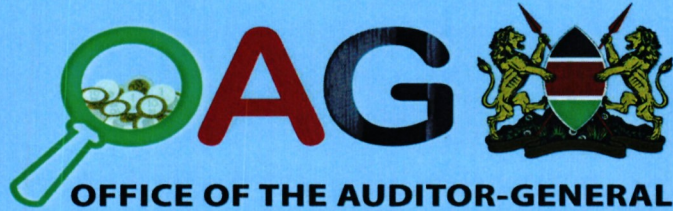


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

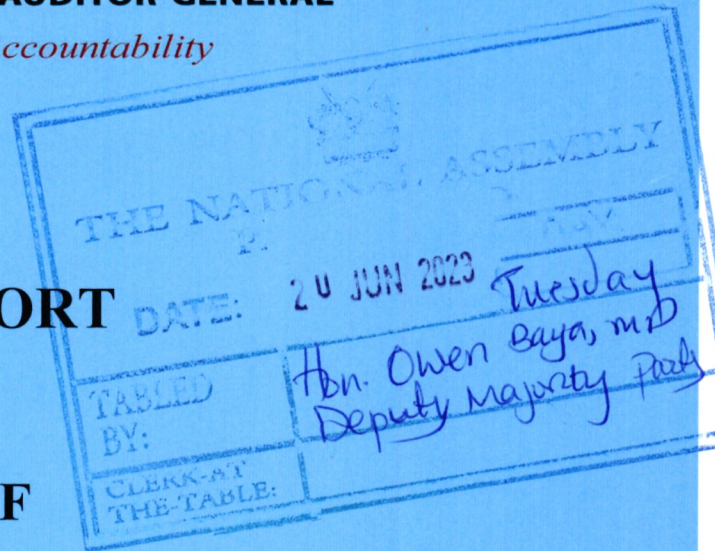
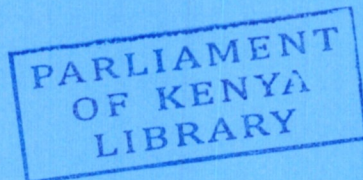
OF

THE AUDITOR-GENERAL

ON

**NATIONAL COUNCIL FOR NOMADIC
EDUCATION IN KENYA**

**FOR THE YEAR ENDED
30 JUNE, 2022**





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

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE, 2022.**

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

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National Council for Nomadic Education in Kenya (NACONEK)
Annual Report and Financial Statements for the year ended 30 June, 2022.

1. Key Entity Information and Management

(a) Background information

The National Council for Nomadic Education in Kenya (NACONEK) is a Semi-Autonomous Government Agency in the State Department of Basic Education of the Ministry of Education. NACONEK was established in 2015 by virtue of Section 94 (I) and the 6th Schedule of the Basic Education Act of 2013. It was also informed by the Policy Framework for Nomadic Education in Kenya of 2009 and the Constitution of Kenya 2010 and the ASAL Policy 2012.

Mandate

The Mandate of the Council as per the Basic Education Act (2013), Section 94 (1), and Sixth Schedule is to:

- i. **Initiate the development, implementation and review of policies on all matters relating to nomadic education in Kenya;**
- ii. **Mobilize funds and other resources from various sources for the development of nomadic education in order to support relevant activities of the Council;**
- iii. **Institutionalize mechanisms for effective coordination, monitoring and evaluation of the activities of agencies involved in the provision of nomadic education;**
- iv. **Implement guidelines and ensure geographical spread of nomadic education activities and targets for the nomadic people;**
- v. **Establish appropriate linkages and partnerships with other participating departments and agencies;**
- vi. **Determine standards and skills to be attained in schools and institutions within nomadic communities and review such standards from time to time;**
- vii. **Prepare reliable statistics of nomads and their school-aged children and establish a data bank; and**
- viii. **Co-ordinate research activities on nomadic education in Kenya.**

Council Members

The Council members provide policy guidance, strategic direction and general oversight on the operations of the Council. In the year under review the Council was not constituted.

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National Council for Nomadic Education in Kenya (NACONEK)
Annual Report and Financial Statements for the year ended 30 June, 2022.

Core Objectives

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

(b) Key Management

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

S/No.	NAME	DESIGNATION
1.	Harun M. Yussuf, HSC	Secretary/ CEO
2.	Emis Muthoni Njeru	Deputy Director of Education
3.	James B. Onchiri	Assistant Director of Education
4.	Joyce Amuga	Assistant Director of Education
5.	Samuel Kimosop Yano	Principal Education Officer
6.	Justus Kiri Mwiti	Supply Chain Management Officer 1
7.	Juliana Mbithe Nthiwa	Senior Assistant Office Administrator
8.	George G. Gatheru	Accountant II
9.	Abdinasir Omar Ali	Accountant
10.	Sam Ouma David	Senior Records Management Officer

S/No	NAME	DESIGNATION
1.	Harun M. Yussuf, HSC	Secretary/ CEO
2.	Emis Muthoni Njeru	Deputy Director of Education
3.	Justus Kirimi Mwiti	Principal Education Officer
4	George G. Gatheru	Accountant II
5	Abdinasir Ali Omar	Accountant

S/No	NAME	DESIGNATION
1.	Harun M. Yussuf, HSC	Secretary/ CEO
2.	Emis Muthoni Njeru	Deputy Director of Education
3.	Justus Kirimi Mwiti	Principal Education Officer
4	George G. Gatheru	Accountant II
5	Abdinasir Ali Omar	Accountant

The Secretary/CEO oversees the Council day-to-day operations assisted by various committees of the Governing Council with specific terms and reference in carrying out their activities.

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Nairobi, KENYA

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

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

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

National Council for Nomadic Education in Kenya (NACONEK)
Annual Report and Financial Statements for the year ended 30 June, 2022.

2. Management Team



Harun M. Yusuf, HSC.

Secretary/CEO

M.A/B.Ed.

Harun is the Secretary and Chief Executive Officer at the National Council for Nomadic Education



Emis Muthoni Njeru (Mrs.),

Deputy CEO

M.Ed./B.Ed.

Prior to joining NACONEK, Emis served as Deputy 16 of Education in the Ministry of Basic Education and Early Learning. She is currently working as the Deputy Director of Education and deputizes the Chief Executive Officer. Emis Njeru is the Coordinator for Policy and Partnerships and Education component

at NACONEK.

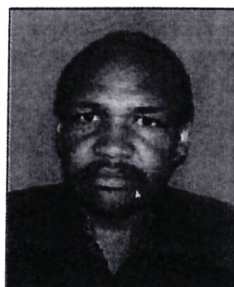


Joyce A. Amuga,

Assistant Director of Education

M.A/B.Ed./P.1 Certificate in Education

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

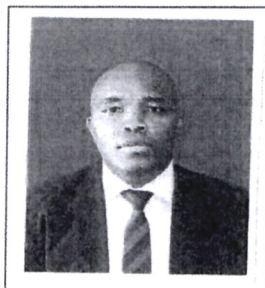


Samuel Kimosop Yano

Principal Education Officer

Kimosop is B.Ed. holder from Moi University. He is in charge of Alternative Provision of Basic Education and Training, covering cities of Nairobi, Mombasa and Kisumu as well as the former municipalities of Thika, Kitale, Nakuru and Eldoret

National Council for Nomadic Education in Kenya (NACONEK)
Annual Report and Financial Statements for the year ended 30 June, 2022.



Justus Kirimi Mwitj

Head Supplies Chain Management

BA. Econs/Dip. Purchasing & Supplies Management/CPA

Justus is currently working as the officer in-charge of Supplies Department at The National Council for Nomadic Education in Kenya (NACONEK).



Juliana Mbithe Nthiw'a

Senior Assistant Office Administrator

Higher Diploma in Secretarial Management

Juliana is currently working as Assistant Office Administrator in the office of the Secretary/CEO of the National Council for Nomadic Education in Kenya (NACONEK).



CPA Abdinasir Omar Ali

Finance Officer

B.Com. (Finance & Accounting) and Member of ICPAK

He is in charge of Budgeting, Performance Contracting and outreach programmes at the National Council for Nomadic Education in Kenya (NACONEK)



George Githinji Gatheru

Council Accountant

George is the Council Accountant for the National Council for Nomadic Education in Kenya (NACONEK).

