

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAYO

DATE: 07 DEC 2023

DAY:

Thursday

OF

TABLED
BY:

Hon. Onyer Baga, CBS, MP
Deputy majority leader
A. Shindiko

THE AUDITOR-GENERAL

ON

**SECONDARY EDUCATION QUALITY
IMPROVEMENT PROJECT
(IDA CREDIT NO.6138-KE)**

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

TEACHERS SERVICE COMMISSION

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KENYA

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SECONDARY EDUCATION QUALITY IMPROVEMENT PROJECT

TEACHERS SERVICE COMMISSION

PROJECT CREDIT NUMBER: IDA 6138-KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2023

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

Secondary Education Quality Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023

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*Secondary Education Quality Improvement Project
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1. Acronyms and Glossary of Terms

SEQIP	Secondary Education Quality Education Project
SBTSS	School Based Teacher Support System
TPD	Teacher Professional Development
UON	University of Nairobi
CEMASTEAM	Centre for Mathematics Science and Technology Education in Africa
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
FY	Financial year
TSC	Teachers Service Commission
SME	Science Mathematics and English
AIE	Authority to Incur Expenditure
MDA	Ministry Department and Agencies
SDA	Special Deposit Account
GOK	Government of Kenya
IFMIS	Integrated Financial Management Information System
KSHS	Kenya Shillings
CPA(K)	Certified Public Accountant of Kenya
PHD	Doctor of Philosophy
MBA	Master of Business Administration

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2. Project Information and Overall Performance

2.1 Name and registered office

Name

Secondary Education Quality Improvement Project (SEQIP)

Objective

To improve student learning in secondary education and transition from primary to secondary education in targeted areas.

Address

The project headquarters offices are Teachers Service Commission Nairobi, Nairobi County, Kenya. The address of its registered office is: Private Bag 00100 Nairobi.

Contacts: The following are the project contacts

P.O. Box: Private Bag, Nairobi 00100

Telephone: 2892000/0722208552

E-mail: info@tsc.go.ke

Website: www.tsc.go.ke

2.2 Project Information

Project Start Date:	28 September 2017
Project End Date:	31 December 2024
Project Manager:	Dr. Reuben Nthamburi
Project Sponsor:	World Bank

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Annual Report and Financial Statements for the financial year ended June 30, 2023*

2.3 Project Overview

Line Ministry of the project	The project is under the supervision of the Teachers Service Commission.
Project number	P160083
Strategic goals of the project	<ul style="list-style-type: none"> i) To improve student learning and transition from upper Primary to secondary education in targeted areas ii) To Improve quality of teaching in targeted areas by Reducing teacher shortage iii) To Improve quality of teaching in targeted areas by Enhancing teacher professional development
Achievement of strategic goals	<p>The project aims to achieve the Strategic goals through:</p> <ul style="list-style-type: none"> i) Recruitment of additional teachers ii) Use of alternative modes of Curriculum delivery iii) School Based Teacher Support System (SBTSS) and Teacher Professional Development (TPD)
Other important background information of the project	<p>The project targets the Improvement of quality of teaching in targeted areas with the key objective of addressing the critical supply-side issues such as deficiencies in the quantity of teachers, quality and classroom practices that constrain teaching and learning hence poor learning outcomes. To address these sets of constraints, the Teachers Service Commission will implement Subcomponent 1.1 and Subcomponent 1.2.</p> <p>Subcomponent 1.1 aims at Reducing teacher shortage to alleviate teacher shortages in mathematics, science, and English both in primary and secondary schools, TSC has committed to allocate 10 percent of the annual budgeted new teaching posts for Science, Maths and English (SME) teachers in the project-targeted sub-counties and TSC will regularly monitor teachers' presence on duty.</p> <p>Subcomponent 1.2 aims at Enhancing teacher professional development which aims at improving primary and secondary teachers' competencies through Prescribed Modules Programs' and School Based TPD Programs focusing on Science, Maths and English (SME) teachers in the project-targeted sub-counties which will be implemented in a phased approach based on clusters of primary and secondary schools.</p>
Current situation that the project was formed to intervene	<p>The project was formed to intervene in the following areas:</p> <ul style="list-style-type: none"> i) Teacher shortage under Component 1: Subcomponent 1.1 ii) Teacher Professional Development under Component 1:Subcomponent 1.2
Project duration	The project started on 1 July 2017 and is expected to run until 31 December 2024.

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2.4 Bankers

Central Bank of Kenya
Haile Selassie Avenue
Box 60000 – 00200
Nairobi, Kenya

2.5 Independent Auditor

Auditor-General
Anniversary Towers, University Way
Box 30084 - 00100
Nairobi, Kenya

2.6 Roles and Responsibilities

Names, designation, qualifications and responsibilities of the people who will be working on the project

Names	Title designation	Key qualification	Responsibilities
Dr. Reuben Nthamburi	Director	PHD	Project Manager
Frankline Choge	Deputy Director	MBA, CPA(K)	Finance
Dr. Catherine Warui	Assistant Director	PHD	Project Focal Person
Geoffrey Etyang	Assistant Deputy	Bachelors Degree	Project Technical Team Member
Janet Munene	Senior Supply Chain Management Services officer	Bachelors Degree	Project Procurement Officer
Monica Munyiva	Principal Finance Officer	Bachelors Degree	Project Finance Officer
Kenneth Kinyua	Principal Accountant	Bachelors Degree, CPA(K)	Project Accountant

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Project information and overall performance (continued)

2.7 Funding summary

The Project is for duration of 6 years from 2017 to 2024 with an approved budget of € 20,180,000 equivalent to Kshs. 2,507,070,365 for the sub-components being implemented by Teachers Service Commission as highlighted in the table below:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date – (30 June 2023)		Undrawn balance to date (30 June 2023)	
	<i>Euro</i>	<i>KShs</i>	<i>Euro</i>	<i>KShs</i>	<i>Euro</i>	<i>KShs</i>
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
Loan						
International Development Association	20,180,000	3,087,166,670	14,737,423	2,254,553,086	5,442,577	832,613,584
Total	20,180,000	3,087,166,670	14,737,423	2,254,553,086	5,442,577	832,613,584

