074,686	906,657,114	97,156,731,800	94,541,008,850	2,615,722,950	
	Surplus/Deficit	-	-	-	2,048,040,649	(2,048,040,649)	

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(a) Proceeds from Domestic and Foreign Grants- The department collected nil AIA 0% due to failure from the donor failing to meet their commitments

(b) The state Department under spent the budgetary allocation as follows

✓ Other Grants and Transfers - The department underspent by 78% due to failure of implementation of some activities that were caused by Covid-19 pandemic that led to suspension of programmes

✓ Acquisition of Assets- The department spent 0% (nil) this was due to the allocation was too small to meet the projected purchases (c) The State Department had a budget under Equalization Fund of Kshs. 2,249,500. The budget was domiciled at the national Treasury. Ac/ no 1-7031-7031100501-00001001-0501019999-2630201-000000001-000. Under this account the department spent Kshs. Nil, the balance remaining Kshs. 2,249,500.

(d) The changes between the original and final budget are as a result of reallocations within the budget through the supplementary allocations

The entity financial statements were approved on 30/9/ 2021 and signed by:



Principal Secretary

Dr. Julius Jwan



Assistant Accountant General

E. Mukira Gichigo

ICPAK Member Number: 19940

MINISTRY OF EDUCATION
STATE DEPARTMENT FOR EARLY LEARNING AND BASIC EDUCATION
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XI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
		a	b	c=a+b	d	e=d-c	f=d/c %
	RECEIPTS						
	Exchequer releases	85,887,117,886	906,657,114	86,793,775,000	86,758,201,584	35,573,416	100%
	Proceeds from Sale of Assets	1,362,600,000	-	1,362,600,000	1,348,173,985	14,426,015	94%
	Other Receipts	70,000,000	-	70,000,000	70,000,000	-	100%
	Total Receipts	87,319,717,886	906,657,114	88,226,375,000	88,176,375,569	49,999,431	
	PAYMENTS						
21	Compensation of Employees	3,368,747,768	409,476,116	3,778,223,884	3,732,621,411	45,602,473	99%
22	Use of goods and services	5,058,999,450	516,334	5,059,515,784	5,009,016,505	34,699,279	99%
25	Subsidies	59,415,207,684	130,467,335	59,545,675,019	59,541,584,343	2,217,974	100%
263	Transfers to Other Government Units	19,454,705,342	366,197,329	19,820,902,671	19,778,718,327	42,184,344	99%
261/2/4	Other grants and transfers	18,000,000	-	18,000,000	4,777,342	13,222,658	27%
27	Social Security Benefits	4,000,000	-	4,000,000	3,752,968	247,032	94%
31	Acquisition of Assets	57,642	-	57,642	-	57,642	0%
	Grand Total	87,319,717,886	906,657,114	88,226,375,000	88,088,143,598	138,231,402	
	Surplus/Deficit	-	-	-	88,231,972	(88,231,972)	

Notes

- a) The state Department under spent the budgetary allocation as follows
- ✓ **Other Grants and Transfers** -The department underspent by 78% due to failure of implementation of some activities that were caused by Covid-19 pandemic that led to suspension of programmes
 - ✓ **Acquisition of Assets**- The department spent **0% (nil)** this was due to the allocation was too small to meet the projected purchases
- b) *The changes between the original and final budget are as a result of reallocations within the budget through the supplementary allocations*

The entity financial statements were approved on 30/9/ 2021 and signed by:



Principal Secretary

Dr. Julius Jwan



Assistant Accountant General

E. Mukira Gichigo

ICPAK Member Number: 19940

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XII. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
		a	b	c=a+b	d	e=c-d	f=d/c %
	RECEIPTS						
	Exchequer releases	8,830,356,800	-	8,830,356,800	8,412,673,930	417,682,870	95%
	Proceeds from Foreign Borrowings	100,000,000	-	100,000,000		100,000,000	0%
	Total Receipts	8,930,356,800	-	8,930,356,800	8,412,673,930	517,682,870	
	PAYMENTS						
22	Use of goods and services	6,000,000	-	6,000,000		6,000,000	0%
263	Transfers to Other Government Units	8,924,356,800	-	8,924,356,800	6,470,537,955	2,453,818,845	72%
	Grand Total	8,930,356,800	-	8,930,356,800	6,470,537,955	2,459,818,845	
	Surplus/Deficit		-	-	1,942,135,975	(1,942,135,975)	

