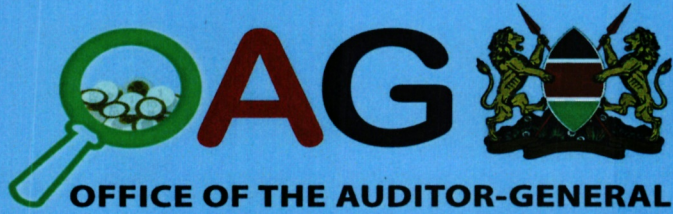


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
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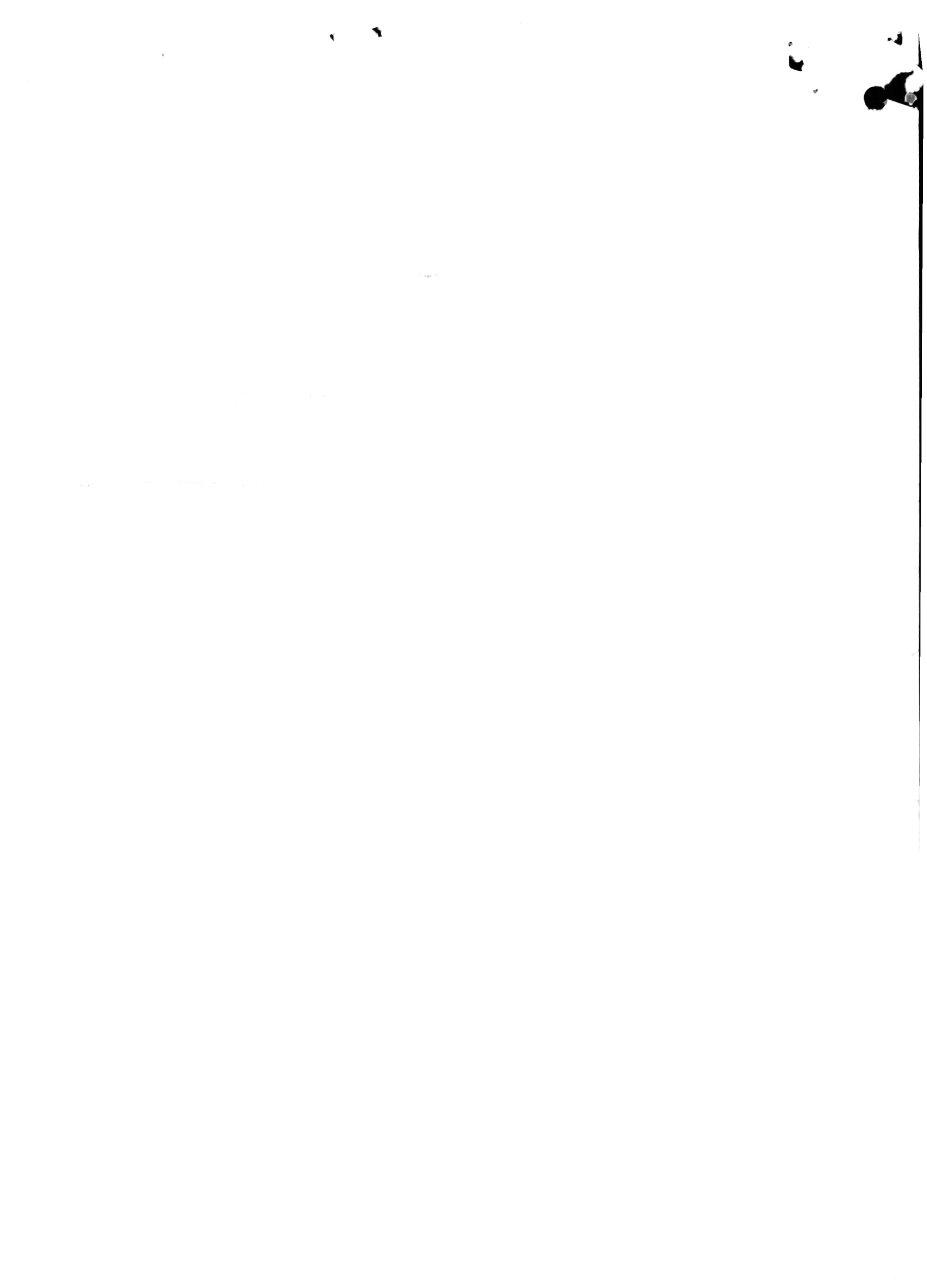
Ahmed Kadhi

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2019**





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

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2019**

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

MINISTRY OF EDUCATION
STATE DEPARTMENT FOR BASIC EDUCATION
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For the year ended June 30, 2019

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

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

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

The State Departments under Ministry of Education are outlined below;

- (i)** The State Department of Early Learning and Basic Education whose Principal Secretary is Dr. Belio R. Kipsang, CBS
- (ii)** The State Department for Vocational and Technical Training headed by Dr. Kevit Desai, CBS
- (iii)** The State Department for University Education and Research is headed by Prof. Collette A. Suda, PhD, FKNAS, CBS who is also the Chief Administrative Secretary for the Ministry.
- (iv)** The State Department for Post-Training and Skills Development is headed by Mr. Alfred Cheruiyot

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

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

Vision

Quality and inclusive education, training and research for sustainable development

Mission

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

Mandate

The sub sector has the mandate of provision of basic education to all citizens while addressing the demands of the Constitution, Kenya Vision 2030 and the Sustainable Development Goals. In so

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doing, the sub sector is mandated to: develop strategies to address internal efficiencies in the education system; improve financial management and accountability; and to make education in the country more inclusive, relevant and competitive regionally and internationally. In order to execute this mandate, the sub sector is organized into administration and technical departments with specific functions in the delivery of education and training services under four programs of (i) primary education; (ii) secondary education; (iii) quality assurance and standards and (iv) general administration, planning and support services.

Core Values

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

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

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

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

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

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

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

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

Core Functions

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

- a) Education Policy Management;
- b) Management of Continuing Education;
- c) Administration of Early Childhood Education,
- d) Education Standards and Norms;
- e) Management of Education Standards;
- f) Management of National Examinations and Certification;
- g) Curriculum Development;
- h) Quality Assurance in Education;
- i) Primary and Secondary Education Institutions Management;

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- j) Teacher Education and Management;
- k) School Administration and Programme;
- l) Registration of Basic Education and Training Institutions;
- m) Special Needs Education Management;
- n) Representation of Kenya in UNESCO;
- o) Adult Education Management

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Cabinet Secretary, Ministry of Education	Prof. George A. O. Magoha, CBS
2.	Principal Secretary, State Department Basic Education	Dr. Belio R. Kipsang, CBS
3.	Director General of Education	Elyas Abdi
4.	Director, Administration	Andrew Rukaria
5.	Director, Primary Education	Abdi Sheikh Habat
6.	Director, Secondary Education	Paul Kibet

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7.	Director, Field Coordination and Co-Curriculum Activities	Pius K. Mutisya
8.	Chief Finance Officer	Wekesa Khaoya
9.	Director, School Audit	Victoria G. Angwenyi
10.	Director, Policy, Partnerships & EAC	Dr. Silvester O. Mulambe
11.	Director, Human Resource Mngt & Dev.	A. Kang'ira
12.	Director, Adult and Continuing Education	Irreneous N. Kinara
	Director, Teacher Education and ECDE	Milton M. Mokah
13.	Director, Quality Assurance and Standards	Dr. Mary Gaturu
14.	Director, Special Needs Education	Fred Haga
15.	Chief Economist	Michael M. Kahiti
16.	Assistant Accountant General	CPA E. Mukira Gichigo
17.	Head, Supply Chain Management Services	Regina W. Kanyi

Senior Management – State Department of Early Learning and Basic Education





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

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

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

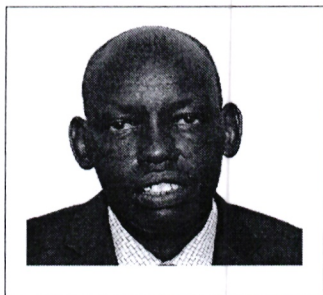
Prof. Magoha served as a Commissioner at the Commission for University Education (CUE), previously called Commission for Higher Education (CHE), from 2005 to 2013. For his exemplary service, Prof. Magoha the Kenya Medical Association honoured Prof Magoha with Distinguished Service Award for services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

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

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

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

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Dr. Belio R. Kipsang, CBS
Principal Secretary
State Department, of Early
Learning and Basic Education

Dr. Belio R. Kipsang is currently the Principal Secretary, State Department of Basic Education. He previously served as Managing Trustee/Chief Executive Officer (CEO) Coffee Development Fund and; Deputy CEO and Head of Operations Higher Education Loans Board where he also previously held various Strategic Management positions.

Dr. Richard Belio Kipsang is a holder of PhD degree in Education (Educational Administration and Planning from The Catholic University of Eastern Africa, a Masters of Arts degree in Economics and a Bachelors (Honours) degree in Education (Business and Economics) both from the University of Nairobi. He has had extensive professional trainings and commands numerous expose to local and international conferences and workshops in areas of education financing and administration, leadership, management, micro-enterprise development, fraud, corruption and combating economic crime, agricultural value chain financing, computing and other areas of business and management among others particularly in prestigious institutions such as the London School of Economics (LSE) in the UK, Harvard University in the USA, State University of New York in the USA, among other institutions in Kenya, Germany, Belgium, Sweden, Denmark, Thailand among others. He is a member of Institute of Directors of Kenya.

(d) Fiduciary Oversight Arrangements

(i) Human Resources Management Advisory Committee Activities

Their duties include:

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

(ii) The Budget Implementation Committee

Their duties include:

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

(e) Entity Headquarters

State Department of Early Learning and Basic Education

P.O. Box 9583 - 00200

Jogoo House "B"

Harambee Avenue

Nairobi, Kenya

Entity Contacts

Telephone: +254-020-3318581

Email: ps@education.go.ke

Website: www.education.go.ke

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(f) Entity Bankers

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

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

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II. FOREWORD BY THE CABINET SECRETARY

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

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

During the 2018/19 FY the Ministry implemented 8 programmes including Primary Education; Secondary Education; Quality Assurance and Standards; University Education, Technical Vocational Education and Training; Research, Science Technology and Innovations; Youth Training and Development; and General Administration, Planning and Support Services.

