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DATE: 05 DEC 2023 WEDNESDAY

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BY:

HON. OWEN BATA, MP
DEPUTY MAJORITY LEADER

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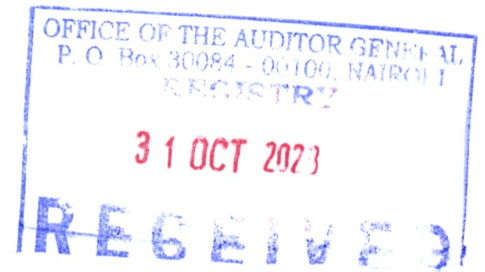
THE AUDITOR-GENERAL

ON

**KENYA PRIMARY EDUCATION EQUITY
IN LEARNING PROJECT IDA GRANT
NO. D991-KE AND CREDIT NO. 7067-KE**

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

**STATE DEPARTMENT FOR BASIC
EDUCATION**



PROJECT NAME: Kenya Primary Education equity in Learning (KPEEL) Program

IMPLEMENTING ENTITY: MINISTRY OF EDUCATION

CREDIT NUMBER: 7067-KE

GRANT NUMBER: D991-KE

REVISED ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2023

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

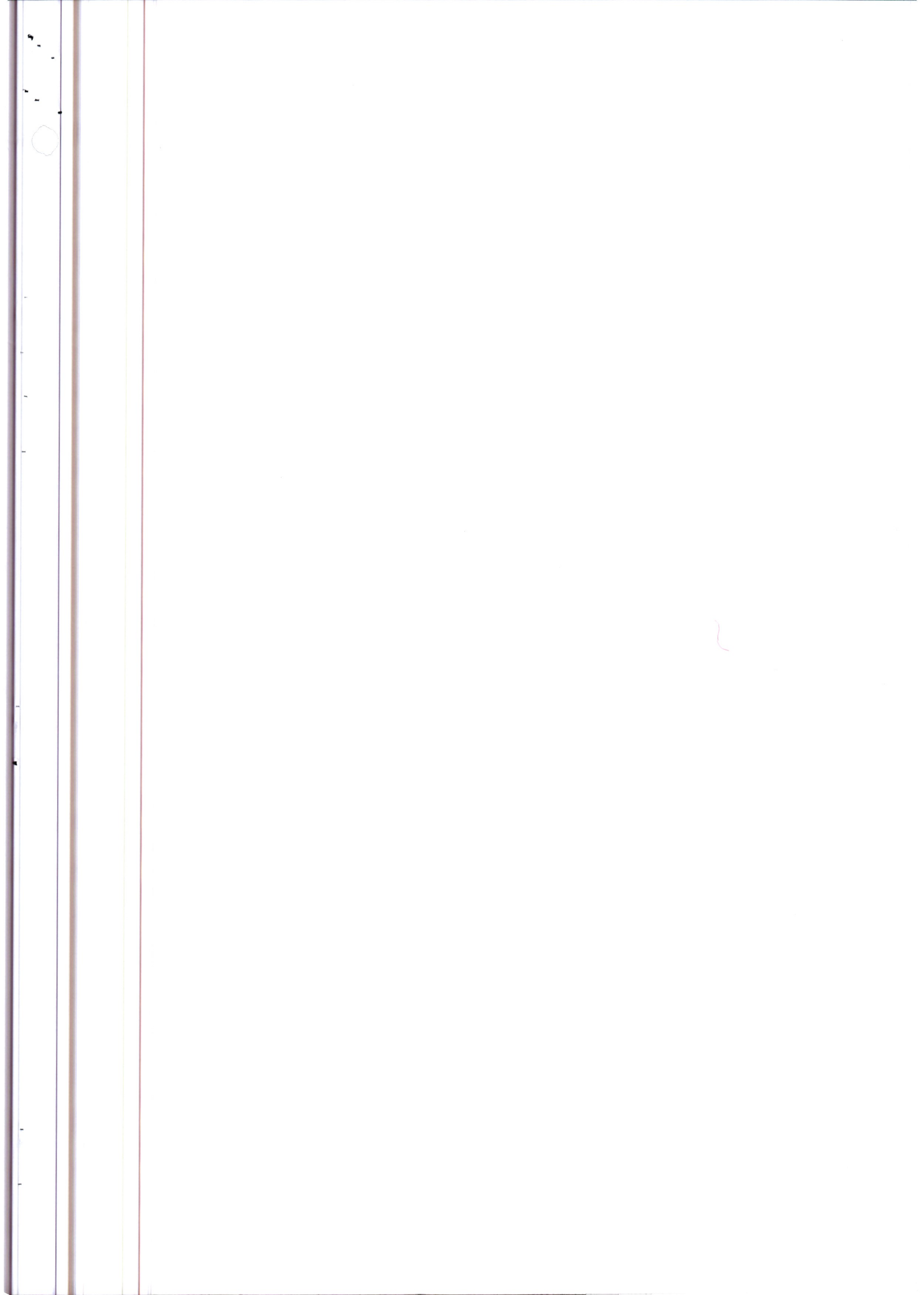


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1. Acronyms and Glossary of Terms

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
Comparative FY	Financial year preceding the current financial year.

(Project to include all acronyms and glossary of terms used in the annual report and financial statements)

2. Project Information and Overall Performance

2.1 Name and registered office

Name

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

Objective

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

Address

The project headquarters office is in Nairobi, Kenya.

The address of its registered office is:

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

Telephone: (254) 724744777

The project also has offices/branches as follows:

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

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Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	5TH AUGUST 2022
Project End Date:	31 DEC 2026
Project Manager:	MRS. MARTHA EKIRAPA
Project Sponsor:	WORLD BANK

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the, State department of Basic Education.
Project number	P176867
Strategic goals of the project	<p>(i) To reduce regional disparities in learning outcomes, (ii) improve the retention of girls in upper primary education, and iii) strengthen systems for delivering equitable education outcomes.</p>
Summary of Project Strategies for achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <p>Results Area 1 - Equalize learning opportunities: improve learning outcomes in target counties and for refugee populations. Results Area 2 - Improve girls' participation in schooling, including in refugee hosting counties. Results Area 3 - Strengthen Reform Implementation capacity</p> <p>(i)</p>

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

<p>Other important background information of the project</p>	<p>The KPEEL Program is funded by the World Bank through the International Development Association (IDA) with a credit/ grant amount of 200 million Dollars, the Global Partnership For Education with a grant of 107.1 Million dollars and the LEGO Foundation with a grant of 10Million dollars. The total Program amount is therefore 317.1 million dollars. The KPEEL Program implementation will run for 5 years (2022 -2026). The State Department and Teachers Service Commission are the main implementing agencies, whereas KICD, KNEC, KEMI, KISE and KIB are the sub implementing agencies. The KPEEL Program is a hybrid of the Program For Results(PforR) component which is Results Based and the Investment Financing Project Component (IPF) , which is input based.</p>
<p>Areas that the project was formed to intervene</p>	<p>The project was formed to intervene in the following areas:</p> <ul style="list-style-type: none"> (i) Disparities in Learning outcomes between Schools in high performing counties and low performing counties. (ii) Inequity in share of students achieving high order proficiency level in numeracy and literacy at grade 3 based on the 2018 NASMLA. (iii) Insufficient inputs in schools in lagging regions (iv) High drop-out rate for girls in upper primary (v) Completion of the Primary education cycle (vi) Transition to secondary school for poor and vulnerable populations (vii) Gaps in the implementation of initiated reforms (Competency Based Curriculum (CBC), Formative assessments, pre-service teacher training and teacher management) (viii) Low utilization of NEMIS data for planning and decision making in primary education (ix) Gaps in the quality of preservice teacher training in the implementation of CBC (x) Low Quality preschool services that negatively impact the foundational learning (xi) Insufficient school infrastructure in target counties
<p>Project duration</p>	<p>The project started on 5th August, 2022 and is expected to run until 31st December, 2026</p>

Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the project:

- (i) Central Bank of Kenya....
- (ii) Commercial Banks operated by implementing agencies
- (iii) Commercial Banks operated by Counties

2.5 Independent Auditor

The project is audited by the **Office of The Auditor General**

2.6 Roles and Responsibilities

List the different people who are working on the project. This list would include the project manager and all the key stakeholders who will be involved with the project. Also, record their role, their positions, and their contact information.

