

REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 18 JUN 2025	DAY.
TABLED BY:	HON. NAOMI WAQO MP DEP. MAJORITY PARTY WHIP
CLERK-AT THE-TABLE:	MS. MERCY CHUMO.

**REPORT**

PARLIAMENT  
OF KENYA  
LIBRARY

**OF**

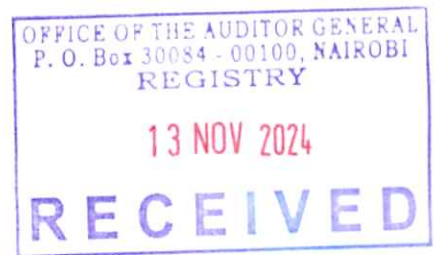
**THE AUDITOR-GENERAL**

**ON**

**KENYA PRIMARY EDUCATION EQUITY IN  
LEARNING PROGRAM IDA GRANT NO. D991-  
KE AND CREDIT NO. 7067-KE AND GRANTS  
NOS. TF C306-KE AND TF C307-KE**

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

**STATE DEPARTMENT FOR BASIC  
EDUCATION**



**KENYA PRIMARY EDUCATION EQUITY IN LEARNING PROGRAM**

**IMPLEMENTING ENTITY: MINISTRY OF EDUCATION (STATE DEPARTMENT  
FOR BASIC EDUCATION)**

**PROGRAM NUMBER: P176867-KE**

**IDA Credit number: 7067-KE**

**IDA Grant Number: D991-KE**

**GPE Grant number: TF C0306-KE**

**GPE Grant number: TF C0307-KE**

---

**PROGRAM**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30 JUNE, 2023**

---

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

***Kenya Primary Education Equity in Learning Program  
Annual Report and Financial Statements for the financial year ended June 30, 2023***

---

<b>Table of Contents</b>	<b>Page</b>
1. Acronyms and Definition of Terms .....	ii
2. Program Information and Overall Performance .....	iv
3. Statement of Performance against Program’s Predetermined Objectives .....	xiv
4. Environmental and Sustainability Reporting .....	xvii
5. Statement of Program Management Responsibilities .....	xx
6. Report of the Independent Auditor on Financial Statements for Kenya Primary Education Equity in Learning Program. ....	xxiii
7. Statement of Receipts and Payments for the Year Ended 30th June 2023. ....	1
8. Statement of Financial Assets and Liabilities as at 30 <sup>th</sup> June 2023 .....	2
9. Statement of Cash flows for the year ended 30 <sup>th</sup> June 2023 .....	3
10. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 <sup>th</sup> June 2023 .....	4
11. Significant Accounting Policies .....	5
12. Notes to the Financial Statements .....	12
13. Annexes.....	31

**1. Acronyms and Definition of Terms**

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
CT	County Treasury
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
Comparative FY	Financial year preceding the current financial year.
DLR	Disbursement Linked Results
IPF	Investment Program Financing
PforR	Program for Results
DLI	Disbursement linked indicator
JSS	Junior Secondary School
MED	Master's in Education
PAD	Program Appraisal Document
IDA	International Development Association
GPE	Global Partnership for Education
GOK	Government of Kenya
POM	Program Operation Manual
SAGA's	Semi-Autonomous Government Agencies

*Kenya Primary Education Equity in Learning Program  
Annual Report and Financial Statements for the financial year ended June 30, 2023*

---

AIE's	Authority to Incur Expenditure
SIP	School Improvement Plan
RBSG	Result Based School Grants
TSC	Teachers Service Commission
EACC	Ethics and Anti-corruption Commission
SOE	Statement of expenditure
CPU	Program Co-ordination Unit
KICD	Kenya Institute of Curriculum Development
KEMI	Kenya Education Management Institute
KISE	Kenya Institute for Special Education
EGF	Equity Group Foundation
JKF	Jomo Kenyatta Foundation
BOM	Board of Management
KNEC	Kenya National Examination Council
CBC	Competency Bases Curriculum
CBA	Competency Bases Assessment
NASMLA	National Assessment/Monitoring Learner Achievement
PP1	Pre-primary Education 1
NEMIS	National Education Management Information System
ECDE	Early Childhood Development Education

## **2. Program Information and Overall Performance**

### **2.1 Name and registered office**

#### **Name**

The Program's official name is Kenya Primary Education Equity in Learning (KPEELP) Program.

#### **Objective**

The key objective of the Program is to reduce regional disparities in learning outcomes, improve the retention of girls in upper primary education, and strengthen systems for delivering equitable education outcomes.

#### **Address**

The Program headquarters offices are in the Ministry of Education headquarters office in Nairobi, Kenya.

The address of its registered office is:

P.O. Box 30040-00100 Nairobi, Kenya.

Telephone: (254) 724744777

The Program also has offices/branches as follows:

- Teachers Service Commission Headquarters, Nairobi
- Kenya Institute of Curriculum development, Nairobi
- Kenya National Examinations Council, Nairobi.
- County Education offices across the Country

**Contacts:** The following are the Program contacts

P.O. Box: 30040-00100 – Nairobi Kenya

Telephone: (254) 724744777

E-mail: [ekirapa.martha@education.go.ke](mailto:ekirapa.martha@education.go.ke)

Website: [www.education.go.ke](http://www.education.go.ke)

**Program information and overall performance (continued)**

**2.2 Program Information**

Program Start Date:	5 August 2022
Program End Date:	31 December 2026
Program Coordinator:	Mrs. Martha Ekirapa
Program Sponsor:	World Bank

**2.3 Program Overview**

Line Ministry and State/ County Department	The Program is under the supervision of the, State department of Basic Education.
Program number IDA Credit number IDA Grant Number GPE Grant number GPE Grant number	<b>P176867-KE</b> 7067-KE D991-KE TF C0306-KE TF C0307-KE
Strategic goals of the Program	The strategic goals of the Program are as follows: (i) To reduce regional disparities in learning outcomes, (ii) improve the retention of girls in upper primary education, and iii) Strengthen systems for delivering equitable education outcomes.
Summary of Program Strategies for achievement of strategic goals	The Program management aims to achieve the goals through the following means: <b>Results Area 1</b> - Equalize learning opportunities: improve learning outcomes in target counties and for refugee populations. <b>Results Area 2</b> - Improve girls' participation in schooling, including in refugee hosting counties. <b>Results Area 3</b> - Strengthen Reform Implementation capacity
Other important background information of the Program	The KPEEL Program is funded by the World Bank through the International Development Association (IDA) with a credit/grant amount of 188 million Dollars, the Global Partnership For Education with a grant of 98.491 Million dollars and GOK

**Kenya Primary Education Equity in Learning Program**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

	<p>Contribution of 118.4 Million dollars. The total Program amount is therefore 404.891 million dollars. The KPEEL Program implementation will run for 5 years (2022 -2026). The State Department and Teachers Service Commission are the main implementing agencies, whereas KICD, KNEC, KEMI, KISE and KIB are the sub implementing agencies. The KPEEL Program is a hybrid of the Program For Results (PforR) component which is Results Based and the Investment Financing Program Component (IPF) , which is input based.</p>
<p>Areas that the Program was formed to intervene</p>	<p>The Program was formed to intervene in the following areas:</p> <ul style="list-style-type: none"> <li>(i) <b>Disparities in learning outcomes</b> between Schools in high performing counties and low performing counties.</li> <li>(ii) <b>Inequity in share of students achieving high order proficiency level in numeracy and literacy</b> at grade 3 based on the 2018 NASMLA.</li> <li>(iii) Insufficient inputs in schools in lagging regions</li> <li>(iv) <b>High drop-out rate for girls</b> in upper primary</li> <li>(v) <b>Completion of the Primary education cycle</b></li> <li>(vi) <b>Transition to secondary school</b> for poor and vulnerable populations</li> <li>(vii) Gaps in the implementation of initiated reforms (<b>Competency Based Curriculum (CBC), Formative assessments, pre-service teacher training and teacher management</b>)</li> <li>(viii) <b>Low utilization of NEMIS data for planning and decision making</b> in primary education</li> <li>(ix) <b>Gaps in the quality of pre-service teacher training</b> in the implementation of CBC</li> <li>(x) <b>Low Quality preschool services</b> that negatively impact the foundational learning</li> </ul> <p><b>Insufficient school infrastructure</b> in target counties</p>
<p>Program duration</p>	<p>The Program started on 5<sup>th</sup> August, 2022 and is expected to run until 31<sup>st</sup> December, 2026</p>

**Program Information and Overall Performance (Continued)**

**2.4 Bankers**

The following are the bankers for the Program:

- (i) Central Bank of Kenya for Program co-ordination unit
- (ii) Various commercial banks held by Five SAGA's and forty seven Counties

**2.5 Independent Auditor**

Office of the Auditor- General  
Anniversary Towers  
Monrovia Street  
P.o Box 30084-00100  
Nairobi

**2.6 Roles and Responsibilities**

No	Names	Title designation	Key qualification	Responsibilities
1	Dr. Belio R. Kipsang, CBS', CBS.	PS. Ministry of Education	PhD	Provides overall oversight to the Program
2	Elijah Mungai	Director Programs Coordination and Delivery	MED	Provides overall oversight to day to day implementation of the Program
3	Martha Ekirapa	National Coordinator, KPEEL Program	MED	Oversees the coordination of the Program Coordination team and Agencies Program Implementation Units and in

**Kenya Primary Education Equity in Learning Program**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

				charge of the day to day implementation of the Program.
4	CPA. Maurice A.Ochieng'	Accountant KPEEL Program	MBA- Finance CPA(K)	Oversees the overall accounting operation of the program.
5	Kenneth Ojwang	Program Safeguards Officer	Degree - Education	Oversee the Program safeguards
6	Paul Mutua	Supply chain management officer	Degree – Supply chain management	Oversee Procurements
7	Peter Gachathi	Results area 1 lead	MED	In charge of coordinating Implementation of activities under the Results Area 1.
8	Catherine Micheni	Results area 2 Lead	MED	In charge of coordinating Implementation of activities under the Results Area 2.
9	Dr.Hellen Boruett	Results area 2 Lead	PhD	In charge of coordinating Implementation of activities under the Results Area 3.
10	Ng'ang'a Wainaina	Monitoring and Evaluation Lead.	MED	In charge of coordinating the program team on all aspects of Program Management, coordination, Monitoring and evaluation.

