

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY	
DATE: 16 NOV 2022	
Day: Wednesday	
OF BY:	hon - Kimani Ichungu
CLERK-AT THE TABLE:	Mainah Wanjiku

THE AUDITOR-GENERAL

ON

**NATIONAL COUNCIL FOR NOMADIC
EDUCATION IN KENYA**

**FOR THE YEAR ENDED
30 JUNE, 2021**



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

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NATIONAL COUNCIL FOR NOMADIC EDUCATION IN KENYA NACONEK

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED
30 JUNE 2021**

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

National Council for Nomadic Education in Kenya (NACONEK)
Annual Reports and Financial Statements for the year ended 30 June 2021

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1. Key Entity Information and Management

(a) Background information

The National Council for Nomadic Education in Kenya (NACONEK) is a Semi-Autonomous Government Agency in the State Department of Basic Education of the Ministry of Education. NACONEK was established in 2015 by virtue of Section 94 (I) and the 6th Schedule of the Basic Education Act of 2013. It was also informed by the Policy Framework for Nomadic Education in Kenya of 2009 and the Constitution of Kenya 2010 and the Asil Policy 2012.

Mandate

The Mandate of the Council as per the Basic Education Act (2013), Section 94 (1), and Sixth Schedule is to:

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

Council Members

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

Secretariat

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

(b) Principal Activities

Vision

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

Mission

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

Core Values

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

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

Value Proposition

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

Philosophy

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

Core Objectives

- **Strategic Objective 1:** To create and strengthen effective mechanisms for coordination, knowledge management and partnerships with various stakeholders to develop education in nomadic counties.
- **Strategic Objective 2:** To enhance advocacy, social mobilization and stakeholders' engagement for the development of education in nomadic counties.
- **Strategic Objective 3:** To coordinate development implementation expansion and monitoring of innovations in the delivery of quality education in nomadic counties.
- **Strategic Objective 4:** To strengthen institutional governance and management of education in nomadic counties.
- **Strategic Objective 5:** To review and promote the development, adaptation and implementation of policies and a curriculum that is relevant and appropriate to the nomadic way of life and livelihood.
- **Strategic Objective 6:** To strengthen institutional capacity and operations of NACONEK.

(c) Key Management

NACONEK's day-to-day management is under the following key organs:

S/No.	NAME	DESIGNATION
1.	Harun M. Yussuf, HSC	Secretary/ CEO
2.	Emis Muthoni Njeru	Deputy Director of Education
3.	James B. Onchiri	Assistant Director of Education
4.	Joyce Amuga	Assistant Director of Education
5.	Samuel Kimosop Yano	Principal Education Officer
6.	Justus Kiriimi Mwitii	Supply Chain Management Officer 1
7.	Juliana Mbithe Nthiwa	Senior Assistant Office Administrator
8.	George G. Gatheru	Accountant II
9.	Abdinasir Omar Ali	Finance Officer
10.	Sam Ouma David	Senior Records Management Officer

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(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

S/No	NAME	DESIGNATION
1.	Harun M. Yussuf, HSC	Secretary/ CEO
2.	Emis Muthoni Njeru	Deputy Director of Education
3.	Justus Kiriimi Mwitii	Principal Education Officer
4	George G. Gatheru	Accountant II
5	Abdinasir Ali Omar	Accountant

(e) Fiduciary Oversight Arrangements

The Secretary/CEO is in charge of the Council day-to-day operations assisted by various committees with specific terms and reference in carrying out their activities.

In discharging its duty, the Council establishes such committees as are necessary for the performance of its duties. The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary Oversight Arrangements were:

(f) Finance Committee

This Committee is mandated to oversee the development of policies with regard to public financial management. Of critical importance is the oversight role of ensuring prudent use of finances and reporting on the performance of the Council. It is also mandated to provide best practice in the development, implementation and subsequent monitoring of procurement function of the Council. During the financial year ended 30th June, 2021 the following were members of this committee:

S/NO.	NAME	DESIGNATION
1.	Irshad Abdi Ibrahim	Chairperson
2.	Timira Diyad Elmi	Member
3.	Rebecca N. Tonkei	Member
4.	Catherine A. Wameyo	Member
5.	Dr. Dunstone Uluodi (Alternate PS-Treasury)	Member

(g) Human Resource & Administration Committee

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

Further, this committee advises the Secretary/CEO on staff training and development issues including: considering officers training requests and recommending those to be trained for the approved training programmes. During the financial year ended 30th June, 2021 the following were members of this committee:

S/NO.	NAME	ROLE
1.	Rebecca N. Tonkei	Chairperson
2.	Fr. Linus Ekai Evans	Member
3.	Fatuma H. Abubakar	Member
4.	Catherine Wameyo	Member
5.	Timira Diyad Elmi	Member
6.	Lucy C. Loboo	Member
7.	Dr. Silvia K. Vundi (Alternate PS-Devolution)	Member

(h) Audit & Risk Management Committee

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

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

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During the financial year ended 30th June, 2021 the following were members of this committee:

S/NO.	NAME	ROLE
1.	Fatuma H. Abubakar	Chairperson
2.	Truphena Kirongo (Alternate PS-Education)	Member
3.	Dr. Gilbert K. Bor	Member
4.	Lucy C. Loboo	Member
5.	Lucy Mugwe (Auditor)	Secretary

(i) Policy, Strategy & Partnerships Committee

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

During the financial year ended 30th June, 2021 the following were members of this committee:

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

(j) Entity Headquarters

P.O. Box 30040-00100
Uchumi House, 6th Floor
Aga Khan Walk
Nairobi, KENYA

(k) Entity Contacts

Telephone: (254) 20 2241201
E-mail: info@naconek.ke
Website: www.naconek@education.go.ke

(l) Entity Bankers

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

(m) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(n) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

2. The Council



Hon. Beth M. K Syengo, Acting Vice Chairperson

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

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



Dr. Gilbert Arap K. Bor, Council Member

Ph.D./MSc. /BBM/CPA

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



Rebecca Tonkei, Council Member

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

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

Sheikh Irshad Ibrahim, Council Member

MSc/BSc. Economics



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



Catherine A. Wameyo, Council Member

MBA/BBA/CPA

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



Linus Ekai Evans, Council Member

M.Ed./BA/Dip. Ed.

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

Fatuma Abubakar, Council Member

MA/BBA



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



Timira Diyad Elmi, Council Member

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

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



Lucy Chepkumun Loboo, Council Member

MA/BA

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

Dr. Silvia Kanyaa Vundi, Council Member

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



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

Truphena Kirongo, Council Member

M.Ed./MBA/B.Ed.



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

Department of Early Learning and Basic Education She sits on the Council to represent Education PS.

Harun M. Yusuf, HSC. Secretary/CEO

M.A/B.Ed.



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

NACONEK, he served as Chairman, Garissa County Public Service Board from July 2013- July 2017. During the 18 years (1994-2012) of teaching,

3. Management Team



Harun M. Yusuf, HSC.

Secretary/CEO

M.A/B.Ed.

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



Emis Muthoni Njeru (Mrs.),

Deputy CEO

M.Ed./B.Ed.

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



Joyce A. Amuga,

Assistant Director of Education

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

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



Samuel Kimosop Yano

Principal Education Officer

Kimosop is B.Ed. holder from Moi University. He is in charge of Alternative Provision of Basic Education and Training, covering cities of Nairobi, Mombasa and Kisumu as well as the former municipalities of Thika, Kitale, Nakuru and Eldoret



Justus Kirihi Mwiti

Head Supplies Chain Management

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

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



Juliana Mbithe Nthiw'a

Senior Assistant Office Administrator

Higher Diploma in Secretarial Management

Juliana is currently working as Assistant Office Administrator in the office of the Secretary/CEO of the National Council for Nomadic Education in Kenya (NACONEK).



