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THE AUDITOR-GENERAL

ON

**NATIONAL COUNCIL FOR NOMADIC
EDUCATION IN KENYA**

**FOR THE YEAR ENDED
30 JUNE, 2019**

**STATE DEPARTMENT FOR EARLY
LEARNING AND BASIC EDUCATION**

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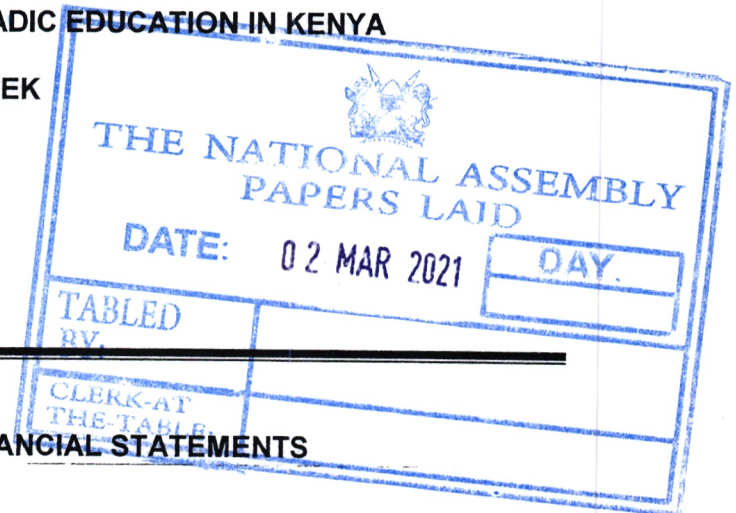
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NATIONAL COUNCIL FOR NOMADIC EDUCATION IN KENYA

NACONEK



ANNUAL REPORT AND FINANCIAL STATEMENTS

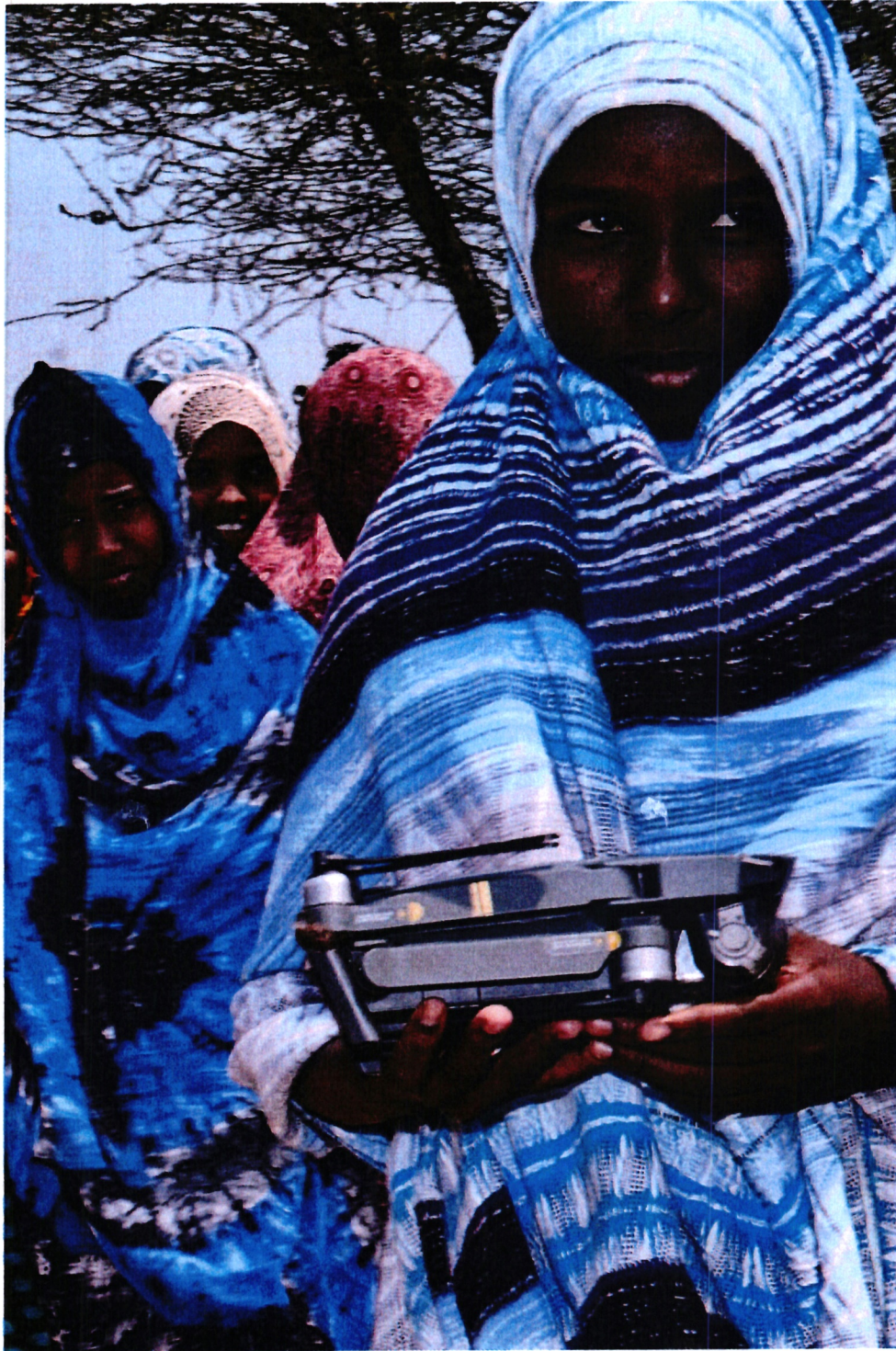
FOR THE FINANCIAL YEAR ENDED

30 JUNE 2019

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

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

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

Mandate:

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

- i. Initiate the development of policies on all matters relating to nomadic education in Kenya;
- ii. Mobilise funds from various sources for the development of nomadic education in order to support relevant activities of the Council;
- iii. Institutionalise mechanisms for effective coordination, monitoring and evaluation of the activities of agencies involved in the provision of nomadic education;
- iv. Implement guidelines and ensure geographical spread of nomadic education activities and targets for the nomadic people;
- v. Establish appropriate linkages and partnerships with other participating departments and agencies;
- vi. Determine standards and skills to be attained in schools and institutions within nomadic communities and review such standards from time to time;
- vii. Prepare reliable statistic of nomads and their school-aged children and establish a data bank; and
- viii. Co-ordinate research activities on nomadic education in Kenya.

