



2020 Annual Report



PAL NETWORK
People's Action for Learning

www.palnetwork.org

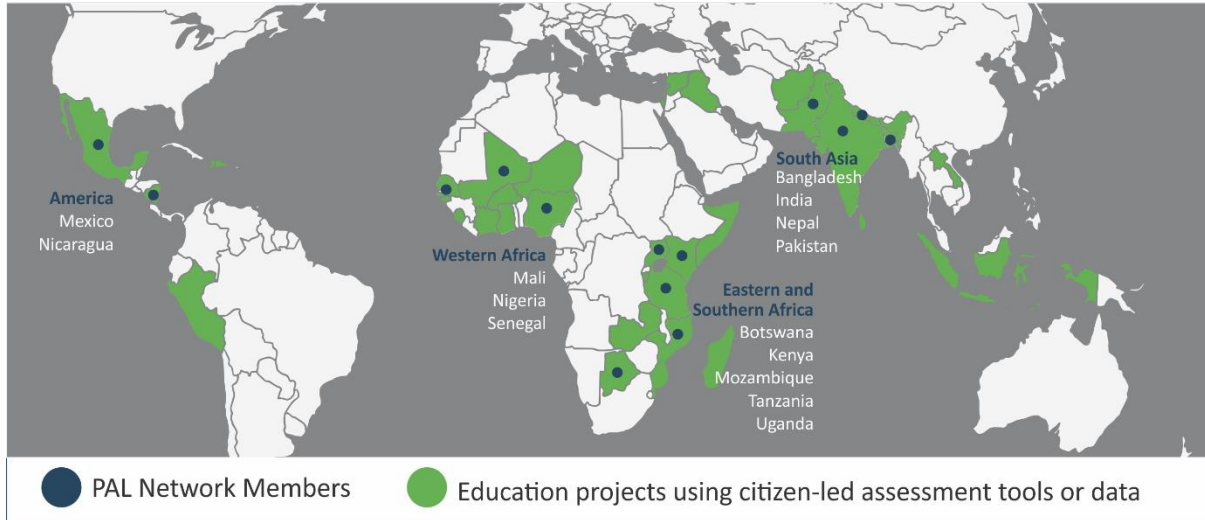


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Who we are

The People’s Action for Learning (PAL) Network is a south-south partnership of 15 organisations in 14 countries working across Africa, the Americas, and Asia. Member organisations conduct citizen-led assessments and/or action programs aimed at improving learning outcomes.



About this report

This report presents a combined narrative and financial report for the year ending on 31st December 2020. PAL Network prepares, produces, and publishes an annual report with the accompanying financial statements in strict compliance with the NGO Act, the commitment to our members, donors, partners, and the public. The financial information presented is prepared in line with the International Financial Reporting Standards (IFRS).



Abbreviations and acronyms

CEO	Chief Executive Officer
CIESAS	Centro de Investigaciones y Estudios Superiores en Antropología Social
CLA	Citizen-led Assessments
CSO	Civil Society Organisation
DFID	Department for International Development
ESA	East and Southern Africa Hub of the PAL Network
GPE	Global Partnership for Education
ICAN	International Common Assessment of Numeracy
IESBA	International Ethics Standards Board for Accountants
ISA	International Standards on Auditing
KIX	Knowledge and Innovation Exchange
NEQMAP	Network on Education Quality Monitoring in the Asia-Pacific
NGO	Non-Governmental Organisation
OMAES	Oeuvre Malienne d'Aide à l'Enfance du Sahel
OSPC	Open Society Policy Centre
PAL Network	People's Action for Learning Network
SDG	Sustainable Development Goal
TEP	The Education Partnership Centre
UKFIET	United Kingdom Forum for International Education and Training

Organisation Information

Board Members

1. Dr. Suman Bhattacharjea – Chairperson
2. Dr. Sara Ruto – Secretary & CEO
3. Mr. Sinaba Massaman – Treasurer
4. Dr. Emmanuel Manyasa – Member
5. Dr. John Mugo – Member
6. Dr. Ariel Fiszbein – Member
7. Ms. Maria Fernanda Farinha – Member

Audit and Risk Committee

1. Mr. Sinaba Massaman – Chairperson
2. Dr. Emmanuel Manyasa – Member

Governance and Programs Committee

1. Dr. John Mugo – Chairperson
2. Dr. Ariel Fiszbein – Member
3. Ms. Maria Fernanda Farinha – Member
4. Dr. Sara Ruto – Member

Physical Location

Le Mac Building, 1st Floor Suite 1
Off Church Road, Westlands
P.O Box 6183 – 00100
Nairobi, Kenya

Principal banker

Stanbic Bank Kenya Limited
Waiyaki Way Branch
P.O Box 30550 – 0000
Nairobi, Kenya

Victoria Commercial Bank Ltd
Westlands Branch
P.O Box 41114 – 00100
Nairobi, Kenya

Independent auditor

Kiige & Associates
Certified Public Accountants
3rd Floor, All Africa Conference of Churches, Waiyaki Way
P.O. Box 104428 – 00101
Nairobi, Kenya

Advisory Members

1. Dr. Baela Raza Jamil – Chairperson
2. Prof. Abdou Salam Fall – Member
3. Mr. Armando Ali – Member
4. Prof. Felipe Hevia – Member
5. Dr. Mary Goretti Nakabugo – Member
6. Dr. Modupe Adefeso-Olateju – Member
7. Mrs. Zaida Mgalla – Member

Senior Management

1. Dr. Sara Ruto – CEO
2. Dr. Rajarshi Singh – Director of Programs
3. CPA. Ezekiel Sikutwa – Finance Manager
4. Mr. Ketan – Program Manager
5. Mr. Amos Kaburu – Program Manager

Notice of the 3rd Annual General Meeting

Notice is hereby given that the 3rd Ordinary Annual General Meeting of the PAL Network will be held virtually on **Tuesday, 25th March 2021** starting at **1600hrs** East African Time (EAT).