National Council for Nomadic Education in Kenya (NACONEK)
Annual Report and Financial Statements for the year ended 30 June, 2022.

3. Report of the Chief Executive Officer



I take this opportunity to present to the public the Annual Report and Financial Statements for the year ended 30 June 2022 of the National Council for Nomadic Education in Kenya.

Allow me to trace the history behind this Council. NACONEK is a product of affirmative action and established through various legal instruments. The establishment of NACONEK is contained in, first, the Sessional Paper No. 2 of 2015 on reforming education and training sector in Kenya. Second, the council is established vide Sessional Paper No.8 of October 2012 on the “Policy

for suitable development of Northern Kenya and other arid lands” releasing our full potential”.

Third, in establishing NACONEK, the Basic Education Act 2013, section 94 (1) and the Sixth (6th) Schedule spells out the Council’s mandate and functions. Fourthly, the Policy Framework for Nomadic Education in Kenya, 2009 defines NACONEK as a unique ASAL institution with intention to redefine the educational outcomes of nomadic populations. Fifth, the National Education Sector Plan (NESP) which emphasizes the increased enrolment, retention, transition and completion rates of learners in the nomadic regions. Finally, the Constitution of Kenya, 2010 vide Article 56(b) stipulates that the state shall put in place affirmative action programs designed to ensure that minorities and marginalized groups are provided with special opportunities in education and economic fields.

YEAR UNDER REVIEW

Reflecting on the year under review, the Council implemented several activities geared towards enhancing its operations and visibility. I wish to single out some of the key processes and activities the Council undertook. Through the guidance of a consultant, the Council completed the revision of its Strategic Plan. This new Strategic direction is building on the global Sustainable Development Goal No. 4 aims at ***“Ensuring Inclusive and Equitable Quality Education and Lifelong learning for all by 2030”***. It calls for closer attention to hard to reach groups, gender equality, girls and women and the marginalized. The nomadic regions, Pockets of Poverty areas and Urban Informal Settlements of Kenya are identified as the most marginalized and hard to reach with conventional education.

Following the appropriation of the budget for FY 2021/2022, the council continued enhancing internal processes in compliance with the Mwongozo to guide the Council and Management in Governance issues. These include; The Human Resource Manual, The Procurement Manual as well as the Annual Work Plans. We managed to implement

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Opportunities ahead

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

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

Wallowing through in these hard terrains, the Council has learned to capture the numerous opportunities for capacity building and provision of technical advice in supporting nomadic education.

It is therefore my hope that the Council rises to the challenges and delivers on its mandate to meet the expectations of all stakeholders.



Harun W. Yusuf, HSC
Secretary/Chief Executive Officer

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4. Statement of Performance against Predetermined Objectives

NACONEK has one thematic goal of improved education access, retention, relevance, quality and equity among nomadic communities in Kenya and six (6) strategic objectives within the current Strategic Plan for the FY 2021-2022. These strategic objectives are as follows;

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

NACONEK develops its annual work plans based on the above Six strategic objectives. The council achieved its performance targets set for the FY 2021/2022 period for its six (6) strategic objectives, as indicated in the diagram below:

Strategic Objective	Key Performance Indicators	Activities	Achievements
SO1: Creation and strengthening of effective mechanisms for coordination, knowledge management and partnerships with various stakeholders to develop education in nomadic counties.	- Report on Out-of-School Baseline Survey. - Reports on Assessment of Refugee and hosting community schools in Dadaab & APBET Schools in Kisumu. - Report on COVID-19 Assessment in Hosting Communities and Refugee Schools. - Report on mapping of Pilot Schools on School Feeding Programme (Fortified Porridge) in Bungoma, Nairobi and Garissa Counties. - Report on five (5) joint dissemination activities.	- Conducted Baseline survey on OOSC. - Conducted Assessment of Hosting Community and Refugee Schools in Dadaab. - Conduct mapping of APBET schools in Kisumu. - Published Activity Reports (OOSC Baseline, Assessment of Hosting Community & Refugee Schools, Mapping of APBET Schools, Assessment of COVID 19 in Schools, Mapping of schools in piloting school feeding prog. (fortified porridge), and OOSC). - Conducted joint dissemination of reports (OOSC, COVID 19, Hosting Community & Refugee Schools, and APBET Schools).	Increased the partnership base as well as enhanced operations and raised visibility of NACONEK.
SO2: Enhance advocacy, social mobilization and stakeholders' engagement for the development of education in nomadic counties.	- Comprehensive IEC materials package developed. - Stakeholders' advocacy/education forums conducted with CDEs online. - Media engagement continued online with active website. - Workshops/Forums held to engage with Urban Education Stakeholders.	- Development of IEC materials for social mobilization & campaigns. - Organised stakeholders' advocacy/education forums at county level. - Conducted media engagement.	NACONEK has been able to effectively engage/sensitize the public on the value for education for the marginalized communities.
SO3: Coordination of development, expansion and monitoring of innovations in	Reports on APBET Mapping, Assessment of refugee Schools and campaign drives of OOSC generated/disseminated.	Conduct situation analysis of Refugee Schools, APBET and OOSC.	NACONEK has adequate information on the accurate

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Strategic Objective	Key Performance Indicators	Activities	Achievements
the delivery of quality education in nomadic counties.	- Reports on piloting the fortified porridge as part of School Feeding Programme & NIWFESS Pilot framework at Kuno Primary School generated on regular basis - Workshops/trainings on Accelerating Learning and Adult 7 Continuing Education conducted. - Monitoring Reports generated during county Education Days and School visits.	- Work with UNICEF to rehabilitate and equip LCBS. - Enhanced school feeding programmes through home-grown solutions (Farmer Field Schools). - Increased Participation and monitoring of schools in continued	status of LCBS and APBET institutions.
SO 4: Strengthen institutional governance and management of education in nomadic counties.	- Report on training of BOMs & PAs of hosting communities and Refugee Schools on parental engagement, values of education, community initiatives and lifelong learning. - Training of Teachers on Mental Health and Psychosocial Support (MHPSS) to cascade the same to learners and parents. - Annual project review of the target 16 Counties on the OOSC programme.	- Conducted three cycles of training of BOMs & PAs of hosting communities and Refugee Schools - Held three cycles of Training of Teachers on Mental Health and Psychosocial Support (MHPSS). - Conducted an Annual project review of the target 16 Counties on the OOSC programme	NACONEK has enhanced the coordination of education activities within its geographical spread as well as increased prudence in the overall management and governance of schools.
SO 5: Review and promote the development, adaptation and implementation of policies and a curriculum that is relevant and appropriate to the nomadic way of life and livelihood.	- Reviewed Policy of the Nomadic Education in Kenya. - Reports of Dugsi & Madrassa Curriculum development. - Policy framework/Guidelines on the Integration of Dugsi and Madrassa into formal education system in Kenya. - Report on Accelerated Learning Policy Framework. - Reports on Review Processes of the APBET policy.	- Held Stakeholder Consultations and Workshops to Completed review of Kenya Nomadic Education Policy. - Held Stakeholder forums/conferences/workshops on developing harmonised curriculum for Dugsi and Madrassa - Conducted discussions/forums on integration of Dugsi and Madrassa into formal education in Kenya. - Conducted workshops/forums with stakeholders on the need to review the APBET Policy.	With emerging dynamics in education, the Council successfully reviewed and development policies and guidelines towards realizing provision of inclusive, equitable and sustainable education for all.

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Strategic Objective	Key Performance Indicators	Activities	Achievements
SO 6: Strengthen institutional capacity and operations of NACONEK.	- Enhanced use of the Council's Logo, organizational branded literature on brochures, flyers and roll up banners implemented. - Appropriate physical and IT infrastructure procured and effective utilised. - Signed Performance contracted with agreed upon indicators with PSPMU under the State Department of Public Service.	- Develop the Council's Logo and conduct branding activities. - Develop and implement effective management system and tools. - Procure appropriate physical and IT infrastructure for effective utilisation. - Conducted one senior management trainings with PSPMU - Staff signed Performance Management Contracts	NACONEK has in place a physical and IT infrastructure, Procurement manual, logo and other branded materials to enhance its performance management and visibility.

