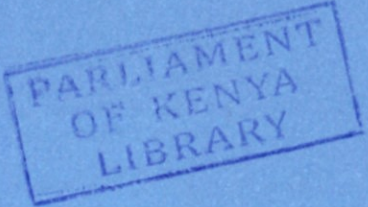
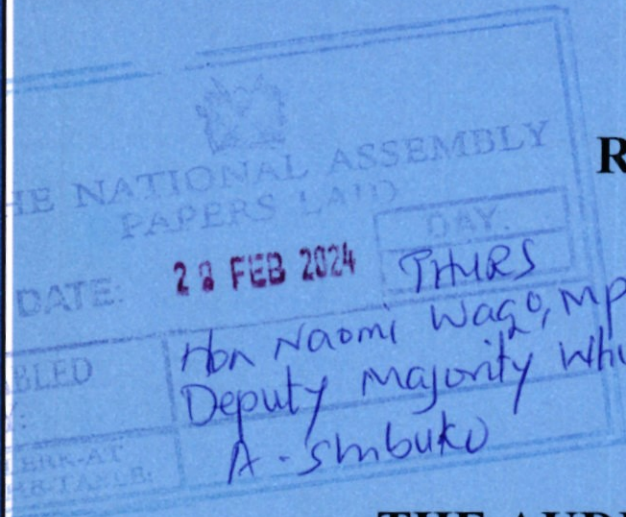
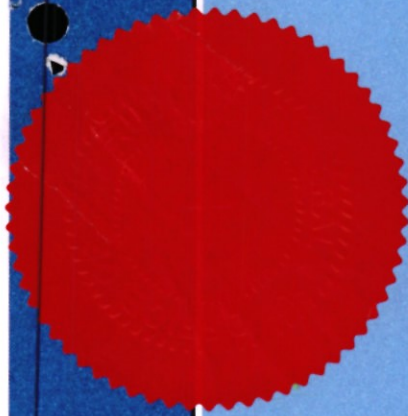


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



REPORT

OF

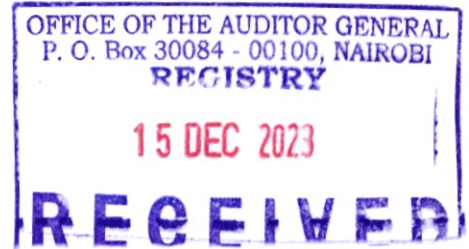
THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2023**

Revised Template 30th June 2023



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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2023

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

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1. Acronyms and Glossary of Terms

Provide a list of acronyms and glossary of terms used in your report.

e.g.:

AIE	Authority to Incur Expenditure
CFO	Chief Finance Officer
HAU	Head of Accounting Unit
IPSAS	International Public Sector Accounting Standards
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management

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2. Key Entity Information and Management

Background information

The Ministry of Education mandate is derived from the Executive Order No. 1 of 2022(Revised), on the Organization of the Government of the Republic of Kenya which outlines the functions of the State Department for Early Learning and Basic Education. The sub-sector is mandated to provide Basic Early Childhood, Primary and Secondary Education, Teacher Education and Management, and Basic (Early Childhood, Primary and Secondary) Education Policy Management. The mandate is executed by the State Department and its Agencies, Teachers Training Colleges, schools and other stakeholders. It facilitates educational provisions of the Constitution of Kenya to the Kenyan people, guided by the Third Medium Term Plan 2018 - 2022, the National Education Sector Strategic Plan (NESSP) 2018 - 2022 in tandem with constitutional and legislative requirements of our country.

The Ministry of Education is headed by the Cabinet Secretary, Hon. Ezekiel Machogu Ombaki, CBS who is responsible for the overall policy and strategic direction of the entity. The Cabinet Secretary is assisted by three Chief Administrative Secretaries; namely Mr. Elly Stephen Loldepe, Mr Mark Lomunokol and Hon (Ms) Anab Mohamed Gure.

The State Departments under Ministry of Education are outlined below;

- i. The State Department for Early Learning and Basic Education headed by Principal Secretary, Dr. Richard B. Kipsang, CBS.
- ii. The State Department for Technical Vocational Education and Training headed by Principal Secretary, Dr. Esther T. Muoria.
- iii. The State Department for University Education and Research is headed by Principal Secretary, Dr. Beatrice M. Inyangala.

Vision

Quality and inclusive education, training and research for sustainable development

Mission

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

Mandate

The department has the mandate to provide for children's right to free and compulsory basic education, including quality services, and to access education institutions and facilities for persons with disabilities, while addressing the demands of the Constitution of Kenya, Kenya Vision 2030, the BETA and the Sustainable Development Goals. In so doing, the ministry develops strategies to address internal efficiencies in the education system; improve financial management and accountability; and to make education in the country more inclusive, relevant and competitive regionally and internationally. In order to execute this mandate, the State Department is organized into administration and technical departments with specific functions in the delivery of education and training services under the following four

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programs (i) Primary education; (ii) Secondary education; (iii) Quality assurance and standards and (iv) General administration, planning and support services.

Core Values

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

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

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

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

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

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

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

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

The Executive Order No. 1 of 2020 assigned the following functions to the Department: -

- i. Basic (ECDE, Primary and Secondary) Education policy Management,
- ii. Primary and Secondary Education institutions management,
- iii. School administration and programmes
- iv. Registration of Basic Education and training institutions
- v. Administration of Early childhood and pre-primary education, Standards and norms
- vi. Management of education standards
- vii. Management of national examination and certification
- viii. Curriculum development
- ix. Quality assurance in education
- x. Special needs education management
- xi. Representation of Kenya in UNESCO
- xii. Teacher education and management

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(a) Key Management

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

- i) The Cabinet Secretary, Hon. Ezekiel Machogu Ombaki, CBS, who guides the overall policy direction of the Ministry in carrying out the mandate of Early Learning and Basic Education and is assisted by the Principal Secretary in charge of Early Learning and Basic Education, head the Ministry.
- ii) The Principal Secretary oversees the management of the State Department and is the administrative head of the State Department. The Principal Secretary is also the Accounting Officer of the State Department. To manage the State Department, a team of technical directors and heads of support of departments support the Principal Secretary.
- iii) The Management of the Ministry comprises eleven (11) technical directorates and various administrative and support departments. The technical directorates include Primary Education; Secondary Education; Field Coordination and Co-Curriculum Activities; Teacher Education; Early Childhood Development and Education; Schools Audit; Policy, Partnerships and East African Community Affairs; Projects Coordination and Delivery; Adult and Continuing Education; Quality Assurance and Standards and Special Needs Education. The support departments include the Central Planning and Projects Monitoring Unit, Finance, Accounts, Human Resource Management and Development, Administration, Supply Chain Management and Legal.

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(b) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June, 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Cabinet Secretary, Ministry of Education	Hon. Ezekiel Machogu Ombaki, CBS
2	Principal Secretary, State Department for Basic Education	Dr. Richard B. Kipsang, CBS
3	Director General of Education	Dr. Elyas Abdi, OGW
4	Secretary, Administration	Florence Amoit
5	Director Primary Education	Nereah Olick
6	Director Secondary Education	Paul Kibet
7	Director, Economic Planning	Hezron M. Momanyi
8	Senior Chief Finance Officer	Martin Wekesa Khaoya
9	Director, School Audit Services	Victoria G. Angwenyi
10	Director, Policy, Partnerships & EAC	Chacha C. Mwita
11	Director, Human Resource Mngt & Dev.	Agnes Muthuo
12	Director, Adult and Continuing Education	Samwel Mugambi
13	Director, Teacher Education and ECDE	Magret Mwandale
14	Director, Quality Assurance and Standards	Everyline Owoko
15	Ag. Director, Special Needs Education	Fredrick Haga
16	Director Project Coordination and Delivery	Elijah Mungai
17	National KPEEL Coordinator	Martha Ekirapa
18	Director Account Unit	CPA E. Mukira Gichigo
19	Head, Supply Chain Management Services	Dr. Hilda Kaaria
20	Head, ICT	Clifford Nyaosi
21	Director Field Coordination and Curricular Services	Hassan Duale
22	Deputy Director Public Communications	Kennedy Buhere
23	Deputy Internal Auditor General	Serah Luttah
24	Deputy Director Records Management	Henry Ong'awa

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(c) Fiduciary Oversight Arrangements

(i) Human Resources Management Advisory Committee Activities

Their duties include:

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

(ii) The Budget Implementation Committee

Their duties include:

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

(d) Entity Headquarters

State Department of Early Learning and Basic Education

P.O. Box 36260 - 00200

Jogoo House "B"

Harambee Avenue

Nairobi, Kenya

(e) Entity Contacts

Telephone: +254-020-3318581

Email: psbasic@education.go.ke

Website: www.education.go.ke

(f) Entity Bankers (all banks)

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

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(g) Independent Auditors

Auditor - General
Office of The Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
NAIROBI, KENYA

(h) Principal Legal Adviser

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

3. Statement of Governance

(a) Cabinet Secretary



The Ministry is headed by the Cabinet Secretary, **Hon Ezekiel Machogu Ombaki, CBS.**

Hon. Ezekiel Machogu was sworn in as Cabinet Secretary in charge of the Ministry of Education of the Republic of Kenya on October 27, 2022.

He is a seasoned career civil servant and administrator. Before his appointment as Cabinet Secretary, Hon. Machogu was the Member of Parliament for Nyaribari Masaba Constituency from 2017 to 2022.

While serving in the 12th Parliament, he served as the Chairperson of the National Assembly Committee on Members, Service and Facilities; and as a Member of the Committee on Regional Integration.

Hon. Machogu has served as Senior Deputy Secretary in the Ministries of Arid and Semi-Arid Lands, Trade and Tourism, and the Public Service Commission from 2002 to 2016; as Deputy Provincial Commissioner of the Coast Province from 2001 to 2002; District Commissioner for Wajir, Busia and Nyandarua Districts from 1989 to 2001; and as District Officer of Tetu, Nyandarua, Oljororok, Kianyaga, Nandi, Naivasha, and Kikuyu Divisions from 1978 to 1989.

Hon. Machogu is an alumnus of the University of Nairobi where he undertook his Bachelor of Arts degree in Political Science (Government and Sociology).

He has also attended numerous senior management courses locally and across the world over the course of his long-standing career in the civil service.

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(b) Principal Secretary



Dr. Belio R. Kipsang, CBS is the Principal Secretary, State Department for Basic Education in the Ministry of Education. He was appointed on 2nd December, 2022. Prior to his appointment to the current position, Dr. Belio was the Principal Secretary State Department for Regional and Northern Corridor Development. He has previously served as Principal Secretary, State Department for Basic Education and Early Learning.

He also served as Managing Trustee/Chief Executive Officer (CEO) Coffee Development Fund and Deputy CEO and Head of Operations Higher Education Loans Board (HELB) where he had previously held various Strategic Management positions. Dr. Belio holds other distinguished positions. He serves as a Council Member at Mt. Kenya University and Cooperative University College where he also Chairs Finance, Planning and Development.

He is a Board Member Finance Alliance for Sustainable Trade, (FAST) an International Think Tank on Financial Resource Mobilization; Council Member, Advisory Council for Coffee Initiative; Government Delegate, International Coffee Organization (ICO) and; Chair, Operations Committee, Association of African Higher Education Financing Agencies (AAHEFA).

Dr. Belio is a holder of PhD degree in Education (Educational Administration and Planning from The Catholic University of Eastern Africa. He also holds a Master of Arts degree in Economics and a Bachelors (Honours) degree in Education (Business and Economics), both from the University of Nairobi.

He has had extensive professional training opportunities which has exposed him to local and international conferences and workshops in areas of higher education financing and administration, leadership, management, micro-enterprise development, fraud, corruption and combating economic crime, agricultural value chain financing, computing and other areas of business and management among others particularly in prestigious institutions such as the London School of Economics (LSE) in the UK, Harvard University in the USA, State University of New York in the USA, among other institutions in Kenya, Germany, Belgium, Sweden, Denmark, Thailand

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among others. As an education scholar, **Dr. Belio** has authored highly competent academic and research papers in the areas of Higher Education Financing and Planning.

As the Principal Secretary for Basic education, **Dr. Belio** has been the lead advisor to the Presidential Working Party on Education Reform (PWPER) appointed by the president on 30th September, 2022.

He is an Associate Member of the Association of Certified Fraud Examiners and also; a member, Institute of Directors of Kenya.

Dr. Belio has received various awards that include: First Class Chief of the Order of the Burning Spear (C.B.S.).

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4. Statement by the Cabinet Secretary/Chairman Statement

The Ministry of Education (MoE) comprises: The State Department of Basic Education; the state Department for Technical, Vocational Education and training; State Department for Higher Education and Research; The Ministry's overall goal is to increase access to education and training; improve quality and relevance of education, reduce inequality as well as exploit knowledge and skills in science, technology and innovation for global competitiveness.

During the FY 2022/23 the Ministry implemented 8 programmes including Primary Education; Secondary Education; Quality Assurance and Standards; University Education, Technical Vocational Education and Training; Research, Science Technology and Innovations; Youth Training and Development; and General Administration, Planning and Support Services.

The government is committed to providing quality basic education to all Kenyans, in an effort to contribute to the building of a just and cohesive society that enjoys inclusive and equitable social-economic development as envisaged in the Vision 2030, the "BETA" and other international commitments. To this end, the government spent Ksh.134.82B in education and training for the FY 2022/23, which is over 20 percent of the national budget.

Reforming the sector's programmes in line with national aspiration requires more investments to enhance access and inclusivity as well as improve quality and relevance and ensure that the Education system promotes innovativeness and lifelong learning. In pursuit of the above the government has put in place measure increase access, equity, quality and relevance of education in the country.

The Amendment of Education Act, 2013 led to increased capitation funds for public primary schools and Free Day Secondary Education. Also there was increased capitation to Special Needs Education Institutions to cater for an increased number of the physically challenged students in the country.

The government also increased access to education by successful implementation of the CBC transition in the country. There was increased retention in schools especially in Arid and Semi-Arid areas (ASAL), through effective implementation of school feeding programme, provision of sanitary towels to vulnerable girls, and construction of low cost boarding schools in marginal areas among others.

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The government also achieved a ratio of 1:1 in the distribution of text books to public primary and secondary schools across the country, thus limiting budgetary constraints to the parents and guardians. The burden of budgetary constraints has further been reduced by the Ministry's deliberate approach to cap annual fees charged by different categories of public schools across the country.

The integrity of selection of candidates joining Grade 1-6, junior secondary school and senior secondary school was improved by digitizing the management of admissions and placements of candidates through National Education Management Information System (NEMIS). The integrity of the Kenya Certificate of Primary Education (KCPE) and Kenya Certificate of Secondary Education (KCSE) national examinations by instituting secure initiatives in the administration and monitoring of the examinations through a multi-agency approach. This was done by investing in modern technology in the marking of the examinations, which has reduced the waiting period for results from two (2) months to two (2) weeks for KCPE and from three (3) to one (1) month for KCSE.

