

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

*Paper
Laid by the
Hon Katoo Ote meti
Whip of the Majority
Party on Thursday
9 July 2015*

PARLIAMENT
OF KENYA
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REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
KENYA INSTITUTE OF CURRICULUM
DEVELOPMENT**

**FOR THE YEAR ENDED
30 JUNE 2014**



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KENYA INSTITUTE OF CURRICULUM DEVELOPMENT

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2014**

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

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

KICD has a history spanning over 50 years.

(b) Principal Activities

The Institute is mandated through KICD Act no 4 of 2013 to develop curriculum and curriculum support materials informed by research for basic and tertiary education and training. The Institute's mission is to provide quality curricula and curriculum support materials responsive to the needs of the society.

(c) Key Management

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

- Council
- Senior Management
- Management

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(d) Fiduciary Management

The Senior Management personnel who held office during the financial year ended 30th June, 2014 and who had direct fiduciary responsibility were:

Designation	Name	Date of Appointment	Date of Exit
Director/Chief Executive Officer	Dr. Lydia Nzomo	28 th July, 2004	30 th June, 2014
Acting Director/Chief Executive Officer	Ms. Mercy Karogo	1 st July, 2014	11 th November, 2014
Director/Chief Executive Officer	Julius Ouma Jwan, PhD	12 th November, 2014	
Senior Deputy Director – Corporate Services	Mr. Charles Mugambi		
Senior Deputy Director – Media & Extension Services	Mr. John Kimotho		

(e) Fiduciary Oversight Arrangements

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

i) Academic Committee.

The Academic Committee keeps under constant review the curricula and curriculum support materials and ensure that the educational programmes developed by the Institute are of the right quality. The Committee also coordinates and guides the activities of the subject and course panels. They review policies relating to curriculum and recommend for approval by the Council all education programmes and curricula developed or vetted by the Institute.

ii) The Finance Committee.

The Committee advises the Council on all matters of finance. Specifically the Committee makes recommendations on issues related to finance for consideration by the Full Council.

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- iii) **The Audit Committee.**
The Committee act and on behalf of the Council oversees the Audit function and internal controls of the Institute. This include and not limited to the reviewing of the systems,workplans to ensure sound public financial management and internal controls as well as compliance with policies, laws, regulations, procedures, plans and ethics.
- iv) **The Human Resource and Integrity Committee.**
The Committee advises the Council on all matters of Human Resource and Integrity issues of the Institute. The issues range from recruitment, discipline, code of conduct, terms and conditions of service and any other as directed by the Council. The Committee makes recommendations for consideration by the Full Council.
- v) **NACECE Resource Centre Committee.**
The Committee has supervisory role over the operational and finance functions of the Resource Centre.
- vi) **Building and Development Committee.**
This Committee was established by the Council of the Institute to oversee building and development projects within the Institute and file quarterly reports to the Council.
- vii) **Resource Mobilization Committee.**
The Committee was established by the Council to enhance the resource base of the Council to enable it support the development demands of the Institute. The Committees responsibilities are:
- Identify the critical development activities that are not sufficiently funded through available capital resources.
 - Coordinate the development of resource mobilisation proposal
 - Develop and implement strategies to attract and secure resources
 - Develop partnership and collaboration strategies
 - Prioritise resource allocation: and
 - Prepare and present quarterly reports to the Council.
- viii) **Board of Trustee Committee (BoT).**
The Committee performs the duties as stipulated in the Defined Contributory scheme of KICD -Staff Retirement Benefits Scheme.

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(f) Headquarters

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

(g) Contacts

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

(h) Bankers

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

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

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

(i) Independent Auditors

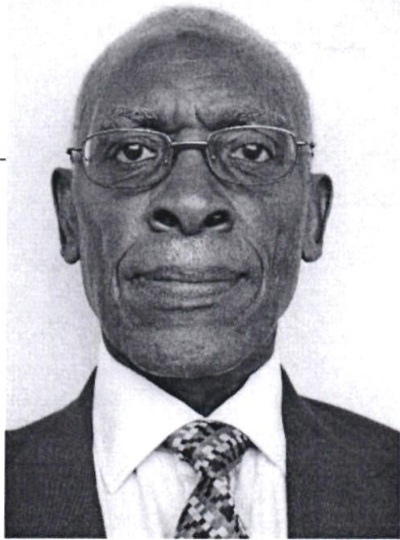
Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084-00100,
Nairobi, Kenya

(j) Principal Legal Adviser

L.G. Kimani
Agip House 5th Floor Room 518
P.O. Box 73076
City Square 00200
Nairobi, Kenya

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II. COUNCIL MEMBERS



**PROF. KINYANJUI
CHAIRMAN KICD COUNCIL**

Appointed on 13th July, 2011

Prof. Kinyanjui (74 years) is the Chairman of the KICD Council. Prof. Kinyanjui is a renowned Educationist who has made significant contributions in the Education Sector. He graduated with BA, London, MA Syracuse University, New York, USA. He also holds a Doctorate in Education (Honoris Causa) MGSUUF. Prof. Kinyanjui is an Honorary Fellow of the Commonwealth of Learning in recognition of his contribution to the field of Distance Education, most notably in Africa.