Council Members:

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

Secretariat:

The secretariat team is headed by the Secretary/Chief Executive Officer. The Secretary is the Accounting Officer, responsible for the day to day administration and management of the National Council for Nomadic Education in Kenya (NACONEK). NACONEK has a senior Assistant Director of education working with other five technical officers supported with twelve

- (12) other cadres including three (3) Supply Chain Management Officers, one (1) Accountant, one (1) Records Management Officer, two (2) Assistant Office Administrators, two (2) Clerical Officers, Two (2) Drivers and One (1) Cleaning Supervisor.

Vision:

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

Mission:

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

Core Values:

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

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

Value Proposition:

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

Philosophy:

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

Key Strategic Objectives:

Strategic Objective 1: To initiate the development, implementation and review of policies on all matters relating to education in the ASAL areas, Pockets of Poverty regions and Urban Informal Settlements of Kenya. e.g. Nomadic Education policy.

Strategic Objective 2: To mobilize funds and other resources from various sources for the development of nomadic education in order to support relevant activities of the Council.

Strategic Objective 3: To institutionalize mechanisms for effective coordination, monitoring and evaluation of the activities of agencies involved in the provision of education in the ASAL areas, Pockets of Poverty regions and Urban Informal Settlements of Kenya.

Strategic Objective 4: To implement guidelines and ensure geographical spread of education activities and targets for the ASAL areas, Pockets of Poverty regions and Urban Informal Settlements of Kenya.

Strategic Objective 5: To establish appropriate linkages and partnerships with other participating departments and agencies.

Strategic Objective 6: To determine standards and skills to be attained in schools and institutions of learning within the ASAL areas, Pockets of Poverty regions and Urban Informal Settlements of Kenya and review such standards from time to time.

Strategic Objective 7: To collate, analyse and publish information on education activities in the ASAL areas, Pockets of Poverty regions and Urban Informal Settlements of Kenya.

(b) Principal Activities

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

- Coordination, Knowledge Management and partnerships with various stakeholders to develop education in the ASAL areas, Pockets of Poverty regions and Urban Informal Settlements of Kenya.
- Advocacy, social mobilization and stakeholder engagement for development of education in the ASAL areas, Pockets of Poverty regions and Urban Informal Settlements of Kenya.
- Coordination of development, implementation and monitoring of innovations in the delivery of quality education in the ASAL areas, Pockets of Poverty regions and Urban Informal Settlements of Kenya.
- Strengthening institutional governance and management of education in the ASAL areas, Pockets of Poverty regions and Urban Informal Settlements of Kenya.
- Review and promotion of development, adaptation and implementation of policies and curriculum relevant to the nomadic way of life and livelihood.
- Strengthening institutional capacity and operations to enable the council discharge its mandate effectively.

(c) Key Management

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

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

S/NO.	NAME	DESIGNATION
1.	Harun M. Yussuf, HSC	Secretary/ CEO
2.	Mohamed I. Abdullahi	Assistant Director of Education
3.	Samuel Yano Kimosop	Principal Education Officer
4.	George G. Gatheru	Accountant II
5.	Abdinasir Omar Ali	Accountant

(e) Fiduciary Oversight Arrangements

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

In discharging its duty, the Council establishes such committees as are necessary for the performance of its duties. The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary Oversight Arrangements were:

(f) Finance Committee

This Committee is mandated to oversee the development of policies with regard to public financial management. Of critical importance is the oversight role of ensuring prudent use of finances and reporting on the performance of the Council. It is also mandated to provide best practice in the development, implementation and subsequent monitoring of procurement function of the Council. During the financial year ended 30th June, 2019 the following were members of this committee:

S/NO.	NAME	DESIGNATION
1.	Irshad Abdi Ibrahim	Chairperson
2.	Timira Diyad Elmi	Member
3.	Kenneth Waithiru (PS Treasury Alt. Member)	Member
4.	Rebecca N. Tonkei	Member
5.	Catherine A. Wameyo	Member

(g) Human Resource & Administration Committee

This committee advises the Secretary/CEO on Human Resource issues including: investigation and making recommendations on staff disciplinary matters; making recommendations on existing Human Resource regulations and policies; and making recommendations on general staff welfare and motivation issues.

Further, this committee advises the Secretary/CEO on staff training and development issues including: considering officers training requests and recommending those to be trained for the approved training programmes. During the financial year ended 30th June, 2019 the following were members of this committee:

S/NO.	NAME	ROLE
1.	Rebecca N. Tonkei	Chairperson
2.	Fr. Linus Ekai Evans	Member
3.	Fatuma H. Abubakar	Member
4.	Catherine Wameyo	Member

5.	Timira Diyad Elmi	Member
6.	Lucy C. Loboo	Member
7.	Dr. Silvia K. Vundi (PS Devolution Alt. Member)	Member

(h) Audit & Risk Management Committee

This committee advises the Secretary/CEO on how the council will fulfil her obligations and oversight responsibilities relating to financial planning, the audit process, financial reporting, the system of corporate controls and risk management, and when required, to make recommendations to the full Council for approval.

In the process of overseeing NACONEK's audit procedures, the Risk and Audit Committee has unrestricted access to NACONEK's personnel and documents, and provided with the resources necessary to carry out its responsibilities, including the authorization to engage independent counsel and other advisors.

During the financial year ended 30th June, 2019 the following were members of this committee

NO.	NAME	ROLE
1.	Beth Kalunda	Chairperson
2.	Truphena Kirongo (PS Education Alt. Member)	Member
3.	Dr. Gilbert K. Bor	Member
4.	Lucy C. Loboo	Member
5.	Fatuma H. Abubakar	Member

(i) Policy, Strategy & Partnerships Committee

This committee advises the Secretary/CEO on how the effective establishment of linkages, coordination and collaboration between the public and private sectors in the overall delivery of the NACONEK's Strategic Objectives. The Committee takes an open and pro-active approach to optimizing the benefits of closer collaboration for a joint strategy for the Council. In so doing, the committee pursues avenues of engaging with all development players, governments (National and County governments) and private sector entities.

During the financial year ended 30th June, 2019 the following were members of this committee:

S/NO.	NAME	ROLE
1.	Dr. Gilbert K. Bor	Chairperson
2.	Fr. Linus Ekai Evans	Member
3.	Irshad Abdi Ibrahim	Member
4.	Beth Kalunda	Member
5.	Dr. Silvia K. Vundi (PS Devolution Alt. Member)	Member

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Nairobi, KENYA

- **Entity Contacts**
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Fax: (254) 20 2225786
E-mail: infonaconek@education.go.ke
Website: www.naconek@education.go.ke

- **Entity Bankers**
National Bank of Kenya Kenyatta
Avenue Branch P.O. Box 72866-
00200 Nairobi, KENYA

- **Independent Auditors**
 - Auditor- General,
Office of Auditor General
Anniversary Towers, University Way P.O.
Box 30084 GPO 00100 Nairobi, Kenya

- **Principal Legal Advisor**
The Attorney General,
State Law Office
Harrabee Avenue
P.O. Box 40112

COUNCIL MEMBERS



Dr. Chris Galgallo Ali
Outgoing Chairperson
NACONEK

Dr. Galgallo holds a Ph. D in Education – Sociology, a Master's Degree in Education, a Bachelor's degree in Education and three Diplomas in UN studies, Biblical Studies and Music

Galgallo is an Educationist with extensive experience in educational management, research and curriculum design especially for the pastoralist communities. He has significant expertise in documentation (publication) and leadership ensuring flexible responses which adapts to the needs of people with complex dynamic lifestyles and environments.