Agenda

1. Confirmation of quorum
2. Reading the notice convening the Meeting and adoption of the agenda
3. Confirmation of minutes of the last annual general meeting held on 17th March 2020
4. Reports from the Board Chair and the Chief Executive Officer
5. Receiving, considering and, if approved, adopting the organisation's audited Financial Statements for the year ended 31st December 2020
6. Receiving of 2020 Annual Activity Report(s)
7. The appointment of Kiige & Associates, Certified Accountants as the Statutory Auditors for PAL Network for a period of one year
8. Renewal of five Board Directors' mandates
9. Constitutional amendments
10. Transacting any other business in respect of which due notice has been received

Please confirm your attendance by **10th March 2021** via e-mail, to sruto@palnetwork.org

By the order of the Board



Dr. Sara Ruto | Board Secretary




People's Action for Learning Network

P.O. Box 6183 – 00100

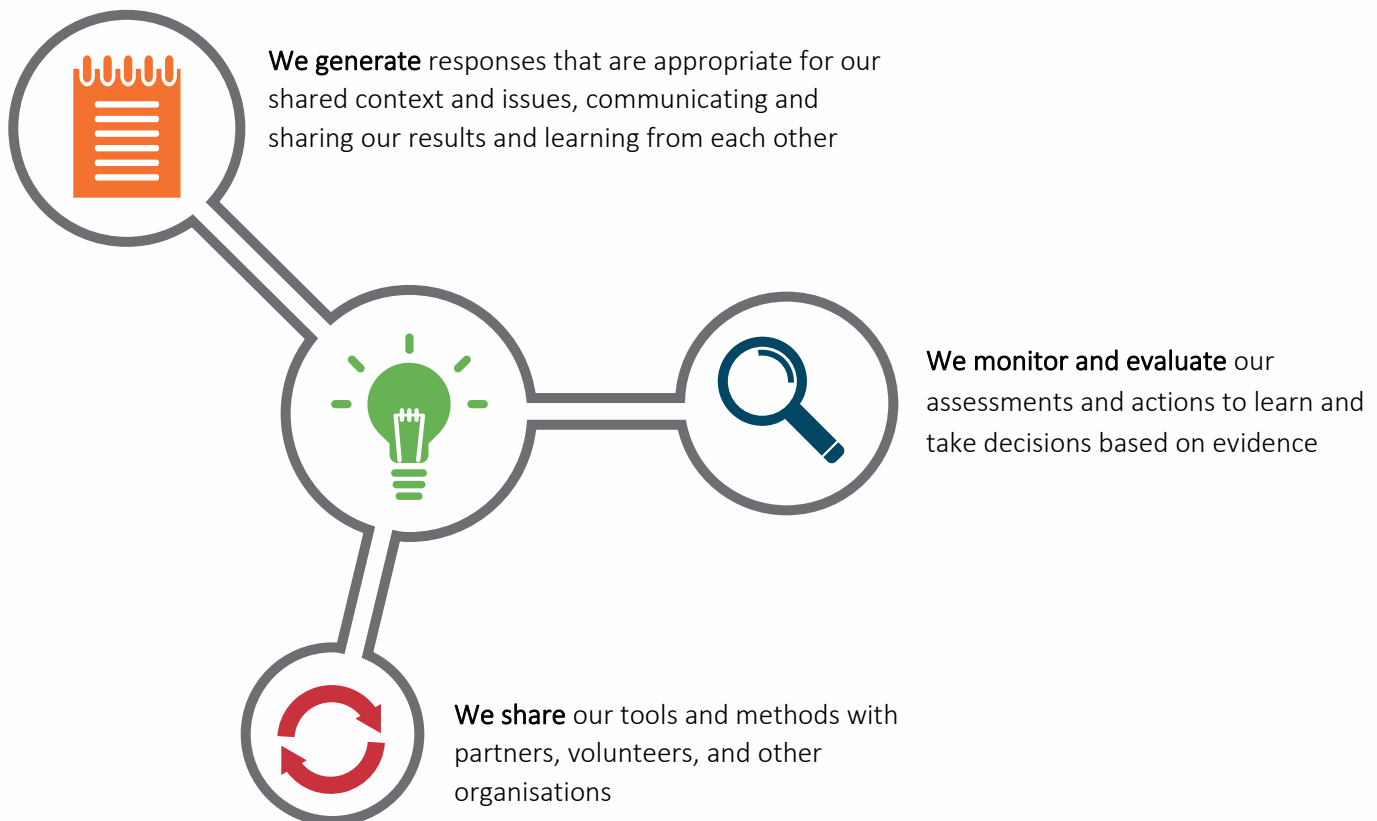
Nairobi, Kenya

Our Structure and Principles

Structure of the PAL Network

-  **General Assembly of Members**
 - This is the highest governance organ of the Network
-  **Board of Directors**
 - The Board formulates policy and provides general oversight
-  **Advisory Group**
 - The group provides technical advice on program implementation
-  **Secretariat**
 - Headed by the CEO, the Secretariat coordinates network activities

Our Principles



Our Board of Directors



Dr. Suman Bhattacharjea | Chairperson

Dr. Suman Bhattacharjea is the chairperson of the PAL Network Board of Directors, and is the Director of Research at ASER Centre, India.



Dr. Sara Ruto | Secretary

Dr. Sara Ruto is the secretary to the Board of Directors and is the Chief Executive Officer of the PAL Network.



Sinaba Massaman | Treasurer

Sinaba Massaman is the treasurer of the PAL Network Board of Directors and is the Director of the Beekunko program at 'Oeuvre Malienne d'Aide à l'Enfance du Sahel' (OMAES) in Mali.



Maria Fernanda Farinha | Board Member

Maria Fernanda Farinha is a Board Member of the PAL Network, and is a social development specialist, consultant, and evaluator.



Dr. John Mugo | Board Member

Dr. John Mugo is a Board Member of the PAL Network and is the Executive Director of the Zizi Afrique Foundation.



Dr. Emmanuel Manyasa | Board Member

Dr. Emmanuel Manyasa is a Board Member of the PAL Network and is the Executive Director at Usawa Agenda.