CPA Abdinasir Omar Ali

Finance Officer

B.Com. (Finance & Accounting) and Member of ICPAK
He is in charge of Budgeting, Performance Contracting and outreach programmes at the National Council for Nomadic Education in Kenya (NACONEK)

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George Githinji Gatheru
Council Accountant

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

4. Chairperson's Statement



Ladies and gentlemen, welcome to the National Council for Nomadic Education in Kenya (NACONEK). The Council is a semi-autonomous government agency under the Ministry of Education that draws its mandate and functions from Basic Education Act of 2013, Section 94 (1) and the Sixth Schedule.

As you may be aware, the National Council for Nomadic Education in Kenya is honored to publish the 2020/2021 Annual Report on its performance and financial statements. The publishing of this report is in line with section 94 (1) of the Basic Education Act, 2013, the Public Finance Management Act, 2012 and the standard practice observed by the Council.

This 2020/2021 Annual Report and Financial Statements document the initiatives and statistical information towards the attainment of our vision and mission towards facilitating increased access, retention, transition and completion rates of learners in the ASALs, Pockets of Poverty regions and Urban Informal Settlements of Kenya.

Our work strategy to achieve on commitments to nomadic populations has been largely done through stakeholder engagements, institution surveys, public education, and technical support to national and county governments and provision of information and advice to the public on nomadic education. While striving to fulfill on our commitment, we are compounded with challenges of climate change that continue to characterize the lifestyle of populations in the nomadic regions.

As a council, we are aware how the Impacts of climate change prompt emergency nomadism, which is an economic activity, and therefore mobile in nature and distance to education institutions makes the provision of formal education difficult. We are cognizant of the persistent insecurity that is characteristic of some of the ASAL areas, Pockets of Poverty regions and Informal Urban Settlements of Kenya. The situation is exacerbated with higher teacher turn over due to insecurity, hardship and wildlife-human conflict.

We are aware that our geographical spread is characterized with limited monitoring and supervision of learning institutions. Due to these challenges and vulgries of poverty, we have and continue to work with both State and no-State actors in ensuring equitable and quality delivery of education to the learners within our mandate. Due diligence has also been exercised in the reporting

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period towards the attainment of our strategic goals as contained in the 2016 - 2021 Strategic Plan. On behalf of the council, I am pleased to report that the financial year 2020/2021 was a period that the Council witnessed strategic milestones.

As we cement our operations, the Council has in the recent past undertaken deliberate efforts to strengthen internal capacity and governance processes. Through the annual staff training needs analysis, the Council conducted training and capacity building of key staff. The Council members too benefited from in-house trainings that has leveraged the Council with the relevant skills for optimum performance, policy formulation and execution of the Council's mandate.

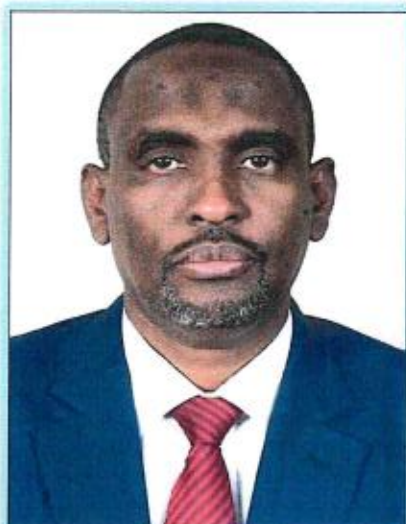
Through innovation, resourcefulness, commitment and hard work of the council members and Secretariat staff, the Council was able to post the above outlined achievements. On behalf of the Council, I take this golden opportunity to express gratitude to the Council Secretary/CEO, Mr. Harun M. Yussuf, HSC and the entire staff for work well done. I wish to laud the relentless efforts of our partners and stakeholders for their support in the 2020/2021 financial year.

As I conclude, I am aware as the mandate of the current council comes to an end, the incoming Council members will continue with the pace set towards realizing equitable and quality delivery of education to populations in the nomadic regions of Kenya.



Hon. Beth M. K Syengo,
Acting Chairperson

5. Report of The Chief Executive Officer



It is with great pleasure that I present the National Council for Nomadic Education in Kenya's Annual Report and Financial Statements for the year ended 30 June 2021.

As you may be aware, NACONEK was established through various legal instruments. Let me start by singling out, firstly, the Sessional Paper No. 2 of 2015 on reforming education and training sector in Kenya. Secondly, Sessional Paper No.8 of October 2012 on the "Policy for suitable development of Northern Kenya and other arid lands" releasing our full potential".

Thirdly, the Basic Education Act 2013, section 94 (1) and the Sixth 6th Schedule. Fourthly, the Policy Framework for Nomadic Education in Kenya, 2009. Fifthly, the National Education Sector Plan (NESP) and finally, the Constitution of Kenya, 2010.

The 6th Schedule of the Basic Education Act of 2013 spells out the mandate and functions of the council. As an ASAL institution, NACONEK is at a unique position to redefine the educational outcomes of our nomadic populations through the increased enrolment, retention, transition and completion rates.

Year under Review

During the year, in line with the Council's mandate, NACONEK implemented several activities geared towards enhancing its operations and visibility. In the year under review, the Council revised the nomadic education policy to input emerging trends in the education sector across the globe, regionally and nationally. The Council begun the review process of its strategic Plan.

Following the signing of code of FY 2019/2020, the council continued enhancing internal processes in compliance with the Mwongozo to guide the Council and Management in Governance issues. These include; The Human Resource Manual, The Procurement Manual as well as the Annual Work Plans. We managed to implement the contents of the Finance Manual through the installed ERP. The Council Members and Secretariat Staff were trained on key thematic areas during retreats held during the year.

Financial Position

The Council's asset base grew from **Kshs. 167M** in June 2020 to **Kshs 258M** in June 2021. The increase is attributed to the ongoing development of the strategic

1

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initiatives including NIWFESS. The Council does not have A-in-A and thus does not record profit.

Performance Overview

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

While the year 2020/2021 was not without its challenges, the management team continued to successfully implement its mandate and to advance its goals and objectives set in the Annual Work Plan and approved by the Council members. The Council members indeed provided strategic direction, leadership and oversight to the Secretariat in the execution of the programs and activities. To meet this enormous task, the Council received grants from Government totaling 167 Million alongside grants from UNICEF towards supporting the campaign to bring back Out of School Children in sixteen (16) counties of Kenya. Further, the council received funds from AVSI; an Italian International Development Agency, towards supporting the refugee education and related education in emergencies in Dadaab Refugee Camp.

Organizational Sustainability

NACONEK receives its funding from the Exchequer and development partners. During the year, NACONEK received funds from the Exchequer amounting to Kshs. 286 million as well as activity-based funding from UNICEF amounting to Kshs. 30 Million and funds from AVSI amounting 955,000.00.

Vision 2030 Flagship Projects

In the coming year, NACONEK will focus primarily on implementing the key areas of focus as identified in the Strategic Plan, Work Plans and the Performance Contracts (PCs). The Secretariat will continue to ensure the effective implementation of the programs of the Council including supporting the work of the Council members and the various Council Committees. NACONEK is developing two projects IMPRESED and INCARE to support some key Vision 2030 Flagship Projects as stipulated in the PC of the FY 2021/2022.

Opportunities ahead

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

NACONEK is emerging as the premier to-go-to expert on matters of nomadic education in the region. There are numerous opportunities for capacity building and provision of technical advice to other countries that are desirous of establishing their nomadic education portfolios.

