

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS I AID

DATE: 11 NOV 2021 DAY.

| | |
|-----------------|-----------------|
| TABLED BY: | WALTER KANG'WOG |
| CLERK-AT-TABLE: | J. G. INOM |

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**KENYA INSTITUTE OF
CURRICULUM DEVELOPMENT**

**FOR THE YEAR ENDED
30 JUNE, 2020**



KENYA INSTITUTE OF CURRICULUM DEVELOPMENT

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE, 2020**

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

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

| | TABLE OF CONTENT | PAGE |
|-------|--|-------------|
| I. | KEY ENTITY INFORMATION AND MANAGEMENT | ii |
| II. | COUNCIL MEMBERS..... | vii |
| III. | CHAIRPERSON'S STATEMENT | xvi |
| IV. | REPORT FROM THE CHIEF EXECUTIVE OFFICER | xviii |
| V. | CORPORATE GOVERNANCE STATEMENT | xx |
| VI. | MANAGEMENT DISCUSSION AND ANALYSIS | xxi |
| VII. | CORPORATE SOCIAL RESPONSIBILITY STATEMENT | xxiv |
| VIII. | STATEMENT OF COUNCIL'S RESPONSIBILITIES..... | xxv |
| IX. | REPORT OF THE INDEPENDENT AUDITOR ON THE KENYA INSTITUTE OF CURRICULUM DEVELOPMENT..... | xxvii |
| X. | STATEMENT OF FINANCIAL PERFORMANCE | 1 |
| XI. | STATEMENT OF FINANCIAL POSITION | 2 |
| XII. | STATEMENT OF CHANGES IN NET ASSETS..... | 3 |
| XIII. | STATEMENT OF CASH FLOWS..... | 4 |
| XIV. | STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS..... | 5 |
| XV. | NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2020 | 7 |

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

The Kenya Institute of Curriculum Development (KICD) is a State Corporation established by an Act of Parliament the KICD Act No. 4 of 2013 (Revised 2018) and amended (2020). The Institute's core function is to conduct research and develop curricula and curriculum support materials for all levels of education below the university. The Institute also develops print and electronic curriculum support materials, initiates and conducts curriculum based research, organizing and conducting in service and orientation programmes for curriculum implementers.

(b) Principal Activities

The Institute is mandated through KICD Act No. 4 of 2013 (Revised 2018), amended (2020) to develop curriculum and curriculum support materials informed by research for basic and tertiary education and training. The Institute's vision is "A skilled and ethical society" while mission is "To provide curricula and curriculum support materials through research and engagement to nurture every learner's potential for sustainable development". The tagline is "Nurturing Every Learner's Potential"

(c) Key Management

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

- (i) Council
- (ii) Senior Management
- (iii) Management

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

(d) Fiduciary Management

The Senior Management personnel who held office during the Quarter ended 30th June 2020 and who had direct fiduciary responsibility were:

| Designation | Name | Date of Appointment | Date of Exit |
|---|-------------------------|---------------------------------|--------------------------------|
| Director/Chief Executive Officer | Dr. Julius Jwan | 12 th November 2014 | 28 th February 2020 |
| Ag. Director/Chief Executive Officer | Dr. Joel Mabonga | 29 th February, 2020 | |
| Ag. Senior Deputy Director Corporate Services | Mr. Solomon Kathuo | 2 nd March, 2020 | |
| Senior Deputy Director – Media and Extension Services | Mr. John Kimotho | 1 st February, 2008 | |
| Senior Deputy Director Curriculum and Research Services | Mrs. Jacqueline Onyango | 1 st July, 2017 | |

(e) Fiduciary Oversight Arrangements.

The Council provides oversight arrangements through various Council Committees. The Committees include:

i) Finance, Strategy and General Purposes Committee.

This Council Committee has the following terms of reference;

- To review proposed annual budgets and annual procurement plans in line with the Institutes mandate and strategic objectives and goals and recommend to the Council for approval.
- To advise the Council on resource mobilization strategies including, utilization of existing facilities to generate more income.
- To review financial performance against budget and to report on implications of significant variances to the Council.
- To review annual Financial accounts of the Institute and to recommend to the Council for approval.

KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020

- To review management's procedures for procurement and the controls in place to ensure value for money.
- To ensure that there are systems in place to safeguard the assets of the Institute.
- To review all the financial policies including public private partnership framework and recommend them to the Council for approval.
- To review the Institutes Strategic Plan to ensure that it is linked to its mandate, vision and mission.
- To ensure provision of adequate budgetary allocation for the implementation of the Strategic Plan.
- To monitor and review the performance of the Institute in meeting strategic objectives.
- To consider and make recommendations to the Council concerning new strategic opportunities and initiatives.

ii) **Human Resource and Governance Committee**

This Council Committee has the following terms of reference;

- To oversee that the recruitment of new employees done in line with the Law and the Institute's policies.
- To review the organizational structure of the Institute to align it to its mandate and best practices and recommend any changes to the Council for approval.
- To review and recommend employees compensation, including incentives, benefits, welfare programmes and retirement plans, to the Council for approval to ensure attraction, recruitment and retention of highly qualified employees.
- To ensure that the organization has appropriate human resource policies in compliance with the law.
- To ensure that the Institute has a succession management strategy and oversee its implementation.
- To handle any other human resource issues delegated to the Committee by the Council.
- To review and recommend the Council Charter outlining the principles, policies and procedures by which the Council will operate.
- To recommend to the Council any reports on corporate governance that may be required or considered advisable.
- To review Council members' conflict of interest statements.
- To undertake such other corporate governance initiatives as may be necessary or desirable to contribute to the success of the Institute.
- To receive annual Governance audit and report to the Council on areas that require improvement.

iii) **Curriculum Technical Committee**

This Council Committee has the following terms of reference;

- To review all curricula developed or vetted by the Institute and recommend to the Council for approval.
- To receive a report of all curriculum support materials evaluated by the Institute and recommend to the Council for approval.

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

- To review progress of all initiatives put in place by the Institute to implement KICD Act and Regulations.
- To review implementation of the Kenya Institute of Curriculum Development Act and Regulations and to recommend amendments where necessary to improve service delivery.

iv) Audit, Risk and Compliance Committee

This Council Committee has the following terms of reference;

- To review the effectiveness of the Institute's internal control framework
- To monitor and review the effectiveness of the internal audit function and internal auditor's reports and to seek such assurance as it may deem appropriate that the function is independent.
- To consider management's response to any recommendations made by the external auditor or internal audit and review with internal audit and the external auditor any fraudulent or illegal acts, deficiencies in internal control or other similar issue, including reviewing the results of management's investigation and follow up of any fraudulent acts.
- To ensure that the Institute has adequate policies and procedures to manage risks.
- To evaluate the internal processes for identifying, assessing, monitoring and managing key risk areas after considering the Risk Management Policy approved by the Council.
- To receive and keep under review major risk assessments made by the Institute and the disaster recovery plan necessary to ensure business continuity.
- To review the Institute's procedures for handling allegations from whistleblowers from time to time.
- To review the Institute's procedures concerning the prevention, mitigation and detection of fraud and economic crimes.
- To evaluate the Institute's compliance with relevant Laws and Regulations relating to its operations including but not limited to, procurement, employment, occupational health and safety, and Finance laws.
- To evaluate the adequacy of the systems for ensuring that requisite statutory requirements are complied with.

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

(f) Headquarters

Kenya Institute of Curriculum Development,
P.O. Box 30231-00100,
Desai Road, Off Murang'a Road,
Nairobi, Kenya.

(g) Contacts

Kenya Institute of Curriculum Development
Telephone: (020) 3749900-3
Email: info@kicd.ac.ke
Website: www.kicd.ac.ke

(h) Bankers

Kenya Commercial Bank,
Moi Avenue Branch,
P.O. Box 30081 – 00100,
Nairobi, Kenya.

Co-operative Bank of Kenya,
Stima Plaza Branch,
P.O. Box 48231 – 00100,
Nairobi, Kenya.

Equity Bank Limited,
Ngara Branch,
P.O. Box 33080-00600,
Nairobi, Kenya.

(i) Independent Auditors

Auditor General,
Anniversary Towers, University Way,
P.O. Box 30084-00100,
Nairobi, Kenya.

(j) Attorney General,

P.O. Box 40112 - 00100,
Nairobi, Kenya.