**2.7 Funding summary**

The Program is for duration of Five years from **2022 to 2026** with an approved budget of **USD 404,891,000** equivalent to Kshs **49,943,304,850** as highlighted in the table below:

Program information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date – (30 <sup>th</sup> June 2023)		Undrawn balance to date	
	Donor Amt(Usd)	Kshs	Donor currency	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A') - (B')
<b>(i) Grant</b>						
IDA	56,400,000	6,956,940,000	8,287,505	1,022,263,747	48,112,495	5,934,676,253
GPE	98,491,000	12,148,864,850	-	-	98,491,000	12,148,864,850
	<b>154,891,000</b>	<b>19,105,804,850</b>	<b>8,287,505</b>	<b>1,022,263,747</b>	<b>146,603,495</b>	<b>18,083,541,103</b>
<b>(ii) Loan</b>						
IDA	131,600,000	16,232,860,000	20,947,168	2,583,833,179	110,652,832	13,649,026,821
	<b>131,600,000</b>	<b>16,232,860,000</b>	<b>20,947,168</b>	<b>2,583,833,179</b>	<b>110,652,832</b>	<b>13,649,026,821</b>
<b>(iii) Counterpart funds</b>						
Government of Kenya	118,400,000	14,604,640,000	-	-	118,400,000	14,604,640,000
<b>Total</b>	<b>404,891,000</b>	<b>49,943,304,850</b>	<b>29,234,673</b>	<b>3,606,096,926</b>	<b>375,656,327</b>	<b>46,337,207,924</b>

\*The Conversion rate used is PAD rate of US\$1=Ksh 123.35 ,USD 1= SDR 0.75 AND USD 1= EUR 0.94

*Kenya Primary Education Equity in Learning Program  
Annual Report and Financial Statements for the financial year ended June 30, 2023*

**Program information and overall performance (continued)**

**B. Application of Funds**

Application of funds	Amount received to date – (30 <sup>th</sup> June 2023)		Cumulative amount paid to date – (30 <sup>th</sup> June 2023)		Unutilised balance to date (30 <sup>th</sup> June 2023)	
	<i>Donor currency</i>	<i>Kshs</i>	<i>Donor currency</i>	<i>Kshs</i>	<i>Donor currency</i>	<i>Kshs</i>
			<i>USD</i>			
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A') - (B')</i>
IDA GRANT	8,287,505	1,022,263,747				
GPE GRANT	-	-				
IDA LOAN	20,947,168	2,583,833,179				
GOK COUNTERPART	-	-				
	<b>29,234,673</b>	<b>3,606,096,926</b>	<b>26,144,500</b>	<b>3,224,924,041</b>	<b>3,090,173</b>	<b>381,172,886</b>

*\*The Conversion rate used is applied as exchequer receipt rate.*

*\*The Program funds are pooled from IDA Grant, GPE Trust Funds and IDA Loan and applied collectively to implement the PforR activities.*

**Kenya Primary Education Equity in Learning Program  
Annual Report and Financial Statements for the financial year ended June 30, 2023**

**Program information and overall performance (continued)**

**Summary of Overall Program Performance:**

In the Financial year 2022-2023, the program received 25% and 86% of the budgeted funds on grant and loan respectively from the donor, GOK contribution for the program was the amounts paid directly by the state department for basic education.

All budgeted expenditures were achieved. Since the program was at its 1<sup>st</sup> year the results were cumulative.

*i) Physical progress based on outputs and outcomes since Program commencement,*

Delivery unit	Key output	Key performance targets	Target 2022/2023 (Baseline )	Actual Achievement as at 30 <sup>th</sup> June 2023	Target 2023/2024	Target 2024/2025	Target 2025/2026	Remarks
Kenya Primary Education Equity in Learning Program (PEELP)	Primary schools receiving school grants for completing priority areas in their SIPs	Number of primary schools receiving school grants for completing priority areas in their SIPs	-	-	5,422		5,422	There was a delay in verification of achieved results for the KPEELP Program to facilitate reimbursement of resources from the World bank for the school grants. The grants will be channelled to the target schools in the Financial year 2023/2024.
Kenya Primary Education Equity in Learning Program (PEELP)	Vulnerable Learners provided with school meals.	Number of Vulnerable Learners who are provided with school meals during the	1,800,000	1,853,186	3,000,000.	3,000,000	3,000,000	The target for vulnerable learners to be fed during each calendar year was reduced from 3 million learners to

**Kenya Primary Education Equity in Learning Program  
Annual Report and Financial Statements for the financial year ended June 30, 2023**

		academic Year.						1,6 million Learners due to the prolonged drought and the subsequent increase in food prices. Therefore, the target was surpassed by 243,186 learners during the FY 2022/2023.
Kenya Primary Education Equity in Learning Program (PEELP)	Vulnerable learners selected to receive a scholarship, school kits and mentoring support services.	Number of Vulnerable Learners selected to receive a scholarship, school kits and mentoring support services.	8,000	19,574	12,000			Additional scholars were onboarded into the scholarship Program in January 2023 after Additional Financing was received from the Global Partnership for Education Trust Fund. Therefore the target was surpassed by 11,574 learners.

ii) *Indicate the absorption rate for each year since the commencement of the Program.*

The absorption rates were based on the planned expenditure against actual receipt. For the Financial Year 2022-2023, the overall absorption rate was 89%. This was a satisfactory result since the program started operating towards the end of the 1<sup>st</sup> quarter.

**Kenya Primary Education Equity in Learning Program  
Annual Report and Financial Statements for the financial year ended June 30, 2023**

iii) *Implementation challenges and recommended next steps.*

<i>S/NO</i>	<i>Challenge</i>	<i>Mitigation Measure</i>
1.	<i>Delayed recruitment of the independent verification Agency for verification of Achieved results .</i>	<i>Implementation of Program activities were fasttracked after the IVA was recruited. Apparently, time lost initially at the beginning of Program implementation has been recovered.</i>
2.	<i>Insecurity in some parts of Garissa County resulting to closure of some schools implementing the SIP Programme.</i>	<i>MOE withheld disbursement of the first tranche of the school grants to the schools until the schools were reopened. The issue is now sorted out and schools are implementing the SIPs after reopening.</i>
3.	<i>Challenge of disbursing school grants to refugee schools because they operated privately and without school boards.</i>	<i>MOE in consultation with the Department for Refugee Services registered the Refugee Camp Based schools after which the schools constituted BOMs and opened Bank Accounts which were used to manage the school grants.</i>
4.	<i>Teachers are not willing to be deployed to schools in areas prone to insecurity such as North Eastern, Tiaty ( Batringo , and Turkana</i>	<i>Recruitment of teachers from the locality in those regions and retired teachers from the locality are being engaged on contract basis.</i>
5.	<i>Refugee learners dropping out of school especially from Dadaab refugee camp.</i>	<i>The ministry is working closely with UNHCR, Department for Refugee Services and Equity Group Foundation to ensure the learners complete school.</i>

**2.9 Summary of Program Compliance:**

i) *Compliance with applicable laws and regulations*

*There are no cases of Non- compliance with applicable laws. The Program is being implemented within the existing Government systems*

ii) *Consequences suffered on account of non-compliance or likely to be suffered.*

*N/A*

iii) *Mitigation measures taken or planned to alleviate the adverse effects of actual or potential consequences of non-compliance.*

*N/A*

**Kenya Primary Education Equity in Learning Program**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**  
**Program information and overall performance (continued)**

**3. Statement of Performance against Program's Predetermined Objectives**

Results area	Performance
RA1 Equalize learning opportunities: improve learning outcomes in target counties and for refugee populations.	<ul style="list-style-type: none"> <li>i. A total of 5,422 target schools were trained on development of School Improvement Plans (SIPs), Schools all developed the SIPs which were approved by the respective SCDEs.</li> <li>ii. A total of 1.8 Million vulnerable learners in target primary schools were provided with school meals in terms one 2023 and 2.39 Million learners were provided with school meals in term two 2023.</li> <li>iii. The Teachers Service Commission has deployed 1,000 teachers to schools with the highest teacher shortages in the FY 2022/2023.</li> </ul>
Results Area 2 - Improve girls' participation in schooling, including in refugee hosting counties.	As at 30 <sup>th</sup> June 2023, a total of 19,574 (10,393 girls, 9, 181 Boys) vulnerable learners have been awarded scholarships through the Elimu scholarship programme. The beneficiaries have also been provided with mentorship support services which include psychosocial support and career guidance.
Results Area 3 - Strengthen Reform Implementation capacity The Results area 3 will address the following challenges:	<ul style="list-style-type: none"> <li>1. Retooling of 977 tutors (642 males, 435 females from the 35 TTCs on Interpretation of the Competency Based Teacher Education Curriculum and Assessment; and integration of ICT in training and learning has been undertaken.</li> <li>2. 13,226 classrooms constructed and completed in existing Public Secondary schools including 129 in refugee/host communities.</li> <li>3. Rolling out of the implementation of CBC and CBA activities is progressing well.</li> </ul>

**Introduction**

Section 81(2)(f) /Section 164 (2)(f) of the Public Finance Management Act, 2012, requires that the Accounting Officer include a statement of the national/county government entity's performance against predetermined objectives at the end of each financial year.