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



Harun M. Yussuf, HSC
Secretary/Chief Executive Officer

6. Statement of Performance against Predetermined Objectives

NACONEK has one thematic goal of improved education access, retention, relevance, quality and equity among nomadic communities in Kenya and six (6) strategic objectives within the current Strategic Plan for the FY 2020-2021. These strategic objectives are as follows;

- **Strategic Objective 1:** To create and strengthen effective mechanisms for coordination, knowledge management and partnerships with various stakeholders to develop education in nomadic counties.
- **Strategic Objective 2:** To enhance advocacy, social mobilization and stakeholders' engagement for the development of education in nomadic counties.
- **Strategic Objective 3:** To coordinate development implementation expansion and monitoring of innovations in the delivery of quality education in nomadic counties.
- **Strategic Objective 4:** To strengthen institutional governance and management of education in nomadic counties.
- **Strategic Objective 5:** To review and promote the development, adaptation and implementation of policies and a curriculum that is relevant and appropriate to the nomadic way of life and livelihood.
- **Strategic Objective 6:** To strengthen institutional capacity and operations of NACONEK.

NACONEK develops its annual work plans based on the above Six strategic objectives. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The council achieved its performance targets set for the FY 2020/2021 period for its three (3) strategic objectives, as indicated in the diagram below:

Strategic Objective	Key Performance Indicators	Activities	Achievements
SO1: Creation and strengthening of effective mechanisms for coordination, knowledge management and partnerships with various	• Report on LCBS Survey. • APBET Mapping Report. • Report on three (3) joint dissemination activities.	• Conduct Baseline survey on OOSC. • Publish Activity Reports (LCBS, APBET and OOSC). • Conduct joint dissemination of reports (APBET, LCBS and OOSC).	Increased the partnership base as well as enhanced operations and raised visibility of NACONEK

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Strategic Objective	Key Performance Indicators	Activities	Achievements
stakeholders to develop education in nomadic counties.			
SO2: To enhance advocacy, social mobilization and stakeholders' engagement for the development of education in nomadic counties.	- Part of IEC materials package developed. - Stakeholders' advocacy/education forums conducted with CDEs online. - Media engagement continued online with active website.	- Development of IEC materials for social mobilization & campaigns. - Organise stakeholders' advocacy/education forums at county level. - Conduct media engagement.	NACONEK has been able to effectively engage/sensitize the public on the value for education for the marginalized communities
SO3: Coordinate development, expansion and monitoring of innovations in the delivery of quality education in nomadic counties.	- LCBS Survey and APBET Mapping Reports launched. - Report on three (3) joint dissemination activities.	- Conduct situation analysis of LCBS, APBET and OOSC. - Work with UNICEF to rehabilitate and equip LCBS.	NACONEK has adequate information on the accurate status of LCBS and APBET institutions
SO 6: To strengthen institutional capacity and operations of NACONEK.	- Council's Logo developed with branding brochures, flyers and roll up banners implemented. - Appropriate physical and IT infrastructure procured and effective utilised.	- Develop the Council's Logo and conduct branding activities. - Develop and implement effective management system and tools. - Procure appropriate physical and IT infrastructure for effective utilisation.	NACONEK has in place a physical and IT infrastructure, Procurement manual, logo and other branded materials to enhance its management and visibility.

7. Corporate Governance Statement

Corporate governance is the exercise of ethical and effective leadership by the governing body towards the achievement of governance outcomes, ethical culture, good performance, effective control and legitimacy. The responsibility of governing the Council lies with the Council Members.

NACONEK has put in place systems to ensure that high standards of corporate governance are maintained at all levels in the Council. This statement of corporate governance provides NACONEK's governance performance to date.

Statement of Compliance

The Council upholds the tenets of good governance as guided by the following documents: -

- 1) Code of Governance for State Corporations (Mwongozo)
- 2) Constitution of Kenya, 2010
- 3) Leadership and integrity Act No.19 of 2012
- 4) Board Charter
- 5) Public Officers and Ethics Act No, 4 of 2003

The conduct of individual council members when dealing with the Council operations is governed by the Council's Code of Conduct and Ethics. Each Council member has signed the Council's Code of Conduct and Ethics and has also made a commitment to comply with the same. NACONEK employees have also signed the code of conduct and made a commitment to comply with the same. Additionally, NACONEK abides by all laws as a law-abiding corporate citizen.

Board Charter

The roles and responsibilities of the Council Members are enumerated in the Board Charter. The Charter documents the composition, role and responsibilities of the Council. It provides the Council members with an opportunity to think creatively and critically about how their strategic direction and operational plans align with the Council's expectations, with respect to governance. The Charter also sets out the powers of various Council committees, the separation of roles between the Council and Management, as well as policies and practices of the Council in respect to corporate governance matters. The Charter is complimentary and does not intend to change or interpret any statute law or regulation. It is available to all Council members

Board Size, Composition and Appointments

The Basic Education Act (2013), the Sixth Schedule provides for a maximum of thirteen (13) Council members; The Chairperson shall serve for a period of four (4) years renewable once. All the ten (10) non-executives hold office for a period not exceeding three (3) years and are eligible for reappointment for one term not exceeding three (3) years.

A Council member may be appointed for a cumulative term not exceeding six (6) years. During the constitution of the Council, the appointing authority ensures that Council composition complies with the applicable legislation as outlined in the Constitution of Kenya and the Basic Education Act (2013). Additionally, at least one member has to be a financial manager or accounting expert. Council members' appointments are by name and notice in the Kenya Gazette. The Council Chairperson is appointed by the Cabinet Secretary; Ministry of Education while Council members are nominated by the respective organizations and their names are forwarded to the Cabinet Secretary Ministry of Education for appointment.

During the financial year 2018/2019, the Chairperson's term of service came to an end and the council had an Acting chairperson, to ensure the efficient running of the council, pending appointment of another chairperson. As at 30th June 2021, the term of service of all the council members had come to an end, with three (3) of them having only served for one term thus eligible for renewal.

Changes in the Council in the Year

The term of the nine (9) independent council members including Hon. Beth Kalunda, Dr. Gilbert Bor, Irshad Ibrahim, Timira Diyad, Fr. Ekai and Joyce Loboo ended with effect from 1st May, 2021 having served the council for a cumulative term of six (6) years.

Council Meetings

The Council meetings are constituted in accordance with the provisions for the basic education act 2013 vide section 94(1) and the Sixth Schedule document and are held at least four (4) times a year with a period of at most four (4) months between meetings. A schedule of meetings is agreed upon by the Council Members and set out in the Council Work plan and almanac.

The agenda for the meetings is aligned to the Council work plan with each Council member being free to suggest the inclusion of items on the agenda. Notices of meetings are issued by the CEO. The Board papers are circulated in advance to enable the directors prepare adequately for the meetings. Special Council or Committee meetings are held when critical and urgent matters arise. These special meetings only cater for the specified agenda matters.

The quorum for a Council meeting is seven (7) members while for the Council Committees is (3) members. Senior Directors, employees and advisors are invited by the CEO to attend Council or Committee meetings whenever considered necessary.