**DR. LYDIA N. NZOMO, OGW
SECRETARY/CHIEF EXECUTIVE
OFFICER**

Appointed 28th July, 2004 to 30th June, 2014

Dr. Nzomo (62 years) is immediate former Chief Executive Officer, Kenya Institute of Curriculum Development. Dr. Nzomo graduated with Bachelor of Arts Degree with Diploma in Education Option at Nairobi University, M.A. in Counselling Psychology at United States International University (USIU) and PhD at Kenyatta University, Department of Educational Psychology. Dr. Nzomo is a renowned Educationist having served in various senior positions including teaching with Teachers Service Commission (TSC) before joining KICD as Chief Executive Officer in 2004. She was Senior Deputy Secretary (Administration) at TSC before joining KICD.

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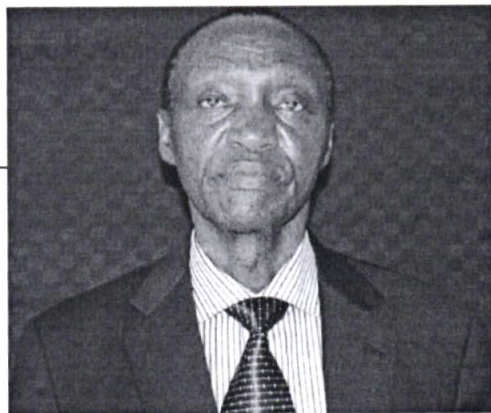


**PROF. AGNES M.W. GATHUMBI
MEMBER**

Appointed on 20th May, 2011

Prof. Gathumbi (62 years) is a full Professor in the department of Educational Communication and Technology, Kenyatta University (KU). She is also the Director, Center for International Programmes and Collaborations, as well as a member of the senate, KU. She graduated with a Bachelor of Education (Bed.) degree from University of Nairobi, a Postgraduate Diploma in Curriculum Development (PGDCD) from Kenyatta University, and a Master of Education (Med.) degree in Curriculum Development from University of Leeds, United Kingdom. She later continued with her studies and graduated with PhD from the University of Reading, United Kingdom.

Prof. Gathumbi specializes in teaching Applied Linguistics, Language Teacher Education, General Instructional Methods, and Research Methods, at both undergraduate and post-graduate levels. She has led as a Principal Investigator (PI) successful donor funded research projects.



**MR. JOHN K. MATONDA
MEMBER**

Appointed on 20th May, 2011

Mr. Matonda (67 years) is a retired Chief Principal with Teachers Service Commission. He is a graduate with Bachelor of Arts and Diploma in Education from the University of Dar-esalaam. He has a lot of experience in education matters having served in various capacities with Teachers Service Commission (TSC) and Kenya National Union of Teachers (KNUT).

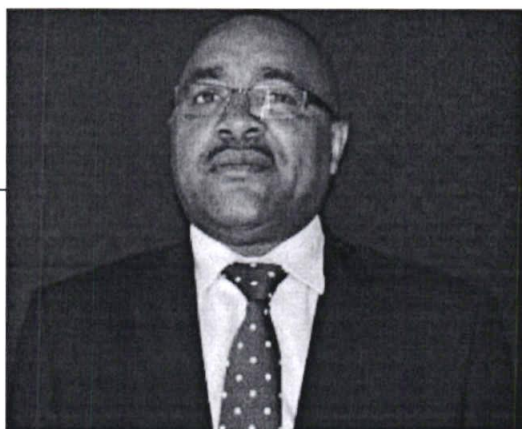
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**MRS. PURITY KARABAI MBABU
MEMBER**

Appointed on 1st July, 2011

Mrs. Mbabu (46 years) is a practicing lawyer and an Advocate of the High Court of Kenya, and Commissioner for Oaths and Notary Public. She graduated with LLB Degree from UoN. She also has a Diploma in Law at Kenya School of Law. She previously worked as a State Counsel at the Attorney General Chambers.



**MATANO MWALIMU NDARO
MEMBER**

Appointed 20th May, 2011

Mr. Matano (49 years) is the Director Competition, Tariffs and Market Analysis (CAK). He graduated with Bachelor of Arts (UoN) and Executive MBA (JKUAT). He also holds Postgraduate Diploma in Telecommunications Regulation (University of West Minister, UK).

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**MR. MUTINDA ALPHONSE MWAA, HSC
MEMBER (ALTERNATE)**

Appointed on 20th May, 2011

Mr. Mwaa is an alternate member representing Principal Secretary, State Department of Science & Technology, Ministry of Education, Science & Technology. Mr. Mwaa (48 years) is currently Acting Director Technical Accreditation and Quality Assurance at the Ministry of Education, Science and Technology, State Department of Education. He graduated with Bachelor of Science in Mechanical Engineering (UoN) and Master of Science in Building Services Engineering (Brunel University, UK). He has wide experience having served in various capacities in Office of the President (NYS Engineering Institute), Ministry of Roads and Public Works (KIHBT), Ministry of State for Defence (KAFTEC) and Ministry of Trade and Industry as well as Ministry of Industrialization.



**MR. PAUL WASANGA
MEMBER**

Appointed on 20th May, 2011

Mr. Wasanga (57 years) is the immediate former Chief Executive Officer of the Kenya National Examinations Council. Mr. Wasanga holds Bachelor of Science (BSc.) Degree in Education and Masters of Science (MSc.) in Education. He also holds Diploma in Psychometrics from Cambridge University. He has served as a President as well as Secretary General of Examination Board in Africa. He has been the Chief Executive Officer of Kenya National Examinations Council for nine years. Mr. Wasanga apart from management of examination experience, he also has teaching experience.