The government implemented a hybrid approach towards disseminating Education materials and content through KICD by introducing Kenya Education Cloud alongside the existing normal physical approach. It also established a 24-hour Education television station. The Station can be accessed by learners across all digital television platforms. The materials can also be accessed through Education radio programmes. This has expanded access to quality content of materials in all subjects at both primary and secondary schools' levels.

The successfully implemented a scholarship programme for bright, but needy students seeking to pursue secondary Education, but whose guardians are unable to afford the Secondary school fees. This has further promoted the access and opened up opportunities for students whose dreams for a better future would otherwise been cut short.

Lastly, the Government successfully implemented the Competence Based Curriculum (CBC), which is to replace the current 8-4-4 system of education. This has been achieved by successful preparation of teaching materials through Kenya Institute for Curriculum Development (KICD), re-training of teachers on CBC, and the construction of more classrooms in preparation for the first cohort of the CBC students who had already joined junior secondary schools in 2023. The implementation of CBC started in 2017. Implementation of CBC has faced challenges of

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curriculum overload and overlaps; low parental engagement; low attainment of learning outcomes; inadequate infrastructure and learning materials; and inconsistencies and ambiguities in law causing conflicts. Other challenges include high number of out-of-school learners; inadequacy of teacher capacity; underfunding; and failure to fully address factors that exclude some categories of learners like the marginalized groups, learners with special needs and adult and continuing education. Similarly, challenges of governance, funding and relevance of academic programmes have been experienced at the Tertiary level. It is against this backdrop that Kenya has continuously made great investments in the education sector.

Going forward

- a) His Excellency, the President of the Republic of Kenya, Dr. William S. K. Ruto, appointed the Presidential Working Party on Education Reforms (PWPER) on 29th September, 2022 with Terms of Reference covering both Basic and Tertiary Education. The appointment was informed by concerns raised by the public on the implementation of Competency-Based Curriculum as well as the general need to carry out reform in the entire Education sector in line with the Kenya Kwanza Education Manifesto and the Party's Education Charter.
- b) Phasing out of the SDICR from the alignment of government structure as per the Executive Order No.1 of 2023 and its functions transferred to State Department for Basic Education.



.....
Hon. Ezekiel Machogu Ombaki, CBS.

Cabinet Secretary

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5. Statement by the Principal Secretary / Accounting Officer

Budget performance

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

The State Department of Early Learning and Basic Education implemented four (4) programmes; Primary Education; Secondary Education; Quality Assurance & Standards and General Administration, Planning and Support Services.

Under the Primary Education Program, seven sub-programs were implemented. These are; (i) Free Primary Education, (ii) Special Needs Education, (iii) Early Childhood Education and Development, (iv) Primary Teacher Education, (v) Adult and Continuing Education, (vi) School Health Nutrition and Meals and (vi) ICT capacity development.

The Secondary Education Program comprises of five sub-programs including: (i) Free Day Secondary Education, (ii) Secondary Bursary Management Services, (iii) Secondary School Education Services, (iv) In-service Training; and (v) Special Needs Education.

Quality Assurance and Standards Program consists of four sub-programmes. These are (i) Curriculum Development (ii) Examinations, Assessment and Certification (iii) Quality Assurance and Standard (iv) Co-curricular Activities

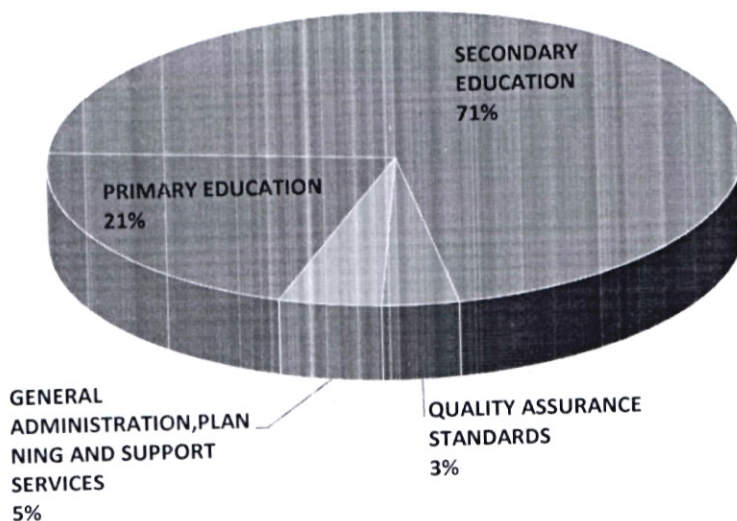
The General Administration and Support Services Program which has two sub-programmes namely: Headquarters Administrative Services and County Administrative Services. Headquarters Administrative Services includes Directorate of General Administration; Central Planning & Project Monitoring Unit; Supply Chain Management; Human Resource Management and Development; Policy, Partnerships and East African Community Affairs; Finance, Accounts; Field & Other Services; and School Audit.

County Administrative Services comprises Regional, County and Sub- County field education offices.

To support implementation of these programs the Government allocated a total of Ksh.134.82B to the State Department of Early Learning and Basic Education, which was later identified as Basic Education through the Presidential Executive Order 1 of October 2022 (Revised). Out of this, Ksh.110.6B was voted under Recurrent while Ksh.24.22B was voted under Development.

Out of the total allocation the Primary Education Programme received 21.4%, Secondary Education Programme received 71%, Quality Assurance and Standards was allocated 2.98% and 4.2% went to General Administration, Planning and Services.

BUDGET ALLOCATION BY PROGRAMMES



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Budget Analysis

	Approved Budget	Actual Expenditure
	2022/23	2022/23
Programme 1: Primary Education		
Current Expenditure	19,718	19,274
Compensation of Employees	268	238
Use of goods and services	1,984	2,372
Grants and Transfers	17,466	16,664
Other Recurrent		
Capital Expenditure	9,179	2,339
Acquisition of Non-Financial Assets		
Capital Grant to Govt Agencies	9,179	2,339
Other Development	-	-
Total Programme 1	28,897	21,613
Programme 2: Secondary Education		
Current Expenditure	81,937	79,794
Compensation of Employees	48	48
Use of goods and services	4,360	4,327
Grants and Transfers	14,308	14,238
Other Current Expenditure	63,221	61,181
Capital Expenditure	14,597	12,787
Acquisition of Non-Financial Assets		
Capital Grant to Govt Agencies	14,597	12,787
Other Development		
Total Programme 2	96,534	92,581
Programme 3: Quality Assurance and Standards		

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	Approved Budget	Actual Expenditure
	2022/23	2022/23
Current Expenditure	3,569	3,455
Compensation of Employees	707	704
Use of goods and services	4	4
Grants and Transfers	2,719	2,668
Other Current Expenditure	139	79
Capital Expenditure	446	209
Acquisition of Non-Financial Assets		
Capital Grant to Govt Agencies	446	209
Other Development		
Total Programme 3	4,015	3,664
Programme 4: General Administration & Support Services		
Current Expenditure	5,376	4,963
Compensation of Employees	3,133	2,993
Use of goods and services	1,067	851
Grants and Transfers	1,171	1,119
Other Current Expenditure	5	-
Capital Expenditure	-	-
Acquisition of Non-Financial Assets		
Capital Grant to Govt Agencies	-	-
Other Development		
Total Programme 4	5,376	4,963
TOTAL VOTE 1066	134,822	122,821

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Key Achievements

Primary Special Needs Education; In the FY 2022/23, Ksh.336.7M was used to cater for learning materials, assistive devices and technologies to enhance learning of 146,313 learners enrolled in 3,083 SNE primary schools. In addition, Ksh.455m was used to subsidize boarding and personnel emolument expenses for 43,266 learners in 337 special/integrated schools and units.

Functional Assessment in Education; In the FY 2022/23, Ksh.3.99M was used to assess a total of 685 children for disabilities and special needs in 48 Educational Assessment Resource Centers (EARCs).

Early Childhood Development Education (ECDE); Currently, the total number of pre-primary centers are 44,288(14,702-private; 29,586 public) while the number of teachers in the public pre-primary schools was 68,271 (43,874 in public; 24,397 in private). The number of PP1 pupils was 1,232,566 (615,560 Boys; 617,006 girls) in public pre-primary schools while there were 324,442(161,425 boys; 163,017 girls) in private schools. In the PP2, the enrolment were 825,986 pupils (boys- 417,316; girls 408,670) in public pre-primary schools while in the private pre-primary schools had 349,741 pupils (boys- 175,507 and girls -174,234). The total ECDE learners was 2,732,735 pupils

ECDE teacher training has been mainstreamed in public teacher training colleges. The minimum qualification for pre-primary teacher was raised to Diploma in ECDE and entry qualification for training was revised to C-plain in KCSE from D. The first pre-service ECDE cohort to train in CBC was admitted in 2021 in 12 Teacher Training Colleges.

In FY 2022/23, the sub sector in collaboration with development partners and other ECDE stakeholders among them UNICEF, AFECN, IIDU and Uthabiti Africa undertook dissemination of ECD policy across the counties established pre-primary data integration in the NEMIS; capacity built County ECDE non-teaching and teaching staff on CBC; disseminated the findings on the cost of financing pre-primary education and supported counties in forming CECEC. Further, in FY 2022/23, sub-sector organized the 5th National ECD Stakeholders' conference together with ECD Network and other partners in conjunction with the KSRAT tool in Turkana county.

Primary Teachers Training and In-Servicing; The strategic objectives of the programme was to increase the enrolment of teacher trainees from 11,111 to 22,000. The implementation of Competency Based Teacher Education Curriculum reforms for teacher education began in the FY 2021/2022 with the first cohort of teacher trainees for Diploma in Primary Teacher Education (DPTE) and Diploma in Early Childhood Teacher Education (DECTE) placed in teacher training colleges. The enrolment in FY 2022/2023 was 14,421. The programme also aimed at the improvement of infrastructure in the old and new teacher training colleges. 16 old teacher training colleges and 12 new teacher training colleges were targeted in 2021/2022. Construction of 3 new TTCs and rehabilitation of 4 old TTCs was done during the FY 2021/22 and 2022/23. The colleges were supported through facilitated with support grants that helped operationalization of programmes and activities in teacher training colleges.

Adult and Continuing Education; In the FY 2022/23, there were 4,750 Adult and Continuing Education Centers with an enrollment of 127,892 learners and a total of 1,520 assessed. In the same financial year, a total of 47 ILD celebrations were held in all the Counties for publicity and awareness creation of the Adult and Continuing Education Program.

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School Health, Nutrition and Meals; In FY 2021/22, Ksh.1.95B was utilized for the program. Food was procured and distributed to the schools through the Sub County Directors of Education (SDCE) in the targeted counties through the in-kind mode of SMP. The cash transfer mode was also used where Ksh.148M was disbursed to schools for food purchase. A total of 2,257,963 learners benefited. The current government focus is to expand the scope of the school feeding outside the ASAL and urban slums to cover more learners. In FY 2022/23, the school meals program was moved to National Council of Nomadic Education in Kenya (NACONEK). In FY 2022/23, the total budget utilized from the National Treasury was Ksh.3.92B Feeding for 82 days. In addition, a total of Ksh.1.7B was utilized from various partners towards supporting school feeding activities. This included Ksh.617M from Sport's fund feeding for 19 days and Ksh.1.1B from KPEEL school feeding Program feeding for 34 days. While these allocations were a significant step forward, they covered roughly 85% of the end-to-end cost of feeding at the current amount of days, with the remaining 15% being the burden of the schools and communities. A total of 2.3 million learners were fed across 135 school days, promoting both physical health and cognitive growth.

Sanitary Towels Provision: In FY 2022/23, a total of Ksh.470M was utilized on sanitary towels for 1,682,492 girls, mainly targeting classes 6, 7 and 8, in public primary schools.

Information Communication Technology Integration in Primary Education

ICT Innovation and Integration in Education; In FY 2022/23, the Sub Sector utilized Ksh.18M in vetting of Eight (8) ICT in Education solutions, developed and authored one (1) ICT integration online Course, conducted online training to 386 teachers, developed and validated innovation harnessing guidelines, reviewed child online protection materials and Development an automatic reporting system for the technical wing of the State department of basic education. The centres conducted sensitization workshops on ICT integration to 305 head teachers and disseminated 580 copies of ICT in education and training policies targeting different stakeholders.

Digital Literacy Program (DLP): In FY 2022/23, the sub sector utilized Ksh.300M to recruit, train and post 1000 ICT interns in various field offices to support DLP activities in the offices and surrounding schools. Ksh.10M was utilized in recruitment, induction and administration of the 1,000 ICT interns for digital learning support.

Secondary Education Program; This program comprises five sub programs including: (i) Free Day Secondary Education, (ii) Secondary Bursary Management Services, (iii) Secondary School Education Services, (iv) In-service Training; and (v) Special Needs Education.

Free Day Secondary Education; In the FY 2022/23, Ksh.64.42B was spent on sustaining the Free Day Secondary Education (FDSE) program on 3,690,376 students in 9,258 public secondary schools.

Textbook supply to Secondary schools: To ensure a student textbook ratio of 1:1, textbooks were supplied to secondary schools from Form 1 to Form 4. A total of 12,281,011 set books were supplied to 9,166 schools in FY 2022/23.

Secondary School Infrastructure Improvement: In the FY 2022/23, Ksh.3.772B was used for construction of 6,495 classrooms to enhance transition to junior secondary schooling

Grants to Secondary Schools in ASAL and Pockets of Poverty: This fund enhances equity with more learners in ASAL and Pockets of Poverty regions accessing secondary education. The Sub Sector, with the support of other stakeholders, has increasingly prioritized construction of science laboratories, science rooms, provision of laboratory equipment and science kits mainly in public secondary schools. This program was not funded in FY 2020/21, 2021/22 and 2022/23.

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Secondary Schools Computer Supply. In FY 2020/21, Ksh.200M was used to procure 2040 computers that were distributed to 200 secondary schools. In FY 2021/22, Ksh.200M was used to procure 2020 computers that were distributed to 196 secondary schools. In the FY 2022/23, Ksh.200M was used to clear the FY 2021/22 pending bill.

Secondary Education Quality Improvement Project (SEQIP): In the FY 2022/2023, a total of KSh.3.565B, was spent on payment for the 30 contractors for construction works for 1,053 classrooms, 863 Laboratories and 1896 sanitation facilities, payment for consultancy services for supervision of construction works and monitoring of construction works respectively.

Project Management, Coordination, Research, Monitoring and Evaluation; During the FY 2022/23, Ksh.60.8M was spent on Operationalization of the project Management structures; Capacity building; Conducting policy studies; Research, project monitoring and evaluation; and verification of the Disbursement- Linked Indicator targets.

