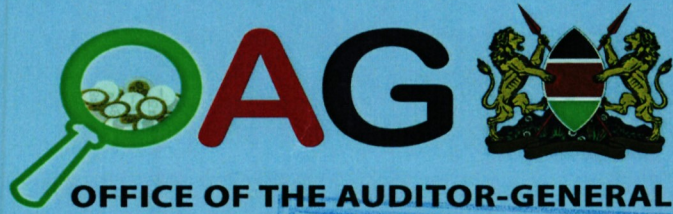


REPUBLIC OF KENYA



Enhancing Accountability



PARLIAMENT
OF KENYA
LIBRARY

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 09 JUN 2021 DAY: _____

TABLED BY: _____

CLERK AT THE TABLE: _____

REPORT

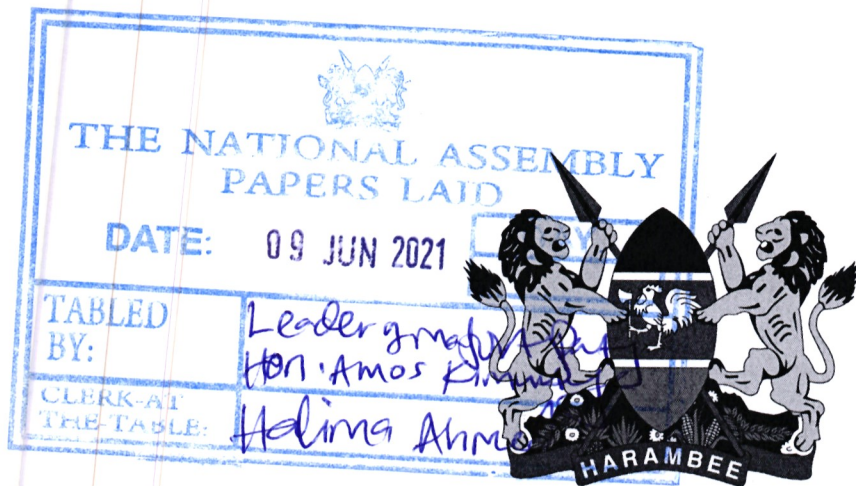
OF

THE AUDITOR-GENERAL

ON

**STATE DEPARTMENT FOR
VOCATIONAL AND
TECHNICAL TRAINING**

**FOR THE YEAR ENDED
30 JUNE, 2020**



**MINISTRY OF EDUCATION
STATE DEPARTMENT FOR VOCATIONAL AND TECHNICAL TRAINING**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE, 2020**

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

Contents

1. KEY ENTITY INFORMATION AND MANAGEMENT	iii
2. FORWARD BY THE CABINET SECRETARY	xii
3. STATEMENT OF PERFORMANCE AGAINST STATE DEPARTMENT FOR VOCATIONAL AND TECHNICAL TRAINING'S PREDETRMINED OBJECTIVES	xxiii
4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY	xxviii
REPORTING.....	xxviii
STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES	xxxi
5. REPORT OF THE AUDITOR GENERAL ON THE STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING	xxxiii
6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2020	1
7. STATEMENT OF ASSETS AND LIABILITIES AS AT 30JUNE 2020.....	2
8. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30JUNE 2020.....	3
9. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	5
10. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT	7
11. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT	9
12. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES	11
13. SIGNIFICANT ACCOUNTING POLICIES.....	12
SIGNIFICANT ACCOUNTING POLICIES.....	14
14. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2020	17
15. PROGRESS ON FOLLOW UP OF PRIOR YEARS AUTOR'S RECOMMENDATIONS.....	24

1. KEY ENTITY INFORMATION AND MANAGEMENT

The State Department for Vocational and Technical Training was formed on May 2016 through the Executive Order No. 1/2016 of May 2016 on “Organization of the Government of the Republic of Kenya”. At cabinet level, the State Department for Vocational and Technical Training is represented by the Cabinet Secretary for Ministry of Education who is responsible for the general policy and strategic direction of the State Department for Vocational and Technical Training.

The **Vision** for the State Department is “a high quality TVET for global competitiveness” while the **Mission** To provide, promote and coordinate the training sector by assuring quality, inclusiveness and relevance for the enhancement of the national economy and global competitiveness.

The Department is responsible for promoting access, equity, relevant and quality technical and vocational education and training. The State Department does this through registration of TVET institutions; formulation, coordination, and review of policies and strategies in curriculum design, development, implementation, assessment and certification in TVET; provision of quality assurance services to TVET Institutions; setting of trainees’ admission criteria to TVET institutions; promoting research, science, technology and innovation in TVET; and oversee the management of National Polytechnics, Technical and Vocational Colleges, Vocational Training Centres and Technical Trainer Colleges

The operational environment for State Department for Vocational and Technical Training is governed by a desired set of core values, which constitute the desired organizational culture. The core values of include:

- (i) **Integrity** - Committed to acting in an honest, accountable and transparent manner in all our undertakings.
- (ii) **Professionalism** - Committed to the highest levels of achievement obtainable through competencies and critical skills.
- (iii) **Teamwork** - Embrace teamwork and collaboration both within the Ministry and with all partners in the provision of training services.
- (iv) **Excellence** - Committed to world class benchmarking of standards
- (v) **Efficiency** - Strive to achieve the highest value of benefit from the deployment of resources, particularly to the trainees.
- (vi) **Innovativeness and creativity** - Committed to setting and maintaining high standards of training through continuous improvement of service delivery.
- (vii) **Upholding cultural diversity** - Training seeks to create a cohesive society where all people live together harmoniously regardless of race, tribe, creed, or geographic area of origin.