Names	Title designation	Key qualification	Responsibilities
Elijah Mungai	AG. Director Projects Coordination and Delivery	MED	Provides overall oversight to day to day implementation of the Project
Martha Ekirapa	National Coordinator, KPEEL Program	MED	Oversees the coordination of the Program Coordination team and Agencies Program Implementation Units and in charge of the day to day implementation of the Program.
Peter Gachathi	Results Are 1 lead	MED	Incharge of coordinating Implementation of activi-

Kenya Primary Education Equity in Learning Program
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			ties under the Results Area 1.
Catherine Micheni	Results area 2 Lead	MED	Incharge of coordinating Implementation of activities under the Results Area 2.
Dr. Hellen Boruett	Results area 2 Lead	PhD	Incharge of coordinating Implementation of activities under the Results Area 3.
Ng'ang'a Wainaina	Incharge for Program Coordination, Management, monitoring and Evaluation.	MED	Incharge of coordinating the program team on all aspects of Program Management, coordination, Monitoring and evaluation.

2.7 Funding summary

The Project is for duration of Five years from **2022 to 2026** with an approved budget of **USD 445 Million** equivalent to Kshs **54,890,750,000.00** as highlighted in the table below:

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date – (30 th June 2023)		Undrawn balance to date	
	Donor currency (USD)	Kshs (A')	Donor currency USD (B)	Kshs (B')	Donor currency USD (A)-(B)	Kshs (A')-(B')
(i) Grant						
IDA	60,000,000	7,401,000,000	10,401,252	1,097,754,683	49,598,748	6,303,245,317
GPE	116,600,000	14,382,610,000	-	-	116,600,000	14,382,610,000
	176,600,000	21,783,610,000	10,401,252	1,097,754,683	166,198,748	20,685,855,317
(ii) Loan						
IDA	140,000,000	17,269,000,000	21,916,357	2,760,069,653	118,083,643	14,508,930,347
	140,000,000	17,269,000,000	21,916,357	2,760,069,653	118,083,643	14,508,930,347
(iii) Counterpart funds						
Government of Kenya	128,400,000	15,838,140,000	-	-	128,400,000	15,838,140,000
Total	445,000,000	54,890,750,000	32,317,609	3,857,824,336	412,682,391	51,032,925,664

The Conversion rate used is PAD rate of US\$1 = Ksh 123.35 on donor commitment and diverse rates on amounts received. The amount received is net of Kshs 120 Million for TSC which was returned to National for onwards transmission.

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

Project information and overall performance (continued)

B. Application of Funds	Amount received to date – (30th June 2023)		Cumulative amount paid to date – (30th June 2023)		Unspent Amount	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
IDA	10,401,252	1,097,754,683	5,880,992	725,420,370	4,520,260	372,334,313
GPE	-	-	-	-	-	-
	10,401,252	1,097,754,683	5,880,992	725,420,370	4,520,260	372,334,313
(i) Loan						
IDA	21,916,357	2,760,069,653	21,998,183	2,713,475,820	81,825	46,593,833
	21,916,357	2,760,069,653	21,998,183	2,713,475,820	81,825	46,593,833
(ii) Counterpart funds						
Government of Kenya	-	-	-	-	-	-
Total	32,317,609	3,857,824,336	27,879,175	3,438,896,190	4,438,435	418,928,146

Amount paid is net of Ksh 120 M refund to the National treasury for onwards transmission to TSC since the funds were received by MOE from initial advance by the World Bank to start the project off when the TSC did not have sufficient budget to accommodate the advance

3. Statement of Performance against Project’s Predetermined Objectives

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity’s performance against predetermined objectives.

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

1	RA1 Equalize learning opportunities: improve learning outcomes in target counties and for refugee populations.	<ol style="list-style-type: none"> 1. Approximately 17,000 school teams from 5, 422 Public Primary schools in the 10 target Counties and Urban Informal settlements including the SNE schools have been trained on the development of School Improvement Plans (SIPs). The schools are currently finalizing the SIPs, which will trigger an initial disbursement of USD 4,000 to each of the schools with an approved SIP, which will be verified by an Independent Verification Agency. 2. About 1.63 million vulnerable learners were provided with school meals using the Program resources in Term 1, 2023. 	<ol style="list-style-type: none"> 1. Delay in rolling out Program activities in the Counties and at School level due to the conduct of National Examinations. This was mitigated by rolling out back-to-back Program activities from December, 2022 after exams to recover the lost time. 2. Training of big numbers of the school teams was a heavy task. This was managed by empowering and fully training three field education officials and using a smart cascade model of training. 3. High cost of living has doubled the prices of foodstuffs and therefore making the available budgetary allocations for the school feeding program to be constrained. 4.
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Kenya Primary Education Equity in Learning Program
Annual Report and Financial Statements for the financial year ended June 30, 2023

		3.	
		3. Recruitment and deployment of 1,000 teachers to schools with the highest teacher shortage was done in July 2022 and December, 2022.	For the school feeding programme to be constrained. This challenge has been mitigated by partnering with other well-wishers and Government allocating more resources to the School feeding program. 4. Delay in flow of funds. The Program team mitigated this challenge by spending the time available to complete the necessary paper work before commencement of implementation of program activities in December, 2022.
2	Results Area 2 - Improve girls' participation in schooling, including in refugee hosting counties.	19,599 children are already on full Secondary School scholarship under the Elimu Scholarship Program and are in form one and Form two.	The hard economic times coupled with the prolonged drought and the effects of COVID-19 Pandemic has resulted into an increased number of very needy learners which makes the allocated scholarships slots to be a drop in the ocean, The Government is coming up with a better funding model of education to manage the high numbers of needy learners , and also come up with a better coordination and management mechanism for scholarships and bursaries.
3	Results Area 3 - Strengthen Reform Implementation capacity The Results area 3 will address the following challenges:	1. Retooling of 1,070 tutors from the 35 TTCs on Interpretation of the Competency Based	The one week allocated for the retooling of teacher educators was not adequate, since most of the sessions were practical in nature. This was mitigated by the

		<p>Teacher Education Curriculum and Assessment ; and integration of ICT in training and learning has been undertaken.</p> <p>2. Procurement process for the establishment of ICT enabled learning Resource Centers (I Hubs) in all the 35TTCs is ongoing.</p> <p>3. Rolling out of the implementation of CBC and CBA activities.</p>	<p>training sessions taking longer hours than had been planned.</p>
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Progress on attainment of strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement

4. Statement of Project Management responsibilities

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

This responsibility includes (i) Maintaining adequate financial management arrangement 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 project, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the project, (v) Selecting and applying appropriate accounting policies and (v) Making accounting estimates that are reasonable in the circumstances.

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

The *Principal Secretary* for the State Department for Basic Education and the *Project Coordinator* for *Kenya Primary Education Equity in Learning Program* are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended June 30, 2023, and of the Project's financial position as at that date. The *Principal Secretary* for the State Department for Basic Education and the *Project Coordinator* for *Kenya Primary Education Equity in Learning Program* further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The *Principal Secretary* for the State Department for Basic Education and the *Project Coordinator* for *Kenya Primary Education Equity in Learning Program* confirm that the

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

Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

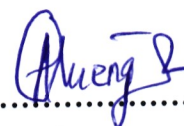
The Project financial statements were approved by the *Principal Secretary* for the Ministry of Education, and the *Project Coordinator* for **Kenya Primary Education Equity in Learning Program** on 25th September 2023 and signed by:



.....
Dr. Belio R. Kipsang
Principal Secretary



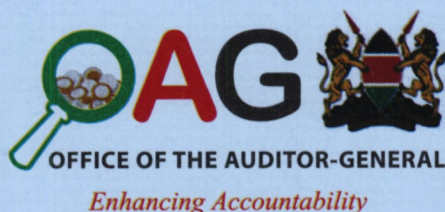
.....
Martha Ekirapa
Project Coordinator



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Maurice Ageng'o Ochieng'
Project Accountant
ICPAK Member No:15502

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA PRIMARY EDUCATION EQUITY IN LEARNING PROJECT IDA GRANT NO. D991-KE AND CREDIT NO. 7067-KE FOR THE YEAR ENDED 30 JUNE, 2023 – STATE DEPARTMENT FOR BASIC EDUCATION

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Primary Education Equity in Learning Project IDA Grant No. D991-KE and Credit No. 7067-KE for the year ended

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

30 June, 2023 – State Department for Basic Education set out on pages 1 to 25, which comprise the statement of financial assets as at 30 June, 2023, statement of receipts and payments, statement of cash flows, and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1.0 Inaccuracies in Cash and Cash Equivalents Balance

The statement of financial assets reflects cash and cash equivalents balance of Kshs.418,089,166 as disclosed in Note 7A to the financial statements. The following anomalies were noted;

1.1 Stale Cheques

Review of the bank reconciliation statements as at 30 June, 2023 revealed twenty-three (23) Counties with outstanding amounts totalling Kshs.6,537,308, being payments in cashbook not yet recorded in bank statements, out of which a total of Kshs.413,135 was in respect of stale cheques.