Secondary Teacher Education Services

The strategic objectives of the programmes in 2020/2021 was to construct a perimeter wall in Kagumo Diploma TTC, construction of a tuition block, and laboratories at Kibabii TTC and 3 Staff houses in Lugari TTC. During the 2021/2022 FY, the programme targeted the rehabilitation of the men's hostel, Perimeter wall and replacement of asbestos roofs in two buildings at Kagumo TTC, completion of tuition block, and laboratories at Kibabii TTC and a water tank and power upgrade was done at Lugari TTC. During the same year 2022/2023 FY, extension of a perimeter wall was done at Kagumo TTC, completion of tuition block and laboratories was done at Kibabii TTC and is 70% complete. Construction of a workshop was done at Lugari TTCs and is ongoing. During the period under review, the total enrolment of trainees in Kagumo TTC was 1,110, 890 and 874 in FY 2020/21, FY 2021/22 and FY 2022/23 respectively. Lugari TTC had 275 in FY 2020/21, 167 in FY 2022/22 and 158 in FY 2022/23. The total enrolment in Kibabii TTC in the FY 2020/21 was 794, in the FY 2021/22 the total enrolment was 402 and in FY 2022/23 was 394.

Secondary Teachers In-Service: For the period under review, CEMASTEIA trained 30,096 secondary teachers. The Centre also trained 930 County Trainers in the same period and intergrated 1,964 ICT skills. To strengthen In-Service Education and Training (INSET) management, INSET Centre Principals were also trained where 292 were trained. In addition, 47 County Trainers Representatives as technical advisors to the County Teacher Capacity Development were also trained. The STEM Model Schools Programme undertook training of 9,002 teachers in FY 2022/23 on Robotic Science/Artificial Intelligence, the Schools were also trained on transformative leadership.

Secondary Special Needs Education; The Sub Sector coordinates disbursements of capitation grants to special needs learners. In FY 2022/23, Ksh.200M was disbursed to subsidize boarding and personnel emolument expenses for 6,925 learners enrolled in 93 special and integrated schools which offer Special Needs Education.

Quality Assurance and Standards Program; This programme consists of four sub-programmes. These are (i) Curriculum Development (ii) Examinations, Assessment and Certification (iii) Quality Assurance and Standard (iv) Co-curricular Activities

Curriculum Development; The Sub Sector continued with implementation of Curriculum reforms as guided by the Basic Education Curriculum Framework (BECF) and Curriculum Reform Policy. During the Financial Year 2022/23 the Sub Sector utilized KSh.153M for development of curriculum and curriculum support materials to facilitate implementation of Competency Based Curriculum. In FY 2022/23, KICD continued with implementation of curriculum reforms. KICD

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developed 21 curriculum designs for Grade 10; 25 curriculum designs for Grade 11. In order to ensure inclusivity, KICD adapted 37 learning areas for Grades 10 to suit learners with special needs and developed 14 curriculum designs for vocational level of special needs education. The Institute also undertook various tasks to ensure access to digital and electronic curriculum support materials. To achieve this, the Institute curated and disseminated 38 interactive digital content for Grade 6 in 12 learning areas for regular learners. In addition, 10 digital content materials for Grade 3 in 10 learning areas for learners with visual impairment (VI) and 9 digital content materials for Grade 3 in 9 learning areas for learners with hearing impairment (HI) were adapted and disseminated. KICD also trained 474 interactive digital content developers to enhance the quality of materials. The Institute also developed 3 (three) handbooks for Kenya Sign Language; 12 (twelve) handbooks for stage based pre-vocational level; and 1 (One) handbook for braille Grade 7-9.

Examinations, Assessment and Certification; During FY 2022/23, the Sub Sector utilized Ksh.942.1M to administer KCPE examinations for 1,244,332 candidates (626,557 males and 617,775 female) in 28,405 examination center's. In FY 2022/23, Ksh.4.08B was used to administer KCSE examinations to 884,122 (445,103 males and 439,019 female) in 10,516 examination centers. The KCSE special needs candidature was 2,158 in FY 2022/23.

In the same period, the Sub Sector administered School Based Assessments (SBA) at Foundation level for 26,317 learners in 3,179 schools, out of which 11,969 were female, while 14,398 were males. It also administered SBA at Intermediary level for 24,420 learners in 3,154 schools, out of which 11,112 were female, while 13,308 were male, at Grade 3 for 1,198,472 learners in 34,199 schools out of which 586, 877 were female, while 611,595 were male. It also administered SBA at Grade 4 for 1,306,064 learners in 36,152 schools, out of which 636,812 were female, while 669,252 were male. It also administered SBA at Grade 5 for 1,363,449 learners in 36,338 schools, out of which 659,067 were female, while 704,382 were male. An SBA Assessment for the CBC pioneer class was administered in FY 2022/23 for 1,253,577 learners in 32,578 schools.

Quality Assurance and Standards; The Sub Sector quality assures education standards across the three levels of curriculum management that is; curriculum development, curriculum implementation and curriculum evaluation in all 89,361 institutions of learning that include pre-primary, primary, secondary and teacher training colleges. In the FY 2022/23 a total of 13,000 schools were assessed. In the period under review, a total of 7616 teachers were assessed to quality assure teaching practice of teachers in ECDE, PTE, TACE, SNE and DTE.

In 2022/23 the ministry developed draft BQA training manuals and engaged field quality assurance officers in validation of the draft documents.

Co-curricular Activities; Music festivals, Science fairs and ball games were not held in FY 2021/22 due to lack of funds despite having full resumption of schooling. The co-curricular activities fully resumed in the FY 2022/23 after the 2 years break due to covid-19. In FY 2022/23, Ksh.220M was spent in the running of co-curricular activities. In order to bridge the funding deficit, funding at the sub counties, counties and regions have been enhanced from the activity vote head in the FPE and FDSE capitation. Also the activities are funded by sponsors and partners and in most cases, sponsors give their contributions in forms of materials such as uniforms, games kits, trophies, and certificates. In the 4th quarter of FY 2022/23, the Sports, Arts and Socials Development fund sponsored the co-curricular with a deposit of Ksh.267M for Drama festivals, primary and secondary schools' games and sports for term-1 of the 2023 school calendar and for term 2 activities which included games and music festivals.

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General Administration, Planning and Support Services; The General Administration and Support Services Programme has two sub-programmes namely: Headquarters Administrative Services and County Administrative Services. Headquarters Administrative Services includes Directorate of General Administration; Central Planning & Project Monitoring Unit; Supply Chain Management; Human Resource Management and Development; Policy, Partnerships and East African Community Affairs; Finance, Accounts; Field and Other Services; and School Audit. County Administrative Services comprises Regional, County and Sub- County field education offices.

Headquarter Administrative Services; The Sub Sector carried out sensitization of officers from the Ministry's headquarters and field offices on handling of public complaints and Conflict management whereby 70 officers were trained in FY 2022/23. Additionally, in the FY 2022/23, a total number of 705 officers were inducted, 167 were taken on internship in various departments and sections, while a group training was undertaken for 99 officers. In addition, 1,000 youths were engaged as DLPs & 167 were provided with industrial attachment opportunities and 2,410 officers and family members, were reached with the prescribed Sensitization package for non-communicable diseases (NCDs) including Cancer (Breast, Cervical and prostate); Diabetes, Hypertension, Stress management, mental health and HIV prevention respectively: Further 825 screened for HIV, Cancer, Blood pressure, Blood sugar and BMI, while 400 were screened during the FY 2022/23.

Improvement of work environment: During the FY 2022/23, 130 motor vehicles were inspected to determine their roadworthiness, of which 35 are scheduled for repair while 95 were identified for disposal. Staff members from all directorates, Units and sections were sensitized on the Ministry Service Charter and Public Complaint handling mechanisms.

ICT infrastructure upgrade: During the FY 2022/23, the Sub Sector continued updating and improving the Sub Sector's website which saw migration to the new email system provided by ICT Authority. In addition, an upgrade of the internet server was done. ICT as a part of the end user support initiated the repair and maintenance of 45 printers and photocopiers to enable smooth running of work. The Sub Sector also supported the officers on setting and running of virtual meetings by providing applications like Microsoft Teams and Cisco Webex.

Human Resource Management and Development: During the period under review, the Sub Sector appointed 100 Adult instructors, 60 school Auditors, 14 Education officer, 10 Quality Assurance officers in FY 2020/21 and an additional 9 Quality Assurance officers in FY 2022/23. In FY 2020/21 and 2021/22 implementation of succession management reports was undertaken and 1,467 technical officers comprising 13 Directors Education, 22 Directors Quality Assurance & Standards and 1 Director Adult Education promoted to enhance seamless operations. The Sub Sector engaged 1000 ICT Interns to support digital literacy at Sub-County and school levels; advertised 130 vacancies of Principal Quality Assurance Officers. The Sub Sector also managed the separation of 202 officers who left the service under natural.

Planning Services, Monitoring and Evaluation and Data Management:

Under Development Planning Services: The Sub-Sector continued to provide evidence for informed decisions in planning and economic policy issues. During the period under review, the Sub-Sector published the Basic Education Statistical Booklet for 2020. The Annual Progress Report OF Third Medium-Term Plan (MTP-III) 2018-2022 for the Kenya Vision 2030 were prepared FY 2022/23. In the same period, the draft Fourth Medium term Plan (MTP-IV) 2023-2027 was prepared together with the draft Education Sector Plan 2023-2027, as well as the Joint Sector Review Report and the End Term Evaluation of the National Education Sector Strategic

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Plan (NESSP) 2018-2022 was finalized. The Sub-Sector prepared the Education Sector contribution for the year 2022, Economic Surveys in collaboration with the Kenya National Bureau of Statistics.

National Education Management Information System (NEMIS): In FY 2022/23, NEMIS had a 90% implementation rate in secondary education where data from the system was used to finance Free-Day Secondary Education (FDSE), conduct Form 1 Selection and monitor transition of learners from primary to secondary schools. During the same period, implementation rate for NEMIS in primary school level was at 65% with projections to utilize data from the system to disburse Free Primary Education (FPE) capitation grants, monitor supply of instructional materials and monitor the implementation of Competency Based Curriculum. The FPE Disbursement was undertaken in May 2023 through NEMIS and more than 84% of learners in primary schools were already captured in NEMIS. During the same period, creation and registration of Junior Schools in NEMIS was done and transition of more than 91.6% of learners from primary to junior school was tracked through NEMIS.

Monitoring and Evaluation: Quarterly and annual Programme and Projects implementation progress reports for the FY 2022/23 were prepared and submitted to the Vision 2030 Secretariat and the President's Delivery Unit. The quarterly and annual Performance Contract progress reports for the FY 2022/23 were compiled and evaluation conducted.

GENDER IN EDUCATION PROGRAM

During the FY 2022/2023 MOE initiated review and development of Education and Training Gender policy 2015 that lapsed in 2020 with support from IPA, Population Council, FAWE, APHRC, Plan International, and UNESCO. Evaluation to generate evidence that has informed draft Policy is ongoing. This is scheduled to be finalized in FY 2023-2024.

Teacher Education and Training Policy Development: In FY 2022/23, the draft teacher education policy was developed supported by Innovations for Poverty Action and Education Development Trust, IPA and other development partners at a cost of Ksh.10.5M. The policy is 75 % complete and awaits finalization, approval and dissemination.

STEM EDUCATION POLICY; In the FY 2022/23, the Ministry developed the draft STEM Education Policy in collaboration with CEMASTEAM and UNESCO. Expenditure Ksh.5M pending finalization in the FY 2023/24. Further, developed a draft Costed Implementation Plan for Inclusion of Refugees in the National Education and Training System in Kenya with support from UNHCR at Ksh.8.0M pending finalization and adoption that requires Ksh.6.5M.

Policy Dissemination and Sensitization; During FY 2022/23 MoE sensitized forty (40) education stakeholders on Mentorship policy, Re-entry Guidelines, Guidance and Counseling policies. In addition, MOE capacity built sixty (60 Teachers from Kajiado and Narok on Gender Responsive Pedagogy with support from UNESCO and FAWE.

PARTNERSHIPS; During the FY 2022/23, the ministry developed draft guidelines for engagement of the development partners, Non-Governmental organizations as well as Community Based Organizations in Education. These are due for validation and approval. In the Period under review MOE signed three Bilateral MOUs with other countries which include: South Africa, Rwanda and Djibouti. This has strengthened cooperation in Education enabling mobility of the learners, teachers, education experts and opened opportunities for employment for teachers in the diaspora.

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Leave No Girl behind (LNGB) project supports marginalized out of school adolescent girls and or those who have dropped out.

Sustainable Development Goal-SDG4; During FY 2022/23, MOE coordinated National Consultations on Transforming Education Summit (TES) carried out alongside the 77th United Nations General Assembly (UNGA), and developed a National Statement on TES and Country Position Paper.

Financial Audit, Risk Based & System Audit, Investigations/Special Audits: 14,355 audits were conducted in FY 2022/23.

County Administrative Services; County Education Boards: The Cabinet Secretary for Education is responsible for the appointments of County Education Boards for each and every county. The Cabinet Secretary delegates the management of education at County level to the CEBs who are expected to meet at least three (3) times a year. The CEBs in turn are responsible for the constitution of School's Boards of Management (BOMs) in public schools. In FY 2022/23, the process of appointment of CEBs chairpersons for all the 47 counties was initiated although not yet completed.

Outputs from Semi-Autonomous Government Agencies

Kenya Education Management Institute (KEMI); In FY 2022/23, KEMI trained 17,396 Boards of Managements on Leadership and Management from 17 counties, the Institute trained and awarded diploma certificates to 2,415 education managers who graduated with Diploma in Education Leadership and Management, 1,900 new participants were registered for DELM 11. The Institute partnered with Aga Khan University-Institute of Education and Development-East Africa (AKUIED-EA) to offer a joint Diploma Program in Educational Leadership and Management and trained 26 education managers. KEMI trained 74 education managers on Guidance & Counseling, 78 Principals and Head Teachers on Institutional Leadership Course, 133 Deputies and HoD's, on Instructional Leadership Course. The Institute trained, coached and mentored 145 ESD modules schools on ESD and climate change and sensitized 60 students. 3,900 participants enrolled for cohort 2 on TPD in FY 2021/22 were taken through session two and three in December 2022 and January 2023 and 1,005 new participants registered for cohort 3. The Institute trained 75 Office of Career Services Committee and Career Officers in Universities and TVET on establishment and operationalization of office of career services.

Centre for Mathematics, Science & Technology Education in Africa (CEMASTEIA); CEMASTEIA trained 30,096 teachers in secondary, 1,964 teachers in ICT integration and also trained 1,163 County Trainers in FY 2022/23. To strengthen In-Service Education and Training (INSET) management, 292 INSET Centre Principals were trained. In addition, 47 County Trainers Representatives as technical advisors to the County Teacher Capacity Development were also trained. The STEM Model Schools Programme undertook training of 9,002 teachers on Robotic Science/Artificial Intelligence, and 235 principals of the STEM Model Schools were also trained on transformative leadership in the same period.

