

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 29 JUN 2021

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TUESDAY

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**THE AUDITOR-GENERAL**

**ON**

**NATIONAL COUNCIL FOR NOMADIC  
EDUCATION IN KENYA**

**FOR THE YEAR ENDED  
30 JUNE, 2020**





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

**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 establishment of National Council for Nomadic Education in Kenya (NACONEK) was informed by twin documents of Nomadic Education in Kenya, 2010 and Session Paper No. 14 of 2012. Further, the Council was established under Section 94 of the Basic Education Act of 2013 and officially launched in May 2015. The Council is a Semi-Autonomous Government Agency in the Ministry of Education.

### **Mandate**

The Sixth Schedule of the Education Act 2013 spells out the functions of NACONEK as follows:

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

### **Council Members**

NACONEK has a council whose composition consists of a Chairperson, Council Secretary/Chief Executive Officer and eleven (11) Council Members. This is the policy organ of the Council. The Council meets at least every three months, which translates into four times a year to review projects and programs of the Secretariat. When there is need, Council members through the various committees may meet more frequently. The Council members provide policy guidance, strategic direction and general oversight on the operations of the Council.

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**Secretariat**

The Secretary/Chief Executive Officer heads the secretariat team. The Secretary is the Accounting Officer, responsible for the day-to-day administration and management of the National Council for Nomadic Education in Kenya (NACONEK). NACONEK has a senior Assistant Director of education working with other five technical officers supported with twelve (12) other cadres including three (3) Supply Chain Management Officers, one (1) Accountant, one (1) Records Management Officer, two (2) Assistant Office Administrators, two (2) Clerical Officers, Two (2) Drivers and One (1) Cleaning Supervisor.

**Vision**

A well-educated population in the nomadic regions, pockets of poverty areas and urban informal settlements proactively engaged in the transformation of Kenya.

**Mission**

To coordinate and strengthen the management, administration and delivery of quality basic education to populations in the ASAL areas, pockets of poverty regions and urban informal settlements of Kenya.”

**Core Values**

In carrying out its mandate, the Council upholds the following core values:

- Respect for the right of the child
- Integrity
- Team work
- Transparency and accountability
- Professionalism
- Respect of diversity
- Gender equity
- Continual learning

**Value Proposition**

NACONEK aspires to meet the education needs of the ASAL areas, Pockets of Poverty regions and Urban Informal Settlements of Kenya by ensuring that their traditions, values and norms are adequately addressed in pursuance of its mandate.

**Philosophy**

Achieve Education for All without forcing the target populations to choose between schooling against other priorities.

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**Key Strategic Objectives**

- **Strategic Objective 1:** To initiate the development, implementation and review of policies on all matters relating to education in the nomadic regions, Pockets of Poverty areas and Urban Informal Settlements of Kenya. e.g. Nomadic Education policy.
- **Strategic Objective 2:** To mobilize funds and other resources from various sources for the development of nomadic education in order to support relevant activities of the Council.
- **Strategic Objective 3:** To institutionalize mechanisms for effective coordination, monitoring and evaluation of the activities of agencies involved in the provision of education in the nomadic regions, Pockets of Poverty areas and Urban Informal Settlements of Kenya.
- **Strategic Objective 4:** To implement guidelines and ensure geographical spread of education activities and targets for the nomadic regions, Pockets of Poverty areas and Urban Informal Settlements of Kenya.
- **Strategic Objective 5:** To establish appropriate linkages and partnerships with other participating departments and agencies.
- **Strategic Objective 6:** To determine standards and skills to be attained in schools and institutions of learning within the nomadic regions, Pockets of Poverty areas and Urban Informal Settlements of Kenya and review such standards from time to time.
- **Strategic Objective 7:** To collate, analyse and publish information on education activities in the nomadic regions, Pockets of Poverty areas and Urban Informal Settlements of Kenya.

**(b) Principal Activities**

The principal activity of NACONEK is to improve access, retention, transition and completion of learners with quality learning outcomes in the nomadic regions, Pockets of Poverty areas and Informal Urban Settlements of Kenya. The strategic thrust for NACONEK is organized into six high level thematic areas namely:

- (i) Coordination, Knowledge Management and partnerships with various stakeholders to develop education in in the nomadic regions, Pockets of Poverty areas and Urban Informal Settlements of Kenya.
- (ii) Advocacy, social mobilization and stakeholder engagement for development of education in the nomadic regions, Pockets of Poverty areas and Urban Informal Settlements of Kenya.
- (iii) Coordination of development, implementation and monitoring of innovations in the delivery of quality education in the nomadic regions, Pockets of Poverty areas and Urban Informal Settlements of Kenya.
- (iv) Strengthening institutional governance and management of education in the nomadic regions, Pockets of Poverty areas and Urban Informal Settlements of Kenya.
- (v) Review and promotion of development, adaptation and implementation of policies and curriculum relevant to the nomadic way of life and livelihood.

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- (vi) Strengthening institutional capacity and operations to enable the council discharge its mandate effectively.

**(c) Key Management**

S/No.	NAME	DESIGNATION
1.	Harun M. Yussuf, HSC	Secretary/ CEO
2.	Emis Muthoni Njeru	Deputy Director of Education
3.	James B. Onchiri	Assistant Director of Education
4.	Lucy N. Kashu	Assistant Director of Education
5.	Samuel Kimosop Yano	Principal Education Officer
6.	Joyce Amuga	Principal Education Officer
7.	Justus Kirimi Mwiti	Supply Chain Management Officer 1
8.	Juliana Mbithe Nthiwa	Assistant Office Administrator 1
9.	George G. Gatheru	Accountant II
10.	Obed Onsare Nyamari	Accountant

**(d) Fiduciary Management**

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

S/No	NAME	DESIGNATION
1.	Harun M. Yussuf, HSC	Secretary/ CEO
2.	Emis Muthoni Njeru	Deputy Director of Education
3.	Samuel Yano Kimosop	Principal Education Officer
4.	George G. Gatheru	Accountant II
5.	Obed Onsare Nyamari	Accountant

**(e) Fiduciary Oversight Arrangements**

The Secretary/CEO is managing NACONEK operations assisted by various committees with specific terms and reference in carrying out their activities and include the following:

In discharging its duty, the Council establishes such committees as are necessary for the performance of its duties. The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary Oversight Arrangements were:

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KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

**(f) Headquarters**

Uchumi House, 6<sup>th</sup> Floor Aga Khan Walk Nairobi, KENYA

**(g) Contacts**

P.O. Box 300400 - 00100 Nairobi

Telephone: (254) 20 2241201

Fax: (254) 20 2225786

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

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

**(h) Our Banker**

National Bank of Kenya

Kenyatta Avenue Branch

P.O. Box 72866-00200 Nairobi, KENYA

**(i) Independent Auditors**

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

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**Council Members**



**Hon. Beth M. K Syengo, Acting Vice Chairperson**

*M.A Community Development,  
Winchester University (UK)  
B.Ed., Kenyatta University*

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Hon. Beth Mutunga Kalunda Syengo, born on 24th April 1968, has an wealth of experience in the education sector spanning many decades, having worked in various capacities as a High School Teacher. She has served on various boards of corporate entities including Kenya Medical Training College (KMTC), Maendeleo Ya Wanawake Organization (MYWO), KENGROW (NGO), Kenya Red Cross Society-Mwingi Branch, NGOCAP (CBO) and Ngomeni Secondary School.