The key development objectives of the *project's agreement/* plan are to:

- a) To reduce regional disparities in learning outcomes
- b) Improve the retention of girls in upper primary education , and

**Kenya Primary Education Equity in Learning Program**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

c) To Strengthen systems for delivering equitable education outcomes.

**Progress on the attainment of strategic development objectives**

<b>Project</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
<i>Kenya Primary Education Equity in Learning (KPEEL) Program</i>	i. To reduce regional disparities in learning outcomes..	Improving Learning Outcomes: Supporting development of Kenya's human capital for productivity and growth	i. Targeted primary schools receiving school grants for completing priority areas in their SIPs (Number) .	MoE trained 5, 422 schools on development of school improvement plans ( SIPs), Schools developed the SIPs which were approved by the respective SCDEs.
			ii. Number of Vulnerable Learners who are provided with school meals during each School Calendar Year. (Number)	A total of 1.8 Million vulnerable learners in target primary schools were provided with school meals in term one 2023 and 2.39 Million learners were provided with school meals in term two 2023.
			iii. New teachers deployed to primary schools with the highest teacher shortage (Number)	TSC is obligated to deploy 1000 teachers every year through KPEELP. In the FY 2022/2023 , 1,000 teachers were deployed..
<i>Kenya Primary Education Equity in Learning (KPEEL) Program</i>	ii. I mprove the retention of girls in upper primary education ,	Improving Learning Outcomes: Supporting development of Kenya's human capital for productivity and growth	Number of Vulnerable Learners selected to receive a scholarship, school kits, and mentoring support services.	As at 30 <sup>th</sup> June 2023, a total of 19,574 (10,393 girls, 9, 181 Boys) vulnerable learners have been awarded scholarships through the Elimu scholarship programme. The beneficiaries have also been provided with mentorship support services which include psychosocial support and career guidance.

**Kenya Primary Education Equity in Learning Program  
Annual Report and Financial Statements for the financial year ended June 30, 2023**

Kenya Primary education Equity in Learning (KPEEL) Program	iii. Strengthen systems for delivering equitable education outcomes	Improving Learning Outcomes: Supporting development of Kenya's human capital for productivity and growth	i. Successful rollout of CBC and CBA reforms in basic education (Yes/No)	<p><b>KICD</b></p> <ul style="list-style-type: none"> <li>Created and validated scope and sequence charts for grades 10-12 across 50 learning areas.</li> <li>Developed multimedia and interactive digital content for students with visual and hearing impairments in 10 learning areas and grade 5.</li> <li>Produced course books, support materials for Indigenous languages, and grade 1 learners from vulnerable communities.</li> </ul> <p><b>KNEC</b></p> <ul style="list-style-type: none"> <li>Assessment Tools: Developed for grades 3-7, KILEA, Foundation, Intermediate, and Pre-Vocational levels, including numeracy, literacy, and vocational skills, with tools created between March-May 2023.</li> </ul>
			iii. Capacity building of target Teacher Training Colleges for implementation of competency-based teacher education curriculum. (Yes/No); DLI 7 ; Frequency: Annual ; Data source: PTTCs data for annual reports; IVA verification;	977 (642 males, 435 females) were retooled in curriculum interpretation, assessment, and ICT integration, representing 90.05% of the total.
			iv. New classrooms constructed in existing schools as per the needs-based school infrastructure investment plan (Number)	A total of 13,226 classrooms have been constructed in existing Secondary Schools. The SIP 2021 was reviewed, and implementation models, designs, and infrastructure guidelines were developed.

#### **4. Environmental and Sustainability Reporting**

*The KPEEL Program is committed to managing any anticipated environmental and social risks by implementing the planned measures already in place in the environmental and social management plan for the Program. Furthermore, the various interventions of the Program aim to strengthen existing country education systems thereby ensuring the sustainability of good practices and results beyond the Program.*

##### **i. Sustainability strategy and profile**

*Institutionalization of best practices from previous Programs is done after the evaluation and closure of Programs. This ensures new practices are embedded in normal operations in subsequent Programs including KPEEL which has borrowed from lessons learnt in previous education Programs. The Program is also strictly guided by the provisions of its Program Appraisal Document, which was signed before commencement and hence is rather unaffected by changing political or macroeconomic factors. Though unlikely, any inevitable adjustments would be considered in consultation with all stakeholders with the view of not affecting the effectiveness or efficiency of Program interventions or the sustainability of their results.*

##### **ii. Environmental performance**

*The organization and Program is guided by various legislation and policies including the Environmental Management and Coordination Act, 1999, (amended 2015), Environmental Management and Coordination Act (Waste Management Regulation, 2006), Environmental Management and Coordination Act (Air Quality) Regulations, 2014, Draft Environmental Management and Coordination (E-waste Management Regulations, 2013 and Guidelines for E-waste Management in Kenya, 2010. The Program also has an Environment Social Management Systems (ESMS) manual that guides the disposal and management of any waste generated as a result of Program activities. The Program also excludes any activities that would affect biodiversity.*

##### **iii. Employee welfare**

*The Human Resources and Management Department deploys all employees to the Program and currently, the Gender ratio is 1:1, indicating fairness in the recruitment for both*

**Kenya Primary Education Equity in Learning Program**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

---

genders. The Program implementation team also benefits from specialized trainings every year to improve their skills and facilitate progression in their careers. Appraisals are also conducted for every staff in the Program in line with the requirements of the Human Resources and Management Department for the Ministry.

The organization and Program also adhere to the Occupational Safety and Health Act (OSHA) (2007) and this informs the provisions in the ESMS manual which guide on all issues Health and Safety for the Program. Specifically, it spells out safe and favourable working conditions for Program staff and all workers engaged in all interventions including the provision of the right equipment. Trainings and Sensitizations are also carried out regularly for all stakeholders to ensure the OSHA Act is complied with in all operations.

**a) Responsible ethical practices**

Training was conducted on anti-corruption by officers from the Ethics and Anti-corruption Commission (EACC) for the Program Implementation Team and the implementing teams from TSC and the agencies. This included training on the Public Officer Ethics Act which all Program personnel should adhere to. In addition, since Program personnel are public servants, they are non-partisan and are regularly advised by the Human Resources Departments to maintain political neutrality at all times.

**b) Regulatory impact assessment.**

The Program is guided by a Stakeholder Engagement Plan which prescribes the need for continuous stakeholder consultations throughout Program implementation. This ensures open lines of communication with stakeholders. In case of any concerns of grievance, the Program also has a functioning Grievance Redress Mechanism in place to follow up on any concerns, their resolution, and delivery of feedback for all concerns raised

**iv. Community Engagements**

The Program engages with community leaders to share the benefits of education for the children in their communities. The importance of all learners especially girls staying in

***Kenya Primary Education Equity in Learning Program  
Annual Report and Financial Statements for the financial year ended June 30, 2023***

---

*school is also emphasized. A case in point is the engagement with block leaders in the refugee camps in Kakuma and Dadaab for ownership to ensure learners stay in school and any who may have dropped out are supported to come back to school in line with the school re-entry guidelines. This also includes advocacy to ensure teenage mothers are supported to continue with their education and not be shunned by their communities.*

**5. Statement of Program Management Responsibilities**

**The Principal Secretary** for the State Department for Basic Education and the **Program Coordinator** for *Kenya Primary Education Equity in Learning Program* are responsible for the preparation and presentation of the Program's financial statements, which give a true and fair view of the state of affairs of the Program for the financial year ended on June 30, 2023.

This responsibility includes (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Program, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the Program, (v) Selecting and applying appropriate accounting policies and (v) Making accounting estimates that are reasonable in the circumstances.

**The Principal Secretary** for the State Department for Basic Education and the **Program Coordinator** for *Kenya Primary Education Equity in Learning Program* accept responsibility for the Program's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

**The Principal Secretary** for the State Department for Basic Education and the **Program Coordinator** for *Kenya Primary Education Equity in Learning Program* are of the opinion that the Program's financial statements give a true and fair view of the state of the Program's transactions during the financial year ended June 30, 2023, and of the Program's financial position as at that date.

**The Principal Secretary** for the State Department for Basic Education and the **Program Coordinator** for *Kenya Primary Education Equity in Learning Program* further confirm the completeness of the accounting records maintained for the Program, which have been relied upon in the preparation of the Program financial statements and the adequacy of the systems of internal financial control.