Kenya Institute of Special Education (KISE); The Kenya Institute of Special Education (KISE) provides capacity and competence for personnel managing persons with disabilities, especially teachers, on pedagogy for Special Needs Education (SNE). The Institute also runs a psycho-educational assessment center, a pre-school to model inclusive education, designs and produces teaching and learning materials, carries out research in special needs and disability education, among other functions. This is meant to address access and participation of children with special needs in education. KISE's recurrent funding Ksh. 294.4m in FY 2022/23. The Psycho-Educational Assessment Center assessed 6,600 in FY 2022/23. Outreach services undertaken in

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Isiolo, Laikipia, Uasin Gishu, Nakuru, Kilifi and Mombasa Counties. Therapy services were provided to 708 clients in FY 2022/23. The Institute researched on development of assessment tools for Learning Disabilities, Gifted and Talented which were undergoing piloting. KISE trained and awarded qualifications of diploma and certificates to SNE Teachers and other personnel. Graduates for the period under review were 1,705 in 2022/2023. Further, the Institute received Ksh.100M in FY 2022/2023 for construction and equipping of the National Psycho -Educational Assessment Center in readiness for expanded service delivery. The Center is now serving children with special needs and disabilities at an enhanced scale. The Therapy Section was rated Level 3 by KPMDU, the highest for stand-alone facilities in Africa. During FY 2022/2023, 230 curriculum support officers were trained in functional assessment to capacity build them with skills that are necessary in their line of duty.

Kenya Institute for the Blind (KIB); Kenya Institute for the blind produces teaching/learning materials; provision of appropriate and accessible teaching and learning materials; supply of assistive technology and devices for learners and other persons with visual impairment; provision of educational rehabilitation and compensatory skills for learners and trainees who lose sight while in school; training in braille transcription and related services.

KIB's recurrent funding Ksh.51M in FY 2022/23. During FY 2022/23, KIB transcribed and produced 9,368 volumes of braille books. The institute enrolled 48 learners: 12 learners on educational rehabilitation placed back to school; 18 learners were rehabilitated on occupational rehabilitation, 12 on visual impairment training of adapted ICT and 6 Transcribers.

Kenya National Commission for UNESCO (KNATCOM); In FY 2022/23 KNATCOM received Ksh.371.2M from GoK and Ksh.19.3M from partners from Partnership Programmes Education for peace and sustainable development: KNATCOM commemorated the International Day of Sports for Development and Peace (IDS DP) at Maasai Mara University (Narok county) on 6th April 2023, an event that attracted over 300 faculty and students.

Science for sustainable development: In the FY 2022/23, KNATCOM held a TVET Capacity Building Workshop on Emerging Technologies for TVET Trainers and educators in Machakos University, which attracted 42 participants drawn from Machakos, Makueni, Kitui and Kajiado counties. Additionally, KNATCOM in collaboration with UNESCO through Intel and CODEMAO projects coordinated three (3) training sessions targeting emerging technologies and 21st Century skills. These were the "Capacity of STEM teachers on AI, Coding and 3D printing" which was held in Machakos County and built capacity for 12 teachers; the "Capacity of STEM teachers on Gender Transformative STEM" and "Digital Literacy and Capacity of students on 3D printing, Coding and Robotics", which were held in TumuTumu Girls, Karatina and targeted 52 teachers and 135 students respectively.

Enhancing capacities of youth: In FY 2022/2023 (STEP-4Y) built capacities of 420 youth drawn from Busia and Bungoma (130 youth), Garissa (140 youth) and Uasin Gishu Counties (150 youth) on entrepreneurship. The three trainings were all conducted virtually. STEP 4Y aims to address youth unemployment and it is a hands-on research-based business skills and attitude oriented eight-day training aimed at transforming targeted youth from job seekers to job creators.

Promoting uptake of ethical standards: In the FY 2020/21 to 2022/23, 60 hospitals both private and public, were sensitized on the establishment of hospital ethics committees, while 126 HEC members were capacity built. Those sensitized and capacity built were from western, Nyanza, Kilifi, Kwale, Mombasa, Lamu, Taita Taveta, Nairobi, and parts of Rift Valley region. The HECs support the hospital management in addressing the clinical ethical dilemmas encountered in

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clinical care through the most appropriate approaches that will not interfere with the relationship between the patient and the physician.

Promotion of culture for peace and sustainable development: In 2022/2023, KNATCOM organized the 4th National Cultural Celebration to celebrate Kenya's rich cultural heritage and build national cohesion and integration among Kenyans. The celebrations brought together counties, ministries, and state agencies to showcase Kenya's rich cultural and diverse heritage through performances and exhibitions. The event was attended by over 10,000 people. Further, to celebrate UNESCO World Art Day on 15th April 2023, the Commission supported twenty art groups from vulnerable communities from Mathare, Korogocho, Dandora, Kariobangi, Mukuru, Kibera among others to showcase their talents and foster the links between artistic creations and highlight contribution of artists to sustainable development. On behalf of Kenya the Commission hosted the Africa region Consultation on the UNESCO Framework for Culture and Arts Education on 8 and 9 February 2023 that was attended by 170 participants, and 29 African countries. The main aim of the consultation was to dialogue on policies and interventions for promotion of linkages and skills for arts in education. To enhance opportunities and skills for artists, the commission capacity built 110 stakeholders drawn from national cultural institutions, County cultural officials, civil societies, and artists on UNESCO best practices for promotion of creative and cultural industries based on the 1980 UNESCO recommendation on the Status of Artists and on the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions. To promote sustainable and inclusive urban development and raise awareness on the importance of fostering creativity as a driving force for making cities safe and resilient through culture, the commission trained Kisumu City stakeholders on UNESCO Creative Cities Network and facilitated Eldoret to apply to join Creative Cities Network. The Commission trained 20 counties on cultural statistics based on the 2009 UNESCO Framework for cultural statistics to promote informed policy decisions and planning for cultural development.

The Kenya Institute for Curriculum Development (KICD)

Curriculum Reform:

In FY 2022/2023, KICD carried out monitoring of the implementation of CBC in Grade 6 and prepared a report. The Institute also carried out a summative evaluation of CBC primary school level and prepared a report. The Institute evaluated 131 materials submitted for Grade 8 and an additional 31 materials submitted by walk-in clients, approved 439 CBC complimentary materials; and held a publisher's conference in the period under review. In addition, the Institute developed 21 curriculum designs for Grade 10; 25 curriculum designs for Grade 11; and 23 curriculum designs for Grade 8; adapted 37 learning areas for Grades 10 to suit learners with special needs; developed 14 curriculum designs for vocational level of special needs education; finalized development of 3 modules for Diploma in Microfinance, 3 modules Diploma in Credit Management, 3 modules Diploma in Hairdressing and Beauty Therapy, and 2 modules for Certificate in Hairdressing and Beauty Therapy.

The Institute also developed 3 (three) handbooks for Kenya Sign Language; 12 (twelve) handbooks for stage based pre-vocational level; and 1 (One) handbook for braille Grade 7-9. Further, KICD disseminated 39,584 print curriculum support materials through the Multimedia Bookshop. These comprised curriculum designs, handbooks, IEC materials and other curriculum support materials. The Institute also broadcasted 2,000 Radio school programmes, 4,550 EDU TV Channel programmes, acquired and uploaded 144 titles of interactive digital content on Kenya Education Cloud (KEC). Further, 590 electronic curriculum support materials were developed and produced.

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In FY 2022/23, as part of the identified National Government Priorities as contained in the Kenya Kwanza Manifesto, KICD enhanced development and dissemination of digital content and creative industry to have appropriate content accessible in Kenya Education Cloud. KICD achieved this target by mainstreaming content on government development in the development of 25 Curriculum designs for Grades 11 and in the development of Technical and Vocational Education syllabuses. The Institute also prepared a Virtual lab concept note and a workshop with a potential partner was held to discuss modalities of establishing a virtual lab for disseminating Grade 7 Integrated Science aligned to JSS and embedded on KEC. The ICT integration online course for Teachers on Elimika platform was also undertaken. Curation of 38 interactive digital content for Grade 6 in 12 learning areas for regular learners was undertaken; 10 digital content materials for Grade 3 in 10 learning areas for learners with visual impairment (VI) and 9 digital content materials for Grade 3 in 9 learning areas for learners with hearing impairment (HI) were adapted and disseminated. Along with that, KICD trained 474 interactive digital content developers to enhance the quality of materials.

The Kenya National Examination Council

Examinations Management: In accordance with its mandate, KNEC developed examination papers, administered examinations and certified candidates across the country at basic and tertiary levels. In addition, KNEC administered examinations on behalf of Foreign Examination Boards. In FY 2022/23, the total number of registered candidates increased were 1,244,332 (626,557 males and 617,775 female). In Secondary Education level, KCSE examinations candidature were 844,122 (445,103 males and 439,019 female) in FY 2022/23. The Technical examinations candidature were 210,173 (126,670 males and 83,503 female), the Business examinations candidature were 85,931 (28,015 males and 57,916 female) and Special Needs Examinations (SNE) candidature were 1,340 (391 males and 949 females in FY 2022/23).

Examinations Management Reforms:

The CBC Pioneer Class undertook the first Kenya Primary School Education Assessment (KPSEA) at Grade 6 in December 2022 (FY 2022/23) where 1,253,577 learners were assessed. National Assessment Programme: KNEC also participated in Regional Large-scale Assessments. In the FY 2022/23, NAC, through an intervention under KPEEL program carried out a study aimed at measuring learner outcomes at Grade 3. In the FY 2022/23, Kenya joined the Programme for International Students Assessment (PISA) which is the world's premier yardstick for comparing quality, equity and efficiency in learning outcomes across member countries. The framework for PISA was developed and participation agreements were approved and signed in anticipation of Kenya participating in PISA 2025.

In FY 2022/23, seven printing machines were delivered and installed. These machines included; five copy printers, a quality weight checker unit and two digital (canon 220 Vp) printing machines. **School Equipment Production Unit (SEPU);** The main mission of SEPU is to promote standards and quality of science education by producing innovative and competitively priced equipment and materials for learning institutions. During FY 2022/23, SEPU received a GoK recurrent grant of Ksh.94.8M and Ksh.36.011M from internally generated revenue for its operations and production of laboratory apparatus and materials whereby the production was as follows; 9,604 laboratory apparatus and materials were produced, 106 School Science Kits, 2,203 Institutional furniture and 19 Mobile Laboratories.

National Council for Nomadic Education in Kenya (NACONEK); During the period under review, NACONEKs allocation was Ksh.4.5B. During the FY 2022/23, the council took a proactive approach to addressing the pressing issue of out-of-school children by developing and

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administering a comprehensive assessment tool across 14 counties with a high prevalence of out of school children. This tool facilitated the identification of enrollment barriers and enabled strategic planning for effective enrollment drives. As a testament to the program's effectiveness, a total of 200,000 learners were successfully reintegrated into the educational system during the period in which the out-of-school children (OOSC) initiative was in operation. This achievement signifies not only the program's success in identifying and mitigating enrollment barriers but also its profound impact on the lives of countless children. Further, in recognition of the unique challenges faced by communities in arid and semi-arid lands, NACONEK engaged in the mapping of mobile schools in 5 selected ASAL counties. The council also conducted a thorough assessment of Duksis and Madrassas in Muslim-dominant countries, with the dual aim of addressing challenges faced by these institutions and identifying opportunities for their integration into the formal education system. This assessment highlighted barriers, both logistical and cultural, that hindered integration efforts.

The President's Award Kenya (PA-K); In the achievement of the Kenya Kwanza manifesto through partnership with the Kenya Forest Research Institute and Kenya Forest Services, the Award participants across the counties planted 30,200 trees in the FY 2022/23.

Implementation Challenges

The Basic Education sub-sector has made great progress towards the realization of the national Education goals and objectives. The sub sector focuses on promoting access, equity, quality and relevance in Education. Despite the progress made, there still exist significant variations between the targets set out and achievements made so far. This section discusses some of the key challenges.

Inadequate infrastructure

Despite GOK efforts, the sub sector is faced with inadequate infrastructure in learning institutions. This is exacerbated by the 100% transition where more learners have joined the schools. Further, Curriculum reforms have necessitated expansion of infrastructure to accommodate the diversity it anticipates.

Implementation of Curriculum Reforms

The Subsector is in the process of reforming the Basic Education Curriculum in order to shift from acquisition of content knowledge to Competency Based Curriculum(CBC). The Education Curriculum reforms have necessitated re-organization of educational levels and introduced new pathways. This calls for concerted efforts by the Ministry and other relevant players to ensure successful implementation and development of relevant standards and guidelines that will regulate schools to enhance quality.

Radicalization and Insecurity

Some learners and out of school children and youth have continued to be victims of radicalization groups thus making them perpetuate acts that have infringed on the rights of other citizens and in some cases even caused loss of lives and property. In isolated instances, radicalization literature has been found with learners and or teachers, which is an indication that our learning institutions are still porous for anyone who may want to take advantage of children and youth in the sub sector.

ICT Integration in Teaching, Learning and Management

Information Communication Technologies (ICTs) will play an integral role in the delivery of quality education. The global provision of schooling is facing unprecedented challenges as a result of the COVID-19 crisis. The conventional face-to-face classroom instruction has changed a lot

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with the distinctive rise of e-learning, where teaching is undertaken remotely on digital platforms. Equally, management of education is being done more using the various ICT tools.

Emergencies in Education; The sub-sector faces a myriad of emergencies in Education Institutions. These include blowing off of roofs by strong winds; floods; clashes; evictions; cattle rustling; terrorism and terror gangs among others. In addition, the world is experiencing long term changes in the global climate manifested in rising water levels in lakes and rivers.

Equity and Inclusivity in Basic Education; The sub sector is committed to providing education for all. These include: learners with special needs; those from urban informal settlements; those from the ASAL areas; and those from vulnerable communities. Kenya has almost achieved Gender parity however; gender disparity exists in some regions especially in the ASALs, slums and pockets of poverty. In some regions, girl's access to education is restricted by some social-cultural practices such as female genital mutilation, early marriages and child labor.

Health and well-being of Learners

The health and well-being of the Learners is essential in the achievement of key education objectives. However, this is hampered by: -

- **HIV AIDS:** The sub-sector's effort to mitigate the impact of the HIV AIDS scourge is hampered by high prevalence in HIV AIDS. This has led to; increased number of orphans in schools; Absenteeism; loss of lives; dropouts; Stigmatization of the infected; and limited access to ARVs for the infected.
- **Drug and Substance Abuse (DSA):** The problem of DSA is a rising concern in the education sub-sector. The main causes include peer pressure, ease of availability of drugs and alcohol and unstable families. The overall effects include violence and crime; risky sexual behavior leading to increased HIV infection; sexual perversion; poor academic performance and school dropouts. This has also led to strikes and destruction of school property by learners.

Online Safety

Online safety such cyber stalking and bullying, security of data, exposure to pornography and cyber radicalization among learners and teachers is a major challenge in the sub sector.

Implementation of STEM Education

The rapid change in technology poses a challenge to implementation of STEM and it requires continuous capacity building for mathematics and science teachers to cope with changing demands of curriculum delivery at primary and secondary level.

Administration of national examinations and assessments

The examination administration process was reviewed resulting in policy change in distribution of examination materials. New procedures and processes in the examination distribution centers were introduced to protect the storage facilities within the County and Sub-County offices and examination centers; this has resulted in an increase of exam administration costs. In addition, disasters, emergencies and insecurity in some areas during examination administration also poses a myriad of challenges. In conducting national assessments, the sub sector faces challenges such as inadequate ICT infrastructure and connectivity.