Galgallo has vast knowledge of the socio-economy of societies in Africa and has led an extensive evaluation on policy and research in education at local, national and regional levels.

Rising from a P1 Teacher to a Post Graduate High School Teacher, Dr. Galgallo has teaching background, with over eighteen years of experience as a lecturer, administrator and a counsellor at various Teachers Training Colleges in Kenya. Currently, a lecturer across major public and private Universities in Kenya.



Hon. Beth M. K Syengo
Vice-Chairperson,
NACONEK

Hon. Beth Mutunga Kalunda Syengo was born on 24th April 1968. She is an expert of Community Development and Transformation, Education and Training,

Hon. Kalunda, holds a Master of Arts degree in Community Development from Winchester University (UK) and a Bachelor of Education (B.Ed.) degree from Kenyatta University. An alumni of both Kimangao Secondary and Mulango Girls High School, she has an enviable experience in the education sector spanning decades.

Hon. Beth Kalunda has worked in various capacities as a High School Teacher, programs Manager and head of sales. She has served on various boards of corporate entities including Kenya Medical Training College (KMTTC), Maendeleo Ya Wanawake Organization (MYWO), KENGROW (NGO), Kenya Red Cross Society-Mwingi Branch, NGOCAP (CBO) and Ngomeni Secondary School.



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

Dr. Gilbert Bor was born on 09th February 1953. He is a Senior lecturer in Marketing and Management at Catholic University of Eastern Africa, Gaba Campus, Eldoret, Kenya.

He holds a Doctorate Degree in Marketing from Moi University, a Master of Science (M.Sc.) in International Community Economic Development from Southern New Hampshire University, USA and Bachelor of Business Management-Microenterprise Development from Moi University. He is also a Certified public Accountant

Dr. Bor has wide experience in the corporate world; he served at Constitution of Kenya Review Commission (CKRC) as a Uasin Gishu District Coordinator, Rift Valley Bottlers Ltd (Coca Cola Franchise). As an ardent farmer, he runs a rural-based milk processing and marketing firm-Eldiary Products Limited in Eldoret. An accomplished educator, researcher and agribusiness consultant, Dr.Bor believes the sure strategy for poverty reduction in the ASALs is addressing impacts of climate change and environmental concerns that are linked with food security policies and rural development.



Rebecca N. Tonkei
Council Member,
NACONEK

Rebecca Tonkei was born on 10th July 1969. She holds both a Masters and a Bachelor's Degree in Education from University of Nairobi

An Alumni of Moi Girls' High School, Isinya in Kajiado County, her passion in education begun at Shanzu Teachers College education where she trained as a P1 Teacher.

She joined Teachers Service Commission and rose from a classroom teacher to head Nkokolani Primary School in Narok County. As a budding teacher, she went on to teach at Moi Girls High School, Eldoret. She has extensive training in educational management and leadership skills in bid to enrich her career in education.

She has served as a Member of the Task Force on Re-alignment of Education Sector in line with the Constitution of Kenya, 2010. She worked as a Deputy Director Peace Building and Conflict Management, Office of the Deputy President. She served in Parliamentary Service Commission as a Principal Human Resource Development Officer.



**Sheikh Irshad Ibrahim,
Council Member, NACONEK**

Sheikh Irshad Ibrahim was born on 22nd September 1965. He is Director with the World Assembly of Muslim Youth (WAMY) East African Office and Wamy High School. An economist with repute; he holds both a Bachelor and Master of Science Degrees in Economics.

Irshad has over ten years of progressive experience in senior level management with various regional and international development agencies. Irshad is a life member of Kenya Institute of Economic Affairs (KIEA) and a member of International Institute of Certified Forensic Investigation Professionals (IICFIP). He is a council member of Dedan Kimathi University of Technology.

He has vast experience in working with various Development Agencies, corporate and public entities including BBC World Service, Health Unlimited (UK) E. Africa Office, Direct Aid International and WASO Trading Co. Ltd. An alumni of Wajir High School, Irshad is categorical that the right to education is universal and does not allow for any form of exclusion or discrimination.



Catherine A. Wameyo
Council Member, NACONEK

Catherine was born on 24th November 1972. She holds a Master of Business Administration (finance) with a Diploma in Computer Studies. She is a Certified Public Accountant (ICPAK No. 8964).

Catherine has attended various senior management training courses and holds Certificate in Strategic Leadership Development Programme and Senior Management Course. She has over 20 years' experience in accounting and finance fields both private and public sectors holding various positions of responsibilities, currently she is an assistant Director Finance and Accounts at National Council for Persons with Disabilities.

Currently Catherine is the Assistant Director Finance & Accounts/ Ag. Deputy Director – Corporate Services at the National Council for Persons with Disabilities (NCPWD).



Fr. Linus Ekai Evans
Council Member,
NACONEK

Fr. Linus Ekai was born on 12th August 1976. He's an accomplished educationist holds a Master of Education in Educational Administration and planning –The Catholic University of Eastern Africa. (CUEA), Karen, Nairobi.

He studied his Bachelor of Sacred Theology in Urbaniana University in Rome, Italy. When he returned to Kenya took up a post Graduate Diploma in Education with teaching bias in History and Christian Religious Education from Catholic University of Eastern Africa (CUEA).

As Catholic Priest; he rose up from a certificate level in catechism from Kitale Catechetical and pastoral Training Centre, Kitale. He continued with his catechism classes to receive yet another Certificate and Diploma in philosophy and Religious Studies from St. Augustine's Major Seminary, Mabanga, Bungoma, Kenya. He also holds a Diploma in Theology from St. Thomas Aquinas Major Seminary, Nairobi, Kenya.

He is an alumni of both Kakuma mixed Primary and Lokitaung Salvation Army Secondary School in the purely arid Turkana County.



Timira Diyad Elmi
Council Member,
NACONEK

Timira was born on 01st January 1968. She is an expert in early Childhood Education. She holds a Master's Degree in Education (Early Childhood Development) University of Nairobi, Bachelor of Education Degree (Early Childhood Development) from Presbyterian University of East Africa and a Diploma in Education from Kampala University.