The Council held twenty-eight (28) meetings in total during the period under review which were attended as follows: -

National Council for Nomadic Education in Kenya (NACONEK)
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No.	Name of Council Member	Position in the Council	Status	No. of Meetings Held	No. of Meetings Attended
1.	Hon. Beth Kalunda	Acting chairperson (Women Representative)	Independent & Non-Executive	28	17
2.	Harun M. Yussuf, HSC.	Secretary/CEO	Executive	28	22
3.	Dr. Gilbert Bor	Chairperson Policy, Strategy & Partnership committee (Parents-Vice Chairperson Representative)	Independent & Non-Executive	28	17
4.	Ms. Rebecca Tonkei	Chair, Human Resource Committee (Teacher's Union Representative)	Independent & Non-Executive	28	17
5.	Ms. Fatuma Abubakar	Chair, Audit & Risk Management Committee (Youth Representative)	Independent & Non-Executive	28	18
6.	Mr. Irshad Ibrahim	Chair, Finance Committee (Representative of Faith-Based Organization)	Independent & Non-Executive	28	15
7.	Ms. Timira Diyad	Member (Teacher Union Representative)	Independent & Non-Executive	28	17
8.	Ms. Catherine Wameyo	Member (Persons with Disabilities Representative)	Independent & Non-Executive	28	16
9.	Fr. Linus Ekai	Member (Faith Based Organization Representative)	Independent & Non-Executive	28	16
10.	Ms. Lucy Loboo	Member (Faith Based Organization Representative)	Independent & Non-Executive	28	17
11.	Dr. Silvia Vundi	Alternate to PS, Ministry of Devolution and Planning	Non-Independent & Non-Executive	28	16
12.	Ms. Truphena Kirongo	Alternate to PS, Early Learning and Basic Education, Ministry of Education	Non-Independent & Non-Executive	28	16

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13.	Dr. Dunstone Uluodi	Alternate to PS, Treasury	Non-Independent & Non-Executive	28	11
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Council's Remuneration

The Council members are remunerated for their services in accordance with guidance from the State Corporation Advisory Committee (SCAC) through circulars issued from time to time. The regular allowances for Council Chairpersons and Council Members are as follows: -

No.	Allowance	Chairperson	Council Member
1.	Honoraria	Kes. 40,000/- per month	N/A
2.	Sitting	Kes. 15,000/- per sitting	Kes.15,000/- per sitting
3.	Accommodation	Kes.10,500/- per day	Kes.10,500/- per day
4.	Airtime (Mobile)	Kes.5,000 per month	N/A
5.	Airtime (Landline)	Kes.2,000 per month	N/A
6.	Lunch	Kes.2,000 per day	Kes.2,000 per day
7.	Transport	Determined by prevailing Government guidelines; currently National Treasury Circular of 2015. Paid at the current prevailing Automobile Association of Kenya (AA) rates.	
8.	Personal Accident Cover ("Not Life")	Procured competitively	N/A
9.	Medical Expenses	Inpatient Kes. 2 million per annum; Outpatient Kes. 100,000/- per annum and Last expense (self) Kes.100,000/-	N/A

Declaration of Conflict of Interest

Council members are required to avoid conflict of interest in any matter that relates to the company. Council members are expected to declare any real or perceived conflict of interest with the organization upon appointment to the Council. A Council member who subsequently identifies an area of conflict shall be required to disclose any actual or potential conflict of interest to the Council, and provide all relevant information and abstain from decision making where conflict exists.

Declaration of conflict of interest is a standard agenda item which is addressed at the onset of each Council and Committee meeting. NACONEK Council

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members declare conflict of interest at the beginning of each and every Council and Committee meetings and immediately thereafter sign in the register of conflict of interest. The Council has put in place a conflict-of-interest policy. No conflicts of interest were declared or reported by Council Members in the year under review.

Succession Plan

Since the term of service of most of the Council members came to an end as at 30th June 2021, the CEO in liaison with the Ministry of Education, wrote letters to the different organizations requesting them to nominate their representatives to the Council. The names nominated were forwarded to the CS, Ministry of Education for consideration and appointment.

8. Management Discussion and Analysis

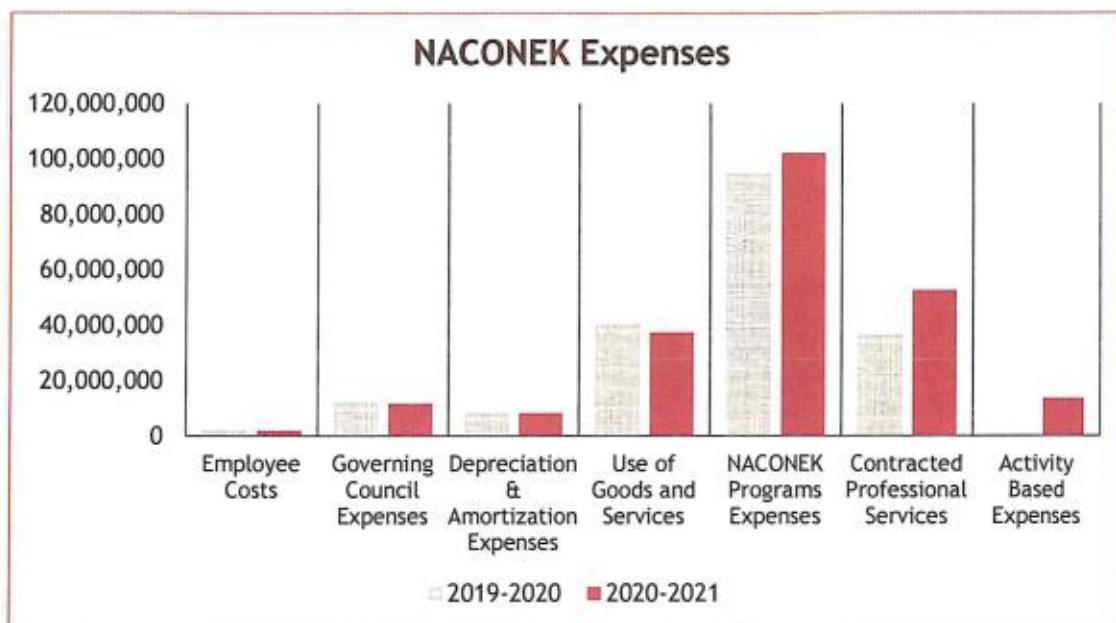
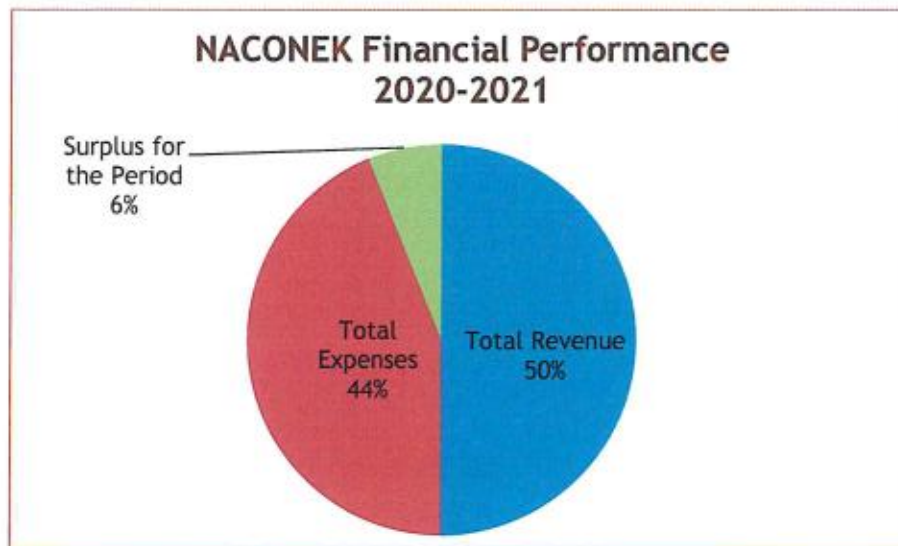
Introduction

The Council's adopted the following strategies during the financial year 2020/21 to realize its goals and objectives; key among them include:

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

Financial Performance

The financial year 2020-2021 wound up with total revenue of ksh.260,797,913 upon receipt of Ksh. 80 million from Treasury during Supplementary Budget II in 2021 financial year 2021 after an injection of Ksh. 246,373,250 as Transfers from Other Government Entities and Transfers from Development Partners of Ksh. 14,424,663, a 27% increase from the previous financial year. Due to an extensive introduction of NACONEK Programs through the Facilitation of NIWFESS pilot project and Contracted Professional Services, expenses were up by 18% to close at 228,346,128. Expenses were at 44% of the total revenue.