Staffing

The state department for Early Learning and Basic Education as at 30th June 2023, was operating with 4,214 workforces against an authorized establishment of 9,572 leading to inadequate manpower to fulfill its mandate of planning and monitoring sub sector programs.

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Overlapping legislations

The sub-sector vision and mandate is captured in the Sessional Paper Number 1 of 2019 “*A Policy Framework for Reforming Education, Training and Research for Sustainable Development*”. The sessional paper is however operationalized through various acts that at times contradicts and conflict with each other which impacts negatively on service delivery. The legislations governing the sub-sector include: KICD Act 2013, KNATCOM Act 2013, KNEC Act 2012, PA-K Act, 2017 and Basic Education Act 2013.

8. Recommendations

To ensure effective delivery of its mandate, the sub sector should implement the following recommendations:

Infrastructure improvement

Increase investments in institutional infrastructure based on objective criteria and priorities. This includes target interventions in Primary, Secondary and Tertiary levels of education. Expanded infrastructure will ensure accommodation of learners as a result of increased enrollment while enhancing inclusive education. In Secondary level, the expansion will ensure transition to Junior secondary.

Pre-primary education; There will be need for Policy Guidelines on the provision of capitation grant for mainstreaming pre-primary education to ensure seamless transition into formal schooling.

Teacher Education; Rebrand the teacher education programme for the implementation of CBTE and CBTA learning areas and emerging issues such as the COVID-19 pandemic.

ICT Integration in Education; Increase provision of institutions with power supply, computing devices, internet connectivity and related infrastructure including assistive technologies for SNE at all levels.

Learners Health, Safety and Welfare Issues; Strengthen programmes on child protection and elimination of SGBV and any other form of human rights abuse. This should include guidance and counselling, coaching, moulding, mentorship and pay attention to issues of child pregnancies, early marriages, child labour, children with health issues such as HIV and AIDs and/other contagious diseases.

Drug and Substance Abuse (DSA); Establish preventive and rehabilitative measures against DSA and strengthen collaborations and joint actions with relevant state agencies to combat DSA in learning institutions and workplaces.

Implementation of Curriculum Reforms; There is a need to allocate sufficient resources towards development of Competence Based Curriculum. In addition, there is also a need to allocate sufficient resources towards completion of the Education Resource Centre (ERC) Phase I, which is a crucial facility in implementation of the CBC.

Adequate Staffing; Recruit adequate staff to deliver Education mandates across all levels of the subsector. This will include adequate staffing at the zonal, sub county, county and headquarters including SAGAs to deliver services across all levels of education.

Administration of National Examinations and Assessments; The sub sector has introduced curriculum reforms which will be coupled by reforms in the modes of assessment. There is a need to introduce financing for the national assessment at Grade 3, School Based Assessment (SBA) from Grade 4 to 12 and the summative assessments that will be conducted annually at Grade 6, Grade 9 and Grade 12.

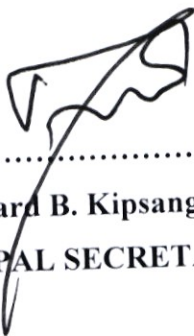
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Online Safety; The sub sector has embraced ICT integration in learning across all levels. In this regard, there is a need to enhance security, safety and ethical use of ICT in education and training as provided in the ICT in Education and Training Policy.

Education Emerging Issues; Achievement of educational goals is adversely affected by emerging issues such as drought, floods, insecurity and pandemics such as COVID-19 among others. There is a need for the sub-sector to develop and implement an emergency response and recovery strategy to address the emerging issues.

Resource Provision for the Sub sector; Increase resource provision for the sub sector to implement ongoing education reforms. Education is a driver and an enabler of The Bottom-Up Economic Transformation Agenda, hence, the need for additional funding to address shortfalls at all levels.

Addressing Overlaps; For the sub sector to effectively deliver on its mandate, there is a need to harmonize related legislations governing the sub-sector such as TSC Act 2012, KICD Act 2013, KNATCOM Act 2013, KNEC Act 2012, and Basic Education Act 2013 with the aim of addressing overlaps in the mandates.



.....
Dr. Richard B. Kipsang

PRINCIPAL SECRETARY / ACCOUNTING OFFICER

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6. Statement of Performance against Predetermined Objectives for the FY2022/23

Introduction

Vision: 'Quality and inclusive education, training and research for sustainable development'

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

Strategic Objectives:

1. *To enhance access, equity, quality and relevance in education, training and research*
2. *To integrate Information Communication and Technology (ICT) in education, training and research for management, teaching and learning at all levels.*
3. *To enhance development capacities for Science Technology and Innovation (ST&I).*
4. *To enhance mechanisms for dissemination and commercialization of research findings.*
5. *To improve data quality and sharing in education, training and research and labour market*
6. *To enhance linkage between education and training institutions and labour market.*

Introduction

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

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

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

Progress on the attainment of Strategic Objectives through Performance Contracting

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

MDA Program	Objective	Outcome
Primary Education Program	To enhance access, quality, equity and relevance of primary education.	Increased enrolment and improved inclusivity in primary education

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Secondary Education Program	To enhance equitable access to relevant and quality secondary education.	Increased enrolment and improved inclusivity in secondary education
Quality Assurance and Standards	To develop, maintain and enhance education quality standards	Improved quality and relevance of primary and secondary education
General Administration, Planning and Support Services	To provide effective and efficient support services and linkages among programmes of the sector.	Improved support services, administrative services and effective planning and monitoring methods

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7. Management Discussion and Analysis

(Two- three pages)

(Under this section, the management gives:

- *A report on the operational and financial performance of the organisation for the last three to five year period,*
- *Entity's key projects or investments decision implemented or ongoing indicating source of funds, project status, project costs and amount spent this far.*
- *Future developments and any other information considered relevant to the users of the financial statements.)*

The management should make use of tables, graphs, pie charts and other descriptive tools to make the information as understandable as possible.)

1. Environmental and Sustainability Reporting
a) Sustainability strategy and profile

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

To realize national educational aspirations as provided in the Constitution and Vision 2030, which includes numeracy, literacy, life skills and industry relevant skills, various policy reforms have been rolled out. One key reform is the introduction of CBC, which is aimed at creating an ethical, engaged and empowered citizen. It seeks to nurture every learner's potential by ensuring all learners acquire the core competencies as provided in the Basic Education Curriculum Framework (BECF). CBC emphasizes formative rather than summative evaluations.

Kenya is a signatory to several international conventions and agreements, including those on commitment to the development of education. The conventions and agreements underscore the need to eliminate all forms of discrimination and barriers, which then open doors for all citizens to be served with their right to education. To illustrate Kenya's commitment to the conventions and agreements signed, the country was one of the few that were close to meeting the Universal Primary Education under the Millennium Development Goals and the Education for All targets. To achieve the targets, Kenya adopted the Free Primary Education Policy (2003) and Free Day Secondary Education Policy (2008). In the current global orientation, Kenya has ratified Sustainable Development Goals and inherently showed its commitment to SDG4, which calls for inclusive and equitable quality education and promotion of lifelong learning opportunities for all. The SDG-4 is domesticated in the 2018-2022 National Education Sector Strategic Plan (NESSP).

b) Environmental performance /climate change/ mitigation of natural disasters

The Ministry of Education has adopted and domesticated the National Environmental Policy from the Ministry responsible for Environment. The Ministry has mainstreamed the environmental aspects into education and training through the Education for Sustainable Development Policy. The success of implementation of this policy has seen schools for environmental clubs and implement the school greening programmes at school level. Major shortcomings in the implementation of environmental programmes in the Ministry include inadequate funding due to

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the non-core nature of the mandate, expansive geographical spread of our schools and field offices and many uncoordinated partners. The Ministry is finalizing its e-waste management policy in an effort to guide the disposal of e-waste as the roll out of ICT integration in teaching and learning in the education institutions; and governance and management of the education system gains highest priority.

c) Employee welfare

In FY 2022/23, the State Department Administration carried out sensitization of officers from the Ministry's headquarters and field offices on handling of public complaints and Conflict management whereby 130 officers were trained, approved 300 courses for officers on self-sponsorship, provided industrial attachment opportunities to 165 youths/students and sensitized 2,341 officers on performance management and wealth declaration, 705 officers were inducted, while a group training was undertaken for 99 officers. In addition, 1,000 youths were engaged as DLPs and 167 were provided with industrial attachment opportunities. 2,410 officers and family members, were reached with the prescribed Sensitization package for non-communicable diseases (NCDs) including Cancer (Breast, Cervical and prostate); Diabetes, Hypertension, Stress management, mental health and HIV prevention respectively: Further 825 screened for HIV, Cancer, Blood pressure, Blood sugar and BMI, while 400 were screened.

In spite of these achievements, the sub sector faced a lot of challenges that are a major hindrance to its achieving the set goals of eradication of illiteracy as envisioned in the Vision 2030. This is attributed to various factors key among them is an aging workforce, officers left the service under natural. Inadequate manpower is a hindrance to the State Department achieving its mandate of provision of education services to Kenyans.

d) Operational practices

The organisation should outline its efforts to:

i. Responsible Supply chain and supplier relations

Explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

e) Community Engagements-

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

2. Statement of Management Responsibilities

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the State Department for Early Learning and Basic Education is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the State Department for Early Learning and Basic Education accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer in charge of the State Department for Early Learning and Basic Education further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

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Approval of the financial statements

The *entity's* financial statements were approved and signed by the Accounting Officer on 29/6 2023.



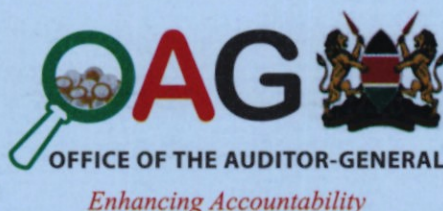
.....
Dr. Belio Kipsang
Principal Secretary



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REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR EARLY LEARNING AND BASIC EDUCATION FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the State Department for Early Learning and Basic Education set out on pages 1 to 30, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2023, and the statement of

Report of the Auditor-General on State Department for Early Learning and Basic Education for the year ended 30 June, 2023

receipts and payments, statement of cash flows and the 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, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the State Department for Early Learning and Basic Education as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unconfirmed Capitation for Free Primary Education and Free Day Secondary Education

The statement of receipts and payments reflects amounts of Kshs.63,252,450,424 and Kshs.52,471,160,342 in respect of subsidies and transfers to other Government units as disclosed in Notes 7 and 8 to the financial statements. Included in the subsidies and transfers to other Government units amounts are amounts of Kshs.63,160,732,295 and Kshs.11,387,068,719 in respect of Free Day Secondary Education and Free Primary Education capitation respectively against approved budgets of Kshs.63,160,788,241 and Kshs.11,795,474,199, resulting to undisbursed funds amounting to Kshs.55,946 and Kshs.408,405,480 respectively or a total of Kshs.408,461,426. Further, it was noted that the disbursement for Free Primary Education was done manually and not through the National Education Management and Information System (NEMIS). As such, the pupils' enrolment per school could not be confirmed. No explanation was provided for not using the approved system .

In addition, field verification carried out in three hundred and twelve (312) sampled Junior Secondary Schools (JSS) located in twenty-seven (27) Counties to compare actual student population with NEMIS data used by the State Department to allocate capitation, revealed that capitation for Grade 7 learners in the sampled schools was accurate. However, one hundred and eighty-seven (187) out of the sampled three hundred and twelve (312) Junior Secondary Schools had students that did not receive capitation. The actual enrolment of the one hundred and eighty-seven (187) JSSs was twenty-nine thousand six hundred and fifty-three (29,653) learners. However, they received capitation for twenty-two thousand three hundred and thirteen (22,313) learners, leaving seven thousand three hundred and forty (7,340) learners without funding. The State Department did not ensure that the data used for JSS capitation was verified by the respective Sub-County Offices before disbursement of funds. This would have ensured that all students are captured on NEMIS for funding of all JSS learners.

Further, the NEMIS as configured does not have a cutoff and updates student on continuous basis making it difficult to confirm the number of students as at a specific time. It was also noted that there was congestion in Grade Seven (7) classes, with some

classes having between eighty (80) to a hundred (100) learners, which was way above the required class of forty-five (45) learners, resulting in high pupil to teacher ratio and negative effect on teacher-student engagement. Similarly, the schools did not have science laboratories.

In addition, the system does not register students without birth certificates and does not fund students over eighteen(18) years.

In the circumstances, the accuracy, completeness and regularity of subsidies and transfers to other Government units amounting to Kshs.63,252,450,424 and Kshs.52,471,160,342 respectively could not be confirmed.

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

Emphasis of Matter

1. Pending Accounts Payable

Note 20.2 to the financial statements reflects pending accounts payable balance of Kshs.6,726,280 that were not settled during the year under review but were instead carried forward to the 2023/2024 financial year.

Failure to settle bills during the year in which they relate to adversely affects the budgetary provisions for the subsequent year to which they have to be charged.

2. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects receipts budget and actual amount on comparable basis of Kshs.134,821,977,311 and Kshs.129,395,568,769 respectively, resulting in an under-funding of Kshs.5,426,408,542 or 4% of the budget. Similarly, the State Department spent Kshs.125,764,007,865 against an approved budget of Kshs.134,830,977,311, resulting in an under-expenditure of Kshs.9,066,969,446 or 7% of the budget.

In the circumstances, the underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management had not resolved the issues or given any explanations for failure to implement the recommendations.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Return Unspent Funds to the State Department for Sports and Youth Affairs

The statement of financial assets and liabilities reflects a bank balance of Kshs.4,210,292,330 as disclosed in Note 12A to the financial statements. Included in the balance is an amount of Kshs.687,948,320 in respect of deposits. During the financial year under review, a total of Kshs.267,731,000 was received on 05 May, 2023 in the deposits bank account of the State Department from the State Department for Sports and Youth Affairs. Out of that amount, a total of Kshs.82,921,300 was disbursed to County Directors of Education for Uasin Gishu, Mombasa and Narok for sports activities and an amount of Kshs.70,609,945 spent leaving unspent balance of Kshs.197,121,055. However, the State Department did not refund the unspent balance to the State Department for Sports and Youth Affairs as at closure of the financial year for onward surrender to The National Treasury for re-voting in the following financial year.

This was contrary to Regulation 117(1)(2) of the Public Finance Management (National Government) Regulations, 2015, which provides that where an A.I.E holder observes that it will not be possible to utilize all the funds allocated for a particular project in a given financial year, the A.I.E holder shall inform the Accounting Officer not later than February. The Accounting Officer will then surrender the resources to The National Treasury and The National Treasury shall ensure that funds are re-voted for the State Department in the following financial year in order to continue the implementation of the activities.