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5. Corporate Governance Statement

Corporate governance is the exercise of ethical and effective leadership by the governing body towards the achievement of governance outcomes, ethical culture, good performance, effective control and legitimacy. The responsibility of governing the Council lies with the Council Members.

NACONEK has put in place systems to ensure that high standards of corporate governance are maintained at all levels in the Council.

Statement of Compliance

The Council upholds the tenets of good governance as guided by the following documents: -

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

The conduct of individual council members when dealing with the Council operations is governed by the Council's Code of Conduct and Ethics. Additionally, NACONEK abides by all laws as a law-abiding corporate citizen.

Board Charter

The roles and responsibilities of the Council Members are enumerated in the Board Charter. The Charter documents the composition, role and responsibilities of the Council. It provides the Council members with an opportunity to think creatively and critically about how their strategic direction and operational plans align with the Council's expectations, with respect to governance. The Charter also sets out the powers of various Council committees, the separation of roles between the Council and Management, as well as policies and practices of the Council in respect to corporate governance matters. The Charter is complimentary and does not intend to change or interpret any statute law or regulation. It is available to all Council members

Board Size, Composition and Appointments

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

A Council member may be appointed for a cumulative term not exceeding six (6) years. During the constitution of the Council, the appointing authority ensures that Council composition complies with the applicable legislation as outlined in the

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Constitution of Kenya and the Basic Education Act (2013). Additionally, at least one member has to be a financial management or accounting expert. Council members' appointments are by name and notice in the Kenya Gazette. The Council Chairperson is appointed by the Cabinet Secretary; Ministry of Education while Council members are nominated by the respective organizations and their names are forwarded to the Cabinet Secretary Ministry of Education for appointment.

As at 30th June 2022, the council has had no substantive Council members in place.

Changes in the Council in the Year

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

Council Meetings

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

Council's Remuneration

The Council members are remunerated for their services in accordance with guidance from the State Corporation Advisory Committee (SCAC) through circulars issued from time to time.

Declaration of Conflict of Interest

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

Declaration of conflict of interest is a standard agenda item which is addressed at the onset of each Council and Committee meeting. NACONEK Council members declare conflict of interest at the beginning of each and every Council and Committee meetings and immediately thereafter sign in the register of conflict of interest. The Council has put in place a conflict-of-interest policy. No conflicts of interest were declared or reported by Council Members in the year under review.

Succession Plan

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

We wish to disclose that in the year under review, the governing council was not constituted.

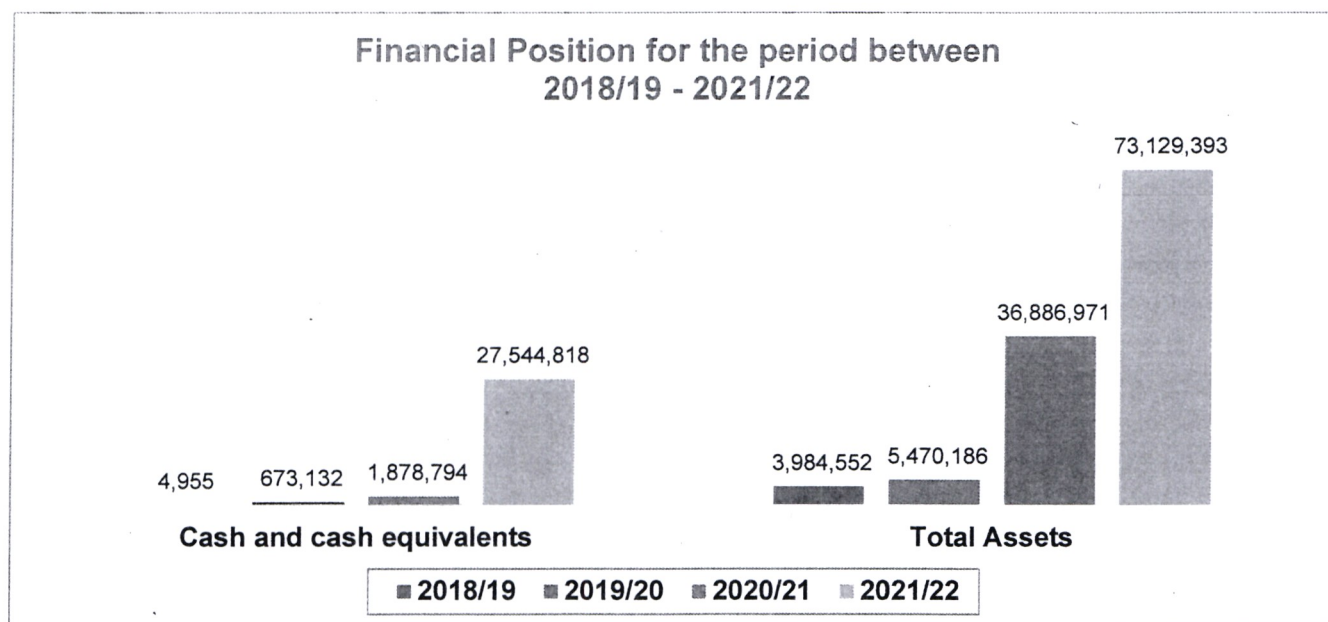
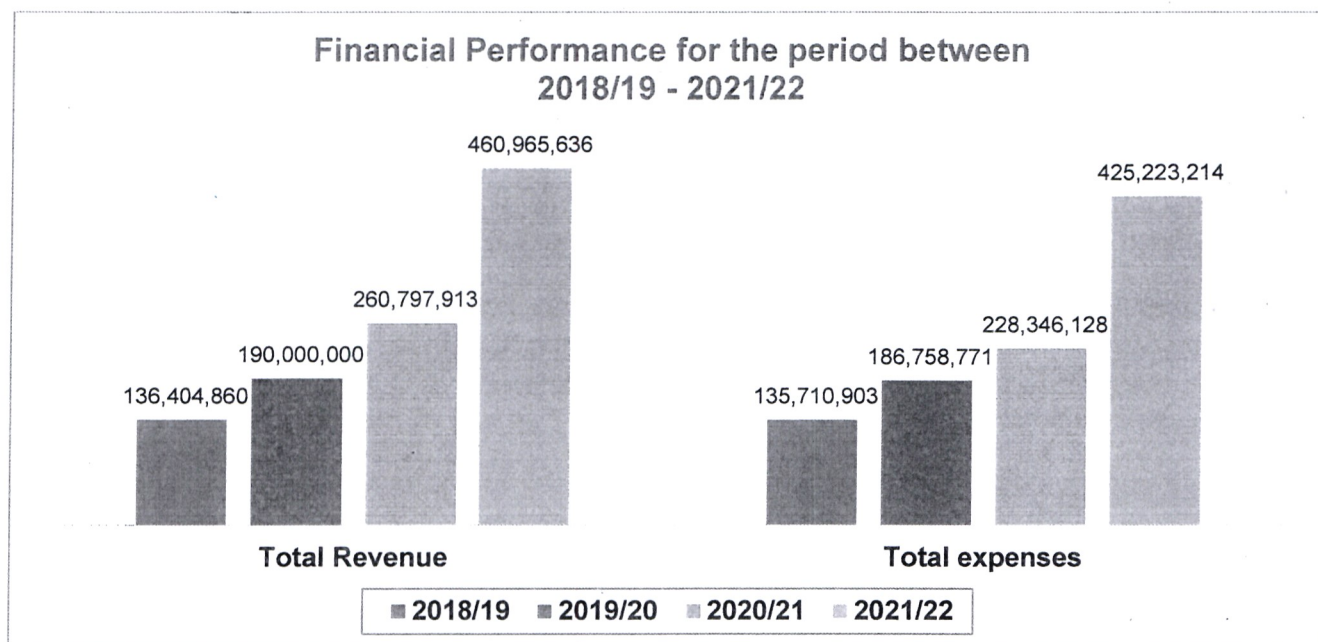
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6. Management Discussion and Analysis

Introduction

The Council's adopted the various strategies during the financial year 2021/22 to realize its goals and objectives.

a) Operational and Financial Performance



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b) Key Projects and Investments Decision implemented or ongoing

The Basic Education Act 2013, section 94 (1) and the Sixth (6th) Schedule spell out the Council's mandate and functions. Additionally, the Policy Framework for Nomadic Education in Kenya, 2009 defines NACONEK as a unique ASAL institution with intention to redefine the educational outcomes of nomadic populations. The National Education Sector Plan (NESP) emphasizes the increased enrolment, retention, transition and completion rates of learners in the nomadic regions. The Constitution of Kenya, 2010 vide Article 56(b) stipulates that the state shall put in place affirmative action programs designed to ensure that minorities and marginalized groups are provided with special opportunities in education and economic fields. All these legal and policy instruments facilitate all key projects and investments decision implemented or ongoing at NACONEK.

