

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY  
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ON

NATIONAL COUNCIL FOR NOMADIC  
EDUCATION IN KENYA

FOR THE YEAR ENDED  
30 JUNE, 2023



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**NATIONAL COUNCIL  
FOR NOMADIC EDUCATION IN KENYA  
(NACONEK)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2023.**

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

National Council for Nomadic Education in Kenya (NACONEK)  
Annual Reports and Financial Statements for the year ended 30 June 2023

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## 1. Acronyms, Abbreviations and Glossary of Terms

AfDB	African Development Bank
ASAL	Arid and Semi-Arid Lands
APBET	Alternative Provision of Basic Education and Training
AAK	Associated Automobile of Kenya
B.A	Bachelor of Arts
B.Ed.	Bachelor of Education
BOMs	Board(s) of Management
CDE	County Director of Education
CEO	Chief Executive Officer
CBK	Central Bank of Kenya
CIPS	Chartered Institute of Procurement & Supply
CS	Cabinet Secretary
CSOs	Civil Society Organization(s)
CSR	Corporate Social Responsibility
CPA	Certified Public Accountant
DAA	Digital Attendance Application
DRC	Danish Refugee Council
EAA	Education-Above-All
EFA	Education -for-All
EiE	Education-in-Emergencies
ERP	Enterprise resource planning
FY	Financial Year
HSc.	Head of State Commendation
ICPAK	Institute of Certified Public Accountants of Kenya
ICT	Information and communications technology
IEC	Information, Education and Communication (Materials)
IPSAS	International Public Sector Accounting Standards
KEPSHA	Kenya Primary Schools Head Teachers Association
KEPSA	Kenya Private Sector Alliance
KES	Kenya Shilling(s)
KESSHA	Kenya Secondary Schools Heads Association
KISM	Kenya Institute of Supply Management
KNQA	Kenya National Qualifications Authority
KPEEL	Kenya Primary Education Equity in Learning
M.A	Master of Arts (Degree)
MoE	Ministry of Education
MSEA	Micro and Small Enterprise Authority
MTEF	Medium Term Expenditure Framework(s)
MTP	Medium Term Plan
NACONEK	National Council for Nomadic Education in Kenya
NDMA	National Drought Management Authority
NEMIS	National Education Management Information System

**National Council for Nomadic Education in Kenya (NACONEK)**  
**Annual Reports and Financial Statements For the year ended 30 June 2023**

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NESSP	National Education Sector Strategic Plan
NIWFESS	NACONEK Integrated Wash Food and Energy for Sustainable Schools
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
OOSC	Out-of-School Children
OSHA	Occupational Safety and Health Act of 2007
PAs	Parents Association(s)
PCs	Performance Contract(s)
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SCAC	State Corporations Advisory Committee
SCDE	Sub County Director of Education
SMP	School Meals Programme
SO	Strategic Objective
TNA	Training Needs Assessment
UNICEF	United Nations Children's Fund
WB	World Bank
WFP	World Food Programme

## Glossary of Terms

Term	Definition
<b>Access</b>	Opportunities learners and trainees are given to acquire education.
<b>CBOs</b>	Community based organizations (CBOs) are nonprofit groups that work at a local level to improve life for residents.
<b>Credit transfer</b>	Means the vertical, horizontal or diagonal relocation of credits towards a qualification or part qualification in the same or different levels, programmes, departments or institutions.
<b>Comparative Year</b>	Means the prior period.
<b>Duksi</b>	Refers to an Islamic memorization school.
<b>Entrepreneurship</b>	Is the process of doing something new and something different for the purpose of creating wealth for an individual and adding value to society.
<b>Fiduciary Management-</b>	Members of Management directly entrusted with the responsibility of financial resources of the organisation
<b>Lifelong learning</b>	Learning that takes place in all contexts of life: from a life-wide, life-deep and lifelong perspectives. It includes learning behaviours and obtaining knowledge, understanding, attitudes, values and competencies for personal growth, social and economic well-being, democratic citizenship, cultural identity and employability.
<b>Non-Formal Education</b>	Any organized, systematic and quality education and training programs outside the formal school system, that are consciously aimed at meeting specific learning needs of children, youth and adults.
<b>Nomad</b>	People who move from one place to another, rather than settling in one location.
<b>Madrassa</b>	This refers to an Islamic college, literally a "place of instruction," especially instruction in religious law.
<b>PLAR</b>	This an acronym for Prior Learning Assessment and Recognition which is also referred to as Recognition of Prior Learning. It is a process used to identify, assess and certify RPL for a candidate's knowledge, skills and competencies acquired in non-formal or informal learning, such as work or life experiences, against prescribed standards or learning outcomes.

## 2. Key Entity Information and Management

### (a) Background Information

The establishment of National Council for Nomadic Education in Kenya (NACONEK) was informed by twin documents of Nomadic Education in Kenya, 2010 and Session Paper No. 14 of 2012. Further, the Council was established under Section 94 (1) and the 6<sup>th</sup> Schedule of the Basic Education Act of 2013 and officially launched in May 2015. The Council is a Semi-Autonomous Government Agency in the State Department of Basic Education of the Ministry of Education.

The global Sustainable Development Goal No. 4 aims at ***“Ensuring Inclusive and Equitable Quality Education and Lifelong learning for all by 2030”***. It calls for closer attention to hard to reach groups, gender equality, girls and women and the marginalized. The nomadic regions, Pockets of Poverty areas and Urban Informal Settlements of Kenya are identified as the most marginalized and hard to reach with conventional education. The government of Kenya has since independence committed itself to provisions of education to all its citizen as a national duty and partly in line with fulfilling its international commitment in education agenda.

Challenges faced by populations in the nomadic regions, Pockets of Poverty areas and Urban Informal Settlements of Kenya revolve largely around impacts of climate change. Impacts of climate change prompt emergency nomadism which is an economic activity and therefore mobile in nature and distance to education institutions makes the provision of formal education difficult. Persistent insecurity in some of the nomadic regions, Pockets of Poverty areas and Urban Informal Settlements of Kenya, higher teacher turn over due to insecurity and hardship, limited monitoring and supervision of learning institutions as well as wildlife-human conflict

The government of Kenya is cognizant of the fact that despite massive investment in education in the last fifty-two years, over 2 million school age (6-13 years) are still out of school with nomadic regions, Pockets of Poverty areas and Urban Informal Settlements of Kenya accounting for over 80% of them. The major constraints to the participation of children from nomadic regions, Pockets of Poverty areas and Urban Informal Settlements of Kenya in formal and non-formal education are:

- ✦ Their constant migration /movements in search of water and pasture in the case of the pastoralists and fish in the case of the fishing nomads;
- ✦ The centrality of child labour in their production system, thus making it extremely difficult to allow their children to participate in formal schooling;
- ✦ The irrelevance of the school curriculum which is tailored to meet the needs of sedentary groups and thus ignores the educational needs of nomadic people;

- ✦ Their physical isolation since they operate in a mostly inaccessible physical environment; and
- ✦ Land tenure system that makes it difficult for the nomads to acquire land and settle in one place.

Besides these constraints, available studies indicate that children in these areas record poor completion rates and post poor learning outcomes compared to children from the rest of the country. NACONEK aspires to meet the education needs of the nomadic regions, Pockets of Poverty areas and Urban Informal Settlements of Kenya by ensuring that their traditions, values and norms are adequately addressed. The aim is to achieve Education for All without forcing the target populations to choose between schooling against other priorities.

### **Legal Status of NACONEK**

The establishment of NACONEK is contained in;

- (i) Sessional Paper No. 2 of 2015 on reforming education and training sector in Kenya
- (ii) Sessional Paper No.8 of October 2012 on the “Policy for suitable development of Northern Kenya and other arid lands” releasing our full potential”
- (iii) The Basic Education Act 2013, section 94 and the Sixth 6th Schedule
- (iv) The Policy Framework for Nomadic Education in Kenya, 2010
- (v) The National Education Sector Strategic Plan (NESSP)
- (vi) The Constitution of Kenya, 2010
  - Article 56(b) also stipulates that “... the state shall put in place affirmative action programs designed to ensure that minorities and marginalised groups are provided with special opportunities in education and economic fields”
  - Basic Education Act 2013, Section 39 (C) states that it shall be the duty of the Cabinet Secretary to.... ensure that children belonging to marginalized, vulnerable or disadvantaged groups are not discriminated against and prevented from pursuing and completing basic education.”

### **Council Members**

Since April 2021 to date, NACONEK has not had a substantive membership to the Council to provide the desired policy guidance, strategic direction and general oversight on the operations of the Council.

### **Secretariat**

The Secretary/Chief Executive Officer heads the secretariat team. The Secretary is the Accounting Officer, responsible for the day-to-day administration and management of the National Council for Nomadic Education in Kenya (NACONEK). NACONEK has a Director – Head of Corporate Services working with other senior officers including Head of Finance and Accounts, Head of Supply Chain Management, Head of Administration, Head of Human



Resource Management, Head of ICT, and Head of Public Communications supported with twelve (12) other cadres including six (6) Supply Chain Management Officers, five (5) Accountants, two (2) Records Management Officers, three (3) Assistant Office Administrators, three (3) Clerical Officers and five (5) Drivers.

## (b) Principal Activities

### Mandate

The Sixth Schedule of the Education Act 2013 spells out the functions of NACONEK as follows:

- (i) **Initiate the development, implementation and review of policies** on all matters relating to education in the ASAL areas, Pockets of Poverty regions and Urban Informal Settlements of Kenya. e.g. Nomadic Education policy;
- (ii) **Mobilize funds and other resources** from various sources for the development of nomadic education in order to support relevant activities of the Council;
- (iii) **Institutionalize mechanisms for effective coordination, monitoring and evaluation** of the activities of agencies involved in the provision of education in the ASAL areas, Pockets of Poverty regions and Urban Informal Settlements of Kenya;
- (iv) **Implement guidelines and ensure geographical spread** of education activities and targets for the ASAL areas, Pockets of Poverty regions and Urban Informal Settlements of Kenya;
- (v) **Establish appropriate linkages and partnerships** with other participating departments and agencies;
- (vi) **Determine standards and skills to be attained** in schools and institutions of learning within the ASAL areas, Pockets of Poverty regions and Urban Informal Settlements of Kenya and review such standards from time to time; and
- (vii) **Collate, analyse and publish information on education activities** in the ASAL areas, Pockets of Poverty regions and Urban Informal Settlements of Kenya.

### Vision

The Council envisions to have “a well-educated population in the nomadic regions, pockets of poverty areas and urban informal settlements proactively engaged in the transformation of Kenya”.

### Mission

The Council strives on a daily routine “to coordinate and strengthen the management, administration and delivery of quality basic education to populations in the ASAL areas, pockets of poverty regions and urban informal settlements of Kenya.”

## Core Values

In carrying out its mandate, the Council upholds the following core values:

- Respect for the right of the child
- Integrity
- Team work
- Transparency and accountability
- Professionalism
- Respect of diversity
- Gender equity
- Continual learning

## Value Proposition

While delivering its services, the Council aspires to meet the education needs of populations in the nomadic regions, Pockets of Poverty areas and Urban Informal Settlements of Kenya by ensuring that their traditions, values and norms are adequately addressed in pursuance of its mandate.

## Philosophy

When carrying out its mandate, the Council strives to achieve Education for All (EFA) goal without forcing the target populations to choose between schooling against other priorities.

## Core Objectives

- (i) **Strategic Objective 1:** To create and strengthen effective mechanisms for coordination, knowledge management and partnerships with various stakeholders to develop education in nomadic counties.
- (ii) **Strategic Objective 2:** To enhance advocacy, social mobilization and stakeholders' engagement for the development of education in nomadic counties.
- (iii) **Strategic Objective 3:** To coordinate development, expansion and monitoring of innovations in the delivery of quality education in nomadic counties.
- (iv) **Strategic Objective 4:** To strengthen institutional governance and management of education in nomadic counties.
- (v) **Strategic Objective 5:** To review and promote the development, adaptation and implementation of policies and a curriculum that is relevant and appropriate to the nomadic way of life and livelihood.
- (vi) **Strategic Objective 6:** To strengthen institutional capacity and operations of NACONEK.

### NACONEK Areas of Coverage

- (i) **ASAL (Nomadic) regions** in the counties of West Pokot, Turkana, Samburu, Isiolo, Marsabit, Garissa, Wajir, Mandera, Tana River, Lamu, Narok, Kajiado, Baringo and Homa Bay (fishing nomads).
- (ii) **Pockets of Poverty areas** of Elgeyo Marakwet, Kilifi, Kwale, Kitui, Taita Taveta, Nyeri, Laikipia, Makueni, Nyamira and Tharaka Nithi.
- (iii) **Urban informal settlements of Kenya** in the cities of Nairobi, Mombasa and Kisumu and in the four (4) former municipalities of Nakuru, Eldoret, Thika, Migori, Siaya and Kitale.

### (c) Key Management

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

No.	Designation	Name
1.	Secretary/ CEO	Harun M. Yusuf, HSC
2.	Deputy Director of Education	Emis Muthoni Njeru
3.	Deputy Director – Head of Corporate Services	Murumba S. Chiuli
4.	Deputy Director - Finance & Accounts	CPA Ibrahim Farah Dagane
5.	Deputy Director of Education – SMP Coordinator	Millicent Ochola
6.	Head Supply Chain Management	Justus Kirimi Mwiti
7.	Accountant II	George G. Gatheru

#### (d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Secretary/ CEO	Harun M. Yusuf, HSC
2.	Deputy Director of Education	Emis Muthoni Njeru
3.	Deputy Director – Head of Corporate Services	Murumba S. Chiuli
4.	Deputy Director - Finance & Accounts	CPA Ibrahim Farah Dagane
5.	Deputy Director of Education – SMP Coordinator	Millicent Ochola
6.	Head Supply Chain Management	Justus Kirimi Mwiti
7.	Accountant II	George G. Gatheru

#### (e) Fiduciary Oversight Arrangements

The Council through its Committees and the Secretariat has put in place systems aimed at enhancing governance, transparency, and accountability. The council has four committees that provided fiduciary oversight arrangements:

##### i) Finance Committee

The Committee is responsible for the Council's achievement of its strategic objectives by ensuring that annual work plans are implemented. The Committee ensures that the Council's budget and procurement plan are in line with the strategic plan and the Council's mandate as outlined by law. However, this Committee is not in place following the expiry of the mandate of the previous Council.

