

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
CENTRE FOR MATHEMATICS, SCIENCE AND
TECHNOLOGY EDUCATION IN AFRICA

FOR THE YEAR ENDED
30 JUNE 2014

Paper Laid

*By the Hon. ~~Member~~ Ote Kato, the Whip
of the Majority
Party on Thursday
9th July 2015*







CENTRE FOR MATHEMATICS SCIENCE AND TECHNOLOGY EDUCATION IN AFRICA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2014

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

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I. KEY CEMASTEVA INFORMATION AND MANAGEMENT

(a) Background information

CEMASTEVA is government owned entity under Ministry of Education formed on ,legal notice no.96 of 2006 as body corporate with perpetual succession and a common seal, and which may in its corporate name sue or be sued, own and dispose of property, and do all such other things or acts as may be done by a body corporate entity.

CEMASTEVA is fully funded by the government and its mandate is to build capacity of teachers for effective delivery of curricula and providing In –Service Education and Training (INSET) .CEMASTEVA is headed by Director, who is responsible for the general policy and strategic direction in realizing its mandate

(b) Principal Activities

The principal mission of CEMASTEVA is to capacity building through INSET for both primary and secondary levels in Kenya and Africa

(c) Key Management

The day-to-day management is under the following key persons:

- Director
- Deputy Director
- Coordinator Training and Academic Affairs(CTAA)
- Coordinator Student and Support Services(CSSA)

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2014 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	- Director	-Stephen M. Njoroge
2.	- Deputy Director	-M.O. Kawa
3.	- Coordinator Training and Academic Affairs(CTA A)	-Patrick Kogolla
4.	- Coordinator Student and Support Services(CS SA)	-Lydia Mureithi

(e) Fiduciary Oversight Arrangements

The key fiduciary oversight arrangements are;

- Audit Committee
- Finance Committee
- Training Committee

(f) CEMASTE A Headquarters

P.O. Box 24214-005202
CEMASTE A
Karen, Bogani Road
Nairobi, KENYA

(g) CEMASTE A Contacts

Telephone: (254) -20-3873811/3874830/882632

E-mail: cemastea@education.go.ke

(h) CEMASTE A Bankers

1. Kenya Commercial Bank

Karen Branch

P.O Box 24410 - 100300

Karen

2. Co Operative Bank

Nairobi Business Centre Branch

Pg.O Box 19555 - 00202

3. Nic Bank

Junction Branch

P.O Box 24214 -00502

Nairobi Kenya

(i) Independent Auditors

Auditor-General

Kenya National Audit Office

Anniversary Towers, University Way

P.O. Box 30084

GOP 00100

Nairobi, Kenya

(j) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

II. THE BOARD OF DIRECTORS



Mr Stephen M. Njoroge
Director & Secretary of Board of Management

He is pursuing PhD , Holds Ex. MBA , M.Ed. in Education Administration & Planning and ,Bachelor of Education(Science)
Director and Secretary to the board of management.
C.E.O, SMASSE Africa Association.
Responsible for the running of the centre affairs and ensures that the vision and mandate of the centre is achieved. He is the Secretary to the Board of Management and Chairperson of the Senior Management Committee. Also responsible for spearheading partnerships of the centre.



Dr Wanjiru Kariuki,
Chairperson Board of Management

Holds a PhD in Education Management from University of Cape Town South Africa and M.Ed. (Education Administration and Planning) and B.Ed. degrees from the University of Nairobi.
Also a research fellow of the University of Chongqing,China.She has a wide experience in Education Management and training having worked for the Kenya School of Government, Directorate of Personnel Management/Office of the President,Winrock International and McGill University(Canada)
Responsible with spear heading Board of Management in achieving CEMASTEAs objectives

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	<p>She is the Director Field and other Services State Department of Education. Ministry of Education Science And Technology.</p> <p>She represents the Ministry of Education at the Board of Management</p> <p>Member of Finance and General, Training Committee representing MOEST.</p>
<p>Mrs Margaret Murage, Director field and other services,Ministry of Education</p>	<p>Holds BA,CPS(K) and MBA</p> <p>She is the deputy manager (Training and Resource) NSSF.</p> <p>She is an Independent Board Member and Chairlady Human Resource and Audit Committee (PLWD)</p>
	<p>Holds B.COM and MBA</p> <p>She is a Certified Public Accountants of Kenya and former CEO Institute Of Certified Public Accountants Of Kenya</p> <p>She advises Board of Management on Finance and Accounting matters.</p> <p>She is the chairlady Audit Committee representing ICPAK.</p>
<p>Mrs Milkah Bwondara Deputy manager(Training and Human Resources)NSSF.</p>	<p>CPA,Mrs. Caroline Jebet Kigen Certified Public Accountant</p>

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Dr David Mumo Malonza.
Senior Lecturer Kenyatta University

Holds Ph D in Mathematics
A Senior Lecturer in Kenyatta University in the Department Of Maths.
He has a wide experience in Education thus advises the Board on training matters and He is the chair of the training committee.