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

2. Lack of Ownership and Internal Controls on Management of NEMIS

During the previous year, an amount of Kshs.239,784,833 was spent on reengineering of National Education Management Information System (NEMIS) under the PRIEDE project. The scope of the works for NEMIS strengthening entailed installation of one of the servers at a secondary site on an existing Government cloud infrastructure. This was to enable the server to harness the existing resources of the Government cloud such as processing and storage capabilities, load balancing, intelligent system monitoring, system scalability, data security and business continuity. The secondary site runs on VM ware as the virtualization software and CISCO or DELL servers.

However, the Management did not provide for audit purposes the ownership documents of the reengineered NEMIS, including copyright registration and reservation in accordance with Section 22 of the Copyright Act, 2001 and the signed handover documents that included instructions booklet explaining each functionality to the users of NEMIS and test environment confirmation indicating that issues pertaining to processing and storage capabilities, load balancing, intelligent system monitoring, system scalability, data security and business continuity have been addressed and resolved by the reengineered NEMIS.

Further, documentation relating to the development of reengineered NEMIS, and the structure of its administration highlighting the officers who hold different tasks and roles in the development, maintenance, administration, compliance and control of the NEMIS system was not provided for audit.

In the circumstances, value for money may not have been achieved on expenditure amounting to Kshs.239,784,833 in respect to reengineering and ownership of the NEMIS.

3. Irregularities in the Construction of Competency Based Curriculum Classrooms

The statement of receipts and payments reflects an amount Kshs.52,471,160,342 in respect of transfers to other Government units as disclosed in Note 8 to the financial statements. However, the following observations were made:

3.1 Unconfirmed Pricing of Competency Based Curriculum Classrooms

As previously reported, the transfers to other Government units of Kshs.52,471,160,342 included an amount of Kshs.3,997,687,865 in respect of payments made for construction of Competency Based Curriculum (CBC) classrooms at a cost of Kshs.709,398 each across all areas in the Country. However, it was not clear how the amount was arrived at given that the bills of quantities and results of market surveys were not provided for audit. Further, the terrain and topographical layout of the schools across the Country varied and therefore not possible to have a standard rate.

In addition, it was not clear which specific procurement method was used and how the various suppliers were identified. Similarly, there was no evidence that the prices had been adjusted for inflation to reflect the current market rate for acquisition of construction materials.

The standard amount of Kshs.709,398 allocated was not sufficient for construction of a classroom of the required standard. Document review revealed that some critical scopes like ceiling and tiling or terrazzo on the floor were not included in the original Bill of Quantities (BoQ).

3.2 Poor Workmanship in the CBC Classroom Construction

A sample of two hundred and fifteen (215) secondary schools in twenty-seven (27) counties were funded for construction of CBC classrooms. Interviews with schools' Management revealed that the classrooms were constructed within two (2) weeks which was not sufficient to allow concrete curing. Therefore, the potential strength and durability of concrete was not fully developed. The short construction duration and insufficient funding resulted in poor quality of the constructed classrooms.

As at the time of the audit, the sampled schools had poorly constructed classrooms, with floor cracks and deep holes. The floor in some of the classrooms had completely come off, exposing the soil beneath. As a result, students had to learn in classes that had a lot of dust, exposing them to health hazards.

In addition, the existing classrooms in most of the sampled schools had a ceiling and tiles or terrazzo on the floor. Physical verification revealed that in some sampled schools, the Management utilized their own funding to ensure that they constructed classrooms that matched the standard of the existing classrooms.

Further, the audit revealed that, thirty (30) out of the two hundred and fifteen (215) sampled classrooms were not in use as at the time of the audit. Interviews with schools' Management indicated that the schools had adequate classes for their student population. In some instances, the classrooms had been converted into stores.

In the circumstances, value for money for the construction of CBC classrooms amounting to Kshs.3,997,687,865 could not be confirmed.

4. Irregularities in Human Resource Management

4.1 Non-Compliance with the One-Third of Basic Salary Rule

During the year, eighty-three (83) employees earned a net salary of less than a third (1/3) of the basic salary, contrary to Section C.1(3) of the Public Service Commission (PSC) Human Resource Policies, 2016. Management had not explained the failure to comply with the Policy.

4.2 Understaffing of the State Department

The staff establishment reflects staff in-post of four thousand three hundred and one (4,301) staff against an approved establishment of nine thousand five hundred and seventy-two (9,572), resulting to understaffing of five thousand two hundred and seventy-one (5,271).

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

5. Non-Remittance of Excess AIA Collections

The statement of comparison of budget and actual amounts reflects other receipts budget and actual amount on comparable basis of Kshs.70,000,000 and Kshs.102,651,600 respectively, resulting to a surplus collection of Kshs.32,651,600 or 47% of the budget. Similarly proceeds from sale of assets actual receipts amounted to Kshs.1,434,590,231, resulting to over collection of Kshs.71,590,231 or 5% of the budgeted receipts of budget of Kshs.1,363,000,000. However, the over collection from the two revenue sources (Appropriations-in-Aid) amounting to Kshs.104,241,831 was not surrendered to the exchequer contrary to Regulation 84 of the Public Finance Management (National Government) Regulations, 2015.

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

6. Non-Preparation and Submission of Financial Statements for Audit

The statement of receipts and payments reflects an amount of Kshs.52,471,160,342 in respect of transfers to other Government units as disclosed in Note 8 to the financial statements. Included in the amount is Kshs.106,200,000 for other current transfers, grants and subsidies, out of which Kshs.27,612,000 was in respect of Kenya Girl Guides Association which is a self-reporting entity. This was contrary to Section 81(4)(a) of the Public Finance Management Act, 2012 which requires that, not later than three months after the end of each financial year, the accounting officer for the entity shall submit the entity's financial statements to the Auditor General and a copy of the statement to the Controller of Budget, The National Treasury and the Commission on Revenue Allocation.

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

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

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Outstanding Imprests and Clearance Accounts

The statement of financial assets and financial liabilities reflects imprests and advances balance of Kshs.239,911,795 as disclosed in Note 13 of the financial statements. Included in the balance are amounts of Kshs.1,638,719 and Kshs.151,626,991 in respect of imprests and district suspense respectively which were not surrendered during the year under review.

In the circumstances, regularity and effectiveness of imprests and district suspense management could not be confirmed.

2. Lack of Inventory Management System

As previously noted, during the year under review, Management did not maintain an inventory management system which tracks the supply of the sanitary pads. Further, it is not clear how the Management determines restocking levels for sanitary pads and the distribution management of the same.

In the circumstances, the stocks reorder levels could not be confirmed and there was risk of loss or theft of the sanitary pads.

3. Use of Non-Official Email Addresses in Official Communication

As previously noted, during the year under review, it was observed that the State Department's staff used personal emails especially google email application for official business communication. This was contrary to the Public Service Commission circular number SH/ADM/23(1) dated 14 June, 2022 on use of personal email addresses for official Government business. All Ministries, State Departments and Semi-Autonomous Government Agencies were required to have their staff members boarded onto the Government domain email addresses provided by the ICT Authority. The circular stated that any email communication that is non-compliant will be considered non-official.

In the circumstances, the use of personal emails may lead to the compromise of the State Department's data and potentially exposes the entity and the Government in matters of National security and National interests.

4. Lack of an IT Steering Committee

As previously noted, the State Department does not have an IT Steering Committee in place. This was contrary to Section 6.2 of the IT Governance Standard by the ICT Authority on ICT Governance direct that all Ministries, County, Departments and Agencies shall establish two ICT Governance Committees namely; an IT Strategy Committee to provide strategic advice on ICT initiatives and investments to the management and an IT Steering Committee to define the IT mission and goals aligned with the strategic direction of the organization, to authorize and direct the development of the services and operation plans.

Lack of an ICT Steering Committee exposes the State Department to the risk of unclear direction regarding the maintenance of information security and safeguard of ICT Assets across the State Department.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with

Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the State Department's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the State Department to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the State Department 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 controls that are identified during the audit.

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

26 January, 2024

MINISTRY OF EDUCATION
STATE DEPARTMENT FOR EARLY LEARNING AND BASIC EDUCATION
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9. Statement of receipts and payments for the Year ended 30th June 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
RECEIPTS			
Proceeds from Domestic and Foreign Grants	1	-	193,910,251
Transfers from National Treasury	2	127,858,326,938	98,389,181,881
Proceeds from Sale of Assets	3	1,434,590,231	1,357,007,554
Other Revenues	4	102,651,600	70,000,000
TOTAL REVENUES		129,395,568,769	100,010,099,686
PAYMENTS			
Compensation of Employees	5	4,053,494,632	3,983,379,906
Use of goods and services	6	5,971,198,100	5,815,120,762
Subsidies	7	63,252,450,424	62,560,672,721
Transfers to Other Government Units	8	52,471,160,342	30,546,359,898
Other grants and transfers	9	446,014	4,777,342
Social Security Benefits	10	10,319,115	3,509,303
Acquisition of Assets	11	4,939,240	2,988,658
TOTAL PAYMENTS		125,764,007,865	102,916,808,590
SURPLUS/DEFICIT		3,631,560,903	(2,906,708,904)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29/9 2023 and signed by:

.....
Dr. Bello Kipsang
Principal Secretary

.....
E. Mukira Gichigo
Deputy Accountant General
ICPAK M/No.19940

MINISTRY OF EDUCATION
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10. Statement Of Financial assets And Financial liabilities As At 30th June 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	12A	4,210,292,330	205,019,777
Cash Balances	12B	8,031	1,000
Total Cash and Cash Equivalents		4,210,300,361	205,020,777
Accounts Receivables - Outstanding Imprest and Clearence Accounts	13	239,911,795	94,508,522
TOTAL FINANCIAL ASSETS		4,450,212,156	299,529,299
LESS: FINANCIAL LIABILITIES			
Accounts Payables - Deposits	14	774,530,226	117,319,416
NET FINANCIAL ASSETS		3,675,681,930	182,209,883
REPRESENTED BY			
Fund balance B/fwd	15	182,209,883	3,556,282,575
Prior year adjustments	16	(138,088,856)	(467,363,788)
Surplus/Deficit for the year		3,631,560,903	(2,906,708,904)
NET FINANCIAL POSSITION		3,675,681,930	182,209,884

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29/9 2023 and signed by:

.....
Dr. Belio Kipsang
Principal secretary

.....
E. Mukira Gichigo
Deputy Accountant General
ICPAK M/No.19940

For Entities having a Chair of the Board/Commission should have the Chairperson as the 3rd Signatory

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11. Statement of Cash Flows For The Year Ended 30th June 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Proceeds from Domestic and Foreign Grants	1	-	193,910,251
Transfers from National Treasury	2	127,858,326,938	98,389,181,881
Other Revenues	4	102,651,600	70,000,000
		127,960,978,538	98,653,092,132
Payments for operating expenses			
Compensation of Employees	5	4,053,494,632	3,983,379,906
Use of goods and services	6	5,971,198,100	5,815,120,762
Subsidies	7	63,252,450,424	62,560,672,721
Transfers to Other Government Units	8	52,471,160,342	30,546,359,898
Other grants and transfers	9	446,014	4,777,342
Social Security Benefits	10	10,319,115	3,509,303
		125,759,068,625	102,913,819,932
Adjusted for:			
Changes in receivables		(145,403,272)	59,961,335
Changes in payables		657,210,810	52,437,582
Adjustments during the year	16	(138,088,856)	(467,363,788)
		2,575,628,594	(4,615,635,029)
Net cashflow from operating activities			
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	3	1,434,590,231	1,357,007,554
Acquisition of Assets	11	(4,939,240)	(2,988,658)
		1,429,650,991	1,354,018,896
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at BEGINNING of the year			
		205,020,777	3,466,694,552
Cash and cash equivalent at END of the year			
		4,210,300,362	205,020,778

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29/9 2023 and signed by:

.....
Dr Belio .R. Kipsang, CBS
Principal Secretary.

.....
CPA Emilio Mukira Gichigo
Head of Accounting Unit
ICPAK M/No.19940

MINISTRY OF EDUCATION
STATE DEPARTMENT FOR EARLY LEARNING AND BASIC EDUCATION
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12. Statement of Comparison of Budget and Actual Amounts for FY2022/23

Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
		a	b	c=a+b	d	e=c-d	f=d/c %
	RECEIPTS						
	Proceeds from Domestic and Foreign Grants	127,200,000	(500,000)	126,700,000	-	126,700,000	0%
	Exchequer releases	109,021,039,910	24,141,237,401	133,162,277,311	127,858,326,938	5,303,950,374	96%
	Proceeds from Foreign Borrowings	100,000,000	-	100,000,000	-	100,000,000	0%
	Proceeds from Sale of Assets	1,363,000,000	-	1,363,000,000	1,434,590,231	(71,590,231)	105%
	Other Receipts	70,000,000	-	70,000,000	102,651,600	(32,651,600)	147%
	Total Receipts	110,681,239,910	24,140,737,401	134,821,977,311	129,395,568,769	5,426,408,543	96%
	Payments						
21	Compensation of Employees	4,301,000,000	(145,300,000)	4,155,700,000	4,053,494,631	102,205,368	98%
22	Use of goods and services	5,967,130,492	219,672,202	6,186,802,694	5,971,198,100	215,604,594	97%
25	Subsidies	64,560,910,237	(1,200,406,953)	63,360,503,284	63,252,450,424	108,052,860	100%
263	Transfers to Other Government Units	35,802,433,299	24,055,834,797	59,858,268,096	52,471,160,342	7,387,107,754	88%
261/2/4	Other grants and transfers	18,000,000	(3,000,000)	15,000,000	446,014	14,553,986	3%
27	Social Security Benefits	27,000,000	(13,650,000)	13,350,000	10,319,115	3,030,885	77%
31	Acquisition of Assets	4,765,882	1,227,587,355	1,232,353,237	4,939,240	1,227,413,997	0%
	Grand Total	110,681,239,910	24,140,737,401	134,821,977,311	125,764,007,865	9,057,969,446	93%
	Surplus/Deficit				3,631,560,903	(3,631,560,903)	

a) *Variance analysis: i) The department did not realize any collection in Proceeds from Domestic and Foreign Grants due to delays in implementation of the KPEEL*

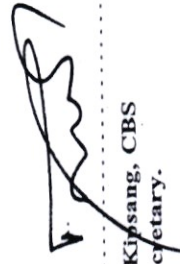
ii) *Proceeds from Domestic and Foreign Grants- The department collected nil AIA 0% due to failure from the donor failing to meet their commitments.*

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

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- ✓ Social Security Benefits- The department underspent by 23% since we had fewer officers who retired
 - ✓ Acquisition of Assets- There was 0% expenditure since Funds were allocated late through supplementary and there was no exchequer for the same
 - ✓ Transfers to Other Government Units- The department underspent by 12% due to failure by donor to implement some programs and insufficient development Exchequer
 - ✓ **Other Grants and Transfers** - The department underspent by 98% due to failure by donor to implement some programs and insufficient development Exchequer
- c) The State Department had a budget under Equalization Fund of Kshs. 2,249,500. The budget was domiciled at the national Treasury. Ac/ no 1-7031-7031100501-00001001-0501019999-2630201-000000001-000. Under this account the department spent Kshs. Nil, the balance remaining Kshs. 2,249,500.
- d) **Reallocations within the year:** The changes between the original and final budget are as a result of reallocations within the budget through the supplementary allocations

The entity financial statements were approved on 29/9 2023 and signed by:


.....
Dr Belio R. Kipsang, CBS
Principal Secretary.