##### ii) Human Resource & Administration Committee

The Committee is responsible for human resource management matters including recruitment and succession management. The Committee monitors, evaluates and makes recommendations with respect to policies and strategic matters relating to the Council's human resource. However, following the expiry of the mandate of the previous Council, this Committee is not yet in place.

### iii) Audit & Risk Management Committee

The Committee is responsible for managing the organization's risk, ensuring compliance to all applicable laws and regulations, and spearheading good governance practices by the Council members and the Secretariat. The Committee is responsible for monitoring the Council's internal control environment and provide advice on areas of improvement. The Committee oversees the operations of the Council to ensure that the set policies and procedures are adhered to. Following the expiry of the mandate of the previous Council, this Committee is not in place.

### iv) Policy, Strategy & Partnerships Committee

This committee is responsible for facilitating policy review, formulation and development as well as establish strategic direction for the council. Additionally, the committee is responsible for establish partnership and thus respective Development Partners also provide their operational requirements and guidelines that clearly spell out fiduciary arrangements that revolve around accountability, verification, and value for money. This Committee is not in place following the expiry of the mandate of the previous Council.

#### (f) Entity Headquarters

P.O. Box 30040 - 00100  
Uchumi House, 6<sup>th</sup>, 7<sup>th</sup> & 10<sup>th</sup> Floors  
Along Aga Khan Walk  
**Nairobi, Kenya**

#### (g) Entity Contacts

Telephone: (254) 20 2241201  
E-mail: [infonaconek@education.go.ke](mailto:infonaconek@education.go.ke)  
Website: [www.naconek@education.go.ke](http://www.naconek@education.go.ke)

#### (h) Entity Bankers

1. National Bank of Kenya  
Kenyatta Avenue Branch  
P.O. Box 72866-00200  
Nairobi, KENYA
  
2. HFC Bank  
P.O. Box 72866-00200  
Nairobi, KENYA

(i) **Independent Auditor**

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

(j) **Principal Legal Adviser**

The Attorney General  
State Law Office and Department of Justice  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
**Nairobi, Kenya**

### 3. Key Management Team



**Harun M. Yusuf, HSC.**  
**Secretary/CEO**  
**M.A/B.Ed.**

Harun is an accomplished, educationist; he holds a Master of Arts (Project Management) from University of Nairobi and a Bachelor of Education (History and Islamic Studies) from Moi University.

Prior to joining NACONEK, he served as Chairman, Garissa County Public Service Board from July 2013- July 2017. He worked with as a teacher in various capacities between June 1994 and September 2012. From a classroom teacher in County High School, he rose to a head Teacher of Garissa High to a Senior Principal of Garissa High School and Wajir High School.

Through short trainings and work-related assignments, he has travelled widely across the globe including South Africa, U.S.A, France, Japan, Finland, United Arab Emirates and Israel. During the 18 years (1994-2012) of teaching, he served in various portfolios: Provincial Chairman-Kenya Secondary Schools Heads Association (KESSHA), North Eastern Province. He was a member of the National Executive Committee of the KESSHA and a member of Provincial Education Board.

He has turned around the entire concept of policy making in the education sector in particular of education in the ASALS and the marginalized regions of Kenya.

This is evidence through the implementation of the Naconek Integrated Water, Food and Energy for Sustainable Schools (NIWFESS) In the ASAL which is informing policy from a practical perspective.



**Emis Muthoni Njeru (Mrs.),**  
**Deputy CEO**  
**M.Ed./B.Ed.**

Prior to joining NACONEK, Emis served as Deputy Director of Education in the Ministry of Basic Education and Early Learning. She is currently working as the Deputy Director of Education and deputizes the Chief Executive Officer. Emis Njeru is the Coordinator for Policy and Partnerships and Education component at NACONEK.



**Murumba S. Chiuli**  
**Head of Corporate Services**

Murumba Chiuli is the Head of Corporate Services in NACONEK. He has vast experience of 30 years in National Administration, from both the field and the Ministries. He was the first County Secretary for County Government of Bungoma, where he was seconded in the first devolution cycle, and returned back to the docket of Senior Deputy Secretary in the Ministry of Public Service then to the Ministry of ICT and Youth Affairs. He holds a BA Hons in Political Science and History from the University of Nairobi (1990). An MBA in Strategic Management from European Business School – London 2009. He is a member of Kenya Association of Public Administration and Management (KAPAM) No. 1026.

Mr Chiuli is also the author of “Setting the Pace to Run Your Counties”: An Organization Development Handbook for Counties in Kenya (2014). His second book is on Essential of Leadership in Public Service which is to be released soon and has participated in a number of public service reform programmes, at then Directorate of Public Service Management, in the Executive office of the President.

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**Joyce A. Amuga,**  
**Assistant Director of Education**  
**M.A/B.Ed./P.1 Certificate in Education**

Joyce is in charge of Adult literacy and Low Cost Boarding Schools across the 24 ASAL Counties of Kenya.

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**Millicent K. Achola**  
**School Meals Coordinator**

Achola is currently the Coordinator for the School Meals Program. Previously, she worked as a teacher for 16 years from 1997 to 2016. From 2016 to 2022, she served as Education Officer at the Ministry of Education headquarters. Achola holds Master of Arts Linguistics and Bachelor of Education Arts.

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**Justus Kirimi Mwiti**  
**Head Supply Chain Management**

Mr. Kirimi is the Deputy Director Supply Chain Management. He joined the Council in April 2019. He is responsible for all procurement process.

He holds a Graduate Professional Diploma in Procurement & Supply, BA. Econs and currently pursuing a Master of Science in Procurement & Logistics (Kenyatta University). He is a licensed member with the Kenya Institute of Supplies Management (KISM) and the Chartered Institute of Procurement & Supply (CIPS)

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**CPA Ibrahim Farah Dagane**  
**Deputy Director - Accounts & Finance**

CPA Dagane Holds M.B.A (Finance) From Kenyatta University and B.Com. (Accounting) From Egerton University. He is CPA (K), CS (K) and Member of ICPAK in good standing.

He is the Head of Finance & Accounts Unit at the National Council for Nomadic Education in Kenya (NACONEK).

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#### 4. Report of the Chief Executive Officer



As the National Council for Nomadic Education in Kenya concludes another year of service to the nation, I am pleased to present the Annual report which documents the accomplishments and the challenges we faced during the Financial Year 2022/2023.

As you may be aware, the National Council for Nomadic Education in Kenya (NACONEK) is a product of affirmative action established through various legal instruments. Since its founding, the Council has been establishing strong relationship with government agencies, regional and international organizations to enhance the continued provision of inclusive and equitable quality education and lifelong learning opportunities for all. This is in line with Sustainable Development Goal No. 4 and the Agenda 2030 pledge by UN member states of 'Leaving No-one Behind'.

##### **Excellence in Policy-led practice**

The provision of education to Kenyan learners is structured through policies, institutions and programs that logically guide or influence their possible participation and contribution in the national and international socio-economic activities. The education system ought to produce an individual capable of lifelong learning and able to take the initiative to solve problems independently. This would make the person internationally competitive and economically viable. Following the continued exclusion of vulnerable children from education, the year under review saw the Council has conducted a situation analysis of mobile and feeder schools with intention of providing existing ones with basic requirements including innovative mobile education kits. Additionally, the Council conducted a mapping/assessment exercise on Duksi and Madrassa institutions in 10 predominantly Muslim Counties. Further, the Council held various Stakeholder engagement forums/conferences on avenues to inform policy direction in the overall integration of Duksi and Madrassa into formal education in Kenya.

##### **Organization Structure and Development**

The year under review saw the Council employ fifty two (52) new staff and receive additional twelve (12) staff from the Ministry of Education Headquarters' SMP unit that was under the Directorate of Basic Education. The employment of new staff involved low to middle level cadres as part of the long term strategy to establish the Council's substantive staffing compliment to meet its human resource management demands.

Having posted 3.5 pts in the first cycle of evaluation of the Performance Contracting, the Council continues implementing results-based activities drawn from the Strategic Plan,

Annual Work Plan, Individual Work Plan as well as deliver on the Performance Contracts (PCs).

### **Financial Performance**

The Council is committed to the fiscal responsibility principles outlined in the constitution and the Public Finance Management Act, 2012. The government's reformation decision on education delivery targeting the vulnerable have enabled NACONEK to provide timely and adequate school meals through In-kind model across eleven (11) counties and Cash Transfer to target schools in fourteen (14) counties, have had a significant financial implication.

The year under review saw the Council receive its usual funding from the Exchequer coupled with streams of funding from development partners. In FY 2022/2023, NACONEK received funds from the Exchequer amounting to Kshs 6,221,940,262 as recurrent expenditure as well as activity-based funding from UNICEF amounting to Kshs. 17,212,160. An analysis of the Council's asset base reveals a progression from previous years and currently stands at Kshs 6,251,377,802 with projected increase in FY 2023/2024. The increase is attributed to the transfer of the School Feeding Grant supported by GoK, World Bank under KPEEL project and the Sports Fund as well as the ongoing development of the strategic initiatives including IMPRESED project to be financed by AfDB. The Council does not have A-in-A and thus does not record profit.

### **Programme Performance and Projects Profile**

Noting that the FY 2022/2023 was characterized with political climate in the country with elections in August 2022, the year had its own its challenges. However, this did not impede the performance of the management team which continued to successfully implement its mandate and to advance its goals and objectives set in the Annual Work Plan.

During the year under review, NACONEK continued implementing in partnership "Expansion Come to School Kenya Programme"; a three year (2020-2023) project that is coming to an end (December 2023). Through the action of this project, the Council has enhanced enrolment drives as well as integrated NACONEK-UNICEF Digital Attendance Application platform into NEMIS to enhance enrolment & retention. To date, from the target 250,000 OOSC, the efforts of the Council have enrolled 228, 000 OOSC into various schools across the target sixteen (16) Counties in Kenya.

The council continued with piloting innovations on its pilot framework of Water, food and energy solutions for sustainable schools (NIWFESS) in Kuno which has been a springboard for exhibiting greening and climate proofing solutions across schools in the ASALs of Kenya. Continuing to chair the Human Capital under the National Drought Management Authority, the Council continued supporting the refugee education and related education in emergencies in Dadaab Refugee Camp.

In bid to raise its project performance portfolio as well as support some key Vision 2030 Flagship Projects as stipulated in the PC of the FY 2022/2023, the Council has developed two

projects IMPRESED and INCARE awaiting signing off with AfDB and the World Bank's Climate Investment Funds (CIF) respectively.

### **Future Outlook**

The Council is dedicated and committed to achieving on its redefined vision "a well-educated population in the ASAL areas, pockets of poverty regions and urban informal settlements proactively engaged in the transformation of Kenya." and our mission "to coordinate and strengthen the management, administration and delivery of quality basic education to populations in the nomadic regions, pockets of poverty areas and urban informal settlements of Kenya."

The Council is cognizant of the challenges faced by populations in these areas which revolve largely around impacts of climate change. Impacts of climate change prompt emergency nomadism which is an economic activity and therefore mobile in nature and distance to education institutions makes the provision of formal education difficult. These challenges are characterised by persistent insecurity in some of the nomadic regions, Pockets of Poverty areas and Urban Informal Settlements of Kenya, higher teacher turn over due to insecurity and hardship, limited monitoring and supervision of learning institutions as well as wildlife-human conflict.

The Council serves the most marginalized and hardest to reach in the society. These populations have been hit hardest by drought, floods, destruction of properties which has resulted in the loss of lives and livelihoods. This has a negative impact on education as communities flee and migrate to safer places which results to high number of out of school children. NACONEK therefore is championing for programs that will ensure communities are resilient and adaptive to the shocks of climate change with the school as the centre of interventions targeting learners and their families. These programs go a long way in ensuring children are retained in schools and continuity of learning is achieved.

On the provision of school meals program front, the council is actively engaging in resource mobilization efforts. The Council has successfully rallied development partners including the Rockefeller Foundation, World Food Program and Education Above All of Qatar to champion for climate smart initiatives for the program.

### **Acknowledgement and Appreciation**

I would like to express my special thanks to the vibrant new staff as well as the deployed staff from MoE to support the operations of the School Meals Programme now anchored at NACONEK. The Council appreciates contractors, suppliers and service providers for their dedication and commitment in enhancing timely delivery of services to enable the council achieve on its mandate.

I greatly appreciate the continued support of our stakeholders who believe in our systems, people, and leadership capabilities as well as appropriate resourcing of our activities in the changing environment. Going forward, it is my hope that the Council, like the phoenix bird

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that rises from the ashes to fly again, will resiliently overcome the many challenges encountered and successfully deliver on its mandate to meet the expectations of all stakeholders.



**Harun M. Yussuf, HSC**  
**Secretary/Chief Executive Officer**

## 5. Statement of performance against predetermined objectives for FY 2022/2023

In line to the Section 81 Subsection 2(f) of the Public Finance Management Act, 2012, NACONEK has six strategic pillars towards achieving on its overall goal of improved education access, retention, relevance, quality and equity among nomadic communities in Kenya. These strategic pillars are as follows:

**5.1.1 Pillar I: Sustainable, Equitable and Quality Education**

**5.1.2 Pillar II: Stakeholder Engagement**

**5.1.3 Pillar III: Innovative Approaches and Interventions**

**5.1.4 Pillar IV: Organizational Efficiency and Effectiveness**

**5.1.5 Pillar V: Practice-led Policy Development**

**5.1.6 Pillar VI: Organization Capacity & Capability**

The Council develops its annual work plans based on the above 6 pillars and the stated objectives below within its Strategic Plan (2016/2017 - 2020/2021):

- **Strategic Objective 1:** To create and strengthen effective mechanisms for coordination, knowledge management and partnerships with various stakeholders to develop education in nomadic counties.
- **Strategic Objective 2:** To enhance advocacy, social mobilization and stakeholders' engagement for the development of education in nomadic counties.
- **Strategic Objective 3:** To coordinate development, expansion and monitoring of innovations in the delivery of quality education in nomadic counties.
- **Strategic Objective 4:** To strengthen institutional governance and management of education in nomadic counties.
- **Strategic Objective 5:** To review and promote the development, adaptation and implementation of policies and a curriculum that is relevant and appropriate to the nomadic way of life and livelihood.
- **Strategic Objective 6:** To strengthen institutional capacity and operations of NACONEK.