B. Application of Funds

Application of funds	Amount received to date – 30 th June 2023		Cumulative Amount paid to date – 30 th June 2023	Unutilized balance to date 30 th June 2023		
	<i>Euro</i>	<i>Kshs</i>		<i>Kshs</i>	<i>Euro</i>	<i>Kshs</i>
	(A)	(A')		(B')	(A)-(B)	(A')-(B')
Loan						
International Development Association	10,147,866	1,552,435,825	1,474,043,093	512,433	78,392,733	
Total	10,147,866	1,552,435,825	1,474,043,093	512,433	78,392,733	

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Project information and overall performance (continued)

2.8 Summary of Overall Project Performance

Budget performance against actual amounts for current period and for cumulative to-date

Current Period (2022/2023)

Financial Year	Budget	Actual Absorption	Absorption Rate
2022/2023	900,000,000	773,032,667	86%

Cumulative to date (30th June 2023)

Financial Year	Budget	Actual Absorption	Absorption Rate
2017/2018	143,000,000	5,012,735	4%
2018/2019	-	9,790,189	0%
2019/2020	400,000,000	271,065,923	68%
2020/2021	200,000,000	97,300,033	49%
2021/2022	450,000,000	317,841,546	71%
2022/2023	900,000,000	773,032,667	86%
TOTAL	2,093,000,000	1,474,043,093	70%

2.9 Summary of Project Compliance

The Project is in compliance with statutory and regulatory requirements as spelt out in the Public Finance Management Act, the Public Procurement and Asset Disposal Act and the Project Financing Agreement.

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Annual Report and Financial Statements for the financial year ended June 30, 2023*

3. Statement of Performance against Project’s Predetermined Objectives

Introduction

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

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

- a) Reducing teacher shortage
- b) Enhancing teacher professional development

Progress on attainment of strategic development objectives

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

Below we provide the progress on attaining the stated objectives:

Sub component	Objective	Outcome	Indicator	Performance
Reducing teacher shortage	80% of additional teachers recruited over the last five years continue to be on duty.	Increased teacher-pupil ratio.	Independent Third Party Verification Report.	In FY 2022/2023 80 % of the additional teachers recruited over the last five years were found to be on duty.
	Sensitization of TSC field officers on SEQIP, SBTSS and safeguards.	Sub-County Directors, assurance Officers sensitized on SEQIP and safeguards.	Number of Sub County Directors trained.	297 Sub County Directors trained on SEQIP activities.

Secondary Education Quality Improvement Project

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	Training of TSC Commissioners and senior Management.	TSC Commissioners and senior Management sensitized on SEQIP, SBTSS and safeguards.	Number of TSC Commissioners trained.	Training report.
Enhancing teacher professional development	Training of facilitators.	Facilitators trained on SBTSS.	Number of facilitators trained.	The facilitators trained 21,725 teachers with support from subject experts.
	Train teachers of Science, Mathematics and English in SBTSS.	Training of teachers of Science Mathematics and English in SBTSS.	Number of teachers trained.	21,725 teachers of science , mathematics and English operationalizing SBTSS in schools in target sub counties.
	Monitor and support SBTSS in sampled schools in targeted sub counties.	Improved pedagogical content delivery of science, mathematics and English by teachers in the targeted areas.	Reports from regional and county directors. Monitoring reports from UoN and CEMASTE.A.	Monitoring and support at two levels. National level by subject experts, and county level by Cluster Resource Team.

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Annual Report and Financial Statements for the financial year ended June 30, 2023***

4. Environmental and Sustainability reporting

1. Sustainability strategy

The sustainability of implementation of SEQIP beyond project period is supported by multiple factors; first, government commitment during the design of the project that education is a high priority; second, the government ensured the design process is participatory with consultations with range of internal and external stakeholders. Third, during implementation of SEQIP, the government continued its engagement with internal and external stakeholders on programme status and performance as well as feedback gathering. This continuous engagement is likely to help build wide and deep ownership and consensus. Fourth, substantial system reform support and evaluative work to continually improve processes and inform scale up and policy options will provide a solid foundation for continued implementation of initiatives beyond the project. Finally, the requirements in terms of additional government budgetary resources for SEQIP initiatives will most likely be minimal since initiatives are in line with the government's education agenda and largely seek to improve the effectiveness and efficiency of existing levels of expenditures in primary and secondary education. moreover, SEQIP is not co-financed by any partner.

The reduction of teacher shortage through affirmative action of deliberate targeting of schools in the SEQIP sub counties is sustainable since it does not require additional expenditure during recruitment of teachers. In addition, enhancing teacher professional development for teachers of Science, Mathematics and English is done within the existing framework of TSC and CEMASTEPA for teacher professional development. In addition, the training of the field officers and establishment of trained cluster resource teams who are employees of the TSC will largely enable sustainability of the project outcomes. The Cluster Resource Team comprises Curriculum Support Officers and TSC Sub County Directors.

2. Market place practices

The Project has put in place the following business practices to ensure good supplier relationship management;

- Timely payments to the Suppliers.
- Effective contract management through monitoring and evaluation to ensure value for money.
- Embracing Open Tendering Method to source for goods, services and works being the most competitive method of procurement with the aim of enhancing transparency, fairness and equity.

5. Statement of Project Management responsibilities

The Commission Secretary for the Teachers Service Commission and the Project Coordinator for Secondary Education Quality Improvement Project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2023.

This responsibility includes (i) Maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period, (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the project, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the project, (v) Selecting and applying appropriate accounting policies and (vi) Making accounting estimates that are reasonable in the circumstances.