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

II. COUNCIL MEMBERS



DR. SARA RUTO

**CHAIRPERSON -
KICD COUNCIL**

Re-appointed on 16th October, 2019

Dr. Ruto (53 years), is the Chairperson, Kenya Institute of Curriculum Development (KICD) Council. Her areas of specialisation are Educational Research and school reform. She is the Chief Executive Officer of the People's Action for Learning (PAL) Network a global south network of countries undertaking citizen led assessments and actions. Dr. Ruto also leads the Accelerated Learning Program that seeks to provide an evidence base to hasten learning outcomes for children left behind. She previously served as the Regional Manager of Uwezo East Africa, and was a lecturer at Kenyatta University. She sits in several advisory boards, such as UNESCO's Global Education Monitoring Report, Knowledge Platform and Brookings Millions Learning Advisory Group.



PROF. WINSTON AKALA

MEMBER

Re-appointed on 1st September, 2019

Prof. Akala (54 years), is currently the Dean School of Education, Department of Educational Administration and Planning, University of Nairobi. He is a specialist in curriculum development, education research, monitoring and evaluation with a PhD in Curriculum development from Moi University and another one in Education from the University of Illinois at Urbana- Champaign.

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**



PROF. ORPHA ONGITI

MEMBER

Re-appointed on 1st September, 2019

Prof. Ongiti (58 years), Orpha K. Ongiti is a Professor of Educational Administration and Policy Studies. She is a Ford Foundation International Fellow (2002). Prof. Ongiti earned her PhD and MSc in Educational Administration and Policy Studies from the State University of New York (SUNY) at Albany NY. A Professional Teacher, Policy and Curriculum expert, Prof. Ongiti attained a Master's in Education (MED) Degree, specializing in Curriculum Studies from Kenyatta University, and a Bachelor of Education Degree from the University of Nairobi, Kenyatta University College. While pursuing her PhD at SUNY, she received the following awards: Dissertation Research Fellowship Award; Initiative for Women Award; Leadership Award, and The Bette Knowlton Roe Scholarship.



**MR. WESLEY TOO
REPRESENTATIVE OF
PRINCIPAL SECRETARY,
THE NATIONAL TREASURY**

Appointed on 10th May, 2017

Mr. Too (51 years) represents the Principal Secretary, National Treasury. He is a Deputy Director of Resource Mobilization in the National Treasury, Resources Mobilization Department. He has over ten years' experience in resources mobilization, and holds a Master of Arts Degree in Economics from the University of Nairobi.

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**



Appointed on 1st September, 2019

Dr. Mary Gaturu (57 Years), is currently a Director of Quality Assurance at the Ministry of Education. She holds a PhD Degree in Education. Her area of expertise is Educational Administration.

DR. MARY GATURU

**REPRESENTATIVE OF
PRINCIPAL SECRETARY,
STATE DEPARTMENT OF
EARLY LEARNING AND
BASIC EDUCATION**

MEMBER



Appointed on 20th November, 2018

Mr. Ezekiel Onyango Tumbo (57) years is an Assistant Director in Quality Assurance and Standards Directorate at Teachers Service Commission. He holds a Master of Business Administration (Strategic Management) Degree from Masinde Muliro University, and a Bachelor of Education in Biology and Chemistry from Kenyatta University. He has served in the education sector for more than 30 years. Mr. Tumbo has attended several trainings both locally and internationally in Teacher Professional Development, Performance Management, Policy development, corporate governance and Risk management. He is currently an executive board member of Africa Federation of Teaching Regulatory Authority (AFTRA), a continental body under Africa Union (AU).

MR. EZEKIEL TUMBO

**REPRESENTATIVE,
TEACHERS SERVICE
COMMISSION**

MEMBER

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**



MR. JOHNSON NZIOKA

MEMBER

Appointed on 1st September 2019

Mr. Nzioka (55 years), has been a Head-teacher of various schools in Nairobi for the last 19 years and is currently the Head-teacher at Donholm Primary School. He has a Higher Diploma in Education Management from KEMI which he acquired in July 2013 and a Bachelor of Education (Arts) from The East African University graduating on 5/12/2017 and other professional trainings in Education matters.

Alongside the teaching duties he has been involved in management of Co-curricular activities having risen from the Sub County as a Kenya Primary Schools Sports Association chairman to the National Vice Chairman of the same in 2015.

He is currently the Deputy National Chairman of Kenya Primary Schools Headteachers' Association (KEPSHA).



MS. FLORENCE NGARARI

MEMBER

Appointed on 1st September, 2019

Ms. Ngarari (54 years), holds a Bachelor's Degree in Education from Kenyatta University and a Diploma in Education Management from Kenya Education Management Institute (KEMI).

She is currently the Principal of Pangani Secondary School. Her area of expertise is administration and Education. She has been a member of Kenya Secondary School Heads Association (KESSHA) since 2003 and has served as organizing Secretary KESSHA in Murang'a County and as a Vice Chairlady KESSHA Nairobi Region and is currently the Assistant Treasurer KESSHA.

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**



FCPA JULIUS MWATU

**CO-OPTED
MEMBER**

Appointed on 4th March, 2020

FCPA Mwatu (48 years) is the Managing Partner at CPJ & Associates and has extensive experience in the accountancy profession spanning over 20 years specialising in audit, tax, integrated reporting and governance.

He is the immediate past Chairman of the Institute of Certified Public Accountants of Kenya (ICPAK) and a fellow of the Institute. Julius holds an MBA in Finance and a BSc. in Statistics. He is a Certified Public Accountant of Kenya - CPA (K), a Certified Secretary – CS, a Financial Analyst – FA and a Certified Integrated Reporting (IR) Practitioner.



DR. MERCY KAROGO

MEMBER

Appointed on 1st September, 2016

Dr. Karogo (63 years), is currently the Acting Chief Executive Officer, The Kenya National Examinations Council (KNEC). She was a Senior Deputy Director (Curriculum and Research Services) at KICD.

She holds a PhD in Business Administration and Management from Dedan Kimathi University, Masters of Science, Entrepreneurship Degree from Jomo-Kenyatta University of Agriculture and Technology (JKUAT) and a Bachelor of Education Degree from University of Nairobi.

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**



DR. JOEL MABONGA

Ag. DIRECTOR/CEO

Appointed on 29th February, 2020

Dr. Mabonga (53 years), is the Acting Director.

He holds Bachelors of Education Degree (KU), Masters of Philosophy Degree (Moi University), PhD Educational Change Management (KU). Has attended several leadership courses abroad and in the country.

Prior to this appointment he served as the Accounting Officer for Independent Policing Oversight Authority (IPOA); Director Voter Education and Partnerships at the Independent Electoral and boundaries Commission (IEBC); Chief Examinations Manager at the Kenya Institute of Management and Lecturer at the Kenyatta University (KU) and Kenya Education Staff Institute (KESI).

KICD COUNCIL DISTRIBUTION BY ETHNICITY

| S/NO | ETHNIC GROUP | MALE | FEMALE | TOTAL | % |
|------|--------------|----------|----------|-----------|------------|
| 1. | KALENJIN | 1 | 1 | 2 | 18.2 |
| 2. | KIKUYU | | 3 | 3 | 27.3 |
| 3. | KISII | | 1 | 1 | 9.1 |
| 4. | LUO | 1 | | 1 | 9.1 |
| 5. | LUHYA | 2 | | 2 | 18.2 |
| 6. | KAMBA | 2 | | 2 | 18.2 |
| | TOTAL | 6 | 5 | 11 | 100 |

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

SENIOR MANAGEMENT



DR. JOEL MABONGA
ACTING DIRECTOR/CEO

Appointed on 29th February, 2020

Dr. Mabonga (53 years), is the Acting Director /CEO

He holds Bachelors of Education Degree (KU), Masters of Philosophy Degree (Moi University), PhD Educational Change Management (KU). Has attended several leadership courses abroad and in the country.

Prior to this appointment he served as the Accounting Officer for Independent Policing Oversight Authority (IPOA); Director Voter Education and Partnerships at the Independent Electoral and boundaries Commission (IEBC); Chief Examinations Manager at the Kenya Institute of Management and Lecturer at the Kenyatta University (KU) and Kenya Education Staff Institute (KESI).



MR. SOLOMON KATHUO
**AG. SENIOR DEPUTY DIRECTOR
(CORPORATE SERVICES)**

Appointed on 2nd March, 2020

Mr. Solomon Munyoki Kathuo (52 years) is the Acting Senior Deputy Director, Corporate Services at Kenya Institute of Curriculum Development (KICD).