The council achieved its performance targets set for the FY 2022/2023 period for its six (6) Pillars and strategic objectives, as indicated in the table below:

### Summary of Performance Information

Pillar 1	Sustainable, Equitable and Quality Education		
Strategic Objective	Key Performance Indicators	Activities	Achievements
<p><b>SO1: Creation and strengthening of effective mechanisms for coordination, knowledge management and partnerships with various stakeholders to develop education in nomadic counties.</b></p>	<ul style="list-style-type: none"> <li>• Enrolment and attendance reports on the Out-of-School children in various schools across the target sixteen (16) Counties in Kenya.</li> <li>• Reports on Refugee/ Host Community Schools as well as assessments of short rains under Education in Emergencies.</li> <li>• Report on Mapping of APBET Schools in Kisumu.</li> <li>• Report on mapping of Pilot Schools on School Feeding Programme (Fortified Porridge).</li> <li>• Reports on joint Monitoring of School Meals Programme (In-Kind, Cash Transfer &amp; Centralized Kitchen Models).</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced enrolment drives as well as integrated NACONEK-UNICEF Digital Attendance Application platform into NEMIS to enhance enrolment &amp; retention.</li> <li>• Jointly with MoE and stakeholders of EiE conducted biannual short rains assessments and conducted termly assessment of the 22 Refugee and 7 Host Community Schools in Dadaab.</li> <li>• Conduct mapping of APBET schools in Kisumu.</li> <li>• Conducted Mapping of Pilot Schools for the fortified Porridge for schools in Bungoma, Nairobi and Garissa Counties.</li> <li>• Conducted Termly Monitoring of food supplies &amp; Cash Transfers to</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthened the operations of NACONEK in the following areas;               <ul style="list-style-type: none"> <li>- <i>Increasing enrolment of 228,000 OOSC in 16 Counties in Kenya.</i></li> <li>- <i>Coordination of SMP, In-Kind Model in 11 ASAL Counties</i></li> <li>- <i>Coordination of SMP, Cash Transfer Model in 14 ASAL Counties.</i></li> </ul> </li> <li>• To deliver on the existing and expanded mandate, NACONEK enhanced partnership base with key development partners including the following;               <ul style="list-style-type: none"> <li>- <i>World Bank – KPEEL Project</i></li> </ul> </li> </ul>

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		<p>schools and conducted a scoping mission for feasibility of centralized kitchens in the urban informal settlements.</p> <ul style="list-style-type: none"> <li>• Through Precooked packaged Porridge enhanced school feeding programmes through home-grown solutions (Farmer Field Schools).</li> </ul>	<ul style="list-style-type: none"> <li>- UNICEF-Expansion come to school Programme</li> <li>- Sports Fund – Schools Meals Programme.</li> <li>- Unibrain Industries/Tetra Pak Laval/Ingredion– Precooked packaged Porridge for education</li> </ul>
<b>Pillar 2</b>	<b>Stakeholder Engagement</b>		
<b>Strategic Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
<p><b>SO2: Enhance advocacy, social mobilization and stakeholders’ engagement for the development of education in nomadic counties.</b></p>	<ul style="list-style-type: none"> <li>• Comprehensive IEC materials package developed.</li> <li>• Number of partners identified and on board.</li> </ul>	<ul style="list-style-type: none"> <li>• Development of IEC materials for social mobilization &amp; campaigns.</li> <li>• Identify and partner with local organizations</li> <li>• Attended/Participated and exhibited in KESSHA, KEPSHA,</li> </ul>	<p>While implementing activities under this strategic objective, NACONEK has improved stakeholder participation, developed local leadership, and improve resource mobilization. This is evident in the following areas;</p> <ul style="list-style-type: none"> <li>• NACONEK has been able to effectively engage/sensitize the</li> </ul>



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	<ul style="list-style-type: none"> <li>• Back to office Reports for participating in Exhibitions and Conferences</li> <li>• Reports on Stakeholders' advocacy/education forums.</li> <li>• Media engagement continued online with active website.</li> <li>• Report on Workshops/Forums held to engage with Urban Education Stakeholders.</li> <li>• Draft Report on Joint Education Sector Review</li> <li>• Report on Training of SCDE on School Meals Programme</li> <li>• Report on online and Physical Meetings held with CDE</li> </ul>	<p>KEPSA Conferences and other International forums.</p> <ul style="list-style-type: none"> <li>• Continued conducting online organised stakeholders' advocacy/education forums at county level (Mandera, Kwale, Kilifi and Nairobi).</li> <li>• Conducted media engagement.</li> <li>• Held 4 Workshops/Forums with Urban Education Stakeholders.</li> <li>• Jointly with MoE Departments and Agencies alongside other development partners conducted the Joint Education Sector Review of the NESSP.</li> <li>• Conducted two major trainings on school food handling.</li> </ul>	<p><i>public on the value for education for the marginalized communities.</i></p> <ul style="list-style-type: none"> <li>• <i>Through community engagement, NACONEK has inspired the notion of sharing of resources and funding; more effective problem-solving; better representation of voices within the community; and accountability</i></li> </ul>
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		<ul style="list-style-type: none"> <li>Held quarterly and one annual meeting with CDE on field activities.</li> </ul>	
<b>Pillar 3</b>	<b>Innovative Approaches and Interventions</b>		
<b>Strategic Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
<b>SO3: Coordination of development, expansion and monitoring of innovations in the delivery of quality education in nomadic counties.</b>	<ul style="list-style-type: none"> <li>A fully functional solar containerized ICT Classroom in Kuno Primary School in Garissa.</li> <li>Report on mapping and assessment of mobile and feeder schools in five ASAL counties (Turkana, Samburu, Isiolo, Wajir and Garissa).</li> <li>Monthly Progress Reports on <b>NIWFESS</b> Pilot framework at Kuno Primary School.</li> </ul>	<ul style="list-style-type: none"> <li>Conducted distance learning through establishment of a solar containerized ICT Classroom in Kuno Primary School in Garissa.</li> <li>In Partnership with UNICEF conducted a situation analysis of mobile and feeder schools with intention of providing existing ones with basic requirements including innovative mobile education kits.</li> <li>Continued with piloting innovations on Water, food and energy solutions for sustainable schools in Kuno.</li> <li>In partnership with <b>DRC</b> and <b>ActionAid Kenya</b> held Workshops/trainings on</li> </ul>	<p>NACONEK has adequate established successful innovations for at risk children in the ASALs through;</p> <ul style="list-style-type: none"> <li>Improving the educational outcomes for at risk children</li> <li>Increasing schools response to the needs of at risk students.</li> <li>Encouraging schools to continue to come up with new ideas and programmes to support at risk children,</li> <li>Use of Pilot schools as a source of establishing Innovations funding pool which can help schools to trial innovative programmes for students at risk of poor educational outcomes. The pool provides</li> </ul>

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	<ul style="list-style-type: none"> <li>• Reports and Guidelines on Accelerating Learning Programme.</li> <li>• Monitoring Reports generated during county Education Days and School visits.</li> <li>• Reports on Green Energy initiatives for schools</li> </ul>	<p>Accelerated Education Programme.</p> <ul style="list-style-type: none"> <li>• Increased Participation and monitoring of schools in continued.</li> <li>• Sensitized 500 head teachers on Energy Saving Jikos and climate change initiatives at school level in four Counties of Garissa, Tana River, Kwale and Kilifi.</li> <li>• Piloted use of Steam Cooking system in schools in Kenya with Nairobi, Kwale and Kilifi as target Counties.</li> </ul>	<p>schools with money to get the programmes under way, with schools or their communities also contributing funding and other resources. The goal is for the programmes, if they prove to be effective, to become self-funding.</p>
<b>Pillar 4</b>	<b>Organizational Efficiency and Effectiveness</b>		
<b>Strategic Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
<b>SO 4: Strengthen institutional governance and management of</b>	<ul style="list-style-type: none"> <li>• Deployment of Digital Attendance Application (DAA) and Integration into NEMIS.</li> <li>• Functional In-house Enterprise resource planning (ERP) capacity.</li> </ul>	<ul style="list-style-type: none"> <li>• Carried out ICT functionality and integration into NEMIS for learner enrolment and attendance processes.</li> <li>• Procured and installed the ERP to ensure integrated management of NACONEK Office processes.</li> </ul>	<p>NACONEK has significantly enhanced the coordination of education activities within its geographical spread as well as increased prudence in the overall management and governance of schools.</p>

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<p><b>education in nomadic counties.</b></p>	<ul style="list-style-type: none"> <li>• Adequate staffing, space, equipment, furniture and services for NACONEK operations.</li> <li>• Draft 2022-2027 Strategic Plan</li> <li>• PC reports</li>   <li>• Report on training of BOMs &amp; PAs of hosting communities and Refugee Schools on parental engagement, values of education, community initiatives and lifelong learning.</li> <li>• Training of Teachers on Mental Health and Psychosocial Support (MHPSS) to cascade the same to learners and parents.</li> <li>• Annual project review of the target 16 Counties on the OOSC programme.</li> </ul>	<ul style="list-style-type: none"> <li>• Recruited 42 new staff, secured one additional floor for Office Space and furniture, secured the WFP vehicles procured for MoE to support SMP and established Records Management System at the units' level.</li> <li>• Timely carried out strategic plan evaluation and review.</li> <li>• Prepared and monitored Annual corporate work plans as well as implementation of performance contracts.</li> <li>• Conducted three cycles of training of BOMs &amp; PAs of hosting communities and Refugee Schools.</li>   <li>• Held three cycles of Training of Teachers on Mental Health and Psychosocial Support (MHPSS).</li> </ul>	
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		<ul style="list-style-type: none"> <li>Conducted an Annual project review of the target 16 Counties on the OOSC programme</li> </ul>	
<b>Pillar 5</b>	<b>Practice-led Policy Development</b>		
<b>Strategic Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
<b>SO 5:</b>  <b>Review and promote the development, adaptation and implementation of policies and a curriculum that is relevant and appropriate to the nomadic way of life and livelihood.</b>	<ul style="list-style-type: none"> <li>Draft Reviewed Policy of the Nomadic Education in Kenya.</li> <li>Rapid Assessment Report for Duksi &amp; Madrassa institutions.</li> <li>Reports on Guidelines on the Integration of Duksi and Madrassa into formal education system in Kenya.</li> <li>Report on Accelerated Learning Policy Framework.</li> </ul>	<ul style="list-style-type: none"> <li>Held Workshops to complete the review of Kenya Nomadic Education Policy. Shared with MoE Senior Management for concurrence and approval.</li> <li>Conducted a mapping/assessment exercise on Duksi and Madrassa institutions in 10 predominantly Muslim Counties.</li> <li>Held various Stakeholder engagement forums/conferences on avenues for integration of Duksi and Madrassa into formal education in Kenya.</li> <li>Conducted workshops/forums on the perspectives for Accelerated Education Programme with for a policy direction.</li> </ul>	<p>The emerging dynamics in education globally and in the country has pushed the Council to successfully review and develop policies and guidelines towards realizing provision of inclusive, equitable and sustainable education for all.</p>

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	<ul style="list-style-type: none"> <li>• Reports on Review Processes of the APBET policy.</li> <li>• Reports on Review Processes of Recognition of Prior Learning (RPL) to benefit the refugee teachers and Duksi and Madrassa Instructors.</li> </ul>	<ul style="list-style-type: none"> <li>• Held preliminary meetings and workshops on review of the APBET policy.</li> <li>• Conducted joint workshops/forums with KNQA to anchor RPL refugee teachers and Duksi and Madrassa Instructors on their professional career path.</li> </ul>	
<b>Pillar 6</b>	<b>Organization Capacity &amp; Capability</b>		
<b>Strategic Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
<b>SO 6:</b>  <b>Strengthen institutional capacity and operations of NACONEK.</b>	<ul style="list-style-type: none"> <li>• Operational organization structure and scheme of service.</li> <li>• New Staff hired and inducted as well received the SMP Unit staff from MoE on deployment.</li> <li>• Increased and stable revenue streams</li> </ul>	<ul style="list-style-type: none"> <li>• Implemented organization structure and scheme of service.</li> <li>• Conducting the hiring of 42 new staff, received SMP staff from MoE and held capacity build workshops for inducting new staff.</li> <li>• Enhanced existing sources of revenue from GoK and increased alternative revenue streams from</li> </ul>	<ul style="list-style-type: none"> <li>• Overall, NACONEK has exhibited the capacity to adapt to evolving conditions, react to changes in their operating environments and respond to new opportunities. In so doing it has enhanced its overall performance management and visibility.</li> </ul>

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	<ul style="list-style-type: none"> <li>• Effective cost management and realistic Budget</li>   <li>• Appropriate physical and IT infrastructure in place.</li>   <li>• High retention of motivated NACONEK workforce including the contracted experts/professionals.</li> </ul>	<p>funding agencies &amp; Development partners.</p> <ul style="list-style-type: none"> <li>• Formulated and implemented cost management strategies through instituting zero/activity based budgeting.</li>   <li>• Procured appropriate physical and IT infrastructure for effective utilisation.</li>   <li>• Continued use of Expert/Professional contracted staff as financing staff training and development locally and internationally.</li> </ul>	
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## **6. Corporate Governance Statement**

### **6.1 Introduction**

Corporate governance is the exercise of ethical and effective leadership by the governing body towards the achievement of governance outcomes, ethical culture, good performance, effective control and legitimacy. The responsibility of governing the Council lies with the Council Members. NACONEK has put in place systems to ensure that high standards of corporate governance are maintained at all levels in the Council.