The Commission Secretary for the Teachers Service Commission and the Project Coordinator for Secondary Education Quality Improvement Project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Commission Secretary for the Teachers Service Commission and the Project Coordinator for Secondary Education Quality Improvement Project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended June 30, 2023, and of the Project's financial position as at that date. The Commission Secretary for the Teachers Service Commission and the Project Coordinator for Secondary Education Quality Improvement Project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The Commission Secretary for the Teachers Service Commission and the Project Coordinator for Secondary Education Quality Improvement Project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

*Secondary Education Quality Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Approval of the Project Financial Statements

The Project financial statements were approved by the Commission Secretary for the Teachers Service Commission and the Project Coordinator for Secondary Education Quality Improvement Project on 29th September 2023 and signed by:

.....
DR. NANCY NJERI MACHARIA, CBS

COMMISSION SECRETARY

DATE: 29.09.2023

.....
DR. REUBEN NTHAMBURI

PROJECT COORDINATOR

DATE: 29.09.2023

.....
KENNETH KINYUA MURIUKI

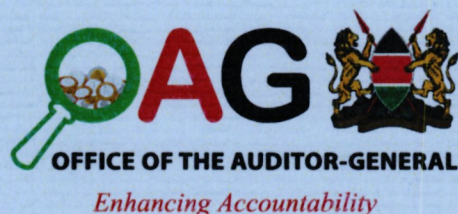
PROJECT ACCOUNTANT

ICPAK MEMBER NUMBER: 14437

DATE: 29.09.2023

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR GENERAL ON SECONDARY EDUCATION QUALITY IMPROVEMENT PROJECT (IDA CREDIT NO.6138-KE) FOR THE YEAR ENDED 30 JUNE, 2023 - TEACHERS SERVICE COMMISSION

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Secondary Education Quality Improvement Project (IDA Credit No.6138-KE) set out on pages 1 to 16, which comprise

Report of the Auditor General on Secondary Education Quality Improvement Project (IDA Credit No.6138-KE) for the year ended 30 June, 2023 - Teachers Service Commission

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Secondary Education Quality Improvement Project as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with Financing Agreement No. IDA 6138-KE dated 27 September, 2017 between the International Development Association and the Republic of Kenya and the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison budget and actual amounts reflects the final receipts budget and actual on a comparable basis of Kshs.900,000,000 and Kshs.790,250,820 respectively, resulting in an underfunding of Kshs.109,749,180 or 12% of the budget. Similarly, the Project expended Kshs.773,032,666 against an approved budget of Kshs.900,000,000 resulting in an under-expenditure of Kshs.126,967,334 or 14% of the budget.

In the circumstances, the under-absorption of the approved budget is an indication of the activities not implemented by the Project Management leading to the non-provision of services to the stakeholders.

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 the International Standards for Supreme Audit Institutions (ISSAIs) 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 comply 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 THE 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by International Development Association, I report based on my audit that:

- i. 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;
- ii. In my opinion, adequate accounting records have been kept by the Project Management, so far as appears from the examination of those records; and,
- iii. The Project's financial statements are in agreement with the accounting records and returns.

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Project's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to 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 governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Project's policies and procedures may deteriorate.

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures, as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


15 November, 2023


Secondary Education Quality Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023


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

	2022/23		2021/22		Cumulative to date	
	Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payment controlled by the entity	Payments made by third parties		
Note	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
Receipts						
Exchequer Releases	1	790,250,820	-	790,250,820	272,376,218	1,552,435,825
Total receipts		790,250,820	-	790,250,820	272,376,218	1,552,435,825
Payments						
Purchase of goods and services	2	762,396,831	-	762,396,831	317,841,546	1,463,407,257
Acquisition of non-financial assets	3	10,635,835	-	10,635,835	-	10,635,835
Total payments		773,032,666	-	773,032,666	317,841,546	1,474,043,092
Surplus/ (deficit)		17,218,154	-	17,218,154	(45,465,328)	78,392,733

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


.....
DR. NANCY NJERI MACHARIA, CBS
COMMISSION SECRETARY
DATE: 29.09.2023


.....
DR. REUBEN NTHAMBURI
PROJECT COORDINATOR
DATE: 29.09.2023


.....
KENNETH KINYUA MURIUKI
PROJECT ACCOUNTANT
ICPAK MEMBER NUMBER: 14437
DATE: 29.09.2023

Secondary Education Quality Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023


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

Description	Note	2022/2023 Kshs	2021/2022 Kshs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	4.A	43,088,973	47,357,368
Cash Balances	4.B	1,200	-
Total Cash and Cash equivalents		43,090,173	47,357,368
Accounts Receivables	5	37,276,601	14,326,719
Total Financial Assets		80,366,774	61,684,087
Financial Liabilities			
Accounts Payables	6	140,385	509,508
Net Assets		80,226,389	61,174,579
Represented By			
Fund Balance B/fwd.	7	61,174,579	106,639,907
Prior Year adjustments	8	1,833,656	-
Surplus/(Deficit) for the Year		17,218,154	(45,465,328)
Net Financial Position		80,226,389	61,174,579

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 29th September 2023 and signed by:



DR. NANCY NJERI MACHARIA, CBS
COMMISSION SECRETARY
DATE: 29.09.2023



DR. REUBEN NTHAMBURI
PROJECT COORDINATOR
DATE: 29.09.2023



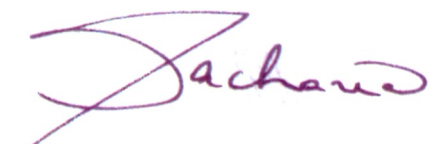
KENNETH KINYUA MURIUKI
PROJECT ACCOUNTANT
ICPAK MEMBER NUMBER: 14437
DATE: 29.09.2023

*Secondary Education Quality Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

