

REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY	
P. 0	
DATE: 23 NOV 2022	DAY: Wednesday
<b>REPORT</b>	Majority Whip
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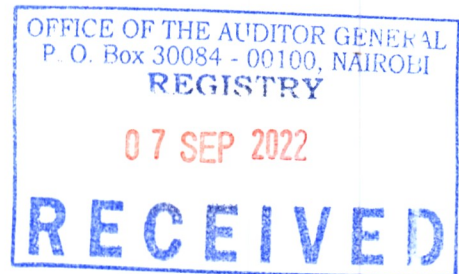
OF

**THE AUDITOR-GENERAL**

ON

**KENYA INSTITUTE OF  
CURRICULUM DEVELOPMENT**

**FOR THE YEAR ENDED  
30 JUNE, 2021**



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**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30TH JUNE, 2021**

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

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**I. KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background Information**

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

**(b) Principal Activities**

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

**(c) Key Management**

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

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

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**(d) Fiduciary Management**

The Senior Management personnel who held office during the year ended 30<sup>th</sup> June 2021 and who had direct fiduciary responsibility were:

<b>Designation</b>	<b>Name</b>	<b>Date of Appointment</b>	<b>Date of Exit</b>
Director/Chief Executive Officer	Prof. Charles O. Ong'ondo, PhD, MBS	28 <sup>th</sup> September 2020	-
Ag. Director/Chief Executive Officer	Dr. Joel Mabonga	29 <sup>th</sup> February, 2020	27 <sup>th</sup> September 2020
Ag. Senior Deputy Director Corporate Services	Mr. Solomon Kathuo	2 <sup>nd</sup> March, 2020	27 <sup>th</sup> September 2020
Senior Deputy Director – Media and Extension Services	Mr. John Kimotho	1 <sup>st</sup> February, 2008	
Senior Deputy Director Curriculum and Research Services	Mrs. Jacqueline Onyango	1 <sup>st</sup> July, 2017	

**(e) Fiduciary Oversight Arrangements.**

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

**i) Finance, Strategy and General Purposes Committee.**

This Council Committee has the following terms of reference;

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

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

ii) **Human Resource and Governance Committee**

This Council Committee has the following terms of reference;

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

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**iii) Curriculum Technical Committee**

This Council Committee has the following terms of reference;

- To review all curricula developed or vetted by the Institute and recommend to the Council for approval.
- To receive a report of all curriculum support materials evaluated by the Institute and recommend to the Council for approval.
- To review progress of all initiatives put in place by the Institute to implement KICD Act and Regulations.
- To review implementation of the Kenya Institute of Curriculum Development Act and Regulations and to recommend amendments where necessary to improve service delivery.

**iv) Audit, Risk and Compliance Committee**

This Council Committee has the following terms of reference;

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

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**(f) Headquarters**

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

**(g) Contacts**

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

**(h) Bankers**

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

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

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

National Bank of Kenya  
P O Box 72866-00200  
Nairobi, Kenya.  
NCBA Kenya bank PLC,  
P O Box 44599  
**Nairobi, Kenya.**

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**(i) Independent Auditors**

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

**(j) Attorney General,**

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

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**II. COUNCIL MEMBERS**



**DR. SARA RUTO**

**CHAIRPERSON -  
KICD COUNCIL**

Appointed on 16<sup>th</sup> October, 2019 and Exited in February 2021

**Dr. Ruto** (52 years), is the Chairperson, Kenya Institute of Curriculum Development (KICD) Council. Her areas of specialisation are Educational Research and school reform. She is the Chief Executive Officer of the People’s Action for Learning (PAL) Network a global south network of countries undertaking citizen led assessments and actions. Dr. Ruto also leads the Accelerated Learning Program that seeks to provide an evidence base to hasten learning outcomes for children left behind. She previously served as the Regional Manager of Uwezo East Africa, and was a lecturer at Kenyatta University. She sits in several advisory boards, such as UNESCO’s Global Education Monitoring Report, the INCLUDE Knowledge Platform and Brookings Millions Learning Advisory Group.



**MR. JOHNSON NZIOKA**

**MEMBER**

Appointed on 1<sup>st</sup> September 2019

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

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

He is currently the National Chairman of Kenya Primary Schools Head-teachers Association (KEPSHA) currently the National chairman KEPSHA and Organizing Secretary, Federation of East Africa Primary Schools Head-teachers.

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**FCPA JULIUS MWATU**

**CO-OPTED  
MEMBER**

Appointed on 4<sup>th</sup> March, 2020

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

He is a past Chairman of the Institute of Certified Public Accountants of Kenya (ICPAK) and a fellow of the Institute. Julius also previously served as a Board of Trustee of KCA University, a Council Member of the International Federation of Accountants (IFAC), the global body of Professional Accountancy Organisations (PAOs), and as a Board Member of the Pan African Federation of Accountants (PAFA), the African body of PAOs.

Julius holds an MBA in Finance and a BSc. in Statistics. He is a Certified Public Accountant of Kenya - CPA (K), a Certified Secretary - CS and a Certified Financial Analyst - CFA.

Julius sits in a number of boards and committees in public sector, private sector and publicly listed companies.



**PROF. ORPHA K. ONGITI**

**MEMBER**

Appointed on 1<sup>st</sup> September, 2019

**Prof. Ongiti** (59 years) is a Professor of Educational Administration and Policy Studies. She is a Ford Foundation International Fellow (2002). Prof. Ongiti earned her PhD and MSc in Educational Administration and Policy Studies from the State University of New York (SUNY) at Albany NY. A Professional Teacher, Policy and Curriculum expert, Prof. Ongiti attained a Master's in Education (MED) Degree, specializing in Curriculum Studies from Kenyatta University, and a Bachelor of Education Degree from the University of Nairobi. While pursuing her PhD at SUNY, she received the following awards: Dissertation Research Fellowship Award; Initiative for Women Award; Leadership Award, and The Bette Knowlton Roe Scholarship. Management positions held: currently, Dean of Postgraduate Studies & Director of the Institute of Research at Africa Nazarene University; member, Board of Management, Kereri Girls High School; Director, Bicham School; Member, Board of Trustee Nairobi Hospital; previously, .Principal, Nairobi CBD Campus of Africa Nazarene University, Deputy Principal, Nairobi School; Manager, Ngong Hills Adventist School.

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**DR. MARY GATURU**

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

**MEMBER**

Appointed on 1<sup>st</sup> September, 2019

**Dr. Gaturu, Hsc**, (58 Years), is currently a director of Quality Assurance and standards in the department of early learning and basic education at the Ministry of Education. She holds PhD in education administration from Kenyatta University, Master's degree in education administration from Kenyatta university and Bachelor of Education from Kenyatta University. She has a wealth of experience in administration having worked as an inspector of school, district education officer in various districts in the country, county director of education and Regional director of education in rift valley region. She has also served in various university councils and has taken a number of leadership trainings both locally and internationally



**MS. FLORENCE NGARARI**

**MEMBER**

Appointed on 1<sup>st</sup> September, 2019

**Ms. Ngarari** (54 years), has a Bachelor's degree in Education. She is currently the Principal of Pangani Secondary School. Her area of expertise is administration and Education.

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**MR. GABRIEL MATHENGE**  
**REPRESENTATIVE, TEACHERS**  
**SERVICE COMMISSION**  
**MEMBER**

Appointed on 6<sup>th</sup> August 2020

**Mr. Mathenge** (50 years) has over twenty years of extensive experience in teacher performance management, instructional leadership, project management and educational administration. He holds a Master of Education in Education Administration.

He has over 12 years' experience working with the Teachers Service Commission, specializing on Quality Assurance and Standards. He is a member of KAPAM, and has served in various educational committees and attended several local and international education conference. Previously he worked as high school teacher, deputy principal and high school principal.



**PROF. WINSTON AKALA**  
**MEMBER**

Appointed on 1<sup>st</sup> September, 2019

**Prof. Akala** (55 years), is currently a member of faculty at the School of Education, Department of Educational Administration and Planning, University of Nairobi. He is a specialist in curriculum development, education research, monitoring and evaluation with a Master of Philosophy degree in Curriculum development from Moi University and Doctorate degree in Curriculum research from the University of Illinois at Urbana- Champaign.

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**DR. MERCY KAROGO**

**MEMBER**

Appointed on 1<sup>st</sup> September, 2016 and Exited on 30<sup>th</sup> June, 2021

**Dr. Karogo** (62 years), is currently the Acting Chief Executive Officer, The Kenya National Examinations Council (KNEC). She was a Senior Deputy Director (Curriculum and Research Services) at KICD.