### **6.2 Statement of Compliance**

The Council as a responsible corporate citizen is alive to the tenets of good governance and accountable to the Government of Kenya, through the Ministry of Education. Thus, in so doing, the Council complies with all applicable laws and statutes and maintain the highest standards of corporate governance as guided by the following documents: -

- 1) Code of Governance for State Corporations (Mwongozo)
- 2) Constitution of Kenya, 2010
- 3) Leadership and integrity Act No.19 of 2012
- 4) Board Charter
- 5) Public Officers and Ethics Act No, 4 of 2003

The conduct of individual council members when dealing with the Council operations is governed by the Council's Code of Conduct and Ethics.

#### **Board Charter**

The Council has in place a Council Charter which was reviewed in 2018. It provides the Council members with an opportunity to think creatively and critically about how their strategic direction and operational plans align with the Council's expectations, with respect to governance.

The Council Charter governs;

- Conduct and management of meetings,
- Facilitation of Council members,
- Succession planning,
- Process of Appointment and removal of Council members,
- Roles & functions of the Council,
- Induction & training,
- Conflict of Interest,
- Council remuneration and
- Ethics & conduct.



The Charter is complimentary and does not intend to change or interpret any statute law or regulation. It is available to all Council members.

### **Board Size, Composition and Appointments**

The Basic Education Act (2013), the Sixth Schedule provides for a maximum of thirteen (13) Council members, eight (10) of whom are non- executive and three (3) executive members. The Chairperson shall serve for a period of four (4) years renewable once. All the ten (10) non-executives hold office for a period not exceeding three (3) years and are eligible for reappointment for one term not exceeding three (3) years.

A Council member may be appointed for a cumulative term not exceeding six (6) years. During the constitution of the Council, the appointing authority ensures that Council composition complies with the applicable legislation as outlined in the Constitution of Kenya and the Basic Education Act (2013). Additionally, at least one member has to be a financial management or accounting expert. Council members' appointments are by name and notice in the Kenya Gazette. The Council Chairperson is appointed by the Cabinet Secretary; Ministry of Education while Council members are nominated by the respective organizations and their names are forwarded to the Cabinet Secretary Ministry of Education for appointment.

As at 30th June 2023, the council has had no substantive Council members in place.

### **Changes in the Council in the Year**

Following the end of the term of service of all in dependent council members, the Council has no substantive Council in place.

### **Council Meetings**

Following the end of the term of service of all in dependent council members, the Council did not hold any meeting during the period under review.

### **Council's Remuneration**

The Council members are remunerated for their services in accordance with guidance from the State Corporation Advisory Committee (SCAC) through circulars issued from time to time. The regular allowances for Council Chairpersons and Council Members are as follows:

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No.	Allowance	Chairperson	Council Member
1.	Honoraria	Kes. 80,000/- per month	N/A
2.	Sitting	Kes. 20,000/- per sitting	Kes.20,000/- per sitting
3.	Accommodation	Kes.10,500/- per day	Kes.10,500/- per day
4.	Airtime (Mobile)	Kes.5,000 per month	N/A
5.	Airtime (Landline)	Kes.2,000 per month	N/A
6.	Lunch	Kes.2,000 per day	Kes.2,000 per day
7.	Transport	Determined by prevailing Government guidelines; currently National Treasury Circular of 2015. Paid at the current prevailing Automobile Association of Kenya (AAK) rates.	
8.	Personal Accident Cover ("Not Life")	Procured competitively	N/A
9.	Medical Expenses	Inpatient Kes. 2 million per annum; Outpatient Kes. 100,000/- per annum and Last expense (self) Kes.100,000/-	N/A

### Declaration of Conflict of Interest

Council members are required to avoid conflict of interest in any matter that relates to the company. Council members are expected to declare any real or perceived conflict of interest with the organization upon appointment to the Council. A Council member who subsequently identifies an area of conflict shall be required to disclose any actual or potential conflict of interest to the Council, and provide all relevant information and abstain from decision making where conflict exists.

Declaration of conflict of interest is a standard agenda item which is addressed at the onset of each Council and Committee meeting. NACONEK Council members declare conflict of

interest at the beginning of each and every Council and Committee meetings and immediately thereafter sign in the register of conflict of interest. The Council has put in place a conflict-of-interest policy. No conflicts of interest were declared or reported by Council Members in the year under review.

### **Succession Plan**

Since the term of service of most of the Council members came to an end as at 30<sup>th</sup> June 2021, the CEO in liaison with the Ministry of Education, wrote letters to the different organizations requesting them to nominate their representatives to the Council. The names nominated were forwarded to the CS, Ministry of Education for consideration and appointment.

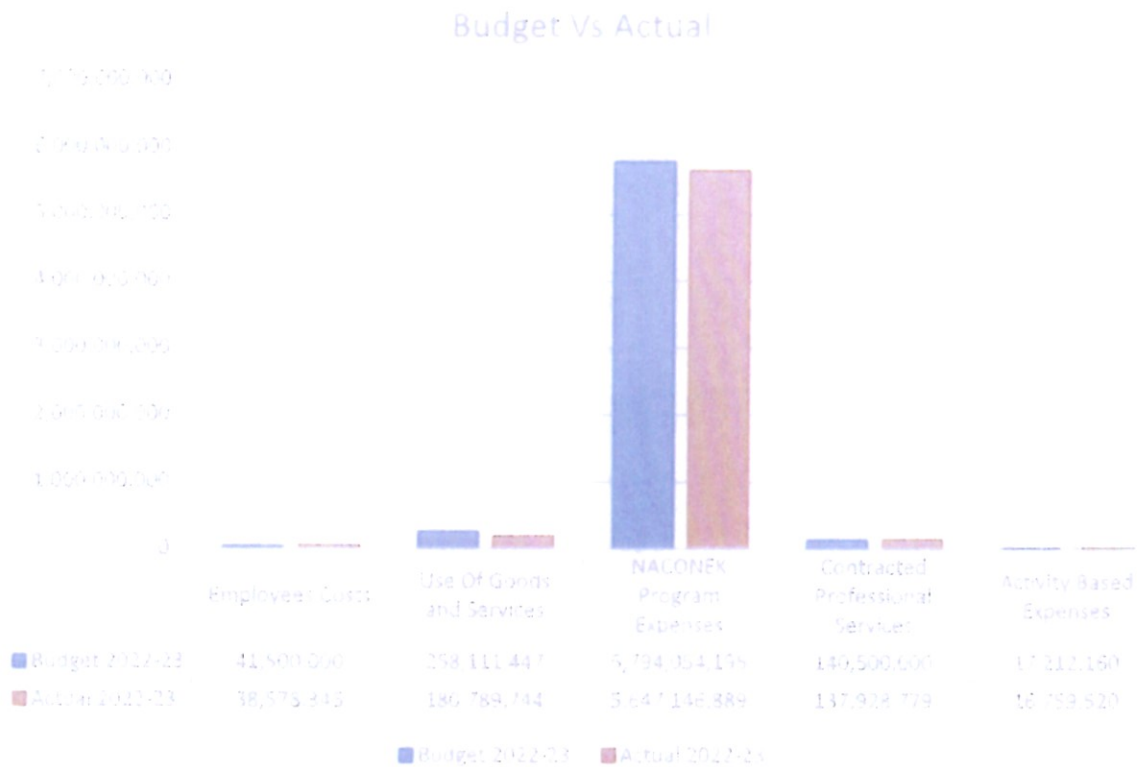
## 7. Management Discussion and Analysis

### Section A

The performance of NACONEK of the financial year under review in general is reviewed below:

#### 7.1 Fiscal Performance

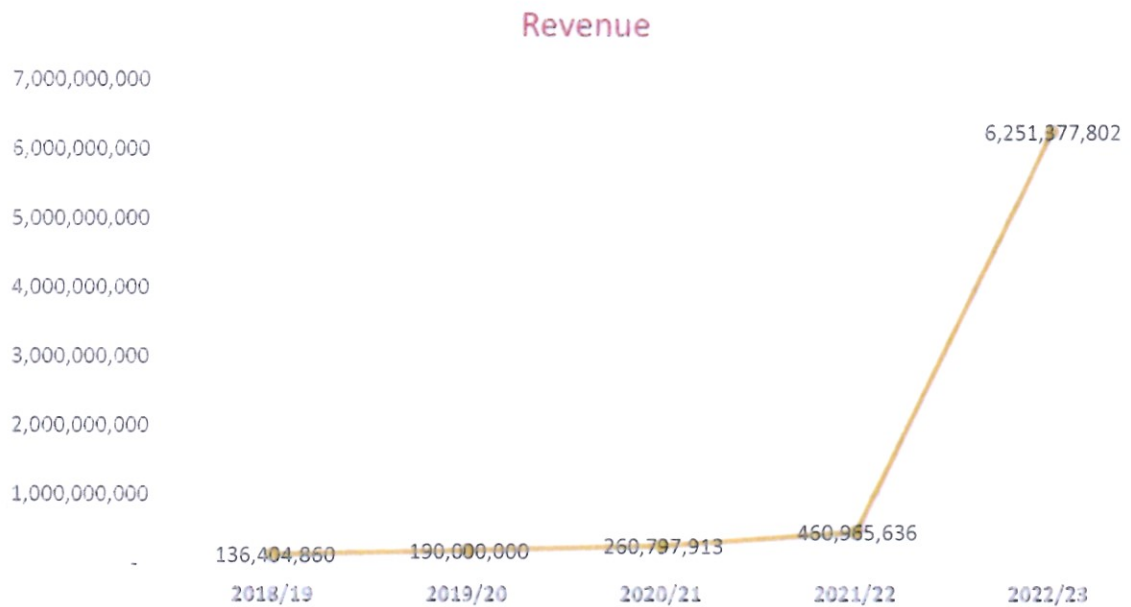
NACONEK aimed at raising 100% of the budget revenue and containing expenditure within the approved ceiling. Government allocation was received in full and absorbed in funding Council operations. Below is the budget vs actual figures for FY 2022-2023



### 7.1 Revenue Performance

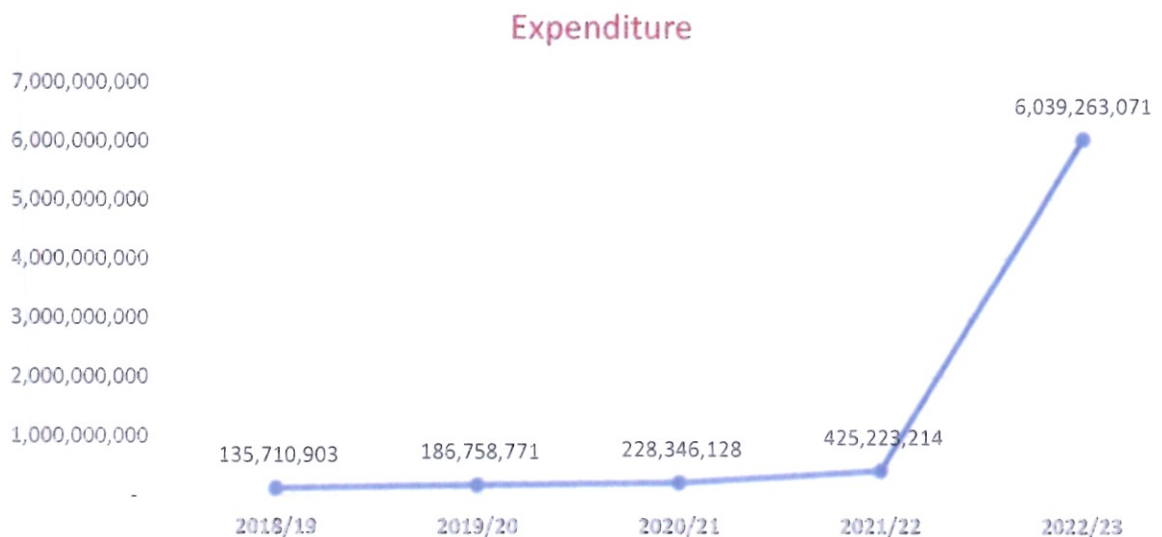
NACONEK is supported by the National Government through the Ministry of Education by way of transfer of funds for operational use and School Meals Programme grants.

Below is the trend analysis of Revenue performance for 5 years



### 7.1 Expenditure Performance

Below is the 5 years Expenditure trend analysis.



## 7.2 Operational Performance

### a) Human Resource Management

The year under review saw the Council employ fifty two (52) new staff and received additional twelve (12) staff from the Ministry of Education Headquarters' SMP unit that was under the Directorate of Basic Education. The employment of new staff involved low to middle level cadres as part of the long term strategy to establish the Council's substantive staffing compliment to meet its human resource management demands.

### b) Capacity Building of NACONEK Staff

The new staff of NACONEK including those deployed from MoE were taken through two cycles of training as part of their induction. The objective of the two trainings was to ensure the new employees become better at their jobs and overcome performance gaps that are based on lack of knowledge or skills.

Six of NACONEK staff; a mix of the new and existing were financed to attend either local or international training to horn their skills. Additionally, the School Meals Programme Unit and the Procurement Unit attended trainings to enhance their knowledge on managing the Schools Meals Programme.

The NACONEK ICT team in collaboration with Microsoft ADC conducted the coding and cyber security sensitization for 15 NACONEK officers. The sensitization covered email security, password security, malware, privacy, data security and encryption, mobile device security, multi-factor authentication, physical security, ICT Regulations and response to attacks.

### c) NACONEK Staff Performance

Having a mix of staff; newly employed, those on deployment and expert/consultants on board, the Council needed to measure and monitor progress towards achieving organizational goals while also identifying areas that need improvement. It is in this regard that the newly employed staff were subjected to appraisals while those on secondment/deployment signed respective performance contracts with their respective hierarchal authorities.