**The Principal Secretary** for the State Department for Basic Education and the **Program Coordinator** for *Kenya Primary Education Equity in Learning Program* confirm that the Program has complied fully with applicable Government Regulations and the terms of external financing


*Kenya Primary Education Equity in Learning Program  
Annual Report and Financial Statements for the financial year ended June 30, 2023*

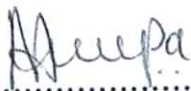
---

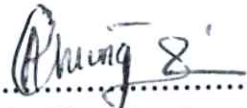
covenants and that Program funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

**Approval of the Program Financial Statements**

The Program financial statements were approved by *the Principal Secretary for the Ministry of Education and the Program Coordinator for Kenya Primary Education Equity in Learning Program* on **25 September 2024** and signed by:

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

  
.....  
**Martha Ekirapa**  
**Program Coordinator**

  
.....  
**CPA. Maurice Ageng'o  
Ochieng'**  
**Program Accountant**  
**ICPAK Member No:15502**

# REPUBLIC OF KENYA



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

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

## REPORT OF THE AUDITOR-GENERAL ON KENYA PRIMARY EDUCATION EQUITY IN LEARNING PROGRAM IDA GRANT NO. D991-KE AND CREDIT NO. 7067-KE AND GRANTS NOS. TF C306-KE AND TF C307-KE FOR THE YEAR ENDED 30 JUNE, 2023 - STATE DEPARTMENT OF BASIC EDUCATION

---

### 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and 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 regulation, is effective in the use of resources, or that its internal control, 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 of the Auditor-General on Kenya Primary Education Equity in Learning Program IDA Grant No. D991-KE and Credit No. 7067-KE and Grants Nos. TF C306-KE and TF C307-KE for the year ended 30 June, 2023 - State Department for Basic Education*

## REPORT ON THE FINANCIAL STATEMENTS

### Qualified Opinion

I have audited the accompanying financial statements of Kenya Primary Education Equity in Learning Program IDA Grant No. D991-KE and Credit No. 7067-KE and Grants Nos. TF C306-KE and TF C307-KE for the year ended 30 June, 2023 set out on pages 1 to 31, which comprise the statement of financial assets and liabilities as at 30 June, 2023, statement of receipts and payments, statement of cash flows, and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, the financial position of the Kenya Primary Education Equity in Learning Program as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and Financing Agreement Grant No. D991-KE and Credit No. 7067-KE dated 14 April, 2022 between the Republic of Kenya and the International Development Association.

### Basis for Qualified Opinion

#### 1.0 Unsupported Cash and Cash Equivalents Balance

The statement of financial assets and liabilities reflects cash and cash equivalents balance of Kshs.457,749,216 as disclosed in Note 11 to the financial statements. However, the cashbook in support of the balance reflected an amount of Kshs.143,238,294, resulting to an unexplained variance of Kshs.314,510,922. In addition, Note 11C discloses that the Project "has fifty-six (56) number of project accounts spread within the project implementation areas, three (3) operation accounts by CBK, six (6) commercial bank accounts by SAGAS, forty-seven (47) commercial bank accounts by counties, and five (5) foreign currency designated accounts". However, the closing balances to the accounts have not been incorporated in the financial statements.

In the circumstances, the accuracy and completeness of the reported cash and cash equivalents balance Kshs.457,749,216 could not be confirmed.

#### 2.0 Unsupported Third-Party Deposits and Retentions

The statement of financial assets and liabilities reflects third party deposits and retentions balance of Kshs.85,689,948 as disclosed in Note 13 to the financial statements. However, the balance was not supported by way of detailed schedules.

---

*Report of the Auditor-General on Kenya Primary Education Equity in Learning Program IDA Grant No. D991-KE and Credit No. 7067-KE and Grants Nos. TF C306-KE and TF C307-KE for the year ended 30 June, 2023 - State Department for Basic Education*

In the circumstances, the accuracy and completeness of third-party deposits and retentions balance of Kshs.85,689,948 could not be confirmed.

### **3.0 Unsupported Budget and Underfunding**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.7,134,054,251 and Kshs.3,606,096,926 respectively, resulting to under-funding of Kshs.3,527,957,325 or 49%. Further, the budget was unsupported by an approval casting doubts to its authenticity.

In the circumstances, the accuracy and validity of the reported budget amounts could not be confirmed. Further, under-funding affected the planned activities and may have impacted negatively on service delivery to the public.

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

### **Key Audit Matters**

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

### **Other Information**

### **Conclusion**

The Management is responsible for the Other Information set out on page iv to xxii which comprise of Program Information and Overall Performance, Statement of Performance Against Program Predetermined Objectives, Environmental and Sustainability Reporting and Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

### **Basis for Conclusion**

In connection with my audit on the Program's, financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

# REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

## Conclusion

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

## Basis for Conclusion

### 1. Undrawn Loan Balances

The Funding Summary under the Program Information and Overall Performance reflects total Donor and Government of Kenya (GoK) commitment amount of Kshs.49,943,304,850 over the Program life of between 05 August, 2022 to 31 December, 2026, with GoK commitment being Kshs.14,604,640,000. However, only Kshs.3,606,096,926 had been drawn as at 30 June, 2023, resulting to undrawn balance of Kshs.46,337,207,924 or 93% of the funding. Further, during the year under review, there was no GoK counterpart funding to the Program. This was contrary to the disbursement and financial information letter which requires IDA Credit, IDA Grant and GoK to finance 38.5%, 16.5% and 45% of expenditure respectively.

In the circumstances, the low absorption affected the planned activities and may have impacted negatively on service delivery to the public while the GoK is in breach of the law.

### 2. Failure to Maintain Separate Banking Arrangements

The State Department operated two Project bank accounts namely; P-Grant D991 KE and P- DLI CR 7067 KE. However, funds from IDA and GPE Grants, both Disbursement Linked Indicators (DLI) and Investment Project Financing (IPF) were deposited into P-Grant D991 KE account. Further funds from IDA loans (both DLI and IPF) were deposited into P- DLI CR 7067 KE account. This was contrary to disbursement and financial information requirement for the Program Management to set up and maintain three separate accounts.

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

The audit was conducted in accordance with the International ISSAIs 3000 and 4000. The Standards requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

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

### **Basis for Conclusion**

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### **Conclusion**

As required by International Development Association (IDA), I report based on my audit that 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:

- i. Information given in the Management report on pages iv to xxii is consistent with the financial statements;
- ii. Adequate accounting records have been kept by the Program, so far as appears from the examination of those records; and
- iii. The Program's financial statements are in agreement with the accounting records and returns.

### **Basis for Conclusion**

The International Development Association (IDA), requires that, I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the Program's compliance with laws and regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of the Management and those Charged with Governance**

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines

is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Program's, ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I

also I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

07 November, 2024

**7. Statement of Receipts and Payments for the Year Ended 30th June 2023.**

	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total
2022-2023				
		Kshs.	Kshs.	Kshs.
<b>Receipts</b>				
Third party receipts for the program	1B		18,134,810,495	18,134,810,495
Proceeds from domestic and foreign grants	2	1,022,263,747		1,022,263,747
Loan from external development partners	3	2,583,833,179		2,583,833,179
<b>Total receipts</b>		<b>3,606,096,926</b>	<b>18,134,810,495</b>	<b>21,740,907,421</b>
<b>Payments</b>				
Purchase of goods and services	6	1,571,568,707		1,571,568,707
Other grants and transfers /payments by the program	10A	1,653,355,334		1,653,355,334
Other grants and transfers /payments by third parties for the program	10B		18,134,810,495	18,134,810,495
<b>Total payments</b>		<b>3,224,924,041</b>	<b>18,134,810,495</b>	<b>21,359,734,536</b>
<b>Surplus/ (deficit)</b>		<b>381,172,886</b>	<b>-</b>	<b>381,172,886</b>

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.

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


.....  
Martha Ekirapa  
Program Co-ordinator

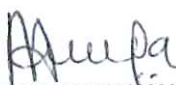
.....  
CPA. Maurice Ageng'o Ochieng'  
Program Accountant  
ICPAK Member No:15502

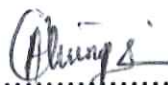
**8. Statement of Financial Assets and Liabilities as at 30<sup>th</sup> June 2023**

Description	Note	2022 – 2023 Kshs
<b>Financial Assets</b>		
<b>Cash and Cash equivalents</b>	11	
Bank balances		457,749,216
<b>Total cash and cash equivalents</b>		<b>457,749,216</b>
Imprests and Advances	12	9,113,618
<b>Total Financial Assets (A)</b>		<b>466,862,834</b>
<b>Financial Liabilities</b>		
Third party Deposits and Retention	13	85,689,948
<b>Total Financial Liabilities (B)</b>		<b>85,689,948</b>
<b>Net Financial Assets (A-B)</b>		<b>381,172,886</b>
<b>Represented By</b>		
Fund Balance B/fwd.	14	-
Prior Year adjustments	15	-
Surplus/(Deficit) for the Year		<b>381,172,886</b>
<b>Net Financial Assets</b>		<b>381,172,886</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on **25<sup>th</sup> Sept 2023** and signed by:

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


  
.....  
**Martha Ekirapa**  
**Program Co-ordinator**

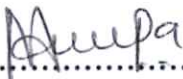
  
.....  
**CPA. Maurice Ageng'o**  
**Ochieng'**  
**Program Accountant**  
**ICPAK Member No:15502**

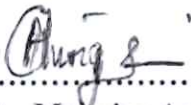
*Kenya Primary Education Equity in Learning Program  
Annual Report and Financial Statements for the financial year ended June 30, 2023*

**9. Statement of Cash flows for the year ended 30<sup>th</sup> June 2023**

Description	Note	2022-2023
<b>Cashflow from operating activities</b>		<b>Kshs</b>
<b>Receipts</b>		
Proceeds from domestic and foreign grants	2	1,022,263,747
Miscellaneous receipts	4	-
<b>Total receipts</b>		<b>1,022,263,747</b>
<b>Payments</b>		
Purchase of goods and services	6	1,571,568,707
Other grants and transfers /payments by the program	10 A	1,653,355,334
<b>Total Payments</b>		<b>3,224,924,041</b>
<b>Net receipts/(payments)</b>		<b>(2,202,660,293)</b>
<b>Adjustments during the year</b>		
Decrease/(increase) in accounts receivable	16	(9,113,618)
Increase/(decrease) in accounts payable:	17	85,689,948
<b>Net cash flow from operating activities</b>		<b>(2,126,083,963)</b>
<b>Cashflow from investing activities</b>		
<b>Net cash flows from investing activities</b>		<b>-</b>
<b>Cash flow from financing activities</b>		<b>-</b>
Proceeds from foreign borrowings	3	2,583,833,179
<b>Net cash flow from financing activities</b>		<b>2,583,833,179</b>
<b>Net increase in cash and cash equivalents</b>		<b>457,749,216</b>
<b>Cash &amp; cash equivalent at beginning of the year</b>	<b>11</b>	<b>-</b>
<b>Cash and cash equivalent at end of the year</b>	<b>11</b>	<b>457,749,216</b>