In regard to financing, the government through the National treasury may decide to provide direct support for the project for example through subsidies/grants, equity investment and/or debt. These mechanisms are particularly useful where the project does not in its own merit achieve bankability, financial viability or is otherwise subject to specific risks that the private investors or lenders are not well placed to manage.

The year under review saw the Council receive its usual funding from the Exchequer coupled with streams of funding from development partners. In FY 2021/2022, NACONEK received funds from the Exchequer amounting to Kshs. 466 million as well as activity-based funding from UNICEF amounting to Kshs. 14.8 Million towards supporting the campaign to bring back Out-of-School Children in sixteen (16) counties of Kenya.

For sustainability of NACONEK projects and programmes, the Council has modelled all its activities on the Country's Medium Term Plan and the Sector Plan (NESSP). To ensure viability and sustainability of NACONEK'S programmes, the year under review saw the council implement all its activities based on the following strategic Objectives in line with the National Government strategic objectives and policies.

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- **Strategic Objective 1: Coordination, Knowledge Management and partnerships**
During the period under review, the council worked closely with various partners including UNICEF, MSEA, Ministry of Agriculture, Ministry of Water- Micro Irrigation for Schools unit, NYS and Ministry of Interior and National Coordination- NDCCC to conduct a project appraisal with AfDB and Qatar's Education Above All (EAA). Further, the council continues to chair the education pillar under Ending Drought Emergencies (EDE) in Kenya. The Council collaborated with various CSOs in the education sector to conduct a mapping exercise of the APBET schools in Kisumu as well as the status of back to school children following the campaign drive conducted in November 2021.

The Council continued working in partnership with the county governments of Garissa, Mandera and Wajir as well Muslim Academic Institutions to undertake various steps towards integrating Dugsi and Madrassa into mainstream basic education system. The contributions from the county governments have increased learning outcomes and ensured that more children access education. The council-maintained partnership with National Drought Management Authority in supporting the implementation of NIWFESS pilot framework in Kuno Primary School.

- **Strategic Objective 2: Advocacy, Social Mobilization and Stakeholder Engagement**
The year under review saw the Council partnerships continue to yield positive outcomes and developments in the advocacy, social mobilization and stakeholder engagement towards equitable and qualitative delivery of educational opportunities to nomadic populations in Kenya. These efforts saw school infrastructure and learning outcomes improved thus an increase in the number of Low-Cost Boarding schools, Teacher numbers, overall Pupil enrolment, Nomadic girl-child enrolment and Pupil attendance, progression, graduation and transition rates.

There are evidently good practices in the Council's advocacy, social mobilization and stakeholder engagement strategies. All of these actions helped to expand access and equitable provision of basic education, particularly for the learners in the nomadic and pockets of poverty regions of Kenya. The Council continues to undertake programs that ensure it remains efficient and competitive in the carrying out of its activities. The Council will continue to reorganize for better effectiveness in the coming year.

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- **Strategic Objective 3: Development, implementation and monitoring of innovations**

The Council has a strong team of technical officers implementing the Monitoring, Evaluation, Accountability and Learning (MEA&L) across all its programs and activities. This is through data management, reporting, evaluation and community engagement.

In the year under review, the programmes were supported to promote meaningful participation in the council's interventions. The Council supported her technical officers to monitor education delivery in the nomadic counties through assessment and mapping of APBET Schools and Vocational Education Training centres in four Counties of Isiolo, Garissa, Tana River, Narok and Kajiado. The APBET report is due for launching while the findings from the assessment have resulted into harmonization of technical skills in the next financial year.

- **Strategic Objective 4: Strengthening institutional governance and management of education**

As an ASAL institution, the council is seeking new opportunities and designs new strategies, the need for effective leadership and sound management practices remains crucial. The school engaged a consulting firm to strengthen its internal capacity and systems. To ensure that the council members and secretariat staff get the best training and exposure, National Council for Nomadic Education in Kenya supports short-term scholarships. For the wider management team leadership development programmes that recognize the changing job demands at different management levels were implemented to provide an opportunity for development. These programmes are open to all employees across the council and are run annually to give new technical staff and those newly promoted an opportunity to hone their management skills.

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c) Compliance levels with Statutory Requirements

Public institutions are required to continuously improve their business processes through the documentation of the business processes, automation and migration of the automated processes into e-government platforms. This is to facilitate ease of access to information by the citizens, a faster turnaround in service delivery, reduction in bureaucracies and elimination of rent-seeking opportunities by public officials. In this regard, NACONEK during the year under review provided staff with desktops and laptops, giving a staff to computer ratio of 1:2 with a planned ratio of 1:1 in the next financial year.

As regards Continuing Professional Development (CPD), NACONEK appreciates that continuous learning is necessary to keep officers updated on the new developments in their respective fields. In the year under review, all the technical officers underwent continuous professional development through various institutions and arrangements; thus making putting them in good standing.

Submission of Initial and Final Declarations of Income, Assets and Liabilities Public officers are required to uphold the values of good governance, accountability, transparency and integrity. Public officers are also required to submit initial declarations within 30 days of an appointment, every two years from 1st November, of the declaration year and final declarations within 30 days on exiting the service. The declaration of income, assets and liabilities is an overt statement by a public official to be accountable for the management of public resources placed under their charge while in service. The declaration of income, assets and liabilities is a mechanism for promoting accountability in the management of public resources. The Public Service Commission administrative procedures for declaration of income, assets and liabilities, requires that the Authorized Officer institute disciplinary action against officers who do not submit their declarations within the stipulated timelines. At NACONEK, the year under review, there were no newly employed officers to warrant them submit their initial declarations. All the MoE deployed officer to NACONEK, showed 100% compliance level for submission of final declarations.

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Performance management in the public service involves the development of strategic plans, the signing of performance agreements at organisational level. In the year under review, NACONEK revised its strategic plan 2015/2016 -2021/2022 and a new plan in place awaiting approval from the Council. To improve service delivery, NACONEK adopted performance contracting for the first time to ensure that the council commits to delivering specific outcomes in the financial year by signing a performance contract with the Cabinet Secretary and cascaded the targets to the staff.

Equitable distribution of resources and opportunities is dependent on access to information on availability and conditions for access to those resources and opportunities to all eligible Kenyans. For all persons to receive information on the available opportunities, the mode of advertisement is key. The advertisement of tenders for public bodies is provided for in the Public Procurement and Asset Disposal Act, 2015 Section 96(2) that requires the procuring entity to take reasonable steps to bring the invitation to tender to the attention of those who may wish to submit tenders. During the year under review, NACONEK did advertise the tenders and job vacancies through the media avenues with the widest reach to the vast majority of the population.

NACONEK awarded tenders to Women, Youth and PWDs groups reaching to the special groups under the AGPO programme thus fulfilling compliance with Section 157(5) of PPAD Act, 2015.