Timira is an alumni of Moi Girls Secondary School in Wajir county. She has twenty eight (28) years of work experience; in the education sector having taught in various learning institutions across Kenya.

Timira is passionate about vocational skills and youth employment, labour-market training skills in Arid and Semi-Arid Lands (ASALs) of Kenya. She consistently takes part in new curriculum review forums and policy formulation on education regarding nomadic counties of Kenya.



Fatuma H. Abubakar
Council Member,
NACONEK

Fatuma Abubakar was born on 12th December 1985. She holds bachelor's degree in Business Administration and a Master's Degree In Governance and Ethics.

As a vibrant youth, who seats at the helm- Chairperson of the National Youth Council, Fatuma has vast training and exposure and experience on matters corporate governance, leadership, youth and gender in development. Fatuma has worked in senior positions with various public and private entities including Caravan Real Estate Developers and Properties Ltd, City Link Pharma Ltd, IEC/IRS, Red Cross Society of Kenya and Interim Independent Electoral Commission.

An alumni of NEP Girls High School, her passion for education has seen serve in various boards including Garissa County Education Board and a serving Board Member at the National Employment Authority



Lucy C. Loooboo
Council Member,
NACONEK

Lucy Chepkumun Loooboo was born on 26th April 1977. She is a community development specialist. She holds a master of arts Degree in Gender and Development studies from Rutgers, The State University of New Jersey-USA. An Alumni of Moi Girls High School, Eldoret, holds a Bachelor of Arts Degree in Community Development.

Lucy has had wide travels and work experience from lecturing at Kisi University to working at Independent Electoral and Boundaries Commission, Ministry of Planning and National Development and vision 2030, Dollar Consultants Ltd, and GoK/Aridlands Resource Management Project II and KNBS

Born and bred in the purely nomadic and volatile Kacheliba area of West Pokot, Lucy shares that the basic needs for nomadic communities should be at lower cost to them and be more easily accessible than conventional delivery approaches. One such strategy is to establish boarding schools. The government must meet the larger part of the cost of boarding schools intended for children of the pastoral nomads.



Dr. Silvia Kanyaa Vundi:
Council Member,
NACONEK

Dr. Silvia Kanyaa Vundi was born on 02nd September 1972. She is a self-driven professional with experience and sound technical skills in education. She holds a Ph.D. in Peace and Conflict Studies from Masinde Muliro University of Science and Technology (MMUST), Kakamega Kenya. As an accomplished teacher and lecturer. She holds both Bachelors and Masters Degrees in Education.

An Alumni of St. Angela's Girls Secondary School in Kitui County, Dr. Vundi has over twenty years work experience at three different education levels, namely Secondary, Technical and University.

Dr. Kanyaa Vundi has served in various capacities, both technical and managerial with various government institutions. She is currently working in the Ministry of Devolution and ASAL as a Deputy Director in Capacity Building and Technical

Assistance. She sits on the Council to represent Devolution and the ASALs PS.



Truphena Kirongo:
Council Member,
NACONEK

Truphena was born on 12th June 1962. She is currently the Deputy Director General at the Ministry of Education's State Department of Early Learning and Basic Education. She sits on the Council to represent Education PS.

Truphena holds a Master of Education, Leadership and Management from Aga Khan University, Dares Salaam, and Tanzania. She as well holds a Master of Business Administration from Kenyatta University, Nairobi, Kenya.

Truphena graduated from Kenyatta University with a Bachelor of Education which saw her the start of a distinguished Civil servant with a career spanning over 30 years.

Truphena joined the teaching service in 1986 as a teacher and progressively served in the civil service as Senior Education Officer, Deputy Municipal Education Officer, and Municipal Education Officer to Senior Assistant Director of Education in the Ministry of Education.

Kenneth Kinyanjui Waithiru:
Council Member,
NACONEK



Kenneth was born on 16th April 1965. He is currently the Deputy Head of the African Development Department in the Ministry of Finance. He sits on the Council to represent PS Ministry of Finance. Kenneth holds Master's Degree in Development Economist from Nairobi University.

Kenneth has worked at the National Industrial Credit (NIC) until 1992, He later Joined Ministry of Planning and Development in 1993 working in the National Council of Population and Development (NCPD) up to 1996.

In 1999 he joined the National Treasury and Planning as a Senior Economist where he worked in various departments including Budget and European Union Desk. Currently he is the Deputy Head of the African Development Department within the National Treasury and Planning as a Senior Economist.

MANAGEMENT TEAM



Harun M. Yussuf, HSC:
Secretary & CEO NACONEK

Harun is the Secretary and Chief Executive Officer at the National Council for Nomadic Education in Kenya (NACONEK) since August 2017. An accomplished, educationist; he holds a Master of Arts (Project Management) from University of Nairobi and a Bachelor of Education (History and Islamic Studies) from Moi University and Currently pursuing Doctoral Studies in leadership.

Prior to joining NACONEK, he served as Chairman, Garissa County Public Service Board from July 2013- July 2017. He worked as a teacher in various capacities between June 1994-September 2012. From a classroom teacher in County High School, he rose to a head Teacher of Garissa High to a Senior Principal of Garissa High School and Wajir High School.

Through short trainings and work-related assignments, he has travelled widely across the globe including South Africa, U.S.A, Japan, Finland, United Arab Emirates and Israel.

During the 18 years (1994-2012) of teaching, he served in various portfolios: Provincial Chairman-Kenya Secondary Schools Heads Association (KESSHA), North Eastern Province. He was a member of the National Executive Committee of the KESSHA and a member of Provincial Education Board.



Emis Muthoni Njeru (Mrs.)
Deputy Director of Education

Emis Muthoni was born 07th June 1965. Emis Holds a Master's Degree in Education Administration and a Bachelor Degree from Kenyatta University.

Prior to joining NACONEK, he served as Deputy Director of Education in the Ministry of Basic Education and Early Learning. She is currently working as the Deputy Director of Education and deputizes the Chief Executive Officer of National Council for Nomadic Education in Kenya (NACONEK)

Emis Njeru is the Coordinator for Policy and Partnerships and Education component at NACONEK.



Lucy Naisiae Kashu

Assistant Director of Education

Lucy was born on 08th May 1960 is a seasoned Educationist having risen through the ranks from P1 teacher to her current position. She holds both Master's Degree in Educational Administration and Bachelor's Degree from the University of Nairobi in the same field.

She started working as a classroom teacher and advanced in Education. She rose to a Deputy Head teacher, Teacher Advisor, Quality Assurance and Standards officer, A District Education officer in various Districts in Kenya as well as a County Director of Education in Kajiado, Isiolo and Kisumu.