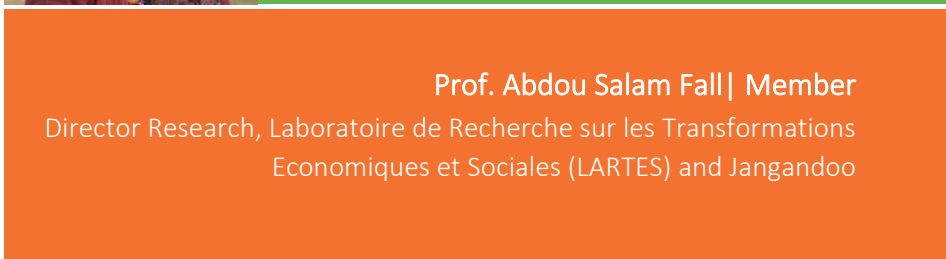
Dr. Ariel Fiszbein | Board Member

Dr. Ariel Fiszbein is a Board Member of the PAL Network, and is a Director at Inter-American Dialogue.

Our Advisory Group



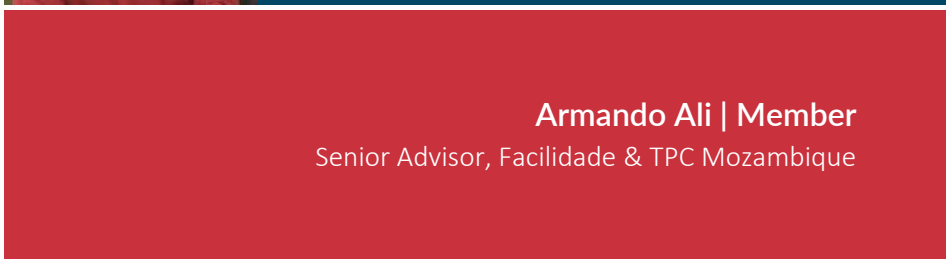
Baela Raza Jamil | Chairperson
CEO, Idara-e-Taleem-o-Aagahi and ASER Pakistan



Prof. Abdou Salam Fall | Member
Director Research, Laboratoire de Recherche sur les Transformations Economiques et Sociales (LARTES) and Jangandoo



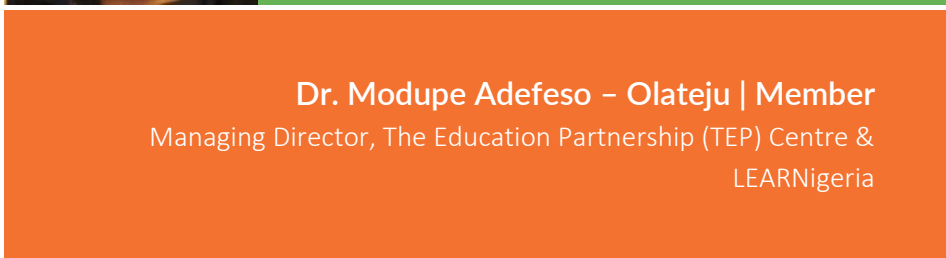
Prof. Felipe Hevia | Member
Professor, Centro de Investigaciones y Estudios Superiores en Antropología Social (CIESAS) & Co-Director, Medición Independiente de Aprendizajes (MIA)



Armando Ali | Member
Senior Advisor, Facilidade & TPC Mozambique



Dr. Mary Goretti Nakabugo | Member
Executive Director, Uwezo Uganda



Dr. Modupe Adefeso - Olateju | Member
Managing Director, The Education Partnership (TEP) Centre & LEARNigeria



Zaida Mgalla | Member
Executive Director, Uwezo Tanzania

2020 Annual Report

Chairperson's Message



On behalf of the Board of Directors, it is my pleasure to present to you the Annual Report, comprising the PAL Network activities and the financial status for the period ended 31 December 2020.

The year 2020 marked the first year of the second PAL Network strategy period from 2020 to 2023. During this challenging and unique year, the work of PAL Network was eventful. As the world grappled with managing the effects of COVID-19, PAL Network leadership and management made a quick decision to prioritise the health and safety of members, staff, and children. PAL Network staff were facilitated to work from home, connected with members through virtual platforms, and field activities were postponed.

As a network, we used 2020 to embrace technology to communicate, share more and work together from our locations across the globe. The second PAL Network Annual General Meeting shifted from in-person to virtual. For the rest of the year, all subsequent events were conducted on virtual platforms.

PAL Network offered the world the International Common Assessment of Numeracy (ICAN), a tool that speaks directly to Sustainable Development Goal 4.1.1(a), thereby filling a

major gap in the global assessment landscape. ICAN demonstrates the feasibility of using a common assessment framework and set of tools designed using established citizen-led assessment (CLA) principles across very different country contexts. We also started an exciting phase of scaling up and strengthening assessments such as the International Common Assessment of Numeracy (ICAN) and developing the International Common Assessment of Reading (ICARe).

During the year, we continued to strengthen our relationship with existing donors while exploring other sources. We secured funding to develop a repository of indigenous resources to support children's foundational learning. We also started conversations with potential funders to further our voice in Sub-Saharan Africa to improve the salience of foundational literacy and numeracy.

With the generous support of our donors, PAL Network continues to take steps towards fulfilling our promise to 'ensure that all children have a foundation for lifelong learning', despite the challenges that the pandemic poses for a global network such as ours. We are grateful to our friends who believe in our vision. Our heartfelt thanks to board members, advisory group members, partners, staff, friends, foundations, multilateral organisations, and others whose financial and non-financial support enables PAL Network to accelerate progress towards sustainable development goals on education.

To you all, thank you.

Suman Bhattacharjea Ed.D.
Chairperson

CEO's Message



The year 2020 will be remembered as a tumultuous year characterised by disruptions, insights gained and the creation of new norms. It was a year to reflect, and this reflection was met with a smile when I pondered on the place, space and purpose of the citizen-led approach that unites us in the PAL Network.

In a year where many were unable to proceed with their normal work routines, partners across continents thrived. This is because our work in households connects us with children and their families. Similarly, our workforce, mostly composed of youthful volunteers, is in communities where people are found. These features of the citizen-led approach, of being in the household or inviting volunteers, assumed huge relevance for they became the very factors that enabled smooth continuity in our work. Another prominent occurrence was how integrated the PAL Network leadership is in the decision-making process in their respective countries. Many member organisations contributed to their national education response plans to COVID-19, generated low-cost solutions to ground literacy and numeracy skills, or continued to generate data on reading and math. Members continued to exercise citizen agency thus reaffirming our collective vision for 'a world where all children have the foundation for lifelong learning'.