#### (i) Programme Performance

To achieve on its mandate, the Council's adopted the following strategies during the financial year 2021/22 to realize its programming goals and objectives; key among them include:

- *Coordination, knowledge management and partnerships;*
- *Advocacy, social mobilization and stakeholder engagement;*
- *Development, implementation and monitoring of innovations;*
- *Strengthening institutional governance and management of education*
- *Strengthening institutional capacity and operations.*

- *Review and promotion of development, adaptation and implementation of policies and curriculum.*

**(ii) Coordination, Knowledge Management and partnerships**

During the year under review, NACONEK continued implementing in partnership “Expansion Come to School Kenya Programme”. This has been a three year project that is coming to an end (December 2023). Through the action of this project, the Council has enhanced enrolment drives as well as integrated NACONEK-UNICEF Digital Attendance Application platform into NEMIS to enhance enrolment & retention. To date, from the target 250,000 OOSC, the efforts of the Council have enrolled 228, 000 OOSC into various schools across the target sixteen (16) Counties in Kenya.

The council continues to chair the education pillar under Ending Drought Emergencies (EDE) in Kenya. In this regard, the Council jointly with MoE and stakeholders of EiE conducted biannual short rains assessments and conducted termly assessment of the 22 Refugee and 7 Host Community Schools in Dadaab.

The provision of basic education in urban informal settlements in Kenya has invariably been described as poorly organized, less equitable and hence, one that is in crisis. It is indicated that about 47 percent of children from poor households in urban slums utilize private schooling; this increases to over 60 percent in cities and municipalities. It is in this regard that the Council collaborated with various CSOs in the education sector to conduct a mapping exercise of the APBET schools in Kisumu city.

School Meals Programme is critical to student health and well-being, especially for low-income students—and ensures that students have nutrition they need throughout the day to learn. Towards enhancing investments in healthy school meals which build a foundation that improves a child's ability to learn, the Council conducted Mapping of Pilot Schools for the fortified Porridge for schools in Bungoma, Nairobi and Garissa Counties. Conducted Termly Monitoring of food supplies & Cash Transfers to schools and conducted a scoping mission for feasibility of centralized kitchens in the urban informal settlements. Through Precooked packaged Porridge enhanced school feeding programmes through home-grown solutions (Farmer Field Schools).

To build partnerships at a competitive level, the council worked closely with various partners including UNICEF, AVSI Foundation, MSEA, Ministry of Agriculture, and Ministry of Water- Micro Irrigation for Schools unit, National Youth Service and Ministry of Interior and National Coordination. This working was to strengthen capacity assessment of the Council to secure the IMPRESSED project, that is a pipeline to be financed by AfDB and Qatar's Education Above All (EAA),

The Council continued working in partnership with the county governments of Garissa, Mandera and Wajir as well as Muslim Academic Institutions to undertake various steps towards integrating Dugsi and Madrassa into mainstream basic education system. The

contributions from the county governments have increased learning outcomes and ensured that more children access education. The council-maintained partnership with National Drought Management Authority (NDMA) in supporting the replication of the success of the NIWFESS pilot framework in Kuno Primary School to other areas in the ASALs of Kenya.

### **(iii) Advocacy, Social Mobilization and Stakeholder Engagement**

With the rise in deepening and expanding public engagement globally, the importance of community engagement has become pivotal for well-functioning, twenty-first century democracies. Constructive relationships between communities and the institutions of government make community engagement not only desirable, but necessary and viable as it is likely to lead to more equitable, sustainable public decisions and improve the liveability of local communities. This is why community engagement is important for individuals, public organizations, and governments alike.

There are evidently good practices in the Council's advocacy, social mobilization and stakeholder engagement strategies. During the year under review, NACONEK through the various forums with stakeholders and community engagement increased its visibility and understanding of issues and empowered communities to have their say over decisions that affect expansion of access and equitable provision of basic education, particularly for the learners in the nomadic and pockets of poverty regions of Kenya.

The Council continued with development of IEC materials for social mobilization & campaigns as well as identification of local CSOs and establishment of partnerships. Additionally, to raise its visibility within the education sector, the Council staff attended/participated and exhibited in KESSHA, KEPSHA, KEPSA Conferences and other International forums. Through feedback, these engagements enabled the council to listen and, in turn, demonstrate the impact of public contribution to its mandate thus, building deeper, stronger and more trusting relationships between the Council, public organizations and communities.

### **(iv) Held quarterly and one annual meeting with CDE on field activities.**

The year under review saw the Council partnerships continue to yield positive outcomes and developments in the advocacy, social mobilization and stakeholder engagement towards equitable and qualitative delivery of educational opportunities to nomadic populations in Kenya.

The Council continued to undertake programs that ensure it remains efficient and competitive in the carrying out of its activities. The Council continued conducting online organised stakeholders' advocacy/education forums at county level (Mandera, Kwale, Kilifi and Nairobi). Additionally, the Council remained active with mainstream and online media engagement. To enhance community engagement, the Council held 4 Workshops/Forums with Urban Education Stakeholders. To enhance the Council's visibility as a SAGA within the MoE, Key staff participated in the Joint Education Sector Review of the NESSP. Overall, these efforts saw school infrastructure and learning outcomes improved thus an increase in the



number of Low-Cost Boarding schools, Teacher numbers, overall Pupil enrolment, Nomadic girl-child enrolment and Pupil attendance, progression, graduation and transition rates.

**(v) Development, implementation and monitoring of innovations**

Innovation in government is about finding new ways to impact the lives of citizens, and new approaches to activating them as partners to shape the future together. It involves overcoming old structures and modes of thinking and embracing new technologies and ideas. The potential of innovation in government is immense; however, the challenges governments face are significant. Despite this, governments are transforming the way they work to ensure this potential is met.

In the year under review, while implementing the programmes under the Council's mandate, ICT officers were supported to conduct distance learning through establishment of a solar containerized ICT Classroom in Kuno Primary School in Garissa. In Partnership with UNICEF, the council conducted a situation analysis of mobile and feeder schools with intention of providing existing ones with basic requirements including innovative mobile education kits.

To enhance data management, reporting, evaluation and community engagement, the Council continued with piloting innovations on Water, food and energy solutions for sustainable schools in Kuno. Additionally, in partnership with **DRC** and **ActionAid Kenya**, the Council held Workshops/trainings on Accelerated Education Programme.

To strengthen innovations across the ASAL schools, the Council sensitized 500 head teachers on Energy Saving Jikos and climate change initiatives at school level in four Counties of Garissa, Tana River, Kwale and Kilifi. Following sensitization of the 500 head teachers on energy saving jikos and climate smart initiatives, the council piloted use of Steam Cooking system in schools in Kenya with Nairobi, Kwale and Kilifi as target Counties.

The Council will continue investing in innovations and establish a Monitoring, Evaluation, Accountability and Learning (MEA&L) framework to ensure delivery of sustainable, equitable and quality education in the nomadic counties

**(vi) Strengthening institutional governance and management of education**

Good governance can serve as an entry point to raising institutional performance in the delivery of education services. Strengthening good governance in education systems promotes effective delivery of education services. Critical are appropriate standards, incentives, information, and accountability, which induce high performance from public providers. Improved public performance is one means to enhance returns to public education investments. To strengthen the overall delivery of education in the ASALs of Kenya, the Council carried out ICT functionality and integration into NEMIS for learner enrolment and attendance processes. This enhanced the enrolment of the 228,000 children were considered otherwise OOSC back into school across the sixteen (16) target counties considered to have the highest number of out-of-school children in Kenya. In this regard, the

Council conducted an Annual project review of the target 16 Counties on the OOSC programme that's is due to come to an end (December 2023).

The council managed to procure and install the ERP to ensure integrated management of NACONEK Office processes. Additionally, the Council recruited 52 new staff, secured one additional floor for Office Space and furniture, secured the WFP vehicles procured for MoE to support SMP and established Records Management System at the units' level.

The political economy context of education plays an important role in determining whether the ideas and analysis of the Council have a chance of implementation. It is in this regard that the Council conducted a timely strategic plan evaluation and review which paved way for preparation and monitoring of Annual corporate work plans as well as implementation of performance contracts.

While conducted the three cycles of training of BOMs & PAs of hosting communities and Refugee Schools, the Council was ensuring quality protective education for refugee children and young people everywhere. Working with UNHCR partners and other international agencies, the Council was able to conduct three cycles of Training of Teachers on Mental Health and Psychosocial Support (MHPSS). In conducting the trainings for stakeholders in refugee education, the Council was reiterating the government's commitment to facilitate access to inclusive and equitable quality education in national systems which creates conditions in which children and youth can learn, thrive and develop their potential; build individual and collective resilience; experience and negotiate peaceful coexistence; and contribute to their societies. This reaffirms the fact that inclusion is the best option for refugees, displaced and stateless children and youth and their hosting communities.

#### **(vii) Strengthening institutional capacity and operations.**

Good governance and effective public management are essential for the country and the education sector development which can accelerate development and inclusive growth. But Government Departments and Agencies are confronted with the challenges of designing sound policies amid the changing climate and economic and population landscapes. To adapt, the Council strengthen its institutional capacity by employing 52 new staff and receiving 12 deployed staff from the mother Ministry to help coordinate the SMP programme that is part of the additional mandate of the Council. This development facilitated the Council to begin the implementation of its organization structure and scheme of service.

To increase its institutional capacities to organize programmes, projects and operations, the Council enhanced existing sources of revenue from GoK and increased alternative revenue streams from funding agencies & Development partners. In bid to strengthen its operations, the Council formulated and implemented cost management strategies through instituting zero/activity based budgeting.

To meet the needs of the expanded staffing levels, the Council procured appropriate physical and IT infrastructure. To close on any possible gaps, the Council continued to use the experts/professionals contracted to support key areas of the organization. Additionally the

various capacity building and trainings conducted locally or internationally were geared towards strengthening the governance and institutional capacities of the council by tackling public management reforms and financial sustainability; and service delivery, capacity, and standards.

**(vii) Review and promotion of development, adaptation and implementation of policies and curriculum.**

In the education sector, the importance of having implementing guidelines, together with a policy, cannot be overemphasized. Generally, National governments themselves have responsibility for implementing strategies and policies to improve education delivery. In the year under review, the Council held workshops to complete the review of Kenya Nomadic Education Policy. Shared with MoE Senior Management for concurrence and approval.

The Council conducted a mapping/assessment exercise on Duksi and Madrassa institutions in 10 predominantly Muslim Counties. Additionally, the Council held various Stakeholder engagement forums/conferences on avenues for integration of Duksi and Madrassa into formal education in Kenya. All these activities were geared towards reducing the educational disparities experienced in the predominantly Muslim Counties in Kenya since most of those children considered to be out of school are attending either Duksi or Madrassa Institutions in these areas. Towards seeking avenues for integration of Duksi and Madrassa into formal education, the Council has been holding joint workshops/forums with KNQA to anchor RPL for refugee teachers and Duksi and Madrassa Instructors on their professional career path.

To meet the educational needs of the vulnerable and most at risk children, the Council conducted workshops/forums on the perspectives for Accelerated Education Programme with for a policy direction on those children enrolling as overage learners and at risk of dropping out. Additional, the council in partnership with partners in urban education held preliminary meetings and workshops on possibility of review of the APBET policy.

**7.3 Key Projects Implemented**

During the FY 2022/2023, the council implemented the close up of the three year (2021-2023) project “Come-to-school Kenya Programme” supported by UNICEF under the Education-Above-All, Qatar Foundation. The Programme was destined to bring back to school 250,000 out of school children across sixteen (16) counties that had high numbers of OOSC. Within the project there were various sub components including supporting rehabilitation of facilities within low cost boarding schools, integration of Digital Attendance Application with NEMIS, conducting OOSC Campaign drives, development of nomadic policy, school re-entry , mentorship guidelines as well as integration of Duksi & Madrasa within Formal Education system in Kenya. Additionally, the Council implemented School Meals Programme under KPEEL financed by World Bank and Gok as well as supporting education in Emergencies in Dadaab and Kakuma Refugee Camps.

## **7.4 Compliance with Statutory Requirements**

The Council has complied with the following statutory requirements,

### **(i) Material Losses through Criminal Conduct, Irregular, Fruitless and Wasteful Expenditure**

The Public Finance Management Act requires that the Council include in the Annual Report particulars of any material losses through criminal conduct, irregular expenditure, fruitless and wasteful expenditure that occurred during the financial year. There were no confirmed material instances of losses through criminal conduct discovered during the year under review.

### **(ii) Statutory Deductions Compliance**

The Council has no statutory deductions arrears and has been prompt in remitting all statutory deductions on time.

### **(iii) Supply Chain Management**

The procurement function in the Council is guided by The Constitution of Kenya 2010, The Public Procurement & Asset Disposal Act, 2015 & The Public Procurement and Disposal Regulations 2020 and subsequent legal notices. Pursuant to Legal Notice No.114, the Council achieved 35% in the allocation of contracts out of the total procurement plan budget of Kshs 5,794,054,195 to the designated categories of preference groups.

## **7.5 Risks Facing the Council**

In the year under review, the Council continued to dispense its functions without a substantive Board/Council members thus presenting risks to decision making on staffing, status of the council and various other operation obligations. At operational level, the Council's Internal Audit Department was understaffed thus posing threats on the constant review of the internal controls that are in place to ensure efficiency and accountability in the management of resources. Additionally, the unexpected budget cuts by the National Treasury presents risks to the council which may lead to inadequate funding of its programmes and activities.

At the programming level, drawing conclusion from the fact that the Government of Kenya has allocated significant budget to education, to implement reforms such as the Competency Based Curriculum and 100 per cent transition from primary to secondary school. However, issues such as poor-quality teaching and large class sizes still affect the quality of children's learning. The pupil-to-teacher ratio remains very high in some counties, such as 77 to 1 in Turkana which falls under the Council's geographical spread. Kenya has made gains in reaching remote areas and disadvantaged communities at primary and pre-primary level. In pastoral communities, high dropout rates reflect a perceived lack of value of schooling, long distances to schools and high rates of child marriage. The Council covers the marginalized areas of Kenya which include the ASALs of Kenya, Slums and Urban Informal settlements

here education provision is faced with increased risks of insecurity, violence, child labour and poor infrastructure, as exemplified in inadequate boarding facilities. The council is thus faced with risks of poor Access and enrolment thus presenting the menace of Out of School Children across the country.