**Dr. Gilbert Arap K. Bor, Council Member**

*Ph.D./MSc./BBM/CPA*

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Born on 9th February 1953, Dr. Bor is currently a Senior lecturer in Marketing and Management at Catholic University of Eastern Africa, Gaba Campus, Eldoret. Dr. Bor is as a Certified public Accountant and has wide experience in the corporate world; he served at Constitution of Kenya Review Commission (CKRC) as a Uasin Gishu District Coordinator, Rift Valley Bottlers Ltd (Coca Cola Franchise). Dr. Bor Chairs the Policy and Partnerships Committee in the Council.



**Rebecca Tonkei, Council Member**

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

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Rebecca Tonkei was born on 10th July 1969. She holds a P1 Certificate, having trained in Shanzu Teachers Training College. Has over twenty years in teaching. She has worked as a Deputy Director Peace Building and Conflict Management, Office of the Deputy President. She served in Parliamentary Service Commission as a Principal Human Resource Development Officer. She currently chairs the Human Resource Management Committee.

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**Sheikh Irshad Ibrahim, Council Member**

*MSc/BSc. Economics*

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Irshad was born on 22<sup>nd</sup> September 1965. He is a Director at World Assembly of Muslim Youth (WAMY) East African Office and Wamy High School. Has over ten years of experience in senior level management with various regional and international development agencies. Irshad is a life member of Kenya Institute of Economic Affairs (KIEA) and a member of International Institute of Certified Forensic Investigation Professionals (IICFIP). He is a council member of Dedan Kimathi University of Technology. He has vast experience in working with various Development Agencies, corporate and public entities including BBC World Service, Health Unlimited (UK) E. Africa Office, Direct Aid International and WASO Trading Co. Ltd. He chairs the Finance and Audit Committee.



**Catherine A. Wameyo, Council Member**

*MBA/BBA/CPA*

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Catherine was born on 24<sup>th</sup> November 1972. She has over 20 years' experience in accounting and finance fields both in private and public sectors holding various positions of responsibilities. Currently, she is an assistant Director Finance and Accounts at National Council for Persons with Disabilities. She doubles up as Ag. Deputy Director – Corporate Services at the National Council for Persons with Disabilities (NCPWD).



**Linus Ekai Evans, Council Member**

*M.Ed./BA/Dip. Ed.*

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Fr. Linus Ekai was born on 12<sup>th</sup> August 1976. He has taught various schools as he continued to study theology in various institutions locally and internationally. He holds both a Certificate and Diploma in philosophy and Religious Studies from St. Augustine's Major Seminary, Mabanga, Bungoma, Kenya. He also holds a Diploma in Theology from St. Thomas Aquinas Major Seminary, Nairobi, Kenya

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**Fatuma Abubakar, Council Member**

*MA/BBA*

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Fatuma Abubakar was born on 12<sup>th</sup> December 1985. She holds is a vibrant youth, who seats at the helm- Chairperson of the National Youth Council. Fatuma has worked in senior positions with various public and private entities including Caravan Real Estate Developers and Properties Ltd, City Link Pharma Ltd, IEC/IRS, Red Cross Society of Kenya and Interim Independent Electoral Commission. She has served in various boards including Garissa County Education Board and National Employment Authority.



**Timira Diyad Elmi, Council Member**

*M.Ed./B.Ed./Dip. Ed.*

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Timira was born on 1<sup>st</sup> January 1968. She is an expert in early Childhood Education. She has close to thirty (30) years of work experience in the education sector having taught in various learning institutions across the country.



**Lucy Chepkumun Loboo, Council Member**

*MA/BA*

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Lucy was born on 26th April 1977. She is a community development specialist. She has had wide travels and work experience from lecturing at Kisi University to working at Independent Electoral and Boundaries Commission, Ministry of Planning and National Development and vision 2030, Dollar Consultants Ltd, and GoK/Arid lands Resource Management Project II and KNBS.

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**Dr. Silvia Kanyaa Vundi**, Council Member

*Ph.D./M.Ed./B.Ed.*

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Dr. Silvia was born on 2nd September 1972. She is a self-driven professional with over twenty years of work experience at three different education levels, namely Secondary, Technical and University. She has served in various capacities with various government institutions. She is currently a Deputy Director - Capacity Building & Technical Assistance in the Ministry of Devolution and ASAL. She sits on the Council to represent Devolution and the ASALs PS



**Truphena Kirongo**, Council Member

*M.Ed./MBA/B.Ed.*

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Truphena was born on 12th June 1962. Truphena is a distinguished Civil servant with a career spanning over 30 years. Truphena joined the teaching service in 1986 as a teacher and progressively rose to positions of Senior Education Officer, Deputy Municipal Education Officer and Municipal Education Officer to Senior Assistant Director of Education in the Ministry of Education. Deputy Director General at the Ministry of Education's State Department of Early Learning and Basic Education She sits on the Council to represent Education PS.



**Harun M. Yusuf, HSC. Secretary/CEO**

*M.A/B.Ed.*

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Harun is the Secretary and Chief Executive Officer at the National Council for Nomadic Education in Kenya (NACONEK) since August 2017. He is an accomplished educationist with close to twenty years of experience. He served in various portfolios: Provincial Chairman-Kenya Secondary Schools Heads Association (KESSHA), North Eastern Province. He was a member of the National Executive Committee of the KESSHA and a member of Provincial Education Board. Prior to joining NACONEK, he served as Chairman, Garissa County Public Service Board from July 2013- July 2017. During the 18 years (1994-2012) of teaching,

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**Management Team**

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**Harun M. Yusuf, HSC.,**  
**Secretary/CEO**  
M.A/B.Ed.

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

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**Emis Muthoni Njeru (Mrs.),**  
**Deputy CEO**  
M.Ed./B.Ed.

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

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**Lucy Naisiae Kashu,**  
**Assistant Director of Education**  
M.Ed./B.Ed.

Lucy is in charge of Alternative Provision of Basic Education and Training, covering cities of Nairobi, Mombasa and Kisumu as well as the former municipalities of Thika, Kitale, Nakuru and Eldoret

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**Joyce A. Amuga (Mrs.)**  
**Principal Education Officer**  
M.A/B.Ed./P.1 Certificate in Education

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

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**Samuel Kimosop Yano**  
**Principal Education Officer**

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

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**Justus Kirimi Mwiti**  
**Head Supplies Chain Management**

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

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



**Juliana Mbithe Nthiw'a**  
**Personal Secretary I**

Cert /Dip. Secretarial Management

Juliana is currently working as a Personal Secretary I in the office of the Secretary/CEO of the National Council for Nomadic Education in Kenya (NACONEK).

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**Obed Onsare Nyamari**  
**Accountant Naconek**

Obed is a member of ICPAK and holder of B.Com. (Accounting) from the University of Nairobi



**George Githinji Gatheru**  
**Council Accountant-Naconek**

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

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### **Chairperson's Statement**

The National Council for Nomadic Education in Kenya is honored to publish the 2019/2020 Annual Report on its performance and financial statements. This is the first of its kind for the Council and is in line with section 94 of the Basic Education Act, 2013, the Public Finance Management Act, 2012 and the standard practice observed by the Council. The Council is a semi-autonomous government agency under the Ministry of Education that draws its mandate and functions from Basic Education Act of 2013, Section 94.

This 2019/2020 Annual Report and Financial Statements document the initiatives and statistical information towards the attainment of our mission to facilitate increased access, retention, transition and completion rates of learners in the ASALs, Pockets of Poverty regions and Urban Informal Settlements of Kenya. This has been largely done through stakeholder engagements, institution surveys, public education, and technical support to national and county governments and provision of information and advice to the public on nomadic education. We are cognizant of the challenges faced by populations in the ASAL areas, Pockets of poverty regions and in the urban informal settlements of Kenya that revolve largely around impacts of climate change.

