

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY PAPERS LAID	
REPORT	
DATE: 06 NOV 2024	DAY: WED
TABLED BY: OF	HON. DWEN BAYA, MP DEPUTY LEADER OF MAJORITY PARTY
CLERK-AT THE-TABLE:	VIVIAN WAMBUI

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**GOK/UNICEF EDUCATION FOR YOUNG PEOPLE
PROGRAMME**

**FOR THE YEAR ENDED
30 JUNE, 2024**

STATE DEPARTMENT FOR BASIC EDUCATION

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

25 OCT 2024

RECEIVED



PROJECT NAME: GOK UNICEF EDUCATION FOR YOUNG PEOPLE PROGRAMME

**IMPLEMENTING ENTITY: MINISTRY OF EDUCATION
STATE DEPARTMENT FOR BASIC EDUCATION.**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30 JUNE, 2024

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

GOK/UNICEF EDUCATION FOR YOUNG PEOPLE PROGRAMME.
Annual Report and Financial Statements for the financial year ended 30 June, 2024

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1. ACRONYMS AND GLOSSARY OF TERMS

ECDE Early Childhood Development Education

ESIA Education and Social Impact Assessment

GOK Government of Kenya

PFM Public Finance Management

UNICEF United Nations Children Fund

2. PROGRAM INFORMATION AND OVERALL PERFORMANCE

2.1 Name and registered office

Name

The project's official name is Early Childhood Development and Education (ECDE) Policy Framework.

Objective

The key objective of the project is the key objective of the project is to develop evidence based National Early Childhood Development and Education policy to facilitate the implementation of ECDE mainstreaming and provision of quality and accessible ECDE services

Address

The project headquarters offices are in Nairobi, Nairobi County, Kenya.

The address of its registered office is:

Early Childhood Development and Education Project
Ministry of Education
Jogoo House 'B'
Harambee Avenue
P.O. Box 30040 -00100 Nairobi

Contacts: The following are the project contacts

Telephone: Nairobi 3318581
E-mail: ps@education.go.ke
Website: www.education.go.ke

Project information and overall performance (continued)

2.2 Program Information

Program Start Date:	The project start date is 22/09/2006
Program End Date:	The project end date is on going
Program Manager:	The focal person is the Director projects Coordination and delivery
Program Sponsor:	The program sponsors is the Government of Kenya (GOK), which will contribute 10% and provide technical staff and UNICEF Kenya which contributes 90%.

2.3 Program Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Education, State Department for Basic Education
Project number	This is a program hence no project number.
Strategic goals of the project	The strategic goals of the project are as follows: (i) To expand Early Childhood Development and Education services (ii) To improve Early Childhood Development and Education especially for the most vulnerable and the disadvantaged children.
Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Consultative meetings with County Governments and other ECDE service providers on the development of the ECDE Policy (ii) Hold stakeholders forum to disseminate the draft National ECDE Policy (iii) Printing and Policy implementation As at the reporting date, consultative meetings were held with County Governments and other education stakeholders. County forums were conducted from 14 th to 21 st March, 2016 targeting

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	<p>470 County representatives (10 from each County) as part of consultation to uphold the spirit of the Constitution and in line with the Ministry's core values. 56% of the participants attended the forums. Regional Forums were conducted from 31st July to 6th August 2016 in 9 regions namely Mombasa, Garissa, Machakos, Nakuru, Nyeri, Embu, Kisumu, Eldoret and Kakamega to disseminate the policy and there was 100% attendance reaching 667 stakeholders. Service Standard Guidelines to operationalize the ECDE Policy were developed in April 2017.</p>
Other important background information of the project	<p>The Program shall achieve the above strategic goals :</p> <p>Globally over the last decade, there is increased consensus on investing in the early years of life. Early childhood years, which starts prenatally through to 8 years, are the most important for a child's survival, growth and development. During the formative years, the children's emotional, intellectual, social and physical development are well established and it is at this period when the brain develops rapidly.</p> <p>The Constitution of Kenya, 2010 safeguards the rights of every child. The Bill of Rights prescribes the entitlements of everybody including the child. Article 53 of the Constitution highlights key fundamental rights of the child including right to: a name and nationality from birth; free and compulsory basic education; basic nutrition, shelter and health care; and to protection from abuse, neglect, harmful cultural practices, and all forms of violence.</p> <p>Once printed, disseminated and effectively implemented, the ECDE Policy will ensure all girls and boys have access to equitable and inclusive quality early childhood development, care and pre-primary education so that they are ready for school.</p>
Current situation that the project was formed to intervene	<p>The project was formed to intervene in the following areas:</p> <p>(i) To align the Early Childhood Development care and pre-primary education to the Constitution of Kenya, 2010 in the context of a devolved system of governance.</p> <p>(ii) To ensure uniformity in the provision of ECDE services across the 47 Counties</p>
Project duration	<p>The program started on 22nd September 2015 and is ongoing.</p>

Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the current year:

Kenya Commercial Bank
 K.I.C.C Branch
 A/C NO. 1102291331
 P.O BOX 46950-00100
 Nairobi, Kenya.

2.5 Auditors

Auditor-General
 Anniversary towers, University Way.
 P.O Box 30084 -00100
 Nairobi, Kenya.

2.6 Roles and Responsibilities

Names	Title designation	Key qualification	Responsibilities
Elijah Mungai	Director Project coordination and Delivery	Masters Education Planning	Director Projects
Grace Wanjiku 0723316840 gracewanjiku@ymail.com	Project Accountant	CPA(K), BCOM, MSC Finance	Management of the finance functions of the Program.

2.7 Funding summary

The program has stalled since the financial year 2015/16, with no budget provision, funding from the donor or GoK counterpart funding.

Historically, the Program has been in operation from 2006 with a total funding of Kshs. **1,662,735,983** as highlighted in the table below.

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date – (30 June 2024)		Undrawn balance to date	
	Donor currency Kshs.	Kshs	Donor currency Kshs	Kshs	Donor currency Kshs	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B)
(i) Grant						
UNICEF GRANT- AIA	710,095,979	710,095,979	710,095,979	710,095,979	-	-
UNICEF GRANT-REVENUE	952,640,004	952,640,004	952,640,004	952,640,004	-	-
Total	1,662,735,983	1,662,735,983	1,662,735,983	1,662,735,983	-	-

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2024)		Cumulative amount paid to date – (30 th June 2024)	Unutilised balance to date (30th June 2024)	
	Donor currency	Kshs		Donor currency	Kshs
	(A)	(A')	(B')	(A)-(B)	(A')-(B')
(i) Grant					
UNICEF GRANT- AIA	-	710,095,979	-	710,095,979	
UNICEF GRANT-REVENUE	-	952,640,004		952,640,004	
Total	-	1,662,735,983	-	1,662,735,983	

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

During the year under review, the program did not receive any funding. The program returned Kshs. 573,000 to exchequer as recommended by the Auditor in the previous financial year.

2.9 Summary of Project Compliance:

The program has ensured that all its activities carried out are within the laws of the republic of Kenya and that all regulations and procedures have been followed. Among the regulations include the Environmental and Social Impact Assessment (ESIA) for which authority was issued for the implementation of the project. In cases of inconsistency between the GOK Regulations and those of donors, the latter have been applied.

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.

In the case of GOK/UNICEF program, the objectives are not clear as the project has stalled since the financial year 2015/16.

Progress on attainment of strategic development objectives

As stated above, the objectives of the program are not clear.

4. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The program has been inactive since 2015/16 financial years hence its difficult to ascertain if its meeting the objectives outlined in this section. That is,

- 1. Sustainability strategy and profile**
- 2. Environmental performance**
- 3. Employee welfare**

There is no existing Project coordinating unit and the structures for the project are not clear.

4. Market place practices-

This outlined issues in this section are not relevant to the project. That is;

- a) Responsible Supply chain and supplier relations-**
- b) Responsible ethical practices**
- c) Regulatory impact assessment**

5. Community Engagements

The program has not been operational for the last five financial years hence no community engagements.

5. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Principal Secretary for State Department for Basic Education and the Project Coordinator for **GOK/UNICEF** 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 **30 June, 2024**. 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.

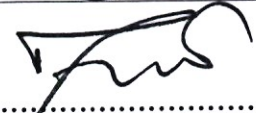
The Principal Secretary for the State Department for Basic Education and the Project Coordinator for **GOK/UNICEF** project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in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


The Principal Secretary for State Department for Basic Education and the Project Coordinator for **GOK/UNICEF** 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 **30 June, 2024** and of the Project's financial position as at that date. The Principal Secretary for the State Department for Basic Education and the Project Coordinator for **GOK/UNICEF** 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 Principal Secretary for State Department for Basic Education and the Project Coordinator for **GOK/UNICEF** 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/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

The Project financial statements were approved by the Principal Secretary for State Department for Basic Education and the Project Coordinator for **GOK/UNICEF** project 30th Sept. 2024 and signed by them.