(a) Key Management

The State Department for Vocational and Technical Training’s day-to-day management is under the following key organs:

Directorate of Technical Education: The directorate has the overall mandate on matters of Technical

Training in the Country. This includes: Enhancing access, equity, quality and relevance at all levels of technical training, improving the quality of technical training and promotion of linkages and collaborations between industry and TVET institutions and promotion of innovativeness and research in TVET Institutions. The TVET sector in Kenya currently includes ten (10) national polytechnics, one (1) technical trainers college, ninety eight (98) technical training institutes (TTIs), nine (9) institutes of technology (ITs) and (4) Special TTIs catering for hearing and visually impaired trainees.

Directorate of Vocational Education and Training: The Directorate is mandated to formulate policy and do research, capacity build the counties on curriculum implementation, good governance for VTC, ensure ICT integration and create linkages and partnerships that will improve the quality of vocational Education and training in the country. Vocational Education and Training (Village /Youth Polytechnic) as in the constitution is a devolved function with clear mandates of the roles each level of government should play in the development of skills training. This linkage is made possible through the Council of Governors and the Senate. The mandate addresses the constitutional requirement as articulated in Article 53 1(b) regarding provision of free and compulsory basic education and Article 55 (a-c) regarding access to relevant education and training, employment and participation in national development by the youth, as well as stipulated in the Jubilee Manifesto. Further, Executive Order No.1 of 2018 on Organization of Government places VTC function under Ministry of Education. The operations of VTCs have been devolved except policy and research, capacity building on curriculum implementation, partnerships and linkages all this is under the State Department of Vocational and Technical Training. The Directorate, towards the realization of her mandate, is implementing various vocational training strategies such as: Capacity building of curriculum implementers of VTCs; construction and refurbishment of VTC infrastructure through donor funds when available; establishment of a legal framework for the VTCs to operate in; create partnerships and linkages with development partners and county governments in the implementation of the VTCs mandate. There are currently 987 Public VTC s with an enrolment of 89,598 trainees.

General Administration, Planning and Support Services Department: The State department has other units, which offer support services to the technical directorates. These are: Administration, Human Resource Management and Development, Accounts, Finance, Central Planning and Project Monitoring Unit, Information and Communication Technology, Legal, Public Communication, and Supply Chain Management divisions.

(b) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

*MINISTRY OF EDUCATION
STATE DEPARTMENT FOR VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements For the year ended 30 June, 2020*

No.	Designation	Name
1	Cabinet Secretary, Ministry of Education	Prof. George A. O. Magoha, CBS
2	Chief Administrative Secretary	Hon. Zacharia Kinuthia
3	Principal Secretary, State Department of Vocational and Technical Training	Dr. Julius O. Jwan, MBS
4	Secretary Administration	Mr. Albert Kobia
5	Director General Technical Vocation Education Training Authority	Dr. Kipkurui Langat
6	Chief Executive Officer (CDACC)	Dr. Lawrence Guantai
7	Director General/CEO (KNQA)	Dr. Juma Eusebius Mukhwana
8	Assistant Accountant General	Mr. Joseph Nyamora
9	Chief Finance Officer	Mr. Anthony Masinde
10	Chief Economist	Ms. Evelyn Anupi
11	Head of Supply Chain Management Services	Mr. Kelly Onyango
12	Director Human Resource and Development	Mr. Elikanah Mosiori
13	Director Vocational Education and Training	Eng. Mutinda Mwaa
14	Ag. Director of Technical Education	Mr. Tom Mulati

(c) Fiduciary Oversight Arrangements

Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):

- *Audit and finance committee activities*
- *Parliamentary committee activities*
- *Development partner oversight activities*
- *Other oversight activities*

(d) State Department for Vocational & Technical Training

P.O. Box 9583 - 00200
Jogoo House "B"
Harambee Avenue
Nairobi, Kenya

(e) Entity Contacts

Telephone: +254-020-3318581
Email: psvtt@education.go.ke

*MINISTRY OF EDUCATION
STATE DEPARTMENT FOR VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements For the year ended 30 June, 2020*