As a council, we are aware how the Impacts of climate change prompt emergency nomadism, which is an economic activity, and therefore mobile in nature and distance to education institutions makes the provision of formal education difficult. Further, these areas are characterized with persistent insecurity in some of the ASAL areas, Pockets of Poverty regions and Informal Urban Settlements of Kenya, higher teacher turn over due to insecurity and hardship, limited monitoring and supervision of learning institutions as well as wildlife-human conflict.

Knowing our challenges, we have worked with both State and no-State actors in ensuring equitable and quality delivery of education to the learners in the ASAL areas, Pockets of poverty regions and in the urban informal settlements of Kenya. Due diligence has also been exercised in the reporting period towards the attainment of our strategic goals as contained in the 2016 - 2021 Strategic Plan. We are pleased to report that the financial year 2019/2020 was a period that the Council witnessed strategic milestones.

## **NATIONAL COUNCIL FOR NOMADIC EDUCATION IN KENYA-NACONEK**

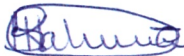
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To effectively deliver on its constitutional and statutory mandate, the Council equally undertook deliberate efforts to strengthen internal capacity and governance processes. During the period under review, the Council conducted comprehensive staff training needs analysis and subsequent retraining and capacity building. The Council members too benefited from the Mwongozo Induction that has leveraged the Council with the relevant skills for optimum performance, policy formulation and execution of the Council's mandate.

Indeed, the achievements outlined above would not have been possible without the innovation, resourcefulness, commitment and hard work of the council members and Secretariat staff. In this regard, the Council expresses gratitude to the Council Secretary/CEO, Mr. Harun M. Yussuf, HSC and the entire staff for work well done. The Council wishes to acknowledge the relentless efforts of our partners and stakeholders for their support in the 2019/2020 financial year.

In conclusion, we are confident that the Council, its partners and the beneficiary communities will continue working closely towards realizing good completion rates and post good learning outcomes of children from ASAL areas, Pockets of poverty regions and in the urban informal settlements of Kenya



**Hon. Beth M. K Syengo,**  
Acting Chairperson

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**Report of the Chief Executive Officer**



I gladly take this opportunity to present to you the Annual Report and Financial Statements for the year ended 30th June 2020.

The establishment of NACONEK is contained in various legal instruments. Firstly, Sessional Paper No. 2 of 2015 on reforming education and training sector in Kenya. Secondly, Sessional Paper No.8 of October 2012 on the “Policy for suitable development of Northern Kenya and other arid lands” releasing our full potential”. Thirdly, the Basic Education Act 2013, section 94 and the Sixth 6<sup>th</sup> Schedule. Fourthly, the Policy Framework for Nomadic Education in Kenya, 2010.

Fifthly, the National Education Sector Plan (NESP). Finally, the Constitution of Kenya, 2010.

The Council draws its mandate and functions from the Basic Education Act 2013. In undertaking its mandate, the Council has navigated a transition time. In the year under review, the Council signed the Code of Governance for State Corporations (Mwongozo) and a clear road map to ensure compliance was developed. Several policies were developed in compliance with Mwongozo to guide the Council and Management in Governance issues. These include; The Human Resource Manual, The Procurement Plans. We managed to develop a Finance Manual as well as installed ERP. During retreats held during the year, Council Members and Secretariat Staff were trained on key thematic areas.

The Report details the activities of the Council during the year under review, achievements, challenges and the options of addressing them. Further, the Report documents the progress made towards improving access, retention, transition and completion of learners in the ASAL areas, Pockets of poverty regions and in the urban informal settlements of Kenya generally.

While the year 2019/2020 was not without its challenges, the management team of continued to successfully implement its mandate and to advance its goals and objectives set in the Annual Work Plan and approved by the Council members. The Council members indeed provided strategic direction, leadership and oversight to the Secretariat in the execution of the programs and activities. To meet this enormous task, the Council received grants from Government totaling 137 Million alongside grants from EU-through Aga Khan Foundation and Islamic Relief of Kenya partnership during the period under review.

In the coming year, NACONEK will focus primarily on implementing the key areas of focus as identified in the Strategic Plan, Work Plans and the Performance Contracts (PCs). The Secretariat

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Will continue to ensure the effective implementation of the programs of the Council including supporting the work of the Council members and the various Council Committees.

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

From the heart of NACONEK, we remain grateful for the continued support of the Chairperson, the Vice Chairperson, the Council members, staff and all those who supported us in one way or another towards the accomplishment of our goals this year.



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

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## **Corporate Governance Statement**

Sound corporate governance is critical to achievement of our mandate and ensuring prudent use of public resources entrusted to the Council. Responsibility for good governance lies with the Council members. Governance, the manner in which power is exercised in the management and control of organizations has assumed critical importance in these days of political pluralism. The Council recognizes that governance is a vital ingredient in the maintenance of a dynamic balance between the need for order and equality in society, protection of public interest, efficiency in service delivery to the public and maintenance of organized corporate framework within which each citizen can contribute fully towards finding innovative solutions to common problems.

Good Corporate Governance seeks to promote:

- An efficient, effective and sustainable Council that contributes to the welfare of society by creating wealth, employment and solutions to emerging challenges;
- A responsive and accountable Council;
- A legitimate Council that is managed with integrity, probity and transparency;
- Recognition and protection of stakeholder rights; and
- An inclusive approach based on democratic ideals, legitimate representation and participation.

National Council for Nomadic Education in Kenya is committed to the highest standards of integrity, behavior and ethics in dealing with all its stakeholders. The Council members adhere to the code of corporate governance (Mwongozo Code of Conduct) as well as its own stringent standards of governance and control. A formal Code of Ethics is available and is fully implemented to guide Council members, Management, Employees and Stakeholders on acceptable behaviour in conducting our operations. These include among others: requirement to act honestly, in good faith and in the best interest of the Council; exercise duty of care and diligence; avoidance and disclosure of conflict of interest and maintenance of confidentiality of information about the Council.

The Council members have a collective responsibility for establishing and management of appropriate systems on internal control and for reviewing their effectiveness. National Council for Nomadic Education in Kenya has defined procedures and financial controls to ensure the reporting of complete and accurate accounting information and safeguarding public resources. Internal control and risk management systems are designed to mitigate rather than eliminate the risks identified in the financial reporting process. The Management is responsible for ensuring that the internal control activities are performed and documented, and is required to report to the Audit & Risk Committee on compliance on quarterly basis.