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



**PROF. CHARLES O. ONG'ONDO,  
PhD, MBS**

**DIRECTOR/CEO**

Appointed on 25<sup>th</sup> September, 2020

**Prof. Ong'ondo, PhD, MBS** (56 years) is an Associate Professor in Teacher Education. He is a Commonwealth Academic Fellow and Scholar who holds a Postdoctoral Fellowship in Research Methodology (University Warwick, UK), a PhD in English Language Teacher Education (the University of Leeds, UK), and an M.Phil. Degree in English Language Education (Moi University, Kenya), a B.Ed. Degree in English and Literature (Moi University), and a Diploma in Education (Siriba Teachers College – Kenya.) He has worked at Moi University for Sixteen years – rising from the level of Assistant Lecturer in 2004, through the ranks of Lecturer and Senior Lecturer to Associate Professor. Prior to joining the university as a lecturer, Charles had had Thirteen years' experience as a teacher of English Language and Literature in English at secondary school level in Kenya.

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**KICD COUNCIL DISTRIBUTION BY ETHNICITY**

<b>S/NO</b>	<b>ETHNIC GROUP</b>	<b>MALE</b>	<b>FEMALE</b>	<b>TOTAL</b>	<b>%</b>
1.	KALENJIN	1	1	2	18
2.	KIKUYU	1	3	4	36
3.	KISII		1	1	9
5.	LUHYA	2		2	18
6.	KAMBA	2		2	18
	<b>TOTAL</b>	<b>6</b>	<b>5</b>	<b>11</b>	<b>100</b>

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**SENIOR MANAGEMENT**



**PROF. CHARLES O. ONG'ONDO,  
PhD, MBS**

**DIRECTOR/CEO**

**Prof. Ong'ondo, PhD, MBS** holds a Postdoctoral Fellowship in Research Methodology (University Warwick, UK), PhD in English Language Teacher Education (the University of Leeds, UK), M.Phil. Degree in English Language Education (Moi University, Kenya), B.Ed. Degree in English and Literature (Moi University), and Diploma in Education (Siriba Teachers College – Kenya.)



**DR. JOEL MABONGA**

**SENIOR DEPUTY DIRECTOR  
CORPORATE SERVICES**

**Dr. Mabonga** holds Bachelors of Education Degree (KU), Masters of Philosophy Degree (Moi University) and PhD Educational Change Management (KU).

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**MR. JOHN G. KIMOTHO**

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

**Mr. Kimotho** holds a Postgraduate Diploma in Leadership in ICT and Knowledge Society – Dublin City University, Masters Degree in Communication (Media Studies) and currently pursuing PhD in Communication at Daystar University.



**MRS. JACQUELINE ONYANGO**

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

**Mrs. Onyango** holds a Masters Degree in Curriculum Studies from University of Nairobi; Bachelor of Education Degree from Kenyatta University; Certificate in Education Planning from the International Institute of Education (IIEP-UNESCO).

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

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**KICD ETHNIC DISTRIBUTION AS AT 30<sup>TH</sup> JUNE 2021**

**KICD Management Distribution by Ethnicity (Grade 5 and above)**

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

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

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

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**III. CHAIRPERSON'S STATEMENT**

The Kenya Institute of Curriculum Development in its resolute efforts to fulfil its mandate under the leadership of the Council, made great strides during the 2020/2021 Financial Year. The Institute in collaboration with the Ministry of Education and other stakeholders has remained focused particularly on curriculum reforms, to guarantee quality. This is in line with its mission of providing curricula and curriculum support materials through research and engagement to nurture every learner's potential for sustainable development.

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

The Council signed a Performance Contract and achieved the set targets. In the last financial year, the Institute had to adjust its operations to the new normal, following confirmation of COVID-19 cases in the country. KICD had a critical role to play to ensure learners remain busy while at home through remote learning. That called for scaling up of the broadcast and digital platforms to meet the demand. The Council embarked on strengthening the Institute's human resource capacity by filling various critical positions in line with the reviewed KICD organizational structure and staffing levels. The Council continues to support and promote professional and career growth of all staff in the Institute. In return, the Council expects the management to be innovative and focused in enhancing teamwork within the Institute.

Finally, I wish to thank the Government of Kenya for the support it has accorded the Institute during the 2020/2021 financial year.



**CHAIRPERSON  
KENYA INSTITUTE OF CURRICULUM DEVELOPMENT**

Date: .....5/9/2022.....

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**IV. REPORT FROM THE CHIEF EXECUTIVE OFFICER**


In the 2020/2021 financial year, the Institute continued with implementation of Curriculum Reform. In order to ensure continuity of essential services, the Institute had to reorganize its mode of service delivery following the confirmation of COVID-19 cases in Kenya in March 2020. Safety containment measures put in place as advised by the Government to mitigate the spread of the Virus.

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

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

During the financial 2020/21, the Institute continued disseminating Radio and Television (TV) programmes, as well as development and dissemination of digital content in the various subjects. All learning institutions were affected following the confirmation of the COVID-19 cases in Kenya. This affected over 15 million learners in basic education. As an intervention measure, KICD upscaled the broadcasting of the virtual lessons to the learners in preprimary, primary and secondary education levels at home due to the pandemic. KICD has continued to provide some form of schooling for learners at home. KICD began disseminating the out of the classroom lessons targeting all learners in basic education who were at home during the Pandemic season.

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



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

Date 5-9-2022 .....

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**V. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR  
FY 2020/21**

<b>Specific Objectives</b>	<b>Performance achieved in FY 2020/21</b>
<p><b>1. Provision of curriculum that is utilized in basic and tertiary education institutions</b></p>	<ul style="list-style-type: none"> <li>i) Developed curriculum designs for Diploma in Early Childhood Teacher Education and Diploma in Primary Teacher Education;</li> <li>ii) Adapted curriculum designs for Diploma in Early Childhood Teacher Education and Diploma in Primary Teacher Education;</li> <li>iii) Matrices for integration of Global Citizenship Education (GCED) in Lower Secondary and Senior Secondary were developed;</li> <li>iv) Scope and sequence charts for Senior Secondary (Grades 10-12) for 10 subjects namely Sports Science, Drama and Elocution, Literature in English, Fasihi ya Kiswahili, German, Biological Sciences, Physical Sciences, Information Communication Technology, Health, Foods and Nutrition were developed;</li> <li>v) Classroom based assessment tool for pre-primary 1 and 2 learners and teachers' guides in 6 learning areas developed;</li> <li>vi) Developed matrices for mainstreaming of Pertinent and Contemporary Issues into the curriculum designs for Grades 10-12;</li> <li>vii) Scripting, editing and development of digital content specification sheets (CSS) was developed in Grade 8 and 7 learning areas for Visually Impaired (VI) and Hearing Impaired (HI) respectively;</li> <li>viii) Developed 11 curriculum designs for stage-based pre-vocational level for learners with special needs;</li> <li>ix) Developed 3 curriculum designs for braille for Grade 7,8 and 9;</li> <li>x) Developed 3 curriculum design for Kenya Sign Language Grade 7,8 and 9;</li> <li>xi) Developed Craft Certificate in General Agriculture;</li> <li>xii) Reviewed Diploma in Industrial Chemistry;</li> <li>xiii) Reviewed Diploma in Social Work and Community Development;</li> <li>xiv) Developed Craft Certificate in Entrepreneurial Agriculture;</li> <li>xv) Finalized Curriculum Designs for Grade 6.</li> <li>xvi) 226,415 curriculum implementers were capacity built during the contract period 2020/21</li> </ul>