(a) **Proceeds from Domestic and Foreign Grants-** The department under-collected AIA by **100%** due to failure from the donor failing to meet their commitments

(b) The state Department under spent the budgetary allocation as follows

- i. **Transfers to Other Government Units-** The department underspent up to **28%** due covid-19 that led to suspension of some programmes.
- ii. **Use of Goods** -The department underspent up to **100%** due Covid-19 pandemic that led to suspension of programmes

(c) The State Department had a budget of **Equalization Fund** Kshs. 2,249,500. The budget was domiciled at the national Treasury. Ac/ no 1-7031-7031100501-00001001-0501019999- 2630201-00000001-000. Under this account, the department spent Kshs. Nil,

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the balance remaining Kshs. 2,249,500.

(d) The changes between the original and final budget are as a result of reallocations within the budget through the supplementary allocations

The entity financial statements were approved on 30/9 2021 and signed by:



Principal Secretary

Dr. Julius Jwan



Assistant Accountant General

E. Mukira Gichigo

ICPAK Member Number: 19940

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XIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2021 Kshs	Final Budget 2021 Kshs	Actual on comparable basis Date, 2021 Kshs	Budget utilization difference Kshs
PRIMARY EDUCATION	20,354,107,268	20,354,107,268	19,535,663,992	818,443,276
Free Primary Education	16,766,759,871	16,766,759,871	15,959,900,513	806,859,358
Special Needs Education	811,962,851	811,962,851	811,749,433	213,418
Early Child Development and Education	2,629,714	2,629,714	2,089,157	540,557
Primary Teachers Training and In-servicing	417,002,012	417,002,012	414,180,512	2,821,500
Alternative Basic Adult and Continuing Education	85,236,602	85,236,602	85,012,773	223,829
School Health, Nutrition and Meals	2,220,516,218	2,220,516,218	2,212,731,604	7,784,614
Expanding Education Opportunities in ASALs	50,000,000	50,000,000	50,000,000	0
SECONDARY EDUCATION	68,690,093,968	68,690,093,968	67,023,401,052	1,666,692,916
Free Day Secondary Education	67,993,460,668	67,993,460,668	66,339,450,632	1,654,010,036
Secondary Teachers Education Services	323,400,000	323,400,000	310,900,000	12,500,000
Secondary Teachers In-Service	173,233,300	173,233,300	173,233,300	0
Special Needs Education	200,000,000	200,000,000	199,817,121	182,879
QUALITY ASSURANCE STANDARDS	3,466,208,311	3,466,208,311	3,465,887,964	320,347
Curriculum Development	840,839,197	840,839,197	840,839,197	0
Examination and Certification	1,526,100,000	1,526,100,000	1,526,100,000	0
Co-Curriculum Activities	1,099,269,114	1,099,269,114	1,098,948,767	320,347
GENERAL ADMINISTRATION, PLANNING AND SUPPORT SERVICES	4,644,297,253	4,644,297,253	4,542,951,667	101,345,586
Headquarters Administrative Services	2,242,820,492	2,242,820,492	2,153,226,406	89,594,086

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Programme/Sub-programme	Original Budget 2021	Final Budget 2021	Actual on comparable basis Date, 2021	Budget utilization difference
County Administrative Services	2,401,476,761	2,401,476,761	2,389,725,261	11,751,500
TOTAL	97,154,706,800	97,154,706,800	94,567,904,675	2,586,802,125

XIV. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the (*name of entity*). The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012 and also comprise of the following development projects implemented by the entity:

- i. Kenya Primary Education Development Project*
- ii. Secondary Education quality Improvement Project*
- iii. Education for Young People Programme*
- iv. Covid- 19 Funding*

3. Reporting Currency

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

a) Recognition of Receipts

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

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STATE DEPARTMENT FOR EARLY LEARNING AND BASIC EDUCATION
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SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

ii) Transfers from the Exchequer

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

iii) External Assistance

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

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment. During the year ended 30th June 2021, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

iv) Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognised in the financial statements the time associated cash is received.

b) Recognition of payments

The Entity recognises all payments when the event occurs, and the related cash has been paid out by the Entity.

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

ii) Use of Goods and Services

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

iii) Interest on Borrowing

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

iv) Repayment of Borrowing (Principal Amount)

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

v) Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Third Party Payments

Included in the receipts and payments, are payments made on its behalf to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties in the statement of receipts and payments as proceeds from foreign borrowings.

7. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

a) Restriction on Cash

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 20XX, this amounted to Kshs xxx compared to Kshs xxx in prior period as indicated on note xxx. There were no other restrictions on cash during the year.

8. Accounts Receivable

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

10. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Entity at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 20XX for the period 1st July 2019 to 30th June 2020 as required by Law and there were two supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

Government Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Comparative Figures

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

13. Subsequent Events

14. There have been no events subsequent to the financial year end with a significant impact on the financial Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented. During the year, errors that have been corrected are disclosed under note 26 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes. statements for the year ended 30th June 2021.

16. Contingent Liabilities

Section 148 (9) of the PFM Act regulations 2015 requires the Accounting officer of a National Government entity to report on the payments made, or losses incurred, by the National Government entity to meet contingent liabilities as a result of loans during the financial year.

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, The *entity* does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. **Note xx** and *Annex 7* of this financial statement is a register of the contingent liabilities in the year..

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XV. NOTES TO THE FINANCIAL STATEMENTS

1 Proceeds from Domestic and Foreign Grants

	Name of Donor	Date received	Amount in foreign currency	2020-2021	2019-2020
				Kshs	Kshs
	GPE- PRIEDE			-	37,133,403
	TOTAL			-	37,133,403

GPE- Priede and UNICEF suspended their activities due to the Covid-19 pandemic

2 Exchequer Releases

Description	2020-2021	2019-2020
	Kshs	Kshs
Total Exchequer Releases for quarter 1	5,180,291,226	29,468,166,508
Total Exchequer Releases for quarter 2	41,880,322,653	7,844,154,062
Total Exchequer Releases for quarter 3	13,609,547,218	45,618,180,496
Total Exchequer Releases for quarter 4	34,500,714,417	2,264,293,937
TOTAL	95,170,875,514	85,194,795,003

The entity received less exchequer to the tune of Kshs. 451,231,286.

3 Proceeds from Sale of Assets

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from the Sale of Inventories, Stocks and Commodities	1,348,173,985	1,366,685,975
TOTAL	1,348,173,985	1,366,685,975

The proceeds as a result of services offered by the state department entities

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4 Other Receipts

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from Administrative Fees and Charges	70,000,000	70,000,000
Other Miscellaneous Revenues	-	15,568,010
TOTAL	70,000,000	85,568,010

5 Compensation of Employees

	2020-2021	2019-2020
	Kshs	Kshs
Basic salaries of permanent employees	2,304,816,599	2,335,189,327
Basic wages of temporary employees	135,037,718	121,186,121
Personal allowances paid as part of salary	1,271,584,939	1,277,896,615
Personal allowances paid as reimbursements	700,000	
Employer Contributions Compulsory national social security schemes	4,850,301	5,673,317
Employer Contributions Compulsory national health insurance schemes	15,631,854	14,115,794
TOTAL	3,732,621,411	3,754,061,173

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6 Use of Goods and Services

	2020-2021	2019-2020
	Kshs	Kshs
Utilities, supplies and services	89,190,677	82,331,209.75
Communication, supplies and services	8,560,984	17,713,288.00
Domestic travel and subsistence	60,504,137	52,978,515.00
Foreign travel and subsistence	812,188	852,345.90
Printing, advertising and information supplies & services	4,512,730	12,045,446.15
Rentals of produced assets	158,824,241	150,490,607.00
Training expenses	1,373,225	6,724,582.50
Hospitality supplies and services	11,080,770	20,982,974.00
Specialised materials and services	14,838,626	14,472,320.00
Office and general supplies and services	477,956,594	38,527,609.95
Other operating expenses	4,065,746,042	4,041,473,888.80
Routine maintenance – vehicles and other transport equipment	55,690,005	47,862,179.65
Routine maintenance – other assets	22,011,337	33,478,289.50
Fuel Oil and Lubricants	37,914,950	53,031,197.55
TOTAL	5,009,016,505	4,572,964,453.75

7 Subsidies

Description	2020-2021	2019-2020
	Kshs	Kshs
Subsidies to Public Corporations	59,541,584,343	58,778,993,798
TOTAL	59,541,584,343	58,778,993,798

(Provide details of subsidies given with regards to their nature and purpose. Subsidies

***Private enterprise includes non- public sector institutions for instance AMREF etc)*

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8 Grants and Transfers to other Government Entities