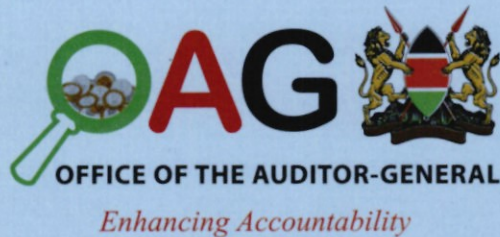

.....
Name : **Dr. Belio Kipsang**
Principal Secretary


.....
Name: **Elijah Mungai**
Director Projects


.....
Name **Grace W. Njoki**
Project Accountant
ICPAK Member No:8829

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 GOK/UNICEF EDUCATION FOR YOUNG PEOPLE PROGRAMME FOR THE YEAR ENDED 30 JUNE, 2024 - STATE DEPARTMENT FOR BASIC EDUCATION

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, is effective in the use of resources, or that its internal control, 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 GoK/UNICEF Education for Young People Programme - State Department for Basic Education set out on pages 1 to 17, which comprise of the statement of financial assets as at 30 June, 2024, 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 GoK/UNICEF Education for Young People Programme - State Department for Basic Education as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the GoK/UNICEF Country Programme Action Plan, 2014-2016 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the GoK/UNICEF Education for Young People 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 judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues or given any explanation for the failure to adhere to the provisions of the Public Sector Accounting Standards Board template.

Other Information

Conclusion

The Management is responsible for the other information set out on pages iv to xiii which comprise of Programme Information and Overall Performance, Statement of Performance against Programme's Predetermined Objectives, Environmental and Sustainability

Reporting and Statement of Programme's Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

In connection with my audit on the GoK/UNICEF Education for Young People financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and 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 ISSAIs 3000 and 4000. The standards require 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 and based on the audit procedures performed except for the matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Dormant Status of the Project

As previously reported, the annual report and financial statements indicate that the Programme started in September, 2006 with the objective of expanding and improving early childhood development and education for the most vulnerable and disadvantaged

children. The Government of Kenya was required to contribute 10% while UNICEF was to provide 90% of the funds. However, it was observed that for over two (2) years, the Programme had not been budgeted within the State Department budget with the last expenditure being incurred in the financial year 2019-2020. Further, there was no status report on the Programme implementation and details on the program grant/credit number therefore the extent of UNICEF contribution and Government of Kenya contribution could not be confirmed. In addition, the Statement of Performance Against Programme's Predetermined Objectives states that "the objectives are not clear as the programme has stalled since the financial year 2015/2016".

In the circumstances, the status of the Programme as at 30 June, 2024 could not be confirmed.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

As required by the GoK/UNICEF Country Programme Action Plan, 2014-2016, I report based on my audit that 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 information given in the Management's reports on pages iv to xiii is consistent with the financial statements.

Basis for Conclusion

The GoK/UNICEF Country Programme Action Plan, 2014-2016 requires that I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the Programme's compliance with laws and regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

The 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 controls as the 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 governance.

In preparing the financial statements, the Management is responsible for assessing the Programme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management is aware of the intention 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply 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 Programme's financial reporting process, reviewing the effectiveness of how the 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I also I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

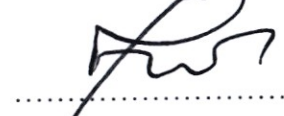
Nairobi


28 October, 2024

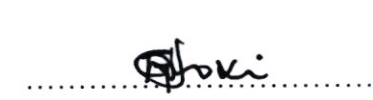
7. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE, 2024

	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
		2023-2024			2022-2023			
Receipts		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Receipts from government of Kenya	1.	-	-	-	-	-	-	27,263,873
Proceeds from domestic and foreign grants	2.	-	-	-	-	-	-	1,662,735,984
Total receipts		-	-	-	-	-	-	1,689,999,857
Payments								
Purchase of goods and services	3.	775	-	775	-	-	-	1,364,751,461
Prior Year Adjustment	4.							(573,000)
Total payments		-	-	-	-	-	-	1,364,178,461
Surplus/ (deficit)		(775)	-	(775)	-	-	-	325,821,396