Website: www.education.go.ke

(f) Entity Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

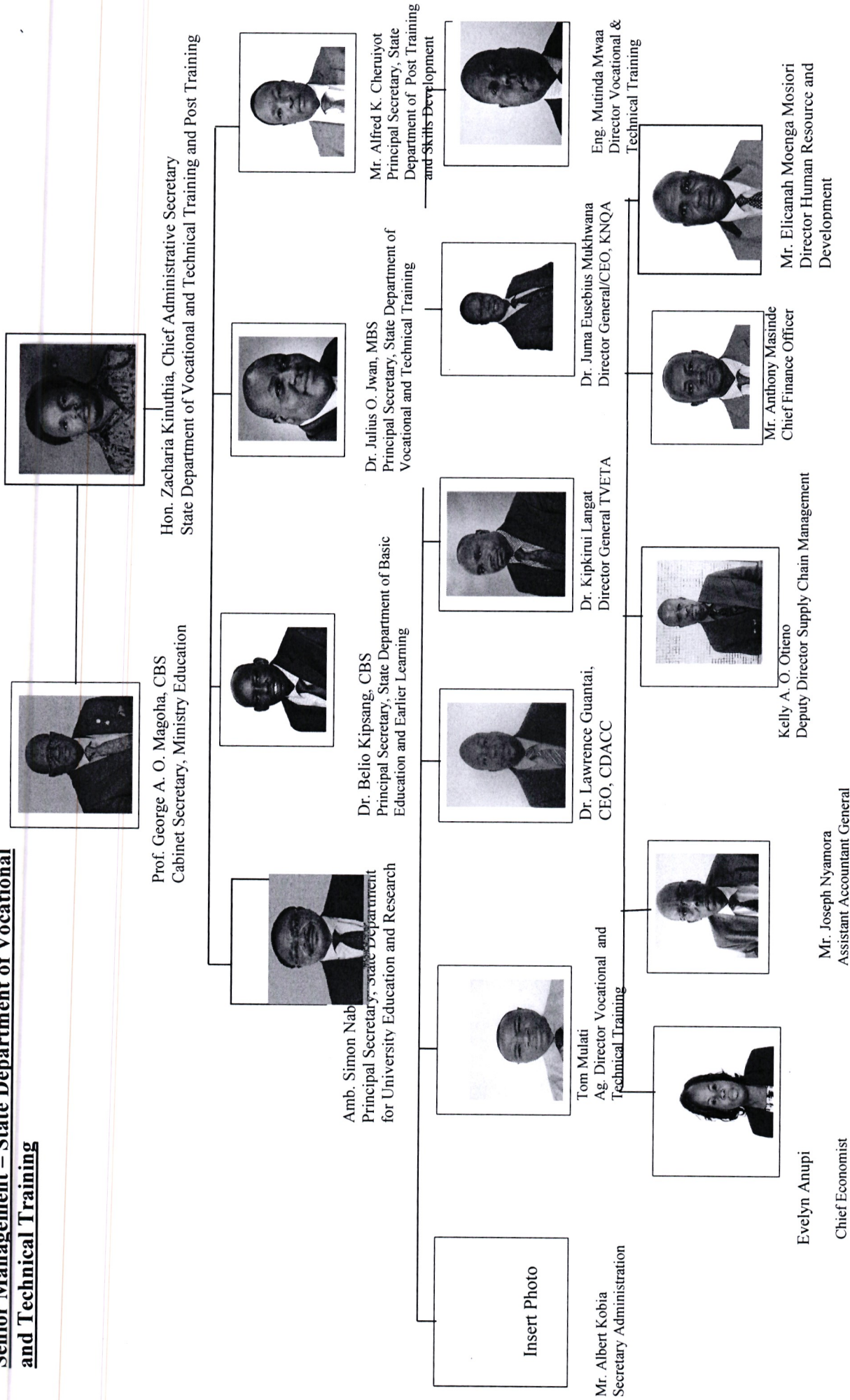
(g) Independent Auditors

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

(h) Principal Legal Adviser

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

I. KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)
Senior Management – State Department of Vocational and Technical Training






I. KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

Senior Management – State Department of Vocational and Technical Training (continued)