Naisiae endeavoured to improve and encourage women in Narok County through Co-operative movements after an empowerment course in Israel and member of Pillar of Hope (VCT) which served the Narok Community as a standalone site where HIV & AIDS prevalence rates got lowered.

She is currently serving in Schools Boards of Management to ensure education remains a key enhancer to holistic development.



Joyce A. Amuga (Mrs.)
Principal Education Officer

Joyce Amuga was born on 14th June 1968. She holds a Master's Degree in Project Planning and Management and a Bachelor's Degree in Education from the University of Nairobi.

She is an Alumni of Butere Girls' High School in Kakamega County and St. Mary's Mundika Secondary school in Busia County. Her teaching career started at Narok Teachers college where she trained as a PI teacher. She joined Teachers Service Commission and taught in various schools in Nairobi. Her desire to work in a more challenging environment drove her to further her studies and cross over from Teachers Service Commission to Public Service.

She has trained extensively within and outside the country on Education Management and Improvement of Education in Remote and Isolated Areas.

Her experience in Education and knowledge in Project Planning and Management has enabled her to contribute immensely towards achievement of goals and objectives of the council.



Samuel Kimosop Yano
Principal Education Officer

Kimosop was born on 1968 at Baringo County, Koibatek Sub County, Esageri Division, Sabatia Location, Solian Sub Location, and Emgwen Village.

Kimosop is a graduate of Moi University and started working as a teacher at Emsea secondary. He rose to Education officer, Chief Education Officer to his current Principal Education Officer.



Justus Kirimi Mwiti
Head Supplies Chain Management

Justus was born on 01st January 1980. He holds a BA in economics (KU) and Diploma in purchasing and supplies management (KIM). He is a holder of Certified Public Accountant part I and a member of Kenya Institute of Management (KISM)

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



Juliana Mbithe Nthiw'a
Personal Secretary I

She was born on 6th February, 1972 in Kangundo District, Machakos County. Juliana is currently working as a Personal Secretary I in the office of the Secretary/CEO Office.

She enrolled for full Secretarial course at the Holy Rosary (Tala) Secretarial College and sat for the KNEC exams stages I & II respectively. She has also done Higher Diploma in Secretarial Management. The year 2007 joined the Civil Service and was posted to Ministry of Medical Services in Mandera County as a Shorthand Typist

She has also worked with the Ministry of Youth Affairs and Sports as a Personal Secretary and also State Department of University Education - Director Human Resource and Management Office in the Ministry of Education where she worked for 2 years.

In May 2016 she was transferred to State Department of Early Learning and Basic Education as an Assistant Office administrator I in NACONEK department, where she was attached to the CEO's office till to date

George G. Gatheru
Council Accountant



George was born on 22nd August 1965. He is the Council Accountant for the National Council for Nomadic Education in Kenya (NACONEK) since August 2018. Prior to joining NACONEK, he served as Accountant in-charge Imprest section with Ministry of Education.

George joined the Civil Service on 18th September 1986 rising to the current rank of Accountant II. During the 33 years working experience in the Civil Service, George has served as an Accountant II with the Ministry of Education and Ministry of Agriculture and Livestock Development.

He has also served as an Accountant II with various Government Projects like Eastern Africa Agricultural Productivity Project (EAAPP) Financed by World Bank, Small Scale Horticultural Development Project (SHDP) and Drought Resilience and Sustainable Livelihood Project (DRSLP) both Financed by African Development Bank (ADB Bank).

CHAIRPERSON'S STATEMENT

The National Council for Nomadic Education in Kenya is honoured to publish the 2018/2019 Annual Report on its performance and financial statements. This is the first of its kind for the Council and is in line with section 94 of the Basic Education Act, 2013, the Public Finance Management Act, 2012 and the standard practice observed by the Council. The Council is a semi-autonomous government agency under the Ministry of Education that draws its mandate and functions from Basic Education Act of 2013, Section 94.

This 2018/2019 Annual Report and Financial Statements document the initiatives and statistical information towards the attainment of our mission to facilitate increased access, retention, transition and completion rates of learners in the ASALs, Pockets of Poverty regions and Urban Informal Settlements of Kenya. This has been largely done through: stakeholder engagements, institution surveys, public education, and technical support to national and county governments and provision of information and advice to the public on nomadic education. We are cognizant of the challenges faced by populations in the ASAL areas, Pockets of poverty regions and in the urban informal settlements of Kenya that revolve largely around impacts of climate change.

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

Knowing our challenges, we have worked with both State and no-State actors in ensuring equitable and quality delivery of education to the learners in the ASAL areas, Pockets of poverty regions and in the urban informal settlements of Kenya. Due diligence has also been exercised in the reporting period towards the attainment of our strategic goals as contained in the 2016 - 2021 Strategic Plan. We are pleased to report that the financial year 2018/2019 was a period that the Council witnessed strategic milestones:

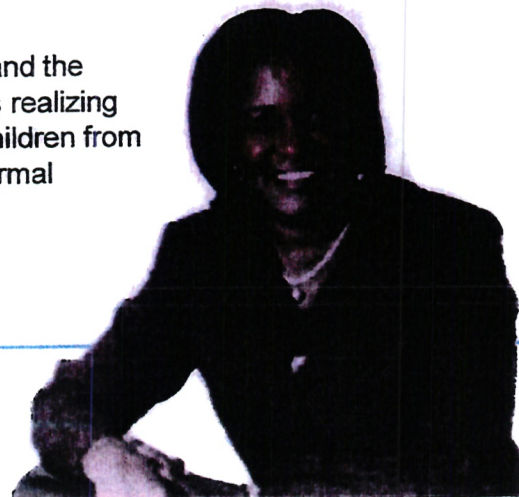
To effectively deliver on its constitutional and statutory mandate, the Council equally undertook deliberate efforts to strengthen internal capacity and governance processes. During the period under review, the Council conducted comprehensive staff training needs analysis and subsequent retraining and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

Indeed, the achievements outlined above would not have been possible without the innovation, resourcefulness, commitment and hard work of the council members and Secretariat staff. In this regard, the Council expresses gratitude to the Council Secretary/CEO, Mr. Harun M. Yussuf, HSC and the entire staff for work well done. The Council wishes to acknowledge the relentless efforts of our partners and stakeholders for their support in the 2018/2019 financial year.

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



Hon. Beth S. K. Kalunda
Acting Chairperson



REPORT OF THE SECRETARY/CHIEF EXECUTIVE OFFICER

I gladly take this opportunity to present to you the Annual Report and Financial Statements for the year ended 30 June 2019.