Solomon Munyoki Kathuo is currently pursuing the PhD, Business Administration Degree (Finance Option) at Jomo Kenyatta University of Agriculture and Technology. He holds **two (2)** Masters Degrees; Master's Degree in Education (M.Ed) from University of Mysore, India and Master of Business Administration (MBA) Finance, from Jomo Kenyatta University of Science and Technology. Solomon Kathuo is also a holder of Bachelor of Education Degree (B.Ed. Arts), Business Studies & Economics from Kenyatta University and is a full Member of the Kenya Institute of Management. He has attended several courses within and outside Kenya.

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**



MR. JOHN G. KIMOTHO

**SENIOR DEPUTY DIRECTOR
(MEDIA AND EXTENSION
SERVICES)**

Appointed on 1st February, 2008

Mr. Kimotho (58 years), is the Senior Deputy Director, Media and Extension Services.

Qualifications: Postgraduate Diploma in Leadership in ICT and Knowledge Society – Dublin City University. He also holds Masters Degree in Communication (Media Studies) and he is currently pursuing PhD in Communication at Daystar University. He is a member of the Engineers Registration Board and Africa’s representative at the Global Digital Literacy Council.



MRS. JACQUELINE ONYANGO

**SENIOR DEPUTY DIRECTOR
(CURRICULUM AND RESEARCH
SERVICES)**

Appointed on 1st July, 2017

Mrs. Onyango (51 years), is the Senior Deputy Director Curriculum and Research Services.

Qualifications: Masters Degree in Curriculum Studies from University of Nairobi; Bachelor of Education Degree from Kenyatta University; Certificate in Education Planning from the International Institute of Education (IIEP-UNESCO).

She is currently undertaking a PhD Degree in Curriculum Development at Moi University, Eldoret.

She is a member of Kenya Institute of Management and Forum for African Women in Education, Kenya

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

KICD ETHNIC DISTRIBUTION AS AT 30TH JUNE 2020

KICD Management Distribution by Ethnicity (Grade 5 and above)

| S/NO | ETHNIC GROUP | MALE | FEMALE | TOTAL | % |
|------|--------------|-----------|-----------|-----------|-------|
| 1. | ASIAN | 0 | 1 | 1 | 1.19 |
| 2. | EMBU | 0 | 3 | 3 | 3.57 |
| 3. | KAMBA | 6 | 5 | 11 | 13.09 |
| 4. | KIKUYU | 11 | 17 | 28 | 33.33 |
| 5. | KISII | 2 | 3 | 5 | 5.95 |
| 6. | LUHYA | 6 | 4 | 10 | 11.9 |
| 7. | LUO | 8 | 4 | 12 | 14.29 |
| 8. | MERU | 4 | 4 | 8 | 9.52 |
| 9. | KALENJIN | 1 | 3 | 4 | 4.76 |
| 10. | SOMALI | 2 | 0 | 2 | 2.38 |
| | TOTAL | 40 | 44 | 84 | |

KICD Distribution of Other Staff by Ethnicity (Grade 6 and below)

| S/NO | ETHNIC GROUP | MALE | FEMALE | TOTAL | % |
|------|--------------|------------|------------|------------|------------|
| 1. | EMBU | 1 | 5 | 6 | 2.53 |
| 2. | KALENJIN | 6 | 9 | 15 | 6.33 |
| 3. | KAMBA | 12 | 12 | 24 | 10.13 |
| 4. | KIKUYU | 30 | 50 | 80 | 33.76 |
| 5. | KISII | 14 | 10 | 24 | 10.13 |
| 6. | LUHYA | 16 | 16 | 32 | 13.5 |
| 7. | LUO | 23 | 9 | 32 | 13.5 |
| 8. | MAASAI | 2 | 0 | 2 | 0.84 |
| 9. | MERU | 9 | 7 | 16 | 6.75 |
| 10. | TESO | 0 | 1 | 1 | 0.42 |
| 11. | TAITA | 2 | 3 | 5 | 2.11 |
| | TOTAL | 115 | 122 | 237 | 100 |

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

III. CHAIRPERSON'S STATEMENT

The Kenya Institute of Curriculum Development in its resolute efforts to fulfil its mandate under the leadership of the Council, made great strides during the 2019/2020 Financial Year. The Institute in collaboration with the Ministry of Education and other stakeholders has remained focused particularly on curriculum reforms, to guarantee quality. This is in line with its mission of providing curricula and curriculum support materials through research and engagement to nurture every learner's potential for sustainable development.

The Institute is committed to prudent utilization of available resources, as the Institute weaves the curriculum aimed at producing a learner capable of fostering a skilled and ethical society. Indeed, this explains the holistic nature of the Competency Based Curriculum (CBC), which emphasizes on the 21st century skills that will enhance graduates' capacity to acquire competences requisite for job and wealth creation. This will be achieved through nurturing every learner's potential, which is key to realization of Kenya's Vision 2030.

The Council signed a Performance Contract and achieved the set targets. In the last quarter of the financial year, the Institute had to adjust its operations to the new normal, following confirmation of COVID-19 cases in the country. KICD had a critical role to play to ensure learners remain busy while at home through remote learning. That called for scaling up of the broadcast and digital platforms to meet the demand.

In preparation for the rollout of CBC in the subsequent years, development of curriculum designs and evaluation for grade five textbooks was undertaken with publishers being asked to make corrections as pointed out by evaluators, to guarantee quality. The Institute mainstreamed relevant content on the government development agenda as envisaged in Kenya Vision 2030, the Government's Big Four Agenda and Sessional Paper No. 1 of 2019 on transformation of education sector from 8-4-4 to 2-6-6-3 during the development of curriculum designs taking cognisance of Special Needs Education and seamless 100 per cent transition in basic education.

In addition, the construction of the Education Resource Centre (ERC) phase one is ongoing. Upon its completion, the curriculum development is set to be revolutionized in Kenya and beyond. The Institute developed a strategic plan, which as the road map for the next five years, has prioritised

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

activities and programmes in tandem with the ongoing development and implementation of the CBC.

The Council embarked on strengthening the Institute's human resource capacity by filling various critical positions in line with the reviewed KICD organizational structure and staffing levels. The Council continues to support and promote professional and career growth of all staff in the Institute. In return, the Council expects the management to be innovative and focused in enhancing teamwork within the Institute.

Finally, I wish to thank the Government of Kenya for the support it has accorded the Institute during the 2019/2020 financial year.



**SARA RUTO, PhD, EBS
CHAIRPERSON
KENYA INSTITUTE OF CURRICULUM DEVELOPMENT**

Date:20/5/21.....

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

IV. REPORT FROM THE CHIEF EXECUTIVE OFFICER

In the 2019/2020 financial year, the Institute continued with implementation of Curriculum Reform. In order to ensure continuity of essential services, the Institute had to reorganize its mode of service delivery following the confirmation of COVID-19 cases in Kenya in March 2020. Safety containment measures put in place as advised by the Government to mitigate the spread of the Virus.

During the financial year under review, key milestones were achieved. These include completion of Curriculum Designs for Grade 5; Evaluation of the course books and teachers guides in readiness for roll out of CBC in Grade 5; and completion of Curriculum Designs for Grade 6. Further, the Institute finalised the curriculum designs for Grades 7,8 and 9 and also developed the scope and sequence charts for 27 subjects in Grades 10, 11 and 12. The Institute also completed the development of curriculum designs for Diploma in Early Childhood Development Teacher Education and Diploma in Primary School Teacher Education. The handbooks for teachers in primary teacher education and ECDE were also completed.

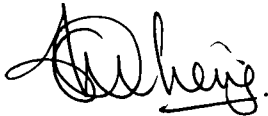
The Institute also undertook the capacity building for Competency Based Curriculum implementors (head teachers, teachers, teacher trainers and field officers) during the first and the second quarter of the year. The Institute also developed curriculum for Learners' Support Assistant programme, curriculum designs for Diploma in SNE Teacher Education and the Kenya Sign Language interactive materials for Grade 4.

During the first and second quarters of FY 2019/20, the Institute continued disseminating Radio and Television (TV) programmes, as well as development and dissemination of digital content in the various subjects. However, on 15th March 2020, the all learning institutions were closed indefinitely following the confirmation of the COVID-19 cases in Kenya. This affected over 15 million learners in basic education. As an intervention measure, KICD upscaled the broadcasting of the virtual lessons to the learners in preprimary, primary and secondary education levels at home due to the pandemic. The confirmation and subsequent closure of learning institutions in Kenya turned the focus to KICD to continue providing some

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

form of schooling for learners at home. KICD began disseminating the out of the classroom lessons targeting all learners in basic education who were at home during the Pandemic season.

Going forward, the Institute will continue to established services delivery innovations and adoption of technology to ensure continued service delivery.