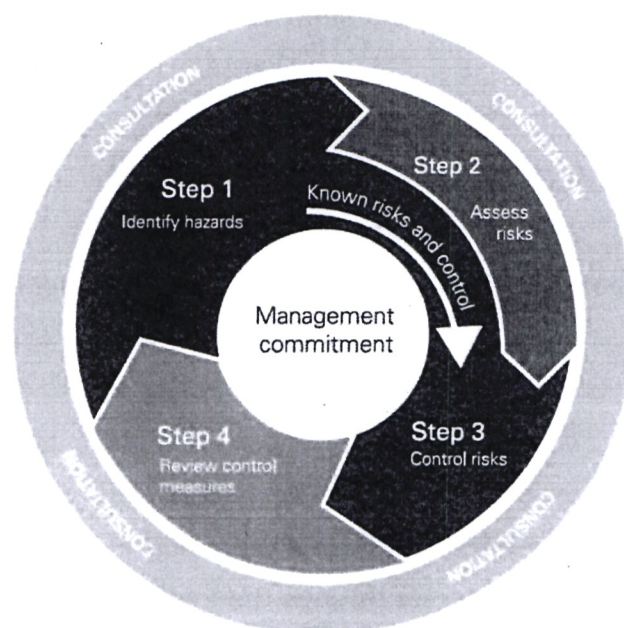
During the year under review, NACONEK has no outstanding arrears and will continue planning its activities in a prudent manner to avoid pending bills.

d) Risk Management

NACONEK as both an ASAL and affirmative action establishment is exposed to a variety of risks as it strives to achieve its role and mandate anchored on the Strategic Plan. These risks are identified, managed and assessed within a risk management framework. During the year under review, NACONEK did not have an Internal Audit Unit which should have provided an independent and objective assessment of the institution's performance. To provide independent advisory and assurance to NACONEK through the provision of oversight on the Council's

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operations and work plans, this service was outsourced through the consultancy arrangement since NACONEK has not been authorised to employ to date. Effective management of risks in systems and operations is critical in mitigating risks. To this end, the NACONEK through support of a consulting firm implemented its audit process through adoption of the following risk management process within 2021/2022 FY.



Based on the above diagram, NACONEK identified the following risks that are likely to impact on our operations and outlined how the Council will manage them:

Categories	Risk Description	Impact	Verdicts
Governance	No substantive Council Members in place - thus no compliance with the law	High	Enhanced engagement with PS-Basic Education and Training to pursue the approval of the nominated Council members by Cabinet Secretary for Education.
Strategic	Delay in the review of the Strategic Plan, leading to incorrect reports	High	Fast-track review of the old Strategic Plan.

e) Review of the Economy, Sector and Future Development

In light with the president's big 4 agenda and the UN Sustainable Development Goals [SDGs], SDG number 4 introduces fundamental view of ensuring inclusive and equitable quality education and promote lifelong learning opportunities for all. On behalf of the Government of Kenya, NACONEK is well equipped to help Government

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achieve the big 4 agenda through helping in conducting advocacy, awareness raising and assessing gaps across the ASALs and the above informal settlements to increase access, retention, transition and completion of learners from these challenges environment. NACONEK has contributed to such through assessment and mopping up over 100,000 out of school children to benefit from education opportunity across sixteen counties in Kenya through the support of UNICEF.

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7. Environmental and Sustainability Reporting

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

i) Environmental performance

As we look towards 2030, the world will need all the ingenuity it can muster. Because as significant as COVID-19 is, it's not the only challenge our world faces. Climate change presents environmental, social, and economic crises on a whole new level. Climate change has become a major cause of economic concern in the country due to its far fetching effect to the economic performance of the country. It affects the food security, investment especially in agriculture, trade and the country's stability

NACONEK is engaged in activities that support efforts towards environmental stability, by engaging in conservation activities agreed upon from time to time as well as any other activity deemed to support financing of improved access, retention, transition and completion of learners in the ASALs of Kenya education. In this financial year, NACONEK facilitated planting of over 2,000,000 trees in collaboration with various partners in Kuno Primary School in Garissa County as well as in Ogande Girls in Homa Bay County.

To ensure sustainability and raise our visibility profile in the environmental sector, NACONEK staff's work philosophy is that of a socially responsible organization and our approach therefore reflects our people. We recognize that our activities as a Council have an impact on our communities and the general public. We are committed to not only managing that impact but also using the public resources we have been entrusted with in making a real and sustainable difference. To this end the Council is actively involved in supporting and developing the local Community to make a lasting positive impact.

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

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

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

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

ii) Employee welfare

NACONEK has in place Employee Welfare & Benefits initiatives which are geared towards enhanced employee motivation, retention and improvement of employees' health & wellbeing. These include; Staff Retirement Benefits Scheme and in-house medical scheme for employees and their declared dependents. In overall NACONEK promotes a harmonious working relationship and framework of engagement for all its employees.

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

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

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

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

iii) Market Place Practice-

The Council since establishment has outlined its efforts to:-

a) Responsible competition practice.

The Council has leadership and Integrity Code, which is meant to ensure that the Council achieves its vision to have a well-educated population in the ASAL regions, pockets of poverty areas and urban informal settlements proactively engaged in the transformation of Kenya. The Code provides generally accepted rules that govern and regulate behaviour, relationships and actions of staff to ensure the Council is run professionally with ethics and integrity. The Council's Senior Management is committed to the full implementation of the Code and shall take all necessary measures to ensure that it is effectively enforced. All the Council's employees and service providers are expected to read and understand this Code, uphold the rules and standards in the Code and comply with all applicable policies and procedures. The policy requires Political Neutrality in that employee should not engage in any political activity that may compromise or be seen to compromise the political neutrality of the office subject to any laws relating to elections.

b) Responsible Supply chain and supplier relations

The Council has Procurement Policy, which has all the accommodated Public Procurement and Asset Disposal Act 2015 requirements that guide the procurement of goods works and services is done according to the law and laid down rules and regulations.

c) Responsible marketing and advertisement

The Council has communication and marketing policy, which guides how marketing activities are to be conducted, and it protects information from various media and safeguards it against unauthorized access, misuse, or corruption during transportation.

d) Product stewardship

The fund has developed various policies covering product stewardship, they include;

1

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- i) **Information Security Policy:** Provide a framework for establishing suitable levels of information security for all NACONEK information systems and to mitigate the risks associated with the theft, loss, misuse, damage or abuse of these systems.
- ii) **Access to Information Policy:** The objective of the Access to Information Policy (AIP) is to promote stakeholder trust in NACONEK and to increase the impact of the Council's activities. The policy reflects NACONEK's commitment to transparency, accountability, and participation by stakeholders in the NACONEK supported activities.

iv) Corporate Social Responsibility/Community Engagement

For the financial year under review, the Council had no approved budget to reach out to communities in bid to raise its CSR profile. However, this being a significant component of the council, the social responsibility programs have been factored into the budget and the subsequent implementation will be effected from 1st July 2023.

National Council for Nomadic Education in Kenya (NACONEK)
Annual Report and Financial Statements for the year ended 30 June, 2022.

8. Report of the Council

The Council submits their report together with the audited financial statements for the year ended June 30, 2022, which show the state of the National Council for Nomadic Education in Kenya's affairs.

a) Principal activities

The mandate of the Council as set out in the Basic Education Act 2013 Article 94 (1) and sixth Schedule is to "keep under review all the law of Kenya to ensure its systematic development and reform, including in particular the integration, unification and codification of the law, the elimination of anomalies, the repeal of obsolete and unnecessary enactments and

Generally, its simplification and modernization

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

b) Results

The results of the National Council for Nomadic Education in Kenya for the year ended 30 June, 2022 are set out on pages 1-26.

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Annual Report and Financial Statements for the year ended 30 June, 2022.

c) Council Members

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

d) Auditors

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

By Order of the Board.



Harun M. Yussuf, HSC
Secretary/Chief Executive Officer

National Council for Nomadic Education in Kenya (NACONEK)
Annual Report and Financial Statements for the year ended 30 June, 2022.

9. Statement of Council Members' Responsibilities

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

The Council is responsible for the preparation and presentation of the Council's financial statements, which give a true and fair view of the state of affairs of the Council for and as at the end of the financial year (period) ended on 30th June, 2022. 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 Council Members accept responsibility for the Council's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management (PFM) Act, 2012. The Council Members are of the opinion that the Council's financial statements give a true and fair view of the state of entity's transactions during the financial year ended 30th June, 2022, and of the Council's financial position as at that date. The Council Members further confirm the completeness of the accounting records maintained for the Council, which have been relied upon in the preparation of the Council's financial statements as well as the adequacy of the systems of internal financial control.

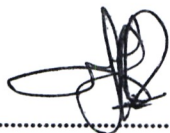
The Council members further confirms the completeness of the accounting records maintained for the Council, which have been relied upon in the preparation of the Council's financial statements as well as the adequacy of the systems of internal financial control.

National Council for Nomadic Education in Kenya (NACONEK)
Annual Report and Financial Statements for the year ended 30 June, 2022.