Mrs. Tabitha Mumbi Mutero Mwaniki,
Secretary and Principal Legal Officer
in Kenya National Assurance Company


Holds LL.B and MBA
She is the Secretary and Principal Legal officer Kenya National Assurance Company.
She has a broad experience on Legal matters having worked in the state law office.
She advises the Board on Legal Issues.
She is a member of Human Resource and Business Development committees of the Board



Mrs. Mercy Karogo, Acting Director
KICD

She is the acting Director KICD.
She has a wide experience in Education and Management.
She is an Independent Board Member.
She is the Chairlady Business Development and strategy.

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 <p>Mrs.Nancy Macharia, Alternante TSC.Secretary</p>	<p>Holds a PhD</p> <p>She is a Board Member representing the Teachers Service Commission.</p> <p>She is a member of Human Resource and Training Committee of the Board.</p>
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III. MANAGEMENT TEAM



Mr. Stephen M. Njoroge, Director CEMASTEAM

He is pursuing PhD. He holds Ex.MBA, M.Ed. in Education Administration & Planning and, B.Ed. (Science).

Responsible for the running of the centre affairs to ensure that the mission is achieved and efficiency of the institute is achieved. He is the secretary to the Board of Management and chairperson of the Senior Management Committee. Also responsible for spearheading partnerships of the centre. He directs the centre to achieve its mandate.



Mr. Moses O. Kawa, Deputy Director

Holds MSc. (SC & Env) & B.Ed.

Responsible for overall administrative operations of the Institute. Assists the Director in Management of the centre In charge of optimized operational programs to guarantee quality service delivery. In addition, He chairs the Tender Committee on behalf of the Director. Departments and ISO management representative



Mrs. Lydia N. Murithi, CSSA

Holds MBA & B.Ed. (Science)

She is the Coordinator Student & Support Services since January 2014. She was the Acting Deputy Director CEMASTEAM from September 2012 to January 2014.

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CPA Mr. Bradon Musyoki Sila ,
Finance Officer

He is pursuing MBA Finance ,Holds B.Com (Finance), CPA (K) .He has seven years in the field of Finance and Accounting
In charge of planning, sourcing and managing financial resources to achieve corporate objectives.



Mr. Joseph K Mathenge,
Deputy Coordinator Training and Academic Affairs

He holds a Bachelor of Education Degree (B.Ed. Science) (Hons.) and a Masters of Education in Education Management).
Assist the Coordinator Training and Academic Affairs (CTAA) in planning, organizing and coordinating In-service Education and Training (INSET) activities in all programs areas in the Centre .He has 11years experience as National Trainer.



Ms. Irene Mwangi, Human Resource Officer

She is pursuing MSc (HRM) ,She holds BBM (HRM)
Diploma(HRM)
Responsible for human capital planning, recruitment, performance management, reward, wellness and employee relations

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 <p>Mr. Joseph Ngugi , Internal Auditor</p>	<p>He holds BBA(Accounting) & CPA 1 He Responsible for the provision of Internal Auditing and advisory services to internal Management, assisting in controlling risk and monitoring compliance. He is also the secretary Internal Audit Committee of the Board</p>
 <p>Mr. Paul Waibochi, ICT department.</p>	<p>He holds M.Ed., B.Ed. & Diploma in project management He Responsible for managing the ICT programs of the Institute. In charge of planning, sourcing and implementing the ICT programs.</p>
 <p>Mr. Chesire Beregge, Physics Department.</p>	<p>He holds M.Sc.(Geo physics) ,M.Ed. & B.Ed. (Sc) He is Responsible for capacity development programmes in Physics department and also in charge of training, planning designing and implementing TCTP Programmes.</p>
 <p>Mr.Samuel Gachui, Dean Chemistry Department</p>	<p>He holds M.Ed., Admin& Planning B.ED(Science) He is the Dean Chemistry Department and Coordinator- Primary Programme Administrative Head of department Coordinating development of INSET course content, try-out and production of INSET materials Working experience 28 years</p>

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Mr. Mary Kariuki, Dean Biology Department

She holds a Master of Arts in project Planning
Bachelor of Education (Science)

Responsible for capacity development programmes in Biology Department and also in charge of training, planning designing and implementing trainings. Oversees the implementation of performance contract in CEMASTEAM.

She has 33yrs of working experience in training



Ms. Nancy Nui,
Dean Mathematics and Coordinator Secondary Programme

She holds M.Ed. (Mathematics Education)& B.Ed.

Responsible for capacity development programmes in Secondary level Cemasteam also in charge of training, planning designing and implementing trainings at secondary level.

Oversees the administration of mathematics department.







Mr. Ernest Ngeny, Research and Development

He holds B.Ed. and M.Sc. (Sc)

Responsible for capacity development of Research and Development programmes and also a National Trainer in Physics.