1.2 Unsurrendered Disbursements

The statement of financial assets reflects imprests and advances balance of Kshs.81,451,911 indicated as disclosed in Note 12A instead of Note 11A to the financial statements. Included in the balance is an amount of Kshs.80,679,131 in respect of receivables from Implementing Agencies balances as at closure of the financial year which ought to have been surrendered, re-voted and included as part of cash and cash equivalents. Subsequent review of the un-surrendered disbursements, revealed that as at 30 October, 2023, a total of Kshs.38,770,824 had been surrendered, leaving an un-surrendered balance of Kshs.41,908,306 as at the same date.

Failure to surrender unutilized disbursements is contrary to Regulation 117(1)(2) of the Public Finance Management (National Government) Regulations, 2015, which stipulates that 'where an A.I.E holder observes that it will not be possible to utilize all the funds allocated for a particular project in a given financial year, the A.I.E holder shall inform the Accounting Officer not later than February. (2) The Accounting Officer will then surrender the resources to The National Treasury and The National Treasury shall ensure that

Funds are re-voted for the project in the following financial year in order to continue the implementation of the project'.

In the circumstances, accuracy and completeness of cash and cash equivalents and imprests and advances balance of Kshs.418,807,166 and Kshs.80,679,131, respectively could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.7,533,070,957 and Kshs.3,857,824,336 respectively, resulting to an under-funding of Kshs.3,675,246,621 or 49% of the budget. Similarly, the Project expended Kshs.3,358,283,259 against an approved budget of Kshs.11,904,566,539, resulting to an under-expenditure of Kshs.8,546,283,280 or 72% of the budget. Further, the budget was not balanced.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Unsupported Expenditure

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects an amount of Kshs.1,704,927,926 in respect of purchase of goods and services, however the following anomalies were noted;

1.1 Training Expenses

The expenditure includes an amount of Kshs.20,442,000 in relation to training expenses. Included in the training expenses is Kshs.18,441,000 incurred on training of both low cadre and high cadre employees at a cost of Kshs.7,376,400 and Kshs.11,064,600 respectively. The training was aimed at acquisition of practical knowledge in monitoring and evaluation of education projects and programs.

However, no records were provided to confirm how the payee was sourced and contracted. Further, Management did not provide documentation to demonstrate that the participants were appointed to undertake the Project activities, hence need for the training. In addition, there was no evidence that training needs assessment had been carried out by human resource department and that the process of selection of the participants was directed by the Human Resource Management Advisory Committee, contrary to the Public Service Human Resource Manual Section H.3 (1) which requires the selection of trainees for all training programmes to be based on identified needs and will emphasize on training for performance improvement that address individual, organizational and national goals.

In the circumstances, value for money may not have been achieved on Kshs.18,441,000 spent on training.

1.2 Fuel, Oil and Lubricants

The expenditure includes Kshs.5,112,860 for fuel, oil and lubricants. Included in the expenditure is an amount of Kshs.3,896,360 paid to various officers drawn from the State Department and SAGAs to cater for fuel expenses while on various official activities. However, how the approval for the program, the officers selected and their roles in the Project implementation was not provided for audit review. Further, the fuel expenses ranged from Kshs.3,000 to Kshs.61,000 however no document was provided to show how the amounts were determined.

In the circumstances, value for money may not have been achieved on Kshs.3,896,360 spent on fuel, oil and lubricants.

2.0 Irregularities in Scholarship Disbursements

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects an amount of Kshs.1,653,355,334 in respect of other grants and transfers, being scholarship funding for Cohort 1 and Cohort 2. However, the following anomalies were noted;

2.1 Unsupported Transport Payments to Students

According to the inception report by the Associate Director of Equity Group Foundation (EGF) dated 15 November, 2022, EGF would provide transport funds to the beneficiaries "at a standard rate guided by the distances covered by the student from their homes to the nearest Equity Bank Branch, and to their schools during opening days, mid-terms and closing days termly". For each term, every student travels four (4) times: opening day, midterm(to-and-fro) and closing day. Therefore, each student in Cohort 1 travelled twenty (20) times for the five (5) terms. Review of the expenditure schedules provided for audit

review, revealed that transport payments to twelve (12) sampled students for five terms, three (3) in 2022 and two (2) in 2023 appeared inflated as the transport per travel ranged between Kshs.4,755 and Kshs.7,715. The total amount paid to the twelve (12) students was Kshs.1,448,600. Management did not provide documentation to account for the transport costs.

2.2 Scholarship Allocation Disparities

According to the Disbursement Linked Indicator (DLI) 4 on page 85 of the Program Operational Manual for KPEEL - P176867 dated November, 2022, the gender allocation of the Elimu Scholarship is 55% for girls and the rest for boys. An analysis of sampled Sub-Counties revealed that these criteria was not adhered to as detailed below;

Cohort 1 - 2023 Beneficiaries

School Sub County	Female	% Female	Male	% Male	Cohort 1 Total
Kisii Central	16	50%	16	50%	32
Kisumu West	18	29%	45	71%	63
Matungulu	56	74%	20	26%	76
Mandera East	9	60%	6	40%	15
Marsabit	8	89%	1	11%	9
Westlands	49	69%	22	31%	71
Narok South	0	0%	8	100%	8
Trans Nzoia East	34	69%	15	31%	49
Kwanza	16	57%	12	43%	28
Kapsaret	14	74%	5	26%	19
Wajir East	16	70%	7	30%	23
West Pokot	13	46%	15	54%	28
North Pokot	0	0%	4	100%	4

Cohort 2- 2022 Beneficiaries

School Sub -County	Female	% Female	Male	% Male	Cohort 2 Total
Tongaren	6	100%	0	0%	6
Balambala	127	41%	184	59%	311
Kajiado North	6	50%	6	50%	12
Belgut	6	38%	10	63%	16
Kathonzweni	2	40%	3	60%	5
Mandera East	5	71%	2	29%	7
Buuri East	4	80%	1	20%	5
Kuresoi North	1	100%	0	0%	1
Samburu Central	9	64%	5	36%	14
Turkana East	41	77%	12	23%	53
Kesses	10	83%	2	17%	12
Wajir East	12	71%	5	29%	17
West Pokot	22	46%	26	54%	48

In addition, analysis of the 2021/2022 approved allocation provided by the KPEEL Management compared to the actual beneficiaries revealed that the Foundation did not allocate the scholarships according to the criteria set in terms of slots allocated per Sub-County. The analysis indicates varying over and under-allocations in the number of beneficiaries in the sampled sub-counties as summarized in the table below;

Cohort 1- 2023

2021/2022 Approved Allocation			Actual Allocation					
School Sub County	Female	Male	Cohort 1 Total	Female	Male	Cohort 1 Total	Difference	Status
Kisii Central	10	8	18	16	16	32	14	Over Allocation
Kisumu West	12	9	21	18	45	63	42	Over Allocation
Matungulu	11	9	20	56	20	76	56	Over Allocation
Mandera East	9	5	14	9	6	15	1	Over Allocation
Marsabit	4	3	7	8	1	9	2	Over Allocation
Westlands	83	68	151	49	22	71	-80	Under Allocation
Narok South	13	11	24	0	8	8	-16	Under Allocation
Trans Nzoia East	16	14	30	34	15	49	19	Over Allocation
Kwanza	14	11	25	16	12	28	3	Over Allocation
Kapsaret	9	7	16	14	5	19	3	Over Allocation
Wajir East	4	3	7	16	7	23	16	Over Allocation
West Pokot	11	9	20	13	15	28	8	Over Allocation
North Pokot	3	2	5	0	4	4	-1	Under Allocation