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<b>2. Provision of Curriculum Support Materials for Basic and Tertiary Education</b>	<ul style="list-style-type: none"> <li>i) 116 curriculum development officers and teachers were trained on curation of digital content;</li> <li>ii) 3,000 teachers were trained on remote learning through Kenya Education Cloud to enhance their capacity to access curriculum delivery materials;</li> <li>iii) Grade 4 content was curated and availed in M-Lugha app;</li> <li>iv) The curation of Teacher training materials for TESSA (Teacher Education in Sub-Saharan Africa) was undertaken;</li> <li>v) 116 Multimedia elements developed for Environmental studies Accessible Digital Textbook for Grade 1;</li> <li>vi) Developed 24 prototype materials and finalized Grade 5 and 6 teachers' handbooks in 18 learning areas;</li> <li>vii) Designed, developed and produced 365 electronic curriculum support materials as a mitigation measure for over 15 million learners in basic education affected by COVID-19 pandemic.</li> <li>viii) Evaluation of Grade 6 course materials was undertaken;</li> <li>ix) Carried out a field monitoring exercise for implementation of CBC in Grade 4;</li> <li>x) Carried out a baseline Survey on Parental Empowerment and Engagement (PE&amp;E) in CBC.</li> <li>xi) Broadcasted 270,846 programmes through Radio and TV Channel and e-content dissemination through Kenya Education Cloud (KEC)</li> <li>xii) Developed 3 curriculum design for Kenya Sign Language for Grade 7,8 and 9;</li> <li>xiii) Developed curriculum design for braille for Grades 7,8 and 9;</li> <li>xiv) Developed 11 curriculum designs for stage-based pre-vocational level for learners with special needs;</li> <li>xv) Developed 3 Sign Language curriculum designs for regular learners for Grades 4,5 and 6;</li> <li>xvi) Developed 3 Sign language curriculum designs for Grades 7,8 and 9;</li> <li>xvii) Adaptation of digital content for visually (VI) and Hearing Impaired (HI) Learners Grade 1 in 8 and 7 learning areas respectively was undertaken.</li> </ul>
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<b>3. Strengthening Institutional Capacity</b>	<ul style="list-style-type: none"> <li>i) Identified the annual staff training needs arising from the skills gap analysis;</li> <li>ii) Developed and implemented various training programmes to address the identified training needs;</li> <li>iii) Recruited new staff members to address the identified skills gaps in various functional areas;</li> <li>iv) 25 KICD officers from Marketing, NRC, Communication and CEO's Office were trained on Protocol and Events Management;</li> <li>v) 5 officers undertook ICPAK Continuous Professional Development course;</li> <li>vi) All the employees were put on performance appraisal;</li> <li>vii) A team of Council Members, KICD management and heads of sections (78 persons) undertook a 2 days team building training;</li> <li>viii) 2 officers (internal auditors) were trained on Certified Information Systems Auditor (CISA) at Program KCA University;</li> <li>ix) 190 staff members were trained on use of online meeting platforms;</li> <li>x) 8 security officers were capacity built on monitoring of CCTV;</li> <li>xi) 1 officer undertook senior management course at Kenya School of Government;</li> <li>xii) 13 HR officers were trained on ERP system;</li> <li>xiii) 9 officers were trained on pre-retirement and pension planning;</li> <li>xiv) 32 new Staff were inducted;</li> <li>xv) 75 youth were offered with industrial attachment and internship;</li> <li>xvi) Carried out sensitization of the staff on Prevention of HIV/AIDS Infections, Prevention of Alcohol and Drug Abuse; Gender Mainstreaming; Disability Mainstreaming, Road Safety Mainstreaming and Corruption Prevention</li> </ul>
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**VI. CORPORATE GOVERNANCE STATEMENT**

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

**(1) Number of Board meetings held**

During the period under review, the Board held the following number of meetings. Requisite approvals were obtained to hold the extra number of meetings as per the provisions of section A(1) to (3) of circular Ref. NO:OP/CAB.9/1A on Management of State Corporations.

<b>NO</b>	<b>NAME OF COMMITTEE/BOARD MEETINGS</b>	<b>NUMBER OF MEETINGS</b>
1.	Council meetings	20
2.	Curriculum technical	7
3.	Human resource & Governance Committee	11
4.	Finance Strategy & General Purpose Committee	7
	<b>TOTAL</b>	<b>45</b>

**The attendance to those meetings by members,**

Section 3 of the second schedule of the KICD, Act No. 4 of 2013(revised 2018) provides that the quorum for the conduct of business at a meeting of the Council shall be half the number of the members of the council. During the financial year 2020/21, all the Council meetings and Committee meetings met the requirements of section 3 of schedule 2 of the KICD Act, No. 4 of 2013(revised 2018). The details of the members who attended the respective meetings were captured in the respective minutes of meetings held during the year 2020/2021FY.

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**Succession Plan**

Section 4.19 of the KICD Council provides that the Council shall put in place a succession plan for both the Council and management and review the same regularly. Section 5(2)(f) of the KICD Act provides that the following members appointed by the Cabinet Secretary:

- (i) one person to represent public universities;
- (ii) one person from the private sector;
- (iii) one person nominated by the Kenya Primary Schools Head Teachers Association;
- (iv) one person nominated by Kenya Secondary Schools Head Teachers Association;

The appointment of the aforementioned members by the Cabinet Secretary has been cascaded in order to ensure continuity and smooth transaction of KICD Council's roles and responsibilities.

**Existence of A Board Charter**

The KICD Council approved its board charter during its meeting held on 19<sup>th</sup> June, 2021 in line with the provisions of Mwongozo, Code of Governance for State Corporations.

**Process of Appointment And Removal Of Directors,**

Section 3.4 of the KICD Council Charter provides that the relevant appointing authority shall select and appoint KICD Council members. Every appointment shall be by name and by notice in the Kenya Gazette or nomination by a body mandated to do so in accordance with the KICD Act, No. 4 of 2013 (revised 2018) but shall cease if the Council member:

- (i) Serves the appointing authority with written notice of resignation; or
- (ii) Is absent, without the permission of the Chairperson, from three consecutive meetings; or
- (iii) Is convicted of an offence by a court of competent jurisdiction and sentenced to imprisonment for a period exceeding six months without the option of a fine; or
- (iv) Is incapacitated by reason of infirmity of body or mind; or
- (v) Is otherwise unable or unfit to discharge the functions of the Council; or
- (vi) If the member dies.

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**Roles and functions of the Board**

Section 4.1 of the KICD Council charter provides that:

- a) The basic responsibility of KICD Council members is to exercise their best judgment and to act in a manner that they reasonably believe to be in the best interest of the Institute and its stakeholders. In discharging that obligation, the members shall rely on the honesty and integrity of the Institute's Management, staff and its external professional advisors and auditors.
- b) In furtherance of its responsibilities, Council shall have the power to:
  - i) Create, develop, apply for and hold intellectual property rights and enter into agreements or arrangements for their commercial exploitation or otherwise as the Council may consider appropriate;
  - ii) Enter into any arrangement with education and training institutions or professional organizations, whether within or outside Kenya;
  - iii) Manage, supervise and administer the assets of the Institute in such a manner as best promotes the purpose for which the Institute is established;
  - iv) Determine the provisions to be made for capital, recurrent expenditure and for reserves of the Institute; receive any grants, gifts, donations or endowments on behalf of the institute and make legitimate disbursements therefrom;
  - v) Enter into association with such other bodies or organizations within or outside Kenya as the Council may consider desirable or appropriate and in furtherance of the purposes for which the Institute is established;
  - vi) Open a banking account or bank accounts for the funds of the Institute;
  - vii) Constitute working panels and committees for the purpose of the performance of the functions of the Institute;
  - viii) Approve all curricula developed or vetted by the Institute; and
  - ix) Do any other thing which is necessary or convenient to be done in connection with or incidental to its functions.

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**Induction and training**

<b>NO</b>		<b>NAME OF THE TRAINING</b>	<b>DATE</b>
1	1 <sup>st</sup> Cohort	Induction training organized by SCAC & Kenya School Government	5 <sup>th</sup> to 7 <sup>th</sup> November, 2020 in Mombasa
2	2 <sup>nd</sup> cohort	Induction training organized by SCAC & Kenya School Government	7 <sup>th</sup> to 9 <sup>th</sup> December, 2020 in Baringo

**Board and member performance,**

The board was evaluated on 22<sup>nd</sup> July, 2020 by *State Corporations Advisory Committee (SCAC)* overall performance and respective members was captured in the evaluation performance report that was submitted by SCAC during the Council meeting held on 18<sup>th</sup> August, 2020

**Conflict of interest**

During 2020/2021FY, a no-conflict-of-interest register was kept by the Ag. Corporation Secretary and none of the members declared any conflict of interest in any of the agenda items that were presented for deliberations and guidance by the Council.

**Board remuneration,**

Board was remunerated as per the prevailing SCAC guidelines on the remuneration of board members

**Ethics and Conduct**

The board approved a board charter in its meeting held on 19<sup>th</sup> June 2021 that stipulated the code of conduct to be observed by the Council members.