To support implementation of the 8 programs the Government allocated a total of Ksh 96,007,367,100 billion to the State Department of Early Learning and Basic Education during the 2018/19 FY. Out of this, Kshs. 86,758,536,122 billion was voted under Recurrent while kshs. 9,248,830,978 billion was voted under Development. The Ministry’s budget performance based on economic classification in the FY under review is provided in the attached Financial Statement.

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

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

In the year 2018/19 the State Department was allocated a total Ksh. 98,738 billion. Out of the total allocation the Primary Education Programme received Ksh. 21,465 billion (20.9%), Secondary Education Programme received Ksh. 68,393 billion (70%), Quality Assurance and Standards was allocated Ksh. 4,320 billion (4.4%) and Ksh. 4,560 billion (4.6%) went to General Administration, Planning and Services. This is shown in figure 1 below.

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

Figure 1: Total Budget Allocation by Programmes in 2018/19 Financial Year

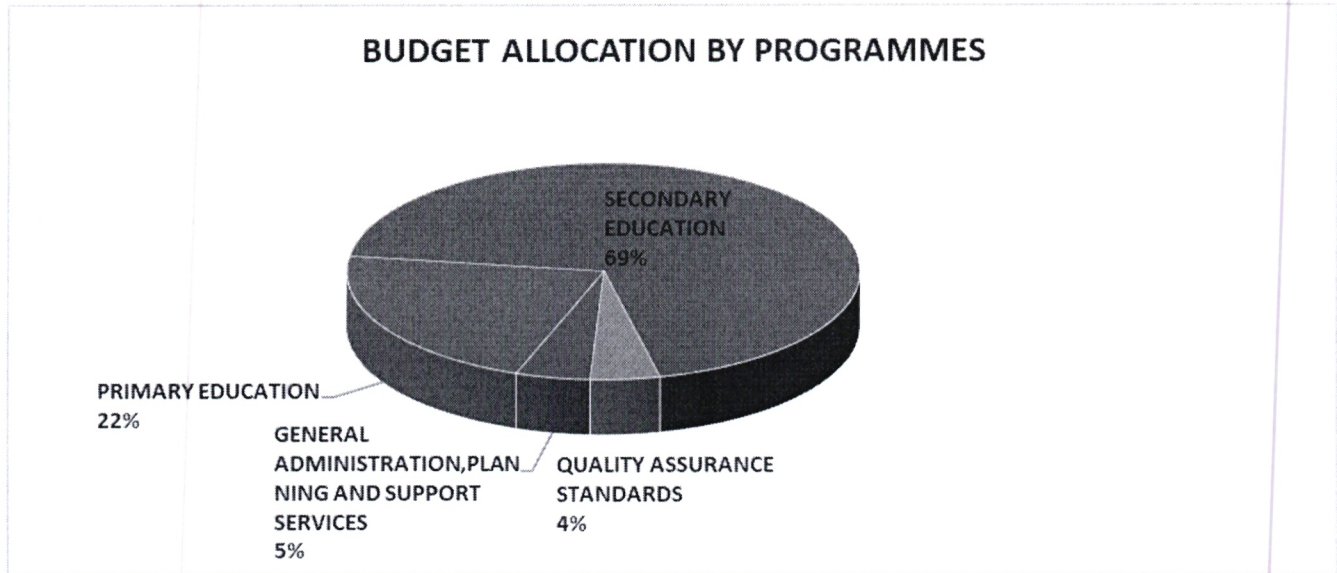
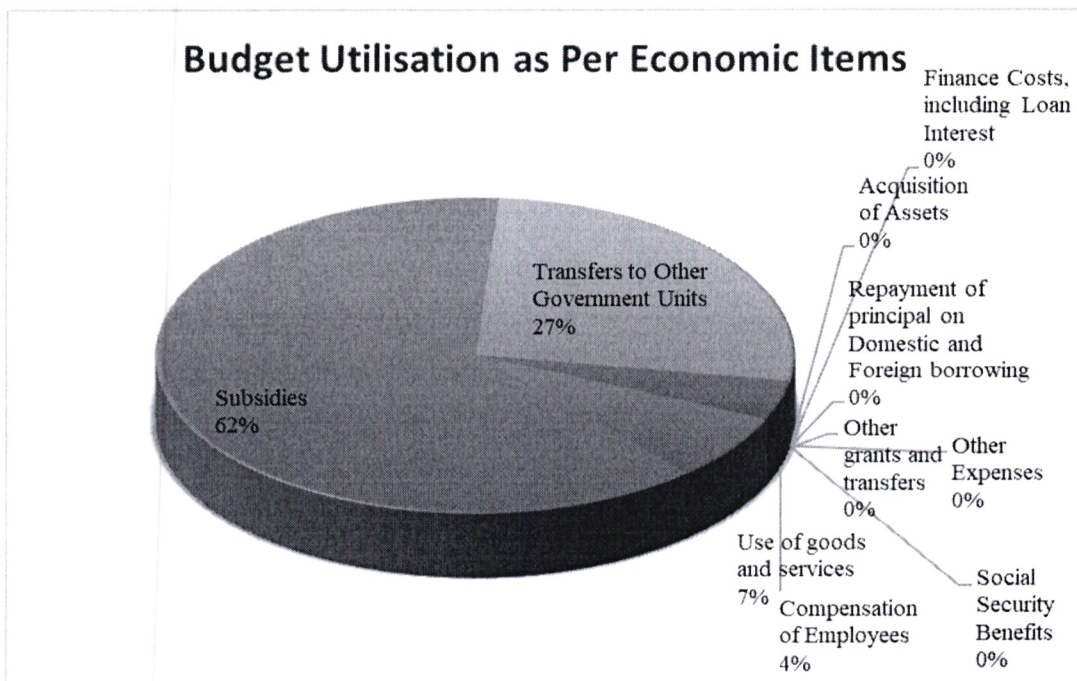


Figure 2: Budget Utilization by Expenditure Items in 2018/19 Financial Year



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	Actual Payments
Compensation of Employees	3,861,982,156
Use of goods and services	6,438,772,850
Subsidies	59,633,897,605
Transfers to Other Government Units	25,381,569,547
Other grants and transfers	12,753,213
Social Security Benefits	2,740,535
Total Payments	95,331,715,906

	Approved Budget Allocation	Actual Payments	Variance
Compensation of Employees	3,905,000,000	3,861,982,156	43,017,844
Use of goods and services	6,565,003,322	6,438,772,850	126,230,472
Subsidies	59,665,135,459	59,633,897,605	31,237,854
Transfers to Other Government Units	28,679,255,508	25,381,569,547	3,297,685,961
Other grants and transfers	17,777,000	12,753,213	5,023,787
Social Security Benefits	5,000,000	2,740,535	2,259,465
Acquisition of Assets	780,811	-	780,811
Finance Costs, including Loan Interest	-	-	-
Total Payments	98,837,952,100	95,331,715,906	3,506,236,194

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Pre-Primary Education: The Constitution of Kenya places the mandate of Early Childhood Development Education in both the National and County Governments. The State Department has the mandate of developing ECDE policies, quality assurance and standards, examinations and assessments and implementation of programmes agreed with the County Governments where the Ministry has an added advantage. The State Department has prioritized the pre-primary level of education as it's the foundation of all other levels of the Education and Training Curriculum. An Early Childhood Development Education (ECDE) Policy was finalized and disseminated in 2018/19 financial year. Collaboration with the County Governments has greatly improved and investment in the sub-sector has substantially increased. The growth in the sub-sector is demonstrated by the achievements detailed hereunder.

Access to pre-primary education (ECDE) continued to grow buoyed by expansion of centers across the country. The number of ECDE centers increased from 40,775 in 2015 to 41,248 in 2016 and further to 41,779 in 2018. The net increment in the number of centers was 1,037 for the period, 407 attributed to the efforts of county governments. Enrolment increased from 3,167,855 in 2016, 3,199,841 in 2017 to 3,293,813 in 2018 representing Gross Enrolment Rate of 76.5%, 76.6% and 77.1% respectively. The number of children of the right age attending ECDE increased with the gap between GER and NER reducing over the period. NER increased from 74.6 % in 2016, 74.9 % in 2017 and further to 76.9% in 2018.

The primary education program has six sub programs implemented under it, which include free primary education, special needs education, early childhood education and development, primary teachers' education, adult and continuing education and school health meals and nutrition and other donor funded initiatives to support desired outcomes.

Free Primary Education: Free Primary Education (FPE) funding is based on enrolment and is used to procure instructional materials and sustain school operations to actualize the constitutional provision of free compulsory basic education and right to education to every child. In the review period, the Ministry disbursed to public primary schools, KES 12.58 billion for 8,879,685 pupils, KES 12.64 billion for 8,896,932 and KES 12,72b for 8,959,719 pupils respectively. In the review period schools supported by FPE grants grew from 21,953 in 2016/17 FY to 22,344 in 2017/18 and 22,669 in 2018/19 schools representing a growth of 3.3%. These are schools captured in FPE data base. Applications for funding continues to be received from newly registered and others yet to meet the criterion set for inclusion.

Enrolment in both public and private primary schools increased from 10.3 million in 2016 and to 10.4 million in 2017 and 10.54 million in 2018. FPE grants support eligible primary school learners at the rate of KES 1420/= annually. Moreover, other strategic interventions like school meals, low cost boarding, primary school's infrastructure improvement, community mobilization and stakeholder's supports continues to enhance enrolment in primary schools.

These efforts have resulted in an increase of GER in primary schooling from 104.1% in 2016, 104%

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in 2017 and stagnated in 2018. The Net Enrolment Rates (NER) increased by 1.2 percentage points to 92.4 per cent in 2018. The Primary Completion Rate (PCR) has also increased from 83.5% in 2016 to 84% in 2017 and 84.2% in 2018. The Primary to Secondary Transition Rate (PSTR) increased from 81.3% in 2016 to 83.1% in 2017 and stands at 83.3% for 2018 propelled by the 100% transition policy. The Government initiative in paying examination fees for all KCPE candidates in both public and private has also seen candidature improve from 942,021 in 2016, 1,003,446 in 2017 and 1,060,760 in 2018.