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**DR. NICHOLAS KIBIWOT LETTING'
MEMBER**

Appointed on 20th May, 2011



Dr. Letting' (43 years) is the Vice Chancellor of Management University of Africa (MUA). He graduated with Bachelor of Commerce (B.Com) Degree, Masters of Business Administration (MBA) Degree, and PhD all at University of Nairobi (UoN). He is a CPA(K) and CPS holder. Dr. Letting' has a wealth of experience in financial management having worked at Kenya Institute of Management and British American Tobacco Kenya in various capacities.



**MR. NAFTAL ONTWEKA ONDERI
MEMBER (ALTERNATE)**

Appointed on 20th May, 2011

Mr. Onderi is an alternate member representing Principal Secretary, The National Treasury. Mr. Onderi (56 years) is currently the Acting Director of Budget at The National Treasury. He is widely trained in budgeting and management in public sector. He has wealth of experience having served for a span of 32 years in public service.

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**MRS. LEAH K. ROTICH, MBS
MEMBER (ALTERNATE)**

Appointed on 20th May, 2011

Mrs. Rotich (57 years) is an alternate member representing Principal Secretary, State Department of Education, Ministry of Education, Science & Technology. She holds Masters in Information Technology in Education. Mrs. Rotich is the Acting Education Secretary at the Ministry of Education, Science & Technology, State Department of Education. She has wide wealth of experience in education matters. She has served in various capacities in the Ministry as well as Education Attachee, Kenya High Commission, London.

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III. SENIOR MANAGEMENT TEAM



**DR. LYDIA N. NZOMO, OGW
DIRECTOR/CHIEF EXECUTIVE
OFFICER**

Dr. Nzomo Chief Executive Officer, Kenya Institute of Curriculum Development upto 30th June 2014.

Qualifications: Bachelor of Arts Degree with Diploma in Education Option at Nairobi University.
M.A. in Counselling Psychology at United States International University (USIU).
PhD at Kenyatta University, Department of Educational Psychology.



**JULIUS OUMA JWAN, PhD
DIRECTOR/CHIEF EXECUTIVE OFFICER**

Appointed on 12th November, 2014

Dr. Jwan is the current Director/Chief Executive Officer of Kenya Institute of Curriculum Development
Qualifications: Bachelors of Education degree and Master of Philosophy Degree in English language/linguistics from Moi University, Master of Philosophy Degree (MPhil) in Education Communication and Management from NLA-Bergen, Norway, and Master of Science (MSc) Degree in Educational Research Methods and PhD Degree in Educational Leadership and Management from UK.

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**MS. MERCY KAROGO
SENIOR DEPUTY DIRECTOR
CURRICULUM & RESEARCH SERVICES**

Ms. Karogo is the Senior Deputy Director (Curriculum and Research Services).

Qualifications: BEd, (UoN), MSc. Entrepreneurship (JKUAT). She is currently pursuing PhD in Business Administration and Management at Dedan Kimathi University.



**MR. CHARLES MUGAMBI
SENIOR DEPUTY DIRECTOR
(CORPORATE SERVICES)**

Mr. Mugambi is the Senior Deputy Director (Corporate Services).

Qualifications: BCOM (Acc.); EMBA; MA (PPM); PGDCDD; PGD (PPM); CPA (K); CPS

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**MR. JOHN G. KIMOTHO
SENIOR DEPUTY DIRECTOR
(MEDIA AND EXTENSION SERVICES)**

Mr. Kimotho is the Senior Deputy Director, Media and Extension Services.

Qualifications: Postgraduate Diploma in Leadership in ICT and Knowledge Society – Dublin City University. He also holds Masters Degree in Communication (Media Studies) and he is currently pursuing PhD in Communication at Daystar University.

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IV. CHAIRMAN'S STATEMENT

During the FY2013/2014, the Institute under the steer ship of the Council made tremendous achievements. KICD is a non-commercial state corporation and concentrates on service delivery. The Institute plays a crucial role in the society as it develops curricular for all levels of training below the University.

During the FY 2013/2014, the Institute saw the enactment of Kenya Institute of Curriculum Development Act 2013. The Act solidifies then establishment of the Institute anchoring its functions firm into the law. The enactment of the Act in January 2013 saw the name change from Kenya Institute of Education (KIE) to Kenya Institute of Curriculum Development (KICD).

During the FY2013/2014, the Institute initiated the construction of the Education Resource Centre (ERC). It is during this year that the Institute embarked on procurement of Consultants, sought authority from Nairobi City Council to commence the construction and at the same time sought permit from the National Environment Management Authority (NEMA) in order to ensure that the construction complied with the laid down environmental laws. During the same year, the Institute procured a contractor and construction of the building is at the second phase.

The ERC is expected to revolutionize curriculum development not only in Kenya but in the region. This comes at a time when the Institute was awarded the prestigious Centre of excellence award by the Chairman of the East African Community President Uhuru Kenyatta in Kampala Uganda.

In order to achieve these milestones, the Council noted the importance of staff motivation. This was done through the re-organization of the Institute structure to conform to key operational demands. The Council also embarked on the harmonization of salaries as well as initiated regular salary review in –line with other State Corporations. This process is ongoing.

The Institute also realized the importance of partnerships and collaborations by encouraging Partnerships that are aimed at resource mobilization.

It is with this in mind that the Council seeks to fully support the Management to promote continuous growth of the Institute and positive professional growth of staff.

The Council thus expects the management to be innovative and focused, mentors of other members of staff, multi-tasked and Multi-skilled and enhance team worker.