The year 2020 had unique implications for people. Many had to juggle the responsibilities of childcare, remote learning for their children

and full-time jobs. Long-term plans were halted, and new ways were born. Despite the challenges related to the COVID-19 pandemic, we revised and delivered, fitting in with the new norm.

In the pages that follow, you will get the highlights of PAL Network's 2020 activities. For the first time, we held a virtual global launch and four subsequent regional webinars of the International Common Assessment of Numeracy (ICAN) report. The ICAN regional launches explored themes ranging from understanding to monitoring foundational numeracy.

We convened a virtual policy dialogue series that brought together policymakers, practitioners, and civil society organisations to learn from one another and discuss ways of expanding inclusion and equitable learning opportunities for all. Many conversations were held within the network as members shared their innovations and experiences freely and openly. We acknowledge the time our members took to learn and improve their art. More than 45 participants signed up for the Objective Measurement Workshop series that consisted of 10 sittings over a two-month period.

Our work is still cut out for us. We will continue to be guided by the 2020-2023 strategic direction that identifies four focus areas (assessment, action, advocacy, and research), which are buoyed by four enablers: membership, communication, fundraising and MELS (Monitoring, evaluation, learning and sharing).

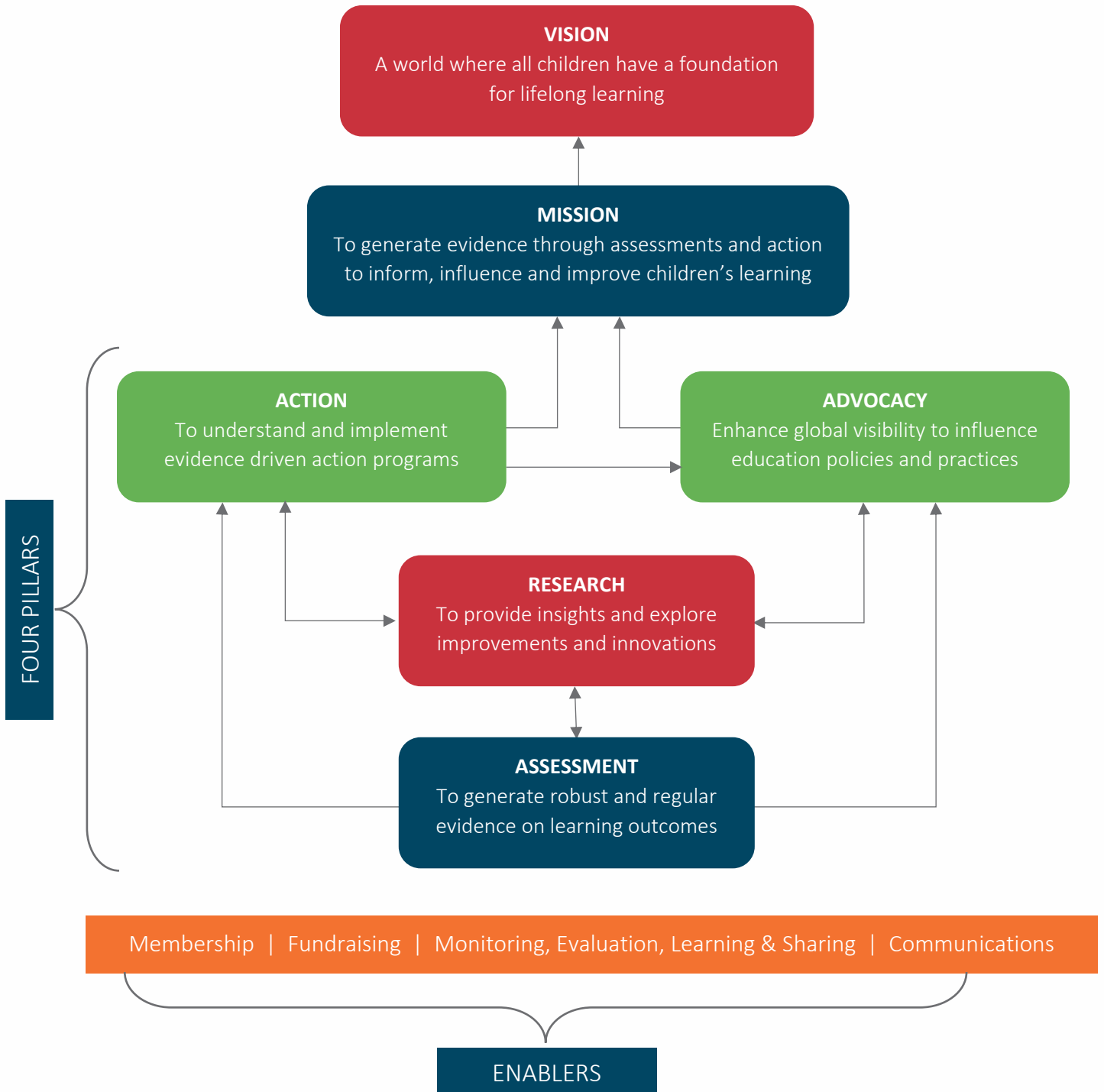
We are energised, hopeful and committed to contributing to improved learning outcomes for all children by generating evidence through assessment and action to inform, influence and improve children's learning.

A handwritten signature in black ink that reads "Sara Ruto".

Sara Ruto Ph.D.
Chief Executive Officer

2020 – 2023 Strategy Overview

A four-year Strategic Plan (2020-2023) whose four key pillars are Assessment, Action, Research and Advocacy is the roadmap towards PAL Network’s mission.



What did we do in 2020?

The People's Action for Learning Network envisions a world where all children can have a foundation for lifelong learning. The year 2020 was unique, eventful, and full of uncertainties. Yet it had its silver lining - people did things differently, and the seeds of innovation were planted. This summary provides key achievements in 2020.

COVID-19 Response



In March 2020, the global pandemic caused by the spread of COVID-19 resulted in school closures around the world, impacting the learning of over 1.5 billion children. PAL

Network responded to the pandemic by prioritising the safety of people and children. The staff were facilitated to work from home and equipped to connect with each other and our members through virtual platforms. We adopted solutions that follow social distancing norms such as virtual meetings and virtual sessions via online conferences.

