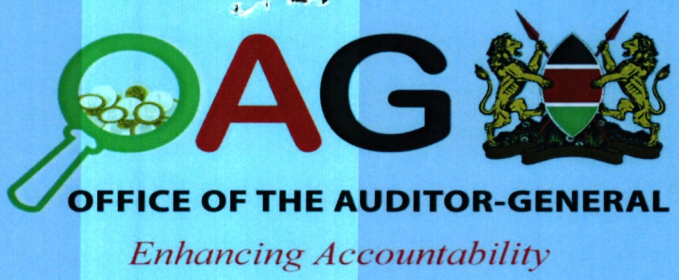
REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

KENYA NATIONAL COMMISSION FOR UNESCO

FOR THE YEAR ENDED 30 JUNE, 2020

United Nations
Educational, Scientific and
Cultural Organization

Kenya National
Commission for UNESCO
(KNATCOM)

KENYA NATIONAL COMMISSION FOR UNESCO

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2020

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

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Key Entity Information and Management

(a) Background information

The Kenya National Commission for UNESCO (KNATCOM) was established as a state corporation on 25th January 2013, following the enactment of the Kenya National Commission for UNESCO Act, 2013.

KNATCOM was established as a department under the Ministry of Education through a Cabinet Decision No. 170 of 1964. This establishment was subsequent to Kenya's Membership to UNESCO in April 7, 1964 as the 73rd Member and in line with UNESCO Constitution of 1945.

Over the years, KNATCOM had grown to be a Department with a massive profile that not only coordinated UNESCO's activities at the national level, but also contributed and often led initiatives of significance to Kenya's development. At the same time, KNATCOM became the point of contact and coordination for the African Union, Association for Development of Education for Africa (ADEA) and the Commonwealth. Initiatives of significance include the Education for All End of Decade Assessment, among other research undertakings that have informed policy nationally and internationally.

To enhance its efficiency and effectiveness in service delivery in line with its mandate, KNATCOM was transformed into a state corporation from a department of the Ministry of Education on 25th January 2013 following the enactment of the Kenya National Commission for UNESCO Act 2013. This transformation was consistent with Article VII of the 1945 Constitution of UNESCO and provisions of the 1978 Charter of National Commissions for UNESCO which clearly defines the responsibilities vested in a national commission, the member state, and the conditions governing its operations.

According to the Constitution of UNESCO and the Charter of National Commissions, Members States are required to provide their national commissions with sufficient autonomy, structure, authority and resource mobilization capacity, to enable it to efficiently carry out the functions specified in the Constitution of UNESCO, the Charter for National Commissions and KNATCOM Act, 2013.

(b) Principal Activities

KNATCOM's mandate is to promote Kenya's national interests in UNESCO and UNESCO's international interests in Kenya, regionally and globally in the areas of education, sciences, culture, and communication and information.

Vision: A leading organization in the advancement of peace, sustainable development and intellectual collaboration in the UNESCO areas of competence
Mission: To promote building of peace, sustainable development, intellectual collaboration through UNESCO areas of education, the sciences, culture, and communication and information
Core Values: Integrity Professionalism Teamwork Excellence in Service Courtesy Fidelity to law

(c) Key Management

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

(i) Chief Executive Officer / Secretary General
(ii) Deputy Secretary General, Technical Programmes
(iii)Head of Programmes and Departments

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	SG/CEO	Dr. Evangeline Njoka, *MBS:* PhD, MED, BED
2	Deputy - SG	Dr. James G. Njogu, *HSC :* PhD, MPhil, BSC
3	Ag. Finance Manager	Ms. Naomi Muiruri, CPA, MBA
4	Head of Procurement	Mr. Kennedy Kiplangat
5	Director, Education Programme	Ms. Mary Kangethe:
6	Director, Social and Human Science Programme	Dr. Joel Ongoto PhD, MED, BED
7	Director, Natural Science Programme	Dr. Jaro Arero, PhD, MSc, BSc,
8	Ag. Director Culture Programme	Mr. Julius Mwahunga
9	Ag. Director Communication & Information	Ms. Agella Sirima
10	Ag. Head Human Resource & Administration	Mr. Nicholas Kirwa, LL B; HND-HR.
11	Ag. Manager Internal Audit & Risk Assurance	Ms. Purity Wamuyu CPA, BCom

(e) Fiduciary Oversight Arrangements

The Board provides oversight arrangements through various Board Committees. The key fiduciary oversight arrangements for the Commission are as follows:

i. Audit, Risk and Compliance Committee
ii. Governance, Strategy and Programmes Committee
iii. Finance, Resource Mobilization & Establishment Committee
iv. Ad hoc Committee
v. Parliamentary Committee activities
vi. Development Partner Oversight activities
vii. Other oversight activities

Key Entity Information and Management (Continued)

(f) KNATCOM Headquarters

P.O. Box 72107- 00100
National Bank Building
Harambee Avenue
Nairobi, Kenya

(g) KNATCOM Contacts

Telephone: (+254) 2229053/4
E-mail : sg@unesco.go.ke
Website: www.unesco.go.ke

(h) KNATCOM Bankers

1. Kenya Commercial Bank
   KICC Branch
   P O Box 30081-00100
   Nairobi

2. National Bank of Kenya
   Harambee Avenue Branch
   P O Box 72866-00200
   Nairobi

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

The Board of the Commission Members

	NAME	DESCRIPTION
1	**Dr. Amatsimbi Misigo**  **Board of Commission Chairman**	**Date of Birth:** 18th August, 1967 **Chairperson:** Kenya National Commission for UNESCO **Education Background** Dr. Misigo Amatsimbi holds BA, MA and PhD from the University of Nairobi. He has also undertaken a number of governance courses from various institutions. **Work Experience** The Chairman, has twenty-four (24) years of experience in teaching, research, administration, consultancy and MA/ PhD thesis supervision at the university level. He was a member in the taskforce that drafted the National Lottery Bill, made Amendments to the Betting Lotteries and Gaming Act, CAP 131 Laws of Kenya, and prepared a draft National and Gaming Policy (2011- 2012). He has served as a Board Member, Kenya National Library Service Board (2012 - 2014), Chairperson, Governing Council (Board) of Multimedia University of Kenya (2013 - 2017) and Chairperson, Taskforce on Devolution Policy. The Taskforce was mandated to develop Kenya's national policy on devolution (2015 - 2017). Currently he is serving as thematic head Conflict and Peace Studies Unit and Senior Lecturer Department of History and Archaeology, University of Nairobi.

2	**Prof. Grace Bunyi**  **Chairman, Audit and Risk Committee**	**Date of Birth:** October 19, 1949 **Education background** Prof. Grace Bunyi holds a PhD degree in curriculum studies with a focus on language in education from the University of Toronto, Canada. University of Toronto, Canada, a master's degree in teacher education from Kenyatta University and BA degree with Education Option from University of Nairobi; Master of **Work Experience** Prof Bunyi is a career lecturer and researcher at Kenyatta University. She has also undertaken many education consultancies for local and international organizations and agencies. She is currently serving as Registrar Corporate Affairs, Kenyatta University; Chair of Department of Education Management Policy and Curriculum Studies and Coordinator of the Post Graduate Diploma in Education and Content Enhancement Programmes. She is also the Chairperson and Board Member of the Women Educational Researchers of Kenya (WERK); a member of the Governing Council of Kiriri Women's University of Science and Technology.

3	**Ms. Esther Wanjau** 	**Date of Birth:** 27th April, 1965 **Education Background** Ms. Esther Wanjau holds MSc degree in Management & Information Systems (University of Manchester) and a BSc degree in Mathematics and Computer Science (UoN) **Work Experience:** She has over 25 years' experience in the civil service. Has worked at National Treasury as an ICT officer then moved to the directorate of personnel management in the same capacity. Worked in the ministry of foreign affairs and ministry of information, communication and technology as head of ICT and later moved to the department of information in the same ministry where she is serving as Deputy Director of Information.
4	**Mr. George Kariuki** 	**Date of Birth: October 1969** **Education Background** Mr. George Kariuki holds a BSc degree in Statistics and Computer Science (JKUAT). Accredited Fellow by the Macroeconomics and Financial Management Institute of Eastern and Southern Africa (MEFMI), a regional capacity building institution. **Work experience:** Mr. Kariuki has twenty-three years of experience having worked at the Ministry of Environment, Forestry Department. He was responsible for the management of the Forestry Information Systems (FIS). He has also worked in the Ministry of Finance, Fiscal and Monetary Affairs department and involved in automation of the budgetary processes within the department. He participated in the rollout of the Integrated Payroll and Personnel

		Database (IPPD). Mr. Kariuki has also worked in Debt Management Department as an Administrator for the National Debt Database and some key personnel in automating debt process; Head of ICT Unit in the Ministry of Nairobi Metropolitan and currently he is the Head of ICT in the Public Debt Management Office (PDMO).
5	**Mr. Patrick Ochich**  **Chairman Governance, Strategy and Programmes Committee**	**Date of Birth:** 9th October, 1959 **Education Background** Mr. Patrick Ochich holds a M.Ed degree in Measurement and Evaluation (UoN); B.Ed. He has attended training at the Kenya School of Government for Strategic Leadership Development (SLDP) and Senior Management (SMC). Internationally, he trained at the University of Cambridge Assessment Network in the United Kingdom on Public Examinations Development and Administration. **Work Experience:** Mr Ochich has worked for over twenty-five years (25) and currently he is the Director, Test Development at the Kenya National Examinations Council since August 2015. He has served in the Teachers Service Commission for 17 years, where he held various positions in several high schools and national polytechnics. He has also served as a Senior Research Officer at the Kenya Institute of Curriculum Development and has participated, facilitated and presented papers in local and international Educational Assessment Workshops and Conferences.

6	**Ms Josephine Muriuki** 	**Date of Birth:** 13th October, 1959 **Education Background** Ms. Muriuki has MA degree in Psychological Counselling (Daystar University); a BA in Sociology and Political Science (UoN) and Higher Diploma in Psychological Counselling (Kenya Institute of Psychological Counselling-Methodist University) She also trained in Strategic Leadership Development and Project Planning (Kenya School of Government) and attended several project planning leadership management trainings course, professional and technical training in areas of social development/ social protection and safety nets both in and outside Kenya. **Work Experience:** Ms. Muriuki has over twenty-five 25 years of experience and currently she is the Director of Social Development from April 2017. Since 1982, she has worked in various capacities both at the District (Sub County) and Headquarters. She coordinated the development and implementation of policies and strategies for the protection and promotion of Persons with Disabilities, older persons, family and volunteerism. She has also participated in several projects. She has participated as the Head of Delegation or participant in various international and regional foras in the field of social development and in particular, related to vulnerable groups (Persons with Disabilities (PWDs), older persons and the youth)

7	**CPA. Robert Osano**  **Chairman, Audit and Risk Committee**	**Date of Birth:** 3rd February 1978 **Education Background** CPA Osano holds MA degree in international Trade and Economic Cooperation (concentrating in Korean Economy) from Kyung Hee University, South Korean (2010); BA (Economics) UoN and CPA (K) **Work experience** Mr. Osano has over 15 years of experience in the public service having worked in the Treasury as an ICT officer and rose to the position of Chief ICT Officer; served as Director of budget, Kiambu County and Currently posted to The State Department of Early Learning and Basic Education under the Ministry of Education
8	**Mr. Charles Onyango Wambia** 	**Born on:** 30th March 1965. **Education Background** Mr. Wambia holds an MBA degree (HRD Specialisation) Moi University (2005); BA degree from UoN(1989); Executive Diploma in Financial Management (2006),KCA University; Strategic Leadership Development Programme (KSG) and is currently studying for PhD on Leadership and Governance at Jomo Kenyatta University. **Work Experience:** Mr. Wambia Joined Public Service in 1990 as an Executive Officer II and served in Mombasa and Kilifi Counties rising to the rank of Chief Gaming Officer in Malindi. He has served as Deputy Director Gaming, Betting control and licensing Board, (Ministry of Home Affairs); Director Gaming; acting Director of Administration in State Department of correctional services; and Director

		of Administration, the State Department of Culture and Heritage in the Ministry of Sports Culture and Heritage
9	**Mary Cheptum Rotich (Mrs)**  **Chairman, Finance, Resources and Establishment Committee**	**Date of Birth:** 16th August 1962 **Education Background** Mrs. Rotich holds a Master of Education degree in Management and Policy Studies from the University of Bristol (UK); Bachelor of Education degree from Kenyatta University; Certificate in Leadership in Information Communication Technology from Global e-School and Community Initiative (GESCI). She has undertaken local and international trainings in: Strategic leadership, Change Management, Risk Management among others including Corporate Governance, and Emotional Intelligence. **Work experience** Mr. Rotich has thirty-three (33) years of work experience in the teaching service, with 23 years at management level, having risen through the ranks from a high school teacher and later joined the Teacher Service Commission Secretariat. Currently serve as the Director in charge of Field Services responsible for the implementation of the Commission's decentralized functions. She has participated in the Commission's policy development, negotiations, budgeting, and strategic planning throughout the years. As part of work, she served as a Council member of a university and an alternate board member representing the Teachers Service Commission. She is also a member of Kenya Association for Public Administration and Management (KAPAM).