**PROF. CHARLES O. ONG'ONDO
DIRECTOR/CHIEF EXECUTIVE OFFICER
KENYA INSTITUTE OF CURRICULUM DEVELOPMENT**

Date 20/5/21

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

V. CORPORATE GOVERNANCE STATEMENT

Good corporate governance is integral in enabling the Institute to interact with both internal and external stakeholders. Corporate governance entails the systems, processes and structures used to direct and manage the affairs of the Institute and delineate the respective roles of the Council and management and the framework of internal controls. The Council and the management regard good corporate governance as pivotal to the success of the Institute, and is committed to ensuring there is strict adherence to these processes.

The Institute achieves good corporate governance by using a risk-based approach to establish a system of internal controls and by reviewing the effectiveness of the system on a regular basis. The Kenya Institute of Curriculum Development has formulated and implemented sound internal corporate governance guidelines, which spell out the responsibilities of management and the Council.

The Council has established Committees to assist in the implementation of its policy guidelines and strategy. These Committees meet regularly and are chaired by non-executive Council members. The Committees submit their report to the full Council for adoption and approval. All the non-executive Council members are independent of management and free from any business or other relationship, which may materially interfere with the exercise of their judgment.

The Council meets regularly and has a formal schedule of its matters. Currently, the Council comprises of ten (10) non-executive members and the KICD Director/Chief Executive Officer. The full Council meets at least four times in a year.

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

VI. MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A: OPERATIONAL AND FINANCIAL PERFORMANCE

The Kenya Institute of Curriculum Development (KICD) is State Corporation charged with the critical mandate of developing curricula and curriculum support materials for all levels of education below the university. The Institute relies on the Government grant to support its activities. The grant is mostly used to cater for staff salaries and to undertake core activities.

In the 2019/2020 financial year, the Institute continued with implementation of Curriculum Reform. In order to ensure continuity of essential services, the Institute had to reorganize its mode of service delivery following the confirmation of COVID-19 cases in Kenya in March 2020. Safety containment measures put in place as advised by the Government to mitigate the spread of the Virus.

During the financial year under review, key milestones were achieved. These include completion of Curriculum Designs for Grade 5; Evaluation of the course books and teachers guides in readiness for roll out of CBC in Grade 5; and completion of Curriculum Designs for Grade 6. Further, the Institute finalised the curriculum designs for Grades 7,8 and 9 and also developed the scope and sequence charts for 27 subjects in Grades 10, 11 and 12. The Institute also completed the development of curriculum designs for Diploma in Early Childhood Development Teacher Education and Diploma in Primary School Teacher Education. The handbooks for teachers in primary teacher education and ECDE were also completed.

The Institute also undertook the capacity building for Competency Based Curriculum implementors (head teachers, teachers, teacher trainers and field officers) during the first and the second quarter of the year. The Institute also developed curriculum for Learners' Support Assistant programme, curriculum designs for Diploma in SNE Teacher Education and the Kenya Sign Language interactive materials for Grade 4.

During the first and second quarters of FY 2019/20, the Institute continued disseminating Radio and Television (TV) programmes, as well as development and dissemination of digital

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

content in the various subjects. However, on 15th March 2020, the all learning institutions were closed indefinitely following the confirmation of the COVID-19 cases in Kenya. This affected over 15 million learners in basic education. As an intervention measure, KICD upscaled the broadcasting of the virtual lessons to the learners in preprimary, primary and secondary education levels at home due to the pandemic. The confirmation and subsequent closure of learning institutions in Kenya turned the focus to KICD to continue providing some form of schooling for learners at home. KICD began disseminating the out of the classroom lessons targeting all learners in basic education who were at home during the Pandemic season.

During this financial year, the Institute received Grant transfers from the Ministry of Education as follows;

| Type of grant | 2020 KSH '000' | 2019 KSH '000' |
|---------------------------|---------------------------|---------------------------|
| Operational grant- Normal | 803,358 | 803,358 |
| Development Grant | 157,000 | 116,000 |

During the financial year, the Institute internally raised revenue as follows:

| Type of revenue | 2020 KSH '000' | 2019 KSH '000' |
|------------------------------|---------------------------|---------------------------|
| Appropriation in Aid (A-I-A) | 374,116 | 483,913 |

SECTION B: COMPLIANCE WITH STATUTORY REQUIREMENTS

During the financial year the Institute complied with all the statutory requirements which included tax compliance, pension deduction and remittance, medical deductions among others.

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

**SECTION C: KEY PROJECTS AND INVESTMENT DECISIONS THE ENTITY IS
PLANNING/IMPLEMENTING**

During the financial year, the Institute has been carrying out one Capital project, namely, Educational Resource Centre, which is solely funded by the Government of Kenya and is at phase 1.

SECTION D: MAJOR RISKS FACING THE ENTITY

The Institute has developed a Risk Framework Policy to be followed in its operations.

Risk Management

A risk analysis conducted while developing the KICD 2019-2024 strategic plan identified potential risks that may affect the achievement of strategic objectives and the possibility of each occurring. Appropriate mitigation measures have also been developed to address each risk with the aim of minimising the possibility of the risk occurring and also to minimise its consequences if it does occur.

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

VII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Kenya Institute of Curriculum Development undertakes Corporate Social Responsibility (CSR) as a way of giving back to society. The community activities enhance the existing mutual relationship with stakeholders besides, improving the institute's brand awareness locally and globally.

Over the years, KICD has endeavoured to partner with its stakeholders to champion a cause that is likely to have a positive impact in the society. During the 2019/2020 Financial Year, the Institute participated in the "Beyond Zero Marathon," in Nairobi. Besides participating in the event, KICD sponsored the 2020 edition by giving a cheque of one hundred and fifty thousand shillings.

The race that attracted 15,000 participants was flagged off by its founder, First Lady Margaret Kenyatta along Uhuru Highway opposite the Nyayo National Stadium before ending inside the Stadium. Funds raised through the marathon will be used to refurbish health facilities as well as kick start the process of setting up a specialised Beyond Zero referral health facility.

The event was also attended by President Uhuru Kenyatta, who participated in the 2km walk/run alongside Sports CS Amina Mohammed, Nairobi Governor Mike Sonko, Machakos Governor Alfred Mutua, among other dignitaries.

The Institute's name featured in selected advertisements and was allowed to strategically place its banners during the event. KICD staff who participated in the activity interacted with other participants drawn from the public and private sector. The staff shared pertinent information about our vision and mission and particularly the ongoing curriculum reforms.

Therefore, the participation of KICD was important in enhancing its visibility besides, supporting the government's aspiration to achieve universal health care.

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

VIII. STATEMENT OF COUNCIL'S RESPONSIBILITIES

Section 14 of the State Corporations Act requires the Institute to prepare financial statements in respect of the Institute, which give a true and fair view of the state of affairs of the Institute at the end of the year, and the operating results of the Institute for that year. The Council is also required to ensure that the Institute keeps proper accounting records which disclose, with reasonable accuracy the financial position of the Institute. The Council is also responsible for safeguarding the assets of the Institute.

The Council is therefore, responsible for the preparation and presentation of the Institute's financial statements, which give a true and fair view of the state of affairs of the Institute for and as at the end of the year ended June 30th, 2020. This responsibility includes:

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

The Council accepts responsibility for the Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Council is of the opinion that the Institute's financial statements give a true and fair view of the state of Institute's transactions during the financial year ended June 30th, 2020, and of the Institute's financial position as at that date. The Council further confirms the completeness of the accounting records maintained by the Institute, which have been relied upon in the preparation of the Institute's financial statements, as well as the adequacy of the systems of internal financial controls.

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

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

Approval of the financial statements

The draft annual Report and financial statements for the year ended 30th June, 2020 were presented to the Council and approved during the meeting held on

**Dr. Sara Ruto
Chairperson**



Signature

20/5/21

**Ms. Florence Ngarari
Member**



Signature

20/5/21

**Prof. Charles O. Ong'ondo
Director/Chief Executive Officer**



Signature

20/5/21

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA INSTITUTE OF CURRICULUM DEVELOPMENT FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Institute of Curriculum Development set out on pages 1 to 25, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of cash flows, statement of changes in net assets and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Institute of Curriculum Development as at 30 June, 2020 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kenya Institute of Curriculum Development Act, 2013 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Institute of Curriculum Development 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 opinion.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Staff Regional Diversity

As previously reported, review of the Institute's staff data revealed that one ethnic community accounted for 33.76% of the permanent staff. This is contrary to Paragraph 7(2) of the National Cohesion and Integration Act, 2008 which states that no public establishment shall have more than one third of its staff from same ethnic community.