.....
CPA Emilio Mukira Gichigo
Head of Accounting Unit
ICPAK M/No.19940

STATE DEPARTMENT FOR EARLY LEARNING AND BASIC EDUCATION
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13 (a) Statement of Comparison of Budget and Actual Amounts: Recurrent for FY2022/23

Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
		a	b	c=a+b	d	e=d-c	f=d/c %
	RECEIPTS						
	Exchequer releases	93,869,000,000	15,298,206,354	109,167,206,354	107,159,226,660	2,007,979,694	98%
	Proceeds from Sale of Assets	1,363,000,000	-	1,363,000,000	1,434,590,231	(71,590,231)	105%
	Other Receipts	70,000,000	-	70,000,000	102,651,600	(32,651,600)	147%
	Total Receipts	95,302,000,000	15,298,206,354	110,600,206,354	108,696,468,491	1,903,737,863	98%
	PAYMENTS						
21	Compensation of Employees	4,301,000,000	(145,300,000)	4,155,700,000	4,053,494,632	102,205,368	98%
22	Use of goods and services	5,929,630,492	257,172,202	6,186,802,694	5,971,198,100	215,604,594	97%
25	Subsidies	64,560,910,237	(1,261,077,457)	63,299,832,780	63,252,450,424	47,382,356	100%
263	Transfers to Other Government Units	20,460,693,389	15,236,474,254	35,697,167,643	35,353,839,223	343,328,420	99%
261/2/4	Other grants and transfers	18,000,000	(3,000,000)	15,000,000	446,014	14,553,986	3%
27	Social Security Benefits	27,000,000	(13,650,000)	13,350,000	10,319,115	3,030,885	77%
31	Acquisition of Assets	4,765,882	1,227,587,355	1,232,353,237	4,939,240	1,227,413,997	0%
	Grand Total	95,302,000,000	15,298,206,354	110,600,206,354	108,646,686,747	1,953,519,607	98%
	Surplus/Deficit	-	-	-	49,781,745	(49,781,745)	

Notes

- (a) Variance analysis: The state Department under spent the budgetary allocation as follows
- ✓ Other Grants and Transfers - The department underspent by 97% due to failure by donor to implement some programs and insufficient Exchequer
 - ✓ Social Security Benefits- The department underspent by 23% since we had fewer officers who retired
 - ✓ Acquisition of Assets- There was 0% expenditure since Funds were allocated late through supplementary and there was no exchequer for the same

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(c) Kenya Institute of Curricular Development (KICD) and Kenya Institute of Special Education collected in excess of Kshs. 53,930,306 and 32,651,600 respectively.

The entity financial statements were approved on 29/9 2023 and signed by:



.....
Dr. Bello Kipsang
Principal Secretary



.....
E. Mukira Gichigo
Deputy Accountant
General
ICPAK M/No.19940

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13 (b) Statement Of Comparison of Budget and Actual Amounts: Developments for FY 2022/23


Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %	
	RECEIPTS						
	Proceeds from Domestic and Foreign Grants	127,200,000	(500,000)	126,700,000	-	126,700,000	0%
	Exchequer releases	15,152,039,910	8,843,031,047	23,995,070,957	20,699,100,277	3,295,970,680	86%
	Proceeds from Foreign Borrowings	100,000,000	-	100,000,000		100,000,000	0%
	Total Receipts	15,379,239,910	8,842,531,047	24,221,770,957	20,699,100,277	3,522,670,680	
	PAYMENTS						
	Use of goods and services	37,500,000	(37,500,000)				0%
	Transfers to Other Government Units	15,341,739,910	8,880,031,047	24,221,770,957	17,117,321,118	7,104,449,839	71%
	Grand Total	15,379,239,910	8,842,531,047	24,221,770,957	17,117,321,118	7,104,449,839	
	Surplus/Deficit				3,581,779,159	(3,581,779,159)	

- e) **Variance analysis:** i) The department did not realize any collection in Proceeds from Domestic and Foreign Grants due to delays in implementation of the KPEEL
- ii) The department was underfunded through the Exchequer by 14%
- iii) **Proceeds from Domestic and Foreign Grants-** The department collected nil AIA 0% due to failure from the donor failing to meet their commitments.
- f) **The state Department under spent the budgetary allocation as follows**
- ✓ **Other Grants and Transfers** - The department underspent by 26% due to failure by donor to implement some programs and insufficient Exchequer
- g) The State Department had a budget under Equalization Fund of Kshs. 2,249,500. The budget was domiciled at the national Treasury. Ac/ no 1-7031-7031100501-00001001-0501019999-2630201-00000001-000. Under this account the department spent Kshs. Nil, the balance remaining Kshs. 2,249,500.

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h) Reallocations within the year: The changes between the original and final budget are as a result of reallocations within the budget through the supplementary allocations

The entity financial statements were approved on 29/9 2023 and signed by:



.....

Dr. Belio Kipsang
Principal Secretary



.....

E. Mukira Gichigo
Deputy Accountant General
ICPAK M/No.19940

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13 (c) Budget Execution by Programmes and Sub-Programmes for FY2022/23

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2,023		2,023	Date, 2023	
	Kshs	Kshs	Kshs	Kshs	Kshs
	28,866,540,501	-	28,866,540,501	23,184,141,986	5,682,398,515
PRIMARY EDUCATION	22,965,031,293		22,965,031,293	17,676,769,026	5,288,262,267
Free Primary Education	981,665,938		981,665,938	978,672,844	2,993,094
Special Needs Education	2,616,239		2,616,239	2,657,366	(41,127)
Early Child Development and Education	766,417,044		766,417,044	387,765,379	378,651,665
Primary Teachers Training and In-servicing	64,116,598		64,116,598	51,878,182	12,238,416
Alternative Basic Adult and Continuing Education	4,076,693,389		4,076,693,389	4,076,693,389	-
School Health, Nutrition and Meals	10,000,000		10,000,000	9,705,800	294,200
ICT Capacity Development	96,564,402,193		96,564,402,193	93,640,293,846	2,924,108,347
SECONDARY EDUCATION	95,713,344,458		95,713,344,458	92,798,003,424	2,915,341,034
Free Day Secondary Education	378,700,000		378,700,000	369,949,994	8,750,006
Secondary Teachers Education Services	272,357,735		272,357,735	272,357,729	6
Secondary Teachers In-Service	200,000,000		200,000,000	199,982,700	17,300
Special Needs Education	4,015,179,186		4,015,179,186	3,830,343,965	184,835,221
QUALITY ASSURANCE STANDARDS	1,428,544,803		1,428,544,803	1,257,475,109	171,069,694
Curriculum Development	1,614,495,900		1,614,495,900	1,601,995,900	12,500,000
Examination and Certification	972,138,483		972,138,483	970,872,956	1,265,527
Co-Curriculum Activities	5,375,855,431		5,375,855,431	5,109,228,068	266,627,363
GENERAL ADMINISTRATION, PLANNING AND SUPPORT SERVICE	2,663,190,387		2,663,190,387	2,496,974,190	166,216,197
Headquarters Administrative Services	2,712,665,044		2,712,665,044	2,612,253,878	100,411,166
County Administrative Services	134,821,977,311		134,821,977,311	125,764,007,865	9,057,969,446
TOTAL					

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14. Notes to the Financial Statements

1. Statement of Compliance and Basis of Preparation

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

2. Reporting Entity

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

- i. Secondary Education Quality Improvement Project*
- ii. Education for Young People Programme*
- iii. Kenya Primary Education Equity in Learning Program*

3. Reporting Currency

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

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Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by State Department for Early Learning and Basic education for all the years presented.

a) Recognition of Receipts

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

(i) Transfers from the Exchequer

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

(ii) External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners. Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment. During the year ended 30th June 2023, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

(iii) miscellaneous receipts

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

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Significant Accounting Policies (Continued)

b) Recognition of payments

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

i) Compensation of Employees

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

ii) Use of Goods and Services

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

iii) Interest on Borrowing

Borrowing costs that include interest are recognized as payment in the period in which they are paid for. *(Customise to your organisation)*

iv) Principal on borrowing

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. *(Customize as per organization).*

v) Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained and a summary provided for purposes of consolidation. *This summary is disclosed as an annexure xx to the financial statements.*

Significant Accounting Policies (Continued)

vi) In-kind contributions

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

vii) Third Party Payments

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

c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. A bank account register is maintained, and a summary provided for purposes of consolidation. *This summary is disclosed as an annexure xx to the financial statements.*

Restriction on Cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits and retentions.

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Significant Accounting Policies (Continued)

d) Imprest and advances

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

e) Third party deposits and retention

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

f) Pending Bills

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

g) Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits and retentions, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament in *June 2022 for the period 1st July 2022 to 30th June 2023* as required by Law and there were 2 number of supplementary adjustments to the original budget during the year. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements. Government Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers.

h) Comparative Figures

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

i) Subsequent Events

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

j) Prior Period Adjustment

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

k) Related Party Transactions

Related party means parties are related if one party has the ability to:

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.

Related party transaction is a transfer of resources or obligations between related parties regardless of whether a price is charged.

l) Contingent Liabilities

A contingent liability is:

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

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

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Notes to the Financial Statements

1 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount in foreign currency	2022-2023	2021-2022
			Kshs	Kshs
Grants Received from Bilateral Donors (Foreign Governments)				
GPE- PRIEDE				193,910,251
TOTAL			-	193,910,251

Priede project came to an end and therefore no operation was undertaken during the year

2 Exchequer releases

Description	Reference of the transfer	Date of transfer	2022-2023	2021-2022
			Kshs	Kshs
Total Exchequer Releases for quarter 1			44,896,388,350	21,016,611,644
Total Exchequer Releases for quarter 2			16,081,025,823	22,592,463,179
Total Exchequer Releases for quarter 3			32,568,063,044	26,500,959,327
Total Exchequer Releases for quarter 4			34,312,849,721	28,279,147,731
TOTAL			127,858,326,938	98,389,181,881

We had a shortfall of Kshs. 5,312,950,374 which is and equivalent of 4% funding of the total allocation

3 Proceeds from Sale of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Receipts from the Sale of Inventories, Stocks and Commodities	1,434,590,231	1,357,007,554
TOTAL	1,434,590,231	1,357,007,554

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Notes to the Financial Statements (continued)

4 Miscellaneous Receipts

	2022-2023	2021-2022
	Kshs	Kshs
Receipts from Administrative Fees and Charges	102,651,600	70,000,000
TOTAL	102,651,600	70,000,000

5 Compensation to Employees

	2022-2023	2021-2022
	Kshs	Kshs
Basic salaries of permanent employees	2,526,736,184	2,413,468,190
Basic wages of temporary employees	246,806,572	265,570,670
Personal allowances paid as part of salary	1,256,364,270	1,287,226,303
Employer Contributions Compulsory national social security schemes	5,958,217	3,970,202
Employer Contributions Compulsory national health insurance schemes	17,629,387	13,144,541
TOTAL	4,053,494,632	3,983,379,906

(Explain significant changes from prior period)

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6 Use of Goods and Services

	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	72,272,810	89,545,915
Communication, supplies and services	2,614,439	8,983,281
Domestic travel and subsistence	45,553,510	29,005,410
Foreign travel and subsistence	1,243,799	2,132,031
Printing, advertising and information supplies & services	1,568,002	6,420,093
Rentals of produced assets	27,415,574	147,262,641
Training expenses	2,387,632	3,621,979
Hospitality supplies and services	7,856,706	47,208,255
Specialised materials and services	585,410	13,957,387
Office and general supplies and services	370,122,110	300,370,380
Other operating expenses	5,342,154,806	5,041,230,071
Routine maintenance – vehicles and other transport equipment	44,569,995	50,725,322
Routine maintenance – other assets	7,609,079	26,167,450
Fuel Oil and Lubricants	45,244,229	48,490,548
TOTAL	5,971,198,100	5,815,120,762

(Explain significant changes from prior period)

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Notes to the Financial Statements (Continued)

7 Subsidies

Description	2022-2023	2021-2022
	Kshs	Kshs
Subsidies to Public Corporations	63,252,450,424	62,560,672,721
TOTAL	63,252,450,424	62,560,672,721

These are funds given for the purpose of Secondary capitation and co-curricular activities

8 Grants and Transfers to Other Government Entities

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers to National Government entities -SCOA Codes 2630100	35,247,639,223	19,971,035,325
Capital Grants to Government Agencies and other level of Government - SCOA Codes 2630200	6,840,615,523	5,722,543,364
Other Current, transfers, grants and subsidies - SCOA Codes 2640400	106,200,000	106,200,000
Other capital Grants and transfers- SCOA Codes 2640500	10,276,705,595	4,746,581,209
TOTAL	52,471,160,342	30,546,359,898

(Provide an explanatory narrative on this note)

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Notes to the Financial Statements (Continued)

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

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

Description	Recurrent Kshs	Development Kshs	2022-2023 Ksh
Transfers to SAGAs and SCs			
The Kenya Scouts Association	78,588,000	-	78,588,000
Centre for Maths Science and Tech Education in Africa	979,681,666	-	979,681,666
Kenya Institute for The Blind	51,000,000	-	51,000,000
Lugari Teachers Training College	54,000,000	35,000,000	89,000,000
National Council for the Nomadic Education in Kenya	5,121,940,262	-	5,121,940,262
The President's Award Kenya	30,000,000	-	30,000,000
Kenya National Commission for UNESCO	371,285,115	-	371,285,115
Kenya National Examination Council	5,237,364,612	61,500,000	5,298,864,612
Kenya Institute of Curriculum Development	8,056,002,711	75,000,000	8,131,002,711
School Equipment Production Unit	94,805,100	-	94,805,100
Kenya Institute of Special Education	294,459,724	100,000,000	394,459,724
Kenya Education Management Institute	131,816,100	-	131,816,100
Kibabii Teachers Training College	117,499,994	65,000,000	182,499,994
Kagumo Teachers Training College	72,200,000	26,250,000	98,450,000
Kenya Girls Guide Association	27,258,000	-	27,258,000
Transfers to Projects-GoK Counterpart funding			
KPEEL	-	3,857,824,336	3,857,824,336
SEQIP	-	6,917,986,692	6,917,986,692
UNICEF	-	-	-
TOTAL	20,717,901,283	11,138,561,028	31,856,462,311

We have confirmed these amounts with the recipient entities and attached these confirmations as an Appendix to this financial statement. Include this list as an annex if it goes beyond one page. (Explain significant changes from prior period)

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Notes to the Financial Statements (Continued)

10 Social Security Benefits

	2022-2023	2021-2022
	Kshs	Kshs
Government pension and retirement benefits	10,319,115	3,509,303
TOTAL	10,319,115	3,509,303

Service gratuity was paid to the Cabinet Secretary and a Deputy director unlike prior year where we had several officers