Dr. Evangeline Njoka, *MBS: PhD*

Secretary General / Chief Executive Officer, Kenya National Commission for UNESCO (Secretary to the Board)

Date of Birth: 03rd June 1960

Education Background

Dr. Njoka holds a PhD degree in education from Durham University in United Kingdom (2007) with a Doctorate Degree in Education; Master degree in Education Management and Planning from University of Nairobi (2002); a Post Graduate Diploma in Education (Honours) from the Catholic University of Eastern Africa (1995); and a Bachelor of Science (Honours) Degree from University of Nairobi (1985).

Work experience

Dr. Njoka is specialized in Education and Corporate Management and has over thirty-four year's professional experience (since January 1986) in the field of education and management. She has served as a secondary school teacher under Teachers Service Commission and rose to become head of two secondary schools and currently she is serving as Secretary General / Chief Executive Officer, Kenya National Commission for UNESCO. She has also published widely and presented many papers internationally, regionally and locally in the course of her work.

Management Team

Dr. Evangeline Njoka, MBS: PhD, MED, BED
Secretary General / CEO

Dr. James G. Njogu, *HSC.* PhD, MPhil, BSC
DSG – Technical Programmes

Ms. Mary Kangethe, MED, BED, HDip.
Director, Education programme

 **Dr. Jaro Arero,** PhD, MSc, BSc, **Director, Natural Science Programme**	 **Dr. Joel Ongoto.** PhD, MED, BED **Director, Social and Human Science Programme**
 **Mr. Julius Mwahunga, MA-HM, MA-DS, BEDArt** **Ag. Director, Culture Programme**	 **Ms. Angela Silima,** MA, B.Ed **Ag. Director, Communication & Information Programme**

 **Mr. Kennedy Kiplangat** **Procurement**	 **Ms. Naomi Muiruri CPA, MBA** **Ag. Manager, Finance and Accounts**
 **Mr. Nicholas Kirwa, LL B; HND-HR.** **Ag. Head of Human Resource and Administration**	 **Ms. Purity Wamuyu CPA, BCom.** **Ag. Manager, Internal Audit & Risk Assurance**

NB: KNATCOM Does not have Entity Secretary and is in the process of being recruited

Chairman's Statement

The Kenya National Commission for UNESCO (KNATCOM) was established to promote building of peace, eradication of poverty, sustainable development and intellectual dialogue through education, sciences, culture, communication and information. The Commission derives its mandate from the UNESCO Constitution, Charter of the National Commissions for UNESCO and the Kenya National Commission for UNESCO Act, 2013. As a Commission, KNATCOM has a dual mandate of promoting Kenya's national interests in UNESCO and UNESCO's international interests in Kenya, regionally and globally. KNATCOM is the focal point for all UNESCO affairs in Kenya which have a multi-disciplinary scope that cut across government agencies, academia, Non-Governmental Organizations (NGOs), Civil Society Organizations (CBOs) and individuals. The Commission works closely with the Permanent Delegation to UNESCO in Paris headed by a Kenyan Ambassador to ensure Kenya's seamless engagement with UNESCO Secretariat both at the Headquarters in Paris and UNESCO Regional Office for Eastern Africa in Nairobi.

With regards to this Financial Statement, FY 2021/2020, I take note that the management prepared it in full compliance with International Public Sector Accounting Standards (IPSAS) as guided by the Public Sector Accounting Standards Board. During the reporting period, the Commission recorded fairly good performance despite a range of challenges arising from COVID-19. Nonetheless, the Commission continues to play a significant role in Government development agenda towards achieving the Big Four pillars and Vision 2030 through UNESCO's five areas of competence namely: Education, Natural Sciences, Social and Human Sciences, Culture and Communication and Information. These areas inform significant components of Kenya's socio-economic agenda.

KNATCOM embraces the renewed focus in Government corporate governance and the Board spent a significant proportion of its time examining and strengthening its processes as guided by Mwongozo. The Commission, has continued with its wide-ranging corporate revitalisation plans particularly with regard to human resources, financial resources mobilization and management, efficient and effective delivery of services among others. During the reporting period the Commission, working with the State Corporations Advisory Committee, revised a number of policies

which include the KNATCOM Human Resource and Policy Manual, KNATCOM Career Progression Guidelines and the KNATCOM Organisation and Grading Structure. In line with these human resources instruments, the Commission developed an implementation matrix for filling in the vacant positions so as to maximise functional and operational deliverables.

The Commission has also progressed in the implementation of the Strategic Plan 2019-2023 which adopts a strategic approach to stakeholder management that embrace working closely with both international, regional and national stakeholders, to deliver its mandate. This is done through an inbuilt mechanism of Programme and Expert Committees as well as collaborative engagement with Ministries, Agencies and Departments in Government.

The support received from the stakeholders cannot be overemphasized. KNATCOM has continued to enjoy a mutual cordial relationship with stakeholders and is proactive in assuring them commitment in Commission's mandate through various ways including implementation of the Commission's Strategic Plan 2019-2023, adhering to the Commissions Corporate Chatter, ISO Quality Management Systems among others, including strict adherence to legal requirements.

Despite the achievements made, the KNATCOM is faced with a number of challenges. One of the challenges is based on the fact that the Commission's offices are rented. It is desired that in future, the Commission develops its own offices on government land. This would once and for all minimise operational cost and enhance programme implementations. The Commission is now seven (7) years since it was formed by an Act of Parliament in 2013 which means it is still young and straggling to reach its optimal operational level.

There are now forty-four (44) staff out of estimated nighty eight (98) staff, according to the approved HR instruments by SCAC in October 2019. A number of critical offices are not operational while others not fully which limits delivery of services and meeting critical legal requirements in line with Commission's mandate. For instance, the Commission has only one internal auditor, one procurement officer and one legal officer all of who are of lower cadre as per the Commission's human resource instruments approved during the FY 2019/2020 by SCAC. The newly created Department of Research and Resource Mobilization is yet to be staffed. The Board of the Commission is addressing this challenge by engaging the relevant offices including Treasury to approve and provided budgetary

allocation for employment of critical staff prioritised through a five years' implementation plan/matrix of the approved human resource instruments.

Finally, the Board of the Commission while appreciating support provided by the various government ministries and in particular the mother ministry and The National Treasury as well as stakeholders and partners nationally, regionally and international, commits to enhance the impact of programmes, and the Commission's growth and visibility. It is the hope of the Board that the current COVID-19 situation shall be a thing of the past and will soon cease to be a challenge in the implementation of the Commission's mandate. The lessons learned from the pandemic are however useful in guiding the future of the Commission.

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Dr. Misigo Amatsimbi

Chairman of the Board

Report of The Secretary General/Chief Executive Officer

KNATCOM has a unique role of strengthening the foundations of lasting peace and sustainable development in the country through the five UNESCO areas of competency which include education, natural sciences, social and human sciences, culture, and communication and information. This is achieved through intellectual collaboration in scientific knowledge and international cooperation with other UNESCO Member States, and provision of capacity building and technical assistance to promote international standards. As a member of global network of National Commissions, KNATCOM ensures Kenya accrues mutual benefits from UNESCO Membership especially in certifying the permanent presence of Kenya in UNESCO; elevating national profile at the UNESCO and increasing public awareness of its goals and ideals; linking national priorities with the international mission of UNESCO by convincing relevant state authorities and other stakeholders of the benefits of belonging to UNESCO; and associating intellectual and cultural resources and capacities of Member States to the activities of the Organization. In this context, this financial statements for financial year ending June 30th 2020, have been developed in compliance with Public Finance Management Act, 2012. The CEO report in this section highlights achievements, challenges and financial performance of KNATCOM as a non-income generating parastatal.

The Commission witnessed and continued to record progress in programme and service delivery geared towards peace and sustainable development and enabling national development in the achievement of the Big Four Agenda and the Kenya Vision 2030. As part of enhancing efficiency in service delivery, KNATCOM developed a Quality Management System (QMS) modelled on the ISO 9001:2015 International Standard, in 2019. The Commission has currently embarked on the journey towards certification in Information, Security Management Systems, ISO 2700: ISMS. Achievement on these two standards is expected to not only enhance the Commission's operations but also improve service delivery to Kenyans.

During the fiscal year, KNATCOM implemented activities geared towards promoting building of peace, eradication of poverty, sustainable development and intellectual dialogue through education,

sciences, culture, communication and information. In this respect, this section highlights activities under corporate services and technical programmes:

Directorate of Programme

The directorate address the key mandate of KNATCOM the five UNESCO areas of competency which include education, natural sciences, social and human sciences, culture, and communication and information.

Education Programme

In 2019-2020 Financial Year, the Education Programme implemented programme activities aimed at promoting peace through quality and inclusive education for sustainable development as per the Strategic Objective in the KNATCOM strategic plan 2019-2023. Key interventions included stakeholder engagement on specific themes to observe UNESCO International Days. The Programme also facilitated development of guidelines towards effective implementation of ESD and GCED in Basic Education institutions, TVET and Universities. Research and capacity building activities were also carried out in line with the UNESCO thematic areas in Education. The major challenge encountered in the year is the COVID 19 pandemic which interfered with the timing and mode of delivery of programme activities. To address this challenge, some of the activities were re-structured and delivered virtually to the extent possible. Moving forward, the Programme has developed the 2020/2021 plan with clear mitigation mechanisms for COVID 19 to enhance achievement of set targets.

Education programmes promote values, attitudes and behaviours that empower learners to be proactive contributors to a more just, equal, peaceful and sustainable society. In addition, the education programme activities were also guided by the education objectives set out in the Big 4 Agenda, Nation Education Sector Plan (NESP 2018-2022) and other national strategy instruments. The activities of the programme were delivered through the following strategies:

Strategy I: Champion Global Responsible Citizens through institutions of learning;

Strategy II: Foster Quality Inclusive and Lifelong Learning for all;

Strategy III: Knowledge generation and management to advocate for and inform policy development;

Strategy IV: Enhance the implementation Education agenda 2030 and Continental Education Strategy for Africa (CESA 2016-25).