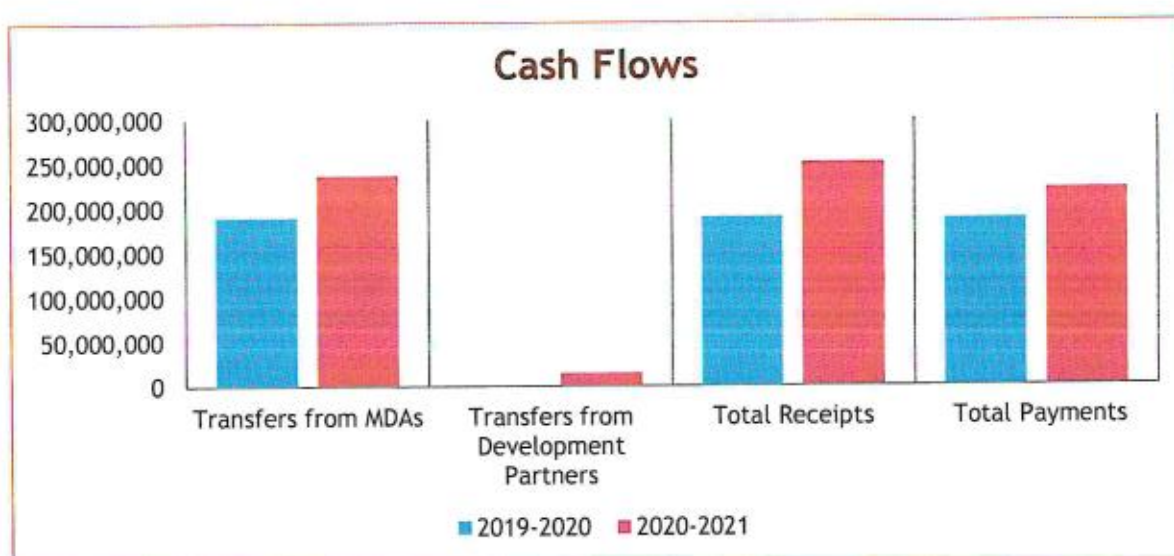
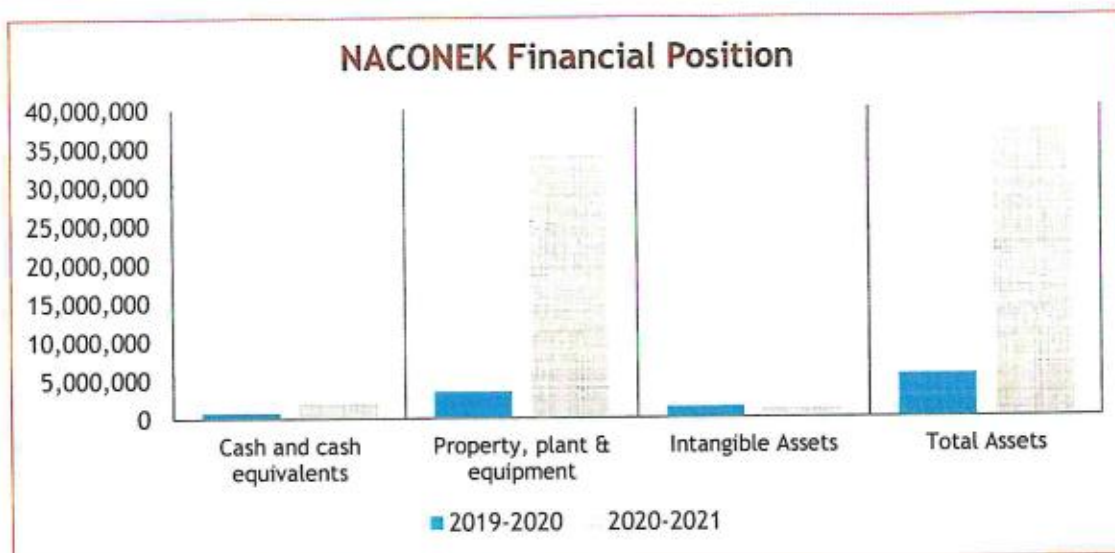


The Financial Position

NACONEK financial position closed with an asset base of 36,886,971 from Motor Vehicle, ICT Equipment, Partitions Furniture & Fittings, Office Equipment and cash equivalents totalling to Total Net Assets and Liabilities of Kshs. 36,886,971 an 85% increase from FY 2019/20.

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National Council for Nomadic Education in Kenya (NACONEK)
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Coordination, Knowledge Management and partnerships

During the period under review, the council worked closely with various partners including MSEA, Ministry of Agriculture, Ministry of Water- Micro Irrigation for Schools unit, NYS and Ministry of Interior and National Coordination- NDCCC to conduct a project appraisal with AfDB and Qatar's Education Above All (EAA). This partnership is supposed to see over 455,000 out of school children are enrolled and retained in school in eighteen (18) Counties within the ASALs of Kenya. Further, the council continues to chair the education pillar under Ending Drought Emergencies (EDE) in Kenya. The Council collaborated with various CSOs in the education sector to conduct a mapping exercise of the APBET schools in Nairobi as well as the status of

reporting of learners when schools resumed from the long break in January 2021; that was occasioned by COVID-19 pandemic.

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

Advocacy, social mobilization and stakeholder engagement

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

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

Development, implementation and monitoring of innovations

The Council has a strong team of technical officers implementing the Monitoring, Evaluation, Accountability and Learning (MEA&L) across all its

National Council for Nomadic Education in Kenya (NACONEK)
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programs and activities. This is through data management, reporting, evaluation and community engagement.

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

Strengthening institutional governance and management of education

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

9. Environmental and Sustainability Reporting

The National Council for Nomadic Education in Kenya exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence.

The Council recognizes its obligations to act responsibly, ethically and with integrity in its interactions with all stakeholders be they employees, customers, suppliers, neighbors and the environment as a whole. Below is an outline of the organisation's policies and activities that promote sustainability.

i) Environmental performance

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

NACONEK's environmental and social management/monitoring plans are anchored on environmental laws, regulations, standards and best practices. The Council ensures compliance with all relevant national and international environmental and other statutory regulatory provisions that apply to its projects as pertains to licensing/permitting for water usage (abstraction license) and project implementation to ensure sound environmental management practice.

The Council undertakes regular environmental audits and has valid permits and licenses for the same when implementing the NIWFESS pilot framework at Kuno Primary school in Garissa County. The Council is working towards

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to identify the existing gaps in the Council and recommendation on how the gaps should be filled.

Training opportunities offered to our staff on rotational basis and have increased the competency pool, knowledge management and staff retention. Further, the Council organizes knowledge-sharing sessions for employees to share knowledge and experiences after attending various training programs. The sessions are aimed at ensuring that staff get an opportunity for deeper understanding of what they learnt while achieving workforce development. In order to ensure that professionalism is entrenched, all staff members are sponsored for training targeted at earning points for professional good standing.

NACONEK engages students/graduates from time to time on internship/attachments for a continuous period of not more than six (6) months. The Council is an equal opportunity employer and selection of graduates and students.

In overall, the Council is an Equal Opportunities Employer which promotes diversity and does not differentiate on grounds of gender, ethnicity, religion, race, or physical ability. The Council carries out regular risk assessments to guarantee the wellbeing of employees and visitors, in accordance with Occupational Health and Safety regulations. The Council provides the tools to enable employee growth and fulfilment for Individuals and for the organization to work together to make a difference as a team.

10. Report of The Council Members

The Council Members submit their report together with the audited financial statements for the year ended June 30, 2021, which show the state of the National Council for Nomadic Education in Kenya's affairs.

i) Principal activities

The principal activities of the Council are presented in page (ii)

ii) Results

The results of the National Council for Nomadic Education in Kenya for the year ended 30 June, 2021 are set out on pages 1-24.

iii) Directors

The Council members who served during the year are shown on pages (viii-xii). During the year 2020/2021, it is notable that almost 90% of the independent council members term in office expired by 30th April thus the Council is anticipating a new board in place.

iv) Auditors

The Auditor-General is responsible for the statutory Audit of National Council for Nomadic Education in Kenya in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board.