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 <p>Ms. Pauline Njeru, Cateress and House Keeper</p>	<p>She is pursuing Masters in Communication & Holds Degree in Hospitality Management. In charge of catering, hospitality and accommodation services in the Centre. 8years of experience in Hospitality Management.</p>
 <p>Mr. Robert Aura, Estate Officer</p>	<p>He Holds a Diploma Building & Civil Engineering Diploma Technical Education Diploma Community Health Craft III Carpentry & Joinery Responsible for safeguarding of CEMASTEAs properties to ensure they are in good condition and are well maintained.</p>
 <p>Mr. Kihara Mwai, Administrator</p>	<p>He holds Higher Diploma in entrepreneurship Responsible for administrative operations of the Centre. In charge of optimized administration and maintenance of programs to achieve corporate objectives. Ensures efficient and synchronized administration and maintenance operations.</p>
 <p>Mr. James Ribiru, Supply Chain Management Officer</p>	<p>He is pursuing MBA in Procurement and supply chain BBM(Purchasing and Supplies) Responsible for the procurement and inventory management in the institute. In charge of purchasing, supply chain and logistics to achieve corporate objectives. 8years experience in Supply Chain.</p>

IV. CHAIRMAN'S STATEMENT

The mandate of CEMASTEА is to develop more capacity for teachers and education managers in mathematics, science and technology education, not just for Kenya, but for other countries in Africa as well in effective and efficient curricula delivery. To navigate this course, the Board has mapped out the strategic direction for CEMASTEА to be a centre of excellence for Innovations in Effective Teaching and Learning. This requires continuous research in Innovative Pedagogy and Institutionalization of INSET for the Effective Delivery of Curricula of Mathematics and Science.

The Board undertakes to ensure that the institution has the necessary legal and regulatory framework to operate optimally by lobbying the government for necessary legislation and policies. The field within which the centre operates has many players, among them institutions and development partners, with whom the CEMASTEА will aspire to foster strategic collaborations.

Our focus is on establishing a human resource that is equal to the task, putting in place a management structure and providing adequate infrastructure all of which are crucial for the attainment of the financial objectives. While we appreciate the government of Kenya and our current Development partner, JICA for budgetary support, the Board is keen to extend partnership for resource mobilisation and seek creative and professional ways to generate income for sustainability of the Centre, in delivery of its mandate.

In the project phase of its existence, the CEMASTEА programmes were found to be relevant, efficient, effective and sustainable. To consolidate the gains made, the Board's strategy is to reinvent the institution through programmes that meet the need for science, mathematics technology and innovation capacities necessary for the human capital that can prepare today's student for tomorrow's market demand.

We have confidence in CEMASTEА's ability to deliver on these financial objectives, with an enabling environment, and with your strategic participation and support, the Board is set to give the guidance necessary for the financial plan's successful implementation.



Dr. Wanjiru Kariuki

Chairperson, CEMASTEА

V. REPORT OF THE CHIEF EXECUTIVE OFFICER

When the Governments of Kenya and Japan entered a bilateral Technical Cooperation agreement to implement the Strengthening of Mathematics and Science in Secondary Education (SMASSE) as a pilot project in 1998, the eventual scope could not possibly have been envisaged.

By 2003, the Project had expanded to national coverage. The good INSET practices and promising approach of the SMASSE Kenya model have been replicated elsewhere in Africa, making Kenya a beneficiary of JICA's South-South technical cooperation with the Philippines (UP NISMED) and Malaysia (SEAMEO-RECSAM).

In 2004, countries in Western, Eastern, Central and Southern Africa (WECSA) began to benefit from Kenya, through the SMASE-WECSA Association, making Kenya a pivotal country in the South-South and Triangular cooperation. CEMASTEIA, established to respond to the expansion in scope, now implements INSET Programmes in Primary and Secondary mathematics and science education for Kenyan personnel, and INSET for SMASE-WECSA member countries.

Guided by our strategic plan, CEMASTEIA aspires to implement programmes that will up-skill and up-grade teaching, while responding to development in student- focused strategies, and in line with Vision 2030. Our implementation efforts will benefit from recent developments in ICT, both at the Ministry headquarters and in field offices.

The success of the centre in FY 2013/2014 came from efforts of many individuals and collaborating institutions that I may not possibly single out. I wish to thank the Ministry of Education, notably, PS, Dr Belio Kipsang for his participation throughout the development process; members of the Board of Governors for giving strategic directions and their confidence in the management, Development partners and the entire staff of CEMASTEIA, with whose commitment and team work we are sure to implement this plan.



Mr. Stephen M. Njoroge

Director

VI. CORPORATE GOVERNANCE STATEMENT

Separation of Powers & Duties of the Chairman and Managing Director & CEO

The independence of the Board from the Company's corporate management is ensured by the separation of the functions of the Chairman and Managing Director & CEO and a clear definition of their responsibilities. This helps the Company in achieving an appropriate balance of power, increased accountability and improved decision making.

Responsibilities of Directors.

The responsibilities of members of the Board are clearly spelt out in both the Articles of Association of the Company and the Board Charter.

The Board sets the financial intent of the Company, its objectives and values. It ensures that procedures and practices are in place to protect the Company's assets and reputation. The Board reviews the strategic direction and adopts business plans proposed by Management, reviews processes for the identification and management of business risks and compliance with key regulatory and legal issues. It reviews succession planning for the management team and endorses senior executive appointments, organisational changes and remuneration issues. It also provides oversight of performance against targets and objectives. The Board also; oversees reporting to stakeholders on the direction, governance and performance of the Company, as well as processes that need reporting and other disclosure requirement

Conflict and Declaration of Interest.