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


 Name : Dr. Belio Kipsang
 Principal Secretary



 Name: Elijah Mungai
 Director Projects


 Name Grace W. Njoki
 Project Accountant
 ICPAK Member No:8829


8. STATEMENT OF FINANCIAL ASSETS AS AT 30 JUNE, 2024

Description	Note	2023-2024	2022-2023g
		Kshs	Kshs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	6.	503,440	1,077,215
Cash Balances		-	-
Cash equivalents (Short-term deposits)		-	-
Total Cash and Cash equivalents		503,440	1,077,215
Imprests and Advances		-	-
Total Financial Assets		503,440	1,077,215
Financial Liabilities			
Deposits and Retention monies		-	-
Net Assets		503,440	1,077,215
Represented By			
Fund Balance B/fwd.	5.	1,077,215	1,077,215
Prior Year adjustments	4.	(573,000)	-
Surplus/(Deficit) for the Year		(775)	-
Net Financial Position		503,440	1,077,215

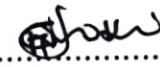
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30th SEPT. 2024 and signed by:



Name : Dr. Belio Kipsang
Principal Secretary



Name: Elijah Mungai
Director Projects



Name Grace W. Njoki
Project Accountant
ICPAK Member No:8829

GOK/UNICEF EDUCATION FOR YOUNG PEOPLE PROGRAMME.
Annual Report and Financial Statements for the financial year ended 30 June, 2024

9. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 JUNE, 2024

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
Cashflow from operating activities			
Receipts			
Receipts from Government of Kenya	1.	-	-
Proceeds from domestic and foreign grants	2.	-	-
Total receipts		-	-
Payments			
Purchase of goods and services	3.	(775)	-
Total Payments		(775)	-
Adjustments during the year			
Prior year adjustments	4.	(573,000)	-
Net cash flow from operating activities		-	-
Cashflow from investing activities			
Acquisition of non-financial assets		-	-
Net cash flows from investing activities		-	-
Cash flow from financing activities			
Proceeds from foreign borrowings		-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		(573,775)	-
Cash and cash equivalent at beginning of the year	6.	1,077,215	1,077,215
Cash and cash equivalent at end of the year		503,440	1,077,215

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30th Sept 2024 and signed by:

.....

Name : Dr. Belio Kipsang
Principal Secretary

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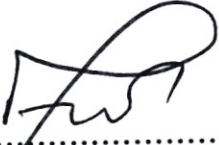
Name: Elijah Mungai
Director Projects

.....


Name Grace W. Njoki
Project Accountant
ICPAK Member No:8829

10. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024


Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	B	c=a+b	D	e=c-d	f=d/c %
Receipts						
Receipts from Government of Kenya	-	-	-	-	-	-
Proceeds from domestic and foreign grants	-	-	-	-	-	-
Total Receipts	-	-	-	-	-	-
Payments						
Purchase of goods and services	775	-	775	-	-	-
Total Payments	775	-	775	-	-	-
Surplus or Deficit	(775)	-	(775)	-	-	-



 Name: Dr. Belio Kipsang
 Principal Secretary



 Name Elijah Mungai
 Director Projects



 Name: Grace W. Njoki
 Project Accountant
 ICPAK Member No:8829

11. SIGNIFICANT ACCOUNTING POLICIES

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

11.1 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.

11.2 Reporting entity

The financial statements are for the GOK/UNICEF project under the State Department for Basic Education. The financial statements are for the reporting entity, GOK/UNICEF project as required by Section 81 of the PFM Act, 2012 .

11.3 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.

11.4 Recognition of receipts

The project recognises all receipts from the various sources when the event occurs, and the related cash has actually 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) External Assistance

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

Significant Accounting Policies (Continued)

iii) Other receipts

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

iv) Donations and grants

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

v) Proceeds from borrowing

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

vi) Undrawn external assistance

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

11.5 Recognition of payments

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

i) Compensation to employees

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

Significant Accounting Policies (Continued)

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

11.6 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)

11.7 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.

11.8 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.

11.9 Imprests and Advances

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

11.10 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:

Significant Accounting Policies (Continued)

- i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

11.11 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 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.

11.12 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.