The Government of Kenya appointed PAL Network Chief Executive Officer, Dr. Sara Ruto to chair the Ministerial COVID-19 Education Response Committee to advise on the return to school guidelines. PAL Network supported the development of a framework designed to aid the qualitative analysis of citizen submissions and managed a team of six researchers who read through and inputted each submission.

PAL Network Offers ICAN tool to the world



ICAN
International Common Assessment of Numeracy
Background, Features and Large-scale Implementation

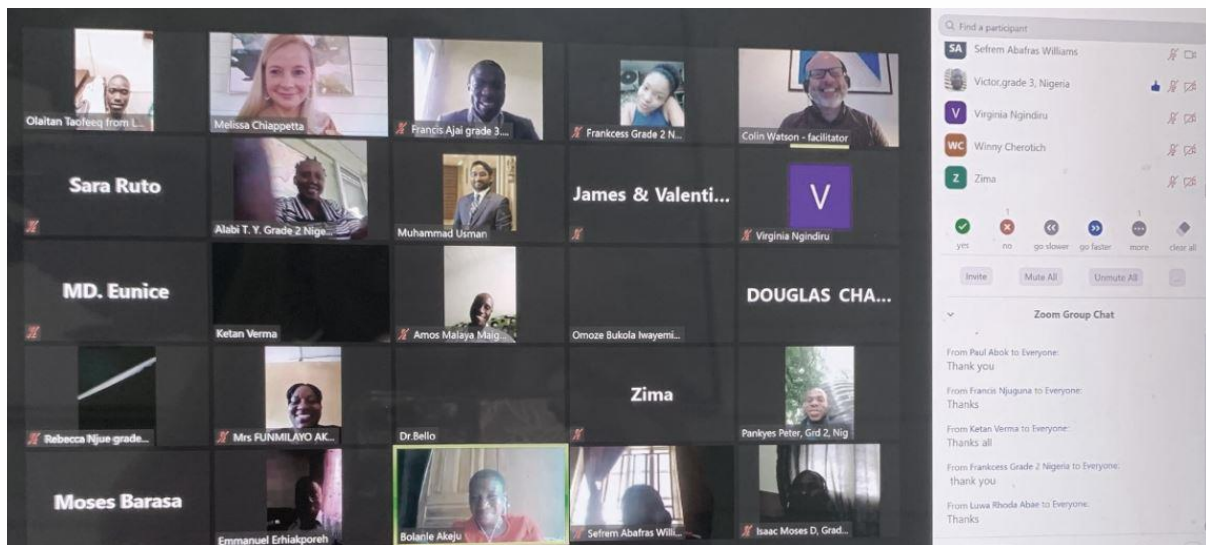
To respond to PAL Network 2020-2023 strategic plan that focuses on the generation of robust and relevant evidence on learning outcomes, we released the [International Common Assessment of Numeracy \(ICAN\)](#) tool in June 2020. ICAN is an open-source, robust

and easy-to-use assessment tool, available in [11 languages](#) that offers international comparability of results aligned to SDG 4.1.1 (a). The tool was developed through a collaborative effort among PAL Network member organisations in 13 low and middle-income countries across Africa, America, and Asia. In its first round of large-scale household-based implementation, ICAN covered one rural district each in 13 countries. It demonstrated the feasibility of using a common assessment framework and set of tools across very different country contexts. It has also highlighted ways in which ICAN can be used to generate estimates that respond to important questions on foundational learning confronting countries in the Global South. The ICAN tool brochure in [English](#) was translated into eight languages namely [French](#), [Spanish](#), [Hindi](#), [Bangla](#), [Urdu](#), [Nepali](#), [Portuguese](#), and [Kiswahili](#).

ICAN Policy Linking for Measuring Global Learning Outcomes

To nurture talent and develop the next cadre of leaders to champion children’s learning outcomes, the Australian Council for Education Research (ACER) in collaboration with the PAL Network facilitated the objective measurement workshop. Around 45 participants from 15 member organisations signed up for the ‘Objective Measurement Workshop’ series that consisted of 10 sittings over a two-month

period. Similarly, thirty teacher panellists, 15 each from Kenya and Nigeria participated in eight 2-hour online workshop sessions to align ICAN to the [Global Proficiency Framework \(GPF\)](#). Panellists also set benchmarks for the score children need to achieve on ICAN to “meet global minimum proficiency” in Grades 2 and 3. [Policy Linking](#) is a methodology that links existing assessments to the GPF and SDG 4.1.1.



Scaling up and strengthening learning assessments

PAL Network together with Pratham Education Foundation, and the Australian Council for Education Research (ACER) received a grant from the Global Partnership for Education (GPE) Knowledge and Innovation Exchange (KIX) to expand common-scale assessments of early and foundational learning across the Global South.

The scale up includes both the International Common Assessment of Numeracy (ICAN) and the International Common Assessment of Reading (ICARe). In order to undertake this work, PAL Network reached out to experts from like-minded organisations such as the UNESCO Institute for Statistics (UIS), and the World Bank. It also utilized the wealth of knowledge within by creating a KIX+ project workforce

comprising staff drawn from all members of the network.



Influencing policies and practices in education

Global and regional launches of the ICAN 2019 Report were held to influence policies and practices in education. On July 9, 2020, PAL Network launched the ICAN Report virtually attracting 1,842 participants across 42 countries from Africa, the Americas, Asia, Australia, and Europe. On August 10, 2020, the South Asia Hub of the PAL Network hosted a webinar on “Understanding foundational numeracy: South Asian perspectives on ICAN, a new global tool” reaching 208 participants. On September 8, 2020, the ESA Hub of the PAL Network hosted a webinar on “Monitoring Foundational Numeracy: The potential of ICAN for Eastern and Southern Africa.” Bringing together 188 participants from 25 countries across Africa, the Americas, and Asia. On October 29, 2020, the Latin America Hub of PAL Network launched the ICAN report with the theme ‘Challenges and Opportunities in the Assessment of Mathematical Skills’: Towards

the Realization of SDG 4 Indicators” reaching a total of 43 participants. Speakers in these events advocated for a common regional tool that is appropriate to diverse contexts and the utility of ICAN to strengthen education systems.



Use of digital platforms to amplify advocacy effort



To amplify advocacy efforts and increase network visibility, we utilised various digital media platforms across the year. In 2020, we posted 27 blogs of which 11 related to the ICAN report were cross posted by the GPE, IIEP, World Education Blog, UKFIET, The Education Commission and NEQMAP.