Harun M. Yussuf, HSC
Secretary/Chief Executive Officer

11. Statement of Council Members' Responsibilities

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

The Council Members are responsible for the preparation and presentation of the Council's financial statements, which give a true and fair view of the state of affairs of the Council for and as at the end of the financial year (period) ended on 30th June, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Council Members accept responsibility for the Council's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Council Members are of the opinion that the Council's financial statements give a true and fair view of the state of entity's transactions during the financial year ended 30th June, 2021, and of the Council's financial position as at that date. The Council Members further confirm the completeness of the accounting records maintained for the Council, which have been relied upon in

National Council for Nomadic Education in Kenya (NACONEK)
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the preparation of the Council 's financial statements as well as the adequacy of the systems of internal financial control.

The Directors further confirms the completeness of the accounting records maintained for the Council, which have been relied upon in the preparation of the Council's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The National Council for nomadic Education in Kenya's financial statements were approved by the Council on 22 December 2021 and signed on its behalf by:



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



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

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL COUNCIL FOR NOMADIC EDUCATION IN KENYA FOR THE YEAR ENDED 30 JUNE, 2021

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, gazetted notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Council for Nomadic Education in Kenya set out on pages 1 to 25, which comprise of the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Council for Nomadic Education in Kenya (NACONEK) as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Governing Council Expenses

The statement of financial performance reflects Governing Council expenses of Kshs.11,832,850 as disclosed in Note 9 to the financial statements. However, the ledger provided in support of the expenditure reflects an amount of Kshs.12,640,250 resulting to an unexplained and unreconciled variance of Kshs.807,400.

In the circumstance the accuracy and completeness of Governing Council expenses of Kshs.11,832,850 could not be confirmed.

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

Key Audit Matters

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

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, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else

has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Compliance with Procurement Regulations

1.1 Non-Compliance with Executive Order No.2 of 2018

The Council has not complied with the Executive Order Number 2 of 2018 which require that all public procuring entities maintain and continually update and publicize, through official Government publications and platforms, the information required and detailed in the Order on procurements made during the year. The Council claimed they have been making these reports through the parent Ministry but provided no evidence.

1.2 Non-Compliance with Provisions of the Public Procurement and Asset Disposal Act, 2015

The Public Procurement Regulatory Authority through its Circular No.01/2016 of 16 December, 2016 requested certain reports to be submitted to it within timelines and format as specified in the Circular. These reports include quarterly contract awards specifying where such awards are for preference and reservation schemes and six (6) months reports on preferences and reservation of contracts awarded to Youth, Women and Persons with Disabilities. However, the Council did not comply with these mandatory reporting requirements as no reports were prepared during the year under review.

This is contrary to Section 34 to the Public Procurement and Assets Disposal Act, 2015 provides that a public entity shall provide The National Treasury or the Authority with such information relating to procurement and asset disposal as may be required in writing.

In the circumstances, Management was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of a Governing Council

The Council has operated without a Governing Council since 5 May, 2021 to date, as the term of the previous Council lapsed. Only three (3) Members were due for reappointment but could not attain the requisite quorum to hold meetings or transact any business of the Council. Although, the Council requested the Cabinet Secretary, Ministry of Education to constitute a new and full Governing Council through letter Ref. NACONEK/2/9/Vol.II(254) of 15 July, 2021, no appointments have been made to date. Operations that require Council's approval among them budget approvals will be affected if a new Council is not appointed and inaugurated.

2. Incomplete Fixed Assets Register

The statement of financial position reflects property, plant and equipment balance of Kshs.33,904,177 as disclosed in Note 17 to the financial statements. However, the fixed asset register maintained by the Council was not up to date and lacked details such as the items date of acquisition, source, cost price, additions, depreciations and disposal.

Consequently, the existence of an effective Assets Management System capable of safeguarding and ensuring proper custody of the assets could not be confirmed.

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

Responsibilities of Management and the Council

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are

in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Council is responsible for overseeing the Council'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

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

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

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

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

01 September, 2022

National Council for Nomadic Education in Kenya (NACONEK)
Annual Reports and Financial Statements for the year ended 30 June 2021

13. Statement of Financial Performance for the year ended 30 June 2021

		2020-2021	2019-2020
	Notes	Kshs	Kshs
Revenue from Non-exchange transactions			
Transfers from Other Government Entities	6	246,373,250	190,000,000
Transfers from Development Partners	7	14,424,663	
Total Revenue		260,797,913	190,000,000
Expenses			
Employee Costs	8	2,090,000	2,133,752
Governing Council Expenses	9	11,832,850	12,202,512
Depreciation & Amortization Expenses	10	8,425,857	642,543
Use of Goods and Services	11	37,428,620	40,248,490
NACONEK Programs Expenses	12	102,255,894	94,981,174
Contracted Professional Services	13	52,589,286	36,550,300
Activity Based Expenses	14	13,723,621	
Total Expenses		228,346,128	186,758,771
Surplus for the Period		32,451,785	3,241,229



.....
Chief Executive Officer
Harun M. Yussuf, HSC

Date: 22/12/2021



.....
Head of Finance
CPA Abdinasir Omar Ali
ICPAK NO. 27847

Date: 22/12/2021



.....
Chairman of the Council
Hon. Beth M. K Syengo,

Date: 22/12/2021

National Council for Nomadic Education in Kenya (NACONEK)
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14. Statement of Financial Position as at 30 June 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	15	1,878,794	673,132
Total Current Assets		1,878,794	673,132
Non-current assets			
Property, plant & equipment	16	33,904,177	3,417,054
Intangible Assets	17	1,104,000	1,380,000
Total Non-Current Assets		35,008,177	4,797,054
Total Assets		36,886,971	5,470,186
Liabilities			
Current Liabilities			
Trade and other payables	18	500,000	1,535,000
Total Liabilities		500,000	1,535,000
Accumulated Surplus		36,386,971	3,935,186
Total Net Assets and Liabilities		36,886,971	5,470,186

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:



Chief Executive Officer
Harun M. Yussuf, HSC

Date: 22/12/2021



Head of Finance
CPA Abdinasir Omar Ali
ICPAK NO. 27847

Date: 22/12/2021



Chairman of the Council
Hon. Beth M. K Syengo,

Date: 22/12/2021

15. Statement of Changes in Net Assets for the year ended 30 June 2021

Notes	Accumulated Surplus	Total
	Kshs.	Kshs.
At July 1, 2019	693,957	693,957
Surplus for the Period	3,241,229	3,241,229
At 30th June, 2020	3,935,186	3,935,186
At July 1, 2020	3,935,186	3,935,186
Surplus for the Period	32,451,785	32,451,785
As at June 30, 2021	36,386,971	36,386,971



.....
Chief Executive Officer
Harun M. Yussuf, HSC

Date: 22/12/2021



.....
Head of Finance
CPA Abdinasir Omar Ali
ICPAK NO. 27847

Date: 22/12/2021



.....
Chairman of the Council
Hon. Beth M. K Syengo,

Date: 22/12/2021

Notes*

-The disclosure on the nature and purpose of the reserves is provided under (xi) on page 13.

-The surplus figures in the statement of changes in Net assets are drawn from the statement of financial performance in page 1 and the opening balances are drawn from the statement of financial position in page 2.