**Governance audit.**

According to section 4.20 of the board charter, a governance audit is expected to be carried out on an annual basis. However, during the period under review, the board experienced the transition of its: Secretary (KICD Director) and Chairperson of the Council. In view of this governance audit for the financial year 2020/21 was not undertaken. However, the board in its approved work plan for 2021 – 2022 approved a governance audit to be undertaken for the previous financial year.

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

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

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

The Council meets regularly and has a formal schedule of its matters. Currently, the Council comprises of ten (9) non-executive members and the KICD Director/Chief Executive Officer. The full Council meets at least four times in a year.

**Prof. Elishiba Njambi Kimani** -----



Signature

5/9/2022

Date

**Prof. Charles O. Ong'ondo, PhD, MBS** -----  
**Director/Chief Executive Officer**



Signature

5-9-2022

Date

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**VII. MANAGEMENT DISCUSSION AND ANALYSIS**

**SECTION A: OPERATIONAL AND FINANCIAL PERFORMANCE**

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

In the 2020/2021 financial year, the Institute continued with implementation of Curriculum Reform. In order to ensure continuity of essential services, the Institute had to reorganize its mode of service delivery following the confirmation of COVID-19 cases in Kenya in March 2020. The Institute has Safety put in place containment measures as advised by the Government to mitigate the spread of the Virus.

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

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

During the financial year 2020/21, the Institute continued disseminating Radio and Television (TV) programmes, as well as development and dissemination of digital content in the various

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subjects. However, outbreak of the COVID-19 in Kenya has affected all learning institutions in Kenya. This affected over 15 million learners in basic education. As an intervention measure, KICD upscaled the broadcasting of the virtual lessons to the learners in preprimary, primary and secondary education levels at home due to the pandemic. KICD has continued providing some form of schooling for learners at home. KICD began disseminating the out of the classroom lessons targeting all learners in basic education who were at home during the Pandemic season.

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

<b>Type of grant</b>	<b>2021 KSH '000'</b>	<b>2020 KSH '000'</b>	<b>2019 KSH '000'</b>
Operational grant- Normal	775,839	803,358	803,358
Development Grant	50,000	157,000	116,000

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

<b>Type of revenue</b>	<b>2021 KSH '000'</b>	<b>2020 KSH '000'</b>	<b>2019 KSH '000'</b>
Appropriation in Aid (A-I-A)	187,313	374,116	483,913

**SECTION B: COMPLIANCE WITH STATUTORY REQUIREMENTS**

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

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

During the financial year, the Institute has been carrying out one Capital project, namely, Educational Resource Centre, which is solely funded by the Government of Kenya and is at phase 1. The phase one is estimated to be 88% complete.

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**SECTION D: MAJOR RISKS FACING THE ENTITY**

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

**Risk Management**

A risk analysis conducted while developing the KICD 2020-2025 strategic plan identified potential risks that may affect the achievement of strategic objectives and the possibility of each occurring. Appropriate mitigation measures have also been developed to address each risk with the aim of minimising the possibility of the risk occurring and also to minimise its consequences if it does occur.

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**VIII. ENVIRONMENT AND SUSTAINABILITY REPORTING**

The Kenya Institute of Curriculum Development exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

Over the years, KICD has endeavoured to partner with its stakeholders to champion a cause that is likely to have a positive impact in the society. During the 2020/2021 Financial Year, the Institute participated in a tree planting exercise in response to a Presidential directive on 'National Strategy for Achieving and maintaining over 10% Tree Cover by 2022,' which was issued on January 5, 2019 and runs up to June 30, 2022. KICD planted 500 seedlings at Dr Aggrey and Muslim Primary schools in Nairobi on May 5, 2021 in response to the directive that is captured in the Institute's performance contract. Following the directive, KICD is also expected to set aside funds for afforestation support.

The trees were purchased from the Kenya Forest Service (KFS) and were planted under the professional guidance of a representative from the service. The learners who participated in the planting exercise alongside their teachers and KICD staff and representatives from the Provincial Administration were challenged to adopt the trees and maintain them under the supervision of their teachers.

The event also created an opportunity for KICD to enhance its corporate brand and image through sharing of pertinent information about the ongoing curriculum reforms and branded T-shirts that had a message on the Competency Based Curriculum (CBC). catered for the seedlings, T-shirts and watering cans .

The engagement was important in enhancing its visibility besides, supporting the government's aspiration to achieve its programmes.

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**IX. STATEMENT OF COUNCIL'S RESPONSIBILITIES**

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

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

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

The Council accepts responsibility for the Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Council is of the opinion that the Institute's financial statements give a true and fair view of the state of Institute's transactions during the financial year ended June 30<sup>th</sup>, 2021, and of the Institute's financial position as at that date. The Council further confirms the completeness of the accounting records maintained by the Institute, which have been relied upon in the preparation of the Institute's financial statements, as well as the adequacy of the systems of internal financial controls.

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

**Approval of the financial statements**

The draft annual Report and financial statements for the year ended 30<sup>th</sup> June, 2021 were presented to the Council and approved during the meeting held on .....

<b>Prof. Elishiba Njambi Kimani</b> Chairperson	 ----- <b>Signature</b>	 ----- <b>Date</b>
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<b>Ms. Florence Ngarari</b> Member	 ----- <b>Signature</b>	 ----- <b>Date</b>
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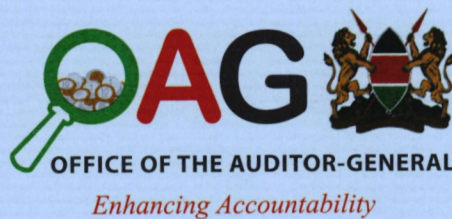
<b>Prof. Charles O. Ong'ondo, PhD, MBS</b> Director/Chief Executive Officer	 ----- <b>Signature</b>	 ----- <b>Date</b>
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**X. REPORT OF THE INDEPENDENT AUDITOR ON THE KENYA INSTITUTE OF  
CURRICULUM DEVELOPMENT**

# REPUBLIC OF KENYA

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## **REPORT OF THE AUDITOR-GENERAL ON KENYA INSTITUTE OF CURRICULUM DEVELOPMENT FOR THE YEAR ENDED 30 JUNE, 2021**

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of Kenya Institute of Curriculum Development set out on pages 1 to 30, which comprise of the statement of financial

position as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets, 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 Institute of Curriculum Development as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kenya Institute of Curriculum Development Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unclear Basis for Corporate Taxation**

The statement of financial performance and as disclosed in Note 19 to the financial statements reflects corporation tax Kshs.38,245,000 (2020 - Kshs.1,384,000). However, the basis and computation of the taxation charge for the year, have not been disclosed.

In the circumstances, the accuracy and completeness of the reported taxation charge for the year could not be confirmed.

#### **2. Unsupported Decrease in Provision for Doubtful Debts**

The statement of financial performance reflects other income amounting to Kshs.73,195,000. The amount, as disclosed in Note 9 to the financial statements include a decrease in provision for doubtful debts of Kshs.6,300,000. The decrease was recorded despite an increase in receivables of Kshs.56,769,000 or 91%. However, the decrease in provisions reflected which is also reflected in Note 21 to the financial statements were not supported by of a detailed schedule and analysis. Further, disclosure Note 27 referenced to the provisions relates to refundable deposits from customers. The policy of the Institute requires a specific provision for decreased debtors and a general provision 5% of all the remaining receivables. It was not clear if any of the specific provisions from the prior year period were recovered.

In the circumstances, the accuracy and completeness of decrease in provisions for doubtful debts could not be confirmed.

#### **3. Unsupported Donor and Partners Expenditure**

The statement of financial performance reflects donors and partners expenditure amounting to Kshs.3,002,722,000 as disclosed in Note 15 to the financial statements. The expenditure relates to programs for curriculum reform, digital literacy, secondary education quality improvement programme, textbook program, Covid-19 education and other donors and partners expenses which are supported through external partners loans and grants. However, supporting documents for the expenditure such as payment vouchers and procurement records were not provided for audit.

In the circumstances, the accuracy, completeness and regularity of the donor and partners expenditure of Kshs.3,002,722,000 could not be confirmed.

#### **4. Unsupported Adjustments to Property, Plant and Equipment**

The statement of financial position reflects property, plant and equipment with a net book value of Kshs.4,490,172,000. However, review of the financial statements revealed that the values were adjusted during post-audit from an initially reported book value of Kshs.4,178,013,000 resulting in a variance of Kshs.312,159,000. The adjustments were not supported by detailed workings and journal entries.