Cohort 2 – 2023

2021/2022 Approved Allocation			Actual Allocation					
School Sub - County	Female	Male	Cohort 1 Total	Female	Male	Cohort 1 Total	Difference	Status
Tongaren	8	7	15	6	0	6	-9	Under Allocation
Balambala	2	1	3	127	184	311	308	Over Allocation
Kajiado North	12	9	21	6	6	12	-9	Under Allocation
Belgut	10	8	18	6	10	16	-2	Under Allocation
Kathonzweni	7	6	13	2	3	5	-8	Under Allocation
Mandera East	5	4	9	5	2	7	-2	Under Allocation
Buuri East	4	3	7	4	1	5	-2	Over Allocation
Kuresoi North	12	10	22	1	0	1	-21	Under Allocation
Samburu Central	7	6	13	9	5	14	1	Over Allocation
Turkana East	2	2	4	41	12	53	49	Over Allocation
Kesses	11	9	20	10	2	12	-8	Under Allocation
Wajir East	4	3	7	12	5	17	10	Over Allocation
West Pokot	11	9	20	22	26	48	28	Over Allocation

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

2.3 Failure to Recognise and Report Assets

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects an expenditure of Kshs.1,704,927,926 in respect of use of goods and services which includes other operating expenses totalling Kshs.133,340,801. Included in the expenditure is an amount of Kshs.127,342,897 paid to Equity Group Foundation for consultancy services under contract MOE/PEELP/DS/01/2021-2022 dated May, 2022 and renewed on May, 2023. The consultancy fee was broken down into Kshs.6,816,563 for remuneration and Kshs.120,526,334 for reimbursables. Included in the reimbursables are ten (10) laptops valued at Kshs.1,250,000. However, the laptops were not recognised and reported as assets in the financial statements of the Project.

2.4 Lack of Value for Money on Procurement of Consultancy Services

The State Department procured the services of Jomo Kenyatta Foundation (JKF) to run the KPEEL program and signed a contract with the Foundation on 28 April, 2023 to that effect. However, comparison between Equity Group Foundation and JKF revealed material variances in cost per beneficiary as detailed below;

Consultant/Implementing Agency	Beneficiaries		Total	Consultant Fee - Kshs.	Cost Per Beneficiary -Kshs.
	Cohort 1	Cohort 2			
Equity Group Foundation	9,000	7,573	16,573	127,342,897	7,683.76
Jomo Kenyatta Foundation	-	3,000	3,000	51,631,999	17,210.67

The engagement and contract with the JKF did not obtain value for money and therefore, donor-funded funds meant to benefit the students were not efficiently and effectively utilized.

Further, the following issues could not be confirmed;

- i. The engagement or procurement process of Equity Group Foundation Cohort 1.
- ii. Approval by the Statement Department to engage the services of JKF whereas they had a running contract with Equity Group Foundation.
- iii. Basis of the State Department having two consultancies running the same program.
- iv. How mentorship for the students is done by two consultancies especially in schools which are managed by the two consultancies.

In the circumstances, the effectiveness and economy in use of public resources could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Failure to Hold Minimum Number of Audit Committee Meetings

During the year under review, the Audit Committee held one meeting, on 10 May, 2023 as per the minutes provided for audit review. The Committee did not adhere to the requirement to hold a meeting at least once every three months.

In the circumstances, the effectiveness of internal controls and implementation of the internal audit reports could not be confirmed.

2. Lack of an IT Strategic Committee and an IT Steering Committee

The Project did not have an IT Strategic Committee and an IT Steering Committee in place.

In the circumstances, the strategic direction of the Project and development of services and operational plans could not be achieved.

3. Lack of an Information System

The Program started its operations in August, 2022 with an anticipated closure date of 2026. However, it was noted that the Project Management had not implemented an Information System since the financial records are maintained in MS Excel spread sheets which do not have the necessary backups.

In the circumstances, data maintained by the Project Management could be prone to manipulation and loss.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Project's ability 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 Project 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.

Those charged with governance are responsible for overseeing the Project's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to 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 of Kenya. 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 controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit

the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability 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 Project to cease 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 Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 November, 2023

6. Statement of Receipts and Payments for the year ended 30th June 2023.

	Not e	2022-2023		2021-2022		Cumulative to-date (From inception)
		Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payment controlled by the entity	Payments made by third parties	
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Receipts						
Transfer from Government entities	1	-	-			-
Proceeds from domestic and foreign grants	2	1,097,754,683		1,097,754,683		1,097,754,683
Loan from external development partners	3	2,760,069,653		2,760,069,653		2,760,069,653
Total receipts		3,857,824,336	-	3,857,824,336	-	3,857,824,336
Payments						
Purchase of goods and services	6	1,704,927,926		1,704,927,926		1,704,927,926
Other grants and transfers /payments	5	1,653,355,334		1,653,355,334		1,653,355,334
Total payments		3,358,283,259	-	3,358,283,259	-	3,358,283,259
Surplus/ (deficit)		499,541,077	-	499,541,077	-	499,541,077

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

.....
Dr. Belio R. Kipsang
Principal Secretary

.....
Martha Ekirapa
Project Co-ordinator

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


7. Statement of Financial Assets as at 30th June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	7.A	418,089,166	
Cash Balances			
Cash equivalents (Short-term deposits)			
Total Cash and Cash equivalents		418,089,166	-
Imprests and Advances	12.A	81,451,911	
Total Financial Assets		81,451,911	-
Financial Liabilities			
Third party Deposits and Retention			
Net Assets		499,541,077	-
Represented By			
Fund Balance B/fwd.			
Prior Year adjustments			
Surplus/(Deficit) for the Year		499,541,077	
Net Financial Position		499,541,077	-

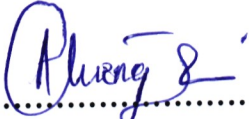
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on **25th September 2023** and signed by:



Dr. Belio R. Kipsang
Principal Secretary



Martha Ekirapa
Project Coordinator




Maurice Ageng'o Ochieng'
Project Accountant
ICPAK Member No:15502

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

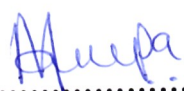
8. Statement of Cashflow for the year ended 30th June, 2023

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Cashflow from operating activities			
Receipts			
Transfer from government entities	1		
Proceeds from domestic and foreign grants	2	1,097,754,683	
Total receipts		1,097,754,683	0.00
Payments			
Purchase of goods and services	6	1,704,927,926	
Other grants and transfers	5	1,653,355,334	
Total Payments		3,358,283,259	0.00
Net receipts/(payments)		(2,260,528,576)	0.00
Adjustments during the year			
Prior year adjustments	15		
Decrease/(increase) in accounts receivable	11A	(81,451,911)	
Increase/(decrease) in accounts payable:	17		
Net cash flow from operating activities		(2,341,980,487)	0.00
Cashflow from investing activities			
Acquisition of non-financial assets		0	0.00
Net cash flows from investing activities		0	0.00
		0	0
Cash flow from financing activities			
Proceeds from foreign borrowings	3	2,760,069,653	0.00
Net cash flow from financing activities		0	0.00
Net increase in cash and cash equivalents		0	0.00
Cash and cash equivalent at beginning of the year		0	0.00
Cash and cash equivalent at end of the year	7A	418,089,166	0.00

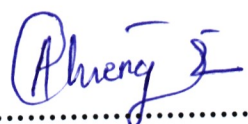
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 25th September 2023 and signed by:



Dr. Bello R. Kipsang
 Principal Secretary



Martha Ekirapa
 Project Coordinator




Maurice Ageng'o Ochieng'
 Project Accountant
 ICPAK Member No:15502


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


9. Statement of Comparison of Budget and Actual amounts for year ended 30th June 2023

Receipts/Payments Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utiliza- tion Difference e=c-d	% of Utili- zation f=d/c %
Receipts						
Transfer from Government entities	250,000,000	(202,710,703)	47,289,297	0	47,289,297	0%
Proceeds from domestic and foreign grants	1,099,276,032	3,220,000,000	4,319,276,032	1,097,754,683	3,221,521,349	25%
Proceeds from borrowings	2,966,505,628	200,000,000	3,166,505,628	2,760,069,653	406,435,975	87%
Miscellaneous receipts			0			
Total Receipts	4,315,781,660	3,217,289,297	7,533,070,957	3,857,824,336	3,675,246,621	
Payments						
Purchase of goods and services	9,322,016,289		9,322,016,289	1,704,927,926	7,617,088,363	18%
Acquisition of non-financial assets						
Transfers to other government entities						
Other grants and transfers	2,582,550,250		2,582,550,250	1,653,355,334	929,194,917	64%
Total Payments	11,904,566,539	0	11,904,566,539	3,358,283,259	8,546,283,280	
Surplus or Deficit	(7,588,784,879)	3,217,289,297	(4,371,495,582)	499,541,077	(4,871,036,659)	

Note: The significant budget utilisation/performance differences in the last column are explained in Annex 2 to these financial statements.


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Dr. Belio R. Kipsang
Principal Secretary


.....
Martha Ekirapa
Project Coordinator


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

10. Significant Accounting Policies

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

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

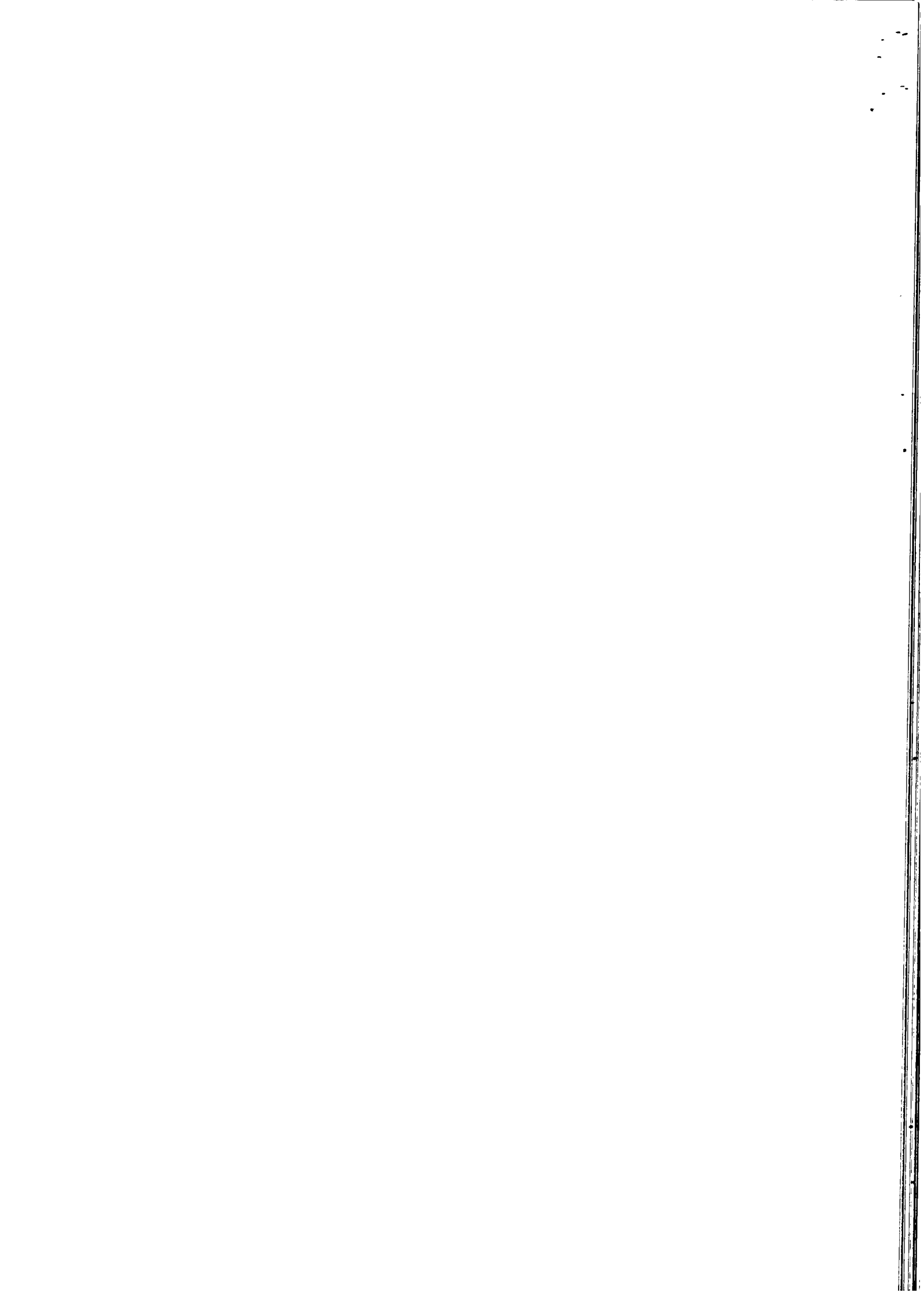
The financial statements are for Kenya Primary Education Equity in Learning Project under the State Department of Education. The financial statements are for the reporting entity Kenya Primary Education Equity in Learning Project as required by Section 81 of the PFM Act, 2012 .

c) Reporting currency

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Project and all values are rounded to the nearest Kenya Shilling.

d) Recognition of receipts

Kenya Primary Education Equity in Learning Project recognises all receipts from the various sources when the event occurs, and the related cash has been received.



i) Transfers from the Exchequer

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

Significant Accounting Policies (continued)

ii) External Assistance

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

iii) Other receipts

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

iv) Donations and grants

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

v) Proceeds from borrowing.

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

vi) Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for the Project currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to

continue to completion. An analysis of the Project's undrawn external assistance is shown in the funding summary.

e) Recognition of payments

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

i) Compensation to employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

f) In-kind donations

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

g) Cash and cash equivalents

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

h) Restriction on cash

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

i) Imprests and Advances

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the

financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

j) Contingent Liabilities

A contingent liability is:

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

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

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

k) Contingent Assets

State Department for Basic Education 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 State Department in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Pending bills

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

m) Budget

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

Significant Accounting Policies (Continued)

n) Third party payments

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

o) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates (Kenya Shillings). Transactions in foreign currencies during the year/period are converted into the functional currency using the

exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of receipts and payments.

p) Comparative figures

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

q) Subsequent events

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

r) Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s).

11. Notes to the Financial Statements

1. Transfers from Government entities

These represent counterpart funding and other receipts from government as follows:

Counterpart funds of Kshs 127,342,897 was not received in the project account because the CBK GOK account was inactive during the Year but was paid from loan account and the funds were then received after the closure of the Year

Notes to the Financial Statements (Continued)

2. Proceeds From Domestic and Foreign Grants

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

Name of Donor	Date received	2023				2021	Cumulative to date
		Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind		
Grants Received from Multilateral Donors (IDA)	14-10-2022	599,995	70,337,113.85			70,337,113.85	
	18-11-2022	8,101,881	1,022,263,747.20			1,022,263,747.20	
	12-4-2023	35,356.5	5,153,821.50			5,153,821.50	
Total		<u>8,737,232.50</u>	<u>1,097,754,682.55</u>			<u>1,097,754,682.55</u>	

Notes to the Financial Statements (Continued)

3. Loan from External Development Partners

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

Description	Date received	2022-2023				2021-2022		Cumulative to date
		Amount in loan currency	Loans received in actual amount	Loans received as direct payment*	Total amount in Kshs	Total amount in Kshs	Kshs	
Name of Donor		EURO	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Loans received from Multi-lateral Donors (IDA)	14-10-22	1,399,995	164,120,713.85		164,120,713.85		164,120,713.85	
	15-11-22	2,540,986	2,583,833,179.10		2,583,833,179.10		2,583,833,179.10	
	19-04-23	82,505.17	12,115,760.45		12,115,760.45		12,115,760.45	
Total	-		2,760,069,653.40	0.00	2,760,069,653.40	0.00	2,760,069,653.40	0.00