Significant Accounting Policies (Continued)

11.13 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 recognised as inter-entity transfers and are eliminated upon consolidation. A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been included in these financial statements.

11.14 Third party payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties' column in the statement of receipts and payments. During the year, no loan disbursements were received in form of direct payments from third parties.

11.15 Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates, Kenya Shillings. Transactions in foreign currencies during the year/period are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of receipts and payments.

Significant Accounting Policies (Continued)

11.16 Comparative figures

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

11.17 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 30 June, 2024.

11.18 Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). During the year under review, there was no prior year adjustments.

12. NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. Receipts from the Government of Kenya.

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

Description	KShs	KShs	Cumulative to-date (from inception)
	2023-2024	2022-2023	
<i>Counterpart funding through the State Department for Basic Education</i>			
Counterpart funds Quarter 1	-	-	-
Counterpart funds Quarter 2	-	-	-
Counterpart funds Quarter 3	-	-	-
Counterpart funds Quarter 4	-	-	-
Total	-	-	27,263,873

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Notes to the Financial Statements (Continued)

2. Proceeds From Domestic and Foreign Grants

During the financial year ended 30 June 2024, no grants were received from donors as detailed in the table below:

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount in Kshs	
						2023-2024	2022-2023
						Kshs	Kshs
Grants Received from Multilateral Donors (International Organizations)- UNICEF	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

3. Purchase of Goods and Services

	2023/2024			2022/2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	
Early childhood development	-	-	-	-	340,996,522
Nomadic Education	-	-	-	-	120,476,812
Child friendly schools	-	-	-	-	479,728,109
Peace Education	-	-	-	-	344,865,997
Education in Emergencies	-	-	-	-	75,112,316
Bank Charges/refunds	775	-	775	-	3,571,705
Total	<u>775</u>	=	<u>775</u>	=	<u>1,364,751,461</u>

Notes to the Financial Statements (Continued)

4. Prior Year Adjustment

	Balance b/f Previous FY(audited financial statements) (2022/23)	Adjustments	Adjusted balance b/f Previous FY (2022/23)
Description of the error	Kshs	Kshs	Kshs
Bank balances	1,077,215	(573,000)	504,215
Total	1,077,215	573,000	504,215

*The Adjustment is due to the funds returned to the exchequer during the financial year as per the Audit Recommendations.

5. Fund Balance Brought Forward

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank accounts	1,077,215	1,077,215
Total	1,077,215	1,077,215

6. Cash and Cash equivalents

Project Bank Account

Details	2023-2024	2022-2023
	Kshs	Kshs
<u>Local Currency Accounts</u>		
Kenya Commercial Bank 1102291331	503,440	1,077,215
Total bank account balances	<u>503,440</u>	<u>1,077,215</u>

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30 June, 2024 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.

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

Special Deposit Accounts Movement Schedule

Description	2023-2024	2022-2023
	Kshs	Kshs
(i) A/C Name: GOK/UNICEF A/C NO.		
Opening balance	419,778	419,778
Total amount deposited in the account	-	-
Total amount withdrawn (as per Statement of Receipts & Payments)	=	=
Closing balance	<u>419,778</u>	<u>419,778</u>

Notes to the Financial Statements (Continued)

13. PRIOR YEAR AUDITOR-GENERAL'S RECOMMENDATIONS

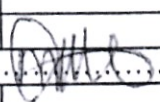
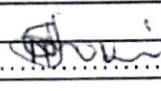
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	Error in the annual report and financial statement	The errors have been corrected in the current financial statement	Resolved	
1.	Long outstanding payment in bank not recorded in cashbook	The outward payment of Kshs. 503,3050 in the bank reconciliation statement relates to the period ended June 2016. The details of the outward payment could not traced	Resolved	
2.	Unsupported Accumulated surplus	The GOK funding was majorly direct payment made by the donor. The direct support is captured through a journal entry in the votebook but not through the cashbook as no supporting documents are captured	Resolved	
3.	Failure to transfer unspent funds to consolidated fund	The fund were transferred to the consolidated account	Resolved	
4.	Undisclosed status of the program	GOK/UNICEF program has been dormant for 7 years with the operations coordinated by NT, its is difficult to know the status	Resolved	

.....
Name: Dr. Belio Kipsang
Principal Secretary

.....
Name: Elijah Mungai
Director Projects

14. APPENDICES

- i. Bank reconciliation statement as at June 30, 2024
- ii. Board of Survey Report
- iii. Trial Balance