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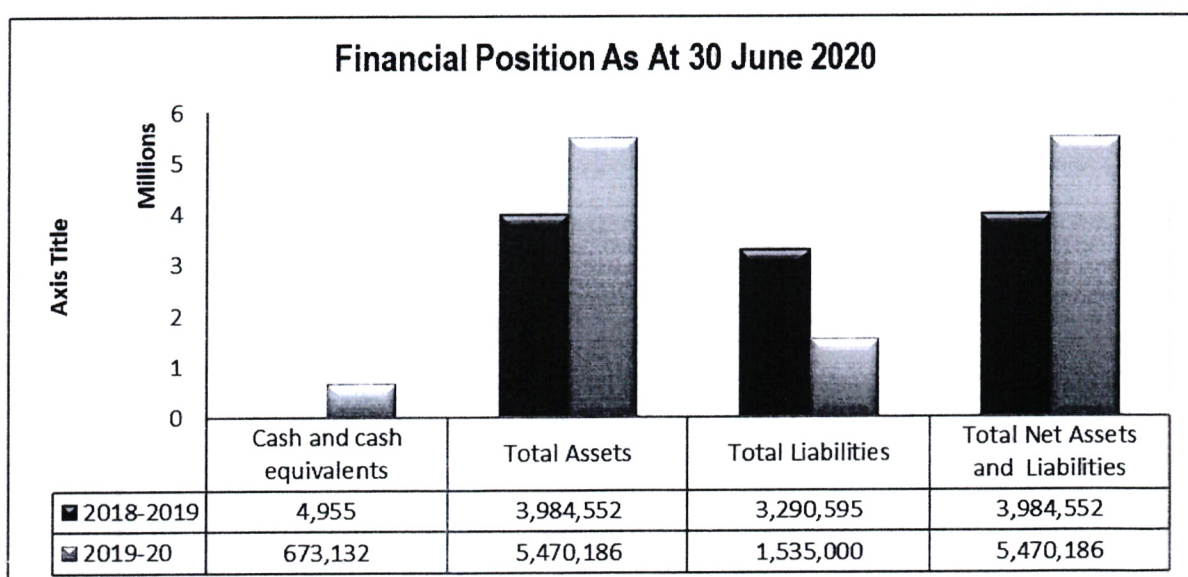
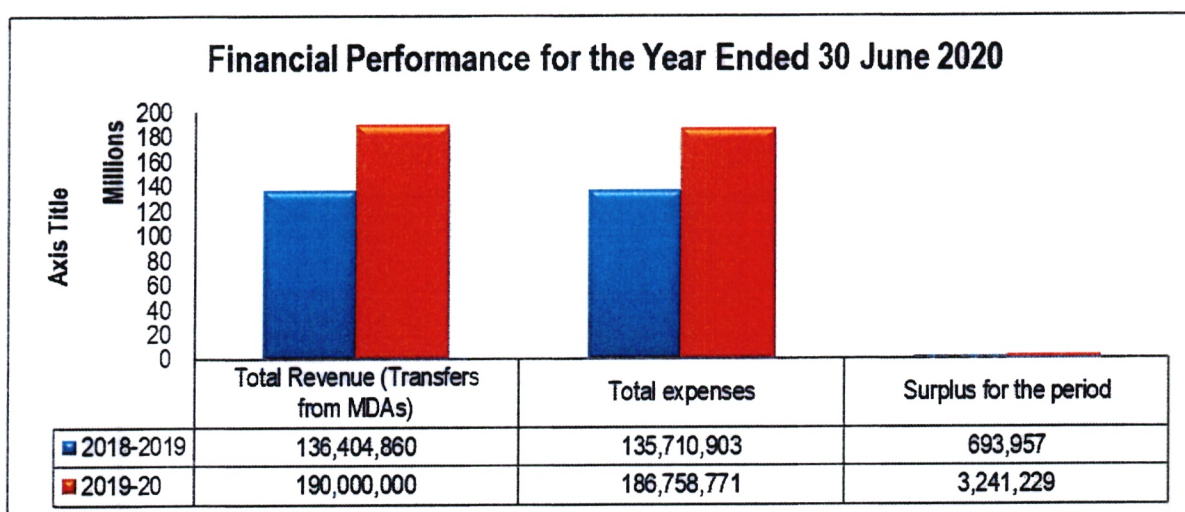
**Management discussion and analysis**

**Introduction**

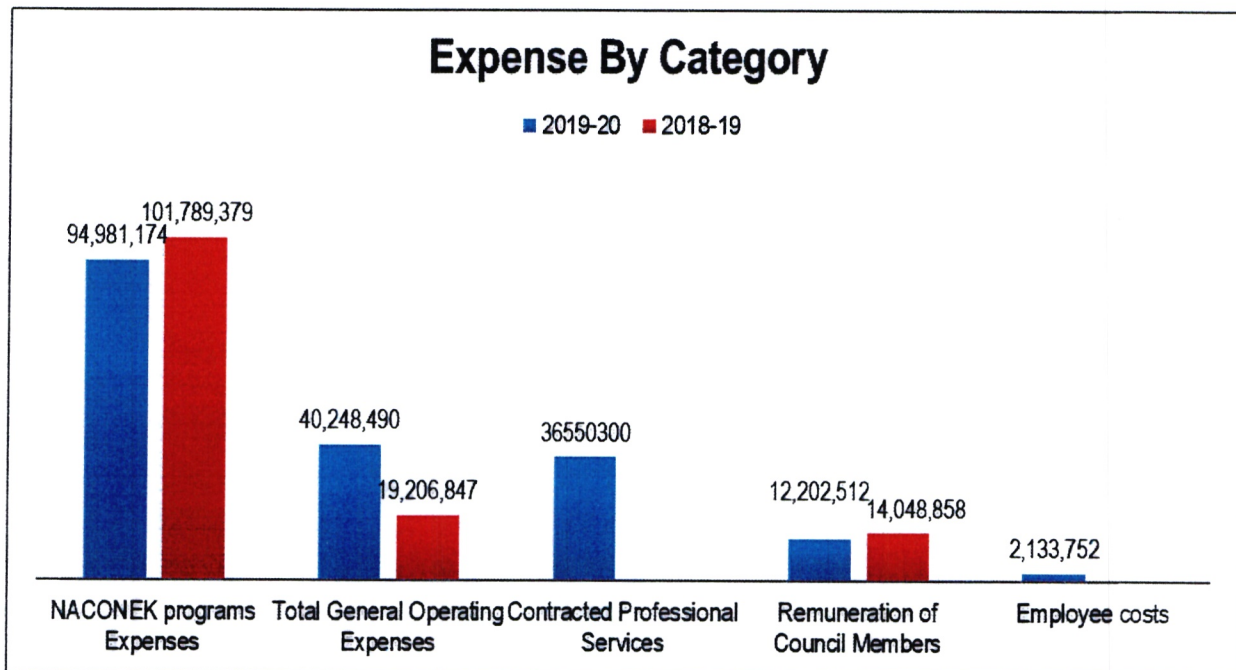
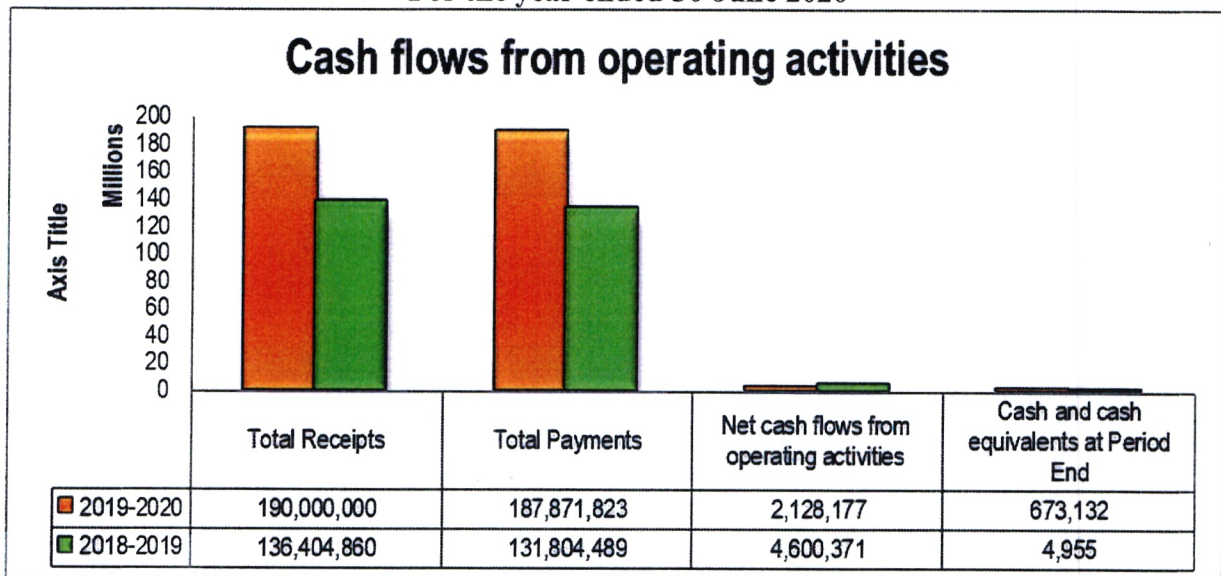
The Council's strategies adopted during the financial year 2019/20 to realize its goals and objectives; key among them include:

- Coordination, knowledge management and partnerships;
- Advocacy, social mobilization and stakeholder engagement;
- Development, implementation and monitoring of innovations;
- Strengthening institutional governance and management of education
- Strengthening institutional capacity and operations.

**Review of Financial Performance**



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**Review and promotion of development, adaptation and implementation of policies and curriculum.**

During the period under review, National Council for Nomadic education in Kenya held joint forums with the Ministry of Education and partners working in the education sector to review registration of schools guidelines. Further, the Council held three stakeholders' forum on revising Nomadic Education policy. During the engagement with various partners, it was noted that the nomadic education policy was absolute and needed revision. Further, it was noted that the school registration guidelines needed to be revised to include current emerging issues in the education sector.

**Coordination, Knowledge Management and partnerships**

During the period under review, the council worked closely with Islamic Relief-Kenya to develop a project proposal to Educate-a-Child Foundation, Qatar. This partnership is supposed to see over 500,000 out of school children are enrolled and retained in school in seven Counties within the ASALs of Kenya. Further, the council continues to chair the education pillar under Ending Drought Emergencies (EDE) in Kenya. The Council collaborated with various CSOs in the education sector to conduct a mapping exercise of the APBET schools in Nairobi.

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

**Advocacy, social mobilization and stakeholder engagement**

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

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

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**Development, implementation and monitoring of innovations**

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

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

**Strengthening institutional governance and management of education**

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

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**Corporate Social Responsibility Statement/Sustainability Reporting**

National Council for Nomadic Education in Kenya (NACONEK) recognizes its obligations to act responsibly, ethically and with integrity in its interactions with all stakeholders be they employees, customers, suppliers, neighbors and the environment as a whole.

To this end:

1. The Council has in place policies that clarify its commitment to negating its impact on the environment;
2. The Council carries out regular risk assessments to guarantee the wellbeing of employees and visitors, in accordance with Occupational Health and Safety regulations;
3. The Council actively manages its reputation, and drives best practice, through the application of prudent public procurement practices as outlined in the Public Procurement and Disposal Act;
4. The Council is an Equal Opportunities Employer which promotes diversity and does not differentiate on grounds of gender, ethnicity, religion, race, or physical ability;
5. The Council actively contributes to social and environmental initiatives in the republic through donation of time and funds; and
6. The Council commits to being open and transparent in the interests of promoting best practice.

It is important to our employees to work for a socially responsible organization and our approach therefore reflects our people. We recognize that our activities as a Council have an impact on our communities and the general public. We are committed to not only managing that impact but also using the public resources we have been entrusted with in making a real and sustainable difference.

To this end:

1. The Council is actively involved in supporting and developing the local Community to make a lasting positive impact;
2. The Council works hard to ensure that the negative impact our work has on the Environment is minimized; and the Council provides the tools to enable employee growth and fulfillment for Individuals and for the organization to work together to make a difference as a team.

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## **Report of the Council Members**

The Council Members submit their report together with the audited financial statements for the year ended June 30, 2020, which show the state of the National Council for Nomadic Education in Kenya's affairs.

### **Principal activities**

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

Generally its simplification and modernization

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

### **Results**

The results of the National Council for Nomadic Education in Kenya for the year ended 30 June, 2020 are set out on pages 1-50.

### **Council Members**

The Council members who served during the year are shown on pages 8-15. During the year 2019/2020, there was only the transition of the Chairman to another state corporation after expiry of his contract.

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**Auditors**

The Auditor-General is responsible for the statutory Audit of National Council for Nomadic Education in Kenya in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. No other Auditors were nominated by the Auditor General to carry out Audit of the Council for the year ended June 30th 2020 in accordance to Section 23 of the Public Audit Act, 2015 which empowered the Auditor General to appoint an Auditor to Audit on his behalf.

By Order of the Board.



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

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**Statement of Council Members' Responsibilities**

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

The Council Members are responsible for the preparation and presentation of the Council's financial statements, which give a true and fair view of the state of affairs of the Council for and as at the end of the financial year (period) ended on 30th June, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Council Members accept responsibility for the Council's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Council Members are of the opinion that the Council's financial statements give a true and fair view of the state of entity's transactions during the financial year ended 30th June, 2020 , and of the Council's financial position as at that date. The Council Members further confirm the completeness of the accounting records maintained for the Council, which have been relied upon in the preparation of the Council 's financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The National Council for nomadic Education in Kenya's financial statements were approved by the Council on 15/09/ 2020 and signed on its behalf by:



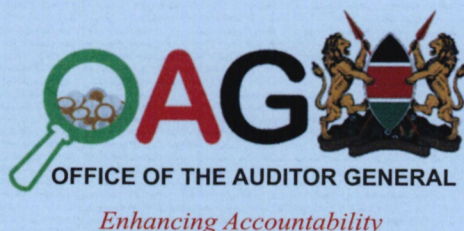
**Hon. Beth M. K Syengo**  
**Acting Chairperson**



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

# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL COUNCIL FOR NOMADIC EDUCATION IN KENYA FOR THE YEAR ENDED 30 JUNE, 2020**

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### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Opinion**

I have audited the accompanying financial statements of National Council for Nomadic Education in Kenya set out on pages 1 to 24, which comprise of the statement of financial position as at 30 June, 2020, statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Council for Nomadic Education in Kenya as at 30 June, 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 comply with the Basic Education Act, 2013 and the 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 National Council for Nomadic Education in Kenya 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 that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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.

### **Basis for Conclusion**

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 overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

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

In preparing the financial statements, Management is responsible for assessing the Council'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 Council or to cease operations.