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to National Government entities	19,672,518,327	16,853,736,739
2630100		
Capital Grants to Government Agencies and other level of Government 2630200	4,256,588,506	1,647,316,879
Other Current, transfers, grants and subsidies 2640400	106,200,000	125,000,000
Other capital Grants and transfers 2640500	2,213,949,449	1,761,677,932
TOTAL	26,249,256,281	20,387,731,550

8 b: Transfers to self – reporting entities in the year

The above transfers were made to the following self-reporting entities in the year:

Description	Recurrent	Development	Total	2018-2019
	Kshs	Kshs	Kshs	Kshs
Transfers to SAGAs and SCs				
The Kenya Scouts Association	79,119,000		79,119,000	92,812,500
Centre for Maths Science and Tech Education in Africa	250,952,200	25,000,000	275,952,200	770,879,381
Kenya Institute for The Blind	31,000,000		31,000,000	23,250,000
Lugari Teachers Training College	34,000,000	20,000,000	54,000,000	82,500,000
National Council for the Nomadic Education in Kenya	236,900,000		236,900,000	190,000,000
The President's Award Kenya	27,000,000		27,000,000	30,000,000

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Kenya National Commission for UNESCO	249,300,000		249,300,000	294,800,000
Kenya National Examination Council	4,172,968,711	261,794,500	4,434,763,211	4,635,538,522
Kenya Institute of Curriculum Development	7,811,833,665	50,000,000	7,861,833,665	1,572,087,568
School Equipment Production Unit	34,900,000		34,900,000	14900,000
Kenya Institute of Special Education	196,802,981	50,000,000	246,802,981	282,373,258
Kenya Education Management Institute	82,400,000		82,400,000	88,900,000
Kibabii Teachers Training College	112,500,000	25,000,000	137,500,000	242,500,000
Kagumo Teachers Training College	69,200,000	12,700,000	81,900,000	97,700,000
Kenya Girls Guide Association	27,081,000		27,081,000	32,187,500
Moiben Teachers Training College	12,500,000		12,500,000	25,000,000
Transfers to Projects-GoK Counterpart funding				
PRIEDE		767,087,354	767,087,354	325,686,592
SEQIP		842,462,321	842,462,321	1,432,603,429
COVID- 19		604,300,314	604,300,314	-
UNICEF		1,065.00	1,065.00	-
TOTAL	13,428,457,557	2,658,345,554	16,086,803,111	10,233,718,750

We have confirmed these amounts with the recipient entities and attached these confirmations as an Appendix to these financial statements

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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9 Other Grants and Transfers

	2020-2021	2019-2020
	Kshs	Kshs
Membership dues and subscriptions to international organizations		-
Scholarships and other educational benefits	4,777,342	5,640,099
Total	4,777,342	5,640,099

(Provide details of what other grants and transfers relate to and who the beneficiaries are.

Explain significant changes from prior period)

10 Social Security Benefits

	2020-2021	2019-2020
	Kshs	Kshs
Government pension and retirement benefits	3,752,968	2,062,368
TOTAL	3,752,968	2,062,368

(Provide details of what social security benefits relate to and to which organisations the benefits are contributed to. (Explain significant changes from prior period)

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11A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit	Exc rate (if in foreign currency)	2020-2021	2019-2020
				Kshs	Kshs
Central Bank of Kenya,1000384263	Kshs.	Recurrent	1	93,948,981	14,341,100
Central Bank of Kenya,1000384287	Kshs.	Deposit	1	64,881,834	64,897,059
Central Bank of Kenya,1000384271	Kshs.	Development	1	2,639,455	354,429
Central Bank of Kenya,1000307398	Kshs.	Develop- Priede A	1	422,217,152	98,359,842
Central Bank of Kenya,1000307404	Kshs.	Develop- Priede B	1	162,538,766	585,962,074
Central Bank of Kenya,1000307412	Kshs.	Develop- Priede Gok	1	-	10,964,744
Central Bank of Kenya,1000465069	Kshs.	Develop- Priede DLA	1	32,310,000	-
Central Bank of Kenya,1000470728	Kshs.	Develop- COVID-19	1	273,709,382	-
Central Bank of Kenya,1000318201	Kshs.	Develop- Sequip	1	2,414,074,806	751,818,959
Kenya Commercial Bank,1102291331	Kshs.	Develop- Unicef	1	224,950	1,078,280
Total				3,466,545,326	1,527,776,487

Disclosure

In addition to the above, the state department had clearing accounts in various banks as follows;