  
.....  
**Dr. Belfo R. Kipsang, CBS**  
**Principal Secretary**

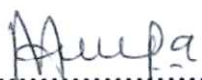
  
.....  
**Martha Ekirapa**  
**Program Coordinator**

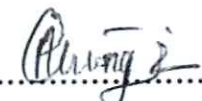
  
.....  
**CPA. Maurice Ageng'o  
Ochieng'**  
**Program Accountant**  
**ICPAK Member No:15502**

10. Statement of Comparison of Budget and Actual Amounts for the Year ended 30<sup>th</sup> June 2023

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	%age of Utilization	Explanation of variances
	a	b	c=a+b	d	e=c-d	f=d/c %	
<b>Receipts</b>			-		-		
Transfer from Government entities				-	-		
Proceeds from domestic and foreign grants	4,143,785,097		4,143,785,097	1,022,263,747	3,121,521,350	25%	
Proceeds from borrowings	2,990,269,154		2,990,269,154	2,583,833,179	406,435,975	86%	
<b>Total Receipts</b>	<b><u>7,134,054,251</u></b>	<b>-</b>	<b><u>7,134,054,251</u></b>	<b><u>3,606,096,926</u></b>	<b><u>3,527,957,325</u></b>		
<b>Payments</b>					-		
Purchase of goods and services	1,571,568,707		1,571,568,707	1,571,568,707	-	100%	
Other grants and transfers	1,653,355,334		1,653,355,334	1,653,355,334	-	100%	
<b>Total Payments</b>	<b>3,224,924,041</b>	<b>-</b>	<b>3,224,924,041</b>	<b>3,224,924,041</b>	<b>-</b>		
<b>Surplus or Deficit</b>	<b>3,909,130,210</b>	<b>-</b>	<b>3,909,130,210</b>	<b>381,172,886</b>	<b>3,527,957,325</b>		

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

  
.....  
Martha Ekirapa  
Program Coordinator

  
.....  
CPA. Maurice Ageng'o Ochieng'  
Program Accountant  
ICPAK Member No:15502

## **11. Significant Accounting Policies**

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

### **a) Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

The accounting policies adopted have been consistently applied to all the years presented.

### **b) Reporting entity**

The Financial Statements are for Kenya Primary Education Equity in Learning Program under the State Department of Education as required by Section 81/ Section 164 of the PFM Act, 2012.

### **c) Reporting currency**

The financial statements are presented in Kenya Shillings (Kshs), the Program's functional and reporting currency. All values are rounded to the nearest Kenya Shilling.

### **d) Recognition of receipts**

Kenya Primary Education Equity in Learning Program under recognizes all receipts from various sources when an event occurs, and the related cash is received.

#### **i) Transfers from the Exchequer**

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

**Significant Accounting Policies (continued)**

**ii) External Assistance**

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

**iii) Other receipts**

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

**iv) Donations and grants**

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when payment advice is received by the recipient entity or by the beneficiary. In the case of a grant/donation in kind, such grants are recorded upon receipt of the grant item and its value determined. The transaction date is the value date indicated on the payment advice.

**v) Proceeds from borrowing.**

Borrowing includes external loans acquired by the Program or any other debt the Program may take and will be treated on cash basis and recognized as a receipt during the year they were received.

**vi) Undrawn external assistance**

These are loans and grants at the reporting date specified in a binding agreement and relate to funding for the Program currently under development, where conditions have been satisfied, or their ongoing satisfaction is highly likely, and the Program is anticipated to continue to completion. The funding summary analyzes the Program's undrawn external assistance.

**Significant Accounting Policies (continued)**

**e) Recognition of payments**

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

**i) Compensation to employees**

Salaries, wages, Allowances, and Statutory Contributions for employees are recognized when the compensation is paid.

**ii) Use of goods and services**

Goods and services are recognized as payments when the goods/services are consumed and paid for. If not paid for when goods/services are consumed, they shall be disclosed as pending bills.

**iii) Interest on borrowing**

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

**iv) Repayment of borrowing (principal amount)**

Repayment of the principal amount of borrowing is recognized as payment in the period in which the repayment is made. The debt stock is disclosed as an annexure to the consolidated financial statements.

**Significant Accounting Policies (continued)**

**v) Acquisition of fixed assets**

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

**f) In-kind donations**

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

**g) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**Significant Accounting Policies (Continued)**

**h) Restriction on cash**

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

**i) Imprests and Advances**

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

**j) Contingent Liabilities**

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public-Private Partnerships,

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

**Significant Accounting Policies (Continued)**

**k) Contingent Assets**

*Kenya Primary Education Equity in Learning Program* 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 *Kenya Primary Education Equity in Learning Program* 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.

**l) Pending bills**

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

**m) Budget**

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Program's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Programs are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers and are eliminated upon consolidation. A high-level assessment of the Program's actual performance against the comparable budget for the financial year/period under review has been *included in an annex to these financial statements*.

**Significant Accounting Policies (Continued)**

**n) Third-party payments**

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments. and are disclosed in the payment to third parties' column in the statement of receipts and payments.

**o) Exchange rate differences**

The accounting records are maintained in the functional currency of the primary economic environment in which the Program operates (Kenya Shillings). Transactions in foreign currencies during the year/period are converted into functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of receipts and payments.

**p) Comparative figures**

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

**q) Subsequent events**

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

**r) Prior period adjustments**

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). Explanations and details of these prior period adjustments are presented *in note 15 of these financial statements*.

## 12. Notes to the Financial Statements

### 1. Transfers from Government entities

**Note 1A** These represent counterpart funding and other receipts from the government as follows:

Description	2022-2023
	Kshs
<i>Counterpart funding through State department for basic education</i>	
Counterpart funds Quarter 1	-
<b>Total (See Annex 3)</b>	-
<i>Other transfers from government entities</i>	
<i>Ministry/County Department xx</i>	-
Total	=
Appropriations-in-Aid	-
<b>Total</b>	=

**Note 1B** these represent counterpart funding and other receipts for the program follows:

Description	2022-2023
	Kshs
<i>Counterpart funding received for the program</i>	
Counterpart funds Quarter 1	-
Counterpart funds Quarter 2	-
Counterpart funds Quarter 3	18,134,810,495
Counterpart funds Quarter 4	-
<b>Total</b>	<b>18,134,810,495</b>

Notes to the Financial Statements (Continued)

2. Proceeds From Domestic and Foreign Grants

During the financial period to 30 June 2023, we received grants from donors as detailed in the table below:

2022-2023								
Name of Donor	Currency	Date received	Amount received in donor currency	rate	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount
					Kshs	Kshs	Kshs	Kshs
<b>IDA GRANT</b>								
IDA GRANT(IDA D9910)	SDR	18 Nov 2022	8,101,881	126	1,022,263,747			1,022,263,747
			<u>8,101,881</u>	-	<u>1,022,263,747</u>	-	-	<u>1,022,263,747</u>

**Notes to the Financial Statements (Continued)**

**3. Loan from External Development Partners**

During the financial period to 30 June 2023, we received funding from development partners in the form of loans negotiated by the National Treasury, as detailed in the table below:

2022-2023								
Name of Donor	Currency	Date received	Amount received in donor currency	rate	Grants received in cash	Loan received as direct payment*	Loan received in kind	Total amount
					Kshs	Kshs	Kshs	Kshs
<b>IDA CREDIT</b>								
	EUR	15 Nov 2022	20,584,966	126	2,583,833,179			<b>2,583,833,179</b>
<b>IDA LOAN( CR 706700)</b>			<u>20,584,966</u>	-	<u>2,583,833,179</u>	-	-	<u>2,583,833,179</u>

\*

Notes to the Financial Statements (Continued)

4. Miscellaneous receipts

Description	2022-2023		
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total receipts
	Kshs	Kshs	Kshs
Sales of goods and services	-	-	-
Administrative fees and charges	-	-	-
Other receipts; Cash Deposit	-	-	-
<b>Total</b>	-	-	-

*\*The program did not receive extra funds*

5. Compensation to Employees

Description	2022-2023		
	Payments made by the Entity in Cash	Payments made by third parties	Total payments
	Kshs	Kshs	Kshs
-	-	-	-
Basic salaries of permanent employees	-	-	-
Basic wages of temporary employees	-	-	-
<b>Total</b>	-	-	-

*\*All program employees are remunerated by the line ministry*

*Kenya Primary Education Equity in Learning Program  
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Notes to the Financial Statements (Continued)

6. Purchase of Goods and Services

Description	2022-2023		Total payments Kshs
	Payments made in Cash Kshs	Payments made by third parties Kshs	
Utilities, supplies and services	-	-	-
Communication, supplies and services	1,326,622	-	1,326,622
Domestic travel and subsistence	34,161,115	-	34,161,115
Foreign travel and subsistence	-	-	-
Printing, advertising, and information supplies	-	-	-
Training payments	-	-	-
Hospitality supplies and services	3,328,500	-	3,328,500
Routine maintenance – vehicles and other transport equipment	-	-	-
Fuel Oil and Lubricants	1,809,900	-	1,809,900
Contracted professional services	133,340,801	-	133,340,801
Hire of Services	-	-	-
Expenses by implementing agencies(SOE's)	1,397,601,769	-	1,397,601,769
<b>Total</b>	<b>1,571,568,707</b>	<b>-</b>	<b>1,571,568,707</b>

\*Expenses by implementing agencies (SOE) represent payments made by SAGA's and counties that are represented by statement of expenditures.