The Institute is, therefore, in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

13 October, 2021

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

**I. STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June, 2020**

| | Note | 2020 KSH '000' | 2019 KSH '000' |
|---|------|-------------------|-------------------|
| Revenue from non-exchange transactions | | | |
| Funding from donors/partners | 3 | 9,286,989 | 8,404,332 |
| Transfers from Governments | 4 | <u>803,358</u> | <u>803,358</u> |
| | | 10,090,347 | 9,207,690 |
| Revenue from exchange transactions | | | |
| Net surplus from NRC | 5 | 99,191 | 43,447 |
| Rental revenue from staff quarters | 6 | 101 | 99 |
| Finance income - external investments | 7 | 212,479 | 396,827 |
| Other income | 8 | 62,345 | 43,541 |
| | | <u>374,116</u> | <u>483,913</u> |
| Total revenue | | 10,464,463 | 9,691,603 |
| Expenses | | | |
| Employee costs | 9 | 593,877 | 529,725 |
| Expenses of the Council | 10 | 10,547 | 13,607 |
| Depreciation and amortization | 11 | 64,521 | 59,542 |
| Repairs and maintenance | 12 | 27,325 | 22,650 |
| Programme areas services | 13 | 200,473 | 96,204 |
| Donors/partners expenditure | 14 | 9,286,989 | 8,404,332 |
| General operational expenses | 15 | 131,970 | 114,290 |
| Total expenses | | <u>10,315,702</u> | <u>9,240,351</u> |
| (Deficit)/surplus for the period | | <u>148,761</u> | <u>451,252</u> |

The notes set out on pages 7 to 25 form an integral part of the Financial Statements.

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

**XI. STATEMENT OF FINANCIAL POSITION
As at 30 June, 2020**

| Assets | | 2020 | 2019 |
|---|----|------------------|------------------|
| Current assets | | KSH '000' | KSH '000' |
| Cash and cash equivalents | 16 | 2,301,891 | 4,842,871 |
| Receivables from exchange transactions | 17 | 61,921 | 53,065 |
| Inventories | 18 | <u>67,912</u> | <u>67,358</u> |
| | | 2,431,724 | 4,963,294 |
| Non-current assets | | | |
| Property, plant and equipment | 19 | 4,435,441 | 2,226,006 |
| Intangible assets | 20 | 8,372 | 11,225 |
| | | 4,443,813 | 2,237,231 |
| Total assets | | 6,875,537 | 7,200,525 |
| Current liabilities | | | |
| Trade and other payables from exchange transactions | 21 | 153,124 | 159,143 |
| Refundable deposits from customers | 22 | 972 | 972 |
| Deferred income – donors/partners | 23 | 608,259 | 3,267,404 |
| Total liabilities | | 762,356 | 3,427,519 |
| Net assets | | | |
| Capital reserves | 24 | 4,349,391 | 2,157,977 |
| Accumulated surplus | 25 | 1,763,790 | 1,615,029 |
| | | 6,113,181 | 3,773,006 |
| Total net assets and liabilities | | 6,875,537 | 7,200,525 |

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Council by:

Prof. Charles O. Ong'ondo
Director/Chief Executive Officer



Signature

20/5/21

Solomon M. Kathuo
Head of Finance & Accounts



Signature

20/5/21

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

XII. STATEMENT OF CHANGES IN NET ASSETS
For the year ended 30 June, 2020

| | Notes | Capital reserve KSH '000' | Accumulated surplus Restated KSH '000' | Total KSH '000' |
|------------------------------------|-------|---------------------------------|---|--------------------|
| Balance as at 30 June 2018 | | 2,041,977 | 1,163,777 | 3,205,754 |
| Surplus/(deficit) for the period | 25 | - | 451,252 | 451,252 |
| Capital Grant- ERC | 24 | 116,000 | - | 116,000 |
| Balance as at 30 June 2019 | | 2,157,977 | 1,615,029 | 3,773,006 |
| Surplus/(deficit) for the period | 25 | - | 148,761 | 148,761 |
| Capital Grant – ERC | 24 | 157,000 | - | 157,000 |
| Revaluation of assets | 24 | 2,034,413 | - | 2,034,413 |
| Balance as at 30 June, 2020 | | 4,349,391 | 1,763,790 | 6,113,181 |

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

XIII. STATEMENT OF CASH FLOWS
For the year ended 30 June, 2020

| | Note | 2020 KSH '000' | 2019 KSH '000' |
|---|------|--------------------|--------------------|
| Cashflows from Operating Activities | | | |
| (Deficit)/surplus for the year | | 148,761 | 451,252 |
| Add back Depreciation- Note 11 | 11 | 80,652 | 70,049 |
| Operating surplus before working capital changes | | 229,413 | 521,301 |
| Working Capital Adjustments | | | |
| Decrease/ (Inc) in Receivables | 17 | (8,855) | (8,031) |
| Increase/(Decrease) in Deferred Income | 23 | (2,659,145) | (1,398,070) |
| (Decrease)/Increase in Payables | 21 | (6,018) | 56,029 |
| Decrease in refundable deposits from customers | 22 | - | - |
| Decrease/(Increase) in Inventory | 18 | (555) | (8,133) |
| Net cashflows from operating activities | | (2,674,573) | (1,358,205) |
| Cashflow from Investing Activities | | | |
| Work in Progress (ERC) | 19 | (173,999) | (106,256) |
| Purchase of property, Plant and Equipment | 19 | (78,821) | (76,720) |
| Proceeds from Disposal of Property plant & Equipment | | - | - |
| Net Cashflows from investing activities | | (252,820) | (182,976) |
| Cash from Financing Activities | | | |
| Development Grant for ERC | | 157,000 | 116,000 |
| Net Cashflows from Financing Activities | | 157,000 | 116,000 |
| Net Increase | | (2,540,980) | (903,880) |
| Cash and cash equivalents at the beginning of the Year | | 4,842,871 | 5,746,751 |
| Cash and cash equivalents at the end of the year | | 2,301,891 | 4,842,871 |

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

XIV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

| | Original budget | Adjustments | Final budget | Actual on comparable basis | Performance difference |
|------------------------------------|------------------------|------------------------|------------------------|----------------------------------|---------------------------|
| | 2019-2020 KSH '000' | 2019-2020 KSH '000' | 2019-2020 KSH '000' | 2019-2020 KSH '000' | 2019-2020 KSH '000' |
| Revenue | | | | | |
| Funding from donors/partners | 9,694,210 | - | 9,694,210 | 9,286,989 | (407,221) |
| Government grants and subsidies | 803,358 | - | 803,358 | 803,358 | - |
| Income Generating Activities | 433,482 | - | 433,482 | 374,116 | (59,366) |
| Total income | 10,931,050 | - | 10,931,050 | 10,464,463 | (466,587) |
| Expenses | | | | | |
| Compensation of employees | 594,600 | - | 594,600 | 593,877 | 723 |
| Expenses of the Council | 15,000 | - | 15,000 | 10,547 | 4,453 |
| Depreciation and amortization | 65,000 | - | 65,000 | 64,521 | 479 |
| Repair and maintenance | 27,800 | - | 27,800 | 27,325 | 475 |
| Programme areas | 401,940 | - | 401,940 | 200,473 | 201,467 |
| Donor expenditure | 9,694,210 | - | 9,694,210 | 9,286,989 | 407,221 |
| General Operational expenses | 132,500 | - | 132,500 | 131,970 | 530 |
| Total expenditure | 10,931,050 | - | 10,931,050 | 10,315,702 | 615,348 |
| Surplus for the period | - | - | - | 148,761 | 148,761 |

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

Budget notes

- i) The performance on (donor funded activities) distribution of primary and secondary school books depended on delivery of the books to schools, presentation of claims by the publishers/suppliers and verification.
- ii) Income Generating Activities- the negative variance is due reduction in finance income
- iii) Compensation to employees- the variance is due to vacant posts and exit of staff.
- iv) Programme areas -.the variance was due to depressed operations due to outbreak of COVID 19

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

XV. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2020

1. Statement of compliance and basis of preparation

The Institute's financial statements have been prepared in accordance and compliance to International Public Sector Accounting Standards (IPSAS), Public Finance Management Act 2012 and State Corporations Act CAP 446. The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Institute and all values are rounded to the nearest thousand (KSH 000). The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.

2. Summary of significant accounting policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Institute and can be measured reliably.

ii) Revenue from exchange transactions

Rendering of services

The Institute recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

Notes to the Financial Statements (continued)

Income from NRC

Revenue from the NRC operations is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the service, and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Institute.