National Council for Nomadic Education in Kenya (NACONEK)
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16. Statement of Cash Flows for the year ended 30 June 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from MDAs	6	236,900,000	190,000,000
Transfers from Development Partners	7	14,424,663	
Total Receipts		251,324,663	190,000,000
Payments			
Employee cost	8	2,090,000	2,133,752
Council expenses	9	11,832,850	12,202,512
Use of goods and services	11	38,463,620	42,004,085
NACONEK program expenses	12	102,255,894	94,981,174
Contracted professional services	13	52,589,286	36,550,300
Activity based Expenses	14	13,723,621	
Total Payments		220,955,271	187,871,823
Net cash flows from operating activities	19	30,369,392	2,128,177
Cash flows from investing activities			
Purchase of Property and Equipment		(29,163,730)	(80,000)
Purchase of Intangible Assets			(1,380,000)
Net cash flows used in investing activities		(29,163,730)	(1,460,000)
Net increase in cash & cash equivalents		1,205,662	668,177
Cash & cash equivalents at Period Start	15	673,132	4,955
Cash and cash equivalents at Period End	15	1,878,794	673,132



.....
Chief Executive Officer
Harun M. Yussuf, HSC

Date: 22/12/2021



.....
Head of Finance
CPA Abdinasir Omar Ali
ICPAK NO. 27847
Date: 22/12/2021



.....
Chairman of the Council
Hon. Beth M. K Syengo,

Date: 22/12/2021

17. Statement of Comparison of Budget and Actual Amounts for the year ended 30 June 2021

	Original Budget	Adjustments	Final Budget	Actual basis	Performance Difference	Percentage Utilization
	Shs	Shs	Shs	Shs	Shs	
Revenue						
Transfers from MDAs	166,900,000	70,000,000	236,900,000	236,900,000	-	100%
UNICEF Financed Activities		13,513,000	13,513,000	13,513,000	-	100%
AVSI Financed Activities		911,663	911,663	911,663	-	100%
Transfers of Assets in kind			9,473,250	9,473,250		100%
Total Revenue	166,900,000	84,424,663	260,797,913	260,797,913	-	100%
Expenses			-		-	
Employees Costs	2,090,000		2,090,000	2,090,000	-	100.0%
Council Expenses	11,842,694	(9,794)	11,832,900	11,832,850	50	100.0%
Depreciation expense			-	8,425,857	(8,425,857)	
General Operating Expenses	21,013,790	16,918,694	37,932,484	37,428,620	503,864	98.7%
NACONEK Program Expenses	49,165,500	53,091,100	102,256,600	102,255,894	706	100.0%
Contracted Professional Services	52,589,286		52,589,286	52,589,286	-	100.0%
Activity Based Expenses		14,424,663	14,424,663	13,723,621	701,042	95.1%
Total Recurrent Expenditure	136,701,270	84,424,663	221,125,933	228,346,128		
Surplus for the period				32,451,785		
Capital Expenditure	29,163,730	-	29,163,730	29,163,730	-	100.0%
Payment of Pending Bills	1,035,000	-	1,035,000	1,035,000	-	100.0%
Total Expenditure	166,900,000	84,424,663	251,324,663	250,119,001	1,205,662	99.5%

Budget notes

- The difference between the original budget and the final budget is as a result of supplementary budget process occasioned by the Parent Ministry and the National Treasury.
- There were no significant differences between the final budget and the actual amount on comparable basis.

18. Notes to The Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis. The preparation of financial statements is in conformity with International Public Sector Accounting Standards (IPSAS), which allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying National Council for Nomadic Education in Kenya (NACONEK) accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5

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

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

3. Adoption of New and Revised Standards

- i. *New and amended standards and interpretations in issue effective in the*
- ii. *Year ended 30 June 2021.*
- iii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.*
- iv. *Early adoption of standards*
NACONEK did not early – adopt any new or amended standards in year 2020/2021.

National Council for Nomadic Education in Kenya
Annual Reports and Financial Statements for the year ended 30 June 2021

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. The amendment did not have any impact on NACONEK.
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess: (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. The amendment did not have any impact on NACONEK.

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Standard	Effective date and impact:
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued. The amendment did not have any impact on NACONEK.

National Council for Nomadic Education in Kenya
Annual Reports and Financial Statements for the year ended 30 June 2021

Other Improvements to IPSAS	Applicable: 1st January 2021: a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks. b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved. c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard. The amendment did not have any impact on NACONEK.
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4. Summary of Significant Accounting Policies

i) Revenue Recognition

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

ii) Budget information

The original budget for FY 2020-2021 was approved by the National Assembly on June 2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations on the 2020-2021 budget.

iii) Property, plant and equipment

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

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iv) Depreciation

Depreciation on property, plant and equipment is recognised in the statement of financial performance on a straight-line basis to write down the cost of each asset or the re-valued amount to its residual value over its estimated useful life. The annual rates as per our policy Manual are:

Motor Vehicles	4 years	25%
ICT Equipment	3 years	33.3%
Partitions and Fittings	8 years	12.5%
Office Equipment	8 years	12.5%

v) Intangible assets

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

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

vi) Amortisation and impairment of intangible assets

Amortisation is calculated on the straight-line basis over the estimated useful life of the intangible asset. All intangible assets are reviewed annually for impairment. Where the carrying amount of an intangible asset is assessed as greater than its estimated recoverable amount, an impairment loss is recognised so that the asset is written down immediately to its estimated recoverable amount.

The estimated useful life of the Accounting Software is 5 years.

vii) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

After initial recognition, inventory is measured at the lower of cost and current replacement cost.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Council.

viii) Provisions

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

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

ix) Contingent assets

The Council does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council 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.

x) Contingent liabilities

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

xi) Nature and purpose of reserves

The Council creates and maintains reserves in terms of specific requirements. Currently, the Council has a retained earnings reserves which represent the accumulated surplus and capitalized Assets.

xii) Changes in accounting policies and estimates

The Council recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

xiii) Foreign currency transactions

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

xiv) Related parties

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

xv) 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.

xvi) Comparative figures

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

xvii) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

- a) The condition of the asset based on the assessment of experts.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available.

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

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Note 6: Transfers from Other Government Entities	2020-2021	2019-2020
	Kshs	Kshs
Unconditional grants		
Grant from the State Dept. for Basic Education	236,900,000	190,000,000
Transfers of Assets – State Dept. Basic Education*	9,473,250	-
Total Transfers	246,373,250	190,000,000

*Transfer of Assets- This is the recognition of Assets that the Council received from the Parent Ministry.

Note 6 B

Name of the Entity sending the grant	Amount recognized to Statement of Financial performance	Amount recognised in capital fund.	Total transfers 2020/21	2019-2020
	Kshs	KShs	KShs	KShs
State Dept. for Basic Education	236,900,000		236,900,000	190,000,000
Total	236,900,000		236,900,000	190,000,000

Note 7: Grants from Development Partners	2020-2021	2019-2020
	Kshs	Kshs
UNICEF	13,513,000	-
AVSI	911,663	-
Total grants From Development Partners	14,424,663	-

Note 8: Employee Costs	2020-2021	2019-2020
	Kshs	Kshs
Leave allowances		193,752
Extraneous Allowance	1,440,000	1,440,000
Interns Student Allowance	650,000	500,000
Employee costs	2,090,000	2,133,752

Note 9: Governing Council Expenses	2020-2021	2019-2020
	Kshs	Kshs
Chairman's Honoraria	520,000	640,000
Sitting Allowances	3,963,000	3,858,000
Subsistence Allowances	7,066,250	7,500,512
Other Allowances	283,600	204,000
Total Governing Council Expenses	11,832,850	12,202,512

Note 10: Depreciation and Amortization Expense	2020-2021	2019-2020
	Kshs	Kshs
Intangible Assets Amortization (Note 17)	276,000	
Property, plant and equipment	8,149,857	642,543
Total depreciation Expense	8,425,857	642,543.00