First Community Bank

0009535501

Absa Bank

0100112030000003

Co-operative Bank

01141844277500

Kenya Commercial Bank

1261272668

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National Bank of Kenya	01071218697500
Family Bank	068000023804
Consolidated Bank	100112030000003
Standard Chartered Bank	0108087627300
Equity Bank	0470279070896

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11B: cash in hand

	2020-2021	2019-2020
	Kshs	Kshs
Cash in Hand – Held in domestic currency	149,226	35,419
Cash in Hand – Held in foreign currency		
TOTAL	149,226	35,419

Cash in hand should also be analysed as follows:

	2020-2021	2019-2020
	Kshs	Kshs
Headquarters, National Treasury Building, Cash office		
Location 1 Recurrent	149,226	15,419
Location 2 Development	-	20,000
TOTAL	149,226	35,419

[Provide board of survey certificates for each as attachments to the financial statements]

12: Accounts Receivable

Description	2020-2021	2019-2020
	Kshs	Kshs
Government Imprests	1,363,285	306,300
Domestic debtors and advances	376,178	830,326
Other's debtors and prepayments	152,730,394	68,962,383
TOTAL	154,469,857	70,099,009

[Include a breakdown of the outstanding imprest below or as an annex to the notes if the list is longer than 1 page.]

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
As per attached	dd/mm/yy	xxx	xxx	Xxx

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13. Accounts Payable

	2020-2021	2019-2020
	Kshs	Kshs
Deposits	64,881,834	64,897,059
TOTAL	64,881,834	64,897,059

[Provide short appropriate explanations as necessary]

14. Fund Balance Brought Forward

			2020-2021	2019-2020
			Kshs	Kshs
Bank accounts			1,527,776,487	1,527,273,137
Cash in hand			35,419	76,916
Receivables - Outstanding Imprests			70,099,009	143,917,647
Payables – Deposits			(64,897,059)	(81,985,288)
TOTAL			1,533,013,856	1,589,282,412

[Provide short appropriate explanations as necessary]

15. Prior Year Adjustments

	Balance b/f FY 2019/2020 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	1,462,879,428	24,771,930	1,438,107,497.80
Cash in hand	35,419	-	35,419
Accounts Payables	64,897,059	-	64,897,059
Receivables	70,099,009	-	70,099,009
	1,597,910,915	24,771,930	1,573,138,985

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16.(Increase)/ Decrease in Receivable

	2020-2021	2019-2020
	KShs	KShs
Receivables as at 1 st July (a)	70,099,009	143,917,647
Receivables as at 30 th June (b)	136,797,155	70,099,009
Increase)/ Decrease in Receivables (c=(b-a))	-66,698,146	73,818,638

(Receivable as at 1st July for FY 2020/21 should be the same as receivable as at 30th June for FY 2019/20)

17. Increase/ (Decrease) in Accounts Payable

	2020-2021	2019-2020
	Kshs	Kshs
Payables as at 1 st July	64,897,059	81,985,288
Payables as at 30 th June	64,881,834	64,897,059
Increase/ (Decrease) in payables	15,225	17,088,229

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18. Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the (*name of the entity*)

- i) Key management personnel that include the Cabinet Secretaries and Accounting Officers
- ii) Other Ministries Departments and Agencies and Development Projects;
- iii) County Governments; and
- iv) State Corporations and Semi-Autonomous Government Agencies.

Related party transactions:

	2020-2021	2019-2020
	Kshs	Kshs
Key Management Compensation	59,033,919	67,388,256
<u>Transfers to related parties</u>		
Transfers to SAGAs	11,766,572,788	8,232,928,729
Transfers to Development Project	2,213,851,054	1,651,421,647
Transfers to non -reporting secondary and primary Schools	9,732,482,478	xxx
Total Transfers to related parties	23,771,940,239	9,951,738,632

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19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Construction of civil works	1,353,660	-	(1,353,660)	-
Supply of goods	23,723,608	-	(23,723,608)	-
Supply of services	65,693,968	5,700,535	(65,693,968)	5,700,535
Total	90,771,236	5,700,535	(90,771,236)	5,700,535

19.3: Other Pending Payables (See Annex 3)

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	1,081,800	612,750	(1,081,800)	612,750
Total	1,081,800	612,750	(1,081,800)	612,750