During the period under review a number of primary schools undertook construction and renovation of classrooms including provision for schools affected by emergencies. These included 243 schools in 2016/17 FY; and 279 schools in 2017/18 and 307 schools in 2018/19 FY. This achievement was made given budgetary provisions of 187M in FY 2016/17, KES 200M in 2017/18 and 200M in 2018/19 FY. These funds were used for construction of 130 new classrooms, 300 Renovations/Rehabilitation works, 1 Kitchen/Dining Hall, 20 6-doors Toilets, three (3) Dorms, two (2) Administration blocks and procurement of furniture.

Volunteer Graduate Assistants Program (G-United): The Volunteer Graduates Assistants (VGA's) program recruits; inducts them on basic pedagogy and content in literacy for two weeks and posts them as volunteers to provide remedial support to class 2 & 3 learners struggling with literacy in primary schools away from their home counties. This program promotes national cohesion through cultural integration (staying in a host family away from their home county) as a way of reducing the triggers to PEV as witnessed in 2007/08. The programme further promotes voluntarism among the youth, mentorship for future workplace ethics; and personal professional development of the volunteers. To support the program KES 153 million was allocated 2016/17. These funds enabled two volunteers per school (male and female) be posted to 281 schools across 20 counties in 2016/17. In FY 2017/18 the program received KES 201M enabling recruitment and training of 1,288 VGA's and deployment of 1176 to 614 primary schools in 22 counties. In 2018/19 the program funding was scaled down to Ksh. 53M resulting to commensurate scaling down of the activities.

Low Cost Boarding Schools: The learners in Low Cost Boarding Schools (LCBS) were given a capitation of Ksh 3,000 per student which was disbursed in two tranches during the Month of February and September. This is an affirmative action as they come from local communities faced with challenges of nomadism, drought, cattle rustling, high poverty incidences and cultural practices that impact negatively on education negatively. Enrolment in the LCBs increased from 111,953 in 2016/17 and further to 113,524 in 2017/18. However, it slightly dropped to 112,023 in 2018/19 as enrolment reduced in some ASAL's schools as a result of drought, floods and in some cases insecurity. In addition, teachers and members of schools boards from 57 LCBs were trained on financial management; a needs assessment was conducted in 15 schools to facilitate dialogue on the potential of establishing additional LCBs; an advocacy and community sensitization was conducted for 400 participants drawn from ASALs; and monitoring was carried out on 16 schools. NACONEK has

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carried out a baseline assessment of 188 LCBS in the FY 2018/2019.

Special Needs Education: There are 3,057 public SNE primary Educational institutions in the country. Of these, 2,718 are non-boarding integrated institutions and 339 are boarding special primary schools/units. The total enrolment of learners in special institutions and units currently stands at 140,456 pupils of which 39,629 are in boarding special schools/units, and 100,827 enrolled in non-boarding integrated schools.

In the 2016/17 FY Kshs. 249,702,100 was disbursed as top up to 106,827 learners enrolled in 2,820 institutions. In addition, KSh.452, 998,702 was disbursed to 26,900 learners with disabilities and special needs in 243 boarding special institutions as SNE grants and KSh. 459,999,960 disbursed to 180 special primary institutions for infrastructure improvement. In the FY 2017/2018, KSh.153, 673,820 was disbursed as FPE funds to 108,221 learners with disabilities enrolled in 2,866 special schools, integrated programmes and units at the rate of KSh. 1,420 per learner. The learners also received FPE top up amounting to KSh. 252,908,300 at the rate of KSh. 2,300. In addition, KSh.455 Million was disbursed to 31,153 learners enrolled in 290 boarding special and integrated schools/ units as SNE grants to support boarding and personnel emolument expenses for non-teaching staff who provide essential services for learners with disabilities in schools.

In the FY 2018/2019, Kshs 279,201,600.00 was disbursed as FPE top-up to 121,392 SNE learners enrolled in 2935 SNE primary schools. In addition, Kshs 445,162,231.35 was disbursed as grants to 31,519 learners in 290 special/integrated schools and units to subsidize boarding and personnel emoluments expenses.

Adult and Continuing Education: During the period under review the number of instructors decreased from 1,385 to 1,202 without replacement. The decline in the number of instructors led to reduced number of operational centers from 5,640 to 4,776 in the period under review. With this scenario the number of instructors is quite overstretched hence the need to replace them. Private adult and continuing education KCPE candidates increased from 5,988 in 2017/18 to 28,856 in 2018/19 FY. The increase in KCPE candidature is attributed to large number of out-of-school youth and adults who obtained a second chance of continuing education through Continuing Adult and Continuing Education programmes. However, lack of examination waivers to the private candidates as the practice in formal schools prevented some from enrolling for the examinations. Similarly, KCSE adult learners' candidates increased from 6,723 in 2017/18 to 15,760 in 2018/19. Despite increase in KCSE registration, some were hindered from registration due to lack of examination waivers as granted to KCSE school candidates. There is therefore need for examination waivers be granted to both KCPE and KCSE adult education candidates from 2020/21 F/Y. The Teacher Certificate for Adult Education Examinations (TCAE) candidature increased from 258 candidates in 2016/17 to 257 in 2017/18 and further to 445 in 2018/19.

Renovation and furnishing of four (4) of the five (5) Multi-purpose Development Training Institutes

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(MDTIs) was undertaken during the period under review. At Ahero MDTI classrooms and a dining hall were renovated, while linen for refurbished hostels were procured for Kakamega MDTI. A stand by generator was procured and installed at Murathankari MDTI while classrooms and the administration block at Kitui MDTI were refurbished.

Secondary Education:

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

Secondary Bursary Management Services: The Ministry is currently disbursing funds under scholarships and other educational benefits to only targeted students in secondary education. In 2016/17 a total of 7 students received school fees from this kitty totalling to KSh.1.9 million shillings, which covered fees not paid for students because the National Treasury did not release funds in FY 2015/16. In 2017/18 FY, 10 million was paid to cover fees for 15 beneficiaries from this kitty. In the FY 2018/19, KES 4M was used to pay for 10 students. The number of students and the funds paid for them continue to fluctuate based on the school type, amount of fees charged and number of new students brought on board each year.

Free Day Secondary Education: During the period under review, a total of KES. 146.07 billion was spent on sustaining the Free Day Secondary Education (FDSE) program. In 2016/17 FY, KES. 32.95 billion was disbursed to 8,609 schools where 2.6 million students enrolled in public secondary schools benefited. In FY2017/18, KES. 53.70 billion was disbursed to 8679 schools to support 2.81 million students enrolled in public secondary schools. In the FY2018/19, KES 59.42 Billion was disbursed to 8,819 public secondary schools to support 2.96 million students enrolled in these schools. It is important to note that the capitation per student increased from KSh. 12,870 in 2016/17 to 22,244 in 2017/18 FY. Overall, the number of secondary schools increased from 9,966 in 2016 (8609 and 1,357 private) to 10655 schools in 2017 (9111 public and 1544 private) and further to 11,399 schools in 2018 (9643 public and 1756 private). The GER increased from 66.7% in 2016 to 69% in 2017 and further to 70.3% in 2018. The NER increased from 49.5% in 2016 to 51.5% in 2017 and then to 53.2% in 2018. This indicates how the FDSE program continues to spur access to secondary education. As part of Free day secondary education the GOK started the supply of instructional materials and provision of Medical insurance for students in public secondary schools.

Medical insurance for secondary school students: Due to the importance of Good health in contributing to the ability for students to learn the GOK started providing medical insurance to all students in public secondary schools. In 2017/18 FY, at a cost of KES 2.52 Billion, 2.81 million students were insured. In the FY 2018/19, at a cost of 3.996 Billion, 2.96 million students were insured. The major challenges are some students are still not registered on the NEMIS portal and limited awareness of the benefits of this insurance scheme.

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Secondary School Infrastructure Improvement: Improving secondary school infrastructure aims at enhancing access, transition, equity, relevance and quality education by funding schools to construct new or rehabilitate, expand and equip their infrastructure. This is necessary to bridge the gap in infrastructure needed for the 100% transition programme. The demand is an additional 15191 classrooms, 7601 Laboratories and 7601 WASH facilities that will continue to rise annually due to increases in enrolment at this level. This will result in existing schools having an optimal level of a minimum of 3 streams. In 2016/17 FY, KES 6.4 Billion was disbursed to 2903 schools and was used to construct 2998 classrooms, 464 laboratories 147 dormitories, 48 libraries, 44 administration Blocks and 312 WASH facilities. In the 2017/18 FY KES 2.1 Billion was disbursed to 864 schools and was used to develop 1140 classrooms, 198 laboratories, 14 libraries, 70 dormitories, 24 administration blocks and 26 Dining halls. In the FY 2018/19, KES 1.5 Billion was disbursed to 876 schools and these schools are in the process of approval and construction of various addition infrastructure facilities.

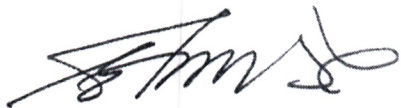
Text Books for Secondary Schools: In an effort to ensure a text book ratio of 1:1, the State Department started the supply of textbooks to secondary schools. This saw 21,654,706 textbooks distributed to schools across the country in 2018/19 in line with the textbook policy revised and endorsed by the Ministry.

Quality Assurance and Standards: During the period under review the Directorate of quality assurance assessed 7,000 schools in 2016/2017, 8000 in 2017/2018 and 10,000 in 2018/2019. The number of institutions assessed accounts for only 27% of the total number of institutions which is currently 84,392. In the period under review, quality assurance monitored the implementation of 5 co curriculum activities in 2016/2017, 8 activities in 2017/2018 and 8 activities in 2018/ 2019. Quality Assurance activities were allocated 40 million shillings out of which 5 million was given as AIE for 47 county quality assurance offices in 2017/2018 and 10 million in 2018/2019. This gave an average of ksh 100,000 and 200,000 per county respectively.