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V. REPORT OF THE CHIEF EXECUTIVE OFFICER

The Kenya Institute of Curriculum Development is a service delivery state corporation charged with the critical mandate of developing curricular. The Institute heavily relies on the Government grant to support its activities. The grant from the exchequer is mostly used to cater for staff salaries and undertaking core activities. The provision has been decreasing in recent years making it impossible to undertake all recent years making it impossible to undertake all of the major activities some of which are core.

The enactment of the Kenya Institute of Curriculum Development Act No. 4 of 2013 gave authority to the Institute to engage in Income generating activities in a bid to supplement the grant. The amount income to be generated cannot be predetermined.

The grant has continued to support the Institute's activities in areas of staffing through payment of staff salaries. During the FY2013/2014, the Institute undertook the harmonization of terms of service for staff members.

With regards to its core mandate that of curriculum development, the Institute undertook the development of the following curricular;

- ECD (Learners and Teacher Training)
- Diploma Teachers Education
- Life skills Curriculum
- Capacity Building
- Technical /Engineering
- Applied Science
- Entrepreneurship
- Vocational

The Institute also developed curriculum support materials in the following areas;

- Diploma in Maritime Engineering - 3 Modules
- Diploma in Nautical Science – 3 Modules
- Craft Certificate in Maritime Engineering – 2 Modules
- Craft Certificate in Nautical Science – 2 Modules
- Artisan in Seafaring - 2 Modules
- Mandatory Course – 1 module

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In a bid to enhance its operations, the following projects were initiated. The projects are mainly aimed at enhancing service delivery to KICD internal and external customers.;

- Education Resource Centre
- Development of an e-shop

The Institute in a bid to enhance its capacity realized the importance of partnering with donor organizations that also assist the Institute undertake some of its crucial development activities. During the FY2013/2014 the Institute initiated collaborations and partnerships with the UNICEF, USAID, Microsoft, InWent, Intel, Smart, Technologies (Inter sol) and Mustek.

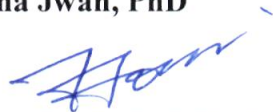
The Institute is now faced with an uphill task that of reviewing the curricular. The Institute has initiated the process and developed and piloted the Needs Assessment tools and prepared a report on the same.

During the FY2014/2015, the Institute intends to fast track construction of ERC, undertake a comprehensive marketing of the Institute products and services as well as open ways of sourcing income generation given the ever reducing budgetary allocation.

In the long run, the Institute seek to develop strategies to make EDU Channel sustainable and ensure that the Research Division becomes more proactive and the automation of all the functions of the Institute.

The Institute will also enhance the digitization of curriculum support materials, conduct teacher orientation on-line, and enhance partnerships as well as identification, categorization and mitigation of risks. The Institute received grant from Ministry of Education, Science and Technology for development of class one digital content.

Julius Ouma Jwan, PhD



Date:

VI. CORPORATE GOVERNANCE STATEMENT

The adoption of good corporate governance practice is integral in helping the Institute interact with both internal and external stakeholders. Corporate governance entails the processes and structures used to direct and manage the Institute affairs, the respective roles of the Council and management and the framework of internal controls. The Council and the management of the Institute regard corporate governance as pivotal to the success of the Institute and are committed to ensuring that good corporate governance is practiced by the Institute.

The Institute achieves this by using a risk based approach to establish a system of internal controls and by reviewing the effectiveness of the system of internal controls on a regular basis. The Kenya Institute of Curriculum Development has formulated and applies sound internal corporate governance guidelines which address the responsibilities of management, the Council and its composition.

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

The Council meets regularly and has a formal schedule of its matters. Currently, the Council comprises of eleven (11) non-executive members and the Director/Chief Executive Officer. The Full Council meets at least four times each year.

VII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Kenya Institute of Curriculum Development undertakes Corporate Social Responsibility in order to enhance mutual relationship with stakeholders by donating and sponsoring the public to also have a good image.

Over the past, KICD has endeavoured to join hands with other partners and stakeholders to champion a cause that is likely to have a positive impact in the society. KICD has a responsibility to participate in community projects as well as maintain mutual relationship between the Institute and the public.

The Institute has participated in the Mater Hospital Heart run in the last three years. During these years, KICD committed Kshs. 250,000 every year. The sponsorship has seen hundreds of children undergo heart surgeries. KICD endeavours to keep these children in school and that is why it commits a portion of the funds to help this noble cause.

Being a non-commercial Institute, KICD has limited budget to undertake a comprehensive Social Corporate Responsibility activity. With the initiation of income generating projects, the Institute will strive to set aside a considerable amount to undertake comprehensive CSR activities in future.

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VIII. REPORT OF THE COUNCIL

The Council submit their report together with the audited financial statements for the year ended June 30, 2014 which show the state of the Institute's affairs.

Principal activities

The Principal activities of the Institute is to develop curriculum and curriculum support materials informed by research for basic and tertiary education and training

Results

The results of the entity for the year ended June 30, 2014 are set out on page 23.

Council Members

The members of the Council who served during the year are shown on pages 5 to 10.

Auditors

The Auditor General is responsible for the statutory audit of the Institute in accordance with the Section 14 of the Public Audit Act 2003.