#### **7.6 Material arrears in statutory and other financial obligations**

The Council has no statutory deductions arrears and has been prompt in remitting all statutory deductions on time.

#### **7.7 Review of the Economy**

The Council received the mandate of school meals programme in the Second quarter of FY 2022/2023. At the time, food inflation in Kenya had increased to 15.4 percent in the third quarter of 2022 from 12.8 percent in the previous quarter. The elevated food price was largely driven by edible oils, maize, and wheat products. Overall inflation increased to 8.7 percent in the third quarter of 2022 from 7.2 percent in the previous quarter, driven by supply side factors that exerted upward pressure on food and energy prices. The energy component remained the major driver of fuel inflation, due to higher costs of energy items such as diesel, petrol, kerosene, gas/LPG, and electricity. Due to the pressure on economy, the Council was confronted by a convergence of food commodity prices and transportation to schools on the school meals programme, triggering largely review of supplier prices and costing.

#### **7.8 Review of the Education Sector and Future Developments**

The government of Kenya since the 2022 has been in the processing of reforming education. The reform in Kenya's education sector is in line with emerging global trends in education. Many countries continually review their education systems to ensure that they are suited for a rapidly changing world and to address their context specific challenges.

Kenya is reforming its education to lay a strong foundation for human capital development suited for transformation and innovation in a globalised and competitive world. The PWP-ER's work also seeks to build on the achievements and trends in the education sector. The Council has benefitted in the review of the Education sector in various fronts. First, the PWP-ER acknowledges the Council's geographical spreads to be marginalized and thus the need to review the name of the Council to reflect marginalized areas. Second, the PWP-ER has given the Council expanded mandate including SMP, Low Cost boarding schools and ICT - enabled learning in the marginalized areas of Kenya. Third, the PWP-ER has highlighted the issue of Out of school children and thus given strong proposition of integration of Duksi and Madrasa within formal education system in Kenya. All the council's future development will be anchored on the expanded mandate as anchored in PWP-ER 2023.

## **8. Environmental and Sustainability Reporting**

The Council has reviewed its current strategic plan with an overall goal of aligning it to the MTP IV of Vision 2030, NESSP 2022-2027 and education sector policies and guidelines that will better help define its CSR statement.

### **8.1 Sustainability Strategy and Profile**

The National Council for Nomadic Education in Kenya exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. The Council recognizes its obligations to act responsibly, ethically and with integrity in its interactions with all stakeholders be they employees, customers, suppliers, neighbours and the environment as a whole.

The Sustainability Report for FY 2022/2023 is organized to reflect the financial, economic, social and environment achievements that the Council has delivered on and to show where our sustainability efforts are now focused in terms of priority. Below is an outline of the organisation's policies and activities anchored in the Council's management practices that are geared towards promoting sustainability.

#### **i) Budgets.**

As tradition, the National Treasury prepared and implemented the Medium-Term Expenditure Framework (MTEF) by involving stakeholders in the entire budgetary cycle as provided for in the PFM Act, 2012. The Council submits its programme-based budgets reports to the National Treasury through MoE as per the budgetary timelines. The current allocations made over the MTEF period are not sufficient to allow the Council to undertake all its core activities. Engagements with the MoE & the National Treasury will be sustained to ensure adequate funding for planned activities. Additionally, engagement with UNICEF, The World Bank, Rockefeller Foundation and AfDB ongoing and pipeline projects through have been directly committed in conducting various interventions in the course of the year and beyond.

#### **ii) Financial Reports.**

Throughout the period under review, the Council ensured that financial discipline was exercised. As a Semi-Autonomous Government Agency, the Council reports its financial performance to the National Treasury through MoE by submitting quarterly reports in the following month after the stated Quarter. The annual audited financial statements are submitted to Parliament through the Public Investment Committee.

#### **iii) Performance Contract Management.**

This is the second cycle of the Council being on the Performance Contract cycle thus it strived to adhere to the performance contract management as per the government policy through

the Ministry of Education (MoE). The Council having a mix of staff (new staff and deployed from MoE) reports its performance to the Performance Contracting Department by submitting quarterly reports. In its inception year, of the FY 2021/2022, the Council scored a composite score of 3.54 in the Performance Contract evaluation which is equivalent to score of "Good". This was conducted physically at the Council's boardroom and disseminated through the Report on Evaluation of Performance of Ministries, State Corporations and Tertiary Institutions for FY 2020/2021.

## **8.2 Environmental performance**

It is important to our employees to work for a socially responsible organization and our approach therefore reflects our people. We recognize that our activities as a Council have an impact on our communities and the general public. We are committed to not only managing that impact but also using the public resources we have been entrusted with in making a real and sustainable difference. To this end the Council is actively involved in supporting and developing the local Community to make a lasting positive impact.

NACONEK's environmental and social management/monitoring plans are anchored on environmental laws, regulations, standards and best practices. The Council ensures compliance with all relevant national and international environmental and other statutory regulatory provisions that apply to its projects as pertains to licensing/permitting for water usage (abstraction license) and project implementation to ensure sound environmental management practice.

The Council undertakes regular environmental audits and has valid permits and licenses for the same when implementing the NIWFESS pilot framework at Kuno Primary school in Garissa County. The Council is working towards implementation of two new projects IMPRESSED and INCARE and strives to be in total compliance with following;

- The Environmental Management and Coordination Act (EMCA) of 1999 Amendment 2015 and the associated regulations;
- The Water Act of 2016 and Associated Rules/Guidelines;
- Occupational Safety and Health Act 2007 and Associated Rules and any other regulations relating to environmental conservation and management. Project implementation is guided by the international best practices that include the International Finance Corporation (IFC) Performance Standards on environment and social sustainability.

In overall, The Council actively contributes to social and environmental initiatives in the republic through donation of time and funds. Further, the Council has in place policies that clarify its commitment to negating its impact on the environment. The Council works hard to ensure that the negative impact our work has on the Environment is minimized.

### 8.3 Employee Welfare

During the year under review, the Council employed new staff and as well received deployed staff from MoE. With these developments, the Council has to put in place Employee Welfare & Benefits initiatives which are geared towards enhanced employee motivation, retention and improvement of employees' health & wellbeing. These include; Staff Retirement Benefits Scheme and in-house medical scheme for employees and their declared dependents. In overall NACONEK promotes a harmonious working relationship and framework of engagement for all its employees.

The Council has a Human Resource Committee which oversees the training function. The Council has a corporate skills inventory for all employees for purposes of identifying the available competencies and the required skills in order to plan for training or recruitment to address the identified gaps and for succession management. In addition, the Council has engaged an external consultant to conduct a Training Need Analysis (TNA) which is used to identify the existing gaps in the Council and recommendation on how the gaps should be filled.

Training opportunities offered to our staff on rotational basis and have increased the competency pool, knowledge management and staff retention. Further, the Council organizes knowledge-sharing sessions for employees to share knowledge and experiences after attending various training programs. The sessions are aimed at ensuring that staff get an opportunity for deeper understanding of what they learnt while achieving workforce development. In order to ensure that professionalism is entrenched, all staff members are sponsored for training targeted at earning points for professional good standing.

NACONEK engages students/graduates from time to time on internship/attachments for a continuous period of not more than six (6) months. The Council is an equal opportunity employer and selection of graduates and students.

In overall, the Council is an Equal Opportunities Employer which promotes diversity and does not differentiate on grounds of gender, ethnicity, religion, race, or physical ability. The Council carries out regular risk assessments to guarantee the wellbeing of employees and visitors, in accordance with Occupational Health and Safety regulations. The Council provides the tools to enable employee growth and fulfilment for Individuals and for the organization to work together to make a difference as a team.

#### **i) Market place practices-**

The Council has put in place structures to protect vulnerable consumers from market distortions that include charging of exorbitant prices which left without control may result in the upsurge of anticompetitive practices such as lack of innovation, poor quality services, among others.



**a. Responsible competition practice.**

The council while dealing with contractors and service providers is alive to the fact that competition regulation in the professional sector has emerged as a key concern because of the detrimental effect it has on consumers' access to such services. The Council acknowledges the creation of a "competition culture" within the country which is fundamental to the success of Kenyan Competition Authority, and ultimately for the effective implementation of competition law and policy. Through the regular weekly open forums/discussions with listed and potential contractors and service providers, the council sanitizes the business stakeholders on responsible competition practice with intention of achieving the following;

1. Exposing corrupt activities and risks.
2. Keeping the public sector honest, transparent and accountable.
3. Stopping dishonest practices.
4. Ensuring public sector employees act in the public interest.

**b. Responsible Supply chain and supplier relations**

The Council as a public institution as well as state-owned enterprises needs to procure goods, services and works to carry out its responsibilities and duties. In general, public procurement is one of the government activities most vulnerable to corruption. In addition to the volume of transactions and the financial interests at stake, corruption risks are exacerbated by the complexity of the process, the close interaction between public officials and businesses, and the multitude of stakeholders. Integrity risks occur in every stage of the procurement process, from the needs assessment over the bidding phase to the contract execution and payment. The nature of the integrity risk may differ for each step, and red flags include undue influence, conflict of interest, and various kinds of fraud risks.

With expanded mandate, that of coordinating the Schools Meals Programme that has attracted huge financing from both government and development partners, the Council has had to introduce a specific code of conduct for procurement officials, together with specific guides and training, to help procurement officials apply these standards in their daily practice. Ethics or integrity training for these officials in particular, has raised awareness, development of knowledge and commitment, and foster a culture of integrity in the Council and its clientele base.

**ii) Corporate Social Responsibility / Community Engagements**

Community engagement is one of the key pillars of corporate social responsibility (CSR), alongside the concern with the workplace, the marketplace and the environment. The Council is quite alive to the fact that community involvement can take many forms. The Council has continued to support the Kuno School and the adjacent community in greening the school with planting of Sudan grass, gliricidia tree as well as engaging with the adjacent

communities in tree planting initiatives. These opportunities have mutually benefit the Council and Kuno community by generating publicity, as well as improving the neighbourhood around the school that is host to the NIWFESS pilot project.

## 9. Report of the Management

The Management submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the Council's affairs.

### i) Principal activities

The principal activities of the Council are set out in the Basic Education Act 2013 Article 94 (1) and the sixth Schedule which stipulate the following organization's mandate.

- a) Initiate the development, implementation and review of policies on all matters relating to education in the ASAL areas, Pockets of Poverty regions and Urban Informal Settlements of Kenya. e.g. Nomadic Education policy;
- b) Mobilize funds and other resources from various sources for the development of nomadic education in order to support relevant activities of the Council;
- c) Institutionalize mechanisms for effective coordination, monitoring and evaluation of the activities of agencies involved in the provision of education in the ASAL areas, Pockets of Poverty regions and Urban Informal Settlements of Kenya;
- d) Implement guidelines and ensure geographical spread of education activities and targets for the ASAL areas, Pockets of Poverty regions and Urban Informal Settlements of Kenya;
- e) Establish appropriate linkages and partnerships with other participating departments and agencies;
- f) Determine standards and skills to be attained in schools and institutions of learning within the ASAL areas, Pockets of Poverty regions and Urban Informal Settlements of Kenya and review such standards from time to time; and
- g) Collate, analyse and publish information on education activities in the ASAL areas, Pockets of Poverty regions and Urban Informal Settlements of Kenya.

### ii) Results


The results of the National Council for Nomadic Education in Kenya for the year ended 30 June, 2023 are set out on pages 1-30.

### iii) Directors

There were no Council members who served during the year under review.

**iv) Auditors**

The Auditor-General is responsible for the statutory Audit of National Council for Nomadic Education in Kenya in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

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**Harun M. Yussuf, HSC**

**Secretary/Chief Executive Officer**

#### 10. Statement of Management Responsibilities

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

The Council are responsible for the preparation and presentation of the 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, 2023. 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 Management accept responsibility for the Entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 entities should quote applicable legislation as indicated under which they are regulated). The management are 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, 2023, and of the Entity's financial position as at that date. The management further confirms the completeness of the accounting records maintained for the Entity, 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.

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

#### Approval of the financial statements

The Council's financial statements were approved on 8/01/2024 by

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**Harun M. Yussuf, HSC**  
**Secretary/Chief Executive Officer**

# REPUBLIC OF KENYA



*Enhancing Accountability*

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## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL COUNCIL FOR NOMADIC EDUCATION IN KENYA FOR THE YEAR ENDED 30 JUNE, 2023**

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### **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 that the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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**

#### **Opinion**

I have audited the accompanying financial statements of National Council for Nomadic Education in Kenya set out on pages 1 to 25, which comprise the statement of financial

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*Report of the Auditor-General on National Council for Nomadic Education in Kenya for the year ended 30 June, 2023*

position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows, statement of comparison of budget and actual amounts and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Council for Nomadic Education in Kenya as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter 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**

#### **Anomalies in the School Meals Program**

The statement of financial performance reflects program expenses of Kshs.5,637,146,889 which, as disclosed in Note 13 to the financial statements, includes

amounts of Kshs.1,099,575,605 and Kshs.4,456,831,741 in respect of school meals-Kenya Primary Education Equity in Learning (KPEEL) Program and school meals - Government of Kenya (GoK) Program, respectively, all totalling Kshs.5,556,407,346. The following anomalies were however observed:-

- i. Included in the program expenses is an amount of Kshs.17,892,900 which was transferred to one hundred and thirty (130) schools in Kajiado, Nyeri, Embu, Makueni and Kitui Counties, of the one hundred and thirty (130) schools, Forty-two (42) schools did not have School Meals Program Committees (SMPC) contrary to Sections 2.2.1 and 2.2.2 of the Home-grown School Meals Programme Implementation Guidelines which provide for formation of SPMCs, and the roles and responsibilities of the Committees as regards implementation of the programme activities.
- ii. It was further observed that some head teachers had not been sensitized on the operations of the homegrown program and early childhood education pupils were not included in the program despite being entitled.
- iii. It was revealed that the schools did not receive disbursements on a quarterly basis as expected, resulting to funding deficit for purchase of foodstuffs for the learners.
- iv. Some food handlers in the counties visited did not have medical certificates contrary to Section 5.4.1.3 of the Home-grown School Meals Programme Implementation Guidelines which requires the SPMCs select medically fit cooks who have valid medical certificates and who are clean and wear proper uniforms including a clean apron and head gear.
- v. Some schools used temporary structures as kitchens, thus were exposed to the risk of theft through break-ins or damage from weather elements. Further, some schools did not have functional energy saving jikos, spacious, cemented-floor and well-ventilated kitchens and tiled working surfaces for easy cleaning, proper drainage systems and proper storage facilities for utensils contrary to Sections 5.2.3.2 and 5.2.3.3 of the Home-grown School Meals Program Implementation Guidelines which require the schools to maintain high standards of food safety and hygiene that are acceptable.
- vi. A total of Kshs.1,424,000 was disbursed to three (3) primary schools in Kajiado County whose Management did not open separate current accounts for the school meals program funds. Further, a total of Ksh.2,216,400 was disbursed to six (6) schools whose Management did not provide bank statements to confirm receipt of the funds. This was contrary to Section 2.2.4(a) of the Home-grown School Meals Program Implementation Guidelines which requires each school to open a separate current bank account with a cheque book from a bank of their choice for receipts and disbursements of homegrown school meals program monies.