The establishment of NACONEK is contained in various legal instruments. Firstly, Sessional Paper No. 2 of 2015 on reforming education and training sector in Kenya. Secondly, Sessional Paper No.8 of October 2012 on the "Policy for suitable development of Northern Kenya and other arid lands" releasing our full potential". Thirdly, the Basic Education Act 2013, section 94 and the Sixth 6th Schedule. Fourthly, the Policy Framework for Nomadic Education in Kenya, 2010. Fifthly, the National Education Sector Plan (NESP). Finally, the Constitution of Kenya, 2010.



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

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

While the year 2018/2019 was not without its challenges, the management team of continued to successfully implement its mandate and to advance its goals and objectives set in the Annual Work Plan and approved by the Council members. The Council members indeed provided strategic direction, leadership and oversight to the Secretariat in the execution of the programmes and activities. To meet this enormous task, the Council received grants from Government totalling 137 Million alongside grants from EU-through Aga Khan Foundation and Islamic Relief of Kenya partnership during the period under review.

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

The Secretariat will continue to ensure the effective implementation of the programmes of the Council including supporting the work of the Council members and the various Council Committees.

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

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



Harun M. Yussuf, HSC
Secretary/Chief Executive Officer

CORPORATE GOVERNANCE STATEMENT

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

Good Corporate Governance seeks to promote:

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

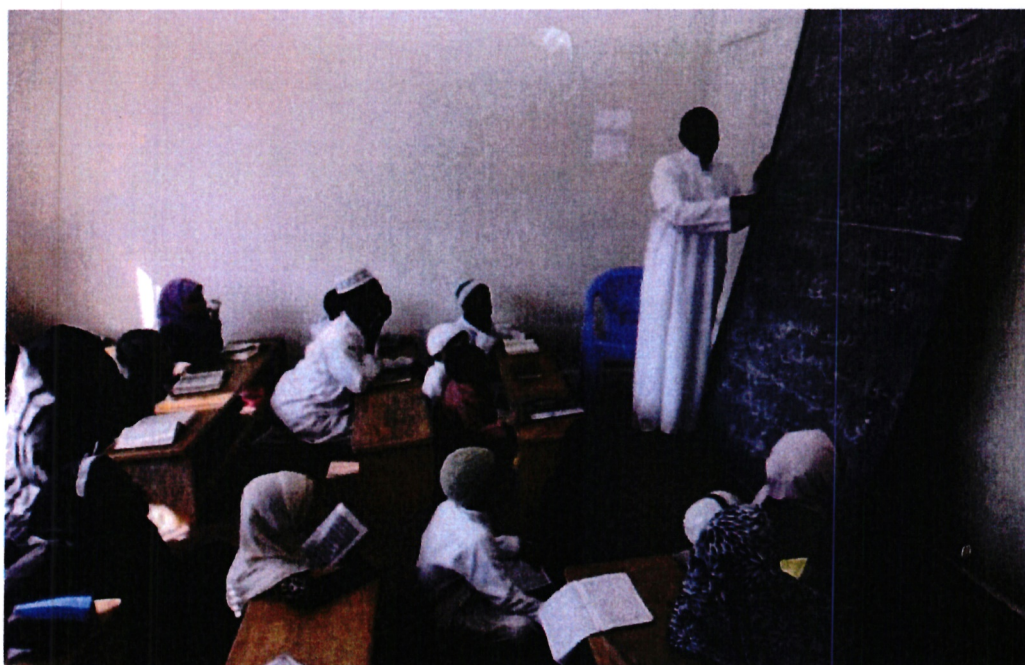
The Council's strategies adopted during the financial year 2018/19 to realise its goals and objectives; key among them include:

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

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

During the period under review, National Council for Nomadic education in Kenya greatly benefitted from working with KICD on the harmonization of Dugsi and Madrassa Curriculums. The Council organized four stakeholders' forum on integrating Madrassa and Dugsi into formal education in Northern Kenya and the Coastal Counties that were attended by the governors of these counties. In these forums, it was noted that Islam was a way of life for its believers and time had come for stakeholders to discuss ways of integrating Madrassa education with the formal education to enable Muslim children to get the best from the two.

One of the governors noted during one of the forums: *"I wish to dismiss some of the sceptics who believe the integration of the two systems of education could increase violent extremism currently being witnessed in some parts of the country."*



Coordination, Knowledge Management and partnerships

Generally, the Authority entered into a three-year partnership with two International Development partners; the Aga Khan Foundation, East Africa and the Islamic Relief of Kenya on an EU funded project: *Improving Social and Economic Opportunities for Youth in Northern Kenya Project*. Through the various other cooperation commitment including USIAD Kenya -Education section, NDMA, Republic of Qatar, the council hopes to exchange lessons learned from AKF-IRK partnership on best practices as it works towards establishing itself as a body corporate to bring on board many like-minded partners to ensure increased educational opportunities for nomadic populations.

The Council worked closely with funding agencies and the National and county governments to improve access, retention, transition and completion of learners in the nomadic and marginalized regions of Kenya. Various partnerships were also initiated and existing ones strengthened in 2019. The Council continued working in partnership with the county governments of Garissa, Mandera and Wajir to undertake various steps towards integrating Dugsi and Madrassa into mainstream basic education system. The contributions from the county governments have increased learning outcomes and ensured that more children access education. New partnerships were established with Greening Kenya Initiative and National Drought Management Authority in conducting baseline surveys on low cost boarding schools across 10 Counties in Kenya.



Advocacy, social mobilization and stakeholder engagement

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

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



Development, implementation and monitoring of innovations

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

In the year under review, the programmes were supported to promote meaningful participation in the council's interventions. The Council supported her Technical officers to monitor education delivery in the nomadic counties through assessment and mapping of APBET Schools and Low-Cost Boarding Primary Schools in Ten Counties. Findings from the MEA&L resulted into the design and development of the NIWFESS Project that is expected to be piloted in the next financial year.

Strengthening institutional governance and management of education

As an ASAL institution, the council is seeking new opportunities and designs new strategies, the need for effective leadership and sound management practices remains crucial. On-going partnerships with established entities such as the School of Governments Campuses across the Country and other international entities continue to play a key role in the development of the National Council for Nomadic Education in Kenya. To ensure that the council members and secretariat staff get the best training and exposure, National Council for Nomadic Education in Kenya supports short term scholarships. For the wider management team leadership development programmes that recognise the changing job demands at different management levels were implemented to provide an opportunity for development. These programmes are open to all employees across the council and are run annually to give new technical staff and those newly-promoted an opportunity to hone their management skills.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

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

To this end:

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

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

To this end:

1. The Council is actively involved in supporting and developing the local Community to make a lasting positive impact;
2. The Council works hard to ensure that the negative impact our work has on

the Environment is minimized; and the Council provides the tools to enable employee growth and fulfilment for Individuals and for the organization to work together to make a difference as a team.