9. Statement of Cash flows for the year ended 30th June 2023

Description	Notes	2022/2023	2021/2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Exchequer Releases	1	790,250,820	272,376,218
Total receipts		790,250,820	272,376,218
Payments			
Purchase of goods and services	2	762,396,831	317,841,546
Total Payments		762,396,831	317,841,546
Net receipts/(payments)		27,853,989	(45,465,328)
Adjustments during the year			
Prior year adjustments	8	1,833,656	-
Decrease/(increase) in accounts receivable	9	(22,949,882)	19,538,803
Increase/(decrease) in accounts payable	10	(369,123)	(236,342)
Net cash flow from operating activities		6,368,640	(26,162,867)
Cash flows from investing activities			
Acquisition of non-financial assets	3	(10,635,835)	-
Net cash flows from investing activities		(10,635,835)	-
Net increase in cash and cash equivalents		(4,267,195)	(26,162,867)
Cash and cash equivalent at beginning of the year	4	47,357,368	73,520,235
Cash and cash equivalent at end of the year	4	43,090,173	47,357,368

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 29th September 2023 and signed by:



DR. NANCY NJERI MACHARIA, CBS
COMMISSION SECRETARY

DATE: 29.09.2023



.....
DR. REUBEN NTHAMBURI
PROJECT COORDINATOR

DATE: 29.09.2023



.....
KENNETH KINYUA MURIUKI
PROJECT ACCOUNTANT

ICPAK MEMBER NUMBER: 14437

DATE: 29.09.2023

**Secondary Education Quality Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023**

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

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a Kshs	b Kshs	c=a+b Kshs	d Kshs	e=c-d Kshs	f=d/e %
Receipts						
Exchequer Releases	600,000,000	300,000,000	900,000,000	790,250,820	109,749,180	88%
Total Receipts	600,000,000	300,000,000	900,000,000	790,250,820	109,749,180	88%
Payments						
Purchase of goods and services	589,364,165	300,000,000	889,364,165	762,396,831	126,967,334	86%
Acquisition of non-financial assets	10,635,835	-	10,635,835	10,635,835	-	100%
Total Payments	600,000,000	300,000,000	900,000,000	773,032,666	126,967,334	86%
Surplus or Deficit	-	-	-	(17,218,154)	17,218,154	

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



.....
DR. NANCY NJERI MACHARIA, CBS
COMMISSION SECRETARY
DATE: 29.09.2023



.....
DR. REUBEN NTHAMBURI
PROJECT COORDINATOR
DATE: 29.09.2023



.....
KENNETH KINYUA MURIUKI
PROJECT ACCOUNTANT
ICPAK MEMBER NUMBER: 14437
DATE: 29.09.2023

11. Significant Accounting Policies

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

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

The financial statements are for the Secondary Education Quality Improvement Project under Teachers Service Commission as required by Section 81 of the PFM Act, 2012.

c) Reporting currency

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

d) Recognition of receipts

The Project recognises all receipts from the various sources when the event occurs, and the related cash has been received.

i) Transfers from the Exchequer

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

ii) Donations and grants

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

*Secondary Education Quality Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Significant Accounting Policies (Continued)

iii) Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for the Project currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. An analysis of the Project's undrawn external assistance is shown in the funding summary.

e) Recognition of payments

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

i) Use of goods and services

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

ii) Acquisition of fixed assets

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

f) In-kind donations

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

Significant Accounting Policies (Continued)

g) Cash and cash equivalents

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

h) Restriction on cash

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

i) Imprests and Advances

For the purposes of these financial statements, imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

j) Contingent Liabilities

A contingent liability is:

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

*Secondary Education Quality Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Significant Accounting Policies (Continued)

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

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

k) Contingent Assets

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

l) Pending bills

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

m) Budget

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

*Secondary Education Quality Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Significant Accounting Policies (Continued)

against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

n) Subsequent events

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

o) Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). Explanations and details of these prior period adjustments are presented in note 8 of these financial statements.

*Secondary Education Quality Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

12. Notes to the Financial Statements

1. Exchequer Receipts

Description	2022/2023	2021/2022	Cumulative to-date
	Kshs	Kshs	Kshs
Total Exchequer Releases for quarter 1	194,493,920	-	194,493,920
Total Exchequer Releases for quarter 2	280,502,297	-	280,502,297
Total Exchequer Releases for quarter 3	125,003,783	156,766,614	629,296,664
Total Exchequer Releases for quarter 4	190,250,820	115,609,604	448,142,944
Total	790,250,820	272,376,218	1,552,435,825

2. Purchase of Goods and Services

Description	2022/2023			2021/2022	Cumulative to-date
	Payments by the Entity	Payments by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	
Communication, Supplies and Services	635,500	-	635,500	136,000	26,344,289
Domestic Travel and Subsistence	550,346,163	-	550,346,163	189,936,676	784,370,002
Foreign Travel and Subsistence	-	-	-	3,705,314	3,705,314
Printing, Advertising and Information Supplies and Services	275,202	-	275,202	1,764,000	2,039,202
Training Expenses	195,990,905	-	195,990,905	118,538,728	618,411,638
Hospitality Supplies and Services	-	-	-	83,500	83,500
Office and General Supplies and Services	-	-	-	-	6,208,990
Fuel Oil and Lubricants	9,708,044	-	9,708,044	2,063,760	12,164,968
Other Operating Expenses	5,441,017	-	5,441,017	1,613,568	10,073,854
Routine Maintenance - Vehicles	-	-	-	-	5,500
Total	762,396,831	-	762,396,831	317,841,546	1,463,407,257

*Secondary Education Quality Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Notes to the Financial Statements (Continued)

3. Acquisition of Non-Financial Assets

Description	2022/2023			2021/2022	Cumulative to-date
	Payments by the Entity	Payments made by third parties	Total payments	Total payments	
	Kshs.	Kshs.	Kshs	Kshs	Kshs
Purchase of Computers and other IT Equipment	10,635,835	-	10,635,835	-	10,635,835
Total	10,635,835	-	10,635,835	-	10,635,835