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

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

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal 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 Council's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Council to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Council to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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**

**22 June, 2021**

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**Statement of Financial Performance**  
**For The Year Ended 30 June 2020**

		<b>2019-2020</b>	<b>2018-2019</b>
	<b>Notes</b>	<b>Shs</b>	<b>Shs</b>
<b>Revenue from non-exchange transactions</b>			
Transfers from MDAs	6	190,000,000	136,404,860
<b>Total Revenue</b>		<b>190,000,000</b>	<b>136,404,860</b>
<b>Expenses</b>			
Employee costs	7	2,133,752	-
Remuneration of Council Members	8	12,202,512	14,048,858
Depreciation and amortization expense	9	642,543	615,819
Use of Goods and Services	10	40,248,490	19,256,847
NACONEK programs Expenses	11	94,981,174	101,789,379
Contracted Professional Services	12	36,550,300	
<b>Total expenses</b>		<b>186,758,771</b>	<b>135,710,903</b>
<b>Surplus for the period</b>		<b>3,241,229</b>	<b>693,957</b>


*The notes set out on pages 6 to 22 form an integral part of these Financial Statements*

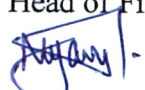
**NATIONAL COUNCIL FOR NOMADIC EDUCATION IN KENYA-NACONEK**  
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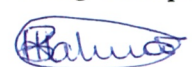
**Statement of Financial Position**  
**As at 30 June 2020**

	Notes	2019-2020 Shs	2018-2019 Shs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	13a	673,132	4,955
<b>Total Current Assets</b>		<b>673,132</b>	<b>4,955</b>
<b>Non-current assets</b>			
Property, plant and equipment	14	3,417,054	3,979,597
Intangible Assets	15	1,380,000	
<b>Total Non-Current Assets</b>		<b>4,797,054</b>	<b>3,979,597</b>
<b>Total Assets</b>		<b>5,470,186</b>	<b>3,984,552</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	16	1,535,000	3,290,595
<b>Total Liabilities</b>		<b>1,535,000</b>	<b>3,290,595</b>
Accumulated Surplus		3,935,186.	693,957
<b>Total Net Assets and Liabilities</b>		<b>5,470,186</b>	<b>3,984,552</b>

The Financial Statements set out on pages 1 to 22 were signed on behalf of the Council Members by:

Secretary/C.E.O  
  
**HARUN M. YUSSUF, HSC.**  
Date: 15/09/2020

Head of Finance  
  
**CPA OBED ONSARE NYAMARI**  
**M/NO. 25617**  
Date: 15/09/2020

Acting Chairperson  
  
**HON. BETH M. K SYENGO**  
Date: 15/09/2020

**NATIONAL COUNCIL FOR NOMADIC EDUCATION IN KENYA-NACONEK**  
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**Statement of Changes in Net Assets**  
**For The Year Ended 30 June 2020**

	<b>Accumulated Surplus Kshs.</b>	<b>Total Kshs.</b>
<b>At July 1, 2018</b>	-	-
Surplus for the Period	693,957	693,957
<b>At 30th June, 2019</b>	693,957	693,957
<b>At July 1, 2019</b>	693,957	693,957
Surplus for the Period	3,241,229	3,241,229
<b>At 30th June, 2020</b>	<b>3,935,186</b>	<b>3,935,186</b>

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**Statement of Cash Flows**  
**For The Year Ended 30 June 2020**

	Notes	2019-2020	2018-2019
		Shs	Shs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from MDAs	6	190,000,000	136,404,860
<b>Total Receipts</b>		190,000,000	136,404,860
<b>Payments</b>			
Employee cost	7	2,133,752	-
Council expenses	8	12,202,512	14,048,858
General operating expenses	10	42,004,085	16,860,939
NACONEK program expenses	11	94,981,174	100,894,69
Contracted professional services	12	36,550,300	-
<b>Total Payments</b>		<b>187,871,823</b>	<b>131,804,489</b>
<b>Net cash flows from operating activities</b>	17	2,128,177	4,600,371
<b>Cash flows from investing activities</b>			
Purchase of Property and Equipment	14	(80,000)	(4,595,416)
Purchase of Intangible Assets	15	(1,380,000)	
<b>Net cash flows used in investing activities</b>		<b>(1,460,000)</b>	<b>(4,595,416)</b>
<b>Net increase in cash and cash equivalents</b>		<b>668,177</b>	<b>4,955</b>
Cash and cash equivalents at Period Start		4,955	-
<b>Cash and cash equivalents at Period End</b>		<b>673,132</b>	<b>4,955</b>

**NATIONAL COUNCIL FOR NOMADIC EDUCATION IN KENYA-NACONEK**  
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**Statement of Comparison of Budget and Actual Amounts for the Year Ended 30 June 2020**

	Original Budget	Adjustments	Final Budget	Actual basis	Performance Difference	Percentage Utilization
	Shs	Shs	Shs	Shs	Shs	
<b>Revenue</b>						
Transfers from MDAs	140,000,000	50,000,000	190,000,000	190,000,000	-	100%
					-	
<b>Total Income</b>				<b>190,000,000</b>	-	
<b>Expenses</b>					-	
Employees Costs	3,395,000	(1,260,900)	2,134,100	2,133,752	348	99.98 %
Council Expenses	13,900,000	(1,620,800)	12,279,200	12,202,512	76,688	99.38 %
Depreciation and amortization expense			-	642,543		
General Operating Expenses	37,648,000	6,308,100	43,956,100	40,248,490	3,707,610	91.57 %
NACONEK Program Expenses	48,506,700	46,573,600	95,080,300	94,981,174	99,126	99.90%
Contracted Professional Services	36,550,300	-	36,550,300	36,550,300	-	100.00 %
<b>Total Expenditure</b>	<b>140,000,000</b>	<b>50,000,000</b>	<b>190,000,000</b>	<b>186,758,771</b>		
<b>Surplus for the period</b>				<b>3,241,229</b>		

N/B Capital expenditure was Kes 1,460,000/ (Laptop and Accounting software)

**NATIONAL COUNCIL FOR NOMADIC EDUCATION IN KENYA-NACONEK**  
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**Notes to the Financial Statements**

**1. GENERAL INFORMATION**

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

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

The financial statements have been prepared on a historical cost basis. The preparation of financial statements is in conformity with International Public Sector Accounting Standards (IPSAS), which allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying National Council for Nomadic Education in Kenya (NACONEK) accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 21

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

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

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**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
<b>IPSAS 40:</b> Public Sector Combinations	<p><b>Applicable: 1<sup>st</sup> January 2019</b></p> <p>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.</p> <p>NACONEK is a Semi-Autonomous Government established under section 94 of the Basic Education Act, 2013. The management has assessed the effect of IPSAS 40 on the operations of NACONEK. Since there were no combinations or amalgamations between NACONEK and any other entity the Standard has no impact on NACONEK's activities for the year ended 30th June, 2020</p>

**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:
<b>IPSAS 41:</b> Financial Instruments	<p><b>Applicable: 1<sup>st</sup> January 2022:</b></p> <p>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.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> </ul>

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Standard	Effective date and impact:
	<ul style="list-style-type: none"> <li>• 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.</li> </ul> <p>The management is in the process of assessing the impact of this standard on its financial instruments as it prepares to apply the standard at applicable date.</p>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2022</b></p> <p>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:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</li> </ul> <p>The management is in the process of assessing the impact of this standard on its financial instruments as it prepares to apply the standard at applicable date.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1st January 2022:</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> </ul> <p>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.</p>
<p>Other Improvements to IPSAS</p>	<p><b>Applicable: 1<sup>st</sup> January 2021:</b></p> <ul style="list-style-type: none"> <li>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</li> <li>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</li> <li>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets.</li> </ul>

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Standard	Effective date and impact:
	<p>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.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs).</p> <p>Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard</p>

**iii. Early adoption of standards**

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

**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.

**b) Budget information**

The original budget for FY 2019-2020 was approved by the National Assembly. NACONEK’S budget is consolidated together with the budget of its line Ministry/State department. Once the National budget is approved by the National Assembly the Council approves NACONEK’s budget in line with the approved estimates. Subsequent revisions or additional appropriations are 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

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approved budget, is then presented in the statement of comparison of budget and actual amounts.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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.

**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.

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Depreciation on property, plant and equipment**

Depreciation on property, plant and equipment is calculated using the straight line method to write down the cost of each asset to its residual value over its estimated useful life using the following rate.