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Note 11: Use of Goods and Services	2020-2021	2019-2020
	Kshs	Shs
Advertising	281,715	406,746
Catering services	923,379	2,177,278
Domestic Travel and Subsistence	9,947,070	8,995,708
Fuel and oil	1,786,925	1,400,000
Foreign Travel & subsistence	295,022	1,144,852
General Printing and stationery	704,502	5,202,865
Repairs and maintenance		100,000
Rent expenses	4,637,520	
Office Utilities	10,162,408	3,918,261
Motor vehicle maintenance	2,476,123	796,192
ICT Accessories and consumables	4,494,011	14,518,368
Bank Charges	52,911	94,430
Training/Workshops	1,167,034	993,790
Audit fee	500,000	500,000
Total General Operating Expenses	37,428,620	40,248,490

Note 12: NACONEK Programs Expenses	2020-2021	2019-2020
	Kshs	Kshs
Secretariat Co-Curricular Activities		1,033,370
Review of Nomadic Education Policy	3,782,080	
Facilitation of NIWFESS pilot project	75,351,314	37,203,654
Pilot E-Platform		3,902,500
Targeted Forums		2,319,850
Assessment of Low cost Boarding schools		292,500
Implementation of NIWFESS	22,500,000	49,030,000
Assessment of VET Institutions	622,500	935,500
Coordination Framework for Partnership		263,800
NACONEK Programs Expenses	102,255,894	94,981,174

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Note 13: Contracted Professional Services	2020-2021	2019-2020
	Kshs	Shs
Strategic Indicatives Management	15,768,492	9,498,500
Climate Change Initiative and Management	16,818,000	10,500,000
Legal Liaison and Advisory Services	9,120,000	9,120,000
Review of the Strategic Plan	1,000,000	
Internal Capacity Building	9,882,794	7,431,800
Total Contracted Professional Services	52,589,286	36,550,300

Noted 14: Activity Based Program Expenses	2020-2021	2019-2020
	Kshs	KShs
AVSI	602,615	
UNICEF	13,121,006	
Total Activity Based Program Expense	13,723,621	

Note 15: Cash and Cash Equivalents	2020-2021	2019-2020
	Kshs	Kshs
Cash at Bank	1,878,794	673,132
Total Cash and Cash Equivalents	1,878,794	673,132

Note15B: Analysis of Cash & Cash Equivalent	2020-2021	2019-2020
	Kshs	Kshs
Financial institution		
Current account		
National Bank 1040207060700	1,878,794	673,132
Grand total	1,878,794	673,132

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Note 16: Property & Equipment	Motor Vehicle	ICT Equipment	Partitions Furniture & Fittings	Office Equipment	Total
Rate	25%	33.3%	12.5%	12.5%	
Cost at 01/07/2019		199,000	4,396,416		4,595,416
additions		80,000			80,000
Cost at 30/06/2020		279,000	4,396,416		4,675,416
					-
Cost at 01/07/2020		279,000	4,396,416		4,675,416
additions	8,000,000	8,066,230	22,140,100	430,650	38,636,980
Disposals					-
Cost at 30/06/2021	8,000,000	8,345,230	26,536,516	430,650	43,312,396
					-
Depreciation					-
As at 01/07/2019		66,267	549,552		615,819
Charge for the year		92,991	549,552		642,543
As at 30/06/2020		159,258	1,099,104		1,258,362
					-
As at 01/07/2020		159,258	1,099,104		1,258,362
Charge for the Year	2,000,000	2,778,962	3,317,065	53,831	8,149,857
Disposals					-
As at 30/06/2021	2,000,000	2,938,219	4,416,169	53,831	9,408,219
					-
Net Book Value 30/06/2020		119,742	3,297,312		3,417,054
Net Book Value 30/06/2021	6,000,000	5,407,011	22,120,348	376,819	33,904,177

Note 17: Intangible Assets	2020-2021	2019-2020
	Kshs	Kshs
Cost as at 1st July	1,380,000	-
Additions		1,380,000
Cost as at 30th June	1,380,000	1,380,000
Amortization Rate	20%	20%
Amortization at start of period	-	-
Charge for the period	276,000.00	-
Accumulated Amortization	276,000.00	-
NBV at End of Period 30/06/2021	1,104,000	1,380,000

Note 18: Trade and Other Payables	2020-2021	2019-2020
	Kshs	Kshs
Audit Fees	500,000	1,00,0000
Sundry Creditors		535,000
Total trade and other payables	500,000	1,535,000

Note 19: Cash Generated from Operations	2020-2021	2019-2020
	Kshs	Kshs
Surplus for the year before tax	32,451,785	3,241,229
Adjusted for:		
Depreciation	8,425,857	642,543
Non-cash grants received	(9,473,250)	
Working Capital adjustments		
Decrease in Payables	(1,035,000)	(1,755,595)
Net cash flow from operating activities	30,369,392	2,128,177

Financial Risk Management

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

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

i) Credit risk

The Council has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

ii) Liquidity risk management

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

ii) Capital Risk Management

The objective of the entity's capital risk management is to safeguard the Council's ability to continue as a going concern. The Council capital structure comprises of the following funds:

	2020-2021	2019-2020
	Kshs	Kshs
Retained earnings	36,386,971	3,935,186
Total funds	36,386,971	3,935,186
Less: cash and bank balances	1,878,794.2	673,132.0
Net debt/(cash and cash equivalents)		
Gearing	0%	0%

Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

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

Other related parties include:

- i) The Parent Ministry
- ii) Council Members
- iii) Key Management

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Related Party Disclosures

	2020-2021	2019-2020
	Kshs	Kshs
a) Grants /Transfers from the Government		
Grants from National Government	246,373,250	190,000,000
Total	246,373,250	190,000,000
b) Key management compensation		
Directors' emoluments	11,832,850	12,202,512
Total	11,832,850	12,202,512

Events after the Reporting Period

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

Ultimate and Holding Entity

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

Currency

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

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6. Appendices

Appendix 1: Progress on Follow up of Auditor Recommendations

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



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Chief Executive Officer

Date: 22nd December 2021

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Appendix II: Projects Implemented

Project Title	Project Number	Donor	Period/ Duration	Donor Commitment	Separate Donor Reporting Required As Per The Donor Agreement (Yes/No)	Consolidated in These Financial Statements (Yes/No)
There were no capital Project is Progress						



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APPENDIX III: Inter-Entity Transfers

NACONEK			
Break down of Transfers from the State Department of Basic Education			
FY 2020/2021			
Recurrent Grants			
	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
Recurrent	01/08/2020	41,725,000	2020/2021
Recurrent	05/11/2020	41,725,000	2020/2021
Recurrent	10/02/2021	41,725,000	2020/2021
Recurrent	12/05/2021	31,725,000	2020/2021
Recurrent	30/06/2021	80,000,000	2020/2021
	Total	236,900,000	

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



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Head of Finance
NACONEK



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Head of Accounting Unit
State Dept. – Basic Education

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Appendix iv: Recording of Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date Received as per bank statement	Nature: Recurrent	Where Recognized		
			Total Amount - KES	Statement of Financial Performance	Others - must be specific
Ministry of Education	01/08/2020	Recurrent	41,725,000	41,725,000	
UNICEF	30-10-2020	Recurrent	2,833,000	2,833,000	
Ministry of Education	05-11-2020	Recurrent	41,725,000	41,725,000	
UNICEF	26/12/2020	Recurrent	177,000	177,000	
Ministry of Education	10/02/2021	Recurrent	41,725,000	41,725,000	
AVSI	12/03/2021	Recurrent	911,663.15	911,663.15	
UNICEF	01/04/2021	Recurrent	20,000	20,000	
Ministry of Education	12/05/2021	Recurrent	31,725,000	31,725,000	
UNICEF	24/06/2021	Recurrent	10,483,000	10,483,000	
Ministry of Education	30/06/2021	Recurrent	80,000,000	80,000,000	
Total			251,324,663.15	251,324,663.15	251,324,663.15