7. Social Security Benefits

Description	2022-2023		
	Payments made by the Entity in Cash Kshs	Payments made by third parties Kshs	Total Payments Kshs
Government pension and retirement benefits	-	-	-
Social security benefits in cash and in kind	-	-	-
Employer social benefits in cash and in kind	-	-	-
<b>Total</b>	-	-	-

*\*All personnel working for the Program are remunerated by the Line ministry*

8. Acquisition of Non-Financial Assets

Description	2022-2023		
	Payments made in Cash Kshs.	Payments made by third parties Kshs.	Total payments Kshs
Purchase of buildings	-	-	-
Construction of buildings	-	-	-
<b>Total</b>	-	-	-

*\*There was no purchase of non-financial asset in the year 2022-2023*

**Notes to the Financial Statements (Continued)**

**9. Transfers to other Government Entities**

During the financial period to 30 June 2023, we transferred funds to reporting government entities as shown below:

Description	2022-2023		
	Payments made in Cash	Payments made by third parties	Total payments
	Kshs	Kshs	Kshs
Transfers to National/County Government entities	-	-	-
Ministry ABC	-	-	-
<b>Total</b>	-	-	-

*\*There were no transfer to other government entities; AIE's and Disbursements were issued to counties and Saga's respectively.*

*Returns from counties and Sagas formed part of the expenditures for the program*

Notes to the Financial Statements (Continued)

10. Other Grants, Transfers, and Payments

10 A. Other Grants, Transfers, and Payments

Description	Payments made in Cash
	Kshs
Grants for scholarships	1,653,355,334
Grant for infrastructure development in Primary schools	-
<b>Total</b>	<b>1,653,355,334</b>

10 B. Payments by third parties

	2022-2023
Description	Kshs
<i>State department for basic education</i>	18,134,810,495
NGOs	-
National Assistance Organization	-
<b>Total</b>	<b>18,134,810,495</b>

**Kenya Primary Education Equity in Learning Program  
Annual Report and Financial Statements for the financial year ended June 30, 2023**

<b>Payments made by third parties</b>	<b>2022-2023</b>
<b>Description</b>	<b>Kshs</b>
Rehabilitation Of Classrooms In Primary Schools	263,787,743
Jss Capitation- Capitation Grants	11,330,133,879
Kise-Facilitationspecial Needs Education	397,111,324
Recruitment Of Ict Interns	124,953,478
Scool Feeding Program	4,076,693,389
School Examination And Invigilation Fees	1,942,130,682
<b>Total</b>	<b>18,134,810,495</b>

*\* Grant for scholarships includes payments by Jomo Kenyatta Foundation to various institutions for elimu scholarship beneficiaries and payments made to Equity group Foundation for elimu scholarship program minus unspent balance on the egf deposit account as at 30<sup>th</sup> June 2023.*

*Infrastructure grants include payments made to schools for SIPs and for construction of Junior Secondary schools classrooms. Kshs 18,134,810,494.00 was paid directly by the State department for basic education as part of the program that the Ministry undertake. This forms part of DLI expenditure for the Program and treated as GOK counterpart contribution for achievement of DLR*

Notes to the Financial Statements (Continued)

11. Cash And Cash equivalents

1. Bank Balances

Description	2022-2023
	Kshs
DLI CR 7067KE CBK A/C 1000622296 (Note 11A)	300,493,755
GRANT D991KE CBK A/C 1000622288	157,255,461
CBK (AF IPF) A/C 1000740701	-
<b>Total</b>	<b><u>457,749,216</u></b>

Shared Banking arrangement

Description	Cummulative	IPF
	Kshs	Kshs
CENTRAL BANK A/C NO.1000622296-(DLI CR7067KE - KES)	143,238,293	(157,255,461)
CENTRAL BANK A/C NO.1000622288-(D 991KE - KES)	274,850,873	117,595,411
<b>Total</b>	<b><u>418,089,166</u></b>	<b><u>(39,660,050)</u></b>

NOTE 11A

	Kshs
CENTRAL BANK A/C NO.1000622288-(D 991KE - KES)	157,255,461
<b>Total</b>	<b><u>157,255,461</u></b>

NOTE 11B

Description	2022-2023
	Kshs
CENTRAL BANK A/C NO.1000622296-(DLI CR7067KE - KES)	300,493,755
<b>Total</b>	<b><u>300,493,755</u></b>

**NOTE 11C**

**Program Saga's and Counties Bank balance**

<b>Details</b>	<b>2022-2023</b>
	<b>Kshs</b>
PCU	
<b>Sagas</b>	
NACONEK	413,195
KICD	1,770,802
KEMI	
<b>Sub-total</b>	<b>2,183,997</b>
<b>Counties</b>	
Kilifi	31,800
Garissa	1,044,580
Wajir	554,292
Mandera	394,413
Meru	553,244
Embu	3,350
Kitui	259,250
Nyeri	58,150
Murang'a	1,350
Kiambu	649,736
Turkana	1,755,448
W-Pokot	30,802
Samburu	-
Tranzoia	48,594
Elgeyo Marakwet	30,000

**Kenya Primary Education Equity in Learning Program**

**Annual Report and Financial Statements for the financial year ended June 30, 2023**

Narok	740,799
Bomet	193,050
Kakamega	33,000
Bungoma	6,660
Siaya	213,780
Kisumu	247,798
Homabay	4,000
Kisii	47,310
Nyamira	25,000
Nairobi	3,215
Total bank account balances	<b>6,929,621</b>

*\*Note: Cash and cash equivalent include cash book balances from PCU.*

**Kenya Primary Education Equity in Learning Program** has Fifty Six(56) number of Program accounts spread within the Program implementation areas Three (3) operation accounts by CBK, Six (6) commercial bank accounts by Sagas, Forty Seven (47) Commercial bank accounts by counties and Five (5) number of foreign currency designated accounts managed by the National/County Treasury as listed below:

**In addition, KPEEL Program also has the following holding bank accounts with local commercial banks as below:**

No	Commercial Bank	Account no.	Purpose
1	Equity Bank	08102835433185	To disburse funds for elimu scholarship program under Equity group foundation
2	Equity Bank	0810282920960	To disburse funds for elimu scholarship program under Equity group foundation
3	Equity Bank	0470284418874	To disburse grant funds for infrastructure developments in schools

*Kenya Primary Education Equity in Learning Program  
Annual Report and Financial Statements for the financial year ended June 30, 2023*

---

4	Kenya Commercial Bank	1319665705	To disburse grant funds for infrastructure developments in schools
5	National Bank of Kenya	01071263675700	To disburse grant funds for infrastructure developments in schools
6	Co-operative Bank	1100279958001	To disburse grant funds for infrastructure developments in schools
7	Family Bank	068000031479	To disburse grant funds for infrastructure developments in schools
8	Absa Bank	2050737694	To disburse grant funds for infrastructure developments in schools

**Notes to the Financial Statements (Continued)**

**Special Deposit Accounts**

The balances in the Program’s Special Deposit Account(s) as of 30th June 2023 are not included in the Statement of Financial Assets since the line items are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule, which shows the flow of funds voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

**Special Deposit Accounts Movement Schedule**

**(i) A/c DLI AF GRANT A/C 1000715154**

	2022-2023
Description	KSHS
Opening balance	-
Total amount deposited in the account	
Total amount withdrawn (as per Statement of Receipts & Payments)	
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	

**(ii) A/c DLI A/C 1000630558**

	2022-2023
Description	KSHS
Opening balance	
Total amount deposited in the account	
Total amount withdrawn (as per Statement of Receipts & Payments)	
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	

**Notes to the Financial Statements (Continued)**

**12. Imprests and Advances**

<i>Description</i>	<b>2022-2023</b>
	<b>Kshs</b>
Inter entity receivable/Payable	-
Clearance accounts(Receivables from Sagas)	2,183,997
Clearance accounts(Receivables from Counties)	6,929,621
<b>Total</b>	<b>9,113,618</b>

**12A: Breakdown of Imprests**

<b>Name of Officer or Institution</b>	<b>Amount Taken</b>	<b>Due Date of Surrender</b>	<b>Amount Surrendered</b>	<b>Balance Current FY</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
	-	-	-	-
Total	-	-	-	-

**12B: Breakdown Advances  
Counties and SAGA's**

<b>Details</b>	<b>2022-2023</b>
	<b>Kshs</b>
PCU	
<b>SAGA'S</b>	
NACONEK	413,195
KNEC	
JKF	
KICD	1,770,802
KEMI	
<b>Sub-Total</b>	<b>2,183,997</b>

*Kenya Primary Education Equity in Learning Program  
Annual Report and Financial Statements for the financial year ended June 30, 2023*

---

COUNTIES	
Kilifi	31,800
Garissa	1,044,580
Wajir	554,292
Mandera	394,413
Meru	553,244
Embu	3,350
Kitui	259,250
Nyeri	58,150
Murang'a	1,350
Kiambu	649,736
Turkana	1,755,448
W-Pokot	30,802
Tranzoia	48,594
Elgeyo Marakwet	30,000
Narok	740,799
Bomet	193,050
Kakamega	33,000
Bungoma	6,660
Siaya	213,780
Kisumu	247,798
Homabay	4,000
Migori	-

*Kenya Primary Education Equity in Learning Program  
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Kisii	47,310
Nyamira	25,000
Nairobi	3,215
<b>Sub-Total</b>	<b>6,929,621</b>