	<p>Professor George Albert Omoro Magoha is a consultant surgeon, academic, academic administrator and technocrat, who is currently serving as the Cabinet Secretary for Education in the Cabinet of Kenya effective 26th March 2019. Immediately before his current assignment, he was the chairman of the Kenya National Examinations Council (KNEC), from 2016 until 2019. He has previously served as the Vice Chancellor of the University of Nairobi from 2005 until 2015. He is a Professor of Surgery at the University of Nairobi's College of Health Sciences. He concurrently serves as a Consultant Urologist at Kenyatta National Hospital, the teaching hospital of the university. Professor Magoha was the chairman of the Kenya Medical Practitioners and Dentists Board until May 2017.</p>
<p>Prof. George A. O. Magoha, CBS Cabinet Secretary Ministry Education</p>	<p>The Chief Administrative Secretary, Hon. Zack Kinuthia assumed administration responsibility at the Ministry of Education in January 2020. Hon. Kinuthia has worked in management and leadership roles at various governance and civil society organizations for close to a decade.</p> <p>He is currently pursuing a degree in Law at the University of Nairobi and is also a holder of degree in Economics and Political Science from the same University. Folks consider Kinuthia as exemplary in organizational leadership, with a dynamic passion in creating intersection platform between young people's aspirations and their government's agenda.</p>
	<p>Dr. Julius Jwan is the Principal Secretary, State Department for Vocational and Technical Training (VTT), in the Ministry of Education. Dr. Jwan served as the Director/CEO at the Kenya Institute of Curriculum Development (KICD). Prior to joining KICD, he was the Director – Programmes and Technical Services at the National Cohesion and Integration Commission (NCIC). He has worked as a lecturer at Moi University rising from the position of a Tutorial Fellow to Senior Lecturer. Prior to joining Moi University, he was a teacher at Ongalo Secondary School and Kaimosi Teachers' Training College.</p> <p>Dr. Jwan holds a PhD Degree in Educational Leadership & Management from the UK. He also holds a Master of Science (MSc) Degree in Educational Research Methods-from the UK; a Master of Philosophy (MPhil) Degree in Education Communication & Management from Norway and another Master Degree in Linguistics from Moi University - Kenya where he also graduated with a Bachelor of Education Degree. He has attended several fellowships and short courses including: Procurement and Tendering Processes; and Senior Management Course for Public Officers (Kenya); Education for Sustainable Peace (Germany); Enhancing Governance and Financial Administration in Africa (Botswana); Transitional Justice and Governance in Africa (South Africa); Reconciliation as Process and Practice (Sweden); Democratic Governance for Development in Africa (Uganda), among others.</p> <p>Dr. Jwan has published widely on educational leadership and management in international journals and book chapters. He has also published three books - two on educational leadership and management, and one on research methods. He is a winner of the Best</p>
	<p>Dr. Julius O. Jwan, MBS Principal Secretary, State Department of Vocational and Technical Training</p>


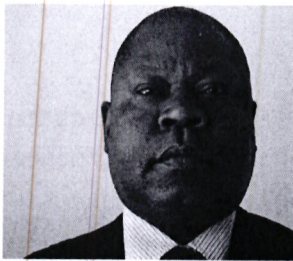

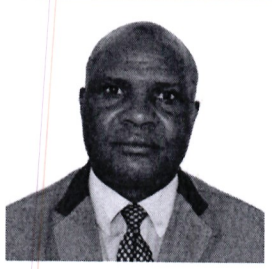
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
 Report and Financial Statements for the year ended 30 June, 2020

 <p>Mr. Albert Kobia Secretary Administration</p>	<p>Doctoral Thesis Award by the British Educational Leadership, Management and Administration Society (BELMAS) in 2011.</p>
 <p>Dr. Juma Eusebius Mukhwana CEO, KNQA</p>	<p>Dr. Eusebius J. Mukhwana holds a Bachelor's and Master's Degree in Veterinary Medicine from the University of Nairobi and PhD in Soil Science from the University of Wyoming in the USA. He is an experienced Team Leader and Manager with a demonstrated history of working in the Agriculture and Higher Education Sectors in Africa. He has worked as a Professor in Soil Science at several Kenyan Universities and has been a Deputy Chief Executive Officer at the Commission for University Education (CUE) in Kenya. He currently serves as the founding CEO of the Kenya National Qualifications Authority (KNQA) where he has been involved extensively in reforming the Basic, TVET and University education sectors in Kenya through the establishment of the Kenya National Qualifications Framework (KNQF). The framework works to ease the mobility of students and workers across Africa. Dr. Mukhwana serves as a member of the Board of Directors of the Regional Universities Forum for Capacity Building in Agriculture (RUFORUM, representing non-university actors.</p>
 <p>Dr. Kipkirui Langat Director General of TVET Authority</p>	<p>Dr. Langat is the Director General of TVET Authority. He holds Doctor of Philosophy in Engineering Systems and Management from Egerton University, Master of Philosophy in Technology Education (Automotive Technology), Master of Business Administration (Strategic Management) and Bachelor of Education in Technology Education a from Moi University. He has worked as an Assistant Lecturer, Lecturer and Head of Department, Automotive Engineering at Rift Valley Training Institute. He has also worked as a lecturer in the Department of Mechanical Engineering and a Deputy Dean of students at Eldoret Polytechnic. Dr. Langat worked at Egerton University as a Lecturer in the Department of Industrial and Energy Engineering. He was a programme coordinator for Twinning Programme between Western Michigan University, USA and Egerton University. He was also among a team of experts who developed Bachelor of Technology in Mechanical Engineering and Bachelor of Philosophy in Mechanical Engineering at the Technical University of Kenya. He was a subject panel for Diploma and Higher National Diploma in Mechanical Engineering between 1999 and 2004 at Kenya Institute of Education. Dr. Langat has also been working with United Nations Environment Programme (UNEP) in developing policies and guidelines for transport emissions in East Africa Region. He was instrumental in the training of motor vehicle inspectors in Kenya and Rwanda. Since 2014, he has been advising East African Community in harmonization of standards for importation of used motor vehicles in the region. He is a member of Technical Committee on Road Transport Standards at the Kenya Bureau of Standards and a consultant for Boston Garage Equipment UK since 2007. He is a fellow member of Institution of Engineering Technologists and Technicians (IET) of Kenya.</p>

*STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Report and Financial Statements for the year ended 30 June, 2020*

 <p>Dr. Lawrence Guantai M'itonga Council Secretary/CEO</p>	<p>Dr. Lawrence Guantai M'itonga is the Chief Executive Officer/Council Secretary of TVET CDACC. He has extensive experience in the TVET sector where he has worked both in TVET institutions as well as in the Ministry. Dr. Guantai has worked as a Senior Assistant Director, TVET, Ag. Senior Assistant Director, Technical Accreditation and Quality Assurance and a Graduate Lecturer at Nairobi Technical Training Institute. He holds a PhD in Medical Microbiology, M.Sc.in Medical Microbiology and B.Ed (Science).</p>
 <p>Ms. Evelyn Anupi Chief Economist Head Central Planning</p>	<p>Ms. Evelyn Anupi assumed the position of Head of Central Planning and Project Monitoring Unit in 2016. She holds a Masters Degree from Williams College Massachussetes – U.S.A and has a Bachelors Degree in Development. Economics from Moi University Eldoret. She has over 15 years of working as an Economist in the Government of Kenya.</p>
 <p>CPA Anthony Barasa Masinde, Chief Finance Officer</p>	<p>Mr. Anthony Masinde assumed the position of Ag Chief Finance Officer, State Department of Vocational and Technical Training in 2016.</p> <p>He holds a Bachelor of Commerce Degree (Accounting option) from the University of Nairobi and a Master of Business Administration (MBA) from the same institution. He is a Certified Public Accountant CPA (K) and a member of the Institute of Certified Public Accountants (ICPAK).</p>
 <p>CPA Joseph Nyamora Assistant accountant General Head of Accounting Unit</p>	<p>Mr. Joseph Nyamora assumed the position of Head of Accounting Unit in November 2018. He is in charge of accounting and financial reporting as well as designing, implementing and fair presentation of financial statements. He holds a Master's of Business Administration, Bachelor of Commerce Accounting.</p> <p>He is a member of institute of Certified Accountants of Kenya (ICPAK). He has attended Management Courses in Strategic Leadership Development Programme, Senior Management Course at KSG Lower Kabete.</p>

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Report and Financial Statements for the year ended 30 June, 2020

 <p>Kelly A. O. Otieno Deputy Director Supply Chain Management</p>	<p>Kelly A. O. Otieno assumed the position of Head of Supply Chain Management Services at the State Department of Vocational and Technical Training in November 2018.</p> <p>He is in charge of procurement planning, procurement, contract management and inventory management.</p> <p>He holds a degree in Bachelor of Commerce from Jabalpur University (MP) India and Diploma in Supply Chain Management. He is a Certified Member of the Kenya Institute of Supply Management (KISM).</p>
 <p>Eng. Mutinda Mwaa Ag. Director of Vocational & Technical Training</p>	<p>Eng Mwaa Mutinda is a qualified Mechanical Engineer specializing on Building Services. Eng Mwaa has been the Deputy Director, Technical Accreditation and Quality Assurance before being appointed to his present position of Director, Vocational Education – DVET in March 2017. He has a wealth of experience in TVET quality assurance systems, research and policy and administration matters, having worked in the sector since January 1991. Eng Mwaa holds a MSc degree from Brunel University UK specializing in Building Services and has attended short courses in Public Private Infrastructure Partnerships in Australia</p>
 <p>Mr. Tom Mulati Ag. Director of Technical Education and Training</p>	<p>Mr. Tom Wanjala Mulati holds a Master of Education (Technology Education) degree in Building Construction Technology from University of Eldoret. Has a 30year experience in Public Service specifically in the fields of Technical & Vocational, Education & Training (TVET).</p> <p>Has risen from a master technical trainer to a TVET Administrator for the past 16 years where he has served at Ol'lessos TTI, Rongo University, Kisiwa TTI and Sigalgala National Polytechnic before being appointed Acting Director, Technical Education in August 2019.</p>
 <p>Mr. Elicanah Moenga Mosiori Deputy Director of Human Resource Management</p>	<p>Mr. Elicanah Moenga Mosiori is the Deputy Director of Human Resource Management and Development in the State Department for Vocational and Technical Training. He has extensive experience in Education and Human Resource Management and Development having worked as Head of Human Resource Management and Development in various Ministries and State Departments.</p> <p>He is a certified Human Resource professional (CHRPK) and holds a Master degree in Education, Bachelor of Education and Higher National Diploma in HRM& D (KNEC).</p>

2. FORWARD BY THE CABINET SECRETARY

Kenya's socio-economic growth largely depends upon the effectiveness and quality of her human resources development (HRD) system. In order to confront her developmental challenges, Kenya needs an education and training system that facilitates articulation amid its different components. The current global shift to knowledge economies/societies accentuates the need for such a system linking with the labour market needs. This will enable Kenya confront the job creation challenge by producing graduates who are capable of utilizing the right skills in the context of increased integration to world markets. This requires considerable expansion and improvement in the quality and relevance of education and training in general and TVET in particular

The TVET sub-sector is guided by the TVET Act no. 29 of 2013 and provides key reforms in this sub-sector to make it responsive to industry demands and the dynamic global technological changes. The sub-sector has had considerable growth in the past few years. It continues to produce the needed middle level human resource for the national economy. The Vision 2030 has placed special demands on TVET as the leading engine that the economy must essentially rely upon to produce adequate middle level manpower that is needed to drive the economy towards the attainment of the Vision. The success of the Vision 2030 and attainment of the 'Big 4' Agenda is hinged on the total numbers, skills and quality of its manpower.