In the circumstances, Management was in breach of the law.



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 comply, 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the matters described in the Basis for Conclusion on the 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 governance were not effective.

### **Basis for Conclusion**

#### **1. Lack of a Governing Council**

During the year under review, the Council operated without a governing Council, contrary to Section 2 of the Sixth Schedule of the Basic Education Act, 2013. This was despite a request by the Management through letter Ref. No. NACONEK/2/9/Vol.II dated 15 July, 2021 to the Cabinet Secretary, Ministry of Education to constitute a Council of Members.

In the circumstances, the effectiveness of the Council in discharging its mandate could not be confirmed.

#### **2. Weak Controls over Inventory Management for School Meals Program**

Note 13 to the financial statements discloses expenditure of Kshs.3,137,178,704 on purchase of foodstuffs for School Meals Program. However, the Council did not have in place an inventory management system for managing receipt and distribution of foodstuffs. Instead, this was done in MS Excel worksheets, a process which may be prone to errors and manipulation.

In the circumstances, the controls over the receipt and distribution of foodstuffs may not have been effective.

The audit was conducted in accordance with the ISSAIs 2315 and 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, 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 the Management and the Council**

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

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

The 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

## **Auditor-General's Responsibilities for the Audit**

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material 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 controls 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 policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and 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 Council's ability 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 Council not 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 Council to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi


20 March, 2024


National Council for Nomadic Education in Kenya (NACONEK)  
Annual Reports and Financial Statements For the year ended 30 June 2023

**12. Statement of Financial Performance for the year ended 30 June 2023**

	Note	FY 2022-2023	FY 2021-2022
<b>Revenue from non-exchange transactions</b>		<b>Kshs</b>	<b>Kshs</b>
Transfers from Other Government Entities	6	5,121,940,262	446,066,256
Transfers from Development Partners	7	1,117,212,160	14,899,380
		<b>6,239,152,422</b>	<b>460,965,636</b>
<b>Revenue from Exchange transactions</b>			
Finance income	8	12,225,380	-
<b>Total Revenue</b>		<b>6,251,377,802</b>	<b>460,965,636</b>
<b>Expenses</b>			
Employee costs	9	38,578,345	2,065,000
Governing Council Expenses	10	-	1,920,000
Depreciation and amortization expense	11	28,059,793	13,363,093
Use of Goods and Services	12	180,789,744	100,402,427
Programs Expenses	13	5,637,146,889	180,809,225
Contracted Professional Services	14	137,928,779	111,455,088
Activity based Expenses	15	16,759,520	15,208,380
<b>Total expenses</b>		<b>6,039,263,071</b>	<b>425,223,213</b>
<b>Surplus for the period</b>		<b>212,114,731</b>	<b>35,742,423</b>

The Financial Statements set out on pages 1 to 30 were signed by:

  
.....  
Chief Executive Officer  
Harun M. Yussuf, HSC  
Date:

  
.....  
Deputy Director- Accounts  
& Finance  
CPA Ibrahim F. Dagane  
ICPAK NO. 15819  
Date:

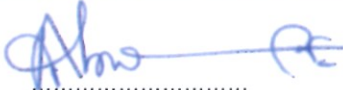
National Council for Nomadic Education in Kenya (NACONEK)  
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**13. Statement of Financial Position as at 30 June 2023**

	Note	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	16	195,141,149	27,544,818
<b>Total Current Assets</b>		195,141,149	27,544,818
<b>Non-current assets</b>			
Property, plant, and equipment	17	82,363,936	44,756,575
Intangible Assets	18	10,152,000	828,000
<b>Total Non-Current Assets</b>		92,515,936	45,584,575
<b>Total Assets</b>		287,657,085	73,129,393
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	19	1,000,000	1,000,000
Retention	20	2,412,960	-
<b>Total Liabilities</b>		3,412,960	1,000,000
<b>Net Assets</b>			
Accumulated Surplus		284,244,125	72,129,394
<b>Total Net Assets and Liabilities</b>		287,657,085	74,129,394



Chief Executive Officer  
Harun M. Yussuf, HSC  
Date:



Deputy Director Accounts  
& Finance  
CPA Ibrahim F. Dagane  
ICPAK NO. 15819  
Date:

National Council for Nomadic Education in Kenya (NACONEK)  
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**14. Statement of Changes in Net Assets for the year ended 30 June 2023**

Details	Accumulated Surplus Kshs.
As at July 1, 2021	36,386,971
Surplus for the Period	35,742,423
<b>As at 30th June 2022</b>	<b>72,129,394</b>
At July 1, 2022	72,129,394
Surplus for the Period	212,114,731
<b>As at 30<sup>th</sup> June 2023</b>	<b>284,244,125</b>



Chief Executive Officer

Harun M. Yussuf, HSC

Date:



Deputy Director  
Accounts & Finance

CPA Ibrahim F. Dagane

ICPAK NO. 15819

Date:

National Council for Nomadic Education in Kenya (NACONEK)  
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**15. Statement of Cash Flows for the year ended 30 June 2023**

	Notes	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from MDAs		5,121,940,262	446,066,256
Transfers from Development Partners		1,117,212,160	14,899,380
Finance Income		12,225,380	-
<b>Total Receipts</b>		<b>6,251,377,802</b>	<b>460,965,636</b>
<b>Payments</b>			
Employee cost		38,578,345	2,065,000
Council expenses		-	1,920,000
Use of goods and services		180,789,744	99,902,427
NACONEK program expenses		5,637,146,889	180,809,225
Contracted professional services		137,928,779	111,455,088
Activity based Expenses		16,759,520	15,208,380
<b>Total Payments</b>		<b>6,011,203,278</b>	<b>411,360,120</b>
<b>Net cash flows from operating activities</b>	<b>19</b>	<b>240,174,525</b>	<b>49,605,516</b>
<b>Cash flows from investing activities</b>			
Purchase of Property and Equipment		(60,578,194)	(23,939,492)
Purchase of intangible assets		(12,000,000)	-
			-
<b>Net cash flows used in investing activities</b>		<b>(72,578,194)</b>	<b>(23,939,492)</b>
<b>Net increase in cash and cash equivalents</b>		<b>167,596,331</b>	<b>25,666,024</b>
Cash and cash equivalents at Period Start	15	<b>27,544,818</b>	<b>1,878,794</b>
<b>Cash and cash equivalents at Period End</b>	<b>15</b>	<b>195,141,149</b>	<b>27,544,818</b>



National Council for Nomadic Education in Kenya (NACONEK)  
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**16. Statement of Comparison of Budget and Actual Amounts for the year ended 30 June 2023**

	Original Budget	Adjustments	Final Budget	Actual basis	Performance Difference	Percentage Utilization
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from MDAs	3,161,940,262	1,960,000,000	5,121,940,262	5,121,940,262	-	100
Transfers - Development Partners	1,117,212,160	-	1,117,212,160	1,117,212,160	-	100
Finance Income	12,225,380	-	12,225,380	12,225,380	-	100
<b>Total Income</b>	<b>4,291,377,802</b>	<b>1,960,000,000</b>	<b>6,251,377,802</b>	<b>6,251,377,802</b>	<b>0</b>	<b>100%</b>
<b>Expenses</b>						
Employees Costs	41,500,000	-	41,500,000	38,578,345	2,921,655	93
Depreciation expense	-	-	-	28,059,793	28,059,793	
Use Of Goods and Services	258,111,447	-	258,111,447	180,789,744	77,321,703	70
Program Expenses	3,834,054,195	1,960,000,000	5,794,054,195	5,637,146,889	156,907,306	97
Contracted Professional Services	140,500,000	-	140,500,000	137,928,779	2,571,221	98
Activity Based Expenses	17,212,160	-	17,212,160	16,759,520	452,640	97
<b>Total Expenditure</b>	<b>4,291,377,802</b>	<b>1,960,000,000</b>	<b>6,251,377,802</b>	<b>6,039,263,071</b>	<b>268,234,318</b>	
<b>Surplus for the period</b>	-	-	-	212,114,731	-	-

**Budget notes**

- The difference between the original budget and the final budget is as a result of supplementary budget process occasioned by the Parent Ministry and the National Treasury.
- There was low absorption on use of goods and services due to delay in disbursement of funds from the parent ministry.

## **17. Notes to the Financial Statements**

### **1. General Information**

National Council for Nomadic Education in Kenya (NACONEK) is established by and derives its authority and accountability from twin documents of Nomadic education in Kenya, 2010 and session paper number 14 of 2012. The council was established under section 94 of the Basic Education Act, 2013 and officially launched in May 2015.

### **2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value.

The preparation of financial statements is in conformity with International Public Sector Accounting Standards (IPSAS), which allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying National Council for Nomadic Education in Kenya (NACONEK) accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of NACONEK.

The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted will be consistently applied to all the years presented.

### **3. Adoption of New and Revised Standards**

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p>

Standard	Effective date and impact:
	<ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p>The standard will affect how the council will present and classify financial instruments.</p>
<b>IPSAS 42: Social Benefits</b>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the Entity.</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</li> </ul> <p>The management is in the process of process of assessing the impact of this standard in respect to its operations.</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> </ul>

*National Council for Nomadic Education in Kenya  
Annual Reports and Financial Statements for the year ended 30 June, 2023.*

Standard	Effective date and impact:
	<p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p>The standard will impact the way the Council accounts for financial instruments.</p>
Other improvements to IPSAS	<p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008).</li> <li>• <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</li> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement.</b> Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</li> </ul>

*ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
IPSAS 43	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The Standard requires,</p>

Standard	Effective date and impact:
for Sale and Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>The standard has no impact on the Council operations</p>

*iii.* **Early adoption of standards**

The Council did not early – adopt any new or amended standards in the financial year or the entity adopted the following standards early.

**4. Summary of Significant Accounting Policies**

**a) Revenue Recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

**ii) Revenue from exchange transactions**

**Interest income**

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

**b) Budget information**

The original budget for FY 2022-2023 was approved by the National Assembly on June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations on the 2022-2023 budget. The budgetary basis adopted in the preparation of the statement of Comparison of budget and actual was Cash based.

**c) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**d) Depreciation**

Depreciation on property, plant and equipment is recognised in the statement of financial performance on a straight-line basis to write down the cost of each asset or the re-valued amount to its residual value over its estimated useful life. The annual rates in use are:

Motor Vehicles	4 years	25%
ICT Equipment	3 years	33.3%
Partitions and Fittings	8 years	12.5%
Office Equipment	8 years	12.5%

**e) Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

**f) Amortisation and impairment of intangible assets**

Amortisation is calculated on the straight-line basis over the estimated useful life of the intangible asset. All intangible assets are reviewed annually for impairment. Where the carrying amount of an intangible asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognised so that the asset is written down immediately to its estimated recoverable amount.

The estimated useful life of the Accounting Software is 5 years.

**g) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. After initial recognition, inventory is measured at the lower of cost and current replacement cost. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Council.



#### **h) Provisions**

Provisions are recognized when the Council has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Council expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

#### **i) Contingent assets**

The Council does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

#### **j) Contingent liabilities**

The Council 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.

#### **k) Nature and purpose of reserves**

The Council creates and maintains reserves in terms of specific requirements. Currently, the Council has a retained earnings reserves which represent the accumulated surplus and capitalized Assets.

#### **l) Changes in accounting policies and estimates**

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

#### **m) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially

recorded during the period, are recognized as income or expenses in the period in which they arise.

**n) Related parties**

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the Council Members and the CEO.