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20. PROGRESS ON FOLLOW UP OF PRIOR YEARS AUDITOR'S RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: Resolved / Not Resolved)	Timeframe: 30th June 2021
1	Undisclosed bank accounts	These bank accounts were disclosed in note 12 A of the State Departments' Financial Statement.	Accounts	Resolved	30th June 2021
2	Accounts Receivables and Suspense Accounts	We never anticipated Covid-19 which affected expenditure. However the balances have been surrendered.	Finance/ Technical	Resolved	30th June 2021
3	Payment of Rent without Valid Lease Agreements	The process of renewing Leases took time because of the Pandemic.	Administration/ Directorate	Resolved	30th June 2021
4	Disbursements to Schools whose Existence is Doubtful	The five doubtful schools are schools that were registered by the Ministry of Education and have been in existence for over 5years.	Directorate/ ICT	Un-Resolved	30th June 2021

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Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: Resolved / Not Resolved)	Timeframe: 30th June 2021
5	Pending Bills	This arose due to budgetary cuts of SEQIP Project funds during the supplementary budget and therefore making it difficult to settle the bills.	Administration/Finance	Resolved	30th June 2021
6	Subsidy Overpayments	First term disbursement is based on estimates, which is normally adjusted in subsequent disbursements.	Directorate/ICT	Un-Resolved	30th June 2021
7	Unsuppotted Transfers to Moiben Teachers Training College	The project was to be done in phases. We have since provided the architectural drawings and the signed contracts.	Directorate	Un-Resolved	30th June 2021

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue.
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to

National Treasury.

Principal Secretary

Dr. Julius Jwan

Assistant Accountant General

E. Mukira Gichigo

ICPAK Member Number: 19940

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) 2020/21
Buildings and structures	4,475,007,916	-	-	-	4,475,007,916
Transport equipment	647,611,846	-	-	-	647,611,846
Office equipment, furniture and fittings	592,888,879	-	-	-	592,888,879
ICT Equipment	265,171,822	-	-	-	265,171,822
Machinery and Equipment	24,441,138	-	-	-	24,441,138
Total	6,005,121,601	-	-	-	6,005,121,601.00

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ANNEX 5 – LIST OF PROJECTS IMPLEMENTED BY THE ENTITY (insert entity's name)

Ref	Project Name	Principal activity of the project	Accounting Officer	Project consolidated in these financial statements (yes/no)
1	Kenya Primary Education Development Project	Improve Early Grade Mathematics Competency and strengthen management systems at schools	Dr Julius Jwan	Yes
2	Secondary Education Quality Improvement Project	Improving Student Learning and Transition from Primary to Secondary in targeted areas	Dr Julius Jwan	Yes
3	Education for Young People Programme (UNICEF)	To expand and improve early childhood development and education for vulnerable and disadvantaged children	Dr Julius Jwan	Yes
4	COVID-19 - Learning Continuity in Basic Education	To enhance access to online and distance learning for students in primary and secondary schools and facilitate a smooth transition in the return to school for targeted vulnerable students	Dr Julius Jwan	Yes

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ANNEX 6 – LIST OF SCs, SAGAs AND PUBLIC FUNDS UNDER THE ENTITY (insert entity's name)

Ref	SC, SAGA or Public Fund's name	Principal activity of entity	Accounting Officer	Amount transferred during the year	Inter- entity reconciliations done?(yes/no)
1	The Kenya Scouts Association			79,119,000	Yes
2	Centre for Maths Science and Tech Education in Africa			275,952,200	Yes
3	Kenya Institute for The Blind			31,000,000	Yes
4	Lugari Teachers Training College			54,000,000	Yes
5	National Council for the Nomadic Education in Kenya			236,900,000	Yes
6	The President's Award Kenya			27,000,000	
7	Kenya National Commission for UNESCO			249,300,000	Yes
8	Kenya National Examination Council			4,434,763,211	Yes
9	Kenya Institute of Curriculum Development			7,861,833,665	Yes
10	School Equipment Production Unit			34,900,000	Yes
11	Kenya Institute of Special Education			246,802,981	Yes
12	Kenya Education Management Institute			82,400,000	Yes
13	Kibabii Teachers Training College			137,500,000	Yes
14	Kagumo Teachers Training College			81,900,000	Yes

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15	Kenya Girls Guide Association			27,081,000	Yes
16	Moi'ben Teachers Training College			12,500,000	
	TOTAL			13,790,552,057	

ANNEX 8- REPORTS GENERATED FROM IFMIS

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

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