In addition, the property, plant and equipment values include work-in-progress valued at Kshs.1,271,340,000. However, the works were not supported by a summary of projects being undertaken, the status report of the projects, valuation reports, certificates for certified works and the location of the individual projects.

In the circumstances, the accuracy, and completeness of property, plant and equipment of Kshs.4,490,172,000 as at 30 June, 2021 could not be confirmed.

#### **5. Lack of Assets Capitalization Policy**

The statement of financial position reflects net book value of property, plant and equipment of Kshs.4,490,172,000. The amount includes Kshs.130,575,000 in respect of asset additions during the year as reflected in Note 24 to the financial statements. However, review of the accounting policies as stated in the financial statements revealed that the Management has not put in place any policy on capitalization of assets acquired during the year.

Further, the statement reflects intangible assets of Kshs.5,710,000. However, a 30% rate for amortization of intangible assets does not explicitly amortize the assets to zero and no salvage values are assigned to the intangible assets.

In the circumstances, the accuracy and completeness of the reported balance of Kshs.5,710,000 on intangible assets could not be confirmed.

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

#### **Key Audit Matters**

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

## **Other Matter**

### **Unresolved Prior Year Audit Matters**

In the audit report of the previous year, issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board, templates.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Slow Progress in Completion of Education Resource Centre**

The Institute initiated a project of construction of an Education Resource Centre (ERC) in 2011 with the purpose to strengthen the capacity of the Institute in developing practical, quality, and relevant curricula that conforms to the ideals of Kenya Vision 2030. The ERC project was envisaged to have six phases comprising laboratories and workshops, educational media studios and e-learning building, a demonstration hall, seminar rooms and administration building, an auditorium building, accommodation and conference facilities buildings and entrepreneurial and business development and materials dissemination.

Upon completion, the facility would enhance the development of curricula that would improve quality, equity and access to education, through the promotion of science, technology and innovation. Works for phase 1 of the project were tendered through a restricted tender and awarded to a local contractor at a sum of Kshs.786,583,506.80 in May, 2013.

Review of the contract implementation and analysis of payments provided for audit revealed that the contractor was required to submit two performance guarantee equivalents to 10% of the contract price or Kshs.78,658,351. However, the performance bond was not provided for audit. In addition, the site was handed over in July, 2013, and works were expected to be completed in April, 2015.

As at the time of audit, several elements of the contractual works were pending, and no evidence was provided for audit on the request and approval of the extension of works by the contractor. Council minutes of a meeting held on 20 December, 2016 indicated that a variation to the contract amounting to Kshs.67,811,448 was approved. However

subsequent approvals of the variations were not available for verification. Consequently, the current estimated cost of phase 1 of the project could not be confirmed.

Further, the supervising consultant architect had been paid a total of Kshs.577,279,587. However, the terms, extent, and cost of the engagement with the Institute could not be confirmed since no contract was provided for audit.

In the circumstances, value for money may not be realized.

## **2. Loss on the National Resource Centre**

The statement of financial performance reflects a net loss of Kshs.4,604,000 from the National Resource Centre (NRC). According to Note 6 to the financial statements, the Institute operates the Resource Centre for purposes of income generation. However, the Centre made a loss during the year under review implying that the Institute resources were utilized to operate the Centre. The Management needs to review the business model of the Centre and implement strategies that will ensure it is able to break even.

In the circumstances, losses from the Centre may have negatively impacted on service delivery to the public.

## **3. Non-Compliance with the Law on Ethnic Composition**

Review of the Institute staff data revealed that one ethnic community accounted for 34% of its permanent staff. This is contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which states that no public institution shall have more than one third of its staff establishment from the same ethnic community.

As a result, Management was in breach of the law.

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

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

### **Conclusion**

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

## **Basis for Conclusion**

### **Unapproved Council and Committee Meetings**

The statement of financial performance reflects Council expenses of Kshs.11,501,000 as disclosed in Note 11 to the financial statements. Review of the Institute Council activities revealed that nineteen (19) Council meetings and twenty-eight (28) Committee meetings were held. The number of meetings during the year exceeded the stipulated maximum of six (6) meetings in a financial year. This was contrary to Circular Ref. OP/CABS/IA which requires justification and approval by the relevant Cabinet Secretary for any extra Board meetings including Special Board meetings above the maximum number specified.

In the circumstances, the regularity of expenditure amounting to Kshs.11,501,000 in respect of council expenses could not be confirmed.

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

### **Responsibilities of Management and the Council**

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

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

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

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

The Council is responsible for overseeing the Institute's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems

are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

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

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

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

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

- those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
  - Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to continue to sustain its services.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.
  - Perform such other procedures as I consider necessary in the circumstances.

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

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

  
**CPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**14 October, 2022**

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT  
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**XI. STATEMENT OF FINANCIAL PERFORMANCE**  
**For the year ended 30 June, 2021**

		2021	2020
	Note	KSH '000'	(restated) KSH '000'
<b>Revenue from non-exchange transactions</b>			
Funding from donors/partners	4	3,002,722	9,286,989
Transfers from Governments	5	<u>775,839</u>	<u>803,358</u>
		<b>3,778,561</b>	<b>10,090,347</b>
<b>Revenue from exchange transactions</b>			
Net surplus from NRC	6	(4604)	99,191
Rental revenue from staff quarters	7	83	101
Finance income - external investments	8	140,486	212,479
Other income	9	73,195	62,068
		<u>209,160</u>	<u>373,839</u>
<b>Total revenue</b>		<b>3,987,721</b>	<b>10,464,186</b>
<b>Expenses</b>			
Employee costs	10	613,302	593,877
Expenses of the Council	11	11,501	10,547
Depreciation and amortization	12	74,307	64,521
Repairs and maintenance	13	31,991	27,325
Programme areas services	14	197,854	200,473
Donors/partners expenditure	15	3,002,722	9,286,989
General operational expenses	16	122,751	131,970
<b>Total expenses</b>		<b>4,054,428</b>	<b>10,315,702</b>
<b>Other Gain/(Losses)</b>			
Gain on sale of assets	17	83	-
Gain on foreign exchange transactions	18	188	277
<b>(Deficit)/surplus before tax</b>		<b>(66,437)</b>	<b>148,761</b>
Taxation	19	38,245	1,384
<b>(Deficit)/surplus after tax</b>		<b>(104,682)</b>	<b>147,377</b>

The notes set out on pages 6 to 30 form an integral part of the Financial Statements.



**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT  
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**XIII. STATEMENT OF CHANGES IN NET ASSETS**  
For the year ended 30 June, 2021

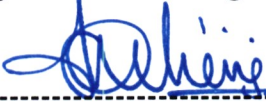

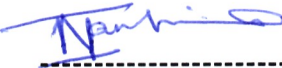
	Notes	Capital reserve KSH '000'	Accumulated surplus Restated KSH '000'	Total KSH '000'
<b>Balance as at 30 June, 2019</b>		<b>2,157,977</b>	<b>1,615,030</b>	<b>3,773,007</b>
Surplus/(deficit) for the period	31	-	148,761	148,761
Capital Grant – ERC	33	157,000	-	157,000
Revaluation of assets	30	2,034,414	-	2,034,414
Prior Year Adjustment	32	-	(192,900)	(192,900)
<b>Balance as at 30 June, 2020</b>		<b>4,349,391</b>	<b>1,570,891</b>	<b>5,920,282</b>
Surplus for the period	31	-	(104,682)	(104,682)
Capital Grant ERC	33	50,000	-	50,000
<b>Balance as at 30 June, 2021</b>		<b>4,399,391</b>	<b>1,466,209</b>	<b>5,865,600</b>

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**XIV. STATEMENT OF CASH FLOWS**  
**For the year ended 30 June, 2021**