REPORT OF THE COUNCIL MEMBERS

Principal Activities

The mandate of the Council as set out in the Basic Education Act 2013 Article 94 and sixth Schedule is to “keep under review all the law of Kenya to ensure its systematic development and reform, including in particular

the integration, unification and codification of the law, the elimination of anomalies, the repeal of obsolete and unnecessary enactments and generally its simplification and modernization

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

6.2 Results

The results of the entity for the year ended 30 June, 2019 are set out on pages 1-50.

Council Members

The Council members who served during the year are shown on pages 8-15. During the year 2018/2019, there was only the transition of the Chairman to another state corporation after expiry of his contract.

Auditors

The Auditor-General is responsible for the statutory Audit of National Council for Nomadic Education in Kenya in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. No other Auditors were nominated by the Auditor General to carry out Audit of the Council for the year ended June 30th 2019 in accordance to Section 23 of the Public Audit Act, 2015 which empowered the Auditor General to appoint an Auditor to Audit on his behalf.

By Order of the Board.



Harun M. Yussuf, HSC

Secretary/Chief Executive Officer

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The Directors are responsible for the preparation and presentation of the Council's financial statements, which give a true and fair view of the state of affairs of the Council for and as at the end of the financial year (period) ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Council's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Directors are of the opinion that the Council's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the Council's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Council, which have been relied upon in the preparation of the Council 's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The National Council for nomadic Education in Kenya's financial statements were approved by the Council on _____ 2019 and signed on its behalf by:



Hon. Beth S.K Kalunda

Ag. Chairperson



Harun M. Yussuf, HSC

Secretary/ Chief Executive Officer

REPUBLIC OF KENYA

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Enhancing Accountability

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Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL COUNCIL FOR NOMADIC EDUCATION IN KENYA FOR THE YEAR ENDED 30 JUNE, 2019 – STATE DEPARTMENT FOR EARLY LEARNING AND BASIC EDUCATION

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Council for Nomadic Education in Kenya set out on pages 1 to 18, which comprise of the statement of financial position as at 30 June, 2019, statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Council for Nomadic Education in Kenya as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and Council

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

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



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

28 January, 2021



**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2018-2019	2017-2018
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments – gifts and services-in-kind	6	136,404,860	-
Total revenue		136,404,860	-
Expenses			
Remuneration of Council Members	7	14,048,858	-
Depreciation and amortization	8	615,819	-
General Operating Expenses	9	19,256,847	-
NACONEK Programme expenses	10	101,789,379	-
Total expenses		135,710,903	-
Net Surplus for the year		693,957	

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

	Notes	2018-2019	2017-2018
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	11	4,955	-
		4,955	-
Non-current assets			
Property, plant and equipment	12	3,979,597	-
Total Non-current Assets		3,979,597	-
Total Assets		3,984,552	-
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	13	3,290,595	-
Total Current liabilities		3,290,595	-
Total liabilities		3,290,595	-
Net assets		693,957	
Accumulated surplus		693,957	-
Total net assets and liabilities		693,957	-

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

Secretary/C.E.O



Harun M. Yussuf, HSC

Date: 30/09/2019

Head of Finance



ASSOC/2455

CPA ABDINASIR OMAR ALI

Date: 30/09/2019

Chairman of the Board



Hon. Beth S. K. Kalunda

Date: 30/09/2019

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2019**

	Accumulated Surplus	Total
At July 1, 2017	-	-
Surplus for the Period	-	-
At June 30, 2018	-	-
		-
At July 1, 2018	-	-
Surplus for the Period	693,957	693,957
At June 30, 2019	693,957	693,957

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2018-2019	2017-2018
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities	6	136,404,860.00	-
Total Receipts		<u>136,404,860.00</u>	
Payments			
Remuneration of Council Members	7	14,048,858	-
General Operating Expenses	9	16,860,939	-
NACONEK Programme Expenses	10	100,894,692	-
Total Payments		<u>131,804,489</u>	-
Net cash flows from operating activities		4,600,371	-
Cash flows from investing activities			
Purchase of property, plant & equipment	12	-4,595,416	-
Net cash flows used in investing activities		-4,595,416	-
Net increase in cash and cash equivalents		4,955	-
Cash and cash equivalents at 1 July 2018		-	
Cash and cash equivalents at 30 June 2019	11	4,955	-

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR
 ENDED 30 JUNE 2019**

Item	Original budget	Adjustments	Final budget	Actual basis	Performance Difference	Percentage Utilization
	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019	
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from other Govt entities	137,200,000		137,200,000	136,404,860	795,140	99.42%
Total income	137,200,000		137,200,000	136,404,860	795,140	99.42%
Expenses						
Employees Costs	4,200,000	-4,200,000	0	-		
Remuneration of Council Members	17,000,000	-2,900,000	14,100,000	14,048,858	51,142	99.64%
General Operating Expenses	18,300,000	-1,200,000	17,100,000	19,256,847	-2,156,847	112.61%
PPE	4,700,000	0	4,700,000	4,595,416	104,584	97.77%
NACONEK Program Expenses	93,000,000	8,300,000	101,300,000	101,789,379	-489,379	100.48%
Total expenditure	137,200,000	0	137,200,000	139,690,500	-2,490,500	99%
Balance for the period	-	-	-	4,955		

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis.

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

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

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

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2019

Standard	Impact
	Applicable: 1st January 2019
	The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations.
IPSAS 40: Public Sector Combinations	NACONEK is a Semi-Autonomous Government established under section 94 of the Basic Education Act, 2013 The management has assessed the effect of IPSAS 40 on the operations of NACONEK. Since there were no combinations or amalgamations between NACONEK and any other entity the Standard has no impact on NACONEK's activities for the year ended June 30, 2019

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2019

Standard IPSAS

Effective date and impact:

Applicable: 1st January 2022:

41:
Financial
Instruments

The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.

IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:

- Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;
- Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
- Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

The management is in the process of assessing the impact of this standard on its financial instruments as it prepares to apply the standard at applicable date

IPSAS 42:

Social Benefits

Applicable: 1st January 2022

The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:

- (a) The nature of such social benefits provided by the entity;
- (b) The key features of the operation of those social benefit schemes; and
- (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.

The management is in the process of assessing the impact of this standard on its financial instruments as it prepares to apply the standard at applicable date

iii. Early adoption of standards

NACONEK did not early – adopt any new or amended standards in year 2019.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

Recurrent grants are recognized in the statement of comprehensive income.