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

Approval of the financial statements

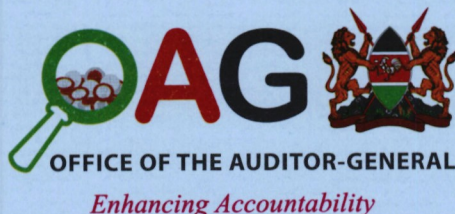
The National Council for nomadic Education in Kenya's financial statements were approved on 20th September 2022 and signed on its behalf by:



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

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL COUNCIL FOR NOMADIC EDUCATION IN KENYA FOR THE YEAR ENDED 30 JUNE, 2022

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 the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Council for Nomadic Education in Kenya set out on pages 1 to 23, which comprise of the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows, statement of comparison of budget and

actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Council for Nomadic Education in Kenya as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements of the current year. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

For each matter below, a description of how the audit addressed the matter is provided in that context.

The NACONEK Integrated Water, Food and Energy for Sustainable Schools (NIWFESS) Project at Kuno Primary School	
The National Council for Nomadic Education in Kenya (NACONEK) undertook a pilot project at Kuno Primary School to improve access to education. The school is located one hundred and thirty (130) kilometres from Garissa. NACONEK undertook the following activities within the school which include: i. Energy: NACONEK provided energy-saving jikos to the school and non-carbon briquettes which were then given to each parent who enrolled their children to the school. This allowed the students to concentrate on education instead of collecting firewood. ii. Water: NACONEK provided various water	Audit Programmes We applied the following procedures in audit of the NIWFESS Project: - i. Audit Planning: We conducted a risk assessment of the project, assessment of the budget, and obtaining an understanding of the project; ii. Review of Documents: We reviewed documentation relating to the project initiation, procurement, implementation and payments iii. Field Visit: We conducted a field visit of the school to confirm the issues documented.

The NACONEK Integrated Water, Food and Energy for Sustainable Schools (NIWFESS) Project at Kuno Primary School

iii. harvesting models in the school. These included: - a. A solar-powered pump for pumping water from the River Tana; b. Water harvesting dam with a capacity of 4,000,000 litres used for irrigation of the 75 acres under irrigation and the trees that are used to prepare the briquettes; c. A Borehole; d. An Atmospheric Water generator that generates 5,000 litres per day from the atmosphere and a bottling plant for consumption and sale. iv. Food: The about 100 acres on cultivation for various crops including maize, sweet potatoes, green grams, watermelon, livestock feeds-grass, peanuts, onion and Kales. Eighty percent of this are used for consumption within the school since most pupils are boarders. While twenty percent is for sale; v. Pasture for Peace Program: The project has provided the following interventions to assist in the peace: Paddocks, shelters houses, feeding and drinking troughs, chuff cutters, balers and silage pits. vi. Climate: The school has planted 280,000 gliricidia seedlings which have enabled a cool learning environment for the students compared to the high temperatures in the region. The gliricidia trees are used in the preparation of the briquettes used in energy-saving jikos. And are partially harvested providing a self-sustaining intervention. vii. Education: NACONECK provides the following to educational aides: writing pads, desks/chairs, maps, tablets, desktops computers, videos, projectors, backpacks, learning materials, stationery, dignity pads, nutritious snack bar, school uniforms and a fully furnished and equipped ICT Solarized Container Laboratory. The students can access online classes from all over the County. This has seen to improvement in enrolment and academic performance.	Conclusion The NACONEK integrated water, food & energy for sustainable schools (NIWFESS) project at Kuno Primary School assisted in promoting access to education, tackling malnutrition, climate change mitigation and adaptation and providing sustainable livelihoods and incomes. If implemented in other places, the uptake of education in nomadic and marginalized regions will increase. This has facilitated the achievement of UN SDG 4 in Quality Education aimed at ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all.
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The NACONEK Integrated Water, Food and Energy for Sustainable Schools (NIWFESS) Project at Kuno Primary School

YEAR	2019	2020	2021	2022
KCPE Mean Score	331	370	372	328
Enrolment	317	395	419	432

I have fulfilled the responsibilities described in Auditor's Responsibilities for the Audit section of the report, including in relation to these matters. Accordingly, the audit included the performance of procedures designed to respond to the assessment of the risks of material misstatement of the financial statements. The results of the audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements.

Other Matter

1. Low Capital Budget Absorption

The statement of comparison of budget and actual amounts reflects final capital expenditure budget and actuals of Kshs.39,850,000 and Kshs.23,939,492 respectively resulting in under expenditure of Kshs.15,910,508 or 40% of the budget. The under-absorption implies that some activities in the annual work plan were not implemented which negatively impacted service delivery to the public.

2. Unresolved Prior Year Audit Issues

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 has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing 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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of a Governing Council

The Council has operated without a Governing Council since 05 May, 2021 to date, as the term of the previous Council lapsed. Only three (3) Members were due for reappointment but could not attain the requisite quorum to hold meetings or transact any business of the Council. Although, the Council requested the Cabinet Secretary, Ministry of Education to constitute a new and full Governing Council through letter Ref. NACONEK/2/9/Vol.II(254) of 15 July, 2021, no appointments have been made as at the time of the audit in February, 2023. Operations that require Council's approval among them budget approvals will be affected if a new Council is not appointed and inaugurated.

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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 overall governance.

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal 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 Council'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 Council to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Council to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

22 May, 2023

National Council for Nomadic Education in Kenya (NACONEK)
Annual Report and Financial Statements for the year ended 30 June, 2022.

11. Statement of Financial Performance for the year ended 30 June 2022.

		2021-2022	2020-2021
	Note	Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from Other Government Entities	6	446,066,256	246,373,250
Transfers from Development Partners	7	14,899,380	14,424,663
Total Revenue		460,965,636	260,797,913
Expenses			
Employee costs	8	2,065,000	2,090,000
Governing Council Members	9	1,920,000	11,832,850
Depreciation and amortization expense	10	13,363,093	8,425,857
Use of Goods and Services	11	100,402,427	37,428,620
NACONEK programs Expenses	12	180,809,225	102,255,894
Contracted Professional Services	13	111,455,088	52,589,286
Activity based Expenses	14	15,208,380	13,723,621
Total expenses		425,223,214	228,346,128
Surplus for the period		35,742,422	32,451,785

The notes set out on pages 7 to 21 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1 to 21 were signed on behalf of the Board of Directors by:



Chief Executive Officer
Harun M. Yussuf, HSC

Date...20/09/2022



Head of Finance
CPA Abdinasir Omar Ali
ICPAK NO. 27847

Date.....20/09/2022

National Council for Nomadic Education in Kenya (NACONEK)
Annual Report and Financial Statements for the year ended 30 June, 2022.

12. Statement of Financial Position as at 30 June 2022.

	Notes	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	15	27,544,818	1,878,794
Total Current Assets		27,544,818	1,878,794
Non-current assets			
Property, plant and equipment	16	44,756,575	33,904,177
Intangible Assets	17	828,000	1,104,000
Total Non-Current Assets		45,584,575	35,008,177
Total Assets		73,129,393	36,886,971
Liabilities			
Current Liabilities			
Trade and other payables	18	1,000,000	500,000
Total Liabilities			
Accumulated Surplus		72,129,393	36,386,971
Total Net Assets and Liabilities		73,129,393	36,886,971

The Financial Statements set out on pages 1 to 21 were signed on behalf of the Council Members by:



Chief Executive Officer
Harun M. Yussuf, HSC

Date...20/09/2022



Head of Finance
CPA Abdinasir Omar Ali
ICPAK NO. 27847
Date...20/09/2022

National Council for Nomadic Education in Kenya (NACONEK)
Annual Report and Financial Statements for the year ended 30 June, 2022.

13. Statement of Changes in Net Assets for the year ended 30 June, 2022.

	Accumulated Surplus	Total
	Kshs.	Kshs.
At July 1, 2020	3,935,186	3,935,186
Surplus for the Period	32,451,785	32,451,785
As at June 30, 2021	36,386,971	36,386,971
		-
At July 1, 2021	36,386,971	36,386,971
Surplus for the Period	35,742,422	27,740,779
As at 30th June 2022	72,129,393	64,127,750



Chief Executive Officer
Harun M. Yussuf, HSC

Date...20/09/2022



Head of Finance
CPA Abdinasir Omar Ali
ICPAK NO. 27847
Date...20/09/2022

National Council for Nomadic Education in Kenya (NACONEK)
Annual Report and Financial Statements for the year ended 30 June, 2022.