The programme managed to implement most of the activities as set out in the plan. Some of the key achievements include: launch of guidelines for mainstreaming ESD and GCED in Universities, dissemination of the study on 'Impact of FGM on Girls transition from primary to secondary school in Narok and Kajiado Counties', capacity development of teachers from Baringo and Marakwet Counties on Peace Education, and engagement of education stakeholders on specific thematic areas to observe various UNESCO international days.

The key challenge faced in the year is the disruption of programme implementation by the COVID 19 crisis. This led to the remodelling of activities to allow for virtual delivery to the extent possible. In the 2020/2021 financial year, the programme has planned to continue with implementation of activities in the KNATCOM strategic plan as well as those set out in the government guidelines for Performance Contracting.

Natural Programme

Under the Natural science programme, the commission conducted a virtual STEM sensitization campaign on KBC Radio and Television and community radios with an estimated out reach of 10 million learners. During the previous years, this activity was held as a STEM camp for Secondary school girls that targets about 300 learners. This year due to the limitations brought about by the COVID-19 pandemic, onsite camp was not possible and the commission opted for a virtual one. The success of this activity is due to the strong partnership with UNESCO, NACOSTI, Ministry of Education and Safaricom. In future, the commission plans to hold a hybrid camp that has elements of both physical and virtual interactions.

In order to strengthened environmental conservation and promote ecotourism for sustainable development, the commission continued to enhance its work in the Kenya's UNESCO biosphere reserves. The Mt. Kenya Biosphere Reserve has been extended to include Lewa conservancy and Ngare Ndare Forest, this extension has been approved by UNESCO which appreciated interdependence of the different cores of this biosphere reserve. In an effort towards increasing the visibility of the biosphere reserve, branding for Malindi Watamu Arabuko Sokoke and Amboseli Biosphere Reserves was undertaken. Towards preparation of Baringo Great Rift Valley Aspiring Geopark for the designation as UNESCO Global Geopark nomination dossier and publicity documents were developed.

Social Human Science Programme

The main objective of the Social and Human Sciences (SHS) programme is to promote inclusive social development, intercultural dialogue for rapprochement of cultures and promotion of ethical principles. To enhance ethics and to foster peace and sustainable development KNATCOM through the SHS conducted capacity building of Hospital Ethics Committee (HEC) and targeted key referral hospitals in Kenya. To promote ethics among Kenyan bioethics practitioners an international regional conference for National Bioethics Committees was organized and hosted by KNATCOM. KNATCOM also conducted a capacity building workshop for UNESCO Clubs Patrons who were trained on good management practices for the Clubs. This activity was conducted virtually in collaboration with the Kenya Federation of UNESCO Clubs, Centers and Associations (KEFUCA). KNATCOM through the SHS programme also worked with the Ministry of Education (MoE) and GIZ to develop a Physical Education (PE) policy for learning institutions in Kenya. To further promote best practices for equitable societies and sustainable development KNATCOM through the SHS programme undertook a study on the situation of young migrants in the Horn of Africa and disseminated its findings. In promoting best practices for equitable societies and sustainable development KNATCOM through the SHS programme introduced stakeholders in the Management of Social Transformations (MOST) programme to the concept of Future Literacy Laboratories. Future Literacy Labs (FLL) is an initiative of UNESCO that is premised on the idea that in an open, non-deterministic and complex emergent world, actions intended to direct societal development must incorporate a range of different ways of using the future. To enhance history and memory for intercultural dialogue KNATCOM through the SHS programme mapped and documented Kenya's slave sites. To enhance history and memory the programme organized a workshop for integration of the pedagogical content of UNESCO's General History of Africa into the History and Government curriculum. This activity aims at reviewing the second set of materials for ages 13- 16 and 17-19. In promoting best practices for equitable societies and sustainable development the international peace day was celebrated in Laikipia County. The International Day of Peace is a day where the world underscores its' commitment to peace and a culture of non-violence. In its endeavor to engage youth for a peaceful and participatory society the SHS programme conducted capacity building of the youth on Student Training on Entrepreneurship Promotion (STEP4Y) for Nairobi and Kajiado Counties. The SHS programme organized an international conference on gender issues in collaboration with the University of Iceland and UNESCO. To further engage youth for a peaceful and participatory society SHS programme conducted a regional workshop on leadership and civic engagement workshops for the youth and the UNESCO Youth Forum. The SHS programme implemented this

activity in line with the UNESCO Operational Strategy for youth. To further ssupport the implementation of Kenya UNESCO Youth Forum strategic plan a workshop was held in Nairobi to elect new UNESCO Youth Forum members. The workshop was also used to sensitize members on UNESCO's areas of expertise, UNESCO's operational strategy for youth and the meaning of volunteerism. To empower SHS programme staff on issues related to inclusive social development, intercultural dialogue for the rapprochement of cultures and ethical principles programme staff attended three international conferences. The conferences were on Artificial Intelligence in Paris, IGC of MOST in Paris and the African regional ministerial meeting on PE and sports held in Madagascar.

These key achievements were realized due to the timely disbursement of funds from the National Treasury and the financial support received from partners such UNESCO Regional Office for Eastern Africa, GIZ, University of Iceland, American Friends Service Committee and New Humanity NGO. I wish to thank UNESCO headquarters for providing funds to support the participation programme project on Physical Education. Despite the challenges posed by COVID-19 in the last quarter of the FY, the programme was able to deploy virtual engagement mechanisms to be able to deliver on its mandate.

Culture Programme

The overarching strategic objective of the culture programme is to promote awareness and appreciation of heritage and creativity for peace and sustainable development. During the 2019/2020 Financial year a total of 14 key activities were implemented. The activities were drawn from the strategic plan Culture Programme key objectives which are to; improve sustainable management of heritage in Kenya, enhance intercultural dialogue and rapprochement of cultures, enhance capacities for promotion of cultural and creative industries for sustainable development and to enhance intellectual collaboration in culture. The Culture Programme had a work plan budget of 17,000.000.00 for implementation of planned activities for the financial year 2019/2020. During this period under review, the department was allocated a total of 15,200.000.00 which it utilized 10,039, 415.00.

The programme recorded an outstanding achievement in implementation of its activities. For the 14 activities 10 were fully implemented. The success can largely be attribute to early planning and timely allocation of resources and focused leadership. However, there were challenges in particular COVID-19 which following the Ministry of Health issuance travel restrictions that resulted to cancellation of

workshops that were field based. Three activities were not fully implemented and one activity was partially implemented. As a remedy, the activities not implemented in the 2019/2020 Financial Year have all been planned for implementation in 2020/2021 Financial Year. The department plans to implement all activities spelt out in the Strategic Plan 2019-2023.

Key activities implemented during the 2019/2020 Financial year are:

- Sensitization of stakeholders and communities within heritage sites on management of heritage in Old Lamu Town and Kenya Lake System in the Great Rift Valley.
- Capacity building of stakeholders on appreciation, safeguarding, preservation, conservation, protection and promotion of heritage in Kenya in Central and North Rift regions
- Sensitization of stakeholders on the preservation, documentation and promotion of endangered indigenous language of the Waata Community in Coastal Kenya.
- Capacity building of about 120 stakeholders on UNESCO conventions and best practices and opportunities for promotion of culture and creative industries.
- Promotion of intellectual collaboration and linkages for development of culture and creative industries. one (1) creative conference organized and linkages with 2 universities established to promote skills and capacities in creative industries
- Enhancement of stakeholder partnerships in cultural festivals, symposia and exhibitions to promote creativity, appreciation and protection of diversity of cultural expressions and national cohesion. Three partnerships established with stakeholders.
- Mobilization of technical support to strengthen national capacities on cultural statistics Experts trained as TOTs on Cultural indicators in partnership with UNESCO headquarters.

Communication and Information Programme

In the financial year 2019/2020, the Communication and Information Programme implemented several activities in line with the approved programme work plan. The programme albeit with challenges arising from the onset of the COVID 19 Pandemic was able to record several achievements. Key among its achievements was the training of sixty journalists and media professionals on the UN Plan of Action on the safety of journalists and the issue of impunity. A further fifty-seven female journalists, who had lost their jobs as a result of the COVID 19 pandemic were provided with psychosocial support under the same programme. The activity increased understanding by media professionals on the UN Plan of Action on the Safety of Journalists and the Issue of Impunity.

The programmes participated in the online celebrations of the World Press Freedom Day. The commemoration of the day was organized by the media Council of Kenya and was held online in view of the COVID 19 pandemic. It was aimed at promoting press freedom and access to information in the country. Further, the programme carried out a capacity building training on content development and editorial formatting for journalists and community media managers. The workshop was held in Kisii with 35 participants trained on how to package agricultural information and innovative farming technologies. The content developed was further validated by stakeholders in the industry.

Directorate of Research, Consultancy and Resource Mobilization

The Directorate of Research and Resource Mobilization was established pursuant to section 4 (b, d, e, h and i) of the Kenya National Commission for UNESCO Act 2013 (Revised 2014) to coordinate partnerships, resource mobilization, research and consultancy and KNATCOM Resource Centre. In the reporting period following the approval of human resource instruments in the same period, the Directorate activities have been initiated and looking forward to recruit for the three departments, Partnerships and Resource Mobilization; Research and Consultancy; and Resource Centre.

Corporate Services Department

The mandate of the Corporate Services Department is to coordinate the implementation of the Commissions operations through provision of professional expertise in matters related to Human Capital, Administration, Finances, Accounting, ICT and Corporate Communication services.

The Department is established pursuant to Section 2.1, 2.2, 2.3, 2.5, 2.6, 2.8, 2.12, 3.1, 3.3, 3.6, 4.0,6.0 of the Mwongozo Code of Governance for State Corporations. The mandate of the Corporate Services Department is to support the functions of the Secretary General/CEO as stipulated under Section 17(3) of the KNATCOM Act, which will be implemented, by the Human Resource and Administration, Finance and Accounts, ICT and Corporate Communication Divisions.

Human Resource and Administration Division

During the reporting period, the Commission, working with the State Corporations Advisory Committee, revised KNATCOM Human Resource and Policy Manual, KNATCOM Career Progression Guidelines and the KNATCOM Organisation and Grading Structure. These were approved by SCAC and the management with the guidance of the Board of the Commission further

developed an implementation plan/matrix for filling in the vacant positions so as to maximise functional and operational deliverables.

The Human Resource & Administration department had a work plan budget of 165,000,000.00 for implementation of the sixteen identified activities for the Financial Year 2019/2020. A good amount from the allocation was spent to implement the identified activities. These included reviews of the Human Resource Instruments namely; the Human Resource Policy and Procedure Manual, 2019, the Career Progression Guidelines, 2019 as well as the Organization structure, Grading and Staff Establishment, 2019. The commission increased staffing levels by recruiting 5 new officers; enhanced youth employment opportunities by engaging 15 interns in the Commission; enhanced the young professional programs by promoting a feasibility study on 4 biosphere reserves and disseminated findings; ensured timely staff remuneration; introduced car loan facility; among other routine HR activities such as training and team building. Since the onset of COVID-19 a number of activities under HR were curtailed but achieved through use of virtual meeting and other guidelines provided by the government.

Finance and Accountant Division

The Division is charged with ensuring prudent management of financial resources as per the KNATCOM Act Section 17 (3) b, and the reporting thereof within the existing legal framework of Section 72(1) of the Public Financial Management Act, 2012. This Financial Statement has been developed with major input from the Finance and Accounting Division.

Information Communication Technology Division

The ICT Division is responsible for the coordination and management of the ICT function to improve staff efficiency towards realization of the Commission's mandate pursuant to Government ICT Standards. Under ICT and audit was undertaken to identify gaps in ICT especially with regard to information security and KNATCOM is pursuing Information Security Management system (ISMS) certification.