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

Notes to the Financial Statements (Continued)

5. Other Grants, Transfers and Payments

Description	2022-2023			2021-2022	Cumulative to-date
	Payments made in Cash Kshs	Payments made by third parties Kshs	Total payments Kshs	Total payments Kshs	
Grants for scholarships	1,653,355,334		1,653,355,334		1,653,355,334
Transfers to lower levels of government e.g. schools			-		-
Transfer to Semi-autonomous State Agencies			-		-
Total	1,653,355,334	0	1,653,355,334	0	1,653,355,334

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

Notes to the Financial Statements (Continued)

6. Purchase of Goods and Services

Description	2022/2023			2021/2022		Cumulative to-date
	Payments made in Cash Kshs	Payments made by third parties Kshs	Total payments Kshs	Total payments Kshs	Total payments Kshs	
Utilities, supplies and services			-			-
Communication, supplies and services	3,983,622		3,983,622			3,983,622
Domestic travel and subsistence	84,013,443		84,013,443			84,013,443
Foreign travel and subsistence	43,037,430		43,037,430			43,037,430
Printing, advertising and information supplies & services			-			-
Training expenses	20,442,000		20,442,000			20,442,000
Hospitality supplies and services	12,459,100		12,459,100			12,459,100
Specialised materials and services			-			-
Office and general supplies and services	4,692,118		4,692,118			4,692,118
Other operating expenses	133,340,801		133,340,801			133,340,801
Routine maintenance – vehicles and other transport equipment	244,782		244,782			244,782
Fuel Oil and Lubricants	5,112,860		5,112,860			5,112,860

**Kenya Primary Education Equity in Learning Program
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Routine maintenance – other assets				-				-
Expenses by implementing agencies(SOE's)	1,268,388,990			1,268,388,990				1,268,388,990
Expenses by counties(SOE's)	129,212,779			129,212,779				129,212,779
Exchange rate losses/gains (net)	-			-				-
Total	1,704,927,926			1,704,927,926				1,704,927,926

Transfer to counties were issued in form of AIE's for retooling of public TTC's and Facilitation of SIP Developments. The disbursements were accounted for by statement of expenditure (SOE's) and the unspent balances are receivables by the project

Transfers to Agencies was Issued as advances to implement various activities. Was accounted for by Statement of expenditure and the balances are receivables by the project

Notes to the Financial Statements (Continued)

7. A Cash and Cash equivalents

Description	2022/2023	2021/2022
	Kshs	Kshs
Cash	418,089,166	
Total	<u>418,089,166</u>	

Kenya Primary Education Equity in Learning Program has 42 numbers of project accounts spread within the project implementation area and 3 foreign currency designated accounts managed by the National Treasury as listed below:

7. B Project Bank Accounts

Description	2022/2023	2021/2022
	Kshs	Kshs
CENTRAL BANK A/C NO.1000622296-(DLI CR7067KE - KES)	143,238,294	
CENTRAL BANK A/C NO.1000622288-(D 991KE - KES)	274,850,873	
Total	<u>418,089,166</u>	

Special Deposit Accounts

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

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

Special Deposit Accounts Movement Schedule(IPF)

Description	2022-2023	2021-2022
	KSHS	KSHS
(i) Grant D991 KE A/c 1000600802		
Opening balance	0.00	0.00
Total amount deposited in the account	82,044,046.65	0.00
Total amount withdrawn (as per Statement of Receipts & Payments)	<u>-75,490,935.35</u>	<u>0.00</u>
Closing balance (as per SDA bank account reconciliation attached)	<u>6,553,111.30</u>	<u>0.00</u>

**Kenya Primary Education Equity in Learning Program
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(ii) Loan CR 70678 KE A/c 1000600772		
Opening balance (as per the SDA reconciliation)	0.00	0.00
Total amount deposited in the account	176,236,474.30	0.00
Total amount withdrawn (as per Statement of Receipts & Payments)	<u>-176,236,474.30</u>	<u>0.00</u>
Closing balance (as per SDA bank account reconciliation attached)	<u>0.00</u>	<u>0.00</u>

11 A Imprests and Advances

<i>Description</i>	2022-2023	2021-2022
	Kshs	Kshs
Government Imprests	772,780	
Advances to counties and Implementing Agencies	80,679,131	
Total	81,451,911	

11B : Breakdown of Imprests and Advances

Name of Officer or Institution	Amount Taken	Due Date of Surrender	Amount Surrendered	Balance	Balance
				2022-2023	2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
<i>Yusuf Mwangi Bakari</i>	35,000	30-05-23		35,000	
<i>Keneth Kiama Kariuki</i>	19,600	23-06-23		19,600	
<i>Paul Kibet</i>	718,180	23-06-23		718,180	
Total	<u>772,780</u>	-	=====	<u>772,780</u>	=====

The imprest holders could not provide surrender documents by end of Financial Year.

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

Notes to the Financial Statements (Continued)

11 C : Breakdown Disbursement to counties and SAGA's

S/NO	CODE & NAME	OPENING BALANCES	TOTAL DISBURSEMENTS	EXPENDITURES		RETURN TO MOE	BALANCE
				TOTAL			
STATE AGENCIES							
1	NACONEK	-	1,100,000,000.00	1,099,591,805.00	-	-	408,195.00
2	KNEC	-	142,138,500.00	70,567,987.00	-	-	71,570,513.00
3	JKF	-	-	-	-	-	-
4	KISE	-	-	-	-	-	-
5	KICD	-	100,000,000.00	98,229,198.04	-	-	1,770,801.96
6	KEMI	-	-	-	-	-	-
7	CEMASTE	-	-	-	-	-	-
0	SUB-TOTALS	-	<u>1,342,138,500.00</u>	<u>1,268,388,990.04</u>	-	-	<u>73,749,509.96</u>
COUNTIES							
1	MOMBASA	-	2,031,850.00	2,031,850.00	-	-	-
2	KWALE	-	146,500.00	146,500.00	-	-	-
3	KILIFI	-	-	-	-	-	-

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

20	KIRINYAGA	-	-	-	-	-	-	-
21	MURANGA	-	557,250.00	555,900.00	-	1,350.00	-	-
22	KIAMBU	-	3,500,300.00	2,850,564.00	-	649,736.00	-	-
23	TURKANA	-	13,118,550.00	11,363,102.00	-	1,755,448.00	-	-
24	WEST POKOT COUNTY	-	392,250.00	361,448.00	-	30,802.00	-	-
25	SAMBURU	-	5,345,700.00	5,345,700.00	-	-	-	-
26	TRANZOIA	-	436,100.00	387,506.00	-	48,594.00	-	-
27	UASIN GISHU	-	575,100.00	575,100.00	-	-	-	-
28	ELGEYO MARAKWET	-	597,000.00	567,000.00	-	30,000.00	-	-
29	NANDI	-	477,750.00	477,750.00	-	-	-	-
30	BARINGO	-	398,250.00	398,250.00	-	-	-	-
31	LAIKIPIA	-	-	-	-	-	-	-
32	NAKURU	-	1,262,300.00	1,262,300.00	-	-	-	-
33	NAROK	-	15,813,550.00	15,072,751.00	-	740,799.00	-	-
34	KAJIADO	-	1,002,600.00	1,002,600.00	-	-	-	-
35	KERICHO	-	820,550.00	820,550.00	-	-	-	-
36	BOMET	-	-	-	-	-	-	-

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

			10,490,400.00		10,297,350.00		193,050.00
37	KAKAMEGA	-	1,273,400.00		1,240,400.00	-	33,000.00
38	VIHIGA	-	659,250.00		659,250.00	-	-
39	BUNGOMA	-	13,463,850.00		13,457,190.00	-	6,660.00
40	BUSIA	-	-		-	-	-
41	SIAYA	-	10,945,850.00		10,732,070.00	-	213,780.00
42	KISUMU	-	1,267,050.00		1,019,252.00	-	247,798.00
43	HOMABAY	-	504,250.00		500,250.00	-	4,000.00
44	MIGORI	-	491,000.00		491,000.00	-	-
45	KISII	-	12,066,350.00		12,019,040.00	-	47,310.00
46	NYAMIRA	-	305,500.00		280,500.00	-	25,000.00
47	NAIROBI	-	2,809,900.00		2,806,685.00	-	3,215.00
0	SUB-TOTALS	-	136,142,400.00		129,212,779.00	-	6,929,621.00
0	TOTALS	-	1,478,280,900.00		1,397,601,769.04	-	80,679,130.96

The balances are cash book balances from the implementing agencies and counties. The balances will be refunded to the project.