		REPUBLIC OF KENYA		
MINISTRY OF EDUCATION				
STATE DEPARTMENT FOR EARLY LEARNING AND BASIC ED				
BANK RECONCILIATION FOR THE MONTH OF JUNE 2024				
AS AT 30/6/2024		GOK/UNICEF PROJECT		
BANK:	KCB KICC	HARAMBEE	AVENUE	
AC/NO 1102291331		AMOUNT	AMOUNT	AMOUNT
		kshs	kshs	
Balance as per Bank Certificate.....				89.70
Less.....				
1. Payments in the Cash Book not yet recorded in the Bank Statement (Unpresented Cheques).....		0.00		
2. Receipts in the Bank Statements not yet recorded in Cash Book.....		0.00		
Add.....				
3. Payments in the Bank Statement Not yet recorded in the Cash Book.....		503,350.00		
4. Receipts in the Cash Book not yet recorded in the Bank Statement.....		0.00		503,350.00
BANK BALANCE AS PER CASH BOOK				503,439.70
I certify that I have verified the Bank Balance in the Cash Book with the the Bank Statement and that the above Reconciliation is correct.				
PREPARED BY: M. ESTHARU O. N. U. W. R. A				
signature..... 				
CHECKED BY: GRACE NJOKI				
signature..... 				

PAYMENTS IN BANK NOT IN THE CASH BOOK			
30/6/2024			
DATE	DETAILS	AMOUNT	REMARKS
13/7/2016	Outward payment	503,350.00	
	TOTAL	503,350.00	



2 August 2024
9:5:26

ACCOUNT STATEMENT

Customer: 1102291331 GOK UNICEF A C Current Pay as you Go acc
Statement Period: 01 JUL 2023 - 30 JUN 2024

TXN DATE	DESCRIPTION	VALUE DATE	MONEY OUT	MONEY IN	LEDGER BALANCE
01 JUL 2023	BALANCE B/FWD	01 JUL 2023			573,864.70
01 NOV 2023	Transfer 0MnthsInactChg FT233054J593	01 NOV 2023	-200.00		573,664.70
01 NOV 2023	SWIFT Charge THE EXC HEQUER AC-110229133 1 FT233	01 NOV 2023	-575.00		573,089.70
01 NOV 2023	Outward SWIFT P THE E XCHEQUER BY ORDER OF GOK UN	01 NOV 2023	-573,000.00		89.70
			-----	-----	-----
			=	=	=
	BALANCE AT PERIOD E ND.		-573,775.00	0.00	89.70

Date1st July, 2024.....

Report of the Board of Survey on the Cash and Bank Balances of **GOK UNICEF ACCOUNT**
KSHS.503,439.70 as at the close of Business on 30th June, 2024.

The Board, consisting of *(Names and official titles)*

- 1. Chairman- *Nicholas Aron, AMB*.....
- 2. Member - *Rosemary Wairagui*.....
- 3. Member - *Virginia Kinyua*.....

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

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

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

The Cash Book reflected the following balances as at the close of business on the **30th June 2024.**

Cash on hand	Sh. NIL.....
Bank Balance	Sh...503,439.70.....
TOTAL	Sh...503,439.70.....

The Bank Certificate of Balance showed a sum of **Kshs.89.70**.....
Standing to the credit of the account on 30/6/2024.....

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

[Signature]

Chairman

[Signature]

Member of the Board

Date *5/7/24*-----

LIST OF CHEQUES INCLUDED AS PART OF CASH AT BANK OR CASH IN HAND

<i>Cheque No.</i>	<i>Drawer</i>	<i>Date of Cheque</i>	<i>Date Received</i>	<i>Amount</i>

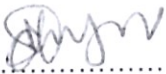
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GOK UNICEF PROJECT TRIAL BALANCE AS AT JUNE 30, 2024

LEDGER ACCOUNT	DEBIT	CREDIT
	KSHS.	KSHS.
Fund balance b/fwd		504,215
Bank Balances	503,440	
Bank Charges	775	
TOTAL	504,215	504,215

.....

Name: Dr. Belio Kipsang.
Principal Secretary



Name: Elijah Mungai
Director Projects



Name: Grace Njoki
Project Accountant
ICPAK Member No. 8829