14. Statement of Cash Flows for the year ended 30 June, 2022.

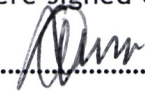
	Notes	2021-2022	2020-2021
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities	6	446,066,256	236,900,000
Transfers from Development Partners	7	14,899,380	14,424,663
Total Receipts		460,965,636	251,324,663
Payments			
Employee cost	8	2,065,000	2,090,000
Council expenses	9	1,920,000	11,832,850
Use of goods and services	11	99,902,427	38,463,620
NACONEK program expenses	12	180,809,225	102,255,894
Contracted professional services	13	111,455,088	52,589,286
Activity based Expenses	14	15,208,380	13,723,621
Total Payments		411,360,120	220,955,271
Net cash flows from operating activities	19	49,605,516	30,369,392
Cash flows from investing activities			
Purchase of Property and Equipment	16	(23,939,492)	(29,163,730)
Purchase of Intangible Assets			
Net cash flows used in investing activities		(23,939,492)	(29,163,730)
Net increase in cash & cash equivalents		25,666,024	1,205,662
Cash and cash equivalents:			
As at the beginning of the year	15	1,878,794	673,132
As at the End of the year	15	27,544,818	1,878,794

The Financial Statements set out on pages 1 to 21 were signed on behalf of the Board of Directors by:

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Chief Executive Officer
Harun M. Yussuf, HSC

Date...20/09/2022

.....


Head of Finance
CPA Abdinasir Omar Ali
ICPAK NO. 27847
Date...20/09/2022

15. Statement of Comparison of Budget and Actual Amounts for the year ended 30 June, 2022.

	Original Budget	Adjustments	Final Budget	Actual basis	Performance Difference	Percentage Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from MDAs	246,066,256	200,000,000	446,066,256	446,066,256	-	100
Transfers from Development Partners	14,899,380	-	14,899,380	14,899,380	-	100
Total Income	260,965,636	200,000,000	460,965,636	460,965,636	-	100%
Expenses						
Employees Costs	2,065,000	-	2,065,000	2,065,000	-	100
Council Expenses	11,842,694	-9,922,694	1,920,000	1,920,000	-	100
Depreciation & amortization expense		-	-	13,363,093	-	
General Operating Expenses	92,715,609	17,702,694	110,418,303	100,402,427	10,015,876	90.9
NACONEK Program Expenses	58,470,000	123,380,000	181,850,000	180,809,225	1,040,775	99.4
Contracted Professional Services	68,832,747	42,700,000	111,532,747	111,455,088	77,659	99.9
Activity Based Expenses	15,208,380		15,208,380	15,208,380	-	100.0
Total Recurrent Expenditure	249,134,430	173,860,000	422,994,430	425,223,214	1,989,574	100%
Surplus for the period	-			35,742,422		
Capital Expenditure	13,710,000	26,140,000	39,850,000	23,939,492	15,910,508	60
Total Expenditure	262,844,430	200,000,000	462,844,430	435,299,612	27,544,818	94%

Budget notes

- The difference between the original budget and the final budget is as a result of supplementary budget process occasioned by the Parent Ministry and the National Treasury.
- There was low absorption of capital expenditure due to late disbursement of transfers from the line ministry.

16. Notes to The Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis and in accordance with IPSAS Accrual in line with Paragraph 28 of IPSAS 1. The preparation of financial statements is in conformity with International Public Sector Accounting Standards (IPSAS), which allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying National Council for Nomadic Education in Kenya (NACONEK) accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5

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

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

3. Adoption of New and Revised Standards

New and amended standards and interpretations in issue effective in the Year ended 30 June 2022

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

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New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held. • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. The standard will not have significant impact on NACONEK
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. The Standard will not have any impact on NACONEK
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.

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Standard	Effective date and impact:
	c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued. The amendments will not have any impact on NACONEK
Other improvements to IPSAS	Applicable 1st January 2023 • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. The amendments will not have any impact on NACONEK
IPSAS 43	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. The Standard will not have impact on NACONEK
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. The Standard will not have any impact on NACONEK

Early adoption of standards

The Entity did not early - adopt any new or amended standards in year 2021/2022.

4. Summary of Significant Accounting Policies

a) Revenue Recognition

Transfers from other government entities

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

b) Budget information

The original budget for FY 2021-2022 was approved by the National Assembly on June 2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations on the 2021-2022 budget. The budgetary basis adopted in the preparation of the statement of Comparison of budget and actual was Cash based.

c) Property, plant and equipment

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

d) Depreciation

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

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

e) Intangible assets

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

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

f) Amortisation and impairment of intangible assets

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

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

g) Inventories

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

h) Provisions

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

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

i) Contingent assets

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

j) Contingent liabilities

The Council does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

k) Nature and purpose of reserves

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

l) Changes in accounting policies and estimates

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

m) Foreign currency transactions

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

settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

n) Related parties

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

o) Cash and cash equivalents

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

p) Comparative figures

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

q) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

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changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

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

Note 6: Transfers from Other Government Entities	2021-2022	2020-2021
	Kshs	Kshs
Unconditional grants		
Grant from the State Dept. for Basic Education	446,066,256	236,900,000
Transfers of Assets in Kind		9,473,250
Total Transfers	446,066,256	246,373,250

*Transfer of Assets- This is the recognition of Assets that the Council received from the Parent Ministry.

Note 6 B

Name of the Entity sending the grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount recognized in capital fund.	Total 2021- 2022	Prior year
					2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Basic Education	446,066,256			446,066,256	236,900,000
Total	446,066,256	-	-	446,066,256	236,900,000

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Note 7: Grants from Development Partners	2021-2022	2020-2021
	Kshs	Kshs
UNICEF	14,899,380	13,513,000
AVSI		911,663
Total	14,899,380	14,424,663

Note 8: Employee Costs	2021-2022	2020-2021
	Kshs	Kshs
Leave allowances		
Extraneous Allowance	1,440,000	1,440,000
Interns Student Allowance	625,000	650,000
Total	2,065,000	2,090,000

Note 9: Governing Council Expenses	2021-2022	2020-2021
	Kshs	Kshs
Chairman's Honoraria	1,920,000	520,000
Sitting Allowances		10,902,630
Subsistence Allowances		
Other Allowances		410,220
Total	1,920,000	11,832,850

Note 10: Depreciation & Amortization	2021-2022	2020-2021
	Kshs	Kshs
Property, plant and equipment	13,087,093	8,149,857
Intangible Assets	276,000	276,000
Total depreciation Expense	13,363,093	8,425,857

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Note 11: Use of Goods and Services	2021-2022	2020-2021
	Kshs	Kshs
Advertising	533,600	281,715
Audit fee	500,000	500,000
Bank Charges	133,789	52,911
Catering services	8,189,211	923,379
Domestic Travel and Subsistence	41,085,850	9,947,070
Foreign Travel & subsistence	5,955,709	295,022
Fuel and oil	1,527,200	1,786,925
General Printing and stationery	3,928,714	704,502
ICT Accessories and consumables	25,904,514	4,494,011
Motor vehicle maintenance	2,233,689	2,476,123
Office Utilities	2,418,755	10,162,408
Rent expenses	6,546,618	4,637,520
Repairs and maintenance		
Training/Workshops	1,444,778	1,167,034
Total	100,402,427	37,428,620

Note 12: NACONEK Programs Expenses	2021-2022	2020-2021
	Kshs	Kshs
Secretariat Co-Curricular Activities		
Review of Nomadic Education Policy	487,185	3,782,080
Facilitation of NIWFESS pilot project	7,774,900	75,351,314
Implementation of NIWFESS	163,082,850	22,500,000
Smart Access- Pilot Phase	4,999,600	
Assessment of VET Institutions		622,500
Integration of Dugsi and Madrassa	4,464,690	
NACONEK Programs Expenses	180,809,225	102,255,894

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Note 13: Contracted Professional Services	2021-2022	2020-2021
	Kshs	Kshs
Strategic Indicatives Management	4,255,623	15,768,492
Climate Change Initiative and Management	42,787,915	16,818,000
Home Grown Food Solutions	41,440,540	-
Internal Capacity Building	11,457,664	9,882,794
Legal Liaison and Advisory Services	9,120,000	9,120,000
Review of the Strategic Plan	2,000,000	1,000,000
Total	111,455,088	52,589,286