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

12. A; Changes in Imprests and Advances

Description	2022-2023	2021-2022
	Kshs	Kshs
Opening Receivables as at 1 st July 2022	-	
Closing account receivables as at 30 th June 2023	81,451,911	
Change in Imprests and advances	81,451,911	-

Other Important Disclosures

Other Important Disclosures (Continued)

1. Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS. The comprise of related parties to the Project

- i) Key management personnel including the program director/manager
- ii) The implementing entity/ministry/ department
- iii) Other Ministries and Departments.
- iv) The National Treasury

13. Annexes

Annex 1: Prior Year Auditor-General’s Recommendations

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

The project is in its first year and therefore has not been audited.



.....
Dr. Belio R. Kipsang
Principal Secretary



.....
Martha Ekirapa
Project Coordinator

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

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

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	47,289,297	0	47,289,297	0%	GOK counterpart fund account was not activated by the CBK
Proceeds from domestic and foreign grants	4,319,276,032	1,097,754,683	3,221,521,349	25%	Grant for SIP disbursement was not withdrawn since independent verification report came out late
Proceeds from borrowings	3,166,505,628	2,760,069,653	406,435,975	87%	
Total Receipts	7,533,070,957	3,857,824,336	3,675,246,621		
Payments					
Purchase of goods and services	9,322,016,289	1,704,927,926	7,744,212,247	18%	There was delay in accessing GPE funds occasioned by IVA which was to be used for SIP disbursements which formed the larger part of the budget
Other grants and transfers	2,582,550,250	1,653,355,334	801,852,020	64%	
Total payments	11,904,566,539	3,358,283,259	8,546,064,267		

Annex 3: Summary of Fixed Assets Register

Notes

Fixed assets were transferred from the closed PRIED and COVID projects via approval by the accounting officer could not be included in the financial report since proper transfer process and reconciliations of the values has not been completed

Annex 9: Other Support Documents

- i. Bank Reconciliations statement as at 30th June 2023
- ii. Board of Survey Report
- iii. Special Deposit Account(s) reconciliation statement(s)

REPUBLIC OF KENYA

BANK RECONCILIATION STATEMENT

STATE DEPARTMENT FOR EARLY LEARNING AND BASIC EDUCATION.

CENTRAL BANK A/C NO.1000622296-(DLI CR7067KE - KES)

AS AT

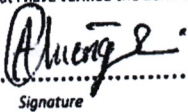
30-Jun-23

STATION: KPEEL (LOAN ACCOUNT)

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

BALANCE AS PER CASH BOOK

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

.....

 Signature

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

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

Difference

DETAILS

STATEMENT BAL

CASH BOOK FIG.

269,898,686.35

143,238,293.50

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

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

2 RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

DATE	CHQ NO.	DETAILS	AMT(SHS)
SUB- TOTAL			-

3 PAYMENT IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

DATE	CHQ NO.	DETAILS	AMT(SHS)
SUB- TOTAL			-

4 RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT

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

Total

REPUBLIC OF KENYA

BANK RECONCILIATION STATEMENT

STATE DEPARTMENT FOR EARLY LEARNING AND BASIC EDUCATION.

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

AS AT

30-Jun-23

STATION: KPEEL (GRANT ACCOUNT)

	(KSHS)	(KSHS)	(KSHS)
BAL AS PER BANK CERTIFICATE			284,016,178.50
LESS:			
1 Payments in Cash Book not yet recorded in Bank Statement (Unrepresented Cheques)	9,369,985.85		
2 Receipts in Bank Statement not yet recorded in Cash Book	12,000.00		
TOTAL			9,381,985.85
ADD:			
3 Payments Bank Statement not yet recorded in Cash Book.	-		
4 Receipts in Cash Book not yet recorded in Bank Statement	216,680.00		
TOTAL			216,680.00
BALANCE AS PER CASH BOOK			274,850,872.65

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

.......... Principal Accountant15th July 2023.....
 Signature Designation Date

Difference

DETAILS

STATEMENT BAL

284,016,178.50

CASH BOOK FIG.

274,850,872.65

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

DATE	CHQ NO.	PAYEE	AMT(SHS)
2-Feb-23		PANORAMA PARK HOTEL (vat)	7,137.95
19-May-23		BLOOMING SUITS LTD (vat)	75,958.60
31-May-23		HOTEL WATERBUCK LTD (vat)	13,456.90
30-Jun-23		KENNEDY KIBET TOO	19,600.00
30-Jun-23		ANTONY MAINA NJOROGI	33,600.00
30-Jun-23		KENNEDY ONGARO	50,400.00
30-Jun-23		TONY ONAMI MAGWANGA	33,600.00
30-Jun-23		HILLARY EKISA NAMBANGA	42,000.00
30-Jun-23		KAKUU KIMANDO	52,500.00
30-Jun-23		SUSAN WANGARI NGIGI	75,500.00
30-Jun-23		FREDRICK HAGA OCHIENG	87,500.00
30-Jun-23		ABRAHAM MUCHIRI KIARIE	37,500.00
30-Jun-23		JOHN CHEPTOO	52,500.00
30-Jun-23		KEZZIAH KANINI MUTHARA	52,500.00
30-Jun-23		WALTER OGWAI AGWARO	55,000.00
30-Jun-23		FATUMA MURSAL ABDI	52,500.00
30-Jun-23		MALOMBE MUTHAMA	32,500.00
30-Jun-23		DANIEL SANOI	52,500.00
30-Jun-23		ROBERT NYAGAKA	24,500.00
30-Jun-23		CHRISTINE NG'OCHE	24,500.00
30-Jun-23		FRANCIS KARANJA	42,000.00
30-Jun-23		HELLEN CHEPKORIR MUTAI	52,500.00
30-Jun-23		TITUS GITUMA NTIMI	24,500.00
30-Jun-23		GRACE OKOTH	52,500.00
30-Jun-23		STEPHEN NORMAN KIOGORA	52,500.00
30-Jun-23		ONGERA LYNNETTE ONGERA	52,500.00
30-Jun-23		BARNABAS SANG	52,500.00
30-Jun-23		ANTONY CHARLES MWANGI	52,500.00
30-Jun-23		ROSE WANJIRU KARAYA	42,000.00
30-Jun-23		HEZRON ONYANGO OJALA	37,500.00
30-Jun-23		RENICE AKINYI BUNDE	42,000.00