Board members have a statutory duty to avoid situations in which they have or may have interests that conflict with those of the centre.

Each member of the Board is obligated to fully disclose to the Board of management any real or potential conflict of interest, which comes to his/her attention, whether directly or indirectly.

Board members must declare any conflict of interest they may have, and in certain circumstances, they must abstain from the participating in any discussion or voting on matters in which they have a material personal interest.

VII. BOARD COMMITTEE(S)

The Board of management is made up of the following committees:

- Audit
- Business/Strategy/Development
- Training
- Finance and General Purpose Committee
- Human Resource Development.

Business Strategy & development and Human resource committee did not sit as the new committees are which will start business in the FY 2014/2015

Attendance of Board of Management and its committees FY 2013/2014

The board held 7 regular, 3 Training committee meetings, 3 Finance and General Purpose Committee and 3 Special Meetings and 2 Audit committees

Name	Full Board	Special Committee
	Attendance	Attendance
Dr. Wanjiru Kariuki	4	3
Dr. David Malonza	6	2
Mrs Tabitha Mwaniki	4	-
CPA Caroline Kigen	3	1
Mrs Margaret Thiongo	3	1
Mrs Milkah Bwondara	5	3
Mrs Mercy Karogo	0	1
Mr.Reuben Nthamburi	1	1

Finance and General Purpose Committee

Name	Attendance
Mrs Margaret Thiongo	2
Mrs Milkah Bwondara	3

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Training Committee

Name	Attendance
Dr. David Malonza	3
Mrs Mercy Karogo	2
Mr Reuben Nthamburi	1

Audit Committee

Name	Attendance
Mrs Caroline Kigen	2
Dr. David Malonza	2

Remuneration of Board of Management

The Board of Management receives sitting allowances which are paid in line with the State Corporations Regulations, as follows:

Position	Current Gross Allowance (Kshs.)
Chairperson	15,000 per sitting
Chairperson/Committee	10,000 per sitting
Members	10,000 per sitting

VIII. REPORT OF THE CHAIRPERSON OF THE FINANCE AND GENERAL PURPOSES COMMITTEE



Membership

The Finance and General Purpose Committee is made up of the following members

- 1 Mrs.Milkah Bwondara. -Chairperson
2. Mrs Margaret Murage.

Mandate:

The committee:-

- i. Assist the council in discharging its oversight duties with respect to the overall financial health and integrity of the organization.
- ii. Reviewing the financial plans and policies of the institution and monitoring the financial performance of the institution.

Attendance

3 regular meetings were held during the year.

Name	Attendance
1.Margaret Thiongo	2
2. Milkah Bwondara	3

IX. REPORT OF THE CHAIRPERSON OF THE TRAINING COMMITTEE



Dr. David Malonza-Chairman Training Committee

Membership

The training committee is made up of the following members:

1. Dr. David Malonza-Chairman
2. Mercy Karogo
3. Reuben Nthamburi

Mandate:

The training committee:

- i. Assist the Board in discharging its oversight duties with the respect to the overall strategic direction of the capacity development program of the institute;
- ii. Review the progress of the institutions capacity development programs and give advice and recommendations in relation to these programs.

Attendance

There were 3 Training committee meetings were held during FY 2013/2014

Name	Attendance
1.Dr.David Malonza	3
2. Mercy Karogo	2
3. Reuben Nthamburi	1

X. REPORT OF THE CHAIRPERSON OF THE AUDIT COMMITTEE



CPA Caroline Kigen

Membership:

The Audit Committee is made up of the following members:

1. Ms Caroline Kigen-Chairlady
2. Dr. David Malonza.

Mandate:

The Audit Committee:-

- i. Reviews the impact of significant accounting and reporting issues such as professional and regulatory pronouncements;
- ii. Assesses if generally accepted accounting principles have been consistently applied within preparation of financial statements and other operational reports
- iii. Is responsible for the internal audit and risk management function by ensuring management acts on audit and risk management reports;
- iv. Confirms that all regulatory compliance is considered in the preparation of financial statements; and
- v. Reviews the process for monitoring compliance with the centres ethical guidelines.

There were two Audit committee meetings during the FY 2013/2014

Attendance

Name	Attendance
Mrs Caroline Kigen	2
Dr. David Malonza	2

XI. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Corporate social responsibility

Corporate Social Responsibility is highly acceptable in the creation of the centres image in respect of what we give back to the community that matters, hence the communities involved with and by CEMASTEAM are considered to be important parties to the institution, and the key reason as to why CEMASTEAM exists and will live to be in the generations to come.

The year that ended is considered to be an integral part of the institution activities. What happened then is what will lead us to the incoming year and hence the communities where the institution operated are considered to be important stakeholders in the way the institution conducts its activities.

In the year ended, the CEMASTEAM was involved in various Corporate Social Responsibility initiatives that aimed at impacting positively on the lives of the respective parties where it operates.

Thus this year, the key Corporate Social Responsibility activities will focus on healthcare, education and response to distress calls. While we partner with JICA we aim at going to a greater and higher level of giving our best to the community at large.