Interest income

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

b) Budget information

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Institute. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or Institute differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred.

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

Notes to the Financial Statements (continued)

- (d) Intangible assets** Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

e) Provisions

Provisions are recognized when the Institute has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Institute expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The Institute effects specific and general provisions on doubtful debts. A specific provision for bad debts shall be made when the debtor is deceased, declared bankrupt, cannot be traced debtors or if the debt is outstanding for more than two years. A general provision of 5% of the remaining debtors shall be made.

f) Inventories

Inventories (curricula and curriculum support materials) are measured at Current replacement cost as they are held for distribution to the learning institutions at a nominal charge.

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

Notes to the Financial Statements (continued)

g) Depreciation

Depreciation is calculated using the straight-line method to write down the cost or the valued amount of each asset to its residual value over its estimated useful life using the following annual rates. Work-in-progress is not subjected to depreciation.

| Asset | Depreciation Rate (%) |
|------------------------|------------------------------|
| Buildings | 2.5 |
| Motor Vehicles | 25 |
| Furniture and Fittings | 20 |
| Computers and Printers | 30 |
| Studio Equipment | 5 |
| Digital Equipment | 10 |
| Hotel Equipment | 10 |
| Tools and Equipment | 20 |
| Office Equipment | 20 |
| Printing Machinery | 5 |
| Generators | 10 |

Amortization

Amortisation is calculated using straight-line method to write down the cost of each licence or item of software to its residual value over its estimated useful life using an annual rate of 30%.

h) Nature and purpose of reserves

The Institute creates and maintains reserves in terms of specific requirements. The Institute maintains revenue reserve and capital reserves. The revenue reserves are made up of the accumulated surpluses and deficits carried forward over the period of time. The revenue reserves consists of development grant received for the construction of Education Resource Centre and the valuation amounts of fixed assets when the Institute valued the assets in 2019.

i) Changes in accounting policies and estimates

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

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

Notes to the Financial Statements (continued)

j) Employee benefits

Retirement benefit plan

The Institute provides Defined contribution retirement benefits plan for its employees. This is a post-employment benefit plan under which the Institute pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The Institute and the employees contribute 20% and 10% of the basic pay respectively. It also contributes to the statutory National Social Security Fund (NSSF) whose rates are determined by Kenyan statutes. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

k) Gratuity

Entitlements to gratuity are recognized when they accrue to qualifying employees at 31% of the basic salary.

l) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Closing balance of bank account held in foreign currency is reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the translation of the closing bank balance at rates different from those at which transactions were initially recorded during the period, is recognized as income or expense in the period in which they arise.

m) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash book balances, 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.

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

Notes to the Financial Statements (continued)

n) Comparative figures

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

o) Significant judgments and sources of estimation uncertainty

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Institute based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Institute. Such changes are reflected in the assumptions when they occur (IPSAS 1.140).

Useful lives and residual values

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

- i) The condition of the asset based on the assessment of experts employed by the Institute;

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

Notes to the Financial Statements (continued)

- ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
- iii) The nature of the processes in which the asset is deployed;
- iv) Availability of funding to replace the asset; and
- v) Changes in the market in relation to the asset.

p) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30th, 2020.

3. Funding from Donors/Partners

| | 2020 | 2019 |
|---|------------------|------------------|
| | KSH '000' | KSH '000' |
| MoE/Partners of Curriculum Reform | 263,885 | 198,819 |
| MoE – Digital Literacy Programme | 550,000 | - |
| SEQIP (Secondary Quality Impr. Programme) | - | 370,869 |
| MoE Text Books | 5,799,532 | 6,402,169 |
| Other Donors/Partners | 14,427 | 34,405 |
| Total Funding from Donors/Partners | 6,627,844 | 7,006,262 |

Reconciliation of public contributions and donations

| | | |
|--|----------------|------------------|
| Balance unspent at beginning of year | 3,267,404 | 4,665,474 |
| Current year receipts | 6,627,845 | 7,006,262 |
| Conditions met – transferred to revenue | (9,286,989) | (8,404,332) |
| Conditions to be met – remain liabilities | 608,259 | 3,267,404 |

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

Notes to the Financial Statements (continued)

4. Transfers from Government

| | 2020 KSH '000' | 2019 KSH '000' |
|--|-------------------|-------------------|
| Unconditional grants | | |
| Operational grant | 803,358 | 803,358 |
| Total government grants and subsidies | 803,358 | 803,358 |

5. Segment Information

The Institute operates National Resource Centre (NRC) to generate income. Income from NRC operations in the Statement of Financial Performance were arrived as follows:

| | | |
|---------------------------------|----------------|----------------|
| Revenues | | |
| Accommodation | 206,367 | 83,171 |
| Hiring | 17 | 60 |
| Food and Beverages | 15,424 | 62,692 |
| Business Centre | 94 | 103 |
| Other Incomes | 15,123 | 7,937 |
| | 237,025 | 153,963 |
| Less. Expenditure | | |
| Staff Cost | 5,885 | 15,270 |
| Administration Expenses | 7,980 | 8,594 |
| Operating Expenses | 129,702 | 88,895 |
| Depreciation charge | 16,130 | 10,507 |
| Total Operating Expenses | 159,698 | 123,266 |
| Operating Surplus | 77,327 | 30,697 |
| Interest Income | 21,864 | 12,750 |
| Net Income | 99,191 | 43,447 |

6. Rental Revenue from Staff Quarters

| | | |
|----------------------|------------|-----------|
| Rent receipts | 101 | 99 |
| Total rentals | 101 | 99 |

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

Notes to the Financial Statements (continued)

| | 2020 | 2019 |
|--|------------------|------------------|
| | KSH '000' | KSH '000' |
| 7. Finance Income - External Investments | | |
| Interest on Fixed Deposit Receipts | 125,770 | 295,370 |
| Interest on Call and Current Account | 86,709 | 101,457 |
| Total finance income - external investments | 212,479 | 396,827 |
| 8. Other Income | | |
| Sale of Curriculum Support Materials | 26,167 | 28,653 |
| Royalties | 63 | 60 |
| Income from Book review/Curation | 28,987 | 10,158 |
| Consultancy | 3,135 | 3,371 |
| Gain from Foreign Exchange/Disposal | 277 | 46 |
| Income from printing /photocopying | 502 | 450 |
| Miscellaneous Revenue | 517 | 751 |
| Decrease in provision for doubtful debts | 10 | - |
| Hire of EMS Equipment | 2,687 | 52 |
| Total Other Income | 62,345 | 43,541 |
| 9. Employee Costs | | |
| Employee related costs - salaries and wages | 334,500 | 299,010 |
| Employee related costs - contributions to pensions | 60,280 | 58,041 |
| Medical Cover | 35,518 | 38,565 |
| Commuter Allowances | 32,655 | 28,666 |
| Leave Allowances | 9,515 | 2,431 |
| Housing Allowances | 117,402 | 97,336 |
| Ex-gratia | - | 1,032 |
| Gratuity | 2,263 | 1,757 |
| Travelling Expenses | 1,744 | 2,887 |
| Employee costs | 593,877 | 529,725 |
| 10. Expenses of the Council | | |
| Honoraria | 960 | 960 |
| Sitting Allowance/Travel | 9,527 | 12,587 |
| Airtime | 60 | 60 |
| Total Councils' Remuneration | 10,547 | 13,607 |

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

Notes to the Financial Statements (continued)

11. Depreciation and Amortization

| | 2020 | 2019 |
|---|------------------|------------------|
| | KSH '000' | KSH '000' |
| Property, plant and equipment | 77,011 | 63,793 |
| Intangible assets | 3,640 | 6,256 |
| Total depreciation and amortization | 80,651 | 70,049 |
| Property, plant and equipment- Accounted under note 5 | (16,130) | (10,507) |
| Depreciation and amortization for KICD | 64,521 | 59,542 |

12. Repairs and Maintenance

| | | |
|--------------------------------------|---------------|---------------|
| Property | 12,541 | 6,652 |
| Equipment | 11,214 | 11,980 |
| Vehicles | 3,570 | 4,018 |
| Total repairs and maintenance | 27,325 | 22,650 |