	Notes	2021	2020
Cashflows from Operating Activities			
Surplus(Deficit) for the year	31	(104,682)	148,761
Add back Depreciation/Amortization	12	92,884	80,652
less: Gain on Disposal	17	83	-
Operating surplus before working capital changes		<b>(11,881)</b>	<b>229,413</b>
<b>Working Capital Adjustments</b>			
(Increase)/Decrease in trade Receivables	21	(56,769)	(8,856)
(Increase)/Decrease in non-exchange Receivables	22	(446,257)	-
Increase(Decrease ) in Deferred Income	28	170,209	(2,659,145)
Increase/(Decrease) in Trade payables	26	(4,304)	(6,019)
Increase/(Decrease) in Trade payables -taxation	29	38,245	192,900
(Increase)/Decrease in Inventory	23	(13,998)	(555)
Net cashflows from operating activities		<b>(312,874)</b>	<b>(2,481,675)</b>
<b>Cashflow from Investing Activities</b>			
Work In Progress(ERC)	24	(1,500)	(173,999)
Purchase of property , Plant and Equipment	24	(143,716)	(78,821)
Proceeds from Property plant and equipment	17	345	-
Prior Year adjustment	32	-	(192,899)
Net cashflows from investing activities		<b>(144,871)</b>	<b>(445,719)</b>
<b>Cash from Financing Activities</b>			
Development Grant for ERC	33	50,000	157,000
Assets financed from Donor Grant		<b>50,000</b>	<b>157,000</b>
<b>Net cashflows from Financing activities</b>		<b>50,000</b>	<b>157,000</b>
Net increase in the bank		(419,626)	(2,540,981)
Cash and cash equivalents at the beginning of the year		2,301,891	4,842,872
<b>Cash and cash equivalents at the end of the year</b>		<b>1,882,265</b>	<b>2,301,891</b>

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

<p><b>Prof. Charles O. Ong'ondo, PhD, MBS</b> Director/Chief Executive Officer</p>	 ----- Signature	<p style="color: blue;">5-9-2022</p> ----- Date
<p><b>Solomon M. Kathuo</b> Head of Finance &amp; Accounts</p>	 ----- Signature	<p style="color: blue;">5-9-2022</p> ----- Date
<p><b>Prof. Elishiba Njambi Kimani</b></p>	 ----- Signature	<p style="color: blue;">5/9/2021</p> ----- Date

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT  
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**XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of performance difference
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	
	KSH '000'	KSH '000'	KSH '000'	KSH '000'	KSH '000'	
<b>Revenue</b>						
Funding from donors/partners	3,224,134	-	3,224,134	3,002,722	(221,412)	7%
Government grants and subsidies	803,359	(27,520)	775,839	775,839	-	0%
Income Generating Activities	<u>240,000</u>	(60,000)	<u>180,000</u>	<u>209,430</u>	<u>29,430</u>	16%
<b>Total income</b>	<b>4,267,493</b>	<b>(87,520)</b>	<b>4,179,973</b>	<b>3,987,991</b>	<b>(191,982)</b>	
<b>Expenses</b>						
Compensation of employees	607,600	-	607,600	613,302	(5,702)	-1%
Expenses of the Council	15,000	-	15,000	11,502	3,498	23%
Depreciation and amortization	72,000	-	72,000	74,307	(2,307)	3%
Repair and maintenance	32,100	-	32,100	31,991	109	0%
Programme areas	192,000	-	192,000	197,854	(5,854)	-3%
Donor expenditure	3,224,134	(87,520)	3,136,614	3,002,722	133,892	4%
General Operational expenses	124,659	-	124,659	122,751	1,908	2%
Taxation	-	-	-	38,245	(38,245)	
<b>Total expenditure</b>	<b>4,267,493</b>	<b>(87,520)</b>	<b>4,179,973</b>	<b>4,092,673</b>	<b>87,300</b>	
<b>Surplus for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(104,682)</b>	<b>(104,682)</b>	

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT  
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**Budget notes**

- i) The positive variance of **Ksh. 29,027** under income generating activities was majorly due to interest earned from short term investments on the funds for distribution on text books
- ii) The positive variance of **Ksh. 3,498** under Council expenses is due to reduced meetings in line with COVID-19 containment measures.
- iii) The original budget was revised in line with budget cut by National Treasury and Planning

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT  
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**XVI. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021**

**1. General information**

KICD is established by and derives its authority and accountability from KICD Act No. 4 of 2013 (Revised 2018), amended (2020). The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to develop curriculum and curriculum support materials informed by research for basic and tertiary education and training.

**2. Statement of compliance and basis of preparation**

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

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

**3. Summary of significant accounting policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

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

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT  
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**Notes to the Financial Statements (continued)**

**ii) Revenue from exchange transactions**

***Rendering of services***

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

***Income from NRC***

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

***Interest income***

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

**b) Budget information**

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

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT  
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**Notes to the Financial Statements (continued)**

**c) Property, plant and equipment**

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

**d) Intangible assets**

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

**e) Provisions**

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

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

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT  
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**Notes to the Financial Statements (continued)**

**f) Inventories**

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

**g) Depreciation**

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

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

**Amortization**

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

**h) Nature and purpose of reserves**

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

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT  
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**Notes to the Financial Statements (continued)**

**i) Changes in accounting policies and estimates**

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

**j) Employee benefits**

**Retirement benefit plan**

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

**k) Gratuity**

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

**l) Foreign currency transactions**

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

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT  
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**Notes to the Financial Statements (continued)**

**m) Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, cash book balances, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

**n) Comparative figures**

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

**o) Significant judgments and sources of estimation uncertainty**

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

**Estimates and assumptions**

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

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

**Useful lives and residual values**

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

- i) The condition of the asset based on the assessment of experts employed by the Institute;
- ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
- iii) The nature of the processes in which the asset is deployed;
- iv) Availability of funding to replace the asset; and
- v) Changes in the market in relation to the asset.

**p) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30<sup>th</sup>, 2021.

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

**4. Funding from Donors/Partners**

	2021	2020
	KSH '000'	(restated) KSH '000'
MoE/Partners of Curriculum Reform	-	263,885
MoE – Digital Literacy Programme	-	550,000
SEQIP (Secondary Quality Impr. Programme)	513,637	-
MoE Text Books	2,224,100	5,799,532
KENYA COVID-19 EDUCATION RESPONSE	98,624	
Other Donors/Partners	29,458	14,427
<b>Total Funding from Donors/Partners</b>	<b>2,865,819</b>	<b>6,627,844</b>
 <b>Reconciliation of public contributions and donations</b>		
<b>Balance unspent at beginning of year</b>	608,259	3,267,404
Current year receipts	2,865,819	6,627,845
Conditions met – transferred to revenue	(3,002,722)	(9,286,989)
<b>Conditions to be met – remain liabilities</b>	<b>471,356</b>	<b>608,259</b>

**5. Transfers from Government**

	2020	2020
	KSH '000'	(restated) KSH '000'
<b>Unconditional grants</b>		
Operational grant	775,839	803,358
<b>Total government grants and subsidies</b>	<b>775,839</b>	<b>803,358</b>

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

**6. Segment Information**

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

	<b>2021</b>	<b>2020</b>
<b>Revenues</b>		
Accommodation	61,258	206,367
Hiring	24	17
Food and Beverages	39,986	15,424
Business Centre	64	94
Other Incomes	1,216	15,123
	<b><u>102,548</u></b>	<b><u>237,025</u></b>
<b>Less. Expenditure</b>		
Staff Cost	6,880	5,885
Administration Expenses	10,243	7,980
Operating Expenses	80,599	129,702
Depreciation charge	18,576	16,130
<b>Total Operating Expenses</b>	<b><u>116,298</u></b>	<b><u>159,698</u></b>
<b>Operating Surplus</b>	<b><u>(13,750)</u></b>	<b><u>77,327</u></b>
Interest Income	9,146	21,864
<b>Net(deficit) Income</b>	<b><u>(4,604)</u></b>	<b><u>99,191</u></b>

**7. Rental Revenue from Staff Quarters**

Rent receipts	83	101
<b>Total rentals</b>	<b><u>83</u></b>	<b><u>101</u></b>

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	2021	2020 (restated)
	KSH '000'	KSH '000'
<b>8. Finance Income - External Investments</b>		
Interest on Fixed Deposit Receipts	88,210	125,770
Interest on Call and Current Account	52,276	86,709
<b>Total finance income – external investments</b>	<b>140,486</b>	<b>212,479</b>
<b>9. Other Income</b>		
Sale of Curriculum Support Materials	12,415	26,167
Royalties	-	63
Income from Book review/Curation	44,653	28,987
Sale of Tenders	711	-
Consultancy	7,833	3,135
Income from printing /photocopying	617	502
Miscellaneous Revenue	665	517
Decrease in provision for doubtful debts	6,300	10
Hire of EMS Equipment	-	2,687
<b>Total Other Income</b>	<b>73,195</b>	<b>62,068</b>
<b>10. Employee Costs</b>		
Employee related costs - salaries and wages	337,982	334,500
Employee related costs - contributions to pensions	61,312	60,280
Medical Cover	48,210	35,518
Commuter Allowances	33,105	32,655
Leave Allowances	7,481	9,515
Housing Allowances	121,485	117,402
Ex-gratia	818	-
Gratuity	2,677	2,263
Travelling Expenses	232	1,744
<b>Employee costs</b>	<b>613,302</b>	<b>593,877</b>