During the period under review, the Quality Assurance and Standards Framework (NEQASF), was developed up to 50% in the year 2017/2018 and 100% in 2018/2019. The framework establishes improved structures for assessment and reporting and disseminating the analysed quality assurance information to relevant education stakeholders. The concept of IBQA which would enhance coverage of schools assessed was imbedded in the framework. The training of education mangers on IBQA which had been propose was rescheduled to be done later when the ministry will be implementing and rolling out the NEQASF. The NEQASF has developed a platform for automation of the Quality Assurance process.

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In the year 2018/2019, 400 Quality assurance officers were trained on CBC implementation. This aimed at enhancing the capacity of quality assurance officers in monitoring of CBC implementation in schools in schools



Prof. George A. O. Magoha, CBS
Cabinet Secretary

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

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

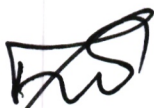
The Accounting Officer in charge of the State Department of Basic Education accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting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

The Accounting Officer in charge of the State Department of Basic Education confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Ministry of Education
State Department for Early Learning and Basic Education
Reports and Financial Statements
For the year ended June 30, 2019**

Approval of the financial statements

The State Department's financial statements were approved and signed by the Accounting Officer on 30th September, 2019.



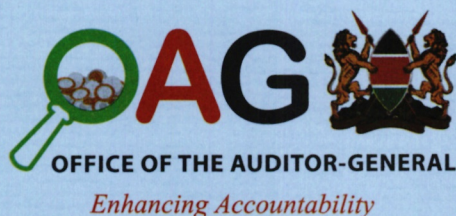
Principal Secretary
Dr. Belio Kipsang



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

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REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR EARLY LEARNING AND BASIC EDUCATION FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the State Department for Early Learning and Basic Education set out on pages 2 to 23, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation- recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the State Department for Early Learning and Basic Education as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Overpayment of Subsidies

The statement of receipts and payments reflects a balance of Kshs.59,633,897,605 being subsidies for the year ended 30 June, 2019. Included in this amount is an overpayment of subsidy funds amounting to Kshs.105,905,782 to three hundred and thirty-one (331) public secondary schools in different counties arising from inflated enrolment data.

A comparison of the disbursement schedules for terms 1 and 2 of 2019 with the schedules for term 3 of 2018 for sampled counties revealed discrepancies between the data submitted by the schools and the data reflected by the State Department that was used for calculation of subsidy amounts due to schools.

In the circumstances, it is not possible to confirm the authenticity of the reported subsidies totalling Kshs.59,633,897,605.

2. Transfers to Other Government Units

As disclosed in Note 8 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.25,381,569,547 in respect of transfers to other government units. The following observations were made with regard to the expenditure:

2.1 Overpayment of Grants

Included in the transfers to other government units balance is Kshs.369,905,960 overpaid to ninety-nine (99) primary schools sampled from thirteen (13) counties due to inflation of enrolment data. The number of students used to calculate the disbursements differed with the number of students confirmed by the Sub County Directors of Education.

In the circumstances, it has not been possible to confirm the validity of the expenditure of Kshs.25,381,569,547 on transfers to other government units.

2.2 Transfer of Funds to Improperly Registered Special Needs Education Institutions

The balance of Kshs.25,381,569,547 on transfers to other government units includes a disbursement of Kshs.148,045,707 to special needs education institutions and post primary schools that were not properly registered as required under part 3.0 (i) of Disbursement Guidelines for Special Needs Education. The guidelines require that grants should only be disbursed to registered special primary schools and post primary schools. Further, some schools did not have Teachers Service Commission numbers and others had duplicate certificate of registration numbers.

In addition, the transfers includes an amount of Kshs.127,247,521 disbursed for Special Needs Education for the months of October and November, 2018. However, the enrolment data differed in the two months from 12,734 pupils in October, when Kshs.94,686,421 was paid, to 14,157 pupils when top-ups amounting to Kshs.32,561,100 were paid in the subsequent month.

In the circumstances, it has not been possible to confirm the authenticity of the disbursements.

2.3 Irregular Payments to Low Cost Boarding Schools

Included in the balance of Kshs.25,381,569,547 transfers to other government units is an amount of Kshs.8,028,000 irregularly paid to low cost boarding schools out of which Kshs.6,576,000 was paid in excess as a result of the State Department using enrolment figures that were higher than the figures confirmed by the County Directors of Education

in some schools. A balance of Kshs.1,452,000 was paid to undeserving schools not in the list of Low-Cost Boarding Schools (LCBS) confirmed by the County Directors of Education (CDE).

Further, some schools appearing in the list of LCBS confirmed by the CDEs did not receive funding amounting to Kshs.8,544,000 thus denying funds to deserving students.

2.4 Disbursement of Funds to Schools with Duplicate Registration Numbers

Included in the balance of Kshs.25,381,569,547 transfers to other government units is an amount of Kshs.919,171,802 disbursed to various primary schools. The schools had identical registration numbers, some of which could not be traced in the National Education Management Information System (NEMIS) and the list of TSC registered schools. The transfer of funds was against ministerial guidelines on funds disbursements. Below is a summary of the payments made:

Free Primary Education (FPE)	Code Duplicates	2018/2019 Amounts (Kshs.)
1	Term3- Accounts2	110,318,408
2	Term 1- Accounts1	90,338,600
3	Term 1- Accounts2	373,341,540
	Term 2-Accounts 2	191,318,626
Special Needs Education (SNE)	1,3,4 Quarters	128,168,628
Low Cost Boarding Schools	1st Tranche	13,006,000
Low Cost Boarding Schools	2nd Tranche	12,680,000
Total		919,171,802

In the circumstances it is not possible to confirm the authenticity of the disbursements.

3. Unresolved Prior Year Matters

3.1 Compulsory Acquisition of LR No.209/7879/4 by the National Land Commission

As reported in the previous year, a total of Kshs.1.5 Billion was spent under the Head, Legal Dues/Fees, Arbitration and Compensation Payments. The approved budget under this Head was Kshs.20,120,000 but the State Department spent an extra Kshs.1.5 billion. The funding was meant to cater for compulsory acquisition of part of LR No. 209/7879/4 measuring 13.5364 acres for Ruaraka High School and Drive-Inn Primary School from its registered owners. However, the following unsatisfactory matters were noted:

Based on Article 223(5) of the Constitution, the Principal Secretary, The National Treasury exceeded his mandate by authorizing the Principal Secretary, Ministry of Education to over spend Kshs.1,500,000,000 on land compensation, an amount which

exceeded the allowable threshold of Kshs.20,120,000 - being 10% of the budgeted provision for the item by Kshs.1,479,880,000.

Although the Principal Secretary to The National Treasury had indicated that the amount was to be ratified in the Supplementary II Budget, no evidence was provided that this was done. Further, the outstanding compensation balance of Kshs.1,769,040,600 was not factored in the subsequent budgets and was not disclosed in the financial statements as a pending bill.

Various correspondences between the Chairman, National Land Commission and the Principal Secretary, State Department for Early Learning and Basic Education indicated that the Chairman, National Land Commission had on 24 April, 2017 disclosed the compensation amount of Kshs.3,269,040,600 for the two parcels of land two months prior to the actual valuation done on 14 June, 2017. It is not clear how the compensation amount was arrived at before the actual valuation was done.

To date, the entire area has been developed contrary to the provisions of Section 30, 31 and 41 of the Physical Planning Act, 1996 (Revised 2012) where applications for development should be accompanied by the approved plans, the purposes of the development, the land which the applicant intends to surrender for purposes of public utility and roads for access to any subdivisions within the area included in the application to the adjoining land.

In the circumstances, it has not been possible to confirm that the expenditure totalling Kshs.1,500,000,000 for the year ended 30 June, 2018 was a proper charge to public funds.

3.2 Subsidies

As reported in the previous year, there was an overpayment of subsidies to one hundred and eighty-five (185) Secondary Schools in eleven (11) sampled counties amounting to Kshs.269,254,288 as a result of inflated enrolment data.

Although the State Department has explained that the officer involved in the data entry that resulted to a variance between the enrolment data submitted by schools and the enrolment data used by the State Department for computation of amounts due to the schools was interdicted and the matter referred to the Ethics and Anti-Corruption Commission for further investigation, the case has not been concluded. In addition, two (2) non-existent schools in Kakamega received a total of Kshs.27,329,598.95.

In the circumstances, it was not possible to confirm that payment of Kshs.296,583,887 to the one hundred and eighty-seven (187) Secondary Schools was a proper charge to public resources.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of State Department for Early Learning and Basic

Education Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Pending Bills

Notes 18.1 and 18.2 to the financial statements reflects pending bills amounting to Kshs.8,592,146 as at 30 June, 2019 which were not settled in the year under review but carried forward to 2019/2020 financial year due to inadequate Exchequer releases. Failure to settle bills in the year to which they relate adversely affects the subsequent year's provisions to which they have to be charged.

2. Long Outstanding Schools' Creditors and Debtors

As at 30 June, 2019, seven (7) sampled schools and one (1) college had outstanding trade and other payables totalling to Kshs.192,511,912. Delay in settlement of liabilities might lead to escalation of interest, litigation, reputation risk and other costs related to delayed payments. Similarly, a sample of five (5) schools and one (1) college had Kshs.3,731,620 being unpaid rent on houses occupied by teachers contrary to Section C.8 (2) of the Human Resource Policies and Procedures Manual for the Public Service, 2016, which requires officers occupying institutional houses to pay rent equivalent to the value as determined by the Ministry responsible for Housing or to surrender their house allowance whichever is lower.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Acquisition of Unauthorized Loans by Shanzu Teachers College

Shanzu Teachers Training College obtained a loan of Kshs.103,485,595 during the financial year 2014/2015. The loan was for the construction of accommodation facilities within the College for a private entity - a Business School. Although the loan agreement was not provided for audit verification, the loan statement as at 10 September, 2019 indicated that repayments amounting to Kshs.49,389,825 had been made leaving an unpaid balance of Kshs.54,095,770. However, approval by the Cabinet Secretary for borrowing as required under Section 51 (2) of Public Finance Management Act, 2012 and evidence of competitive bidding for the loan as required under Article 227 of the Constitution of Kenya was not provided.