By Order of the Council



Prof. Peter Erastus Kinyanjui

Chairman Kenya Institute of Curriculum Development, Council

Nairobi

Date: 4/5/2015

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IX. STATEMENT OF COUNCIL'S RESPONSIBILITIES

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

The Council is responsible for the preparation and presentation of the Institute's financial statements, which give a true and fair view of the state of affairs of the Institute for and as at the end of the financial year (period) ended on June 30, 2014. This responsibility includes:

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

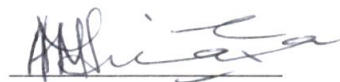
The Council accept responsibility for the Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Council are of the opinion that the Institute's financial statements give a true and fair view of the state of Institute's transactions during the financial year ended June 30, 2014, and of the Institute's financial position as at that date. The Council further confirm the completeness of the accounting records maintained for the Institute, which have been relied upon in the preparation of the Institute's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

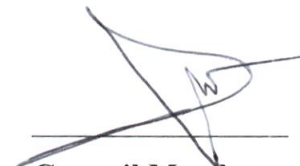
The Institute's financial statements were approved by the Council on 25th September 2014 and signed on its behalf by:



Council Member



Council Member



Council Member

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-Mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON KENYA INSTITUTE OF CURRICULUM DEVELOPMENT FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kenya Institute of Curriculum Development set out on pages 23 to 42 which comprise the statement of financial position as at 30 June 2014, 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 14 of the Public Audit Act, 2003. 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.

Management's Responsibility for the Financial Statements

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

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 13 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15(2) of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

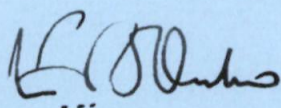
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk

assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects the financial position of the Institute as at 30 June 2014, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standard (Accrual Basis) and comply with Kenya Institute Curriculum Development Act No. 4 of 2013 and the Education Act Cap 211.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

18 May 2015

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
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XI. STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2014

	Note	2014 Kshs '000	2013 (Restated) Kshs '000
Revenue from non-exchange transactions			
Funding from Donors/Partners	3	73,577	76,308
Transfers from other governments –	4	<u>724,200</u>	<u>729,883</u>
		797,777	806,191
Revenue from exchange transactions			
Net Income from NRC	5	26,892	45,944
Rental revenue from staff quarters	6	1,730	1,709
Finance income - external investments	7	12,056	14,318
Other income	8	42,612	108,146
		<u>83,290</u>	<u>170,117</u>
Total revenue		881,067	976,308
Expenses			
Employee costs	9	528,627	487,174
Expenses of the Council	10	8,634	4,615
Depreciation and amortization	11	57,983	52,839
Repairs and maintenance	12	14,555	12,235
Programme Areas services	13	86,113	108,694
Donors/partners expenditure	14	73,577	76,308
General expenses	15	154,344	154,940
Total expenses		<u>923,832</u>	<u>896,805</u>
(Deficit)/Surplus for the period		<u>(42,765)</u>	<u>79,503</u>

The notes set out on pages 28 to 41 form an integral part of the Financial Statements.

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**XII. STATEMENT OF FINANCIAL POSITION
As at 30 June, 2014**


Assets			
Current assets			2014
			2013
			(Restated)
		Kshs,000	Kshs,000
Cash and cash equivalents	16	452,274	201,472
Receivables from exchange transactions	17	70,504	340,447
		522,778	541,919
Non-current assets			
Property, plant and equipment	18	1,402,376	1,259,492
Intangible assets	19	4,609	2,642
		1,406,985	1,262,134
Total assets		1,929,763	1,804,053
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	20	29,482	131,263
Refundable deposits from customers	21	7,273	-
Deferred income – Donors/partners	22	145,290	24,807
Total liabilities		182,045	156,070
Net assets			
Capital Reserves		1,309,751	1,167,251
Accumulated surplus		437,967	480,732
		1,747,718	1,647,983
Total Net assets and liabilities		1,929,763	1,804,053

The Financial Statements set out on pages 23 to 27 were signed on behalf of the Council by:

Director/Chief Executive Officer

Julius Ouma Jwan, PhD


Date


4-05-2015

Chairman of the Council

Prof. Peter Erastus Kinyanjui

Date


4/5/2015

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XIII. STATEMENT OF CHANGES IN NET ASSETS
For the year ended 30 June 2014

	Notes	Capital reserve Kshs '000	Accumulated surplus Kshs '000	Total Kshs '000
Balance as at 30 June 2012		1,058,351	437,089	1,495,440
Surplus/(deficit) for the period		-	79,503	79,503
Prior Year Adjustment	23		(40,000)	(40,000)
Transfers to/from accumulated surplus		<u>108,900</u>	<u>4,140</u>	<u>113,040</u>
Restated Balance as at 30 June 2013		1,167,251	480,732	1,647,983
Surplus/(deficit) for the period		-	(42,765)	(42,765)
Transfers to/from accumulated surplus		<u>142,500</u>	-	<u>142,500</u>
Balance as at 30 June 2014		<u>1,309,751</u>	<u>437,967</u>	<u>1,747,718</u>

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XIV. STATEMENT OF CASH FLOWS
For the year ended 30 June 2014