<input type="checkbox"/>	Furniture and fittings	12.5%
<input type="checkbox"/>	ICT Equipment	33.3%

By signing this Annual report and Financial Statements, the board has approved this policy.

**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.

**e) Provisions**

Provisions are recognized when the Entity 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.

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

***Contingent liabilities***

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

***Contingent assets***

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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**f) Nature and purpose of reserves**

NACONEK creates and maintains reserves in terms of specific requirements. Currently, NACONEK's surplus reserve comprise of current year surplus

**g) 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.

**h) Related parties**

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

**i) 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

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months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Bank account balances include amounts held at the Central Bank of Kenya and at National Bank at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short-term cash Imprest and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**j) Comparative figures**

Financial Year 2018/2019 being the first year of operations NACONEK's financial statement does not have the comparative figures.

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

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. NACONEK based its assumptions and estimates on parameters available when the 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 NACONEK.

**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 NACONEK

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

- 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 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.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6 a) TRANSFERS FROM OTHER GOVERNMENTS**

Description	2019-2020	2018-2019
	Kshs	Kshs
Unconditional grants	-	
Operational grant from the State Department for Basic Education	190,000,000	136,404,860
<b>Total government grants and subsidies</b>	<b>190,000,000</b>	<b>136,404,860</b>

**7 EMPLOYEE COSTS**

	2019-2020	2018-2019
	Kshs	Kshs
Leave allowances	193,752	-
Extraneous Allowance	1,440,000	-
Interns Student Allowance	500,000	-
<b>Employee costs</b>	<b>2,133,752</b>	<b>-</b>

**8 REMUNERATION OF COUNCIL MEMBERS**

Description	2019-2020	2018-2019
	Kshs	Kshs
Chairman's Honoraria	640,000	320,000
Sitting Allowances	3,858,000	2,325,000
Subsistence Allowances	7,500,512	6,675,265
Other Allowances	204,000	4,728,593
<b>Total Remuneration of Council Members</b>	<b>12,202,512</b>	<b>14,048,858</b>

**9 DEPRECIATION AND AMORTIZATION EXPENSE**

Description	2019-2020	2018-2019
	Kshs	Kshs
Property, plant and equipment	642,543	615,819
<b>Total depreciation and amortization</b>	<b>642,543</b>	<b>615,819</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**10 USE OF GOODS AND SERVICES**

Description	2019-2020	2018-2019
	Shs	Shs
Advertising	406,746	648,700
Catering services	2,177,278	207,766
Domestic Travel and Subsistence	8,995,708	960,437
Fuel and oil	1,400,000	1,875,355
Foreign Travel & subsistence	1,144,852	-
General Printing and stationery	5,202,865	2,546,280
Repairs and maintenance	100,000	403,700
Rent expenses		6,695,908
Office Utilities	3,918,261	2,657,966
Motor vehicle maintenance	796,192	1,224,030
ICT Accessories and consumables	14,518,368	1,412,500
Interns students Allowance	-	50,000
Bank Charges	94,430	74,205
Training/Workshops	993,790	-
Audit fee	500,000	500,000
<b>Total General Operating Expenses</b>	<b>40,248,490</b>	<b>19,256,847</b>

**11 NACONEK PROGRAMS EXPENSES**

Description	2019-2020	2018-2019
	Shs	Shs
Establish Web Based ICT Platform		13,500,000
Capacity Building For Council Secretariat		1,882,210
Establishment of Corporate Structure For NACONEK		15,158,198
Advocacy And Social Mobilization - Girl Child Special Needs		7,789,656
Publicity, Media Communication And Documentation		3,772,095
Mainstreaming Dugsi And Madrasa		47,075,556
Secretariat National And Regional Co-Curricular Activities	1,033,370	6,120,214
Monitoring And Evaluation		5,596,763

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Facilitation of NIWFESS pilot project	37,203,654	894,687
Pilot E-Platform In two Schools In Nomadic Counties	3,902,500	-
Targeted Forums	2,319,850	-
Assessment of Low cost Boarding schools	292,500	-
Implementation of NIWFESS	49,030,000	-
Assessment of VET Institutions	935,500	-
Coordination Framework for Partnership	263,800.	-
<b>NACONEK Programs expenses</b>	<b>94,981,174</b>	<b>101,789,379</b>

**12 CONTRACTED PROFESSIONAL SERVICES**

Description	2019-2020	2018-2019
	Shs	Shs
Strategic Indicatives Management	9,498,500	-
Climate Change Initiative and Management	10,500,000	-
Legal Liaison and Advisory Services	9,120,000	-
Internal Capacity Building	7,431,800	-
<b>Total Consultancy Expenses</b>	<b>36,550,300</b>	<b>-</b>

**13 a) CASH AND CASH EQUIVALENTS**

Description	2019-2020	2018-2019
	Kshs	Kshs
National Bank - Current Account	673,132	4,955
Cash at Hand		
<b>Total cash and cash equivalents</b>	<b>673,132</b>	<b>4,955</b>

**13 b) DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS**

Financial institution	Account number	2019-2020	2018-2019
		Kshs	Kshs
<b>a) Current account</b>			
National Bank-Current Account	01040207060700	673,132	4,955
<b>Sub- total</b>		<b>673,132</b>	<b>4,955</b>
Cash in hand		-	-
<b>Grand total</b>		<b>673,132</b>	<b>4,955</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**14. PROPERTY, PLANT AND EQUIPMENT**

	<b>ICT EQUIPMENT</b>	<b>FURNITURE &amp; FITTINGS</b>	<b>Total</b>
<b>Cost</b>	<b>33.33%</b>	<b>12.50%</b>	
	-	-	-
Additions	199,000	4,396,416	4,595,416
<b>Cost as at 30 June 2019</b>	<b>199,000</b>	<b>4,396,416</b>	<b>4,595,416</b>
Additions	80,000		80,000
<b>Cost as at 30 June 2020</b>	<b>279,000</b>	<b>4,396,416</b>	<b>4,675,416</b>
<b>Depreciation and Impairment</b>			
<b>As at 1 July 2018</b>	-	-	-
Depreciation Charge for 2019	66,267	549,552	615,819
<b>As at 30 June 2019</b>	<b>66,267</b>	<b>549,552</b>	<b>615,819</b>
Depreciation Charge for 2020	92,991	549,552	642,543
<b>As at 30 June 2020</b>	<b>159,258</b>	<b>1,099,104</b>	<b>1,258,362</b>
<b>NBV as at 2020</b>	<b>119,742.30</b>	<b>3,297,312</b>	<b>3,417,054</b>
<b>NBV as at 2019</b>	<b>132,733.00</b>	<b>3,846,864</b>	<b>3,979,597</b>

**15. INTANGIBLE ASSETS-SOFTWARE**

<b>Intangible Assets</b>	<b>Total</b>	<b>Total</b>
	<b>2019/2020</b>	<b>2018/2019</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Cost as at 1st July 2019	-	-
Additions	1,380,000	
Cost as at 30th June	1,380,000	-
Amortization at start of period	-	-
Charge for the period	-	-
Accumulated Amortization	-	-
<b>NBV at End of Period</b>	<b>1,380,000</b>	<b>-</b>

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**16. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

Description	2019-2020	2018-2019
	Kshs	Kshs
Audit Fees	1,00,000	500,000
Sundry Creditors	535,000	2,790,595
<b>Total trade and other payables</b>	<b>1,535,000</b>	<b>3,290,595</b>

**17. CASH GENERATED FROM OPERATIONS**

Cash Generated from Operations	2019-2020	2018-2019
	Shs	Shs
Surplus for the year before tax	3,241,229	693,957
Adjusted for:		
Depreciation	642,543	615,819
Non-cash grants received		
Working Capital adjustments		1,309,776
Increase/Decrease in Payables	(1,755,595)	3,290,595
<b>Net cash flow from operating activities</b>	<b>2,128,177</b>	<b>4,600,371</b>

**18. FINANCIAL RISK MANAGEMENT**

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

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

**(i) Credit risk**

NACONEK has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

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Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

**19 FINANCIAL RISK MANAGEMENT (Continued)**

**(ii) Liquidity risk management**

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

The table below represents cash flows payable by the entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

**(iii) Market risk**

NACONEK has put in place an internal audit function to assist it in assessing the risk faced by the Council on an on-going basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates, which will affect the Council's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the Council's exposure to market risks or the manner in which it manages and measures the risk.