30-Jun-23		PAUL MWANGI RUKWARO	37,800.00
30-Jun-23		JOSEPH GOZANGA GAWO	37,800.00
30-Jun-23		VICTOR AYUB KWASA	37,800.00
30-Jun-23		LAURYN KIYENG	67,200.00
30-Jun-23		KENNETH OJWANG	127,200.00
30-Jun-23		BETH MUENI KITOO	244,000.00
30-Jun-23		DR. HELLEN BORUETT	84,000.00
30-Jun-23		CATHERINE CHEBOIWO	84,000.00
30-Jun-23		JUMA MWANGI MUNYIRI	84,000.00
30-Jun-23		NG'ANG'A WAINAINA	84,000.00
30-Jun-23		ELIJAH MUNGAI	84,000.00
30-Jun-23		MARTHA EKIRAPA	84,000.00
30-Jun-23		PETER GACHATHI	84,000.00
30-Jun-23		ANNE AWUOR MISER	67,200.00
30-Jun-23		MAURICE OCHIENG	67,200.00
30-Jun-23		MOSES KIGEN	44,800.00
30-Jun-23		JENNIFER NJERI JOHN	33,600.00
30-Jun-23		ALICE NYAKIOGORA	42,000.00
30-Jun-23		KENNETH OJWANG	50,400.00
30-Jun-23		JOSEPH WAMBUA	56,000.00
30-Jun-23		ANNE GACHOYA	56,000.00
30-Jun-23		DR. HELLEN BORUETT	5,000.00
30-Jun-23		DORAH KITALA MKABILI	42,000.00
30-Jun-23		KERJOY AGENCIES	591,000.00
30-Jun-23		EASTMARK HOTEL	264,000.00
30-Jun-23		KICD - CONFERENCE	369,000.00
30-Jun-23		CROWN MOTORS GROUP LTD	240,562.00
30-Jun-23		VAT	4,220.40
30-Jun-23		BURCH'S RESORT	313,008.60
30-Jun-23		VAT	5,491.40
30-Jun-23		FRANCIS KARIUKI	14,000.00
30-Jun-23		GEORGE ELIGI	14,000.00
30-Jun-23		EUPHEMIAH ISABOKE	14,000.00
30-Jun-23		EMILIO MUKIRA	14,000.00
30-Jun-23		ROSELYNE WAIRAGU	14,000.00
30-Jun-23		MAURICE OCHIENG	14,000.00
30-Jun-23		NG'ANG'A WAINAINA	14,000.00
30-Jun-23		CHARLES ONG'ONDO OCHIENG	50,400.00
30-Jun-23		CHARLES ONG'ONDO OCHIENG	33,600.00
30-Jun-23		HENRY MAINA	19,600.00
30-Jun-23		ALLAN MURUMBE WERE	44,800.00
30-Jun-23		DOREEN KAWIRA	44,800.00
30-Jun-23		CHIOMA ENTERPRISES	4,234,952.60
30-Jun-23		VAT	74,297.40
SUB- TOTAL			9,369,985.85

2 RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

DATE	CHQ NO.	DETAILS	AMT(SHS)
02-Mar-23	FT23061MNR2P	Local Cash Deposit Bulk	12,000.00
SUB- TOTAL			12,000.00

3 PAYMENT IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

DATE	CHQ NO.	DETAILS	AMT(SHS)
SUB- TOTAL			-

4 RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT

DATE	RCPT NO	DETAILS	AMT(SHS)
30-Jun-23		MARTHA EKIRAPA	14,000.00
30-Jun-23		ELYAS ABDI	164,580.00
30-Jun-23		TITUS GITUMA	1,000.00
30-Jun-23		CARILUS ATENG OGWEL	33,600.00
30-Jun-23		BETH KITOO	3,500.00
SUB- TOTAL			216,680.00

End....

Date 7/7/2023

Report of the Board of Survey on the Cash and Bank Balances of KPEEL - DLI A/C OF KSHS.143,238,293.50 as at the close of Business on 30th June, 2023.

The Board, consisting of (Names and official titles)

- 1. Chairman- NICHOLAS AMBUNDO CHIEF ECONOMIST
- 2. Member - Rosemary Ndiragu Assistant Accountant General
- 3. Member - Victoria M. Kirya FINANCE OFFICER.

Assembled at the office of the..... (time) on the..... and the following cash was produced:-

Notes	Sh.
Silver	Sh.....
Copper.....	Sh
Cheques (as per details on reverse)	Sh.
Total	Sh.....

It was observed that cheques amounting to Sh.....cts.....had been on hand for more than 14 days prior to the date of the survey. The cash consists of Kenya currency and does not contain any demonetized coin or notes.

The Cash Book reflected the following balances as at the close of business on the 30th June 2023.

Cash on hand	Sh.....NIL.....
Bank Balance	Sh.143,238,293.50
TOTAL	Sh.143,238,293.50

The Bank Certificate of Balance showed a sum of Ksh.269,898,686.35

Standing to the credit of the account on

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O.30) attached.

Nicholas Ambundo
Chairman

AS
Member of the Board

Date 7/7/2023

[Signature]

Date 7/7/2023

Report of the Board of Survey on the Cash and Bank Balances of **KPEEL - GRANT A/C OF KSHS.274,850,872.65**..... as at the close of Business on 30th June, 2023.

The Board, consisting of (Names and official titles)

- 1. Chairman- NICHOLAS AMBUNDI..... CHIEF ECONOMIST
- 2. Member - Rosemary Wadiga..... Assistant Accountant General
- 3. Member - VIRGINIA M. KENYA..... FINANCE OFFICER

Assembled at the office of the..... (time) on the.....and the following cash was produced:-

Notes	Sh.
Silver	Sh.....
Copper.....	Sh
Cheques (as per details on reverse)	Sh.
Total	Sh.....

It was observed that cheques amounting to Sh.....cts.....had been on hand for more than 14 days prior to the date of the survey. The cash consists of Kenya currency and does not contain any demonetized coin or notes.

The Cash Book reflected the following balances as at the close of business on the **30th June 2023**.

Cash on hand	Sh.....NIL.....
Bank Balance	Sh.274,850,,872.65
TOTAL	Sh.274,850,872.65

The Bank Certificate of Balance showed a sum of **Kshs284,016,178.50**

Standing to the credit of the account on

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O.30) attached.

[Signature]
Chairman

[Signature]
Member of the Board

Date 7/7/2023

[Signature]

BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

July 11, 2023

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

CERTIFICATE OF BALANCES

Customer : 138662
Balance
Date: 30-Jun-23

STATE DEPT FOR
EARLY LEARN B EDU

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

Priscilla Keitany (Mrs)
Authorised Signatory
Banking Services Division

Joyce Nasioku
Authorised Signatory
Banking Services Division

SPECIAL ACCOUNT STATEMENT

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

Part A - Account Activity

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

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE: *[Signature]*
DATE: 21.07.2023

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE: *[Signature]*
DATE: 28-08-2023

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

Results 1 - 5 of 5

Run Date: 24/07/2023 Run Time: 15:02:55
 CENTRAL BANK OF KENYA
 BANKI KIU YA KENYA
 P.O. BOX 60000-0200
 NAIROBI
 STATEMENT PERIOD From 01/07/2022 To

STATEMENT OF ACCOUNT

PAGE NO : 1

ACCOUNT NUMBER : 1000600802

ACCOUNT TITLE : PRIM. EDU. EQUITY MOE GRANT D991 KE
 30.06/2023

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

END OF ACCOUNT STATEMENT

Favourites

TAM E STMT OF ACCT EPRM

[More Options](#)
[Clear Selection](#)

Fund

Account	equals	1000600802
Statement From	equals	20220701
Statement To	equals	20230630

TAM E STMT OF ACCT EPRM

18
18

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

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

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

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

Discrepancy between total appearing on line 3 and 9

Notes:

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

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

[Signature]

**AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY**

DATE: 25-08-2023

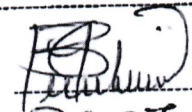
SPECIAL ACCOUNT STATEMENT

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

Part A - Account Activity

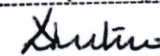
Beginning balance of 1st July, 2022 as per C.B.K. Ledger Account	0.00
Add:	
Total Amount deposited by World Bank	1,482,500.17
Total Interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
Deduct:	
Total amount withdrawn	1,482,500.17
Total service charges if not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

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE: 

DATE: **24-07-2023**

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE: 

DATE: **25-08-2023**

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

Run Date: 19/07/2023 Run Time: 13:09:58
 CENTRAL BANK OF KENYA
 BANKI KLU YA KENYA
 P.O. BOX 60000-0200
 NAIROBI
 STATEMENT PERIOD: From 01/07/2022 To

STATEMENT OF ACCOUNT

ACCOUNT NUMBER : 1000600772

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

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE	
OPENING BAL :				0.00		
NO.	Value Date	Reference.No	Details	Debit	Credit	Balance
1	07/10/2022	FT22280H8JR3	FUNDING	0.00	1,399,995.00	1399995
2	14/10/2022	FT22287QFPCJ	PA128290	-1,399,995.00	0.00	0
3	27/03/2023	FT230862JS51	FUNDING	0.00	82,505.17	82505.17
4	13/04/2023	FT23103F4CVH	PA 129914	-82,505.17	0.00	0

CLOSING BALANCE : 0

END OF ACCOUNT STATEMENT

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