**o) 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**p) Comparative figures**

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

**q) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future

developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

#### **Useful lives and residual values**

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

- a) The condition of the asset based on the assessment of experts.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

#### **Provisions**

The Council had no provisions under IPSAS 19 in the year under review

*National Council for Nomadic Education in Kenya*  
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<b>Note 6: Transfers from Other Govt Entities</b>	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
State Dept. for Basic Education	4,504,579,456	446,066,256
Sports Fund	617,360,806	-
<b>Total</b>	<b>5,121,940,262</b>	<b>446,066,256</b>

<b>Note 6(a)</b>	<b>Amount</b>	<b>Amount</b>	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
<b>Name of the Entity sending the grant</b>	<b>recognized to Statement of Financial performance</b>	<b>deferred under deferred income</b>		
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Basic Education	4,504,579,456		4,504,579,456	446,066,256
Sports Fund	617,360,806		617,360,806	-
<b>Total</b>	<b>5,121,940,262</b>	<b>-</b>	<b>5,121,940,262</b>	<b>446,066,256</b>

<b>Note 7: Grants from Development Partners</b>	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
World Bank	1,100,000,000	-
UNICEF	17,212,160	14,899,380
<b>Total</b>	<b>1,117,212,160</b>	<b>14,899,380</b>

<b>Note 8: Finance Income</b>	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Income	12,225,380	-
<b>Total</b>	<b>12,225,380</b>	<b>-</b>

<b>Note 9: Employee Costs</b>	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic Salary and Allowances	36,920,345	-
Extraneous Allowance	1,608,000	1,440,000
Interns Student Allowance	50,000	625,000
<b>Total</b>	<b>38,578,345</b>	<b>2,065,000</b>

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<b>Note 10: Governing Council Expenses</b>	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Chairman's Honoraria	-	1,920,000
<b>Total</b>	<b>-</b>	<b>1,920,000</b>

<b>Note 11: Depreciation &amp; Amortization</b>	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Property, plant, and equipment	25,383,793	13,087,093
Intangible Assets	2,676,000	276,000
<b>Total</b>	<b>28,059,793</b>	<b>13,363,093</b>

<b>Note 12: Use of Goods and Services</b>	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Advertising	1,125,104	533,600
Audit fee	1,000,000	500,000
Bank Charges	158,330	133,789
Catering services	7,394,356	8,189,211
Domestic Travel and Subsistence	101,287,089	41,085,850
Foreign Travel & subsistence	10,036,307	5,955,709
Fuel and oil	5,628,886	1,527,200
General Printing and stationery	1,240,700	3,928,714
ICT Accessories and consumables	33,236,722	25,904,514
Motor vehicle maintenance	3,092,741	2,233,689
Office Utilities	6,433,209	2,418,755
Rent expenses	6,323,542	6,546,618
Training/Workshops	1,998,951	1,444,778
Withholding tax on interest	1,833,807	-
<b>Total</b>	<b>180,789,744</b>	<b>100,402,427</b>

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<b>Note 13: Programs Expenses</b>	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Review of Nomadic Education Policy	110,600	487,185
Facilitation of NIWFESS pilot project	9,324,000	7,774,900
Implementation of NIWFESS	67,107,544	163,082,850
Smart Access Pilot Face	-	4,999,600
Integration of Duksi and Madrassa	4,197,400	4,464,690
School Meals Program –KPEEL W/B	1,099,575,605	-
School Meals program -GoK	4,456,831,741	-
<b>NACONEK Programs Expenses</b>	<b>5,637,146,889</b>	<b>180,809,225</b>

<b>Note 14: Contracted Professional Services</b>	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Strategic Indicatives Management	-	4,255,623
Climate Change Initiative and Management	48,392,890	42,787,915
Home Grown Food Solutions	13,354,600	41,440,540
Internal Capacity Building	4,000,000	11,457,664
Legal Liaison and Advisory Services	2,280,000	9,120,000
Review of the Strategic Plan	-	2,000,000
Staff recruitment	16,151,289	-
Resource Mobilization	52,800,000	-
Pension services	950,000	-
<b>Total</b>	<b>137,928,779</b>	<b>111,455,088</b>

<b>Noted 15: Activity Based Program Expenses</b>	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
AVISI	-	309,000
UNICEF	16,759,520	14,899,380
<b>Total</b>	<b>16,759,520</b>	<b>15,208,380</b>

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<b>Note 16: Cash and Cash Equivalents</b>	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Cash at Bank	195,141,149	27,544,818.00
<b>Total</b>	<b>195,141,149</b>	<b>27,544,818</b>

<b>Note 16(a): Analysis of Cash</b>		<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
<b>Financial institution</b>	<b>Acc No</b>	<b>Kshs</b>	<b>Kshs</b>
HFC	9783817569	413,195	-
National Bank-	1040207060700	194,727,954	27,544,818
<b>Grand total</b>		<b>195,141,149</b>	<b>27,544,818</b>

**Note 17: Property Plant & Equipment**

	<b>Motor Vehicle</b>	<b>ICT Equipment</b>	<b>Partitions Furniture &amp; Fittings</b>	<b>Office Equipment</b>	<b>Total</b>
Rate	25%	33.30%	12.5%	12.5%	
Cost at 1st July 2021	8,000,000	8,345,230	26,536,516	430,650	43,312,396
Additions	7,510,000	4,836,776	11,592,716	-	23,939,492
<b>Cost at 30th June 2022</b>	<b>15,510,000</b>	<b>13,182,006</b>	<b>38,129,232</b>	<b>430,650</b>	<b>67,251,888</b>
Cost at 1st July 2022	15,510,000	13,182,006	38,129,232	430,650	67,251,888
additions		21,263,490	24,129,600	17,598,064	62,991,154
<b>Cost at 30 June 2023</b>	<b>15,510,000</b>	<b>34,445,496</b>	<b>62,258,832</b>	<b>18,028,714</b>	<b>130,243,042</b>
Depreciation					-
As 1st July 2021	2,000,000	2,938,220	4,416,169	53,831	9,408,219
Charge for the period	3,877,500	4,389,608	4,766,154	53,831	13,087,093
<b>As at 30th June 2022</b>	<b>5,877,500</b>	<b>7,327,828</b>	<b>9,182,323</b>	<b>107,663</b>	<b>22,495,313</b>
As 1st July 2022	5,877,500	7,327,828	9,182,323	107,663	22,495,313
Charge for the period	3,877,500	11,470,350	7,782,354	2,253,589	25,383,793
<b>As at 30 June 2023</b>	<b>9,755,000</b>	<b>18,798,178</b>	<b>16,964,677</b>	<b>2,361,252</b>	<b>47,879,106</b>
<b>Net Book Value 30 June 22</b>	<b>9,632,500</b>	<b>5,854,178</b>	<b>28,946,910</b>	<b>322,988</b>	<b>44,756,575</b>
<b>Net Book Value 30 June 2023</b>	<b>5,755,000</b>	<b>15,647,318</b>	<b>45,294,156</b>	<b>15,667,462</b>	<b>82,363,936</b>

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<b>Note 18: Intangible Assets</b>	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Cost as at 1st July 2022	1,380,000	1,380,000
Additions	12,000,000	
Cost as at 30th June	13,380,000	1,380,000
Amortization Rate	20%	20%
Amortization at start of period	552,000	276,000.00
Charge for the period	2,676,000	276,000.00
Accumulated Amortization	3,228,000	552,000.00
<b>NBV as at 30<sup>th</sup> June</b>	<b>10,152,000</b>	<b>828,000</b>

<b>Note 19: Trade and Other Payables</b>	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Audit Fees	1,000,000	1,000,000
Sundry Creditors		
<b>Total trade and other payables</b>	<b>1,000,000</b>	<b>1,000,000</b>

Aging analysis: There are no payables just audit fees provisions that are under one year.

<b>Note 20: Retentions and Deposits</b>	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Deposits	2,412,960	
<b>Total</b>	<b>2,412,960</b>	

Aging analysis: 100% of retention deposit are under one year.



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<b>Note 21: Cash Generated from Operations</b>	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Surplus for the year before tax	202,114,731	35,742,423
Adjusted for:		
Depreciation	28,059,793	13,363,093
Working Capital adjustments		
Decrease in Payables	-	500,000
<b>Net cash flow from operating activities</b>	<b>230,174,525</b>	<b>49,605,516</b>

## **22. Financial Risk Management**

The Council activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Council's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Council's financial risk management objectives and policies are detailed below:

**i) Credit risk**

The Council has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the Senior Managers. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the Entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	<b>Total amount</b>	<b>Fully performing</b>	<b>Past due</b>	<b>Impaired</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
As at 30 June 2023				
Bank balances	<b>195,141,149</b>	<b>195,141,149</b>		
<b>Total</b>	<b>195,141,149</b>	<b>195,141,149</b>		
As at 30 June 2022				
Bank balances	27,544,818	27,544,818		
<b>Total</b>	<b>27,544,818</b>	<b>27,544,818</b>		

**ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Council's Senior Management, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

**iii) Market risk**

The Entity has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from

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changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments.

In the year under review the Council did not have market risk exposure

**iv) Capital Risk Management**

The objective of the entity's capital risk management is to safeguard the Council's ability to continue as a going concern. The Council capital structure comprises of the following funds:

<b>Details</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Retained Earnings	284,244,125	72,129,393
<b>Total Funds</b>	<b>284,244,125</b>	<b>72,129,393</b>
Total Borrowings	-	-
Less: Cash And Bank Balances	<b>195,141,149</b>	27,544,818
Net Debt/(Excess Cash And Cash Equivalents)		
<b>Gearing</b>	<b>68%</b>	<b>38%</b>

**23. Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

**Government of Kenya**

The Government of Kenya is the principal shareholder of the Council, holding 100% equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external.

**Other related parties include:**

- i) The Parent Ministry
- ii) Council Members
- iii) Key Management

**Relates Party Disclosures**

	2022-2023	2021-2022
	Kshs	Kshs
<b>a) Grants /Transfers from the Government</b>		
Grants from National Government	5,121,940,262	446,066,256
Grants from Development Partners	1,117,212,160	14,899,380
<b>Total</b>	<b>6,239,152,422</b>	<b>460,965,636</b>
<b>b) Key management compensation</b>		
Chairman's Emoluments	-	1,920,000
<b>Total</b>	<b>-</b>	<b>1,920,000</b>

- c) Transactions relating to electricity and water are paid as part of rent thus the council has no direct transactions with Kenya Power and Nairobi Water Company.

**24. Events after the Reporting Period**

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

**25. Ultimate and Holding Entity**

The Council is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**26. Currency**

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

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**18. Appendices**

**Appendix 1: Progress on Follow up of Auditor Recommendations**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Low Capital Budget Absorption.	The low capital budget absorption was as a result of delays in the release of funds from The National Treasury through the Ministry of Education.	Not resolved	July 2024
2.	Unresolved Prior Year Audit Issues.	The council is in the process of addressing the prior year audit issues before the end of the financial year.	Not resolved	July 2024
3.	Lack of Governing Council.	The names of the council members has been forwarded to the Cabinet Secretary, Ministry of Education for onward appointments and publication.	Not resolved	July 2024



**Chief Executive Officer**

**Date:**

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**Appendix II: Projects implemented**

Projects implemented by the State Corporation/ SAGA Funded by development partners and/ or the Government.

Project title	Project Number	Donor	Period/ duration	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
Kenya Primary Education Equity in Learning Program (KPEEL)	P176867	World Bank	5 yrs.	NO	YES

**Status of Projects completion**

Project	Total project Cost(Kshs)	Total expended to date(Kshs)	Completion % to date	Budget	Actual	Sources of funds
Kenya Primary Education Equity in Learning Program (KPEEL)	2,969,250,000	1,100,000,000	37%	2,969,250,000	1,100,000,000	World Bank

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**Appendix IV: Transfers from Other Government Entities**

<b>MDA Transferring Funds</b>	<b>Date received as per bank statement</b>	<b>Nature: Recurrent/ Development</b>	<b>Total Amount KES</b>	<b>Statement of Financial Performance</b>	<b>Capital Fund</b>	<b>Deferred Income</b>	<b>Receivables</b>	<b>Others - must be specific</b>	<b>Total Transfers during the Year</b>
Ministry of Education- State Dept. for Basic Education	30/06/2023	Recurrent	4,504,579,456	4,504,579,456					4,504,579,456
Ministry of Youth Affairs, The Arts and Sports-State Department for Sports	25/01/2023	Recurrent	617,360,806	617,360,806					617,360,806
<b>Total</b>			<b>5,121,940,262</b>	<b>446,066,256</b>					<b>5,121,940,262</b>

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**Appendix V- Inter-Entity Confirmation Letter**

**Confirmation of amounts received by National Council for Nomadic Education in Kenya as at 30<sup>th</sup> June 2023 from Ministry of Education State Department of Early learning and basic Education and Ministry of Youth Affairs, The Arts and Sports State Department For Sports.**

Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2022				Amount Received by [NACONEK] (Kshs) as at 30 <sup>th</sup> June 2023 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Ministry of Education	5-AUG-2022	Recurrent			37,228,381	37,228,381	
Ministry of Education	12-SEPT-2022	Recurrent			37,228,381	37,228,381	
Ministry of Education	06-OCT-2022	Recurrent			37,228,381	37,228,381	
Ministry of Education	01-NOV-2022	Recurrent			73,790,096	73,790,096	
Ministry of Education	01-NOV-2022	Recurrent			1,966,693,389	1,966,693,389	
Ministry of Education	29-DEC-2022	Recurrent			36,895,048	36,895,048	
Ministry of Education	06-FEB-2023	Recurrent			37,228,381	37,228,381	
Ministry of Education	29-MAR-2023	Recurrent			37,228,381	37,228,381	
Ministry of Education	06-APR-2023	Recurrent			37,228,381	37,228,381	
Ministry of Education	30-MAY-2023	Recurrent			31,276,879	31,276,879	
Ministry of Education	08-JUN-2023	Recurrent			31,276,879	31,276,879	
Ministry of Education	19-JUN-2023	Recurrent			1,960,000,000	1,960,000,000	
Ministry of Education	30-JUN-2023	Recurrent			31,276,879	31,276,879	
Ministry of Education	30-JUN-2023	Recurrent			150,000,000	150,000,000	
Ministry of Education (KPEEL-WB)	15-FEB-2023	Recurrent			1,100,000,000	1,100,000,000	
Ministry of Youth Affairs, The Arts and Sports	25-JAN-2023	Recurrent			617,360,806	617,360,806	
<b>Total</b>					<b>6,221,940,261</b>	<b>6,221,940,261</b>	



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

**Head of Accountants department of beneficiary Entity:**

Name: CPA IBRAHIM FARAH DAGANE      Sign  .....      Date: 30/06/2023

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**Appendix VI: Reporting of Climate Relevant Expenditures**

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Tree Planting Exercise	Planting of trees	To increase tree cover as per the presidential directive.	Planting of 700 Trees.				Kshs 70,000	Gok	NACONEK

**Appendix VII: Disaster Expenditure Reporting Template**

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

*There were no expenditures relating to Disaster Management*