CEMASTEAM is committed to the highest standards of professionalism in its activities and the welfare of the society at large. Thus, the Board came up with a CSR policy that will strengthen its efforts for the common good of the community by building and sustaining strong bonds developed with them so as to achieve the above mentioned objectives. Ahead of us, we look forward to measuring our accomplishments not only in terms of financial performance but also by the impact we have made towards the social-economic well-being in our community. The following the activities were done by the centre in respect of corporate social responsibility;

Education

The Centre continues to support various schools on their efforts to achieve academic excellence through offering training in primary and secondary schools to both their teachers and students so as to increase their capacity in learning. Our teachers go to the various schools and take an ample time training them on how to learn some of the hard things in mathematics and sciences.

There have been some programmes developed to enhance learner understand ability and also the integration of technology in learning .The centre has helped various schools to become INSET centers by offering financial and material support

Health care

Healthcare is a Corporate Social Responsibility activity taken care of in CEMASTEА; hence it has been given its respective priority CEMASTEА has health care services in the housing and catering department. There is a first aid kit that takes the initial first action when people get injured around.

Our diet is set in and arranged in a healthy manner to both our staff, the participants who take training at CEMASTEА and when we go outside to the rest of the communities. During the year, the institution has been treating their participants who fall sick during training at the Karen Hospital. CEMASTEА offers an insurance policy to protect the staff and a part of the community involved in its programmes.

Environment and beautification

The Centre has continued its involvement in the beautification and maintenance of the area within CEMASTEА.

Looking forward to enhancing the beauty of other areas for a clear view and landscape.

CEMASTEА is sensitive to the conservation of environmentally protected or threatened areas, species and scenic aesthetics. CEMASTEА also aims to achieve the enhancement of the landscape, wherever possible, by means of indigenous plant material reinforcement.

Cemastea has planted a thousand trees to our INSET centres all over Kenya.

Working with local community

Cemastea works with the local community to enhance the preservation of environment and thus has adopted one of its members from Karengata which is an association that is working hand in hand with CEMASTEА.

Youth support

The institution is involved in finding more youth and getting them to work. There is training services like internship and more youth are employed based on temporal services available. The institution is also creating more work and opportunities which will lead to employment of the youth. The institution also offers career talks and recreational activities especially to students that encourages them on the need to study mathematics, sciences and technology that makes them a beneficiary to the competitive world.

XII. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2014 which show the state of the CEMASTEAs affairs.

Principal activities

The principal activity of the CEMASTEAs is capacity building for teachers both primary and secondary (INSET) both in Kenya and Africa

Results

The results of the CEMASTEAs for the year ended June 30, 2014 are set out on page 28 to 31

Directors

The members of the Board of Directors who served during the year are shown on page 6-9 In accordance with legal notice 96 of 2006

Auditors

The Auditor General is responsible for the statutory audit of the CEMASTEAs in accordance with the Public Finance Management (PFM) Act, 2012.

By Order of the Board


.....
BOM Secretary

Nairobi

Date.....*29/05/2015*.....

XIII. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Public Finance Management Act, 2012 and State Corporations Act, require the Directors to prepare financial statements in respect of CEMASTEА, which give a true and fair view of the state of affairs of CEMASTEА at the end of the financial year/period and the operating results of CEMASTEА for that year/period. The Directors are also required to ensure that CEMASTEА keeps proper accounting records which disclose with reasonable accuracy the financial position of CEMASTEА. The Directors are also responsible for safeguarding the assets of the CEMASTEА.

The Directors are responsible for the preparation and presentation of CEMASTEА's financial statements, which give a true and fair view of the state of affairs of the CEMASTEА for and as at the end of the financial year (period) ended on June 30, 2014. 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 CEMASTEА; (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 CEMASTEА; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the CEMASTEА's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Directors are of the opinion that the CEMASTEА's financial statements give a true and fair view of the state of CEMASTEА's transactions during the financial year ended June 30, 2014, and of the CEMASTEА's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the CEMASTEА, which have been relied upon in the preparation of the CEMASTEА's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

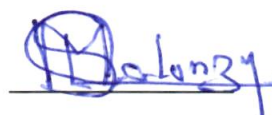
The CEMASTEА's financial statements were approved by the Board on 30.09.2014 and signed on its behalf by:



Director



Chair BOM



Member BOM

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-Mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON CENTRE FOR MATHEMATICS, SCIENCE AND TECHNOLOGY EDUCATION IN AFRICA FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Centre for Mathematics, Science and Technology Education in Africa set out on pages 28 to 49, which comprise the statement of financial position as at 30 June 2014, and statement of financial performance, statement of changes in net assets and statement of cash flows 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 14 of the Public Audit Act, 2003. 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Standards Accounting Standards (Accrual Basis) and for such 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.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 13 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15 (2) of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

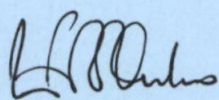
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Centre's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Centre as at 30 June 2014 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 Legal Notice No.96 of 2006 and the Education Act Cap 211.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

9 June 2015

Centre for Mathematics, Science and Technology Education in Africa, Annual report and financial statements for the financial year ended 30th June 2014