By the end of 2020, PAL Network’s quarterly newsletter had 1,325 subscribers, Twitter had 3,483, Facebook had 40,021 followers and LinkedIn had 1,105. We also have active followers on Instagram and YouTube. The ICAN report got 17 media articles across Africa and Asia and was referenced by eight organisations. Notably, the Save Our Future white paper, entitled Save Our Future: Averting an Education Catastrophe for the World’s Children featured ICAN predominantly.

PAL Network partners and members co-authored and contributed to the background paper detailing the relevance of simple and rapid assessments and targeted instruction in a post-COVID world. To showcase breadth and depth of citizen-led assessments, we published on our website the findings from the global mapping study on users of CLA tools.

Policy Dialogue on Expanding Inclusion of Learning Opportunities

With support from the [INCLUDE](#) Platform, [PAL Network](#) conducted a series of interrogative [Policy Dialogues](#) in Kenya to examine the extent to which the current education reforms address educational challenges of exclusion and inequality. PAL Network partnered with the Kenyan Ministry of Education to organise four webinars reaching over 500 education stakeholders. The dialogues focussed on ways to expand learning opportunities for vulnerable populations amidst COVID-19.

A policy gap analysis within the current education reforms and blogs highlighting issues of equity and inclusion also contributed to this agenda. The dialogues resulted in increased

demand for more forums to discuss policy guidelines developed to guide learning in schools amidst COVID-19.

The image shows a promotional poster for a virtual event titled "POLICY DIALOGUE: EXPANDING INCLUSION OF LEARNING OPPORTUNITIES". The event was held on 10 December 2020 from 10:00 to 11:30 A.M. The poster features logos for the Ministry of Education, PAL Network, INCLUDE (Knowledge Platform on Inclusive Development Policies), and KICD (Kenya Institute of Curriculum Development). It lists the following participants:

- SESSION CONVENER:** Dr. Sara Ruto, Director, Research, Council Chair, KICD.
- GUEST SPEAKER:** Dr. Shaban Mshamba, Head of, Department of Policy, Implementation and QA, Ministry of Education.
- PRESENTER:** Dr. Joyce Rinyanga, Policy Director, Advisory Group, KICD.
- PRESENTER:** Ms. Anne Kachooa, KICD, Director, National Policy, KICD, Ministry of Education.

The poster also includes a registration link (bit.ly/3uRQZGz), social media handles (@shabanruto, @KICDkenya, @KICDImplementation, @KICDKenya), and a call to action: "Join us for a virtual Policy Dialogue on the emerging policy gaps on community based learning and homeschooling." The hashtag #AcceleratingEquityAndInclusionInLearning is also present.

Leveraging on low-tech interventions to improve foundational learning



PAL Network supports evidence-driven interventions to improve learning outcomes. With COVID-19 characterised by school closures, PAL Network implemented low technology to refine the differentiated learning approach. A learning solution dubbed *mjisomee*, which revolved around learning through Short Message Service (SMS) was trialed. The program began in the second quarter of 2020 and has continued to evolve. We created a [summary](#) of action programs showcasing a reach of over 80,000 children in eight member countries.

In November 2020, we also organised a webinar on 'Experiences on the use of low technology to promote learning'. Members showcased how they adapted low-tech solutions to ensure continued learning amid the COVID-19 pandemic. [Young Love](#) provided remote "low-tech" services via phone calls and SMS, in addition to launching a national radio show. [Zizi Afrique Foundation](#) adopted a hybrid implementation approach of the Accelerated Learning Program combining radio, print materials, SMS, and household support to ensure continued learning.

Forging partnerships to share and learn

With COVID-19 impacting physical distancing norms and travel restrictions, PAL Network embraced virtual conferences and partnerships to share and learn from others. Teams from Kenya and India (including PAL Network and partner representatives) submitted seven papers and participated in the Learning at the Bottom of the Pyramid (LBOP 2) virtual conference on November 30 and December 7 and 8 2020. The team presented Country Case Analyses with a focus on equity for children at the bottom of the pyramid, and PAL Network, Pratham Education Foundation, Young Love and ASER Pakistan participated in panel discussions. During the Virtual Africa Knows Conference that started on December 2, 2020, PAL Network

made five presentations. Members shared their experiences on using evidence-based advocacy to promote equitable access to quality education, reflections on reaching children furthest behind and the utility of citizen-led assessments. Also presented was a paper on the experiences of designing ICAN to measure progress towards the achievement of SDG 4. In a bid to gain a better understanding of education equity, PAL Network leaders together with FHI 360 co-developed coursework on “Understanding equity and inclusion in education”.



Strengthening organisational operations and systems

In 2020, PAL Network adopted technology-based solutions to manage financial and administrative tasks and systems. This integration provided a seamless transition to virtual meetings and remote working. Improved systems also facilitated knowledge sharing and cross-learning amongst network members through online gatherings. We

witnessed wider communication and increased member participation in network activities. Just like many other organisations across the globe, we embraced the idea that staff do not need to be physically seated and working in an office and now have staff working from three different countries- Kenya, India, and Pakistan.

Photo Gallery



2020 Financial Statements

Report of the management

The Board of Directors submit their annual report and the audited financial statements for the year ended December 31, 2020, which disclose the state of affairs of the organisation.

Registration

The organisation is registered in Kenya under the Non - Governmental organisation Coordination Act and is domiciled in Kenya. The address of the registered office is as set out on page [IV](#).

Organisation and nature of activities

The People's Action for Learning (PAL) Network is a south-south partnership of organisations working across three continents. Member organisations conduct citizen-led assessments and/or citizen-led actions aimed at improving learning outcomes.

Vision

PAL Network vision is a world where all children have a foundation for lifelong learning.

Results

The results for the year are set out on page [9-13](#).

Management


The management who served during the year are set out on page [IV](#).

Independent auditor

Kiige & Associates, Certified Public Accountants were appointed during the year and have expressed willingness to continue in office.

By order of the Board

(for and on its behalf)



Board Chair

Nairobi, February 25, 2021

Statement of management's responsibilities

The Board is required to prepare financial statements, which give a true and fair view of the state of affairs of the organisation as at the end of the financial year and of the organisation's operating results for that year.