	2014	2013 (Restated)
	<u>Kshs. '000'</u>	<u>Kshs. '000'</u>
Cashflows from Operating Activities		
(Deficit) Surplus for the year	(42,765)	79,503
Add back Depreciation	<u>62,195</u>	<u>56,334</u>
Operating surplus before working capital changes	19,430	135,837
Working Capital Adjustments		
Decrease/ (Inc) in Receivables from Exchange Transactions	269,943	(244,152)
Increase/(Decrease) in Deferred Income	120,483	(40,031)
(Decrease)/Increase in Payables from Exchange Transactions	(101,781)	55,657
Increase in refundable deposits from customers	<u>7,274</u>	-
Net cashflows from operating activities	295,919	(228,526)
Cashflow from Investing Activities		
Work In Progress (ERC)	(154,693)	(44,160)
Purchase of property , Plant and Equipment	(46,713)	(124,992)
Purchase of property , Intangible Assets	(5,641)	-
Prior year Adjustment	=	(35,860)
Net Cashflows from investing activities	(207,047)	(205,012)
Cash from Financing Activities		
Development Grant for ERC	<u>142,500</u>	<u>108,900</u>
Net Cashflows from Financing Activities	142,500	108,900
Net Increase	250,802	(188,801)
Cash and cash equivalents at the beginning of the Year	<u>201,472</u>	<u>390,273</u>
Cash and cash equivalents at the end of the year	<u>452,274</u>	<u>201,472</u>

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XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000
Revenue					
Funding from Donors /Partners	10,000	28,275	38,275	73,577	35,302
Government grants and subsidies	739,200	-	739,200	724,200	(15,000)
Income Generating Activities	<u>125,000</u>	<u>(13,000)</u>	<u>112,000</u>	<u>83,290</u>	<u>(28,710)</u>
Total income	874,200	15,275	889,475	881,067	(8,408)
Expenses					
Compensation of employees	584,600	(10,500)	574,100	528,627	45,473
Expenses of the Council	6,500	2,000	8,500	8,634	(134)
Repairs and Maintenance	16,400	-	16,400	14,555	1,845
Contracted Services	115,200	(6,000)	109,200	86,112	23,087
General Expenses	204,000	2,500	206,500	154,345	52,156
Grants and subsidies paid-Donor	10,000	28,275	38,275	73,577	(35,302)
Depreciation and amortization expenses	-	-	-	57,983	(57,983)
Total expenditure	<u>936,700</u>	<u>16,275</u>	<u>952,975</u>	<u>923,832</u>	<u>29,142</u>
Surplus for the period	<u>(62,500)</u>	<u>(1,000)</u>	<u>(63,500)</u>	<u>(42,765)</u>	<u>20,735</u>

**KENYA INSTITUTE OF CURRICULUM DEVELOPMENT
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XVI. NOTES TO THE FINANCIAL STATEMENTS

1. Statement of compliance and basis of preparation

The Institute's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Institute and all values are rounded to the nearest thousand (Ksh000). The accounting policies have been consistently applied to all the years presented.

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

2. Summary of significant accounting policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

The Institute recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably.

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

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Notes to the Financial Statements (continued)

Income from NRC

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

Interest income

Interest income is accrued using the effective yield method. 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.

b) Budget information

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

c) Property, plant and equipment

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

d) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and

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Notes to the Financial Statements (continued)

accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

e) Provisions

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

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

The Institute effects specific and general provisions on doubtful debts. A specific provision for bad debts shall be made when the debtor is deceased, declared bankrupt, untraced debtors or the debt is outstanding for more than two years. A general provision of 5% of the remaining debtors shall be made.

f) Depreciation

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

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

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Notes to the Financial Statements (continued)

g) Amortisation

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

h) Nature and purpose of reserves

The Institute creates and maintains reserves in terms of specific requirements. The Institute maintains Revenue reserve and Capital reserves. The revenue reserves are made up of the accumulated surpluses and deficits carried forward over the period of time. The revenue reserves consists of development grant received for the construction of Education Resource Centre and the valuation amounts of fixed assets when the Institute valued the assets in 2011.

i) Changes in accounting policies and estimates

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

j) Employee benefits

Retirement benefit plans

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

The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

k) Gratuity

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

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Notes to the Financial Statements (continued)

l) Foreign currency transactions

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

m) Cash and cash equivalents

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

n) Comparative figures

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

o) Significant judgments and sources of estimation uncertainty

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

Estimates and assumptions

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

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Notes to the Financial Statements (continued)

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

p) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2014.

3. Funding from Donors/Partners

	2014	2013
	Shs 000	Shs 000
Ministry of Education, Science & Technology-Digital Content	151,730	-
Other Donors/Partners	42,330	73,402
Total Funding from Donors/Partners	194,060	73,402
	2014	2013
	Shs 000	Shs 000
Reconciliation of public contributions and donations		
Balance unspent at beginning of year	24,807	27,713
Current year receipts	194,060	73,402
Conditions met - transferred to revenue	(73,577)	(76,308)
Conditions to be met - remain liabilities (see note 22)	145,290	24,807

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Notes to the Financial Statements (continued)

4. Transfers from governments

	2014	2013
	Shs 000	Shs 000
Unconditional grants		
Operational grant	724,200	729,883
Other	-	-
Total government grants and subsidies	724,200	729,883

5. Income from NRC

	2014	2013
	Shs 000	Shs 000
Profit from Operations of NRC	26,892	45,944
Total revenue from NRC	26,892	45,944

6. Rental revenue from Staff quarters

	2014	2013
	Shs 000	Shs 000
Rent receipts	1,730	1,709
Total rentals	1,730	1,709

7. Finance income - external investments

	2014	2013
	Shs 000	Shs 000
Interest on Fixed Deposit Receipts	9,505	12,369
Interest on Call and Current Account	2,551	1,949
Total finance income – external investments	12,056	14,318