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2014

	Note	2013-2014 Kshs 000
Revenue from non-exchange transactions		
Grants-Ministry of Education	10	202,310
Transfers from other governments –JICA	11	17,429
Sub-Total		219,739
Revenue from exchange transactions		
Catering services	12	3,290
Rental revenue from facilities and equipment		-
Interest Income	13	1,964
Other income	14	1,384
Sub-Total		6,638
Total revenue		226,377
Expenses		
Training expenses(INSET)	15	117,464
Employee costs	16	21,252
Depreciation	25	5,815
Repairs and maintenance	17	19,586
Cleaning and security	18	5,793
Water & Electricity	19	6,813
Audit Fees	27	800
General expenses	20	38,526
Bank charges	21	113
Board Expenses	22	1,805
Total expenses		<u>217,967</u>
Surplus/Deficit		<u>8,410</u>

The notes set out on pages 33 - 49 form an integral part of the Financial Statements



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Centre for Mathematics, Science and Technology Education in Africa, Annual report and financial statements for the financial year ended 30th June 2014

XIV. STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Note	2013-2014
		Kshs
		000
Assets		
Current assets		
Cash and cash equivalents	23	120,558
Trade Receivables	24	2,425
Total Current Assets		122,983
Non –Current Assets		
Property ,Plant and Equipment	25	1,023,468
Total assets		<u>1,146,451</u>
Non-current liabilities		
Revaluation reserve	26	385,642
Accumulated Reserves		90,876
Capital Reserves		643,641
Current liabilities		
Trade and other payables	27	26,292
Total liabilities		<u>1,146,451</u>

The Financial Statements set out on pages 28 - 31 were approved by board of directors on 30.09.2014 and signed on their behalf by:

Director

Stephen M. Njoroge

Date..... 29/05/2015

Chair of the Board

Dr. Wanjiru Kariuki

Date..... 29.5.15

XIII. STATEMENT OF CHANGES IN NET ASSETS

For the year ended 30 June 2014

	Revaluation Reserve	Capital Reserves	Accumulated Reserves	Total
	Ksh 000	Ksh 000	Kshs. 000	Kshs. 000
Balance as at 1st July 2013		-	82,466	82,466
Revaluation reserve	385,642	-	-	385,642
Capital Reserve	-	637,826	-	637,826
Surplus/(Deficit) for the period	-	-	8,410	8,410
Balance as at 30 June 2014	<u>385,642</u>	<u>637,826</u>	<u>90,876</u>	<u>1,114,344</u>

XIV. STATEMENT OF CASH FLOWS

For the year ended 30 June 2014

	2013-2014
	Kshs 000
Cash flows from operating activities	
Receipts	
Government grants and subsidies	202,310
Catering services	940
Receipts from other Governments-JICA	17,429
Interest Income	1,890
Other income	1,244
	<u>223,813</u>
Payments	
Training (INSET)	(252,629)
Compensation of employees	(21,252)
Goods and services	(63,181)
Bank Charges	(113)
	<u>(337,175)</u>
Net cash flows from operating activities	<u>(113,362)</u>
Cash flows from investing activities	
Purchase of property, plant, equipment and intangible assets	-
Net cash flows used in investing activities	-
Cash flows from financing activities	-
Net cash flows used in financing activities	-
Net increase/(decrease) in cash and cash equivalents	<u>(113,362)</u>
Cash and cash equivalents at 1 July 2013	233,920
Cash and cash equivalents at 30 JUNE 2014	<u>120,558</u>

XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Budget	Actual on	Performance
		comparable	difference
		basis	
	2013-2014	2013-2014	2013-2014
Revenue	Kshs '000	Kshs '000	Kshs '000
Receipts from other Governments- JICA	18,000	17,429	(571)
Government grants	321,183	202,310	(118,873)
Catering services	1,177	3,290	2,113
Interest Income	-	1,964	1,964
Other Incomes	9,823	1,384	(8,439)
Total income	350,183	226,377	(123,806)
Expenses			
Training-INSET	223,652	117,464	106,188
Compensation of employees	30,453	21,252	9,201
Depreciation	-	5,815	(5,815)
Goods and services	34,312	32,192	2,120
Bank charges	113	113	-
General expenditure	59,551	38,526	21,025
Board Expenses	1,805	1,805	-
Total expenditure	350,183	217,967	132,719
Surplus for the period	-	8,410	8,410

See note 5 for explanation of variance

XVI. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014

1. Statement of compliance and basis of preparation

CEMASTEA's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the CEMASTEAs. The accounting policies have been consistently applied to all the years presented.

First time adoption of International Public Sector Accounting Standards

The entity has adopted the *International Public Sector Accounting Standards* for the first time in 2014. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.

Audit of Financial Statements

The entity financial accounts were in previous years consolidated with ministry of education and therefore audited together since it was semi-autonomous. In the financial year 2013-2014 it has been audited for the first time as an independent entity.

2. Summary of significant accounting policies

Revenue recognition

Revenue from non-exchange transactions

Transfer from governments

Revenues from non-exchange transactions with government entities are measured at fair value and recognized on obtaining control of the asset 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.

To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue.

