



MINISTRY OF EDUCATION
State Department of Basic Education

KENYA PRIMARY EDUCATION DEVELOPMENT (PRIEDE) PROJECT

**CATEGORIZATION OF SIP PILOT SCHOOLS BASED ON THE FINDINGS OF THE
BASELINE AUDIT CARRIED OUT IN FEBRUARY 2017**

The Baseline Audit conducted by the Directorate of School Audit Services in all the SIP pilot schools in February 2017 assessed key areas in financial management, procurement processing and specific school management aspects. These areas included; Strategic planning and implementation, budgeting, revenue recording, procurement processing, preparation of payment vouchers, cash book maintenance, maintenance of bank statements, S1, S2 and Textbook ledgers, Preparation of Bank reconciliation as well as financial reporting.

The Findings of the Audit culminated into categorization of the schools into 3 categories based on the level of compliance to the above areas as follows;

- Category A-(Red Flag)- Those that scored below 40%
- Category B-(Yellow Flag)- Those that scored between 40-69.9%
- Category C-Green Flag)- Those that scored over 70%

Category “A” (Red Flag) schools **will not receive SIP grants** until they address the gaps identified during the Baseline Audit while those that had **initially received the grants are not allowed to spend** until they have **complied with recommendations made**. Counties have been directed to undertake the following to ensure compliance by the said schools;

- ✓ Instruct the schools through their respective SCDEs to procure standard financial/stock records and commence maintenance of the same with guidance of the county school auditors.
- ✓ Conduct follow ups to ensure that the responsible head teachers have procured and updated the records as instructed.

It is expected that with the above support, the schools should change the status from Red to Yellow. Once this is achieved, the grant will be disbursed on a rolling basis - as a school meets the minimal fiduciary requirements and changes status.

Schools currently under categories B and C will receive the first tranche of the grant but the second grant will be disbursed based on at least 90% compliance with the Government fiduciary requirements and utilization of the first tranche as required.