13. Programme Areas Services

| | | |
|--|----------------|---------------|
| Basic Education | 858 | 2,161 |
| Corporate Communication | 812 | 2,403 |
| Technical, Vocational, Entrepreneurship Training | 250 | 1,682 |
| Educational Resources | 393 | 1,457 |
| Electronic and Emerging Media | 39,389 | 17,295 |
| Text Book Evaluation | 17,490 | 995 |
| Taskforce on curriculum reform | 57,982 | - |
| Research Monitoring and Evaluation | 885 | 592 |
| *School broadcast | 68,369 | 54,653 |
| *KICD Broadcasting Chanel | 12,616 | 14,966 |
| *Artist fees | 1,429 | - |
| Total Programme Areas Services | 200,473 | 96,204 |

NB: * Reclassified from Note 15

14. Donors/Partners Expenditure

| | | |
|--|------------------|------------------|
| MoE -Curriculum Reform | 219,637 | 269,866 |
| MoE -Digital Literacy Program | 199,501 | 12,557 |
| SEQIP | 397,305 | 45,626 |
| MoE Text Books | 8,452,899 | 7,998,006 |
| Kenya Future Leaders(G-United) | - | 44,750 |
| Other Donors/ Partners' Expenses | 17,646 | 33,527 |
| Total Donors/Partners Expenditure | 9,286,989 | 8,404,332 |

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

Notes to the Financial Statements (continued)

| 15. General Operational Expenses | 2020 KSH '000' | 2019 KSH '000' |
|---|---------------------------|---------------------------|
| Advertising | 11,981 | 4,074 |
| Admin Expenses | 34,031 | 37,486 |
| Audit Fees | 928 | 928 |
| Computer Expenses and Software Licence | 19,049 | 18,052 |
| Library Expenses | 391 | 585 |
| Electricity | 6,725 | 7,187 |
| Fuel and Oil | 11,959 | 10,885 |
| Insurance | 5,290 | 2,220 |
| Legal Expenses | 699 | 1,397 |
| Corporate Social Responsibility | 150 | 328 |
| Fungicides | 1,313 | 493 |
| Water | 72 | 94 |
| Postage | 35 | 9 |
| Printing and Stationery | 12,492 | 12,739 |
| Maintenance of VCT Services | 1,048 | 787 |
| Purchase of Supplies for Production | 4,763 | 5,653 |
| Bank Charges | 876 | 1,073 |
| Telecommunication | 3,498 | 3,018 |
| Training | 2,872 | 4,948 |
| Hire of Security | 4,026 | - |
| ERP support | 5,009 | - |
| COVID | 2,987 | - |
| Others | 1,776 | 2,334 |
| Total General Operational Expenses | 131,970 | 114,290 |

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

Notes to the Financial Statements (continued)

16. Cash and Cash Equivalents

| | | 2020 | 2019 |
|------------------------------|-----------------------|------------------|------------------|
| Financial institution | Account number | KSH. | KSH. |
| | | '000' | '000' |
| a) Current account | | | |
| Kenya Commercial Bank | 1109284373 | 566,007 | 617,052 |
| Kenya Commercial Bank | 1109287607 | 55,709 | 29,513 |
| Co-operative Bank | 01136069386401 | 504,159 | 405,055 |
| Co-operative Bank | 01136069386402 | 128,768 | 299,783 |
| Co-operative Bank | 01136069386405 | 2,345 | 377 |
| Co-operative Bank | 02120069386400 | 7,448 | 4,296 |
| Co-operative Bank | 01136069386403 | 1,677 | 1,682 |
| Equity Bank | 0910299125863 | 1,041 | 1,041 |
| National Bank of Kenya | 01071205024200 | 12,447 | 421,020 |
| Sub- total | | 1,279,599 | 1,779,819 |
| b) On - call deposits | | | |
| Co-operative Bank | 01150069386400/1 | 1,021,944 | 3,062,706 |
| Sub-total | | 2,301,543 | 4,842,526 |
| c) Others(specify) | | | |
| M-pesa | 341600 | 72 | 72 |
| Equity Agency | | 274 | 274 |
| Subtotal | | 346 | 346 |
| Grand total | | 2,301,891 | 4,842,871 |

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

Notes to the Financial Statements (continued)

17. Receivables from Exchange and Non-exchange Transactions

| | 2020 | 2019 |
|---|------------------|------------------|
| | KSH '000' | KSH '000' |
| Current receivables | | |
| Exchange Debtors | 106,494 | 89,606 |
| Staff Imprest | 272 | 269 |
| Staff Advances | 40 | - |
| Bank Guarantee | 300 | 5,522 |
| Prepayments | 23,009 | 6,937 |
| Deposits | 1,132 | 1,132 |
| Deposit with Continental Credit Bank | 4,923 | 4,923 |
| Deposit with Bank Indosuez | 120 | 120 |
| Less: Provision for doubtful debts (note 27) | (74,369) | (55,444) |
| Total current receivables | 61,921 | 53,065 |

18. Inventories

| | | |
|------------------|---------------|---------------|
| Technical stores | 12,476 | 13,785 |
| Bookshop stores | 39,601 | 35,861 |
| Main stores | 10,897 | 13,718 |
| NRC stores | 4,938 | 3,994 |
| | 67,912 | 67,358 |

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

19. Property, Plant and Equipment

| | LAND KSH. 000 | BUILDINGS KSH. 000 | FURN & FITTINGS KSH. 000 | MOTOR VEHICLES KSH. 000 | COMPUTERS KSH. 000 | STUDIO EQUIP KSH. 000 | DIGITAL EQUIP KSH. 000 | HOTEL EQUIP KSH. 000 | TOOLS & EQUIP KSH. 000 | OFFICE EQUIP KSH. 000 | PRINTING MACHINE KSH. 000 | GENERATORS KSH. 000 | WIP KSH. 000 | TOTAL KSH. 000 |
|----------------------------------|------------------|-----------------------|-----------------------------|----------------------------|-----------------------|--------------------------|---------------------------|-------------------------|---------------------------|--------------------------|------------------------------|------------------------|-----------------|-------------------|
| COST 2017/2018 | | | | | | | | | | | | | | |
| As at 1 st July 2018 | 416,000 | 483,825 | 47,551 | 108,462 | 81,216 | 166,089 | 40,692 | 37,768 | 15,897 | 7,990 | 103,068 | 9,765 | 989,584 | 2,507,908 |
| Disposal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Additions | - | 53,992 | 5,106 | - | 4,718 | 1,020 | - | 1,387 | 708 | 178 | - | - | 106,257 | 173,365 |
| As at 30 th June 2019 | 416,000 | 537,817 | 52,657 | 108,462 | 85,934 | 167,109 | 40,692 | 39,155 | 16,605 | 8,168 | 103,068 | 9,765 | 1,095,841 | 2,681,273 |
| Depreciation As at 1 July 2018 | - | 80,206 | 33,748 | 75,553 | 64,794 | 47,359 | 12,693 | 14,733 | 12,066 | 7,842 | 35,644 | 6,836 | - | 391,474 |
| Disposal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| depreciation | - | 13,446 | 5,601 | 13,728 | 7,606 | 8,355 | 4,069 | 3,915 | 886 | 57 | 5,153 | 977 | - | 63,793 |
| As at 30 th June 2018 | - | 93,652 | 39,349 | 89,281 | 72,400 | 55,714 | 16,762 | 18,648 | 12,952 | 7,899 | 40,797 | 7,813 | - | 455,267 |
| Cost 2019/2020 | | | | | | | | | | | | | | |
| As at 1 st July 2019 | 416,000 | 537,817 | 52,657 | 108,462 | 85,934 | 167,109 | 40,692 | 39,155 | 16,605 | 8,168 | 103,068 | 9,765 | 1,095,841 | 2,681,273 |
| Revaluation | 1,784,000 | 172,333 | (9,099) | (21,963) | (52,648) | (123,406) | (35,675) | (36,050) | (11,109) | 1,831 | (76,653) | (6,189) | - | 1,585,372 |
| Disposal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| additions | - | 27,543 | 5,280 | 21,029 | 10,499 | 1,544 | 2,117 | - | 1,216 | 1,762 | 818 | - | 173,999 | 245,808 |
| As at 30 th June 2020 | 2,200,000 | 737,693 | 48,838 | 107,529 | 43,784 | 45,247 | 7,134 | 3,104 | 6,712 | 11,761 | 27,233 | 3,576 | 1,269,840 | 4,512,453 |
| Depreciation | | | | | | | | | | | | | | |
| As at 1 st July 2019 | - | 93,652 | 39,349 | 89,281 | 72,400 | 55,714 | 16,762 | 18,648 | 12,952 | 7,899 | 40,797 | 7,813 | - | 455,267 |
| Revaluation | - | 93,652 | 39,349 | 89,281 | 72,400 | 55,714 | 16,762 | 18,648 | 12,952 | 7,899 | 40,797 | 7,813 | - | 455,267 |
| Deprec. On Disposal | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deprec. charge | - | 18,442 | 9,807 | 26,882 | 13,180 | 2,262 | 713 | 310 | 1,342 | 2,352 | 1,361 | 357 | - | 77,012 |
| As at 30 th June 2020 | - | 18,442 | 9,807 | 26,882 | 13,180 | 2,262 | 713 | 310 | 1,342 | 2,352 | 1,361 | 357 | - | 77,012 |
| As at 30 th June 2019 | 416,000 | 444,165 | 13,308 | 19,181 | 13,534 | 111,395 | 23,929 | 20,506 | 3,653 | 270 | 62,271 | 1,953 | 1,095,841 | 2,226,006 |
| As at 30 th June 2020 | 2,200,000 | 719,251 | 39,031 | 80,647 | 30,605 | 42,984 | 6,421 | 2,794 | 5,370 | 9,409 | 25,871 | 3,218 | 1,269,840 | 4,435,441 |