4. Cash And Cash equivalents

Description	2022/2023	2021/2022
	Kshs	Kshs
Bank accounts (Note 4.A)	43,088,973	47,357,368
Cash in hand (Note 4.B)	1,200	-
Total	43,090,173	47,357,368

4.A Bank Accounts

Project Bank Accounts

Description	2022/2023	2021/2022
	Kshs	Kshs
Central Bank of Kenya [A/c No 1000370882]	43,088,973	47,357,368
Total local currency balances	43,088,973	47,357,368

*Secondary Education Quality Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Notes to the Financial Statements (Continued)

Special Deposit Accounts

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

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

Special Deposit Accounts Movement Schedule

Description	2022/2023	2021/2022
	Kshs	Kshs
A/c Name [SEC.EDUC.QUALITY IMPROV.TSC.DLI.DAA] [A/c No 1000368397]		
Opening balance	486,909,632	333,138,858
Movement due to exchange difference	32,989,980	(21,907,981)
Total amount deposited in the account	605,379,928	448,347,943
Total amount withdrawn (as per Statement of Receipts & Payments)	(790,250,820)	(272,669,188)
Closing balance	335,028,720	486,909,632

The Special Deposit Account reconciliation statement has been attached as Appendix 5 to support the closing balance.

*Secondary Education Quality Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Notes to the Financial Statements (Continued)

4.B Cash in Hand

Description	2022/2023	2021/2022
	Kshs	Kshs
Teachers Service Commission Headquarters	1,200	-
Total cash balances	1,200	-

5. Accounts Receivables

Description	2022/2023	2021/2022
	Kshs	Kshs
Outstanding Imprest	355,590	-
Other Receivables	36,921,011	14,326,719
Total receivables	37,276,601	14,326,719

6. Accounts Payables

Description	2022/2023	2021/2022
	Kshs	Kshs
Other Payables	140,385	509,508
Total payables	140,385	509,508

7. Fund Balance Brought Forward

Description	2022/2023	2021/2022
	Kshs	Kshs
Bank accounts	47,357,368	73,520,235
Cash in hand	-	-
Accounts Receivables	14,326,719	33,865,522
Accounts Payables	(509,508)	(745,850)
Total	61,174,579	106,639,907

Secondary Education Quality Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023

Notes to the Financial Statements (Continued)

8. Prior Year Adjustments

Description	Balance b/f FY 2022/2023 as per audited financial statements	Adjustments during the Year	Adjusted Balance b/f 2022/2023
	Kshs	Kshs	Kshs
Bank	47,357,368	-	47,357,368
Cash	-	-	-
Accounts Receivables	14,326,719	1,833,656	16,160,375
Accounts payables	509,508	-	509,508
Total	62,193,595	1,833,656	64,027,251

The prior year adjustment relates to 2021/2022 expenditure for Recurrent Vote which was paid from the Project Account but was not included under the Project's Accounts Receivables. The amount was however refunded in November 2022

9. Decrease/(Increase) in Accounts Receivable

Description	2022/2023	2021/2022
	Kshs	Kshs
Receivables as at 1 st July	14,326,719	33,865,522
Receivables as at 30 th June	37,276,601	14,326,719
Decrease/(Increase) in Accounts Receivable	(22,949,882)	19,538,803

10. Increase/(Decrease) in Accounts Payable

Description	2022/2023	2021/2022
	Kshs	Kshs
Payables as at 1 st July	509,508	745,850
Payables as at 30 th June	140,385	509,508
Increase/(Decrease) in Accounts Payable	(369,123)	(236,342)

*Secondary Education Quality Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

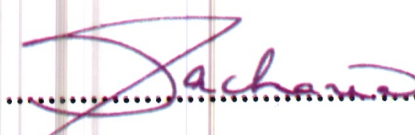
13. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

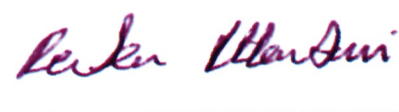
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status	Timeframe
1.0	<p>Emphasis of Matter</p> <p>Budgetary Control and Performance The statement of comparative budget and actual amounts reflects the final receipts budget and actual on a comparable basis of Kshs 450,000,000 and Kshs. 272,376,218 respectively resulting in an under- funding of Kshs. 177,623,782 (or 39%) of the budget. Similarly, the Project expended Kshs. 317,841,547 against an approved budget of Kshs. 450,000,000 resulting in an under-absorption of Kshs. 132,158,454 (or 29%) of the budget. In the circumstances, the under-absorption of the approved budget is an indication of the activities not implemented by the project management leading to the non-provision of services to the stakeholders.</p>	<p>The under-funding reflected in the statement of comparative budget and actual amounts resulted from the entire exchequer for 2021/2022 financial year not being requisitioned. This was due to the project having rolled over bank balances for financial year 2020/2021 which were utilized to finance the 2021/2022 budget. The under-expenditure of the budget for 2021/2022 financial year resulted from various procurement processes not being concluded as scheduled due to their rigorous nature.</p>	On going	2022/2023 financial year
2.0	<p>REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES</p> <p>Un-Surrendered Authority to Incur Expenditure Funds The statement of financial asses reflects a balance of Kshs. 14,326,719 in respect of other receivables as disclosed in Note 11.4 to the financial statements. The balance represents AIEs issued to twenty-six (26) County Directors out of</p>	<p>The amount of Kshs. 283,854 for Kisii County related to unspent balance of AIEs issued to TSC County Director Kisii County which had not been</p>	On going	2022/2023 financial year

*Secondary Education Quality Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