**13. Third-Party Deposits and Retention**

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Retention	-		-	
Deposits	85,689,948.40		-	
<b>Total</b>	<b>85,689,948.40</b>		-	
<b>Ageing analysis:</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	16,613.00	<b>100%</b>	-	<b>%</b>

*There was no retention for the Year 2022-2023,*

**14. Fund Balance Brought Forward**

<b>Description</b>	<b>2022-2023</b>
	<b>Kshs</b>
CBK (DLI) A/C 1000622296	-
CBK (IPF) A/C 1000622288	-
Outstanding imprests and advances	-
Deposits and retention	-
Balances held by Counties	-
Deposits and retention	-
<b>Total</b>	<b>-</b>

**15. Prior Year Adjustment**

	<b>Balance b/f Previous FY (audited financial statements)</b>	<b>Adjustments</b>
<b>Description of the error</b>	<b>Kshs</b>	<b>Kshs</b>
Bank accounts(Loan)	-	-
Bank accounts(Grant)	-	-
Receivables - Outstanding Imprests	-	-
Sagas balances	-	-
Counties balances	-	-
Payables - Deposits	-	-
<b>Total</b>		

**16. Changes in Accounts Receivables ( Imprests and Advances)**

Description	2022-2023
	Kshs
Opening Receivables as at 1 <sup>st</sup> July 2022	-
Closing account receivables as at 30 <sup>th</sup> June 2023	(9,113,618)
<b>Change in Imprests and advances</b>	<b>(9,113,618)</b>


**17. Changes in Accounts Payables (Deposits and Retention)**

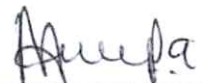
Description	2022-2023
	Kshs
Deposit and Retentions as at 1 <sup>st</sup> July 2022	-
Closing accounts payables as at 30 <sup>th</sup> June 2023	85,689,948
<b>Changes in deposit and retention</b>	<b>85,689,948</b>

**13. Annexes**

**Annex 1: Prior Year Auditor-General's 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)

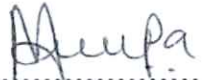
  
 .....  
**Dr. Belio R. Kipsang, CBS**  
**Principal Secretary**

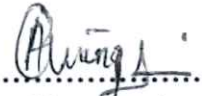
  
 .....  
**Martha Ekirapa**  
**Program Coordinator**

Annex 2: Variance explanations - Comparative Budget and Actual Amounts for Current FY

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	%age of Utilization	Explanation of variances
	a	b	c=a+b	d	e=c-d	f=d/c %	
<b>Receipts</b>			-		-		
Transfer from Government entities				-	-		
Proceeds from domestic and foreign grants	4,143,785,097		4,143,785,097	1,022,263,747	3,121,521,350	25%	
Proceeds from borrowings	2,990,269,154		2,990,269,154	2,583,833,179	406,435,975	86%	
<b>Total Receipts</b>	<b>7,134,054,251</b>	<b>-</b>	<b>7,134,054,251</b>	<b>3,606,096,926</b>	<b>3,527,957,325</b>		
<b>Payments</b>					-		
Purchase of goods and services	1,571,568,707		1,571,568,707	1,571,568,707	-	100%	
Other grants and transfers	1,653,355,334		1,653,355,334	1,653,355,334	-	100%	
<b>Total Payments</b>	<b>3,224,924,041</b>	<b>-</b>	<b>3,224,924,041</b>	<b>3,224,924,041</b>	<b>-</b>		
<b>Surplus or Deficit</b>	<b>3,909,130,210</b>	<b>-</b>	<b>3,909,130,210</b>	<b>381,172,886</b>	<b>3,527,957,325</b>		

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

  
 .....  
 Martha Ekirapa  
 Program Coordinator

  
 .....  
 CPA. Maurice Ageng'o Ochieng'  
 Program Accountant  
 ICPAK Member No:15502

**Annex 3: Summary of Fixed Assets Register**

- *The program did not acquire fixed assets in the financial year 2022-2023*

**Annex 4: Other Support Documents**

- i. Bank Reconciliations statement as at 30<sup>th</sup> June 2023
- ii. Certificate of Balances as at 30<sup>th</sup> June 2023
- iii. Special Deposit Account(s) reconciliation statement(s)

REPUBLIC OF KENYA

**BANK RECONCILIATION STATEMENT**

STATE DEPARTMENT FOR EARLY LEARNING AND BASIC EDUCATION.  
CENTRAL BANK A/C NO.1000622296-(DLI CR7067KE - KES)

AS AT

30-Jun-23

STATION: KPEEL (LOAN ACCOUNT)

	(KSHS)	(KSHS)	(KSHS)
BAL AS PER BANK CERTIFICATE			269,898,686.35
<b>LESS:</b>			
1 Payments in Cash Book not yet recorded in Bank Statement (Unrepresented Cheques)	126,665,092.85		
2 Receipts in Bank Statement not yet recorded in Cash Book			126,665,092.85
<b>TOTAL</b>			
<b>ADD:</b>			
3 Payments Bank Statement not yet recorded in Cash Book			
4 Receipts in Cash Book not yet recorded in Bank Statement	4,700.00		4,700.00
<b>TOTAL</b>			<b>143,238,293.50</b>

**BALANCE AS PER CASH BOOK**

Certify that I have verified the Bank Balance in the Cash Book with the Bank Statement and that above Reconciliation is correct

.....  
Signature

.....Principal Accountant.....  
Designation

.....15th July 2023.....  
Date

Difference

DETAILS

STATEMENT BAL

CASH BOOK FIG.

269,898,686.35

143,238,293.50

**1 PAYMENT IN CASH BOOK NOT RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)**

DATE	CHQ NO.	PAYEE	AMT(SHS)
19-May-23		EAGLE PALACE HOTEL-VAT	17,982.75
30/06/2023		ROBERT WANGOMBE	29,400.00
30/06/2023		DR. HELLEN BORUETT	17,500.00
30/06/2023		STATE DEPARTMENT FOR BASIC ED.	120,000,000.00
30/06/2023		GOVERNMENT ADVERTISING AGENCY	259,768.75
30/06/2023		ELLABELL AGENCIES	69,990.00
30/06/2023		DOSLEY AGENCIES	173,491.30
30/06/2023		NATION MEDIA GROUP	97,348.15
30/06/2023		VAT	1,707.85
30/06/2023		HOFFMAN SOLUTIONS	5,894,491.90
30/06/2023		VAT	103,412.15
<b>SUB- TOTAL</b>			<b>126,665,092.85</b>

**2 RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK**

DATE	CHQ NO.	DETAILS	AMT(SHS)
<b>SUB- TOTAL</b>			

**3 PAYMENT IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK**

DATE	CHQ NO.	DETAILS	AMT(SHS)
<b>SUB- TOTAL</b>			

**4 RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT**

DATE	RCPT NO	DETAILS	AMT(SHS)
30-Jun-23		CHARITY MAKAU	3,200.00
30-Jun-23		PHILIP MALINGA MAATE	1,500.00
<b>SUB- TOTAL</b>			<b>4,700.00</b>

REPUBLIC OF KENYA

**BANK RECONCILIATION STATEMENT**

STATE DEPARTMENT FOR EARLY LEARNING AND BASIC EDUCATION.

CENTRAL BANK A/C NO.1000622288-(D 991KE - KES)

AS AT

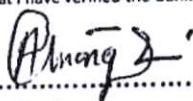
31-Jul-23

STATION: KPEEL (GRANT ACCOUNT)

	(KSHS)	(KSHS)	(KSHS)
BAL AS PER BANK CERTIFICATE			274,676,168.60
<b>LESS:</b>			
1 Payments in Cash Book not yet recorded in Bank Statement (Unrepresented Cheques)	150,256.00		
2 Receipts in Bank Statement not yet recorded in Cash Book	109,300.00		
TOTAL			259,556.00
<b>ADD:</b>			
3 Payments Bank Statement not yet recorded in Cash Book.	433,260.05		
4 Receipts in Cash Book not yet recorded in Bank Statement	1,000.00		
TOTAL			434,260.05
			<b>274,850,872.65</b>

BALANCE AS PER CASH BOOK

I certify that I have verified the Bank Balance in the Cash Book with the Bank Statement and that above Reconciliation is correct

.....  
  
 Signature

.....Principal Accountant.....

Designation

.....15th July 2023.....

Date

Difference

DETAILS

STATEMENT BAL

274,676,168.60

CASH BOOK FIG.