The Government of Kenya (GoK) has prioritized skills development and training through Technical Vocation Education and Training (TVET) as an enabler to achieving vision 2030, a catalyst for industrialization and a key strategy to addressing youth employment. TVET has been undergoing reforms which are guided by a number of policy documents including: Vision 2030; the 'Big 4' Agenda; the Sessional Paper No. 1 of 2019 on Reforming Education and Training in Kenya; National Education Sector Strategic Plan (NESSP) 2018-2022; and the TVET Act No. 29 of 2013 among others. The current endeavour is towards the improvement of TVET enrolment per 100,000 populations from 446 to 780 by 2022 and provide adequate opportunities for accessible Competency Based Education and Training.

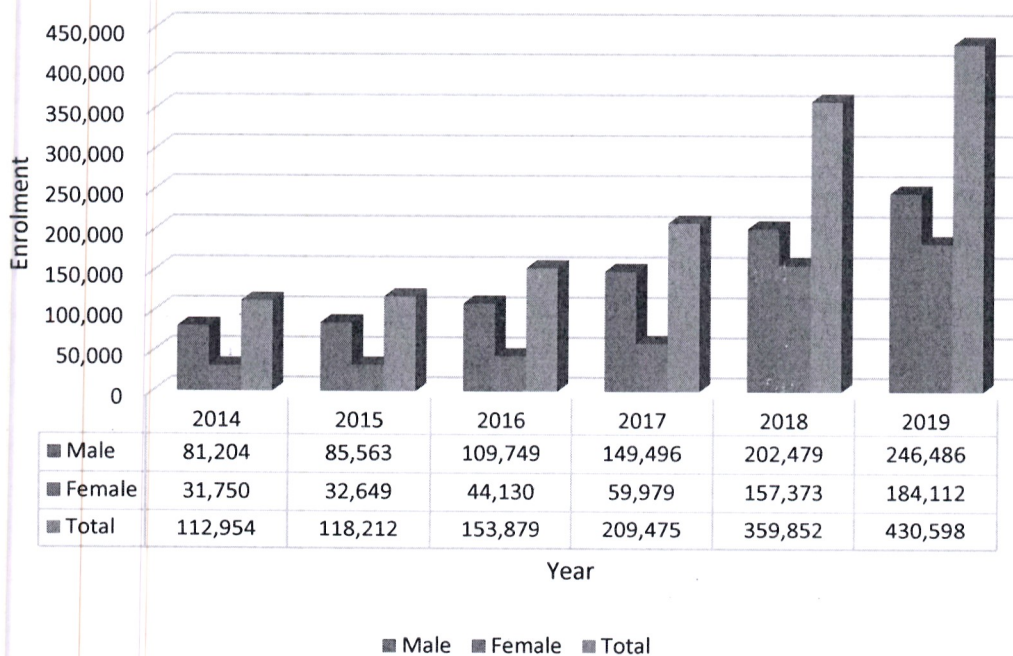
The State Department had a budget allocation of Ksh. 23,752,086,796 of which Recurrent Ksh. 16,805,641,155 and development was Ksh 6,946,445,641. For recurrent budget the absorption rate stood at 89%. The low absorption is attributed to delay in getting data from KUCCPS which the department uses to inform disbursement of capitation to trainees. For development vote the absorption rate was 63%. The low absorption is attributed to the development budget being uploaded in the second quarter delaying budget execution.

Table 1: Financial Performance Analysis

During the period under review, the State department registered a 19.7% increase in enrolment. The gross enrolment for both public and private TVETs increased from 359,852 (202,479 Male and 157,373 Female) in 2018/19 to 430,589 trainees (246,486 male and 184,112 female) in 2019/20 compared as depicted in Figure 1. Out of this enrolment, National Polytechnics accounted for 23.7 percent, Public Technical Vocational Centers (TVCs) accounted for 26 percent, and Private Technical Vocational Centres accounted for 18.8 percent, whereas Vocational Training Centres (VTCs) accounted for 31.5 percent.

The Gender Parity Index moved from 0.78 to 0.75 implying that although male still have an edge over female, performance of female in terms of enrolment improved.

Figure 1: Enrolment in TVET Institutions 2014-2019



The number of TVET institutions (Public and Private) rose from 1,300 in year 2016 to 2,191 in 2019 as presented in Table 1. The number of public TVET institutions rose from 62 in 2016 to 191 in 2019. The number of TVET institutions is set to sharply rise given the ongoing construction and establishment of 217 new TTIs to ensure that there is at least one TTI in each of the 290 constituencies.