<p>which an amount of Kshs. 425,504 is in respect of unspent amount of Kshs. 283,854 and Kshs. 141,650 for Kisii TSC County Office and the TSC Headquarters respectively which had not been surrendered as at 30 June, 2022. This was contrary to the provision of Regulation 117 of the Public Finance Management (National Government) Regulations, 2015 which states that where an AIE holder observes that it will not be possible to utilize all the funds allocated for a particular project in a given financial year, the Accounting Officer will then surrender the resources to the National Treasury.</p> <p>In the circumstances, the Project Management was in breach of the law due to the failure to surrender that amount as prescribed in law.</p>	<p>surrendered to TSC headquarter by 30th June 2022. This amount was surrendered in September 2022. The amount of Kshs. 141,650 for TSC Headquarters was in respect of unspent AIEs issues to TSC County Director West Pokot County which had been deposited in TSC Headquarter Recurrent account. The amount was transferred to the project account in 2022/2023 financial year. These amounts were rolled over to 2022/2023 financial year to finance the project budget.</p>
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DR. NANCY NJERI MACHARIA, CBS
COMMISSION SECRETARY
DATE: 29.09.2023


.....

DR. REUBEN NTHAMBURI
PROJECT COORDINATOR
DATE: 29.09.2023

*Secondary Education Quality Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

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

	Final Budget a	Actual on Comparable Basis b	Budget Utilization Difference c=a-b	% of Utilization d=b/a %	Comments on Variance (below 90% and over 100%)
Receipts					
Exchequer Releases	900,000,000	773,032,666	126,967,334	86%	The underutilization resulted from non-requisition of entire budgeted exchequer due to late provision of additional budget through the Supplementary budget estimates
Total Receipts	900,000,000	773,032,666	126,967,334		
Payments					
Purchase of goods and services	889,364,165	762,396,831	126,967,334	86%	The underutilization was occasioned by limited time to absorb the additional budget which was provided late through supplementary budget estimates.
Acquisition of non-financial assets	10,635,835	10,635,835	-	100%	
Total payments	900,000,000	773,032,666	126,967,334		

*Secondary Education Quality Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Annex 3: Analysis of Pending Bills

Supplier of Goods or Services	Date Contracted/ Invoiced.	Original Amount	Amount Paid To- Date	Outstanding Balance Current (2022/2023)	Outstanding Balance Previous FY (2021/2022)	Comments
		a	b	c=a-b		
Alpex Consulting Africa Limited	16-06-23	24,899,400	-	24,899,400	-	INVOICE NO 1512
University of Nairobi	21-06-23	22,101,845	-	22,101,845	-	INVOICE NO 45654
Realedgeafrica Ventures Ltd	23-06-23	305,010	-	305,010	-	INVOICE NO 8373/2023
Total		47,306,255	-	47,306,255	-	

*Secondary Education Quality Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Annex 4: Summary of Fixed Assets Register

Asset Class	Opening Cost	Donations in form of assets	Purchases/ Additions in the Year	Disposals in the Year	Transfers in/(out)	Closing Cost
	2022/2023 Kshs	2022/2023 Kshs	2022/2023 Kshs	2022/2023 Kshs	2022/2023 Kshs	2022/2023 Kshs
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)-(d)+(-)d
Computers and other ICT Equipment	-	-	10,635,835	-	-	10,635,835
Total	-	-	10,635,835	-	-	10,635,835

*Secondary Education Quality Improvement Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Annex 5: Other Support Documents

- (i) Bank Reconciliations statement as at 30th June 2023
- (ii) Special Deposit Account reconciliation statement.
- (iii) Trial Balance



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**KENYA SECONDARY EDUCATION QUALITY IMPROVEMENT PROJECT - SEQUIP
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2023**

Credit No.: IDA CREDIT NO. IDA 61380-KE (DLI) DA-2 (TSC)

Bank Account No.: 1000368397 held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT EUR	AMOUNT EUR
1	Amount advanced by IDA		3,926,846.12
	Less:		
2	Total amount documented		3,926,846.12
3	Outstanding amount to be documented		-
	Represented by:		
4	Ending Special account Balance as as 30 June 2023		2,189,995.00
5	Amounts claimed but not credited as at 30 June 2023		-
6	Amounts withdrawn and not claimed		(2,189,995.00)
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2023		-

Discrepancy between total appearing on line 3 and 9

-

Notes:

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

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

Xantina

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

DATE: 25-08-2023

SPECIAL ACCOUNT STATEMENT

For period ending	30TH JUNE, 2023
Account No.	1000368397
Depository Bank	CENTRAL BANK OF KENYA
Address	CBK
Related Loan	SEC. EDUC. QUALITY IMPROV. TSC. DLI. DAA
Credit Agreement	6138-KE
Currency	EUR

Part A - Account Activity

Beginning balance of 1st July, 2022
as per C.B.K. Ledger Account

3,926,047.85

Add:

Total Amount deposited by World Bank

4,389,985.00

Total Interest earnings if deposited in account

-

Total amount refunded to cover ineligible
expenditure

-

Deduct:

Total amount withdrawn

6,126,037.85

Total service charges if not included above in
amount withdrawn

Ending balance on 30th June, 2023

2,189,995.00

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE:

DATE

21-07-2023

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE:

DATE

25-08-2023

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

Run Date: 19/07/2023
 CENTRAL BANK OF KENYA
 BANKI KUL YA KENYA
 P.O.BOX 60000-0200
 NAIROBI

Run Time: 13:26:59

STATEMENT OF ACCOUNT

ACCOUNT NUMBER : 1000368397

ACCOUNT TITLE : SEC. EDUC. QUALITY IMPROV. TSC. DULDA
 30/06/2023

STATEMENT PERIOD: From 01/07/2022 To

NO.

DATE REFERENCE NO DETAILS

DEBIT CREDIT BALANCE

NO.