8. Other income

	2014	2013
	Shs 000	Shs 000
Sale of Curriculum support Materials	24,318	36,160
Royalties	1,481	907
Sale of Bonded Items	443	-
Sale of Tenders	132	1,657
Printing/Photocopying Services	8,244	54,898
Miscellaneous Revenue	312	949
Consultancy	7,309	13,575
Gain from Foreign Exchange	373	-
Total other income	42,612	108,146

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Notes to the Financial Statements (continued)

9. Employee costs

	2014	2013
	Shs 000	Shs 000
Employee related costs - salaries and wages	305,252	271,741
Employee related costs - contributions to pensions	62,941	49,017
Medical Cover	34,611	36,184
Commuter Allowances	32,905	33,649
Leave allowances	3,921	2,790
Housing benefits and allowances	81,739	83,333
Exgratia	1,000	-
Gratuity	3,766	5,888
Travelling Expenses	2,492	4,572
Employee costs	528,627	487,173

10. Expenses of the Council

	2014	2013
	Shs 000	Shs 000
Council Allowances and Expenses	8,634	4,615
Total Councils' remuneration	8,634	4,615

11. Depreciation and Amortization

	2014	2013
	Shs 000	Shs 000
Property, plant and equipment	54,309	50,857
Intangible assets	3,674	1,982
Total depreciation and amortization	57,983	52,839

Depreciation on Property, Plant and Equipment of Kshs. 58,521 and Kshs. 54,352 as per note 18 (current and comparative year) are made up of depreciation for KICD Main of Kshs. 54,309 and Kshs. 50,857 (note 11), depreciation for KICD – NRC of Kshs. 4,212 and Kshs. 3,495 respectively (note 24).

12. Repairs and maintenance

	2014	2013
	Shs 000	Shs 000
Property	2,860	3,691
Equipment	8,733	5,686
Vehicles	2,962	2,858
Total repairs and maintenance	14,555	12,235

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Notes to the Financial Statements (continued)

13. Programme Areas services

	2014	2013
	Shs 000	Shs 000
Basic education	21,132	18,190
Corporate Communication	2,246	1,414
Technical, Vocational, Entrepreneurship Training	6,234	5,941
Educational Resources	5,161	5,470
Electronic and Emerging Media	33,299	26,954
Text Book Evaluation	13,445	47,158
Research Monitoring and Evaluation	4,596	3,567
Total Programme Areas services	86,113	108,694

14. Donors/Partners expenditure

	2014	2013
	Shs 000	Shs 000
Ministry of Education, Science & Technology -Digital Content	28,275	-
Other Donor/ Partners expenses	45,302	76,308
Total Donors/Partners Expenditure	73,577	76,308

15. General expenses

The following are included in general expenses:

	2014	2013
	Shs 000	Shs 000
Advertising	3,997	2,768
Admin Expenses	16,924	18,108
Audit fees	928	1,136
Computer Expenses and Software Licence	12,714	11,737
Data Storage and Back up Expenses	6,859	-
Library Expenses	98	4
KIE Policy and Bill	2,411	1,240
Electricity	8,425	5,799
Fuel and oil	8,702	10,484
Insurance	5,206	4,417
Legal expenses	156	1,298
Corporate Social Responsibility	123	433
Fungicides	1,007	137
Water	7	14
Postage	254	1,561

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Notes to the Financial Statements (continued)

Printing and stationery	16,103	14,542
School Broadcast	34,800	34,422
Maintenance of VCT Services	873	938
Artist Fees	1,567	250
KICD Broadcasting Channel	18,653	31,127
Purchase of Supplies for Production	3,246	4,619
Bank Charges	145	170
Telecommunication	3,403	4,051
Training	6,434	5,019
Others	1,309	666
Total general expenses	154,344	154,940

16. Cash and cash equivalents

	2014	2013(Restated)
	Shs 000	Shs 000
Cash and Bank Balance	289,412	128,051
Cash-in-hand	7	71
Short-term deposits	162,855	73,350
Total cash and cash equivalents	452,274	201,472

17. Receivables from exchange transactions

	2014	2013
	Shs 000	Shs 000
Current receivables		
Exchange Debtors	57,781	325,250
Staff Imprest	1,025	1,415
Staff Advances	272	56
Bank Guarantee	5,521	4,875
Prepayments	4,892	5,091
Deposits	1,898	1,958
Donor Receivables	-	2,962
Other Exchange Debtors	8	20
Less: Provisions for doubtful debts	(894)	(1,180)
Total current receivables	70,504	340,447

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Notes to the Financial Statements (continued)