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

<b>11. Expenses of the Council</b>	<b>2021</b>	<b>2020</b>
	<b>KSH '000'</b>	<b>(restated) KSH '000'</b>
Honoraria	605	960
Sitting Allowance/Travel	10,896	9,527
Airtime	-	60
<b>Total Councils' Remuneration</b>	<b>11,501</b>	<b>10,547</b>
<b>12. Depreciation and Amortization</b>		
Property, plant and equipment	88,819	77,011
Intangible assets	4,065	3,640
<b>Total depreciation and amortization</b>	<b>92,884</b>	<b>80,651</b>
Property, plant and equipment- Accounted under note 6	(18,577)	(16,130)
<b>Depreciation and amortization for KICD</b>	<b>74,307</b>	<b>64,521</b>
<b>13. Repairs and Maintenance</b>		
Property	20,107	12,541
Equipment	8,450	11,214
Vehicles	3,434	3,570
<b>Total repairs and maintenance</b>	<b>31,991</b>	<b>27,325</b>
<b>14. Programme Areas Services</b>		
Basic Education	139	858
Special Programmes	176	
Corporate Communication	1,008	812
Technical, Vocational, Entrepreneurship Training	1,387	250
Educational Resources	143	393
Electronic and Emerging Media	19,774	39,389
Text Book Evaluation	39,593	17,490
Taskforce on curriculum reform	38,531	57,982
Research Monitoring and Evaluation	2,605	885
*School broadcast	80,786	68,369
*KICD Broadcasting Chanel	13,065	12,616
*Artist fees	647	1,429
<b>Total Programme Areas Services</b>	<b>197,854</b>	<b>200,473</b>

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

**15. Donors/Partners Expenditure**

	<b>2021</b>	<b>2020</b>
	<b>Ksh '000'</b>	<b>(restated) Ksh '000'</b>
MoE -Curriculum Reform	65,797	219,637
MoE -Digital Literacy Program	63,795	199,501
SEQIP	204,692	397,305
MoE Text Books	2,554,830	8,452,899
Kenya Future Leaders(G-United)	-	-
Kenya Covid-19 Education Response	90,923	
Other Donors/ Partners' Expenses	22,685	17,646
<b>Total Donors/Partners Expenditure</b>	<b>3,002,722</b>	<b>9,286,989</b>

**16. General Operational Expenses**

Advertising	8,048	11,981
Admin Expenses	25,104	34,031
Audit Fees	928	928
Computer Expenses and Software Licence	14,383	19,049
Library Expenses	337	391
Electricity	6,397	6,725
Fuel and Oil	9,319	11,959
Insurance	5,355	5,290
Legal Expenses	2,242	699
Corporate Social Responsibility	-	150
Fungicides	1,079	1,313
Water	17	72
Postage	10	35
Printing and Stationery	16,197	12,492
Maintenance of VCT Services	529	1,048
Purchase of Supplies for Production	8,337	4,763
Bank Charges	1,104	876
Telecommunication	2,959	3,498
Training	7,000	2,872
Hire of Security	5,136	4,026
ERP support	2,301	5,009
COVID	4,892	2,987
Others	1,077	1,776
<b>Total General Operational Expenses</b>	<b>122,751</b>	<b>131,970</b>

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<b>Notes to the Financial Statements (continued)</b>	<b>2021</b>	<b>2020</b>
	<b>Ksh '000'</b>	<b>(restated) Ksh '000'</b>
<b>17. Gain on sale of Asset</b>		
Gain on disposal	<u>83</u>	<u>-</u>
<b>18. Gain on foreign exchange Transactions</b>		
Gain from Foreign Exchange	<u>188</u>	<u>277</u>
<b>19. Taxation</b>		
Corporation Tax for the year	<u>38,245</u>	<u>1,384</u>
<b>20. Cash and Cash Equivalents</b>		
	<b>Financial institution</b>	<b>Account number</b>
<b>a) Current account</b>		
Kenya Commercial Bank	1109284373	144,627
Kenya Commercial Bank	1109287607	566,007
Kenya Commercial Bank- Mortgage scheme	1281008311	12,110
Kenya Commercial Bank- Car Loan	1281008753	85
National Bank –Kenya COVID 19 Education Res	01071205024201	7,701
NCBA KICD text Books	4666400018	56,705
Co-operative Bank	01136069386401	33,583
Co-operative Bank	01136069386402	504,159
Co-operative Bank	01136069386405	266,901
Co-operative Bank	02120069386400	128,768
Co-operative Bank	01136069386403	3,028
Equity Bank	0910299125863	19,890
National Bank of Kenya	01071205024200	7,448
<b>Sub- total</b>		<b>1,677</b>
		<b>1,041</b>
		<b>12,447</b>
		<b>868,827</b>
		<b>1,279,601</b>

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

		2021	2020
		KSH '000'	(restated) KSH '000'
<b>b) On - call deposits</b>			
Co-operative Bank	01150069386400/1	1,013,092	1,021,944
<b>Sub-total</b>		<b>1,013,092</b>	<b>1,021,944</b>
<b>Others(specify)</b>	341600		72
M-pesa		72	
Equity Agency		274	274
<b>Subtotal</b>		<b>346</b>	<b>346</b>
<b>Grand total</b>		<b>1,882,265</b>	<b>2,301,891</b>

**21. Receivables from Exchange Transactions**

**Current receivables**

Exchange Debtors	118,239	106,494
Staff Imprest	117	272
Staff Advances	75	40
Bank Guarantee	300	300
Prepayments	11,852	23,009
Deposits	1,132	1,132
Deposit with Continental Credit Bank	4,923	4,923
Deposit with Bank Indosuez	120	120
KICD Staff Mortgage scheme - KCB	30,000	-
KICD Staff carloan scheme- KCB	20,000	-
Less: Provision for doubtful debts ( <b>note 34</b> )	(68,068)	(74,369)
<b>Total current receivables</b>	<b>118,690</b>	<b>61,921</b>

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

	2021	2020
	KSH '000'	(restated) KSH '000'
<b>22. Current portion of receivable from non-exchange transactions</b>		
Recurrent grant – from GOK	139,146	-
KICD-MOE Textbook Distribution	307,112	-
	<hr/>	<hr/>
	<b>446,258</b>	<b>-</b>
	<hr/>	<hr/>
<b>23. Inventories</b>		
Technical stores	13,337	12,476
Bookshop stores	41,701	39,601
Main stores	13,960	10,897
NRC stores	12,912	4,938
	<hr/>	<hr/>
	<b>81,910</b>	<b>67,912</b>
	<hr/>	<hr/>