OPENING BAL :

3,926,047.85

Value Date	Reference.No	Details	Debit	Credit
03/08/2022	FT22215GRTHK	PA128244	-1,600,000.00	0.00
15/09/2022	FT22258B2FV5	PA128275	-2,326,047.85	0.00
02/12/2022	FT22336YQ9GR	FUNDING	0.00	1,749,995.00
13/12/2022	FT22347GPSKT	FUNDING	0.00	449,995.00
09/03/2023	FT23068PZNC0	PA129631	-925,000.00	0.00
17/05/2023	FT23137LNCBX	PA129932	-1,274,990.00	0.00
30/05/2023	FT231504XTR9	FUNDING	0.00	2,189,995.00

Balance
 2326047.85
 0
 1749995
 2199990
 1274990
 0
 2189995

CLOSING BALANCE : 2189995

END OF ACCOUNT STATEMENT

Favourites

TAM.E.STMT.OF.ACCT.EPRM

[More Options](#)

Find

[Clear Selection](#)

Account equals

✓ 1000368397

Statement From equals

✓ 20220701

Statement To equals

✓ 20230630

TAM.E.STMT.OF.ACCT.EPRM

Loan: IDA 61380 (IDA - IDA Credit) | **Status:** Disbursing and Repaying | **Country:** Kenya |

Project: P160083 - Kenya Secondary Education Quality Improvement Project

- Loan Overview
- Disbursements
- History
- Repayments
- Amortization Schedule
- Audit Submission
- D
- Applications
- eSignatorie(s)
- Beneficiaries
- Contracts
- Designated/UN Accounts**
- Category Schedule

Designated Account Detail- DA-2

Account Details

Account Holder	TSC-DLI DA-A SECONDARY EDUCATIONQUA	DA Currency	EUR
Account Holder's Bank	CENTRAL BANK OF KENYA HAILE SELASSIE AVENUE NAIROBI Swift: CBKEKENXXX	Current Authorized Allocation	15,100,000.00
Account Number	XXXXXXXX97	Associated Categories	1 - (EEP-Parts 1 and 2(b))
Intermediary Bank	STANDARD CHARTERED BANK 1 BASINGHALL AVENUE LONDON Swift: SCBLGB2LXXX	Other Financing Sources	

Transaction Details

Currency (EUR) [View Transaction List](#)

Total Deposits Less Refunds	3,926,846.12
Documented	3,926,846.12
Outstanding Balance	0.00
Waived Documentation Amount	0.00
Transaction in Process	0.00





Loan: IDA 61380 (IDA - IDA Credit) | Status: Disbursing and Repaying | Country: Kenya |

Project: P160083 - Kenya Secondary Education Quality Improvement Project

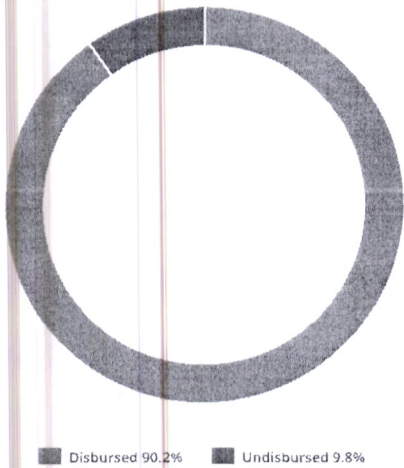
Loan Overview | Disbursements | History | Repayments | Amortization Schedule | Audit Submission |

Important Dates

Approval	Signing	Commitment Charges Start Date	Effective	First Repayment	Closing	Application Deadline	Last Repayment
15-Sep-2017	27-Sep-2017	26-Nov-2017	07-Dec-2017	15-Nov-2022	31-Dec-2024	30-Apr-2025	15-May-2047

Currency of Commitment : EUR

Show amounts in EUR



Loan Information (EUR)

Signed Amount	175,500,000.00
Cancelled	0.00
Disbursed	158,220,961.80
Undisbursed	17,279,038.20
Special Commitments	0.00
Funds Available	17,279,038.20

Funds Available (EUR)

Withdrawal Applications	0.00
Special Commitment Issuance Applications	0.00
Estimated Funds Available	17,279,038.20

Last Bill, IDA 61380, due on 15-May-2023

2,000,000.00

Borrower: The National Treasury and Planning

Retroactive Available

Date Payable	Currency	Amount Payable
15-May-2023	EUR	3,947,911.09

Retroactive Limit	2,000,000.00
Retroactive Disbursed	0.00
Period of Retroactivity	01-Jul-2017 to 26-Sep-2017

152,429,461.80

1.46 %

0.00 %

Principal Outstanding

Total Charges

Net Commitment Fee

Disbursed



Loan: IDA 61380 (IDA - IDA Credit) | Status: Disbursing and Repaying | Country: Kenya |

Project: P160083 - Kenya Secondary Education Quality Improvement Project

Loan Overview | Disbursements | History | Repayments | Amortization Schedule | Audit Submission | D

Applications | eSignatorie(s) | Beneficiaries | Contracts | Designated/UN Accounts | Category Schedule |

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 15-Sep-2017	Loan Signing Date 27-Sep-2017	Loan Made Effective 07-Dec-2017	Authorized Signatories Submitted to WB 09-Mar-2023	Authorized Signatories Approved 09-Mar-2023	Loan is Ready for Disbursing Online 15-Aug-2023
------------------------------------------	-----------------------------------------	-------------------------------------------	--------------------------------------------------------------	-------------------------------------------------------	-----------------------------------------------------------