In addition, neither the evidence of approval for the establishment of a Business School within the College nor the approval to offer the title deed for the College land as collateral for the loan was provided.

Further, documents reviewed at the College indicated that interest at the rate of 12.5% per annum was agreed upon and later varied to 18%, 19%, 20% and finally 24%. No explanation was provided for the variation. In addition, the College procured the construction works at a contract sum of Kshs.59,000,000 through request for quotations method contrary to the thresholds provided under the Public Procurement and Asset Disposal (Amendment) Regulations, 2013.

Under the circumstances, the legality of the arrangements to build the accommodation facilities for a private entity within the College and to offer the title deed for the College land as collateral for the loan could not be confirmed. In addition, the regularity, competitiveness and value for money on the loan obtained and procurement of the construction works was in doubt.

2. Construction of New Mama Ngina Girls High School

Mama Ngina High School received a disbursement of Kshs.192,449,398 for the relocation of the school to North Coast. The works were awarded vide Contract No. MNGIHS/Tender No.21/2019 for main works, plumbing and electrical works.

A review of the Contract revealed that the Evaluation Committee did not comply with Regulations 9 and 10 of the Public Procurement and Disposal Act, 2006 read together with Legal Notice No.106 of 2013 that requires an Evaluation Committee to prepare a report on the analysis of the tenders received and final ratings assigned to each tender and to submit a report that includes among others, the scores awarded by each evaluator for each tender or proposal to the Tender Committee.

Further, Section 46(c) of the Public Procurement and Asset Disposal Act, 2015 requires an Accounting Officer to ensure that an Adhoc Evaluation Committee is established with the secretary being the person in charge of the procurement function.

Minutes availed for audit review did not indicate presence or professional contribution of a secretary who is in charge of the procurement function. The State Department has however explained that an officer was seconded to provide advice to the Committee on procurement matters.

In the circumstances, it has not been possible to confirm the propriety of the expenditure of Kshs.183,160,230 and that public resources have been applied lawfully and in an effective way.

3. Non-Compliance to a Third Rule on Salary Deductions

Analysis of the payroll data for the year ended 30 June, 2019 revealed that forty-six (46) and fifty-one (51) employees had payroll deductions in excess of two thirds of their gross pay in the month of May and June respectively with some employees having negative net pays. This contravenes Section 19 (3) of Employment Act, 2007 which requires that without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all deductions made by an employer from the wages of his employee at any one time shall not exceed two thirds of such wages.

In the circumstance, the State Department was in breach of the law.

4. Audit of Schools

4.1 Installation of Closed-Circuit Television (CCTV) System at Nembu Girls High School

The School's Board of Management approved the procurement of CCTV cameras at a budgeted cost of Kshs.600,000 on 23 February, 2019. However, the school administration procured the cameras at a cost of Kshs.1,173,400 contrary to Section 45 (3) (a) of the Public Procurement and Asset Disposal Act, 2015 which provides that all procurement processes shall be within the approved budget of the procuring entity.

Further, as at the time of audit, the Management had paid Kshs. 600,000 to the supplier leaving a balance of Kshs.573,400. Information available indicated that the supplier had initiated legal proceedings to recover the unpaid amount exposing the institution to additional costs in form of legal costs, interest on delayed payments and other penalties.

4.2 Irregular Disbursement of Secondary School Funds

Included in the statement of receipts and payments balance of Kshs.59,633,897,605 for subsidies is an amount of Kshs.8,438,326 disbursed to Primary Schools from the Free Day Secondary Education (FDSE) Funds. The same schools also benefitted from Free

Primary Education (FPE) funds meant for primary schools. This therefore, led to double and excess funding to the said schools as different rates were used for the two categories with the FDSE having higher rates than FPE. The excess funding to primary schools denied deserving secondary schools the much-needed cash for their operations negatively affecting the schools' operations, liquidity and consequently, the quality of education offered.

4.3 Construction of Resource Centre in Buruburu Girls Secondary School

The school conceptualized the idea to put up a resource center at a cost of Kshs.113,064,596. Although the Board of Management approved the project, the school did not seek approval from the County Director of Education. Further, the school did not involve the Ministry of Public Works in preparing the Bill of Quantities but instead single sourced a private firm. Evidence of how the bidders invited to quote for the works were identified was not provided neither was evidence of appointment of an Adhoc Evaluation Committee pursuant to Section 46 (1) of the Public Procurement and Asset Disposal Act, 2015 provided. The basis for the award of the works was therefore unclear. In addition, as at the time of audit in May,2020, Kshs.50,992,073 had already been paid to the contractor and the Project had stalled.

In the circumstances, the regularity and value for money on the expenditure could not be confirmed.

4.4. Construction of Laboratory and Dormitory at Maryhill Girls High School

Included in the statement of receipts and payments balance of Kshs. 59,633,897,605 for subsidies is an amount of Kshs.25,828,050 disbursed to Maryhill Girls High School for infrastructure development.

A perusal of procurement documents revealed that the school management used the infrastructure funds to construct a laboratory and a dormitory at a cost of Kshs.5,971,333 and Kshs.19,856,717 respectively using force account method of procurement. However, no evidence was provided on the competitiveness in the procurement of the assets, equipment and labour utilized and that the conditions for use of the force account method as outlined under Section 109 (2) and (3) of the Public Procurement and Asset Disposal Act, 2015 had been satisfied. In particular the following anomalies were noted:

- i) No prior approval from the Accounting Officer which is a requirement to apply this method.
- ii) The Bill of Quantities used for the works was not availed for audit.
- iii) Management used labour based method which was not advertised as required in the Public Procurement and Asset Disposal Act, 2012.

- iv) There was no evidence that Management invited quotations for the supply of project materials from the list of prequalified suppliers.
- v) The works involved in the Project did not meet the requirement of Section 109(a) of the Public Procurement and Asset Disposal Act, 2015 where quantities of work involved should be small and scattered or in remote locations and the quantities of work should be defined in advance. In this case the work exceeded the Kshs.5 million threshold above which open tender should have been used.
- vi) There was no evidence that the school's Management used force account method by making recourse to the state or using public assets, equipment and labour contrary to section 109(2) which states that where quantities are small and scattered in remote locations for which qualified construction firms are unlikely to tender at reasonable prices and quotations of work cannot be defined in advance.

Management is in breach of law and the propriety of the expenditure totalling could not be ascertained for the year ended June, 2019.

4.5 Irregular Payments for Construction of a Multipurpose Hall at Kaimosi Teachers Training College

The balance of Kshs.59,633,897,605 for subsidies reflected in the statement of receipts and payments includes Kshs.43,314,289 disbursed to the College for the construction of a Multipurpose Hall. The institution signed a contract with a local construction company on 3rd October, 2017. Although the company contracted to undertake the works was in the list of registered suppliers, the contract sum was above the threshold for use of restricted tendering and the works should therefore have been advertised.

Further, the thirty-six (36) weeks contract period was to lapse in June, 2018. However, as at the time of audit, the contractor had abandoned the site after payment of Kshs.27,749,758 by the College and had not applied for extension of the contract period. Further, the initial design and Bill of Quantities were altered from a hall with a kitchen to an amphitheater and a kitchen. However, revised engineer's drawings and the necessary approvals were not provided.

In the circumstances, the propriety and value for money on the expenditure totalling Kshs.43,314,289 could not be confirmed. In addition, in absence of the necessary approvals for the construction, the legality of the construction and the health and safety of the building could not be ascertained.

4.6 Infrastructure Funds to Sixty-Five (65) Primary Schools

Included in the balance of Kshs.25,381,569,547 reflected in the statement for receipts and payments for transfer to other government units is a disbursement of Kshs.51,600,000 to sixty-five (65) primary Schools for infrastructure development. The

amount was disbursed without any formal application contrary to the requirement that needy schools should make applications to the Ministry through their County Directors of Education for approval after attaching all the necessary documentations. The regularity of the disbursements could therefore not be confirmed.

4.7 Construction of a Wall at Machakos Boys High School

Machakos Boys High School received an amount of Kshs.10,000,000 from the State Department for construction of a wall around the school. As at the time of the audit, the construction was ongoing. However, it was observed that the Tender Opening Committee minutes and the tender evaluation reports provided for audit were not signed. The appointment letters of the committee members, tender opening register and score sheets from individual evaluation committee members were not provided for audit.

In addition, the minutes provided indicated that the School Principal, chaired the Tender Opening and the Evaluation Committees creating a conflict of interest since the professional opinion from the Head of the Procurement Function would be addressed to him. Further, the tender was awarded to the second lowest bidder at a contract price of Kshs.9,828,010. No explanation was provided as to why the tender was not awarded to the winning bidder who had quoted Kshs.8,492,163.

In the circumstances, it is not possible to confirm that public funds were spent in a lawful and in an effective manner.

4.9 Irregular Payments to Kenya Secondary Schools Heads Association

Included in the balance of Kshs.59,633,897,605 for subsidies as reflected in the statement of receipts and payments is an amount of Kshs.13,051,941 payment to Kenya Secondary Schools Heads Association. The funds were diverted from Free Day Secondary Education funds. The beneficiary organization is not defined in the government funding structure and such payments amount to diversion of public funds. Consequently, government officers making the payments were in breach of Section 79(2) (b) of the Public Finance Management Act, 2012 which provides that a public officer employed in a national government, state organ or public entity shall ensure that the resources within the officer's area of responsibility are used in a way which is lawful and authorized, effective, efficient, economical and transparent.