Corporate Communication Division

During the reporting period the Division reviewed the Communication Policy and Service Charter as well as developed a draft Corporate Social Responsibility Policy, Jarida newsletters and a corporate profile among other publications. The Division also coordinated participation during the annual Nairobi International Trade Fair and Show where the Commission was allocated a booth. Corporate communication materials were distributed and stakeholders sensitized about the mandate including the range of services offered by KNATCOM.

Corporate Strategy and Planning Department

The Department is established pursuant to Section 7.1, 7.2 and 8.3 of the Mwongozo Code of Governance for State Corporations and ensure that the Commission adopts and implements effective corporate strategies, strategic policy formulation and implementation, budget management, quality assurance, risk management coordination, performance management, monitoring & evaluation of projects and intellectual property management. This department has not been established but envisaged for the Financial Year 2020/2021 with the support of the Board, and clearance of Treasury for recruitment.

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Dr. Evangeline Njoka, MBS
Secretary General/CEO

Review of KNATCOM UNESCO'S Regulatory & Non – Commercial Enterprise 'S Performance for FY 2019/2020

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

KNATCOM-UNESCO has 5 strategic pillars and objectives within its Strategic Plan for the FY 2018/2019- 2022/2023. These strategic pillars are as follows:

Pillar 1: Promote education for peace and sustainable development

Pillar 2: Promote science for peace and sustainable development

Pillar 3: Promote standards and best practices on inclusive social development, inter-cultural dialogue and ethical principles

Pillar 4: Promote heritage and creativity for peace and sustainable development

Pillar 5: Promote freedom of expression, media development and access to information and knowledge

KNATCOM-UNESCO develops its annual work plans based on the above 5 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Commission achieved its performance targets set for the FY 2019/2020 period for its five (5) strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Promote education for peace and sustainable development	Champion global responsible citizens through institutions of learning	Report Documentary List of stakeholders	Organize knowledge sharing forums on peace, GCED and ESD and disseminate best practices	Documented best practices in ASPNET institutions, 10-minute documentary on the good practices Launched forum for the guidelines for mainstreaming ESD and GCED in universities
		List of stakeholders Report	Organize advocacy and publicity forums on peace and sustainable development	Conducted training of teachers and Ministry officials on peace education in Baringo County
	Foster quality and inclusive lifelong learning for all	Draft manual	Conduct capacity building for ECDE teachers on ICT	Draft training manual on ICT for ECDE teachers developed
	Knowledge generation, management and translation to	List of stakeholders reached Research report	Carry out research and disseminate findings on UNESCO education thematic areas	Disseminated research findings on FGM
				Conducted a baseline survey on safety and

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
	advocate and inform			protection of Children in Lamu County
	Enhance the implementation Education Agenda 2030 and Continental Education Strategy (CESA 2016-25)		Conduct sensitization and capacity building for education officers, education institutions administrators, lecturers and teachers on SDG4	Developed guidelines for implementation of SDGs in TVET institutions
		M & E framework List of participants	Develop and operationalize a monitoring and reporting framework on SDG4	Finalise the Development of a monitoring and measurement framework on SDG4 through holding a forum for at least actors in M&E in Education
Promote science for peace and sustainable development	Build capacity to enhance uptake of Basic Sciences, STI and Engineering	Report No of participants	Conduct capacity building of STEM secondary school teachers and trainers built	Conducted capacity building as planned
		Report No of participants M & E tracking tool	Conduct sensitization camps in STEM subjects for secondary school students	Sensitized 300 girls at Scientific Camps of Excellence on STEM
		Survey report List of respondents	Conduct tracer studies on the impact of STEM mentorship programme on STEM uptake	Conducted study
	Enhance knowledge and capacity for protecting and sustainably managing the ocean and coasts	Report No of participants	Sensitize Indian Ocean relevant stakeholders on use of ocean resources for sustainable development and	Sensitized 50 stakeholders Coordinated the celebration of International Ocean Day
	Promote science for sustainable management of natural resources, disaster risk reduction and climate change action	Reports Signage Nomination dossier	Biosphere reserve and Geopark branded	Branding and preparation of the Aspiring Great Rift Valley Geopark for designation of the UGG status
		Report List of participants Extension dossier Letters of support/endorsement Annual Status and Trends Report Policy brief for MAB-ICC	Identify an additional biosphere reserve in Kenya	Identification through field visits a potential new Biosphere Reserve in Kenya Extension of Mt. Kenya Biosphere Reserves Instituted a sustainable monitoring system for Biosphere Reserves
Promote standards and best practices on inclusive social development, inter-cultural dialogue and ethical principles	To enhance ethics and sports to foster peace and sustainable development	Report No of participants	Conduct capacity building for sports stakeholders and youth on the UNESCO convention against doping in sports;	Organized celebrations for the International Day of Sports on 6th April, 2020
		Activity report No of participants	Sensitize sports' stakeholders on the UNESCO charter of physical education and physical activity and sport	Enhanced awareness on the UNESCO PE and PA charter

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
		Report No of participants	Conduct capacity building of Hospital Ethics Committee (HECs) members	Enhanced knowledge on Hospital ethics committees, Number of HECs established
		Draft Policy	Undertake research in sports	Supported the development of a policy on physical education in collaboration with the MoE and partners
		Report No of participants	Organize advocacy and knowledge sharing forums in bio ethics and sports	Co-hosted a Regional National Bioethics Committees (NBCs) Summit in partnership with NACOSTI, UNESCO and WHO
	To promote best practices to foster equitable societies and sustainable development	Study report Designed and printed reports	Undertake research on social inclusion and disseminate research findings	Undertook data analysis, prepared a report on the status of young refugees in the horn of Africa and disseminated the research findings and collaborated with AFSC. Designed and printed six publications (MHM, Young Refugees, Laikipia study, HECs and Youth study)
		Activity report No of participants	Introduce and train stakeholders on MOST, future literacy and inclusive policy labs	Organized advocacy forums on MOST, future literacy and inclusive policy laboratory related themes and collaborated with DeKUT, Afrilics
	To enhance history and memory for intercultural dialogue	Activity report Dossier report	Map and document Kenya's slave routes	Slave routes mapped, documented and dossier sent to UNESCO for enlisting
		Activity report No of participants	Organize workshops for integration of the pedagogical content of UNESCO's General History of Africa into the curriculum	GHA content adopted into the Kenyan curriculum
		Activity report	Conduct international peace day celebrations in the county	International peace day celebrated in collaboration with MDCAs; Universities; civil society; UNESCO RO EA
	To engage youth for a peaceful and participatory society	Report No of participants	Conduct a capacity building workshop for youth on leadership, values and civic engagement	
		Activity report No of participants	Conduct capacity building on Student Training on Entrepreneurial Promotion	Youth trained under STEP4Y

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
			(STEP4Y) programme in counties	
		Report No of participants	Capacity build UNESCO Clubs patrons and members on management of the Clubs	UNESCO Clubs patron's capacity build
Promote heritage and creativity for peace and sustainable development	To improve sustainable management of heritage in Kenya	Number of stakeholders sensitized	Sensitize communities and stakeholders on appreciation, recognition and importance of management of heritage	Organized and coordinated sensitization of relevant Government Ministries, Agencies, communities and other stakeholders to develop and review management plans of heritage sites for the three properties of the Kenya Lakes System and Lamu Old Town
		Number of workshops held No of stakeholders	Conduct capacity building of stakeholders on safeguarding, preservation and conservation of heritage of Kenya	Conducted capacity building of stakeholders in central and North Rift regions on safeguarding, preservation and conservation of heritage in Kenya Sensitize stakeholders on the preservation, documentation and promotion of endangered indigenous languages in Kenya
		Number of stakeholders' capacity built on the value, significance and importance of protecting underwater cultural heritage	Conduct capacity building of stakeholders on the value, significance and importance of protecting underwater cultural heritage	Conducted capacity building workshop of stakeholders on the ratification of the 2001 UNESCO Convention for the Protection of the Underwater Cultural Heritage
		Number of World Heritage Sites Branded	Promote the visibility of heritage sites in Kenya	Promoted the visibility of heritage sites in Kenya
	To enhance intercultural dialogue and rapprochement of cultures in Kenya	Report No of stakeholders	Sensitize youth on cultural values and ethics	Organized a national youth forum on topical issues to inculcate cultural values and ethics among the youth
		Report	Organize intercultural celebrations and festivals	Partnered with stakeholder in cultural festivals, symposia and exhibitions to promote appreciation and protection of diversity of cultural expressions and national cohesion
	To enhance capacities for promotion of	Report No of stakeholders	Sensitize stakeholders on protection and promotion of the diversity of cultural	Sensitized stakeholders on the 2005 UNESCO Convention and

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
	cultural and creative industries for sustainable development		expressions for sustainable development	International Fund for Cultural Diversity (IFCD) online application as well as conducted pre-selection and evaluation of the IFCD project proposals
		No of stakeholders Report	Sensitize national institutions and county governments on UNESCO frameworks for cultural statistics to improve availability of cultural statistics	Sensitized national institutions, county governments and civil society organizations on UNESCO frameworks for cultural statistics to improve availability of national cultural statistics to support informed policy decisions
	To enhance intellectual collaboration in culture	Report List of stakeholders	Organize conferences and seminars on culture for intellectual collaboration	Organized conference to promote linkages and intellectual collaboration between universities and creative industry and published Journal of Theatre Arts
Promote freedom of expression, media development and access to information and knowledge	To promote freedom of expression and information and the safety of journalists	Report ' List of participants	Conduct capacity building of media professionals and stakeholders on freedom of expression, information and safety of journalists	Trained 60 Journalists and other media stakeholders on the UN Plan of Action on the Safety of Journalists
		Branded trophies	Co-organize forums on freedom of expression, access to information and media development	Promoted Press Freedom and Access to Information by branding two trophies for the Excellence Award and participating in the World Press Freedom Day Commemorations (3rd May)
		Report List of participants	Build the capacity of community media in editorial formatting and content development	Conducted capacity building on content development and editorial formatting for journalists and community media managers
	To enhance capacity of youth in ICT for sustainable, knowledge-based development	Report List of participants	Conduct capacity building of youth on mobile applications development	Trained 30 youth on mobile application development
	To promote access to and preservation of information and knowledge	Report	Coordinate identification of documentary heritage in the counties	Coordinated the identification of documentary heritage in the counties

Corporate Governance Statement

During FY 2019/20, the number of board meetings held and their attendance are as follows:

					NO. OF SESSIONS ATTENDED				
Name	**When appointed to the Board**	**Role**	**When retired**	**Committee membership**	**Full Board**	**Finance, Resource Mobilization and Establishment Committee**	**Audit and Risk Management Committee**	**Governance, Strategy and Programmes Committee**	**Ad-Hoc Committee**
Dr. Amatsimbi Misigo	24/6/2019	Chairman	N/A	N/A	10/11				
Ms. Mary Rotich	14/2/2020	Member	N/A	1. Finance, RM&E Committee	3/11	4/9			
Mr. Charles Wambia	17/10/2018	Member	N/A	1. Governance, Strategy and Programmes 2. Ad-Hoc Committee	10/11	2/9	1	1	7/7
CPA Robert Osano	20/12/2018	Member	N/A	1. Audit and Risk Management Committee 2. Finance, RM&E Committee	8/11	7/9	1		
Ms. Agnes Gatere		Member	Replaced by Ms.	1. Finance, RM&E Committee	6/11	4/9	1		3/7