Noted 14: Activity Based Program Expenses	2021-2022	2020-2021
	Kshs	Kshs
AVISI	309,000	602,615
UNICEF	14,899,380	13,121,006
Total	15,208,380	13,723,621

Note 15: Cash and Cash Equivalents	2021-2022	2020-2021
	Kshs	Kshs
Cash at Bank	27,544,818	1,878,794
Total Cash and Cash Equivalents	27,544,818	1,878,794

Note 15b: Analysis of Cash and Cash Equivalent	2021-2022	2020-2021
Financial institution	Kshs	Kshs
a) Current account		
National Bank- 1040207060700	27,544,818	1,878,794
Grand total	27,544,818	1,878,794

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Note 16: PPE	Motor Vehicle	ICT Equipment	Partitions Furniture & Fittings	Office Equipment	Total
Rate	25%	33.30%	12.5%	12.5%	
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Cost at 1st July 2020		279,000	4,396,416		4,675,416
additions	8,000,000	8,066,230	22,140,100	430,650	38,636,980
Cost at 30th June 2021	8,000,000	8,345,230	26,536,516	430,650	43,312,396
Cost at 1st July 2021	8,000,000	8,345,230	26,536,516	430,650	43,312,396
additions	7,510,000	4,836,776	11,592,716	-	23,939,492
Cost at 30th June 2022	15,510,000	13,182,006	38,129,232	430,650	67,251,888
Depreciation					
As 1st July 2020		159,258	1,099,104		1,258,362
Charge for the period	2,000,000	2,778,961.59	3,317,064.50	53,831.25	8,149,857
As at 30th June 2021	2,000,000	2,938,219.59	4,416,168.50	53,831.25	9,408,219
As 1st July 2021	2,000,000	2,938,219.59	4,416,168.50	53,831.25	9,408,219
Charge for the period	3,877,500	4,389,608	4,766,154	53,831.25	13,087,093
As at 30 June 2022	5,877,500	7,327,827.59	9,182,322	107,662.50	22,495,313
NBV 30 June 21	6,000,000	5,407,010.41	22,120,347.50	376,818.75	33,904,177
NBV 30 June 2022	9,632,500	5,854,178	28,946,910	322,988	44,756,575

Note 17: Intangible Assets	2021-2022	2020-2021
	Kshs	Kshs
Cost as at 1st July 2021	1,380,000	1,380,000
Additions		
Cost as at 30th June	1,380,000	1,380,000
Amortization Rate	20%	20%
Amortization at start of period	276,000	-
Charge for the period	276,000	276,000
Accumulated Amortization	552,000	276,000
NBV at End of Period	828,000	1,104,000

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Note 18: Trade and Other Payables	2021-2022	2020-2021
	Kshs	Kshs
Audit Fees	1,000,000	500,000
Sundry Creditors		
Total trade and other payables	1,000,000	500,000

Note 19: Cash Generated from Operations	2021-2022	2020-2021
	Kshs	Kshs
Surplus for the year before tax	35,742,422	32,451,785
Adjusted for:		
Depreciation	13,363,093	8,425,857
Non-cash grants received		(9,473,250)
Working Capital adjustments		
Decrease in Payables	500,000	(1,035,000)
Net cash flow from operating activities	49,605,515	131,200,235

20. Financial Risk Management

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

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

i) Credit risk

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

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
As at 30 June 2022				
Bank balances	27,544,818	27,544,818		
Total	27,544,818	27,544,818		
As at 30 June 2021				
Bank balances	1,878,794	1,878,794		
Total	1,878,794	1,878,794		

ii) Liquidity risk management

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

iii) Market risk

The Entity has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments.

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

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iv) Capital Risk Management

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

Details	2021-2022	2020-2021
	Kshs.	Kshs.
Retained Earnings	72,129,393	36,386,971
Total Funds	72,129,393	36,386,971
Total Borrowings	-	-
Less: Cash And Bank Balances	27,544,818	1,878,794
Net Debt/(Excess Cash And Cash Equivalents)		
Gearing	38%	5.16%

21. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

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

Other related parties include:

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

Relates Party Disclosures

	2021-2022	2020-2021
	Kshs	Kshs
a) Grants /Transfers from the Government		
Grants from National Government	446,066,256	246,373,250
Total	446,066,256	246,373,250
b) Key management compensation		
Chairman's Emoluments	1,920,000	11,832,850
Total	1,920,000	11,832,850

- c) In the year under review the Chief Executive officer and key personnel compensation was paid at the parent Ministry.
- d) Transactions relating to electricity and water are paid as part of rent thus the council has no direct transactions with Kenya Power and Nairobi Water Company.

22. Events after the Reporting Period

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

23. Ultimate and Holding Entity

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

24. Currency

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

25. CEO Remuneration

During the Financial year 2021/2022, The Secretary/CEO NACONEK and the entire Staff were receiving all their Remuneration from the Ministry of Education State Department of Basic Education.

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25. Appendices

Appendix 1: Progress on Follow up of Auditor Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Lack of Governing Council	The names of the council members has been forwarded to the Cabinet Secretary, Ministry of Education for onward appointments and publication.	Not resolved	July 2023
	Incomplete Fixed Asset Register	The council is in the process of establishing effective assets managements system where the fixed asset register is to be updated on regular basis.	Not Resolved	July 2023
1	Unsupported Governing Council Expenses	The soft copy Ledger Provided to the Auditors through Email indicated Council Expenses of Kshs. 11,832,850.00 and not Kshs. 12,640,250.00 (See list attached)	Resolved	July 2023
1.2	Non-Compliance with Executive Order No 2 of 2018			
	Non-Compliance with Provisions of the Public Procurement and Asset Disposal Act, 2015			



.....
Chief Executive Officer

Date. 20/09/2022

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Appendix II: Projects implemented

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
NACONEK did not implement any capital project in the year under review						

Status of Projects completion

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
NACONEK did not have any capital project in the year 2021/22						

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Appendix IV: Transfers from Other Government Entities

MDA Transferring Funds	Date received as per bank statement	Nature: Recurrent/ Development	Total Amount KES	Statement of Financial Performance	Capital Fund	Deferred Income	Total Transfers during the Year
State Department for Basic Education	446,066,256	Recurrent	446,066,256	446,066,256			446,066,256
Total	446,066,256	Recurrent	446,066,256	446,066,256			446,066,256

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Appendix V- Inter-Entity Confirmation Letter

Confirmation of amounts received by National Council for Nomadic Education in Kenya as at 30th June 2022 from Ministry of Education State Department of Early learning and basic Education

Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2022				Amount Received by [NACONEK] (Kshs) as at 30th June 2022 (E)	Differences (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Ministry of Education	5-Aug-2021	Recurrent			64,685,144	64,685,144	
Ministry of Education	27-Oct-2021	Recurrent			54,010,824	54,010,824	
Ministry of Education	4-Dec-2021	Recurrent			5,337,160	5,337,160	
Ministry of Education	4-Feb-2022	Recurrent			59,347,984	59,347,984	
Ministry of Education	27-Apr-2022	Recurrent			172,685,144	172,685,144	
Ministry of Education	28-Jun-2022	Recurrent			90,000,000	90,000,000	
Total					446,066,256	446,066,256	

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

Head of Accountants department of beneficiary Entity:



Name EMILLIO MUKIRA Sign _____ Date: 20/09/2022

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Appendix VI: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

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Appendix VII: Disaster Expenditure Reporting Template

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
There were no expenditures relating to Disaster Management						

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Appendix VIII: Development partners Fund movement Schedule (Note 7 Disclosure)

Note 7: Grants from Development Partners	UNICEF	AVISI Kshs	Total Kshs
Bal b/f	0	0	0
Additions during the year	13,513,000.00	911,663.00	14,424,663.00
Utilized during the year	13,121,006	602,615.00	13,723,621.00
Closing balance	391,994.00	309,048.00	701,042.00
Opening Balance	391,994.00	309,048.00	701042
Additions during the year	14,899,380.00		14,899,380.00
Utilized during the year	(14,899,380.00)	(309,000.00)	(15,208,380.00)
Closing balance	391,994.00	48.00	392,042.00