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

Notes to the Financial Statements (continued)

20. Intangible Assets - Software

| | KSH '000' |
|--|-------------------------|
| Cost 2018/2019 | |
| As at 1 July 2018 | 23,490 |
| Additions | 9,611 |
| As at 30 June 2019 | 33,101 |
| Amortization and impairment 2018/2019 | |
| As at 1 July 2018 | 15,620 |
| Amortization during the year | 6,256 |
| As at 30 June 2019 | 21,876 |
| Net book value as at 30 June 2018 | 11,225 |
| Cost 2019/2020 | |
| As at 1 July 2019 | 33,101 |
| Additions | 7,012 |
| Revaluation | (28,101) |
| As at 30 June 2020 | 12,012 |
| Amortization and impairment 2019/2020 | |
| As at 1 July 2019 | 21,876 |
| Revaluation | (21,876) |
| Amortization during the year | 3,640 |
| As at 30 June 2020 | 3,640 |
| Net book values as at 30 June 2020 | <u>8,372</u> |

21. Trade and Other Payables from Exchange and Non-exchange Transactions

| | 2020 | 2019 |
|--|-----------------------|-----------------------|
| | KSH '000' | KSH '000' |
| Trade Payables from Exchange and Non-exchange Transactions | 89,412 | 107,241 |
| Retention | 61,000 | 44,092 |
| Provision for Gratuity | 701 | 5,799 |
| Continental Credit Bank (under Receivership) | 2,011 | 2,011 |
| Total payables from Exchange Transactions | <u>153,124</u> | <u>103,114</u> |

The amount of **KSHS 2,011,474** owing to Continental Credit bank was an overdraft on KICD current account held with the bank which went into receivership in the 1980's.

The retention of **KSHS 61 million** is due to; Dinesh construction Co. for the construction of Educational Resource Centre among others.

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

Notes to the Financial Statements (continued)

22. Refundable Deposits from Customers

| | 2020 KSH '000' | 2019 KSH '000' |
|----------------------------------|-------------------|-------------------|
| Customer Deposits | 972 | 972 |
| Total refundable deposits | 972 | 972 |

23. Deferred Income: Donors/Partners

| | | |
|------------------------------|----------------|------------------|
| MoE Curriculum Reform | 93,600 | 49,354 |
| MoE-Digital Literacy Program | 457,998 | 107,499 |
| SEQIP | 12,447 | 409,752 |
| MoE Text Books | 23,618 | 2,676,985 |
| Kenya Future Leaders | 262 | 262 |
| Donors Partners | 20,334 | 23,552 |
| Total Deferred Income | 608,259 | 3,267,404 |

24. Capital Reserve

| | | |
|------------------------------|------------------|------------------|
| Opening Balance | 2,157,977 | 2,041,977 |
| Development Grant | 157,000 | 116,000 |
| Revaluation | 2,034,413 | - |
| Total Capital Reserve | 4,349,391 | 2,157,977 |

25. Accumulated Surplus

| | | |
|----------------------------------|------------------|------------------|
| Opening Balance | 1,615,029 | 1,163,777 |
| Surplus/(Deficit) for the year | 148,761 | 451,252 |
| Total Accumulated Surplus | 1,763,790 | 1,615,029 |

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

Notes to the Financial Statements (continued)

26. Related Party

Nature of related party relationships

Entities and other parties related to the entity include those parties who have ability to exercise control or significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The Institute does not have any associate entity and therefore does not have related party arising from its management personnel or associate or close family members. The Institute's Council comprises members drawn from Ministry of Education and National Treasury, and who have significant influence over its operating and financial decisions.

Government of Kenya

The Government of Kenya is the principal shareholder of the Institute. And holds 100% of the Institute's Equity interest. The Government of Kenya can provide full guarantees to all long-term lenders of the Institute, both domestic and external. Other related parties includes:

- i) The National Government;
- ii) Ministry of Education, State Department of Early Learning and Basic Education.

Transactions with related parties

| | 2020 | 2019 |
|--|------------------|------------------|
| | KSH '000' | KSH '000' |
| a) Grants from the Government | | |
| Grants from National Govt- Recurrent | 803,358 | 948,687 |
| Grants from National Govt- development | 157,000 | 116,000 |
| Grants from National Govt- conditional grants | 5,799,532 | 6,402,169 |
| Total | 6,759,890 | 7,466,856 |
| b) Expenses incurred on behalf of related party | | |
| Distribution of text books to Schools | 8,452,899 | 7,998,006 |
| Kenya Future Leaders | - | 44,750 |
| Total | 8,452,899 | 8,042,726 |

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

Notes to the Financial Statements (continued)

| c) Key management compensation | 2020 | 2019 |
|---------------------------------------|---------------|---------------|
| | KSH | KSH |
| | '000' | '000' |
| Expenses of the Board | 10,547 | 13,607 |
| Compensation to the CEO | 5,731 | 5,940 |
| Compensation to Key management | 10,138 | 11,443 |
| Total | 26,416 | 30,990 |

27. Provisions for Doubtful Debts

| | 2020 | 2019 |
|---|------------------|------------------|
| | KSH '000' | KSH '000' |
| General Provisions (NRC) | 416 | 1,548 |
| Specific Provisions (NRC) | 68,419 | 48,352 |
| Sub-total | 68,835 | 49,900 |
| General Provisions (KICD) | 491 | 501 |
| Specific Provisions (KICD Bank Deposit) | *5,043 | 5,043 |
| Total | 74,369 | 55,444 |

*The specific provision of Kshs. **5,042,864.50** comprises of deposit with Continental Credit Bank of Kshs. **4,922,864.50** and deposit with bank Indosuez of Kshs. **120,000** all under receivership. The bank went under receivership in the 1980's.

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

Notes to the Financial Statements (continued)

28. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and the management's response that was provided to the auditor. Focal persons have been nominated to resolve the various issues as shown below. The time frame within which the issues are expected to be resolved is also indicated.

| Reference No. on the External Audit Report | Issue/Observations from Auditor | Management Response | Focal point person to resolve the issue (Name and designation) | Status: (Resolved / not resolved) | Time frame: (Put a date when you expect the issue to be resolved) |
|--|--|---|--|-----------------------------------|---|
| | <p>Inclusivity (Ethnicity) During the year of audit, it was noted that the entity did not adhere to Chapter 7 of the National Cohesion and Integration Act, 2008. The Management team and other staff distribution was not ethnically balanced since both categories had more than one third of its staff from the same ethnic community.</p> | <p>The Institute had 38% of its members of staff from one ethnic community contrary to the provisions of chapter 7 of the National Cohesion and Integration Act, 2008. This is a historical issue and it is being addressed progressively in subsequent recruitments without adversely affecting meritocracy. During the audit year, the Institute recruited staff from other ethnic groups in order to address the issue of inclusivity.</p> | Senior Management | Not resolved | Progressively |

Chief Executive Officer



Date.....20/5/21.....

Chairperson of the Council



Date20/5/21.....

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2020**

Notes to the Financial Statements (continued)

APPENDIX II: Projects Implemented By Kenya Institute of Curriculum Development

Project

Status of Project Completion

The Education Resource Centre project is ongoing.

| | Project | Total project Cost | Total expended to date | Completion % to date | Budget | Actual | Sources of funds |
|---|---|---------------------------|-------------------------------|-----------------------------|---------------|------------------------|-------------------------|
| 1 | Construction of Education Resource Centre Phase 1 | Ksh1.433B | Kshs. 1,269,840,147 | 88% | Ksh1.433B | Kshs. 1,269,840,147 | GoK |