18. Property, Plant and Equipment

	LAND	BUILDINGS	FURN & FITTINGS	MOTOR VEHICLES	COMPUTERS	STUDIO EQUIP	DIGITAL EQUIP	HOTEL EQUIP	TOOLS & EQUIP	OFFICE EQUIP	PRINTING MACHINE	GENERATORS	WIP	TOTAL
	Shs. 000	Shs. 000	Shs. 000	Shs. 000	Shs. 000	Shs. 000	Shs. 000	Shs. 000	Shs. 000	Shs. 000	Shs. 000	Shs. 000	Shs. 000	Shs. 000
COST 2012/2013														
As at 1st July 2012	416,000	441,950	18,504	39,194	29,145	25,489	6,193	9,369	9,707	5,214	94,468	9,765	84,500	1,189,498
Additions	0	870.00	4,835	8,000	709	90,843	2,459	6,091	2,469	116	8,600	0	44,160	169,152
As at 30th June 2013	416,000	442,820	23,339	47,194	29,854	116,332	8,652	15,460	12,176	5,330	103,068	9,765	128,660	1,358,650
Depreciation and Impairment 2012/2013														
As at 1st July 2012	0	11,049	3,701	9,799	8,744	1,274	619	937	1,941	1,043	4,723	977	0	44,807
Deprec charge	0	11,070	4,668	11,799	8,956	5,817	865	1,546	2,435	1,066	5,153	977	0	54,352
As at 30th June 2013	0	22,119	8,369	21,598	17,700	7,091	1,484	2,483	4,376	2,109	9,876	1,954	0	99,158
Net Book Value 2012/2013														
As at 30th June 2013	416,000	420,701	14,970	25,596	12,154	109,241	7,168	12,977	7,800	3,221	93,192	7,811	128,660	1,259,491
COST 2013/2014														
As at 1st July 2013	416,000	442,820	23,339	47,194	29,854	116,332	8,652	15,460	12,176	5,330	103,068	9,765	128,660	1,358,650
Additions	0	6,935	2,517		2,962	25,043	3,076	3,625		2,555			154,693	201,405
WIP Capitalised		6,829											(6,829)	0
As at 30th June 2014	416,000	456,584	25,856	47,194	32,816	141,375	11,728	19,085	12,176	7,885	103,068	9,765	276,524	1,560,055
Depreciation and Impairment 2013/2014														
As at 1st July 2013	0	22,119	8,369	21,598	17,700	7,091	1,484	2,483	4,376	2,109	9,876	1,954	0	99,158
Deprec charge	0	11,415	5,171	11,799	9,845	7,069	1,173	1,908	2,435	1,577	5,153	977	0	58,521
As at 30th June 2014	0	33,534	13,540	33,397	27,545	14,160	2,657	4,391	6,811	3,686	15,029	2,931	0	157,679
Net Book Values 2013/2014														
As at 30th June 2014	416,000	423,050	12,316	13,797	5,271	127,216	9,071	14,694	5,365	4,199	88,039	6,834	276,524	1,402,376

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19. Intangible assets - software

	Shs,000
Cost 2012/2013	
At 1 July 2012	6,606
Additions	-
At 30 June 2013	6,606
Amortization and impairment 2012/2013	
At 1 July 2012	1,982
Amortization	1,982
At 30 June 2013	3,964
Net book values 2012/2013	
At 30 June 2013	2,642
Cost 2013/2014	
At 1 July 2013	6,606
Additions	5,641
At 30 June 2014	12,247
Amortization and impairment 2013/2014	
At 1 July 2013	3,964
Amortization	3,674
At 30 June 2014	7,638
Net book values 2013/2014	
At 30 June 2014	4,609

20. Trade and other payables from exchange transactions

	2014	2013
	Shs 000	Shs 000
Trade payables	17,140	124,732
Retention	7,045	1,049
Provisions for gratuity	2,233	2,541
Third-party payments	1,053	930
Bank Overdraft	2,011	2,011
Total trade and other payables	29,482	131,263

The bank overdraft of Kshs. 2,011,475 relates to the amount overdrawn on KICD current Account held with the Continental Credit bank which is under receivership.

21. Refundable deposits from customers

	2014	2013
	Shs 000	Shs 000
Customer deposits	7,273	-
Total refundable deposits	7,273	-

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22. Deferred income: Donors/partners

	2014 Shs 000	2013 Shs 000
MOEST-Digital Content	123,455	-
Donors/ Partners	21,835	24,807
Total deferred income	<u>145,290</u>	<u>24,807</u>

23. Prior year Adjustment

The Institute made a prior year adjustment of Kshs 40,000,000 affecting the cash and cash equivalents and accumulated surpluses. The said amount is made up of Kshs 30,000,000 and 10,000,000 relating to financial year 2007/2008 and 2011/2012 respectively. The amount of Kshs 30,000,000 related to direct transfer from the Institute's bank call account to Fixed Deposit where fixed deposit ledger were updated through a journal voucher by debiting the Fixed Deposit ledger and crediting personal emoluments instead of the cash book /ledger. The amount of Kshs 10,000,000 was direct transfer from the Institute's bank call account to Fixed Deposit where the fixed deposit ledger was updated but the cashbook ledger was not updated. The amounts were part of reconciling figures in the Institute's bank reconciliation statements in the last financial year 2012/2013. The comparative figures of 2012/2013 have been restated as follows;

Account	2012/2013	Adjustment	2012/2013
	Shs 000	Shs 000	(Restated) Shs 000
Cash and Cash Equivalents	241,472	(40,000)	201,472
Accumulated Surplus	520,732	(40,000)	480,732

24. Segment information

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

Revenues	2014	2013
	Shs 000	Shs 000
Accommodation	24,686	33,266
Hiring	5,477	5,159
Food and Beverages	105,834	91,712
Business Centre	2,077	1,116
Other Incomes	605	517
	<u>138,679</u>	<u>131,770</u>
Less. Expenditure		
Staff Cost	7,072	5,156
Administration Expenses	8,397	10,018
Operating Expenses	77,824	64,064
Provision for bad debts	14,282	3,094
Provision for Depreciation	4,212	3,495
	<u>111,787</u>	<u>85,827</u>
Net Income	<u>26,892</u>	<u>45,943</u>

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25. Events after the reporting period

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