			Mary Rotich						
				2. Ad-Hoc Committee					
Mr. George Kariuki	02/12/2013 Re-appointed - Feb. 2017	Member	N/A	1. Finance, RM&E Committee 2. Ad-Hoc Committee	7/11				7/7
CPA Denish Osodo		Co-opted	N/A	1. Audit and Risk Management Committee	1/11		1/4		
Ms. Josephine Muriuki	02/12/2013 Re-appointed - Feb. 2017	Member	N/A	1. Governance, Strategy and Programmes Committee 2. Ad-Hoc Committee	9/11			1	5/7
Ms. Esther Wanjau	02/12/2013 Re-appointed - Feb. 2017	Member	N/A	1. Finance, RM&E Committee 2. Governance, Strategy and Programmes Committee	8/11	6/9		1	
Mr. Patrick Ochich	02/12/2013 Re-appointed - Feb. 2017	Member	N/A	1. Finance, RM&E Committee	7/11	5/9			

Prof. Frederick Gravenir	02/12/2013	Member	Replaced by Prof. Grace Bunyi	1. Governance, Strategy and Programmes 2. Ad-Hoc Committee	8/11			1	7/7
Prof. Grace Bunyi	06/01/2020	Member	N/A	1. Audit and Risk Management Committee	1/11				
Mr. Benn Khadiagala	02/12/2013	Member	20/12/2018	1. Audit and Risk Management Committee 2. Finance, RM&E Committee	N/A	N/A	N/A	N/A	N/A
Mr. Wenslas Ong'ayo	02/12/2013	Member	17/10/2018	1. Governance, Strategy and Programmes Committee 2. Finance, RM&E Committee	N/A	N/A	N/A	N/A	N/A

Statement of Good Governance

The Board of the Kenya National Commission for UNESCO (KNATCOM) strives to ensure the Commission meets high standards of performance by adhering to good corporate governance as guided by *Mwongozo,* the KNATCOM Act 2013, KNATCOM Board Charter, other statutory and regulatory provisions as well as best practices of good governance.

The Board of the Commission plays an important oversight role in the Management of the Commission. Section 15 of the ***State Corporations Act, CAP 446 of the Laws of Kenya*** vests the responsibility for the proper management of the affairs of a State Corporation on the Board. The Board is responsible for setting strategy and overall policy formulation, mission and vision.

The Board is also responsible for monitoring and evaluating the institutional performance, and for ensuring adherence to good corporate governance principles and compliance with statutory obligations. To effectively manage its oversight role, the Board has established three committees in line with *Mwongozo*, the code of governance for State Corporations, the relevant Government circulars and the KNATCOM Board Charter. These are: Audit, Risk and Compliance Committee; Finance, Resource Mobilization and Establishment Committee; and Governance, Strategy and Programmes Committee.

To undertake its responsibilities effectively and efficiently, the Board develops a detailed annual Work Plan (Almanac), which focuses on a review of the Management's implementation of strategies, policies and plans; risk management; budgeting and financial management; resource mobilization; quality assurance; evaluation; strategic planning and review; governance, compliance and competence development. The Board reviews and evaluates its Work Plan periodically.

A key achievement in the transformation agenda of the Commission, among other milestones, was the establishment of the first KNATCOM Strategic Plan covering the period June 2014 to June 2019, A second plan, was developed in 2019 and is intended to drive the Commission's strategic direction for five years beginning 1st July 2019. This second plan for the period 2019 to 2023 focuses on clear goals and activities, geared towards realization of Kenya's National Development Goals, regional and international priorities and emerging issues. The Commission continues to contribute to Kenya's transformation agenda through: generation of new knowledge to inform policy reforms;

contextualization of international trends and innovations; and establishment of relevant collaboration and partnerships to improve the lives of Kenyan children, youth and adults.

As part of enhancing efficiency in service delivery, KNATCOM developed a Quality Management System (QMS) modelled on the ISO 9001:2015 International Standard, in 2019. The Commission has currently embarked on the journey towards certification in Information, Security Management Systems, ISO 2700: ISMS. Achievement on these two standards is expected to not only enhance the Commission's operations but also improve service delivery to Kenyans.

Informed by the prevailing government regulations pertaining to management of human resource in public service, the Commission embarked on organization restructuring process through development of new KNATCOM Human Resource instruments, in 2019. The new HR instruments were approved for implementation in October 2019 by the State Corporations Advisory Committee (SCAC) as per the legal requirements. They are aligned to the current Human Resource Policies and Procedures Manual for the Public Service of May 2016, and the mandate of the Commission as envisioned in the KNATCOM Act, 2013. The Board has the critical role of ensuring successful implementation of these new HR instruments as well as effectively managing the consequent organizational change.

Board Charter

Guided by Mwongozo, the Board of the commission has a charter for the board and for the Board Audit Committee. Further, for the Board of the Commission to undertake its responsibilities effectively and efficiently, developed a detailed annual Work Plan (Almanac), which focuses on a review of the Management's implementation of strategies, policies and plans; risk management; budgeting and financial management; resource mobilization; quality assurance; evaluation; strategic planning and review; governance, compliance and competence development. The Board shall review and evaluate its Work Plan periodically. The development of the Board Work Plan guided by the provisions of *Mwongozo,* clause 1.9. The Work Plan aims to ensure the Board fulfils its basic responsibilities and realizes its mandate for the development of the Commission.

Audit and Risk Management Committee Charter

The Audit and Risk Management Committee of the Board has a charter that describes the mandate, authority, composition, meetings, responsibilities, evaluation and accountability of the Committee. The functions of this Committee will entail: -

1. To inquire into and advise the Board on any matter concerning;
   i. Audit findings
   ii. Risk management issues
2. To exercise the powers and perform on behalf of the Board the following functions;
   i. review the draft audit reports as presented by the auditor;
   ii. ensure follow up on any issues mentioned;
   iii. examine the financial statements;
   iv. create and update (as necessary) policies that help ensure the compliance and promote effective risk management;
   v. consider and present recommendations to the full board; and
   vi. perform any other duties as may be assigned to it by the board

Training

For the reporting period no training was undertaken but has been planned for the first quarter of FY 2020/2021. Nonetheless, appropriate training for Board members will be carried out periodically to keep members abreast of the best corporate practices and legal requirements to be adhered to in carrying out their mandate and in line with budgetary provisions.

Board Evaluation

The Board will conduct a self-appraisal to evaluate the attainment of set goals and targets at the end of each financial year. This self-appraisal is being carried out in accordance with the Board Evaluation Tool prescribed by SCAC from time to time, and under its supervision.

Appointment of the Board of the Commission Members

(i) The roles of the three (3) Board committees are provided herein above as guided by Mwongozo, KNATCOM Board Charter and various other government circulars. These roles will also include others defined in government circulars as may be issued from time to time.

(ii) Mwongozo guides that at least one- third (1/3) of Board members shall be independent upon appointment and maintain independence during their term of service on the Board. Mwongozo guides on the independent Board members.

Management Discussion and Analysis

Financial Performance

The Kenya National Commission for UNESCO (KNATCOM) is a state corporation whose principal activity/mission/ mandate is to promote building of peace, eradication of poverty, sustainable development and intellectual dialogue through education, sciences, culture, communication and information.

The Commission heavily relies on the Government grant to support its activities. The grant is mostly used to cater for staff salaries and undertake core activities. The provision has been decreasing in recent years making it impossible to undertake all the major activities, some of which are core. The Commission also receives grants from donors to fund various activities under participation programmes (PP's).

During this financial year, the Institute received transfers from the ministry of education as follows;

Type of Grant	2019/2020	2018/2019	Amount Absorbed
Operational Grant- Normal	294,800,000	307,800,000	268,759,930

Further, the Commission received donor funds as follows;

Type of Grant	2019/2020	2018/2019	Amount Absorbed
Donor Fund	2,197,555	14,658,825	10,383,102

The commission absorbed 91% of its government grants and 100% of its donor funds. The excess donor amount was paid from the donor unspent grants.
The commission was unable to fully absorb the government grants due to COVID-19

Entity's compliance with statutory requirements

The Commission has complied with statutory requirements. Some of the statutory obligations the Commission has complied are NSSF, PAYE, NHIF, employment contracts, board meetings, submission of annual reports and financial statement among others.

Major risks facing the commission

1. Unfavorable economic conditions - Covid-19 pandemic that has affected performance thus affecting budget absorption.

Corporate Social Responsibility Statement/Sustainability Reporting

The Commission exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on three pillars: social pillar that ensures that we put the customer/Citizen first, economic pillar that ensures that we delivering relevant services efficiently and within budget, and environmental pillar that focuses on achieving environmental sustainability and green approaches in our operations. Below is a brief highlight of our achievements in each pillar.

1. **Sustainability strategy and profile**

   Our environment sustains life and any pressure subjected on it has social-economic and ecological implications at individual, institutional, national and even global levels manifested in the form of pollution, biodiversity and habitat loss and degradation and climate change. All these impacts affect livelihoods, human health, environmental productivity and compromises the ability of the environment to provide a continuous steam of ecosystem services that are key not only for socio-economic prosperity, but also for quality human survival. It is possible that in the course of pursuing its mandate, some of the Commission's activities could leave a negative footprint on the environment. The top management is therefore conscious of the Commission's need to live in harmony with nature and contribute towards environmental sustainability through offsetting and minimizing any deleterious effects emanating from its activities within the office and when implementing programme activities in the field. This is important for the environment's sake but also the influence it has on the diverse stakeholders that interact with the Commission. The five UNESCO areas of competence which forms the bulk of the Commission's programmatic work places associates programmatic planning and implementation with the global agenda 2030 and hence each programme endeavours to link and customize programme activities to relevant SDGs. As part of mainstreaming, efforts have been made to sensitize staff on the need to embrace environmental sustainability in the course of discharging their duties to ensure that corporate responsibility is embraced and practiced by all. An empowered workforce is key in achieving compliance as this constituent at the workplace

will be aware of, committed to, concerned about, the environment, and its associated problems, and equipped with the knowledge, attitudes, motivations, commitment, and skills to work individually and collectively toward solutions to address existing challenges and the prevention of new ones through embracing ethics, understanding, and empowerment and spurred action.

Other CSR activities that have been undertaken including sensitization of the public on HIV/AIDS and life style diseases through various campaigns. Kenya is a largely arid and semi-arid country and water scares as well and this results into challenges of food security in most parts of our nation as part of improving the food security through increased yields and enhance nutrition, efforts were made to sensitize pupils in ASPnet schools on better farming methods using and colleges schools' demonstration farms. An orchard was established at one of the National Polytechnics.

2. Environmental performance

The operations of the Commission are guided by various policies and procedures that have been developed to guide the operations of the Commission ensuring that it pursues its vision and mission and its mandate. Some of the policies that have been developed include but not limited to the Corporate Social Responsibility the Work Environment, Health and Safety Policy, Quality management System Policies and procedures. As part of implementation of these policies and embracing best practices in environmental stewardship as well as compliance with statutory laws and regulations, the Commission has registered the following successes:

i. sustainable printing (e.g. printing on both sides/duplex and black and white) and emphasis on printing when it is absolutely necessary to save on paper (and forests);
ii. safe disposal to reduce ecological footprint (dispose hazardous waste using safe and responsible methods with minimal negative impact on the environment);
iii. energy efficiency through encouraging staff to be prudent in the use of electricity including switching off power when not in use and designing the offices in such a way that during the day, sunlight is the main source of light in most offices.
iv. mainstream environmental best practices in all programmatic planning and implementation of activities;
v. promoting the culture of awareness and responsibility towards environmental sustainability by staff through continuous sensitization and awareness;

vi. engaged in carbon offset programmes through tree planting at Aberdare National Park where trees were planted and are being monitored to assess the survival rate (currently at 86%);

vii. proper maintenance of the Commission's vehicle to reduce wear and tear that would increase emissions and air pollution;

viii. vehicles equipped with dustbins to ensure efficient disposal of waste;

ix. staff using car polling vehicles when going for field;

x. environmentally friendly offices, which are well lit minimizing the use of electricity;

xi. embrace the use of water dispensers in all offices thus reducing the use of plastics water bottles in the office – plans are underway to use reusable glass water bottles during workshops and field activities;

xii. sharing documents (e.g. workshop proceedings, activity reports) electronically thus saving on paper; and

xiii. holding most meetings virtually to minimize carbon foot print that would have resulted if officers travelled to the meeting venue.