In the circumstance, it has not been possible to confirm that the payments totalling Kshs.13,051,941 is a proper charge to public funds.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

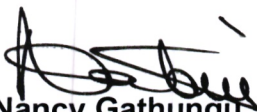
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the State Department to cease to continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the State Department to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

23 December, 2020

Report of the Auditor-General on State Department for Early Learning and Basic Education for the year ended 30 June, 2019

Ministry of Education
 State Department for Early Learning and Basic Education
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V. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE, 2019

	Note	2018-2019 Kshs	2017-2018 Kshs
RECEIPTS			
Proceeds from Domestic and Foreign Grants	1	388,866,352	1,814,966,207
Transfers from National Treasury	2	95,131,489,693	89,862,197,522
Proceeds from Sale of Assets	3	1,359,785,127	1,356,019,650
Other Revenues	4	62,662,246	70,000,000
TOTAL REVENUES		96,942,803,418	93,103,183,379
PAYMENTS			
Compensation of Employees	5	3,861,982,156	3,850,626,686
Use of goods and services	6	6,438,772,850	9,647,926,541
Subsidies	7	59,633,897,605	54,008,807,387
Transfers to Other Government Units	8	25,381,569,547	25,053,527,312
Other grants and transfers	9	12,753,213	9,731,869
Social Security Benefits	10	2,740,535	14,087,770
Acquisition of Assets	11	-	1,167,000
TOTAL PAYMENTS		95,331,715,906	92,585,874,564
SURPLUS/DEFICIT		1,611,087,512	517,308,815

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30th September, 2019 and signed by:



Principal Secretary
 Dr. Belio Kipsang



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

Ministry of Education
 State Department for Early Learning and Basic Education
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 For the year ended June 30, 2019

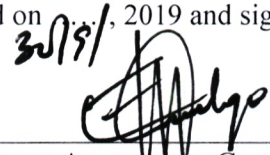
VI. STATEMENT OF ASSETS AND LIABILITIES FOR THE YEAR ENDED 30 JUNE, 2019

	Note	2018-2019 Kshs	2017-2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	12A	2,269,415,235	119,175,026
Cash Balances	12B	76,916	36,653
Total Cash And Cash Equivalents		2,269,492,151	119,211,679
Accounts Receivables - Outstanding Imprest and Clearance Accounts	13	143,917,647	712,165,859
TOTAL FINANCIAL ASSETS		2,413,409,798	831,377,538
LESS: FINANCIAL LIABILITIES			
Accounts Payables – Deposits	14	81,985,288	80,139,200
NET FINANCIAL ASSETS		2,331,424,510	751,238,338
REPRESENTED BY			
Fund balance b/fwd	15	751,238,338	233,929,523
Prior year adjustments	16	(30,901,340)	-
Surplus/Deficit for the year		1,611,087,512	517,308,815
NET FINANCIAL POSSITION		2,331,424,510	751,238,338

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/6/2019 and signed by:



Principal Secretary
 Dr. Bello Kipsang



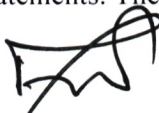
Assistant Accountant General
 CPA E. Mukira Gichigo
 ICPAK Member Number: 19940

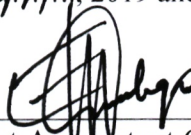
Ministry of Education
 State Department for Early Learning and Basic Education
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 For the year ended June 30, 2019

VII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE, 2019

	Note	2018-2019 Kshs	2017-2018 Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Proceeds from Domestic and Foreign Grants	1	388,866,352	1,814,966,207
Transfers from National Treasury	2	95,131,489,693	89,862,197,522
Other Revenues	4	62,662,246	70,000,000
		95,583,018,291	91,747,163,729
Payments for operating expenses			
Compensation of Employees	5	3,861,982,156	3,850,626,686
Use of goods and services	6	6,438,772,850	9,647,926,541
Subsidies	7	59,633,897,605	54,008,807,387
Transfers to Other Government Units	8	25,381,569,547	25,053,527,312
Other grants and transfers	9	12,753,213	9,731,869
Social Security Benefits	10	2,740,535	14,087,770
		95,331,715,906	92,584,707,564
Adjusted for:			
Changes in receivables		568,248,213	(498,548,371)
Changes in payables		1,846,088	15,286,810
Adjustments during the year	16	(30,901,340)	-
Net cash flow from operating activities		790,495,346	(1,320,805,396)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	3	1,359,785,127	1,356,019,650
Acquisition of Assets	11	-	(1,167,000)
Net cash flows from Investing Activities		1,359,785,127	1,354,852,650
CASHFLOW FROM BORROWING ACTIVITIES			
NET INCREASE IN CASH AND CASH EQUIVALENT		2,150,280,473	34,047,225
Cash and cash equivalent at BEGINNING of the year		119,211,679	85,164,425
Cash and cash equivalent at END of the year		2,269,492,152	119,211,679

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/6/2019 and signed by:


 Principal Secretary
 Dr. Belio Kipsang


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

Ministry of Education
 State Department for Early Learning and Basic Education
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I. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED 30 JUNE, 2019

Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
		a	b	c=a+b	D	e=c-d	f=d/c %
	RECEIPTS						
	Proceeds from Domestic and Foreign Grants	525,000,000	(23,000,000)	502,000,000	388,866,352	113,133,648	77%
	Exchequer releases	54,521,975,809	42,381,376,291	96,903,352,100	95,131,489,693	1,771,862,407	98%
	Proceeds from Foreign Borrowings	45,000,000	(45,000,000)	-	-	-	-
	Proceeds from Sale of Assets	1,013,050,000	349,550,000	1,362,600,000	1,359,785,127	2,814,873	100%
	Other Receipts	35,000,000	35,000,000	70,000,000	62,662,246	7,337,754	90%
	Total Receipts	56,140,025,809	42,697,926,291	98,837,952,100	96,942,803,418	1,895,148,682	98.08%
	Payments						
21	Compensation of Employees	1,952,500,000	1,952,500,000	3,905,000,000	3,861,982,156	43,017,844	99%
22	Use of goods and services	5,108,421,236	1,456,582,086	6,565,003,322	6,438,722,850	126,230,472	98%
25	Subsidies	29,859,256,380	29,805,879,080	59,665,135,459	59,633,897,605	31,237,854	100%
263	Transfers to Other Government Units	19,211,957,788	9,467,297,720	28,679,255,508	25,381,569,547	3,297,685,961	88%
261/2/4	Other grants and transfers	5,000,000	12,777,000	17,777,000	12,753,213	5,023,787	72%
27	Social Security Benefits	2,500,000	2,500,000	5,000,000	2,740,535	2,259,465	55%
31	Acquisition of Assets	390,406	390,406	780,811	-	780,811	0.00%
	Grand Total	56,140,025,809	42,697,926,291	98,837,952,100	95,331,715,906	3,506,236,194	98%
	Surplus/Deficit	-	-	-	1,611,087,512	(1,611,087,512)	

(a) **Proceeds from Domestic and Foreign Grants-** The department under-collected AIA by 23% due to failure from the donor failing to meet their commitments and MDTI being un able to collect

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

i. **Transfers to Other Government Units-** The department underspent up to 12% due to insufficient Exchequer

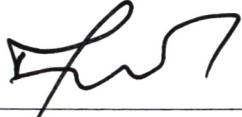
ii. **Other Grants and Transfers -**The department underspent up to 28% due to failure by UNICEF and GPE in honouring their commitments

iii. **Social Security Benefits-** The department underspent up to 45% due to officers who were transferred to other state departments and ministries who were due

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- iv. **Acquisition of Assets** -The department underspent up to 100% due to budgetary cuts which could not allow the intended expenditure
- (c) The State Department had a budget under **Equalization Fund of Kshs. 135,249,500**. The budget was domiciled at the national Treasury. Ac/ no 1-7031-7031100501-00001001-0501019999-2630201-00000001-000. Under this account the department spent Kshs. 133,000,000 which is an equivalent of 98% leaving a balance of Kshs. 2,249,500 Which is equivalent to 2%

The entity financial statements were approved on 30th September, 2019 and signed by:



Principal Secretary
Dr. Belio Kipsang



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

Ministry of Education
 State Department for Early Learning and Basic Education
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X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT FOR THE YEAR ENDED 30 JUNE, 2019

Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
		a	b	c=a+b	D	e=d-c	f=d/c %
	RECEIPTS						
	Exchequer releases	44,673,144,831	42,289,376,291	86,962,521,122	86,547,643,700	414,877,422	100%
	Proceeds from Sale of Assets	1,013,050,000	349,550,000	1,362,600,000	1,359,785,127	2,814,873	100%
	Other Receipts	35,000,000	35,000,000	70,000,000	62,662,246	7,337,754	90%
	Total Receipts	45,721,194,831	42,673,926,291	88,395,121,122	87,970,091,073	425,030,049	100%
	PAYMENTS						
21	Compensation of Employees	1,952,500,000	1,952,500,000	3,905,000,000	3,861,982,156	43,017,844	99%
22	Use of goods and services	3,593,421,236	1,516,582,086	5,110,003,322	4,984,338,351	125,664,971	98%
25	Subsidies	29,859,256,380	29,805,879,080	59,665,135,459	59,633,897,605	31,237,854	100%
263	Transfers to Other Government Units	10,308,126,810	9,383,297,720	19,691,424,530	19,473,204,956	218,219,574	99%
261/2/4	Other grants and transfers	5,000,000	12,777,000	17,777,000	12,753,213	5,023,787	72%
27	Social Security Benefits	2,500,000	2,500,000	5,000,000	2,740,535	2,259,465	55%
31	Acquisition of Assets	390,406	390,406	780,811	-	780,811	0%
	Grand Total	45,721,194,831	42,673,926,291	88,395,121,122	87,939,092,730	426,204,306	100%
	Surplus/Deficit	-	-	-	1,174,257	(1,174,257)	

Notes

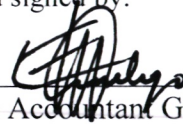
- a) The state Department under spent the budgetary allocation as follows
- i. **Other Grants and Transfers** -The department underspent up to 28% due to failure by UNICEF and GPE in honouring their commitments
 - ii. **Social Security Benefits**- The department underspent up to 45% due to officers who were transferred to other state departments and ministries who were due
 - iii. **Acquisition of Assets** -The department underspent up to 100% due to budgetary cuts which could not allow the intended expenditure

Ministry of Education
State Department for Early Learning and Basic Education
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The entity financial statements were approved on 30th September, 2019 and signed by:



Principal Secretary
Dr. Belio Kipsang



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

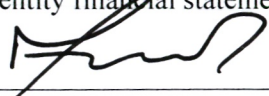
Ministry of Education
 State Department for Early Learning and Basic Education
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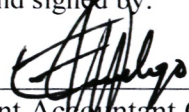
X. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
		a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS							
	Proceeds from Domestic and Foreign Grants	525,000,000	(23,000,000)	502,000,000	388,866,352	113,133,648	77%
	Exchequer releases	9,848,830,978	92,000,000	9,940,830,978	8,583,845,993	1,356,984,985	86%
	Proceeds from Foreign Borrowings	45,000,000	(45,000,000)	-	-	-	-
	Total Receipts	10,418,830,978	24,000,000	10,442,830,978	8,972,712,345	1,470,118,633	86%
Payments							
22	Use of goods and services	1,515,000,000	(60,000,000)	1,455,000,000	1,454,434,499	565,501	100%
263	Transfers to Other Government Units	8,903,830,978	84,000,000	8,987,830,978	5,908,364,591	3,079,466,387	66%
	Grand Total	10,418,830,978	24,000,000	10,442,830,978	7,346,328,894	3,080,031,888	71%
	Surplus/Deficit		-	-	-	1,609,913,255	(1,609,913,255)

- (a) **Proceeds from Domestic and Foreign Grants-** The department under-collected AIA by 23% due to failure from the donor failing to meet their commitments
- (b) **Exchequer Releases-**The state department received less Exchequers by 14%
- (c) The state Department under spent the budgetary allocation as follows
- Transfers to Other Government Units-** The department underspent up to 34% due to insufficient Exchequer
 - Acquisition of Assets -The department underspent up to 100% due to insufficient Exchequer and budgetary cuts
- (d) The State Department had a budget of **Equalization Fund** Kshs. 135,249,500. The budget was domiciled at the national Treasury. Ac/ no 1-7031-7031100501-00001001-0501019999-2630201-00000001-000. Under this account the department spent Kshs. 133,000,000 which is an equivalent of 98% leaving a balance of Kshs. 2,249,500 Which is equivalent to 2%

The entity financial statements were approved on 30th September, 2019 and signed by:


 Principal Secretary
 Dr. Belio Kipsang


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

Ministry of Education
 State Department for Early Learning and Basic Education
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BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2,019 Kshs	Adjustments Kshs	Final Budget 2,019 Kshs	Actual on comparable basis Date, 2019 Kshs	Budget utilization difference Kshs
PRIMARY EDUCATION	21,464,657,074		21,464,657,074	20,179,896,917	1,284,760,157
Free Primary Education	18,913,785,945		18,913,785,945	17,806,509,034.35	1,107,276,910.65
Special Needs Education	979,756,067		979,756,067	876,230,911.05	103,525,155.95
Early Child Development and Education	15,261,317		15,261,317	11,086,987.70	4,174,329.30
Primary Teachers Training and In-servicing	646,218,864		646,218,864	644,584,827.90	1,634,036.10
Alternative Basic Adult and Continuing Education	83,367,401		83,367,401	76,688,984.25	6,678,416.75
School Health,Nutrition and Meals	826,267,480		826,267,480	764,796,171.50	61,471,308.50
SECONDARY EDUCATION	68,393,393,316		68,393,393,316	66,368,424,356	2,024,968,960
Secondary Bursary Management Services	83,404,859		83,404,859	81,643,143.50	1,761,715.50
Free Day Secondary Education	67,210,283,823		67,210,283,823	65,239,961,448.05	1,970,322,374.95
Secondary Teachers Education Services	685,720,000		685,720,000	633,110,000.00	52,610,000.00
Secondary Teachers In-Service	217,984,634		217,984,634	217,984,634.00	-
Special Needs Education	196,000,000		196,000,000	195,725,130.50	274,869.50
QUALITY ASSURANCE STANDARDS	4,320,545,716		4,320,545,716	4,171,845,632	148,700,084
Curriculum Development	1,395,687,569		1,395,687,569	1,279,687,568.50	116000000.50
Examination and Certification	1,516,345,000		1,516,345,000	1,505,980,000.00	10365000.00
Co-Curriculum Activities	1,408,513,147		1,408,513,147	1,386,178,063.85	22335083.15
GENERAL ADMINISTRATION,PLANNING AND SUPPORT SERVICES	4,659,355,994		4,659,355,994	4,602,851,601	56,504,393
Headquaters Administrative Services	1,778,297,250		1,778,297,250	1,769,225,740.40	9,071,509.60
County Administrative Services	2,881,058,744		2,881,058,744	2,833,625,860.85	47,432,883.15
TOTAL	98,837,952,100		98,837,952,100	95,323,018,506.40	3,514,933,593.60

XI. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the State Department of Early Learning and Basic Education. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012 and also comprise of the following development projects implemented by the entity:

- i) Food Assistance to Primary and Pre Primary Schools in Semi-Arid Areas and Disadvantaged Urban Children World Food Program*
- ii) Kenya Primary Education Development Project*
- iii) Secondary Education Quality Improvement Project*
- iv) Education for Young People Programme*

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

▫ **Tax Receipts**

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

SIGNIFICANT ACCOUNTING POLICIES

▫ **Transfers from the Exchequer**

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

▫ **External Assistance**

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

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

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 20xx, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

▫ **Other receipts**

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

b) Recognition of payments

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

▫ **Compensation of Employees**

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

▫ **Use of Goods and Services**

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

▫ **Interest on Borrowing**

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

SIGNIFICANT ACCOUNTING POLICIES

▫ **Repayment of Borrowing (Principal Amount)**

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

▫ **Acquisition of Fixed Assets**

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

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

5. In-kind contributions

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

6. Third Party Payments

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

7. Cash and Cash Equivalents

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

Restriction on Cash

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 20XX, this amounted to Kshs xxx compared to Kshs xxx in prior period as indicated on note xxxx.

There were no other restrictions on cash during the year.

SIGNIFICANT ACCOUNTING POLICIES

8. Accounts Receivable

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

9. Accounts Payable

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

10. Pending Bills

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1st July 2018 to 30th June 2019 as required by Law and there were two supplementary adjustments to the original budget during the year.

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

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

12. Comparative Figures

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

SIGNIFICANT ACCOUNTING POLICIES

13. 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 30th June 2019.

14. Errors

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

During the year, errors that have been corrected are disclosed under note 26 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

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XII. NOTES TO THE FINANCIAL STATEMENTS

1 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount in foreign currency	2018-2019	2017-2018
			Kshs	Kshs
Grants Received from Bilateral Donors (Foreign Governments)				
ADB			-	1,389,932,189
GPE- PRIEDE			388,866,352	425,034,018
TOTAL			388,866,352	1,814,966,207

2 EXCHEQUER RELEASES

Description	Reference of the transfer	Date of transfer	2018-2019	2017-2018
			Kshs	Kshs
Total Exchequer Releases for quarter 1			15,660,889,115	22,879,981,991
Total Exchequer Releases for quarter 2			20,715,397,985	3,732,086,756
Total Exchequer Releases for quarter 3			36,636,166,200	41,532,436,420
Total Exchequer Releases for quarter 4			22,119,036,393	21,717,692,355
TOTAL			95,131,489,693	89,862,197,522

The above transfers were received from GOK

3 PROCEEDS FROM SALE OF ASSETS

	2018-2019	2017-2018
	Kshs	Kshs
Receipts from the Sale of Inventories, Stocks and Commodities	1,359,785,127	1,356,019,650
TOTAL	1,359,785,127	1,356,019,650

4 OTHER REVENUES

	2018-2019	2017-2018
	Kshs	Kshs
Receipts from Administrative Fees and Charges	62,662,246	70,000,000
TOTAL	62,662,246	70,000,000

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 COMPENSATION OF EMPLOYEES

	2018-2019	2017-2018
	Kshs	Kshs
Basic salaries of permanent employees	2,362,958,204	2,385,472,659
Basic wages of temporary employees	105,097,811	106,039,533
Personal allowances paid as part of salary	1,375,431,881	1,338,615,001
Employer Contributions Compulsory national social security schemes	3,858,173	7,940,668
Employer Contributions Compulsory national health insurance schemes	14,636,087	12,558,823
TOTAL	3,861,982,156	3,850,626,686

6 USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Utilities, supplies and services	78,460,390	88,086,831
Communication, supplies and services	45,322,523	24,719,130
Domestic travel and subsistence	142,297,223	241,558,430
Foreign travel and subsistence	10,717,388	6,452,260
Printing, advertising and information supplies & services	23,453,736	17,090,609
Rentals of produced assets	163,031,009	174,949,886
Training expenses	23,067,544	10,175,973
Hospitality supplies and services	54,096,946	35,390,034
Specialised materials and services	1,478,423,924	2,933,131,155
Office and general supplies and services	64,925,554	219,651,095
Other operating expenses	4,099,974,695	5,548,266,723
Routine maintenance – vehicles and other transport equipment	100,651,363	149,347,887
Routine maintenance – other assets	48,366,597	48,492,079
Fuel Oil and Lubricants	105,983,957	150,614,449
TOTAL	6,438,772,850	9,647,926,541

7 SUBSIDIES

Description	2018-2019	2017-2018
	Kshs	Kshs
Subsidies to Public Corporations	59,633,897,605	54,008,807,387
TOTAL	59,633,897,605	54,008,807,387

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 GRANTS AND TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2018-2019 Kshs	2017-2018 Kshs
Transfers to National Government entities (SCOA Codes 2630100, 2630200, 2640400, 2640500, 2649900, 2820100, 2820200, 2820300)	19,473,204,956	19,090,555,244
Capital Grants to Government Agencies and other level of Government	3,002,563,620	3,609,119,094
Other Current ,transfers, grants and subsidies	-	105,000,000
Other capital Grants and transfers	2,905,800,971	2,248,852,974
TOTAL	25,381,569,547	25,053,527,312

9 OTHER GRANTS AND TRANSFERS

	2018-2019 Kshs	2017-2018 Kshs
Membership dues and subscriptions to international organizations		-
Scholarships and other educational benefits	12,753,213	9,731,869
Total	12,753,213	9,731,869