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

b) Budget information

The original budget for FY 2018-2019 was approved by the National Assembly. NACONEK'S budget is consolidated together with the budget of its line Ministry/State department. Once the National budget is approved by the National Assembly the Council approves NACONEK's budget in line with the approved estimates. Subsequent revisions or additional appropriations are made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

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

d) Property, plant and equipment

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

Depreciation on property, plant and equipment

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

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

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

f) Intangible assets

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

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

i) Provisions

Provisions are recognized when NACONEK has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where NACONEK expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

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

Contingent liabilities

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

Contingent assets

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

j) Nature and purpose of reserves

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

l) Foreign currency transactions

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

m) Related parties

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

n) 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 National Bank at the end of the financial year.

For the purposes of these financial statements, cash and cash equivalents also include short term cash imprest and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

o) Comparative figures

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

p) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2019.

**5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION
UNCERTAINTY**

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

Estimates and assumptions

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

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes

- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

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

6. TRANSFERS FROM OTHER GOVERNMENTS ENTITIES

Description	2018-2019	2017-2018
	Kshs	Kshs
Unconditional grants		-
Operational grant from the State Department for Basic Education	136,404,860	-
Total government grants and subsidies	136,404,860	-

7. REMUNERATION OF COUNCIL MEMBERS

Description	2018-2019	2017-2018
	Kshs	Kshs
Chairman's Honoraria	320,000	-
Sitting Allowance	2,325,000	-
Travelling & Accommodation	6,675,265	-
Lunch Allowance	153,803	-
Others	4,574,790	-
Total Remuneration of Council Members	14,048,858	-

8. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2018-2019	2017-2018
	Kshs	Kshs
Property, plant and equipment	615,819	-
Total depreciation and amortization	615,819	-

9. GENERAL OPERATING EXPENSES

Description	Kshs	
	2018-2019	2017-2018
Advertising	648,700	
Audit fee	500,000	
Bank Charges	74,205	
Catering Services	207,766	
Domestic Travel and Subsistence	960,437	
Fuel and oil	1,875,355	
General Printing and stationery	2,546,280	
ICT Accessories and consumables	1,412,500	
Interns Student Allowance	50,000	
Motor vehicle maintenance	1,224,030	
Office Utilities	2,657,966	
Rent expenses	6,695,908	
Repairs and maintenance	403,700	
Total general expenses	19,256,847	

10. NACONEK PROGRAMS

Description	2018-2019		2017-2018	
	Kshs		Kshs	
Capacity Building for Council Secretariat		1,882,210	-	
Conduct Advocacy and Social Mobilization for Nomadic Counties - (Girl Child Special Needs)		7,789,656	-	
Establish Web Based ICT Platform		13,729,000	-	
Mainstreaming Dugsi and Madrasa in to the regular Formal Education System-Review and Harmonise APBET and Adult Continuing Education Policy		47,075,556	-	
Monitoring and Evaluation		5,902,763	-	
Participation in National and Regional Co-Curricular Activities by Secretariat		6,120,214	-	
Publicity, Media Communication and Documentation		3,772,095	-	
Transform NACONEK to a Body Corporate-Establish Structure for NACONEK		15,517,885	-	
Total NACONEK Programs		101,789,379	-	

11. CASH AND CASH EQUIVALENTS

Financial institution	2018-2019	2017-2018
	Kshs	Kshs
a) Current account		
National Bank-Current	4,955	-
Account		
Sub- total	4,955	-
cash in hand	-	-
Sub- total	-	-
Grand total	4,955	-

11 (a). DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

Financial institution	Account number	2018-2019	2017-2018
		Kshs	Kshs
a) Current account			
National Bank-Current	01040207060700	4,955	-
Account			
Sub- total		4,955	-
cash in hand		-	-
Sub- total		-	-
Grand total		4,955	-

12. PROPERTY, PLANT AND EQUIPMENT

	ICT EQUIPMENT	FURNITURE & FITTINGS	TOTAL
Depreciation rate	33.30%	12.50%	
Cost as at 1st July 2018	-	-	-
Additions	199,000	4,396,416	4,595,416
Cost as at 30th June 2019	199,000	4,396,416	4,595,416
Depreciation at July 2018	-	-	-
Charge for the Year	66,267	549,552	615,819
Depreciation June 2019	66,267	549,552	615,819
Net Book Value at 30 June 2019	132,733	3,846,864	3,979,597

13. TRADE AND OTHER PAYABLES

Description	2018-2019	2017-2018
	Kshs	Kshs
Audit Fee	500,000	-
Sundry Creditors	2,790,595	-
Total Trade and Other Payables	3,290,595	-

14. FINANCIAL RISK MANAGEMENT

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

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

(i) Credit risk

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

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

receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

(ii) Liquidity risk management

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

(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

15. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

a) *Financial instruments measured at fair value*

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable.

Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

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

use of observable market data when available. The *entity* considers relevant and observable market prices in its valuations where possible.

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

16. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of NACONEK, holding 100% of NACONEK interest. Other related parties include:

- i) The State department for Basic Education
- ii) The Council
- iii) Key management

1 EVENTS AFTER THE REPORTING PERIOD

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

2 ULTIMATE AND HOLDING ENTITY

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

3 Currency

The financial statements are presented in Kenya Shillings (KS) to the nearest 10 cents

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The Financial Year 2018/2019 is the first year of NACONEK operating independently and therefore it does not have previous audit report.

Harun M. Yussuf, HSC
Secretary/CEO

Sign.....

Date..... 30/09/2019

APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

There were no projects operated by NACONEK in the financial year 2018/2019

Harun M. Yussuf, HSC

Secretary/CEO

Sign.....

Date.....

APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:		NATIONAL COUNCIL FOR NOMADIC EDUCATION IN KENYA (NACONEK)		
Break down of Transfers from the State Department for Basic Education				
FY 2018/2019				
a.	Recurrent Grants			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		DATE	AMOUNTS	
		17/08/2018	35,000,000.00	2018-19
		07/12/2018	32,804,860.00	2018-19
		29/01/2019	34,300,000.00	2018-19
		23/04/2019	34,300,000.00	2018-19
		Total	136,404,860.00	

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


Finance Manager

Head of Accounting Unit

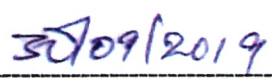
Ag. Finance Manager

State Depart for Basic Education

Sign



Sign



APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date receive as per bank statement	Where Recorded/recognized						Total Transfers during the Year
		Nature: Rec/ Dev.	Total Amount - KES	Statement of Financial Performance	Capital Fund	Deferred Income	Others - must be specific	
State Depart for Basic Education		Recurrent	136,404,860.00	136,404,860.00				136,404,860.00
Total			136,404,860.00	136,404,860.00				136,404,860.00