11 Acquisition of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Non-Financial Assets		
Purchase of Vehicles and Other Transport Equipment	391,300	-
Purchase of Office Furniture and General Equipment	4,547,940	2,988,658
TOTAL	4,939,240	2,988,658

(Where Financial Assets are purchased, explanation should be given as to the nature of the assets purchased and the institutions where such investments are made. Explain significant changes from prior period)

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Notes to the Financial Statements (Continued)

12 Cash and Bank Accounts

12A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit e.t.c	Exc rate (if in foreign currency)	2022-2023	2021-2022
				Kshs	Kshs
<i>Central Bank of Kenya, 1000384263, KShs</i>		Recurrent	1	70,313,593	18,066
<i>Central Bank of Kenya, 1000384287, KShs</i>		Deposit	1	687,948,320	117,319,416
<i>Central Bank of Kenya, 1000384271, KShs</i>		Development	1	1,341,654	4,148,648
<i>Central Bank of Kenya, 1000622288, KShs</i>		Develop- KPEEL	1	274,850,873	-
<i>Central Bank of Kenya, 1000307404, KShs</i>		Develop- Priede B			-
<i>Central Bank of Kenya, 1000307412, KShs</i>		Develop- Priede Gok			-
<i>Central Bank of Kenya, 100022296, KShs</i>		Develop- KPEEL DLI	1	143,238,294	-
<i>Central Bank of Kenya, 1000470728, KShs</i>		Develop- COVID-19	1		-
<i>Central Bank of Kenya, 1000387912, KShs</i>		Develop- Sequip- P	1	2,913,145,660	23,257,261
<i>Central Bank of Kenya, 1000387939, KShs</i>		Develop- Sequip- DLI	1	119,228,989	60,051,435
<i>Kenya Commercial Bank, 1102291331, KShs</i>		Develop- Unicef	1	224,950	224,950
Total				4,210,292,330	205,019,777

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12B: Cash on hand

	2022-2023	2021-2022
	Kshs	Kshs
Cash in Hand – Held in domestic currency	8,031	1,000
Cash in Hand – Held in foreign currency		
TOTAL	8,031	1,000

D

	2022-2023	2021-2022
	Kshs	Kshs
Headquarters, National Treasury Building, Cashoffice		
Location 1 Recurrent	8,031	1,000
Location 2 Development		
TOTAL	8,031	1,000

Detailed Cash is as follows:

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

13 : Imprests and Advances

<i>Description</i>	2022-2023	2021-2022
	Kshs	Kshs
Government Imprests	1,638,719	1,814,630
Domestic debtors and advances	64,178	220,178
District suspense	151,626,991	92,473,714
Clearance accounts	86,581,907	
TOTAL	239,911,795	94,508,522

Provide explanation why imprest was not recovered at year end.

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14 Third party deposits and retention

	2022-2023	2021-2022
	Kshs	Kshs
Deposits	687,948,320	117,319,416
Excess AIA	86,581,907	
TOTAL	774,530,226	117,319,416

The excess Appropriation in Aid is in respect of Kenya Institute of Special Education Kshs. 32,651,600 and Kshs. 53,930,306 for Kenya Institute of Curricular Development (KICD)

15 Fund Balance Brought Forward

	2022-2023	2021-2022
	Kshs	Kshs
Bank accounts	205,019,777	3,466,545,326
Cash in hand	1,000	149,226
Receivables - Outstanding Imprests	94,508,522	154,469,857
Payables - Deposits	(117,319,416)	(64,881,834)
TOTAL	182,209,883	3,556,282,575

(Provide short appropriate explanations as necessary)

16 Prior Year Adjustments

Description of the error	2022-2023	2021-2022
	Kshs	Kshs
Bank Account Balances	(7,463,373)	(467,363,788)
Cash In Hand		-
Accounts Payables	(64,852,390)	
Accounts Recievable	(65,773,093)	
Others (<i>specify</i>)		
TOTAL	(138,088,856)	(467,363,788)

These are funds that were recovered, surrendered back to the department and what was surrendered to the National treasury

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Notes to the Financial Statements (Continued)

17 (Increase)/ Decrease in Advances and Imprests

Description	2022-2023	2021-2022
	Kshs	Kshs
Receivables As At 1 st July (A)	94,508,522	154,469,857
Receivables As At 30 th June (B)	153,329,888	94,508,522
(Increase)/ Decrease in Receivables (C=(B-A))	(58,821,366)	59,961,335

(Receivable as at 1st July for Current FY should be the same as receivable as at 30th June for previous FY)

18 Increase/ (Decrease) in Retention and Third-Party Deposits

Description of the error	2022-2023	2021-2022
	Kshs	Kshs
Payables As At 1 st July	117,319,417	64,881,834
Payables As At 30 th June	774,530,226	117,319,417
Increase/ (Decrease) In Payables	657,210,809	52,437,582

19 Related Party Disclosures

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

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

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20 Other Important Disclosures

20.1 Related party transactions:

	2022-2023	2021-2022
	Kshs	Kshs
Key Management compensation	126,767,159	132,087,809
Transfers to other State Corporations and Semi-Autonomous Government Agencies	21,042,931,949	13,583,317,791
Transfers to Government Development Projects	10,356,882,882	4,941,443,836
Transfers to non- reporting secondary and primary schools	20,102,445,159	12,003,450,746
TOTAL	51,629,027,148.90	30,528,212,373

20.2 Pending Accounts Payable (See Annex 1)

	2022-2023	2021-2022
	Kshs	Kshs
Supply of goods		189,072,000
Supply of services	6,796,280	240,015,117
TOTAL	6,796,280	429,087,117

(Give explanatory narrative on this note for the reader to understand) (Why liabilities were not paid at year end)

20.3: Other Pending Payables (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Amounts due to National Government entities		212,115
TOTAL	-	212,115

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Notes to the Financial Statements (Continued)

20.4 Progress on follow up of Prior Years Auditor-General's recommendations.

The following is the summary of issues raised by the Auditor-General during the prior year and management comments that were provided.

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Understatement of Receipts from Proceeds from Sale of assets	The system is designed in a way that it cannot accommodate more than the budgeted amount. We have shown the same as a foot note.	Resolved	30th June 2023
2	Unaccounted and Undisclosed Revenue from Registration and Re-Registration of Schools	We have since rectified the anomaly and forwarded the same for review	Resolved	30th June 2023
3	Unreconciled Bank Accounts	The same has cleared as per the July bank statements and bank reconciliation statement (F.O.30).	Resolved	30th June 2023
4	Undisclosed Bank Accounts	The funds were already expensed in our books therefore being held by the banks as the schools were yet to sort out their account issues	Resolved	30th June 2023
5	Holding/Suspense Accounts	The balances on the accounts were already expensed in our books.	Resolved	30th June 2023
6	Misclassification and Payment of Rent without Valid Lease Agreements	We would wish to state that, Item 2630101- Transfers to other Government entities was for the purpose of food purchase and facilitation of movement (transportation).	Resolved	30th June 2023
7	Duplicate Primary School Bank Accounts	All the schools had been issued with new account numbers which the department used in the April 2022 and subsequent disbursements.	Unresolved	30th June 2023
8	Duplicate School Registration Numbers (TSC Codes)	All schools were issued with new TSC codes by the Teachers service Commission;	Unresolved	30th June 2023

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9	Disbursement to Schools without TSC Codes	This has now been rectified and the codes for all schools captured.	Resolved	30th June 2023
10	Schools with Doubtful TSC Codes	The codes have since been corrected	Resolved	30th June 2023
11	Duplicate Secondary Schools' Bank Accounts	The state department has since disabled the ability of principals to make alteration on Bank accounts.	Unresolved	30th June 2023
12	Bank Account Used to Receive Operations and Tuition Capitation	The state department has since disabled the ability of principals to make alteration on Bank accounts.	Unresolved	30th June 2023
13	Misstatement of Reported Imprests and Advances	The imprests were processed before 30th of June 2022, however, due to exchequer delays, the imprests were paid on 30th, June	Resolved	30th June 2023
14	Unsupported Long Outstanding Accounts Payable	We have surrendered the long outstanding balances to the National Treasury.	Resolved	30th June 2023
15	Unauthorized Reallocation of Funds for Construction of CBC Classrooms	It is well noted that going forward any reallocation of funds whether within program or sub-votes must be authorized by the National Treasury.	Unresolved	30th June 2023
16	Budgetary Control and Performance	The department underspent by 50% due to failure insufficient Exchequer	Resolved	30th June 2023
17	Unsupported Procurement Method for Curriculum-Based Classrooms	The payment application used (Mpesa) was meant to empower community through social economic development.	Resolved	30th June 2023
18	Irregular Pricing of Construction of Curriculum-Based Classrooms	The price was a fair view of the prevailing market price set in consultation with the state department of public works.	Resolved	30th June 2023
19	Unsupported Procurement and Supply of Desktop Computers	Its true the contract signed relate to SEQUIP which was typo and is highly regrettable.	Resolved	30th June 2023
20	Lack of an Inventory Management System	The system has been tested/piloted in Isiolo County successfully, and is about to be implemented in other Counties that benefit from school feeding programme.	Resolved	30th June 2023

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21	Failure to Deliver the Required Quantities of Corn Soya and Beans	Thus at this stage a performance security of 10% based on the total LPO amount can be requested before issuing of the L.P.O.	Resolved	30th June 2023
22	Failure to Provide Performance Security on Contract		Resolved	30th June 2023
23	Irregular Procurement of Tyres	The State Department seek various suppliers outside the list adopted from Public Works.	Resolved	30th June 2023
24	Use of Suppliers not Listed in the List of Pre-Qualified Suppliers	The suppliers were erroneously omitted in the submitted list. The list has been updated.	Resolved	30th June 2023
25	Incomplete Asset Register	This is an error of omission which is regrettable. The asset register has since been updated	Resolved	30th June 2023
26	Failure to Hold Minimum Number of Audit Committee Meetings	The term of the Audit committee members was renewed in September 2021.	Resolved	30th June 2023
27	Use of Non-Official Email Addresses in Official Communication	However, we have since created official emails for the directorates and departments for official communication.	Resolved	30th June 2023
28	Lack of an IT Steering Committee	It is true there is no steering committee in place. The state department is in the process of constituting one.	Resolved	30th June 2023
29	Lack of Antifraud Policy	We are in the process of developing one. Meanwhile we have engaged the EACC to guide us on the same.	Resolved	30th June 2023

Guidance Notes:

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

National Treasury.


Accounting Officer


Head of Accounting Unit

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15. Annexes

Annex 1 - Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
				2021/2022	2022/2023	
	c	b	c	d=a-c		
Supply of services						
Zanya Africa Limited	677,750				677,750	
Realledge Africa Ventures Ltd	385,045				385,045	
Realledge Africa Ventures Ltd	196,500				196,500	
Realledge Africa Ventures Ltd	1,878,460				1,878,460	
Realledge Africa Ventures Ltd	2,212,400				2,212,400	
Realledge Africa Ventures Ltd	312,000				312,000	
Realledge Africa Ventures Ltd	471,125				471,125	
Longrock Tours & Travel Ltd	280,500				280,500	
Longrock Tours & Travel Ltd	382,500				382,500	
Sub-Total	6,796,280				6,796,280	

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Annex 2 – Summary of Fixed Asset Register

Asset class	Historical Cost B/I (Kshs) 2021/2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) 2022/2023
Land	-	-	-	-	-
Buildings and structures	4,475,007,916	-	-	-	4,475,007,916
Transport equipment	647,611,846	391,300	-	-	648,003,146
Office equipment, furniture and fittings	595,804,249	4,547,940	-	-	600,352,189
ICT Equipment	265,171,822	-	-	-	265,171,822
Machinery and Equipment	24,441,138	-	-	-	24,441,138
Total	6,008,036,971	4,939,240	-	-	6,012,976,211

(NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the Ministry, Department or Agency. Additions during the year should tie to note 18 on acquisition of assets during the year. Ensure this section is complete and covers all the entity's assets. Ensure the complete fixed asset register is separately prepared as per circular number 5/2020 and follow up reminder of circular No.23/2020 of The National Treasury)

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Annex 3 – List of Projects implemented by (Insert Entity's Name)

Ref	Project Name	Principal activity of the project	Accounting Officer	Project consolidated in these financial statements(yes/no)
1	Kenya Primary Education Equity in Learning Program	Improve Early Grade Mathematics Competency and strengthen management systems at schools	Dr Belio Kipsang	Yes
2	Secondary Education Quality Improvement Project	Improving Student Learning and Transition from Primary to Secondary in targeted areas	Dr Belio Kipsang	Yes
3	Education for Young People Programme (UNICEF)	To expand and improve early childhood development and education for vulnerable and disadvantaged children	Dr Belio Kipsang	Yes

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Annex 4 – List of SCs, Sagas and Public Funds Under (Insert Entity's Name)

Ref	SC, SAGA or Public Fund's name	Amount transferred during the year	Inter- entity reconciliations done?(yes/no)
1	The Kenya Scouts Association	78,588,000	Yes
2	Centre for Maths Science and Tech Education in Africa	979,691,666	Yes
3	Kenya Institute for The Blind	12,916,666	Yes
4	Lugari Teachers Training College	89,000,000	Yes
5	National Council for the Nomadic Education in Kenya	5,121,940,262	Yes
6	The President's Award Kenya	30,000,000	Yes
7	Kenya National Commission for UNESCO	371,285,115	Yes
8	Kenya National Examination Council	5,298,864,611	Yes
9	Kenya Institute of Curriculum Development	8,131,002,711	Yes
10	School Equipment Production Unit	94,805,100	Yes
11	Kenya Institute of Special Education	394,459,724	Yes
12	Kenya Education Management Institute	131,816,100	Yes
13	Kibabii Teachers Training College	182,499,994	Yes
14	Kagumo Teachers Training College	98,450,000	No
15	Kenya Girls Guide Association	27,612,000	Yes
	TOTAL	21,042,931,949	

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Annex 5- List of Bank Accounts - State Department for Early Learning and Basic Education

	Name of the Bank	Branch	Account Number	Authority Reference
1	Kenya Commercial Bank	Moi Avaneue	1261272668	AG.3/88/1 Vol.29/77
2	Absa Bank	Head office Bishops Gate	010011203000003	AG.3/88/1 Vol.29/77
3	Co-operative Bank	Cooperative House-Head Office	01141844277500	AG.3/88/1 Vol.29/77
4	First Community Bank	Head office- Lenana Road	0009535501	AG.3/88/1 Vol.29/77
5	National Bank of Kenya	Harambee Avaneue	01071218697500	AG.3/88/1 Vol.29/77
6	Standard Chartered Bank	Chiromo Head Office	0108087627300	AG.3/88/1 Vol.29/77
7	Family Bank	Head Office - Family Bank	068000023804	AG.3/88/1 Vol.29/77
8	Consolidated Bank	Head Office Koinange Street	10011203000003	AG.3/88/1 Vol.29/77
9	Equity Bank	Equity Centre- Head Office	0470279070896	AG.3/88/1 Vol.29/77

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Annex 6- Reports Generated from IFMIS

IFMIS financial reports to be presented on request.