10 SOCIAL SECURITY BENEFITS

	2018-2019 Kshs	2017-2018 Kshs
Government pension and retirement benefits	2,740,535	14,087,770
TOTAL	2,740,535	14,087,770

11 ACQUISITION OF ASSETS

	2018-2019 Kshs	2017-2018 Kshs
<u>Non-Financial Assets</u>		
Purchase of Specialised Plant, Equipment and Machinery	-	1,167,000
Sub Total	-	1,167,000
<u>Financial Assets</u>		
Sub Total	-	-
TOTAL	-	1,167,000

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

12A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit e.t.c	Exc rate (if in foreign currency)	2018-2019 Kshs	2017-2018 Kshs
Central Bank of Kenya, 1000384263, KShs		Recurrent	1	11,410,619	81,464
Central Bank of Kenya, 1000384287, KShs		Deposit	1	81,985,288	80,139,200
Central Bank of Kenya, 1000384271, KShs		Development	1	665,786	38,954,362
Central Bank of Kenya, 1000307398, KShs		Develop- Priede A	1	190,207,086	-
Central Bank of Kenya, 1000307404, KShs		Develop- Priede B	1	137,436,104	-
Central Bank of Kenya, 1000307412, KShs		Develop- Priede Gok	1	10,461,495	-
Central Bank of Kenya, 1000318201, KShs		Develop- Sequip	1	1,832,600,712	-
Kenya Commercial Bank, 1102291331, KShs		Develop- Unicef	1	4,648,145	-
Total				2,269,415,235	119,175,026

12B: CASH IN HAND

	2018-2019 Kshs	2017-2018 Kshs
Cash in Hand – Held in domestic currency	76,916	36,653
Cash in Hand – Held in foreign currency		
TOTAL	76,916	36,653

Cash in hand should also be analysed as follows:

	2018-2019 Kshs	2017-2018 Kshs
Headquarters, National Treasury Building, Cash office		
Location 1 Recurrent	76,916	19,053
Location 2 Development	-	17,600
TOTAL	76,916	36,653

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13: ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

<i>Description</i>	2018-2019	2017-2018
	Kshs	Kshs
Government Imprests	526,017	2,879,366
Domestic debtors and advances	349,259	604,243
Clearance accounts	143,042,371	708,682,250
TOTAL	143,917,647	712,165,859

14. ACCOUNTS PAYABLE

	2018-2019	2017-2018
	Kshs	Kshs
Deposits	1,861,926	1,861,926
Other Liabilities	80,123,362	78,277,274
TOTAL	81,985,288	80,139,200

15. FUND BALANCE BROUGHT FORWARD

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	119,175,026	84,986,299
Cash in hand	36,653	178,126
Receivables - Outstanding Imprests	712,165,859	213,617,488
Payables - Deposits	(80,139,200)	(64,852,390)
TOTAL	751,238,338	233,929,523

16. PRIOR YEAR ADJUSTMENTS

Description of the error	2018-2019	2017-2018
	Kshs	Kshs
Adjustments on bank account balances	(30,901,340)	-
TOTAL	(30,901,340)	-

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17. RELATED PARTY DISCLOSURES

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

The following comprise of related parties to the State Department for Early Learning and Basic Education

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

Related party transactions:

	2018-2019	2017-2018
	Kshs	Kshs
Key Management compensation	41,585,396	54,176,134
Transfers to other State Corporations and Semi-Autonomous Government Agencies	13,072,603,663	8,099,024,285
Transfers to Government Development Projects	2,471,856,405	1,566,730,385
TOTAL	15,586,045,464	9,719,930,804

18. OTHER IMPORTANT DISCLOSURES

18.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2018-2019	2017-2018
	Kshs	Kshs
Construction of buildings		
Construction of civil works		
Supply of goods	-	137,584,275
Supply of services	7,136,846	19,699,029
TOTAL	7,136,846	157,283,304

18.2: OTHER PENDING PAYABLES (See Annex 3)

	2018-2019	2017-2018
	Kshs	Kshs
Amounts due to National Government entities		
Amounts due to Entity entities	1,455,300	
Amounts due to third parties		
Others (<i>specify</i>)		
TOTAL	1,455,300	-

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19. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

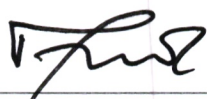
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Flouted Procurement Act	The original procurement plan has since been availed for review	Procurement Administration	Resolved	Resolved
2	Cash And Cash Equivalents	The state department has since reconciled its cash books	Accounts	Resolved	Resolved
3	Accounts Receivable	The state department has updated its records to reflect the correct Imprest figure of Kshs. 1,498,543.00.	Accounts Administration	Resolved	Resolved
4	Routine Maintenance Of Vehicles And Other Transport Equipment	The procurement of other transport equipment was through request for quotation from Samo Agencies.	Administration	Resolved	Resolved
5	Fuel And Lubricants	This includes field expenditure. The state department is also currently maintaining a register for fuel.	Administration Transport	Resolved	Resolved
6	Budgetary Control	Over expenditure on use of goods resulted from recovery of the exchequer which had already been spend.	Finance	Resolved	Resolved
7	Accuracy Of The Financial Statements	The financial statements have since been adjusted as agreed upon with the auditors.	Accounts	Resolved	Resolved

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
8	Subsidies	The issue was handed over to EACC and investigations are underway.	Finance Technical	Not resolved	30 Jun 2019
9	Compulsory Acquisition of Lr No.209/7879/4 Kshs1,500,000,000	The matter is being handled by the EACC and PAC	Administration Legal	Not resolved	30 Jun 2019
10	Accounts Payable	This are old balances who analysis has been provided	Accounts Finance	Resolved	Resolved
11	Lease agreements for kshs. 15,583,858	The Lease agreements were provided	Administration Legal	Resolved	Resolved
12	Nugatory payments for Kshs. 459,420	The tyres were replaced with the correct sizes	Procurement	Resolved	Resolved
13	Obsolete stores- 128No. UPS valued @Kshs.1,218,176	The stores have been bonded	Administration Legal	Resolved	Resolved
14	Minutes of the Audit committee not provided	The minutes were provided	Audit committee	Resolved	Resolved

Guidance Notes:

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



 Principal Secretary
 Dr. Belio Kipsang



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

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	Outstanding Balance 2019	Comments
	A	B	c	d=a-c		
Sub-Total						
Supply of services						
1. Crown Motors Group Ltd				30,963.00		Exchequer deficiency
2. Microscan Technologies Ltd				6,860,000.00		Exchequer deficiency
3. Pewin Motors Ltd				43,463.00		Exchequer deficiency
4. Agenix Enterprises				98,500.00		Exchequer deficiency
5. M/s Attic Tours and Travel Ltd				103,919.99		Exchequer deficiency
Sub-Total				1,136,845.99		
Grand Total				1,136,845.99		

ANNEX 2 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Outstanding Balance 2019	Comments
		a	b	c	d=a-c		
Amounts due to National Govt Entities							
1.	Center for Mathematics, Science & Technology in Africa				1,455,300.00		Exchequer deficiency
2.							
3.							
	Sub-Total				1,455,300.00		
	Grand Total				8,592,146.00		

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost B/f (Kshs) 2017/2018	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) 2018/2019
Land					
Buildings and structures	4,475,007,916	-	-	-	4,475,007,916
Transport equipment	647,611,846	-	-	-	647,611,846
Office equipment, furniture and fittings	592,888,879	-	-	-	592,888,879
ICT Equipment	265,171,822	-	-	-	265,171,822
Machinery and Equipment	24,441,138	-	-	-	24,441,138
Total	6,005,121,601	-	-	-	6,005,121,601

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the Ministry, Department or Agency. Additions during the year should tie to note 11 on acquisition of assets during the year. Ensure this section is complete covering all the entities assets)

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ANNEX 5 – LIST OF PROJECTS IMPLEMENTED BY THE STATE DEPARTMENT OF EARLY LEARNING AND BASIC EDUCATION

Ref	Project Name	Principal activity of the project	Accounting Officer	Project consolidated in these financial statements (yes/no)
1	Food Assistance to Primary and Pre Primary Schools in Semi-Arid Areas and Disadvantaged Urban Children World Food Program	Provision of Food in Semi-Arid, Arid and Disadvantaged urban Areas	Dr Belio Kipsang	Yes
2	Kenya Primary Education Development Project	Improve Early Grade Mathematics Competency and strengthen management systems at schools	Dr Belio Kipsang	Yes
3	Secondary Education Quality Improvement Project	Improving Student Learning and Transition from Primary to Secondary in targeted areas	Dr Belio Kipsang	Yes
4	Education for Young People Programme	To expand and improve early childhood development and education for vulnerable and disadvantaged children	Dr Belio Kipsang	Yes

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ANNEX 6 – LIST OF SCs, SAGAs AND PUBLIC FUNDS UNDER THE STATE DEPARTMENT OF EARLY LEARNING AND BASIC EDUCATION

Ref	SC, SAGA or Public Fund's name	Principal activity of entity	Accounting Officer	Amount transferred during the year	Inter- entity reconciliations done?(yes/no)
1	The Kenya Scouts Association			76,962,500	Yes
2	Centre for Maths Science and Tech Education in Africa			730,095,434	Yes
3	Kenya Institute for The Blind			30,380,000	
4	Lugari Teachers Training College			124,200,000	Yes
5	National Council for the Nomadic Education in Kenya			136,404,860	Yes
6	The President's Award Kenya			19,800,000	Yes
7	Kenya National Commission for UNESCO			307,800,000	Yes
8	Kenya National Examination Council			4,387,529,845	Yes
9	Kenya Institute of Curriculum Development			6,416,151,175	Yes
10	School Equipment Production Unit			19,700,000	Yes
11	Kenya Institute of Special Education			285,132,348	
12	Kenya Education Management Institute			90,160,000	Yes
13	Kibabii Teachers Training College			302,600,000	Yes
14	Kagumo Teachers Training College			108,700,000	Yes
15	Kenya Girls Guide Association			26,987,500	Yes
	TOTAL			13,072,603,663	

ANNEX 7- REPORTS GENERATED FROM IFMIS

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

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