3. Employee welfare

The last financial year saw the commission review the Human Resource Instruments; the KNATCOM Human Resource Policy and Procedure Manual, 2019, The Career Progression Guidelines, 2019 and the Organization structure, Grading and Staff Establishment, 2019. With most staff having stagnated on one level for years, the revised Career Progression Guidelines provided a leeway for staff promotions. The review of the instruments also saw career of new posts. The posts introduced were crucial for the implementation of the strategic plan and realization of the Commission's mandate.

The Commission continues to acquire competent staff to implement its mandate and strategic plan. In recruiting new staff, the Commission has relied heavily on the Constitution of Kenya, 2010 the Employment Act, 2007, KNATCOM Human Resource Policy and Procedure Manual, the PSC Human Resource Policy and Procedure Manual among other relevant guidelines.

During the last financial year, the Commission was able to bring on board 5 new officers in different positions namely; the Deputy Secretary General, programmes, Manager, Finance & Accounts, Deputy Director, Basic Education and Learning, Deputy Director, Freedom of Expression and Media Development and Manager, Legal Services. The Commission always takes in consideration gender equality and equity during staff recruitments as per the provisions of the Constitution of Kenya, 2010,

Section 5 of the Employment Act, 2007 and section 2.10.7 of the KNATCOM Human Resource Policy and Procedure Manual, 2019. The additional five staff recruited during the financial year 2019/2020 saw the Commission's staff grow to a total of thirty-eight (38), eighteen (18) of them being male and twenty (20) females.

During the recruitment process right from identification of vacant posts all the way to on boarding, the Commission ensured that all relevant stakeholders have been involved in accordance with Section 2.10 to 2.27 of the KNATCOM Human Resource Policy and procedure Manual, October 2019.
The KNATCOM Human Resource Policy and Procedure Manual, 2019 was reviewed on October 2019 to replacing the KNATCOM HR Policy and procedure manual, 2014. It is worth noting that this policy enshrines most policies which relates to Human Resource management. The policy is revised on need basis when there is need to but not more than five years.
The Commission has also endeavoured to support staff to improve their skills and careers. During the last financial year, the Commission sponsored some staff to undertake Strategic Leadership Development Programme for Officers in top management, Senior Management Courses for officers in middle level and Supervisory Skills for support staff. The Commission has also been in the front line to support staff undertake individual training to capacity build their skills and competencies. The Human Resource and Administration is currently developing a training guideline to help effectively implement the staff training function.

The Commission continues to take into account staff performance and rewarding employees for exemplary contribution in a fair and equitable manner. At the commencement of the financial year 2019/2020 the Human Resource Department issued performance appraisals to the staff and follow up done during mid-year review. The HR Department is in the final stages of collating and submitting the reports to the HRMAC for recommendation to the Secretary General/CEO for rewards for the best performers and interventions for staff whose performance needs to improve.

The Commission continues to support the need to have a safe working place to the staff. The Health and safety Committee exists to ensure that matters relating to employee health and safety are taken in to consideration and to ensure provision of a conducive work environment. Some of the interventions to address this included staff sensitization on emergency preparedness, fire precautions and fire prevention. The Commission also continued to provide insurance cover to protect the staff against disaster or natural calamities, including securing the covid-19 cover for staff since its outbreak and it

being declared a pandemic by H.E the President of the Republic of Kenya and other nations in the world at large.

In regard to the staff welfare, the Commission successfully organized for a staff team building activity on December 2019. This was a very important activity which not only improved the staff team spirit, but also gave the employees a breather after a very busy year. During this activity, staff were issued with tokens of appreciations and other kinds of gifts as organized by the Staff Welfare Committee. The Committee also is in the process of registering a staff welfare association which will allow staff to contribute towards a kitty which will cater for most of the staff welfare issues like bereavements, graduations weddings among others.

The Commission also continues to support both internship and attachment programmes to allow new graduates to acquire practical exposure in a real work environment. In the last financial year, the Commission was able to engage three (8) interns and ten (10) attachés. In addition to this, the Commission was able to engage five (5) German volunteers under the Kulturweit and Nuturweit Programmes.

4. Market place practices-

The Commission has made efforts to;

Responsible sourcing which is a supply chain responsibility to voluntary commitment by organizations to take into account social and environmental considerations when managing their relationships with suppliers. Suppliers can actually have a huge impact on a company's or organizations processes and or services. Suppliers play a central role in driving excellent service delivery, and that should never be ignored. Being able to work with reliable, high-quality suppliers can help an organization to meet its obligations and mandate. Unreliable suppliers can create bottlenecks in an organization's workflow, and have a greater negative impact on clients and stakeholders service delivery.

In this regard the Kenya National Commission for UNESCO being a public institution, the supply chain and supply relations management is guided by the Public Procurement and Asset Disposal Act of 2015. The Commission has enhanced cooperation with its suppliers to ensure that they adhere to social and environmental factors. Further, the Commission ensures that responsible supply chain management generate value and enhances service delivery by employing the following; -

a) **Complying with statutory requirements**. The Commission has ensured that its suppliers and service providers demonstrate respect for human rights especially in complying with the labour laws. Being a public institution, our suppliers must demonstrate that they are remitting the statutory deductions to relevant Government bodies such as NSSF, and NHIF by ensuring that before they are engaged, the firms must provide certificate of compliance from the above-mentioned bodies.

b) **Improving collaboration with our suppliers.** Dialogue and cooperation to improve performance have strengthened relations with suppliers and has contributed to increasing efficiency and reducing costs. Close collaboration with suppliers has ensured that they understand the needs of the Commission and expected lead times of various goods and services and as a result the Commission does not suffer stock outs or holding too much stock than is required at any given time

c) **Improving product quality**. Responsible supply chain management helps to safeguard product/service quality and promote the development of more sustainable goods/services. The Commission ensures that right specifications developed by the users in line with the Public Procurement Act is shared with the suppliers on time to ensure that they source for quality goods that meets the Commissions standards

d) **Reducing the risk of negative PR**. Responsible supply chain management protects the organization from negative public relations and improve the Commission image. By working closely with suppliers, any complains and grievances are handled as they arise to ensure that the Commissions image is safeguarded. In addition, we have installed suggestion or complaints boxes in all floors within the Commission to make it easy for any member of public who may want to make a complain about our services.

e) **Timely payments to Suppliers.** The Commissions has ensured that service providers are paid within 30 days and in most cases even earlier. The payment process has been developed and synchronized to ensure that there is seamless flow of invoices from one department to the other. In addition, approval processes have been streamlined to ensure that supplier payments process take the shortest time possible.

5. **Community Engagements-**

The Student Training for Entrepreneurial Promotion **(STEP)** programme that KNATCOM conducts through the Social and Human Sciences programme, offers trainees the opportunity to learn the skills necessary to access capital in the small-business sector and generate an

income, thus becoming productive and self-reliant, and creating opportunities for employment thus participating in the economic development of the nation. In the FY 2019/2020, the training took place in Kajiado county. Youth in diverse levels of business and those not engaged in any form of employment from the community were invited to participate in the training. The cost for the training was met by KNATCOM and some partners.

KNATCOM has supported in the establishment of UNESCO Clubs in diverse regions of the country. Through the UNESCO Clubs, KNATCOM supports the political and social pillar by conducting activities that promote cohesive societies. Charitable services to other members of the community are also offered by members of the UNESCO Clubs. The clubs, mainly made up of the youth, pupils and students, grow food staffs, participate in fruit tree and tree planting activities while engaging the communities within their surroundings, clean social places such as markets and provide food and cleaning services to the needy and the physically and mentally challenged especially those in learning institutions. KNATCOM has records of activities of the UNESCO Clubs in the FY 2019/2020. For instance, Meru University UNESCO Club engaged in wide range avocado tree planting and supported the Kunene Special School that has mentally challenged pupils to whom they offered cleaning services and provided for some toiletries. Wathithuga primary school UNESCO Club also visited the needy within their community providing cleaning services and food stuff.

Report of The Board of Commission

The Board of the Commission submit their report together with the audited financial statements for the year ended June 30, 2020 which show the state of the Commission affairs.

Principal activities

The principal activities of the Commission are in line with the mandate of UNESCO to its Member states and the Kenya National Commission for UNESCO Act, 2013, KNATCOM's main functions are to:

a) ensure permanent presence of UNESCO in Kenya;

b) involve in UNESCO's activities the relevant line ministries, departments, agencies, organizations and individuals dealing in UNESCO's areas of competence;

c) implement UNESCO activities and budgeted programs;

d) disseminate information and innovations on the activities of UNESCO;

e) foster liaison between UNESCO and State agencies and organs concerned with Education, Science, Culture, Communication and Information;

f) collaborate with other national commissions in UNESCO member states, UNESCO headquarters and field offices;

g) coordinate participation in international meetings on education, science, culture, and communication and information;

h) disseminate information on UNESCO prizes and awards to potential candidates and ensure their participation;

i) disseminate information on UNESCO fellowships and study grants to potential applicants and facilitate their participation;

j) co-ordinate ratification of UNESCO related conventions and protocols;

k) coordinate capacity building in education, science, culture and communication;

l) participate in the formulation of UNESCO's programmes and activities;

m) participate in mobilization of resources for implementation of UNESCO programmes and activities; and

n) provide expert advisory service to the government in education, science, culture, and communication and information.

These principal activities are all geared towards promoting Kenya's development agenda.

Results

The results for the year ended June 30, 2020 are set out on pages 1-5

Board of The Commission Members

The members of the Board of Commission who served during the year are shown on page v- xii. During the year 2019/2020, the board of the Commission who served are shown below;

NAMES OF BOARD MEMBERS, THEIR INSTITUTIONS AND DATE OF APPOINTMENT

	Name	Designation e.g. Chairman or Member	Institution	Date of Appointment	Date of re-appointment	Date of Expiry of Term
1	Dr. Misigo Amatsimbi	Chairman	University of Nairobi	24/6/2019		23/6/2022
2	Mr. George Kariuki	Member	Alternate to PS, The National Treasury	02/12/2013	Feb. 2017	02/11/2021
3	Mr. Patrick Ochich	Member	Alternate to CEO, Kenya National Examinati	02/12/2013	Feb. 2017	02/11/2021
4	Ms. Esther Wanjau	Member	Alternate to PS - Information, Communicati	02/12/2013	Feb. 2017	02/11/2021
5	Prof. Grace Bunyi	Member	Alternate to VC - Kenyatta University	06/01/2020		21/2/2021
6	Ms. Josephine M. Muriuki	Member	Alternate to PS, Labour & Social Protection	02/12/2013	Feb. 2017	02/11/2021
7	Mr. Charles Wambia	Member	Alternate to PS - Ministry of Sports, Culture	17/10/2018		02/11/2021
8	Mr. Robert Osano	Member	Alternate to PS - Ministry of Education	20/12/2018		02/11/2021
9	Ms. Mary Rotich	Member	Alternate to CEO - Teachers Service Commi	30/10/2018		02/11/2021

Auditors

The Auditor General is responsible for the statutory audit of the Commission in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Commission for the year/period ended June 30, 2020 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

Secretary General/ C.E.O

Date 07/04/2021

Statement of Board of The Commissions' Responsibilities

Section 81 of the Public Finance Management Act, 2012 and Section 14 of the State Corporations Act require the Board of the Commission to prepare financial statements, which give a true and fair view of the state of affairs of the Commission at the end of the financial year/period and the operating results for that year/period. The Board of the Commission members are also required to ensure that the Commission keeps proper accounting records which disclose with reasonable accuracy the financial position of the Commission. The Board of the Commission members are also responsible for safeguarding the assets of the Commission.