3. Revenue from exchange transaction

a) Rendering of services

The CEMASTEAs recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014 (Continued)

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

b) Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

c) Rental income

Rental income arising from operating leases on investment properties is accounted for on a over the lease terms and included in revenue.

d) Budget

The annual budget is prepared on the accrual basis that is, all planned costs and income are presented in a single statement to determine the needs of CEMASTEА. As a result of the adoption of the accrual basis for budgeting purposes, there is no basis, timing or differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

e) Property, plant and equipment

The entity has adopted this standard for the first time in 2013-2014.

Valuation of all property, plant and equipment is in process .Most of the assets were donated by JICA to CEMASTEА. Recording of all assets as per IPSAS 17 has been applied in financial year 2013-2014.The entity has not sold any asset during the financial year 2013-2014

f) Intangible assets

The entity has adopted this standard for the first time in 2014.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE

2014 (Continued)

Valuation of all property, plant and equipment is in process. Most of the assets were donated by JICA to CEMASTEА. Recording of all assets as per IPSAS 17 shall have been applied in financial year 2013-2014. The entity has not sold any asset during the financial year 2013-2014

g) Depreciation –The entity has charged depreciation on straight line basis and where applicable apportioned in respect of the year of purchase. Depreciations charge has been applied using the following rates; Buildings 2%, Furniture & Fittings 12.5%, Motor Vehicles 25% & Equipment’s 12.5%.

h) Provisions -Provisions are recognized when the CEMASTEА 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 CEMASTEА 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.

i) Contingent liabilities

The CEMASTEА 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.

j) Contingent assets

CEMASTEА 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 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014 (Continued)

related revenue are recognized in the financial statements of the period in which the change occurs.

k) Nature and purpose of reserves

CEMASTEА creates and maintains reserves in terms of specific requirements. Revaluation reserve is created to record increase or decrease in value of property .In financial year 2013-2014 on land has been recorded as property and no gain or loss was recorded in respect of this assets

l) Changes in accounting policies and estimates

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

m) 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 Kenya Commercial Bank of Kenya and Cooperative banks of Kenya at the end of the financial year

n) Comparative figures

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

o) Significant judgments and sources of estimation uncertainty

The preparation of the CEMASTEА'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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE

2014 *(Continued)*

p) 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.

CEMASTEА 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 CEMASTEА. Such changes are reflected in the assumptions when they occur.

q) 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: The condition of the asset based on the assessment of experts employed by the CEMASTEА. The nature of the asset, its susceptibility and adaptability to changes in technology and processes, the nature of the processes in which the asset is deployed, availability of funding to replace the asset Changes in the market in relation to the asset

r) 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

s) 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, 2014.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE

2014 (Continued)

t) Related party

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

- Director
- Deputy Director
- Coordinator Training and Academic Affairs

u) Segment reporting

The entity does not have any branches/reporting segments. All the operations of the entity are managed from the registered office. The core business of CEMASTEIA continues to be INSET training both in Kenya and Africa.

v) Bad debt provision

The entity provides 10% for debts over one year and 5% in the preceding year. If there is high probability that the debt is not recoverable it is written off. There no bad debts in the financial year 2013-2014.

4) Financial Risk Management Disclosure

The centre did not have investments in financial instruments in financial year 2013-2014

5) Budget Variances in financial year 2013-2014

During the financial year 2013-2014 the centre incurred a total of Ksh 8 million during the presidential visit on 6th February 2014 to open the new complex donated by JICA, hence the variance. The centre did not receive fully budgeted amounts of Ksh 118Million hence did not carry on all training activities as planned in financial year 2013-2014. There were no adjustments to the original budget

6) Related party disclosures

The four Key management personnel receives salaries and other benefits from TSC in the financial year 2013-2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014 (Continued)

7) Commitments and contingencies

There were no capital commitments during the financial year 2013-2014

8) Operating lease rentals

The Board does not let properties under operating leases

9) Contingencies

There were no contingent liabilities and contingent assets reported during and after Audit process

10) Government grants

	2013-2014
	Shs 000
Recurrent Expenditure-Quarter 1	502
Recurrent Expenditure-Quarter 2	31,608
Recurrent Expenditure - Quarter 3	31,608
Recurrent Expenditure - Quarter 4	43,217
Development Expenditure- Quarter 1	-
Development Expenditure-Quarter 2	48,687
Development Expenditure-Quarter 3	-
Development Expenditure-quarter 4	<u>46,687</u>
Total Government grants	<u>202,310</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014 (Continued)

11) Transfers from other governments

	2013-2014
	Shs 000
Grant-SMASSE –TCTP –(Quarter 1)	9,700
Grant-SMASSE –TCTP –(Quarter 2)	7,729
Grant-SMASSE –TCTP –(Quarter 3 & 4)	-
Total Transfers	<u>17,429</u>

The Government of Kenya, CEMASTE A and JICA signed an agreement on TCTP Program. JICA funds the activity and CEMASTE A provides facilities and other resources on behalf of Government of Kenya

12) Catering services

	2013-2014
	Shs 000
Catering Income –Quarter 1	249
Catering Income –Quarter 2	46
Catering Income –Quarter 3	88
Catering Income –Quarter 4	<u>2,907</u>
Total revenue from the rendering of catering services	<u>3,290</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR

ENDED 30TH JUNE 2014 (Continued)

13) Interest Income

	2013-2014
	Shs 000
Interest on call account (Quarter Three)	524
Interest on call account (Quarter Four)	<u>1,440</u>
Total Interest Income	<u>1,964</u>

Interest income is from Call Deposits with KCB Karen Branch for Nine months and Interest rates were average 9.2% in 2014 as well as 2013. Withholding Tax has been deducted from the interest earned

14) Other income

	2013-2014
	Shs 000
Rent income	1,283
Tender income	99
Sundry income	<u>2</u>
Total other income	<u>1,384</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR

ENDED 30TH JUNE 2014 (Continued)

15) Training expenditure

**2013-2014
Shs 000**

Training Expenses

117,464

Training expenses entails all expenditure incurred while facilitating INSET for primary and secondary programs. The centre did not receive fully budgeted amounts of Ksh 118Million hence did not carry on all training activities as planned in financial year 2013-2014

16) Employment costs

**2013-2014
Shs 000**

Salaries and wages	13,454
Gratuity	2,466
HELB contribution	114
Jamii Sacco	1,789
Rent deduction	6
Insurance	164
N.H.I.F	119
N.S.S.F	232
P.A.YE	<u>2,908</u>
Employment cost	<u>21,252</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30TH JUNE 2014 (Continued)**

17) Repairs and maintenance

	2013-2014
	Shs 000
Buildings	9,807
Plant, Machines & Equipment	5,242
Computers	1,257
Environmental conservations	2,425
Vehicles	855
Total repairs and maintenance	<u>19,586</u>

18) Cleaning & Security

	2013-2014
	Shs 000
Cleaning	2,583
Security	3,210
Total contracted services	<u>5,793</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30TH JUNE 2014 (Continued)**

19) Electricity and Water	2013-2014
Water	Shs.000
Electricity	1,409
Total	<u>5,404</u>
Total expenses	<u>6,813</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR

ENDED 30TH JUNE 2014 (Continued)

20) General expenses	2013-2014
	Shs 000
Advertising	6,300
Subscriptions & Newspapers	560
Food & Other	15,676
Internet services	873
Travel & accommodation	2,487
Fuel ,Gas and oil	4,395
Insurance	4,453
Temporary committee	168
Postage & courier	1,677
Printing and stationery	1,110
Office expenses	1,079
Telecommunication	<u>540</u>
Total general expenses	<u>38,526</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR

ENDED 30TH JUNE 2014 (Continued)

21) Bank Charges

	2013-2014
	Shs 000
KCB Karen Branch	101
Co-operative ,NBC Branch	<u>12</u>
Total Bank charges	<u>113</u>

22) Board Expenses

	2013-2014
	Shs 000
Sitting allowance	786
Honoraria	70
Transport	252
Others	697
Total Board expenses	<u>1,805</u>

23) Cash and cash equivalents

	2013-2014
	Shs 000
Cash at Bank	50,557
Cash in Hand	1
Short-term Deposits	<u>70,000</u>
Total cash and cash equivalents	<u>120,558</u>

The above short term deposits were held by KCB Karen Branch at average interest rates of 9.2%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014 *(Continued)*

24) Receivables from exchange transactions

	2013-2014
Current receivables	Shs 000
Trade receivables	<u>2,425</u>
Total receivables	<u>2,425</u>

Trade receivables are generated by catering department from services offered outside the centre and accrued income relates to accrued interest on call deposit held with KCB Karen

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014 (Continued)

25) Property , Plant & Equipment

	Land	Building	Equipment	Motor Vehicles	Furniture's and fittings	Total
					Assets	
Cost	Shs	Shs	Shs	Shs	Shs	Shs
At 1 st July 2013	385,642,480	-	-	36,600,930	-	422,243,410
Additions	-	600,381,764	18,627,400	9,000,000	15,631,600	-
Disposals	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-
At 30 June 2014	385,642,480	600,381,764	18,627,400	45,600,930	15,631,600	422,243,410
Depreciation and impairment						-
At 1 st July 2013	-	-	-	36,600,930	-	36,600,930
Depreciation	-	915,577	1,746,319	1,687,500	1,465,463	5,814,859
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-
At 30 June 2014	-	915,577	1,746,319	38,288,430	1,465,463	42,415,789
Net book values						
At 30 June 2014	385,642,480	599,466,187	16,881,081	7,312,500	14,166,138	1,023,468,386

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014 (Continued)

26) Revaluation reserve

During the year 2013, CEMASTEVA land and building was valued at Ksh 385,642,480.00 by Ministry of Lands. This was credited to revaluation reserve since the assets were not booked in the previous financial year.

27) Trade and Other payable

	2013-2014
	Shs 000
Outstanding Training expenses	21,719
Other Payables	3,773
Audit Fees (stated inclusive of VAT)	<u>800</u>
Total Payables	<u>26,292</u>

REPORTING CURRENCY

The Board's principal activities are carried out in the Republic of Kenya and the accounts are reported in, Kenya Shillings (kshs)