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

**24. Property, Plant and Equipment**

	LAND	BUILDINGS	FURN & FITTINGS	MOTOR VEHICLES	COMPUTERS	STUDIO EQUIP	DIGITAL EQUIP	HOTEL EQUIP	TOOLS & EQUIP	OFFICE EQUIP	PRINTING MACHINE	GENERATORS	WIP	TOTAL
	KSH. 000	KSH. 000	KSH. 000	KSH. 000	KSH. 000	KSH. 000	KSH. 000	KSH. 000	KSH. 000	KSH. 000	KSH. 000	KSH. 000	KSH. 000	KSH. 000
<b>Cost 2019/2020</b>														
As at 1 <sup>st</sup> July 2019	416,000	537,817	52,657	108,462	85,934	167,109	40,692	39,155	16,605	8,168	103,068	9,765	1,095,841	2,681,273
Revaluation	1,784,000	172,333	(9,099)	(21,963)	(52,648)	(123,406)	(35,675)	(36,050)	(11,109)	1,831	(76,653)	(6,189)	-	1,585,372
Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
additions	-	27,543	5,280	21,029	10,499	1,544	2,117	-	1,216	1,762	818	-	173,999	245,808
As at 30 <sup>th</sup> June 2020	2,200,000	737,693	48,838	107,529	43,784	45,247	7,134	3,104	6,712	11,761	27,233	3,576	1,269,840	4,512,453
As at 1 <sup>st</sup> July 2019	-	93,652	39,349	89,281	72,400	55,714	16,762	18,648	12,952	7,899	40,797	7,813	-	455,267
Revaluation	-	93,652	39,349	89,281	72,400	55,714	16,762	18,648	12,952	7,899	40,797	7,813	-	455,267
Deprec. On Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deprec. charge	-	18,442	9,807	26,882	13,180	2,262	713	310	1,342	2,352	1,361	357	-	77,012
As at 30 <sup>th</sup> June 2020	-	18,442	9,807	26,882	13,180	2,262	713	310	1,342	2,352	1,361	357	-	77,012
<b>Cost 2020/2021</b>														
As at 1 <sup>st</sup> July 2020	2,200,000	737,693	48,838	107,529	43,784	45,247	7,134	3,104	6,712	11,761	27,233	3,576	1,269,840	4,512,453
Disposal	-	-	-	350	-	-	-	-	-	-	-	-	-	350
additions	-	41,658	8,994	11,819	5,562	3,460	8,234	-	-	1,846	60,739	-	1,500	143,813
As at 30 <sup>th</sup> June 2021	2,200,000	779,351	57,832	118,998	49,346	48,707	15,368	3,104	6,712	13,607	87,972	3,576	1,271,340	4,655,915
<b>Depreciation</b>														
As at 30 <sup>th</sup> June 2020	-	18,442	9,807	26,882	13,180	2,262	713	310	1,342	2,352	1,361	357	-	77,012
Deprec. On Disposal	-	-	-	88	-	-	-	-	-	-	-	-	-	88
Deprec. charge	-	19,511	11,646	29,750	14,811	2,435	1,537	311	1,343	2,721	4,399	358	-	88,819
As at 30 <sup>th</sup> June 2021	-	37,953	21,453	56,544	27,991	4,697	2,250	621	2,685	5,073	5,760	715	-	165,743
As at 30 <sup>th</sup> June 2021	2,200,000	741,398	36,379	62,454	21,355	44,010	13,118	2,483	4,027	8,534	82,212	2,861	1,271,340	4,490,172
As at 30 <sup>th</sup> June 2020	2,200,000	719,251	39,031	80,647	30,605	42,984	6,421	2,794	5,370	9,409	25,871	3,218	1,269,840	4,435,441

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

**25. Intangible Assets - Software**

	<b>Ksh '000'</b>
<b>Cost 2018/2019</b>	
As at 1 July 2019	33,101
Revaluation	(28,101)
Additions	7,012
<b>As at 30 June 2019</b>	<b>12,012</b>
<b>Amortization and impairment 2019/2020</b>	
As at 1 July 2019	21,876
Revaluation	(21,876)
Amortization during the year	3,640
<b>As at 30 June 2020</b>	<b>3,640</b>
<b>Net book value as at 30 June 2020</b>	<b>8,372</b>
<b>Cost 2020/2021</b>	
As at 1 July 2020	12,012
Additions	1,403
<b>As at 30 June 2021</b>	<b>13,415</b>
<b>Amortization and impairment 2020/2021</b>	
As at 1 July 2020	<b>3,640</b>
Amortization during the year	4,065
<b>As at 30 June 2021</b>	<b>7,705</b>
<b>Net book values as at 30 June 2021</b>	<b>5,710</b>

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

**26. Trade and Other Payables from Exchange Transactions**

	2021	2020 (restated)
	KSH '000'	KSH '000'
Trade Payables from Exchange and Non-exchange Transactions	83,037	89,412
Retention	61,315	61,000
Provision for Gratuity	2,457	701
Continental Credit Bank (under Receivership)	2,011	2,011
<b>Total payables from Exchange Transactions</b>	<b>148,820</b>	<b>153,124</b>

The amount of **KSHS 2,011,474** owing to Continental Credit bank was an overdraft on KICD current account held with the bank which went into receivership in the 1980's. The retention of **KSHS 61 million** is due to; Dinesh construction Co. for the construction of Educational Resource Centre among others.

**27. Refundable Deposits from Customers**

	2021	2020
	KSH '000'	KSH '000'
Customer Deposits	972	972
<b>Total refundable deposits</b>	<b>972</b>	<b>972</b>

**28. Deferred Income: Donors/Partners**

MoE Curriculum Reform	27,803	93,600
MoE-Digital Literacy Program	394,202	457,998
SEQIP	321,393	12,447
MoE Text Books	-	23,618
Kenya Future Leaders	262	262
Donors Partners	34,808	20,334
<b>Total Deferred Income</b>	<b>778,468</b>	<b>608,259</b>

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**Trade and Other Payables from non- Exchange Transactions**

	2021	2020 (restated)
	KSH '000'	KSH '000'
<b>29. Provision on corporate taxation</b>		
<b>Accumulated provision on taxation</b>	<b>231,145</b>	<b>192,900</b>
<b>30. Capital Reserve</b>		
Opening Balance	4,349,391	2,157,977
Development Grant	50,000	157,000
Revaluation	-	2,034,413
<b>Total Capital Reserve</b>	<b>4,399,391</b>	<b>4,349,391</b>
<b>31. Accumulated Surplus</b>		
Opening Balance	1,570,891	1,615,030
Surplus/(Deficit) for the year	(104,682)	148,761
Prior year Adjustment	-	(192,900)
<b>Total Accumulated Surplus</b>	<b>1,466,209</b>	<b>1,570,891</b>

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

**32. Prior year Adjustment** is for assessed corporation tax for financial years from 2015/2016 to 2018 /2019 amounting to Ksh. **191,515,083**. Additional provision has been provided for financial year 2019/2020 of Ksh. **1,384,504.22** and for 2020/2021 of Ksh. **38,245,373.65**. The provision for 2019/2020 and 2020/2021 is based on 30% of the investment interest income less withholding tax paid by the bank to Kenya Revenue Authority as obtained from I tax ledger.

<b>Financial year</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Opening Balance	1,570,891,235	1,423,514,460	1,027,621,691	702,590,707	517,212,710	406,578,787.01
Prior year Adjustment	-	(1,384,504.22)	(55,359,621)	(79,123,246)	(36,589,788)	(20,442,427)
Surplus/ (Deficit) for the year	(104,682,098)	148,761,279	451,252,390	404,154,230	221,967,785	131,076,350
<b>Total Accumulated Surplus</b>	<b>1,466,209,137</b>	<b>1,570,891,235</b>	<b>1,423,514,460</b>	<b>1,027,621,691</b>	<b>702,590,707</b>	<b>517,212,710</b>

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

**33. Related Party**

**Nature of related party relationships**

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

**Government of Kenya**

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

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

**Transactions with related parties**

	2021	2020
	KSH '000'	(restated) KSH '000'
<b>a) Grants from the Government</b>		
Grants from National Govt- Recurrent	775,839	803,358
Grants from National Govt- development	50,000	157,000
Grants from National Govt- conditional grants	2,224,100	5,799,532
<b>Total</b>	<b>3,049,939</b>	<b>6,759,890</b>
<b>b) Expenses incurred on behalf of related party</b>		
Distribution of text books to Schools	2,554,830	8,452,899
<b>Total</b>	<b>2,454,777</b>	<b>8,452,899</b>

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<b>c) Key management compensation</b>	<b>2021</b>	<b>2020</b>
		<b>(restated)</b>
	<b>KSH</b>	<b>KSH</b>
	<b>'000'</b>	<b>'000'</b>
Expenses of the Board	11,502	10,547
Compensation to the CEO	3,936	5,731
Compensation to Key management	10,145	10,138
<b>Total</b>	<b>25,583</b>	<b>26,416</b>

**34. Provisions for Doubtful Debts**

General Provisions (NRC)	261	416
Specific Provisions (NRC)	62,273	68,419
<b>Sub-total</b>	<b>62,534</b>	<b>68,835</b>
General Provisions (KICD)	491	491
Specific Provisions (KICD Bank Deposit)	5,043	5,043
<b>Total</b>	<b>68,068</b>	<b>74,369</b>

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

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**35. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

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

**Chief Executive Officer**

  
Date.....

**Chairperson of the Council**

  
Date ..... 5-9-2022

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**APPENDIX II: Projects Implemented By Kenya Institute of Curriculum Development**

**Project**

**Status of Project Completion**

*The Education Resource Centre project is ongoing.*

<b>Project</b>	<b>Total project Cost</b>	<b>Total expended to date</b>	<b>Completion % to date</b>	<b>Budget</b>	<b>Actual</b>	<b>Sources of funds</b>
1 Construction of Education Resource Centre Phase 1	Kshs. 1.433B	Kshs. 1,271,340,147	88%	Kshs. 1.433B	Kshs. 1,271,340,147	GoK