The Board of the Commission members are responsible for the preparation and presentation of the Commission's financial statements, which give a true and fair view of the state of affairs of the Commission for and as at the end of the financial year (period) ended on June 30, 2018. 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 Commission ; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Commission ; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of the Commission accept responsibility for the Commission'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, 2012 and the State Corporations Act). The Board of the Commission further confirm the completeness of the accounting records maintained for the Commission, which have been relied upon in the preparation of the Commission's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Commission's financial statements were approved by the Board on 18th September 2020 and signed on its behalf by:

....

Chairperson of the Board **Accounting officer/SG/CEO**

REPUBLIC OF KENYA

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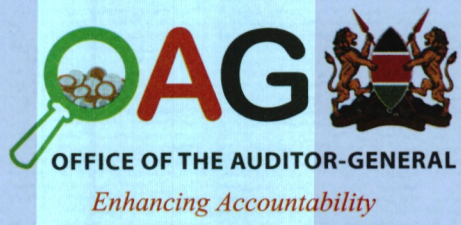
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON KENYA NATIONAL COMMISSION FOR UNESCO FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya National Commission for UNESCO set out on pages 1 to 27, which comprise the statement of the financial position as at 30 June, 2020, the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Kenya National Commission for UNESCO as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (accrual basis) and the provisions of Kenya National Commission for UNESCO Act, of 2013 of the laws of Kenya and Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing has else 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

Recruitment of Chief Accountant and Legal officer

During the year 2017/2018 the Commission advertised for the recruitment of Chief Accountant on 28 November, 2017. After shortlisting and interview process the Commission ranked three top candidates. Candidate ranked No.1 was offered the position through letter of offer dated 26 April, 2018. Candidate No.1 and Candidate No.2 declined to take up the position. Subsequently Candidate No.3 was offered this position. This was done contrary to the Commission's Human Resources Policy and Procedures Manual that requires background checks are to be done before issuance of letter of offer. The Commission carried out Post facto background check on the 3 ranked officers who had been offered the appointment. Several issues emerged later that brought this recruitment into question. This has resulted in several legal suits that have led to the Commission incurring legal fees amounting to Kshs.2,599,384.

Further the Commission appointed a legal officer through appointment letter dated 30 August, 2019 on permanent and pensionable terms with a six months' probation period. Review of her documents revealed inconsistences leading to her not being confirmed on this appointment. This has resulted in the officer suing the Commission and they may incur legal expenses on this suit.

In the circumstances, Management is 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

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

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

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

In preparing the financial statements, Management is responsible for assessing the Commission'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 Commission or 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 Board of Directors is responsible for overseeing the Commission's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Commission 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 Commission to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

Nancy Gathungu
AUDITOR-GENERAL

Nairobi

03 November, 2021

Statement of Financial Performance
For the Year Ended 30 June 2020

	Notes	2019-2020	2018-2019
		Kshs	Kshs
Revenue from non-exchange transactions			
Public contributions and donations	6	2,197,555	14,658,825
Transfers from other governments – Grants	7	294,800,000	307,800,000
		296,997,555	**322,658,825**
Revenue from exchange transactions			
Finance Income – External Investments	8	1,134,988	-
Other income	9	-	4,306,945
Total revenue		**298,132,543**	**326,765,770**
Expenses			
Use of goods and services	10	3,553,689	2,276,429
Employee costs	11	99,505,219	86,749,656
Boards' Expenses	12	10,329,885	14,581,786
Depreciation and amortization expense	13	10,938,986	8,607,849
Repairs and maintenance	14	2,279,619	1,574,100 **R**
General Expenses	15	142,792,337	190,556,643
Finance Costs	16	490,722	398,473
Total expenses		**269,890,457**	**304,744,936 R**
Net Surplus for the year		**28,242,086**	**22,020,834 R**

During the financial year 2019/2020, the Commission received a total of Kshs. 21,692,920 from Jubilee Insurance Company to facilitate settling of an insurance claim.

The notes set out on pages 6 to 27 form an integral part of these Financial Statements

Statement of Financial Position
As at 30 June 2020

	Notes	2019-2020	2018-2019
		Kshs	Kshs
Assets			
Current assets			
Cash and Cash Equivalents	17	124,586,796	131,413,495
Receivables from non-exchange transactions	18	7,024,959	61,356
Inventories	19	11,173,629	3,173,919
Prepayments	20	6,270,526	19,319,630
		149,055,910	**153,968,400**
Non-current assets			
Property, plant and equipment	21	43,714,233	36,789,727 **R**
Intangible assets	22	1,130,640	1,072,840
		44,844,873	**37,862,567 R**
Total assets		**193,900,783**	**191,830,967 R**
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	23	11,640,268	36,158,336
Deferred income	24	-	1,654,202
Total Non - Current Liabilities		11,640,268	**37,812,538**
Net assets			
Accumulated surplus		182,260,515	154,018,429 **R**
Total net assets		**182,260,515**	
Total net assets and liabilities		**193,900,783**	**191,830,967 R**

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

Secretary General/C.E. O
Dr. Evangeline Njoka, MBS

.....

Date.....07/04/2021

Ag. Manager Finance & Accounts
Naomi Muiruri
ICPAK Member Number: 16120

.....

Date.....07/04/2021

Chairperson of the Board
Dr. Amatsimbi Misigo

.....

Date.....7/4/2021

Statement of Changes in Net Assets
For the Year Ended 30 June 2020

	Attributable to the owners of controlling Commission
	Reserves
	Accumulated Surplus
At July 1, 2018	**131,997,595**
Surplus/deficit for the period	22,020,834 **R**
At June 30, 2019	**154,018,429 R**
At July 1, 2019	**154,018,429 R**
Surplus/deficit for the period	28,242,086
At June 30, 2020	**182,260,515**

Note
The Restated figures are as a result of office partitions expensed in the statement of financial performance in the year 2018/2019

Statement of Cash Flows
For the Year Ended 30 June 2020

	Notes	2019-2020	2018-2019
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		2,197,555	14,658,825
Government grants and subsidies		294,800,000	307,800,000
Finance Income – External Investments		1,134,988	
Other income		-	4,085,304
Total Receipts		**298,132,543**	**326,544,129**
Payments			
Goods and services		3,553,689	2,892,044
Compensation of employees		99,505,219	86,749,656
Board Expenses		10,329,885	14,581,786
Repairs and Maintenance		2,279,619	19,221,613
General Expenses		127,173,229	189,906,643
Finance Charges		490,722	398,473
Grants and subsidies paid (***Transfer to Treasury***)		21,866,930	-
Total Payments		**265,199,293**	**313,750,215**
Net cash flows from operating activities		**32,933,250**	**12,793,914**
Cash flows from investing activities			
Purchase of assets		-20,276,541	-16,410,190
(Decrease/(Increase) in payables		-19,483,408	
Net cash flows used in investing activities		**-39,759,949**	**-16,410,190**
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	(-)
Increase in deposits		-	-
Net cash flows used in financing activities		**(-)**	**(-)**
Net increase/(decrease) in cash and cash equivalents		**-6,826,699**	-3,616,276
Cash and cash equivalents at 1 JULY	17	131,413,495	135,029,771
Cash and cash equivalents at 30 JUNE	17	**124,586,796**	**131,413,495**

Disclosure: Transfer of Kshs. 21,866,930 to treasury was done on 25th November, 2019 as per the bank statements.

Statement of Comparison of Budget and Actual Amounts
For the Year Ended 30 June 2020

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Notes
	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020	
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Public contributions and donations	500,000	1,697,555	2,197,555	2,197,555	-	
Government grants and subsidies	294,800,000	0	294,800,000	294,800,000	-	
Other Income	0	1,134,988	1,134,988	1,134,988	-	
Total income	**295,300,000**	**2,832,543**	**298,132,543**	**298,132,543**	-	
Expenses						
Compensation of employees	97,645,000	1,860,219	99,505,219	99,505,219	-	
Remuneration of Board members	10,844,000	-514,115	10,329,885	10,329,885	-	
Goods and services	186,611,000	883,102	187,494,102	149,116,368	38,377,734	1)
Depreciation and Amortization	200,000	603,338	803,338	10,938,986	-10,135,648	
Total expenditure	**295,300,000**	**2,832,543**	**298,132,543**	**269,890,457**	**28,242,086**	
Surplus for the period	**0**	**0**	**0**	**28,242,086**	**28,242,086**	

Budget notes

1. *The movement was due to savings as a result of movements restrictions introduced by the government to stem the spread of Covid – 19 Virus Pandemic.*

Notes to The Financial Statements

1. General Information

Kenya national Commission for UNESCO is established by and derives its authority and accountability from Kenya national Commission for UNESCO Act 2013 (Revised 2014). The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to promote Kenya's national interests in UNESCO and UNESCO's international interests in Kenya, regionally and globally in the areas of education, sciences, culture, and communication and information.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act *(include any other applicable legislation),* and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2020

Standard	Impact
IPSAS 40: Public Sector Combinations	**Applicable: 1st January 2019** The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3(applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations. *(The standard didn't have any impact to the Commission)*

Notes to The Financial Statements (Continued)

3 Adoption of New and Revised Standards (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	**Applicable: 1st January 2022:** The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. *(The standard didn't have any impact to the Commission)*
IPSAS 42: Social Benefits	**Applicable: 1st January 2022** The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. *(The standard didn't have any impact to the Commission)*

Standard	Effective date and impact:
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	**Applicable: 1st January 2022:** a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other Improvements to IPSAS	**Applicable: 1st January 2021:** a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard

iii. Early adoption of standards

The Commission did not early – adopt any new or amended standards in year 2020.

Notes to The Financial Statements (Continued)

4 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 entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Interest income

Interest income is accrued using the effective yield method. The effective yield 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 each period.

Notes to The Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2019-2020 was approved by the National Assembly on June, 2019. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section of these financial statements.

c) Property, plant and equipment

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

Depreciation

Depreciation on assets is calculated using the reducing balance method to allocate their cost to their residual values over their estimated useful lives, as follows:
The annual depreciation rates in use are:

Computers & computer accessories	30%
Plant & machinery	12.5%
Furniture, fittings and office equipment	20%
Motor vehicles	25%
Partitions	12.5%

Notes to The Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

d) Intangible assets

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

The useful life of the intangible assets is assessed as either finite or indefinite.
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 20%.

e) Financial instruments

Financial assets
Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Notes to The Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Commission assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

Notes to The Financial Statements (Continued)

4 Summary of Significant Accounting Policies (continued)

f) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

g) Nature and purpose of reserves

The Commission creates and maintains reserves in terms of specific requirements. Commission to state the reserves maintained and appropriate policies adopted.

Notes to The Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

h) Changes in accounting policies and estimates

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

i) Employee benefits

Retirement benefit plans

The Commission provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity 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 contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

j) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

4 Summary of Significant Accounting Policies (Continued)

k) Related parties

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

l) Cash and cash equivalents

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

m) Comparative figures

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

n) 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, 2020.