The Board is also required to ensure the organisation maintains proper accounting records, which disclose, with reasonable accuracy, the financial position of the organisation. Management is also responsible for safeguarding the assets of the organisation.

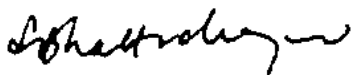
The Board accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with generally accepted non-profit accounting principles and applicable international financial reporting standards.

The Board is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the organisation as at December 31, 2020 and its operating results for the year then ended. Management further confirms the accuracy and completeness of the accounting records maintained by the Organisation, which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the systems of internal controls.

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

Approved on February 25, 2021,

Signed by:



Board Chair



Board Treasurer



Chief Executive Officer

Report of the independent auditor

Opinion

We have audited the accompanying financial statements of PAL Network, set out on pages [19 to 25](#), which comprise the statement of financial position as at December 31, 2020, the statement of comprehensive income, the statement of changes in fund balances, the statement of cash flows for the year then ended, and notes, including a summary of statement of accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the organisation as at December 31, 2020 and of its financial performance for the year then ended in accordance with generally accepted non-profit accounting principles and applicable International Financial Reporting Standards (IFRS).

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organisation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial

The management is responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with the accounting policies and basis of preparation set out on pages [19 to 22](#), and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our 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 our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- I. 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 our 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.
- II. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control.
- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- IV. Conclude on the appropriateness of management's use of the going concern 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 organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- V. 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Peter Kiige Practicing Certificate No.1775.



KIIGE & ASSOCIATES
P.O. Box 105128 - 00100,
NAIROBI
TEL: 020-2635456
CELL: 0721 266672

Kiige & Associates
Certified Public Accountants (K)
Nairobi, Kenya

Fund accountability statement for the period ending 31st December 2020

GRANT INCOME	2020 KES	2020 USD	2019 KES	2019 USD
Hewlett Foundation	54,221,525	496,671	70,686,722	697,390
Anonymous Donor	21,262,694	194,767	9,966,923	98,333
Wellsprings Advisors	16,179,450	148,204	20,650,843	203,740
DfID ¹	17,672,366	161,879	66,017,393	651,322
PAL Partners Contributions for Specific Joint Activities	1,864,579	17,080	2,440,124	24,074
The African Studies Centre of Leiden University	-	-	4,851,738	47,867
Open Society Policy Centre ("OSPC")	5,414,947	49,601	5,124,852	50,561
International Development Research Centre (IDRC)	52,033,896	476,632	-	-
OXFAM IBIS	1,426,317	13,065	-	-
Other Incomes				
Interest Income	61,788	566	-	-
Foreign currency gains and losses	1,942,221	17,791	-	-
Total income	172,079,782	1,576,255	179,738,594	1,773,287
EXPENDITURE	2020 KES	2020 USD	2019 KES	2019 USD
PAL Network Capacity to Generate Data of Good Quality Improved	11,122,693	101,884	32,252,043	318,196
Network Strengthened to Position Itself to Inform Global Monitoring Efforts	1,178,770	10,798	2,956,389	29,167
Actions Taken by Members to Improve Learning Outcomes Understood and Ideas Network Strengthened Bolstered by Responsive Governance and Diversified Fund	1,876,330	17,187	46,736,885	461,102
Organisational Competence Grown and Learning, Monitoring and Evaluation	13,942,512	127,714	12,420,744	122,542
Salaries & Benefits	66,874,728	612,574	32,066,847	316,369
Administration cost	7,503,581	68,733	13,125,753	129,498
Other expenses				
Depreciation	942,150	8,630	466,265	4,600
Foreign currency gains and losses	-	-	851,174	8,398
Total expenditure	110,040,149	1,007,971	147,372,749	1,453,968
Deferred grant for the year	62,039,633	568,285	32,365,845	319,319
Add: Balance B/F	66,091,018	650,347	33,725,173	331,028
Deferred grant c/f	128,130,651	1,218,632	66,091,018	650,347

¹ DfID is currently known as Foreign, Commonwealth & Development Office

Statement of Financial Position as at 31st December 2020

Fixed assets	2020 KES	2020 USD	2019 KES	2019 USD
Property, plant & Equipment	1,947,268	17,837	991,013	9,777
Total fixed assets	1,947,268	17,837	991,013	9,777
Current assets				
Cash and cash equivalents	128,865,491	1,180,411	68,880,637	679,571
Accounts receivable	2,685,290	24,597	3,658,512	36,095
Total current assets	131,550,781	1,205,009	72,539,149	715,665
Less: current liabilities				
Accounts payable	8,987,979	82,330	11,107,724	109,588
Net current assets	122,562,802	1,122,678	61,431,425	606,078
Net Assets	124,510,070	1,140,515	62,422,438	615,855
Represented by:				
Funds balance	124,510,070	1,140,515	62,422,438	615,855
Total funds	124,510,070	1,140,515	62,422,438	615,855

The financial statements were approved on **February 25, 2021** and signed on its behalf by:



Board Chair



Board Treasurer



Chief Executive Officer

Statement of changes in funds

Fund movements	General funds (KES)	Total (KES)
Year ended 31st December 2019		
As at 1 st January 2019	25,854,913	25,854,913
Prior year adjustment	4,201,679	4,201,679
Balance of the year	32,365,845	32,365,845
As at 31 st December 2019	62,422,438	62,422,438

Year ended 31st December 2020		
As at 1 st January 2020	62,422,438	62,422,438
Prior year adjustment	48,000	48,000
Balance of the year	62,039,633	62,039,633
As at 31 st December 2020	124,510,070	124,510,070

Fund movements	General funds (KES)	Total (KES)
Year ended 31st December 2019		
As at 1 st January 2019	236,832	255,082
Prior year adjustment	38,487	41,453
Balance of the year	296,472	319,319
As at 31 st December 2019	571,791	615,855

Year ended 31st December 2020		
As at 1 st January 2020	571,791	615,855
Prior year adjustment	440	440
Balance of the year	568,285	568,285
As at 31 st December 2020	1,140,515	1,184,579