Submit Withdrawal Application

Transaction List

Showing results 1 - 10 of 51 entries

Filter by

DA-2 ▼

Paid Summary ▼

Value Date

Search

Borrower Reference	Application					Paid		Date received	Value Date	Logged by	Last Updated
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount				
WA003 - TSC	DA-2	Completed	EUR	0.00	1	EUR	0.00	17-Aug-2022	19-Aug-2022	Borrower	19-Aug-2022
TSC DLI - 008	DA-2	Completed	EUR	1,132,423.06	1	EUR	1,132,423.06	11-Jan-2022	25-Feb-2022	Borrower	25-Feb-2022
TSC DLI-002	DA-2	Completed	EUR	1,132,423.06	1	EUR	1,132,423.06	02-Dec-2019	10-Dec-2019	Borrower	10-Dec-2019
TSC DLI 001	DA-2	Completed	EUR	520,000.00	1	EUR	520,000.00	04-Apr-2019	12-Apr-2019	Borrower	12-Apr-2019
TSC WA 002	DA-2	Completed	EUR	0.00	1	EUR	0.00	04-Apr-2019	08-Apr-2019	Borrower	08-Apr-2019
TSC-001	DA-2	Completed	EUR	1,142,000.00	DA-2	EUR	1,142,000.00	20-Mar-2018	27-Mar-2018	Borrower	27-Mar-2018





Loan: IDA 61380 (IDA - IDA Credit) | Status: Disbursing and Repaying | Country: Kenya |

Project: P160083 - Kenya Secondary Education Quality Improvement Project

Loan Overview | Disbursements | History | Repayments | Amortization Schedule | Audit Submission | D

Applications | eSignatorie(s) | Beneficiaries | Contracts | Designated/UN Accounts | Category Schedule |

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 15-Sep-2017	Loan Signing Date 27-Sep-2017	Loan Made Effective 07-Dec-2017	Authorized Signatories Submitted to WB 09-Mar-2023	Authorized Signatories Approved 09-Mar-2023	Loan is Ready for Disbursing Online 15-Aug-2023
------------------------------------------	-----------------------------------------	-------------------------------------------	--------------------------------------------------------------	-------------------------------------------------------	-----------------------------------------------------------

Submit Withdrawal Application

Transaction List

Showing results 1 - 10 of 49 entries

Filter by DA-2 ▼

Documented C ▼

Value Date

Search

Borrower Reference	Application					Paid		Date received	Value Date	Logged by	Last Updated
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount				
WA003 - TSC	DA-2	Completed	EUR	1,132,423.06	1	EUR	1,132,423.06	17-Aug-2022	19-Aug-2022	Borrower	19-Aug-2022
TSC DLI - 008	DA-2	Completed	EUR	1,132,423.06	1	EUR	1,132,423.06	11-Jan-2022	25-Feb-2022	Borrower	25-Feb-2022
TSC DLI-002	DA-2	Completed	EUR	1,132,423.06	1	EUR	1,132,423.06	02-Dec-2019	10-Dec-2019	Borrower	10-Dec-2019
TSC DLI 001	DA-2	Completed	EUR	520,000.00	1	EUR	520,000.00	04-Apr-2019	12-Apr-2019	Borrower	12-Apr-2019
TSC WA 002	DA-2	Completed	EUR	9,576.94	1	EUR	9,576.94	04-Apr-2019	08-Apr-2019	Borrower	08-Apr-2019

TEACHERS SERVICE COMMISSION
SECONDARY EDUCATION QUALITY IMPROVEMENT PROJECT (SEQIP)
TRIAL BALANCE
JULY-2022 TO JUNE-2023

Account No and Description	Debit Balance	Credit Balance
	Kshs	Kshs
2630201 Capital Grants to Semi-Autonomous Government Agencies	773,032,666	-
9910201 Exchequer Releases	-	790,250,820
6510310 Secondary Education Quality Improvement Project	43,088,973	-
6580101 Cash	1,200	-
6760103 Temporary Imprests	355,590	-
6780103 Accounts Payables	-	140,385
6780103 Accounts Receivables	36,921,011	-
9999999 Consolidated Fund	-	63,008,235
Total	853,399,440	853,399,440



4

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. This is essential for ensuring the integrity of the financial data and for providing a clear audit trail. The records should be kept in a secure and accessible location, and should be updated regularly to reflect any changes in the data.

2. The second part of the document discusses the importance of maintaining accurate records of all transactions. This is essential for ensuring the integrity of the financial data and for providing a clear audit trail. The records should be kept in a secure and accessible location, and should be updated regularly to reflect any changes in the data.

3. The third part of the document discusses the importance of maintaining accurate records of all transactions. This is essential for ensuring the integrity of the financial data and for providing a clear audit trail. The records should be kept in a secure and accessible location, and should be updated regularly to reflect any changes in the data.

4. The fourth part of the document discusses the importance of maintaining accurate records of all transactions. This is essential for ensuring the integrity of the financial data and for providing a clear audit trail. The records should be kept in a secure and accessible location, and should be updated regularly to reflect any changes in the data.

5. The fifth part of the document discusses the importance of maintaining accurate records of all transactions. This is essential for ensuring the integrity of the financial data and for providing a clear audit trail. The records should be kept in a secure and accessible location, and should be updated regularly to reflect any changes in the data.

6. The sixth part of the document discusses the importance of maintaining accurate records of all transactions. This is essential for ensuring the integrity of the financial data and for providing a clear audit trail. The records should be kept in a secure and accessible location, and should be updated regularly to reflect any changes in the data.

7. The seventh part of the document discusses the importance of maintaining accurate records of all transactions. This is essential for ensuring the integrity of the financial data and for providing a clear audit trail. The records should be kept in a secure and accessible location, and should be updated regularly to reflect any changes in the data.

8. The eighth part of the document discusses the importance of maintaining accurate records of all transactions. This is essential for ensuring the integrity of the financial data and for providing a clear audit trail. The records should be kept in a secure and accessible location, and should be updated regularly to reflect any changes in the data.

9. The ninth part of the document discusses the importance of maintaining accurate records of all transactions. This is essential for ensuring the integrity of the financial data and for providing a clear audit trail. The records should be kept in a secure and accessible location, and should be updated regularly to reflect any changes in the data.

10. The tenth part of the document discusses the importance of maintaining accurate records of all transactions. This is essential for ensuring the integrity of the financial data and for providing a clear audit trail. The records should be kept in a secure and accessible location, and should be updated regularly to reflect any changes in the data.