5 Significant Judgments and Sources of Estimation Uncertainty

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

4 Summary of Significant Accounting Policies (Continued)

Estimates and assumptions

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

Useful lives and residual values

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

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

Notes to The Financial Statements (Continued)

6 Public Contributions and Donations

Description	2019-2020	2018-2019
	KShs	KShs
Donor funds (UNESCO)	2,057,947	7,008,169
Donor funds Germany	139,608	4,895,250
Donor funds International centre for martial arts	-	2,755,406
Total transfers and sponsorships	**2,197,555**	**14,658,825**

Revenue above was the money that was received from the donors/partners and spent to fund activities under the participation programme (PP). The expenses are under the general expenses on Note 15.

7 Transfers from Other Governments

(a)

Description	2019-2020	2018-2019
	KShs	KShs
Unconditional grants		
Operational grant - Gok (MoE)	294,800,000	307,800,000
Total government grants and subsidies	**294,800,000**	**307,800,000**

7b) Transfers from Ministries, Departments and Agencies

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	2019-2020
			KShs	KShs	KShs
Ministry of Education /State Department of Early Learning and Basic Education	294,800,000	-	-	-	294,800,000
Total	**294,800,000**	**-**	**-**	**-**	**294,800,000**

Notes to The Financial Statements (Continued)

8 Finance Income - Interest

Description	2019-2020	2018-2019
	KShs	KShs
Cash investments and fixed deposits	1,134,988	-
Total finance income – external investments	**1,134,988**	**-**

This is the income that was earned from both the utilized and unutilized funds in the mortgage account.

9 Other Income

Description	2019-2020	2018-2019
	KShs	KShs
Income from sale of exhibition	-	1,625,000
Differed income	-	271,945
Rent from Kenya school audit	-	2,310,000
Receipt from Jubilee insurance (claim)	-	100,000
Total other income	**-**	**4,306,945**

10 Use of Goods and Services

Description	2019-2020	2018-2019
	KShs	KShs
Professional services	3,379,429	1,814,815
Subscriptions	174,260	461,614
Total goods and services	**3,553,689**	**2,276,429**

Notes to The Financial Statements (Continued)

11 Employee Costs

Description	2019-2020	2018-2019
	KShs	KShs
Salaries and wages	57,161,079	51,962,229
Commuter allowance	4,599,171	4,253,988
Domestic Servant allowance	187,200	187,200
Entertainment allowance	1,200,000	1,200,000
Extraneous allowance	955,600	960,000.00
Housing allowance	18,301,493	16,442,761
Leave allowance	2,860,495	336,000
Non-Practising allowance	301,936	215,000
Responsibility allowance	1,607,740	1,200,000
Special duty/ Acting allowance	161,633	202,512
Pension	3,822,106	3,475,750
NSSF	95,200	89,200
Gratuity	6,817,701	6,134,659
Mortgage relief	-	90,357
Baggage Allowance	29,645	-
Airtime Allowance	830,000	
Temporary Employees	574,220	-
Employee costs	**99,505,219**	**86,749,656**

12 Board Members' Expenses

Description	2019-2020	2018-2019
	KShs	KShs
Chairman's Honoraria	1,094,333	-
Board members Allowance	4,680,000	8,581,786
Daily Subsistence Allowance (DSA)	2,841,874	6,000,000
Travel Costs (Air tickets)	1,675,680	-
Board Chair Insurance	37,998	
Total director emoluments	**10,329,885**	**14,581,786**

13 Depreciation and Amortization Expense

Description	2019-2020	2018-2019
	KShs	KShs
Property, plant and equipment	10,674,492	7,535,009
Intangible assets	282,660	1,072,840
Total depreciation and amortization	**10,957,152**	**8,607,849**

Notes to The Financial Statements (Continued)

14 Repairs and Maintenance

Description	2019-2020	2018-2019
	KShs	KShs
Refurbishment of the Building	1,208,103	10,192,118
Vehicles	463,342	616,295
Furniture and fittings	-	35,887
Computers and accessories	608,174	150,800
Total repairs and maintenance	**2,279,619**	**10,995,100**

15 General Expenses

Description	2019-2020	2018-2019
	KShs	KShs
Advertising	1,707,041	3,216,755
Committee Allowances	5,401,005	11,125,600
Hospitability Hospitality Supplies	9,919,532	21,434,840
Audit fees	1,214,300	650,000
Office and General supplies	5,312,838	3,266,700
Newspaper and periodicals	407,280	311,634
Specialised Materials	44,950	227,999
Internet services	1,082,233	1,527,720
Fuel and oil	2,725,700	3,201,976
Insurance	11,777,353	8,888,947
Legal expenses	3,609,884	-
Postage	395,861	488,220
Printing and stationery	2,233,357	5,824,609
Rental	28,651,611	26,410,630
Telecommunication	2,034,153	1,966,373
Travel and Accommodation	33,951,714	52,699,387
Training	32,323,525	49,315,253
Total General Expenses	**142,792,337**	**190,556,643**

16 Finance Costs

Description	2019-2020	2018-2019
	KShs	KShs
Bank Charges	490,722	398,473
Total finance costs	**490,722**	**398,473**

Notes to The Financial Statements (Continued)

17 Cash and Cash Equivalents

Description	2019-2020 KShs	2018-2019 KShs
Kenya Commercial Bank-1146209630	56,499,218	33,412,591
National Bank of Kenya – KSH 0100103282700	1,654,680	10,854,518
National Bank of Kenya – (USD) – 0200103282700	6,199,679	4,984,161
Staff Mortgage	60,233,219	82,162,224
Total cash and cash equivalents	**124,586,796**	**131,413,495**

17 (a) Detailed Analysis of the Cash and Cash Equivalents

Financial institution	Account number	2019-2020 KShs	2018-2019 KShs
a) **Current account**			
Kenya Commercial bank	1146209630	56,499,218	33,412,591
National Bank of Kenya - KSH	0100103282700	1,654,680	10,854,518
National Bank of Kenya – USD	0200103282700	6,199,679	4,984,161
Sub- total		**64,353,577**	**49,251,270**
b) **Staff Mortgage**			
Kenya Commercial bank	1146209630	60,233,219	82,162,224
Sub- total		**60,233,219**	**82,162,224**
Grand total		**124,586,796**	**131,413,495**

Notes to The Financial Statements (Continued)

18 Receivables from Non-Exchange Transactions

Description	2019-2020	2018-2019
	KShs	KShs
Current receivables		
Salary advance	118,700	61,356
Staff receivables	632,256	-
Staff Mortgage Loans	6,274,003	-
Total current receivables	**7,024,959**	**61,356**

19 Inventories

Description	2019-2020	2018-2019
	KShs	KShs
Consumable stores	11,173,629	3,173,919
Total inventories at the lower of cost and net realizable value	**11,173,629**	**3,173,919**

20 Prepayments

Description	2019-2020	2018-2019
	KShs	KShs
Insurance	5,750,686	5,085,038
Rent/ Car park fee	205,200	14,234,592
Internet	314,640	-
Total	**6,270,526**	**19,319,630**

Notes to The Financial Statements (Continued)

21 Property, Plant and Equipment

	Motor vehicles (25%)	Partitions (12.5%)	Furniture and Fittings (20%)	Computers (30%)	Equipment (12.5%)	Total
Cost	**Shs**		**Shs**	**Shs**	**Shs**	**Shs**
At 1st July 2019	**43,353,698**	**-**	**6,070,850**	**3,684,415**	**7,146,926**	**60,255,889**
Additions	-	9,421,000	3,277,400	5,278,059	1,959,622	**19,936,081**
Disposals	-	-	-	-	-	-
Transfer/adjustments	-	9,421,000	-	-	-	9,421,000
At 30th June 2020	**43,353,698**	**18,842,000**	**9,348,250**	**8,962,474**	**9,251,878**	**89,612,970**
Depreciation and impairment						
At 1st July 2019	**(19,471,088)**	**-**	**(1,181,779)**	**(2,617,470)**	**(2,081,815)**	**(25,352,152)**
Depreciation	(5,970,653)	(2,355,250)	(611,134)	(320,083)	(633,139)	(9,890,259)
Disposals	-	-	-	-	-	
Impairment	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-
At 30 June 2020	**(25,441,741)**	**(2,355,250)**	**(1,792,913)**	**(2,937,554)**	**(2,714,954)**	**(35,242,411)**
Depreciation	(4,477,989)	(2,060,844)	(1,511,067)	(1,807,476)	(798,949)	(10,656,326)
On Disposals	-		-	-	-	-
Impairment	-		-	-	-	-
Transfer/adjustment	-		-	-	-	-
At 30th June 2020	**(29,919,730)**	**(4,416,094)**	**(3,303,980)**	**(4,745,030)**	**(3,513,903)**	**(45,898,737)**
Net book values						
At 30th June 2020	**13,433,968**	**14,425,906**	**6,044,270**	**4,217,444**	**5,719,808**	**43,714,233**
At 30th June2019	**17,911,958**	**-**	**4,277,937**	**746,861**	**4,431,972**	**27,368,728**

Notes to The Financial Statements (Continued)

22 Intangible Assets-Software

Description	2019-2020	2018-2019
	KShs	KShs
Cost		
At beginning of the year	**1,779,539**	**1,779,539**
Additions	340,460	-
At end of the year	**2,119,999**	**1,779,539**
Additions–internal development	-	-
At end of the year	**2,119,999**	**1,779,539**
Amortization and impairment		
At beginning of the year	**706,699**	**438,489**
Amortization	282,660	268,210
At end of the year	**989,359**	**706,699**
Impairment loss	-	-
At end of the year	**989,359**	**706,699**
NBV	**1,130,640**	**1,072,840**

23 Trade and Other Payables from Exchange Transactions

Description	2019-2020	2018-2019
	KShs	KShs
Other payables	1,786,735	24,868,155
Audit fee	650,000	-
Gratuity	9,203,533	10,640,181
Total trade and other payables	**11,640,268**	**35,508,336**

24 Related Party Balance (Continued)

Government of Kenya (Continued)

i) The National Government;
ii) The Parent Ministry Key management;
iii) Board of the Commission
iv) Secretary General/ C.E.O;

	2019-2020 Kshs	2018-2019 Kshs
Transactions with related parties		
a) Grants from the Government		
Grants from National Govt	294,800,000	307,800,000
Donations in kind	-	-
Total	**294,800,000**	**307,800,000**
b) Key management compensation		
Board members' emoluments	10,329,885	14,581,786
Compensation to the CEO	9,122,192	6,964,992
Compensation to key management	35,090,337	23,702,893
Total	**54,542,414**	**45,249,671**

Appendix I: Progress on Follow Up of Auditor Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*

Guidance Notes:

(i) Use the same reference numbers as contained in the external audit report;

(ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;

(iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;

(iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

Secretary General/C.E. O

Sign .....

Date.....07/09/2021

Chairperson of the Board

Sign .....

Date.....7/9/2021

Appendix II: Inter-Entity Transfers

	ENTITY NAME:			
	Break down of Transfers from the State Department of Early Education and Basic Education			
	FY 2019/2020			
a.	Recurrent Grants			
		Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
		15/08/2019	73,700,000	2019/2020
		08/11/2019	73,700,000	2019/2020
		25/03/2020	73,700,000	2019/2020
		11/06/2020	73,700,000	2019/2020
		Total	**294,800,000**	

The above amounts have been communicated to and reconciled with the parent Ministry

Ag. Manager Finance & Accounts
KNATCOM

Sign ----------

Head of Accounting Unit
Ministry

Sign----------