Statement of Cash flows

Cash flows from operating activities	2020 KES	2020 USD	2019 KES	2019 USD
Balance for the year	62,039,633	568,285	32,365,845	319,319
<hr/>				
Adjustments for:	2020 KES	2020 USD	2019 KES	2019 USD
Prior year adjustments	48,000	440	4,201,679	41,453
Depreciation	942,150	8,630	469,078	4,628
<hr/>				
Changes in working capital	2020 KES	2020 USD	2019 KES	2019 USD
Decrease/(Increase) in accounts receivable	973,222	8,915	(3,173,671)	(31,311)
Increase in accounts payable	(2,119,745)	(19,417)	7,830,310	77,253
Net cash used for operating activities	61,883,260	566,852	41,693,241	411,342
<hr/>				
Cash flows from investing activities	2020 KES	2020 USD	2019 KES	2019 USD
Purchase of assets	(1,898,405)	(17,389)	(719,173)	(7,095)
Net cash used in investing activities	(1,898,405)	(17,389)	(719,173)	(7,095)
Decrease in cash and cash equivalents	59,984,853	549,463	40,974,068	404,247
<hr/>				
Movement in cash and cash equivalents	2020 KES	2020 USD	2019 KES	2019 USD
Cash and cash equivalents at start of year	68,880,636	630,948	27,906,566	275,324
Decrease in cash and cash equivalents	59,984,853	549,463	40,974,068	404,247
Cash and cash equivalents at end of year	128,865,491	1,180,411	68,880,636	679,571

Summary of significant accounting policies

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

a) **Basis of preparation**

The organisation prepares its financial statements under the historical cost convention. The principal accounting policies adopted in the preparation of these financial statements remain unchanged from the previous year and are set out herein.

b) **Foreign currencies**

The books of account are maintained in Kshs as the base currency. Transactions in currencies other than the Kshs are converted into the base currency (Ksh) using monthly exchange rates sourced from Xe. Foreign currency monetary assets and liabilities held at the date of the statement of financial position are translated into the base currency using Xe ruling at that date. The resulting exchange differences are recognised in the statement of comprehensive income.

c) **Income**

Revenue consists mainly donor funds meant for various activities undertaken by the organisation. Revenue is recognised in the books of the organisation when it is actually received.

d) **Expenditure recognition**

Expenditure is recognised when payments are made. However, accruals are made for expenses that have been incurred but have not been paid as at the date of the financial position.

e) **Intercompany**

This relates to amount paid by Zizi Afrique Foundation & Zizi Afrique Limited on behalf of PAL Network.

f) **Fixed assets**

Capitalization of assets takes place when the benefits of the expenditure are expected to extend over a period beyond one year and cost more than KES10,000 or the equivalent foreign currency. The assets will be held as fixed assets on the balance sheet and charged proportionately to expenditure over the expected useful life of the assets. The depreciation are as follows:

Asset class	Rate (%)
Furniture & Fittings	12.5
Computers & Printers	33.3
Motor Vehicles	25
Other equipment & tools	25

g) **Cash and cash equivalents**

Cash and cash equivalents comprise bank balances, cash and deposits held with the bank.

h) **Trade and other receivables**

Receivables are stated at nominal value less write downs for any amounts expected to be irrecoverable

i) **Trade and other payables**

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

j) **Comparatives**

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

Year ended 2020 (KES)

Cost	Computers KES	Equipment KES	Furniture & Fittings KES	Total KES
1 st January 2020	2,113,338	135,218	90,000	2,338,556
Additions	1,846,205	52,200	-	1,898,405
31 st December 2020	3,959,542	187,418	90,000	4,236,960
Accumulated Depreciation				
1 st January 2020	1,238,576	67,326	41,641	1,347,543
Annual depreciation	906,082	30,023	6,045	942,150
31 st December 2020	2,144,658	97,349	47,685	2,289,692
Carrying amount				
31 st December 2020	1,814,885	90,069	42,315	1,947,268

Year ended 2020 (USD)

Cost	Computers USD	Equipment USD	Furniture & Fittings USD	Total USD
1 st January 2020	19,358	1,239	824	21,421
Additions	16,911	478	-	17,389
31 st December 2020	36,270	1,717	824	38,811
Accumulated Depreciation				
1 st January 2020	11,345	617	381	12,344
Annual depreciation	8,300	275	55	8,630
31 st December 2020	19,645	892	437	20,974
Carrying amount				
31 st December 2020	16,624	825	388	17,837

Cash and cash equivalents	2020 KES	2020 USD	2019 KES	2019 USD
Stanbic KES Account	21,965,338	201,203	16,255,107	160,372
Stanbic USD Account	69,331,609	635,079	33,420,016	329,719
Stanbic GBP Account	31,379,805	287,440	18,198,692	179,547
Stanbic Credit card	398,776	3,653	375,320	3,703
M-pesa Account	366,036	3,353	631,502	6,230
Savings Account	5,402,520	49,487	-	-
Petty Cash	21,407	196	-	-
Total	128,865,491	1,180,411	68,880,637	679,571
Accounts receivable				
Receivables	548,235	5,022	1,013,590	10,000
Prepayments	-	-	-	-
Program imprests	2,137,055	19,575	2,512,717	24,790
Staff imprests	-	-	132,205	1,304
Total	2,685,290	24,597	3,658,512	36,095
Accounts Payable				
Accounts payable	224,568	2,057	237,718	2,345
Audit fee	382,800	3,506	348,000	3,433
Accrual	8,380,611	76,767	10,522,006	103,809
Total	8,987,979	82,330	11,107,724	109,588

Presentation Currency

The financial statements are presented in Kenya Shillings (KES) for the purposes of local statutory reporting

Taxation

No provision for corporate tax has been made in these financial statements. The organisation qualifies for exemption from Kenyan corporate tax under the provisions of paragraph 10 of the first schedule to the Income Tax Act, Cap 470 (Laws of Kenya).

Staff retirement benefits scheme

Staff members contribute to the National Social Security Fund (NSSF) of the Republic of Kenya. The rate of contribution per staff member is pegged by statute at the lower of 5% of the basic salary and a maximum contribution of Kshs 1,080/= per month. The employer, PAL Network, makes a matching contribution to the NSSF scheme each month for each employee.

Capital commitments

There were no capital commitments as at 31st December 2020

Employee

Employees as at 31st December 2020 were (14).



People's Action for Learning Network 2020 Annual Report

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   PAL Network

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