**Foreign currency risk**

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

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**20 FINANCIAL RISK MANAGEMENT (Continued)**

**Fair value of financial assets and liabilities**

*a) Financial instruments measured at fair value*

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Council's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Council considers relevant and observable market prices in its valuations where possible.

Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

**21. RELATED PARTY BALANCES**

**Nature of related party relationships**

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

**Government of Kenya**

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

- i) The State Department for Basic Education;
- ii) The Council;
- iii) Key Management;

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**22. EVENTS AFTER THE REPORTING PERIOD**

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

**23. ULTIMATE AND HOLDING ENTITY**

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

**24. Currency**

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

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**Appendix 1: 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)

**Harun M. Yussuf, HSC**  
**Secretary/CEO**



Sign.....

Date.....

**NATIONAL COUNCIL FOR NOMADIC EDUCATION IN KENYA-NACONEK**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

**Appendix II: Inter-Entity Transfers**

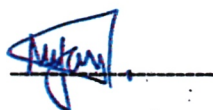
<b>ENTITY NAME:</b>		<b>NATIONAL COUNCIL FOR NOMADIC EDUCATION IN KENYA-(NACONEK)</b>		
<b>Break down of Transfers from the State Department of Basic Education</b>				
<b>FY 2019/2020</b>				
<b>a. Recurrent Grants</b>				
		<u><b>Bank Statement Date</b></u>	<u><b>Amount (KShs)</b></u>	<u><b>Indicate the FY to which the amounts relate</b></u>
	Recurrent	15/08/2019	35,000,000	2019-2020
	Recurrent	30/10/2019	31,547,006	2019-2020
	Recurrent	28/01/2020	38,452,994	2019-2020
	Recurrent	23/04/2020	35,000,000	2019-2020
	Recurrent	22/05/2020	50,000,000	2019-2020
		<b>Total</b>	<b>190,000,000</b>	

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

Finance Manager  
NACONEK

Head of Accounting Unit  
Ministry of Education

Sign



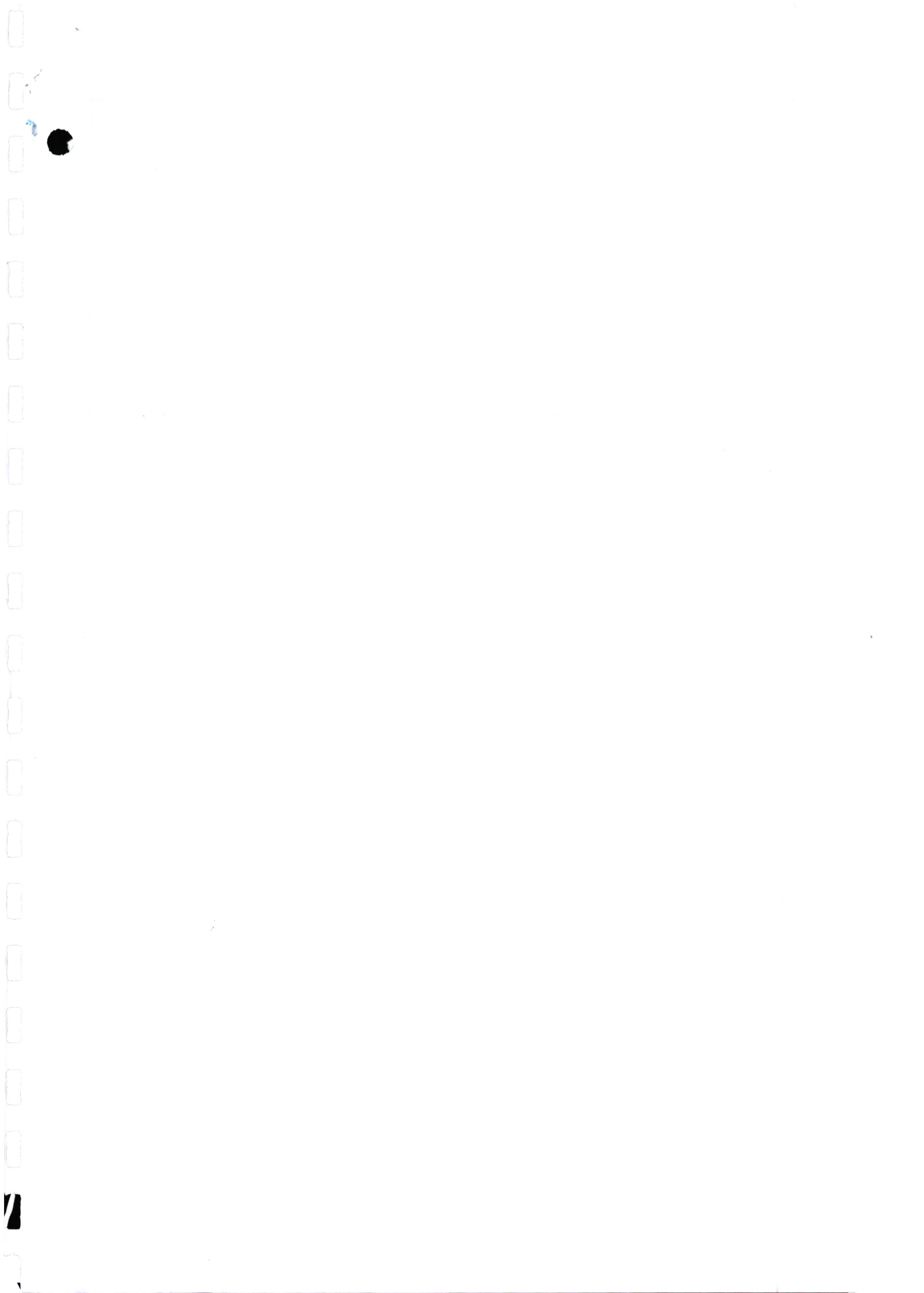
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**NATIONAL COUNCIL FOR NOMADIC EDUCATION IN KENYA-NACONEK**  
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**Appendix III: Recording Of Transfers from Other Government Entities**

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
	as per bank statement			Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Education	15/08/2019	Recurrent	35,000,000						35,000,000
Ministry of Education	30/10/2019	Recurrent	31,547,006						31,547,006
Ministry of Education	28/01/2020	Recurrent	38,452,994						38,452,994
Ministry of Education	23/04/2020	Recurrent	35,000,000						35,000,000
Ministry of Education	22/05/2020	Recurrent	50,000,000						50,000,000
<b>Total</b>			<b>190,000,000</b>						<b>190,000,000</b>



**THE Secretary/CEO**  
**National Council for Nomadic Education in Kenya (NACONEK)**  
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