274,850,872.65

**1 PAYMENT IN CASH BOOK NOT RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)**

DATE	CHQ NO.	PAYEE	AMT(SHS)
19-May-23		BLOOMING SUITS LTD (vat)	75,958.60
30-Jun-23		VAT	74,297.40
<b>SUB- TOTAL</b>			<b>150,256.00</b>

**2 RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK**

DATE	CHQ NO.	DETAILS	AMT(SHS)
02-Mar-23	FT23061MNR2P	Local Cash Deposit Bulk	12,000.00
05-Jul-23		ANTHONY MWANGI -RD	52,500.00
11-Jul-23		INVALID BENE	44,800.00
<b>SUB- TOTAL</b>			<b>109,300.00</b>

**3 PAYMENT IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK**

DATE	CHQ NO.	DETAILS	AMT(SHS)
			173,491.30
			259,768.75
<b>SUB- TOTAL</b>			<b>433,260.05</b>

LOAN

LOAN

**4 RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT**

DATE	RCPT NO	DETAILS	AMT(SHS)
30-Jun-23		TITUS GITUMA	1,000.00
<b>SUB- TOTAL</b>			<b>1,000.00</b>

Total

BANKI  
KUU YA  
KENYA



CENTRAL  
BANK OF  
KENYA

July 11, 2023

Haile Selassie Avenue  
P.O. Box 60000 - 00200 Nairobi, Kenya  
Telephone: 2860000, Fax: 3340192

## CERTIFICATE OF BALANCES

Customer : 138662  
Balance  
Date: 30-Jun-23

STATE DEPT FOR  
EARLY LEARN B EDU

Account No	Account Name	Currency	Balance
1000384263	REC-STATE DEPT FOR EARLY LEARNING	KES	303,080,088.45
1000384271	DEV-STATE DEPT FOR EARLY LEARNING	KES	1,323,056.00
1000384287	DEP-STATE DEPT FOR EARLY LEARNING	KES	653,002,567.85
1000384298	CBK165-STATE DEPT FOR EARLY LEARNIN	KES	0.00
1000387904	KENYA PRIMARY EDUCATION DEVELOPM	KES	0.00
1000387912	PROPOSED SECONDARY EDU QUAL IMP PRO	KES	3,085,405,654.30
1000387928	STATE DEPT FOR BAS ED. EQU FUND OP	KES	0.00
1000387939	STATE DEPT FOR BASIC ED SEC 6138 KE	KES	549,766,454.40
1000387947	KENYA PRI EDU DEVELOPMENT PROJECT-A	KES	0.00
1000387955	KENYA PRI EDU DEVELOPM PROJECT-B	KES	0.00
1000432117	SPORTS,ARTS,SOC. DEV- EARLY LEARN.	KES	0.00
1000465069	KENYA PRIMARY EDUCATION DEV(PRIEDE)	KES	0.00
1000470728	KENYA PRIMARY EDU DEV COVID 19 PROJ	KES	0.00
1000622288	PRIM EDU EQTY LEARN P-GRANT D991KE	KES	284,016,178.50
1000622296	PRIM EDU EQTY LEARN P-DLI CR7067KE	KES	269,898,686.35
1000656522	PRIMARY EDU EQUITY LEARN PROG(PEEL)	KES	0.00

Priscilla Keitany (Mrs)  
Authorised Signatory  
Banking Services Division

Joyce Nasieku  
Authorised Signatory  
Banking Services Division

**KENYA PRIMARY EDUCATION EQUITY IN LEARNING PROGRAM - GRANT  
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION  
FOR THE YEAR ENDED 30 JUNE 2023**

Credit No.: IDA GRANT NO. D9910-KE (MOE)

Bank Account No.: 1000600802 held with CENTRAL BANK OF KENYA

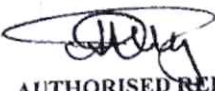
	NOTES	AMOUNT EUR	AMOUNT EUR
1	Amount advanced by IDA		691,261.35
	<b>Less:</b>		
2	Total amount documented		91,261.35
3	<b>Outstanding amount to be documented</b>		<b>600,000.00</b>
	<b>Represented by:</b>		
4	Ending Special account Balance as as 30 June 2023		55,894.85
5	Amounts claimed but not credited as at 30 June 2023		-
6	Amounts withdrawn and not claimed		<b>544,100.15</b>
7	Service Charges (if not included in lines 5 and 6 above)		5.00
8	Interest earned (if included in Special Account)		-
9	<b>Total advance to Special Account Year ended 30 June 2023</b>		<b>600,000.00</b>

Discrepancy between total appearing on line 3 and 9

**Notes:**

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by IDA and provide reasons for not claiming the expenditures

The amount appearing on line 6 is eligible for financing by World Bank and shall be documented in subsequent IFRs

  
 AUTHORISED REPRESENTATIVE  
 RESOURCE MOBILISATION DEPARTMENT  
 THE NATIONAL TREASURY

DATE: 28/6/23

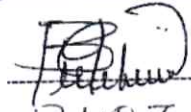
**SPECIAL ACCOUNT STATEMENT**

For period ending	30TH JUNE, 2023
Account No.	1000600802
Depository Bank	CENTRAL BANK OF KENYA
Address	CBK
Related Loan	PRIM. EDU. EQUITY MOE GRANT D991 KE
Credit Agreement	6121-KE
Currency	EUR

**Part A - Account Activity**

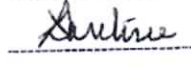
Beginning balance of 1st July, 2022 as per C.B.K. Ledger Account	-
<b>Add:</b>	
Total Amount deposited by World Bank	691,246.35
Total Interest earnings if deposited in account	-
Total amount refunded to cover ineligible expenditure	-
<b>Deduct:</b>	
Total amount withdrawn	635,351.50
Total service charges if not included above in amount withdrawn	-
Ending balance on 30th June, 2023	55,894.85

**AUTHORISED REPRESENTATIVE  
CENTRAL BANK OF KENYA**

SIGNATURE: 

DATE: 24.07.2023

**AUTHORISED REPRESENTATIVE  
EXTERNAL RESOURCES  
DEPARTMENT-TREASURY**

SIGNATURE: 

DATE: 28-08-2023

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2023 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Results 1 - 5 of 5

Run Date: 24/07/2023 Run Time: 15:02:55  
 CENTRAL BANK OF KENYA  
 BANKING UYA KENYA  
 P.O.BOX 00000-0200  
 NAIROBI  
 STATEMENT PERIOD: From 01/07/2022 To

STATEMENT OF ACCOUNT

PAGE NO: 1

ACCOUNT NUMBER: 1000600802

ACCOUNT TITLE: PRIM. EDU. EQUTY MOE GRANT D991 KE  
 30/06/2023

NO	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
OPENING BAL :				0.00	
NO.	Value Date	Reference.No	Details	Debit	Credit
1	07/10/2022	FT222809HKC3	FUNDING	0.00	599,995.00
2	14/10/2022	FT22287KDGYC	PA128291	-599,995.00	0.00
3	27/03/2023	FT23086GTCYJ	FUNDING	0.00	35,356.50
4	12/04/2023	FT23102VQZ50	PA129915	-35,356.50	0.00
5	26/05/2023	FT23146DDL99	FUNDING	0.00	55,894.85
CLOSING BALANCE :					55894.85

END OF ACCOUNT STATEMENT

Favourites TAM E STMT OF ACCT EPRM More Options  
Clear Selection Find

Account  1000600802

Statement From  20220701

Statement To  20230630

TAM E STMT OF ACCT EPRM

18  
18

**PRIMARY EDUCATION EQUITY IN LEARNING PROGRAM  
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION  
FOR THE YEAR ENDED 30 JUNE 2023**

Credit No.: IDA LOAN NO. CREDIT NO.70670-KE (DA-A)

Bank Account No.: 1000600772 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		1,482,510.17
	Less:		
2	Total amount documented		82,510.17
3	Outstanding amount to be documented		1,400,000.00
	<b>Represented by:</b>		
4	Ending Special account Balance as as 30 June 2023		-
5	Amounts claimed but not credited as at 30 June 2023		-
6	Amounts withdrawn and not claimed		1,400,000.00
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	<b>Total advance to Special Account Year ended 30 June 2023</b>		<b>1,400,000.00</b>

Discrepancy between total appearing on line 3 and 9

**Notes:**

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by IDA and provide reasons for not claiming the expenditures

The amount appearing on line 6 is eligible for financing by IDA and shall be documented in subsequent IFRs



AUTHORISED REPRESENTATIVE  
RESOURCE MOBILISATION DEPARTMENT  
THE NATIONAL TREASURY

DATE: 25-08-2023

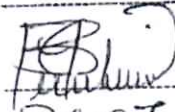
**SPECIAL ACCOUNT STATEMENT**

For period ending	30th JUNE, 2023
Account No.	1000600772
Depository Bank	CENTRAL BANK OF KENYA
Address	CBK
Related Loan	PRIM. EDUCATION EQUITY MOE CR 7067
Credit Agreement	
Currency	EUR

**Part A - Account Activity**

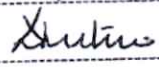
Beginning balance of 1st July, 2022 as per C.B.K. Ledger Account	0.00
<b>Add:</b>	
Total Amount deposited by World Bank	1,482,500.17
Total Interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
<b>Deduct:</b>	
Total amount withdrawn	1,482,500.17
Total service charges if not included above in amount withdrawn	
Ending balance on 30th June, 2023	0.00

**AUTHORISED REPRESENTATIVE  
CENTRAL BANK OF KENYA**

SIGNATURE: 

DATE: 24.07.2023

**AUTHORISED REPRESENTATIVE  
EXTERNAL RESOURCES  
DEPARTMENT-TREASURY**

SIGNATURE: 

DATE: 25-08-2023

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2023 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Run Date: 19/07/2023  
 CENTRAL BANK OF KENYA  
 BANKI KUU YA KENYA  
 P.O. BOX 60000-0200  
 NAIROBI

Run Time: 13:09:58

STATEMENT OF ACCOUNT

PAGE NO: 1

ACCOUNT NUMBER : 1000600772

ACCOUNT TITLE : PRIM. EDUCATION EQUITY MOE CR 7067  
 30/06/2023

STATEMENT PERIOD: From 01/07/2022 To

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
OPENING BAL :				0.00	
NO.	Value Date	Reference.No	Details	Debit	Credit
1	07/10/2022	FT22280HBJR3	FUNDING	0.00	1,399,995.00
2	14/10/2022	FT22287QFPCJ	PA128290	-1,399,995.00	0.00
3	27/03/2023	FT230862JSS1	FUNDING	0.00	82,505.17
4	13/04/2023	FT23103F4CVH	PA 129914	-82,505.17	0.00
CLOSING BALANCE :				0	

END OF ACCOUNT STATEMENT

Favourites	TAM.E.STMT OF ACCT.EPRM	More Options	Find
	Account equals	Clear Selection	
	Statement From equals	1000600772	
	Statement To equals	20220701	
		20230630	
	TAM.E.STMT OF ACCT.EPRM		