Table 2: Public and Private TVET Institutions 2016-2018

Category	2016	2017	2018	2019
Public Vocational Training Centres (VTCs)	816	1186	1,200	1200
Private Vocational Training Centres (VTCs)	29	47	47	47
Public Technical and Vocational Colleges	62	91	101	191
Technical Trainers College	1	1	1	1
Private Technical and Vocational Colleges	382	627	628	742
National Polytechnics	10	10	10	10
Total	1,300	1,962	1,987	2,191

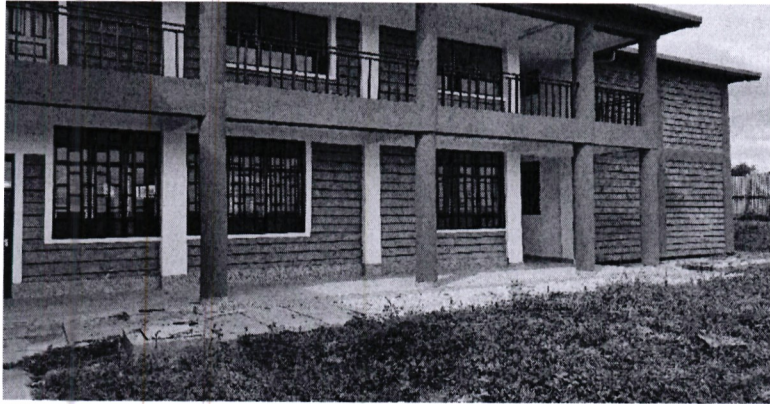
The improved performance was realized through implementation of a number of initiatives as discussed below:

Construction of TVCs in Constituencies (GoK): The Ministry started the construction of new Technical and Vocational Colleges in constituencies to improve access, quality and relevance in TVET sector. The project was implemented in three phases of sixty (60), seventy (70) new institutions and Phase of 30. The project was funded by the National Government with Constituency Development Fund contributing Ksh 10 Million per institution.

During the period under review (FY 2019/20), construction works for new Technical and Vocational Colleges in constituencies continued throughout. Construction was in four phases namely: 9 TTIs in Counties without any; Phase I of 60 TTIs in constituencies; Phase II of 70 TTIs in Constituencies; and Phase of 30 in constituencies. For the Phase of 9 TTIs, a total of 5 were completed and operationalized during the period under review. For Phase I of 60, a total of 54 were completed and operationalized while for Phase II of 70, a total of 58 were completed and operationalized. The sub sector initiated phase III of 30 TVCs which recorded an average of 20 percent completion. In summary, 117 of these TVCs were completed and operationalized, 3 were in the process of being operationalized towards the end of FY 2019/20. Pictorial presentations of some of the constructions as below:

Mwala TVC: GoK - Phase of 70 TVCs





Equipping of TVET institutions under GoK/ Africa Development Bank: A total of 33 institutions were targeted for equipping. The equipping of TVET institutions was funded by GoK and Africa Development Bank. The Ministry started equipping Technical and Vocational Colleges to improve access, quality and relevance in TVET sector. Four special technical training institutions were equipped to equip vulnerable youth with relevant TVET skills and work experience. In 2019/20 a total of 32 were equipped

A total of 12 institutions being constructed under the GoK/AfDB project, 3 institutions (Godomo TTI; Karen Institute for the Blind and Aldai TTI) are practically complete. A pictorial presentation is as below:

Construction of Karen Technical

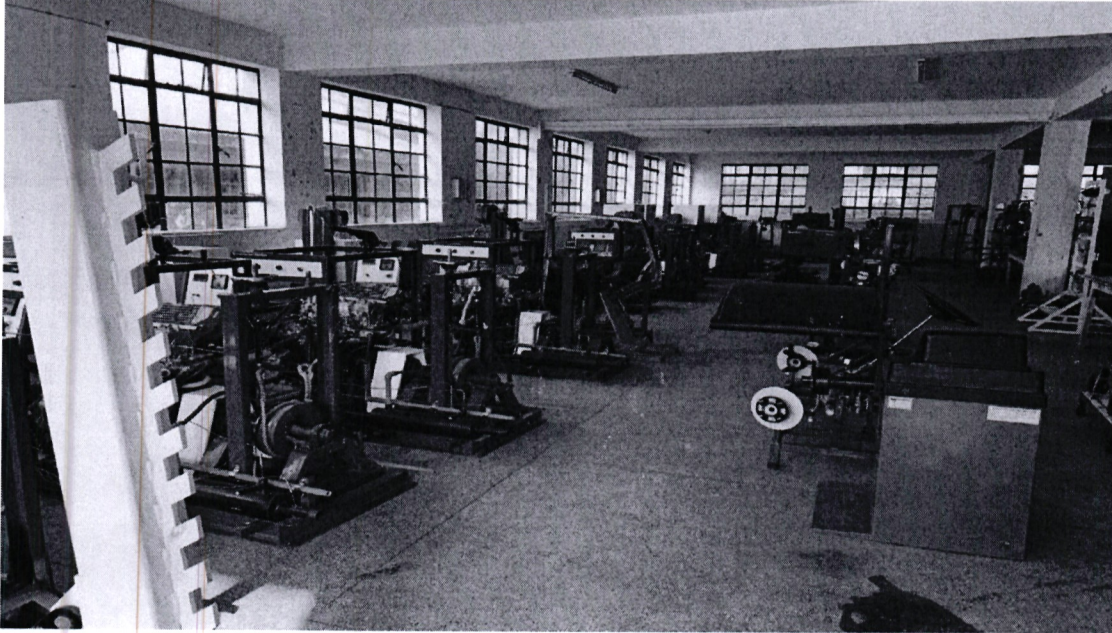




Construction of Aldai TVC



Provision of Automotive Equipment Under GoK/AfDB at Kisii NP



Provision of ICT Equipment (GoK/ADB Project) at Karen TTI



Equipping of TVET institutions under GoK/ China Project: The equipping of TVET institutions was funded by GoK and China Government to the new and existing TVET institutions. The department started equipping Technical and Vocational Colleges to improve access, quality and relevance in TVET sector. A total of 144 institutions have been equipped under the GoK/China initiative. Out of this number, a total of 42 were equipped in 2019/20 FY. Below are picture of equipment supplied under GoK/China Project.

Provision of Textile Equipment (Hospitality 2) under GoK/ China Project



Provision of Refrigeration and Air Conditioning Equipment under GoK/ China Project



Reforms under Trainer Management: Under trainer management, the Ministry moved trainers from TCS to PSC in order to ensure that the sector gets adequately trained trainers with the requisite industry skills. A scheme of service for trainers was developed and approved by the public service commission. In order to improve capacity in TVC, the department managed to recruit one thousand (2000) trainers.

Conditional Grant for trainees in VTCs: In the FY 2019/2020, the National Government allocated and shared among all counties Kenya Shillings Two Billion as conditional allocation to support the rehabilitation of vocational training centres across the country. Each trainee received Ksh.15,000.

In an effort to deliver on its mandate, the State Department has encountered a number of *Emerging Issues* as discussed below:

Increasing Demand for Technical and Vocational Skills: The government effort to lower the cost of Technical and Vocational skills is being addressed through capitation subsidy to trainees in TVET institutions. The increasing demand has been brought about by the government focus to the Big 4 Agenda has increased demand for skills by industry. Consequently, there is an upsurge of enrolment in TVET courses putting pressure on the facilities and staffing. This pressure will increase bearing in mind that parliament has enacted a legislation for 100% transition from secondary education to tertiary training

Increasing Demand for Modern and Specialized Equipment: The increase in demand for modern and specialized equipment in training and research stems from rapid rate of global advancement and innovation in technology demanding for organizations to reorganize operations to improve service delivery models. These new skills calls for modern and specialized equipment in our education and training institutions to match the current skills demand. This will enable the development of seamless linkage frameworks and investment in the right tools and technical skills among the graduates and existing young entrepreneurs to increase their competitiveness and productivity

Devolved system of Governance: The Constitution transferred a number of functions that were previously implemented by the National Government to County Governments. The management of Vocational Training Centers (VTCs) is among them. Development of policies to manage the provision of services in this area however was retained at the National Government. The operational challenges of the independence and inter-dependence of these two levels of governments were not anticipated and need to be addressed.

Curriculum Reforms: Skills development has been following a curriculum-based approach rather than demand-driven approach to match the actual industry skills demand resulting in a weak linkage between training and industry. This has widened the gap between skills demand and supply in the market. The education and training system is moving away from objective to competence approach which envisages the combination of knowledge, skills, values and attitudes to enable learners to successfully perform expected functions. Curriculum reforms in TVET which is a vehicle for social, economic and technological transformation is underway. TVET provides hands on skills training required for participation in the labour market are. The Formation of Sector Skills Advisory Committees (SSAC) and establishment of Competence Based Assessment Centres (CBACs) are key requirements to the curriculum reforms in TVET. The sub sector will continue to address the ongoing curriculum reforms with a focus on teacher /trainer capacity development, e-learning, innovation, technology, entrepreneurship and talent development.

HIV&AIDS: HIV/AIDS is eroding quality of education and training, weakening demand and access, drying up the country's pool of skilled workers and increasing cost which is already high in relation to available public resources. The pandemic has not spared the trainees who are either infected or affected.

Emergence of Priority Sectors in the Economy: There are a number of new emerging priority sectors in the economy including oil, gas earth minerals and the Blue economy. These are areas which require specialised skills to exploit and manage them. TVET is expected to play a critical role in imparting the required skills and technology to learners for use in the emerging priority areas.

Implementation Challenges

The State Department for Vocational and Technical Training has made great progress towards the realization of the national goals and objectives. The objectives focus on promoting access, equity and inclusivity, quality and relevance in training and research. Despite the progress made, there still exist significant variations between the targets set out and achievements made so far. This section discusses some of the key challenges contributing to the variations.

Poor Perception and Recognition of TVET and SNE: The public, parents and potential trainees view TVET as last resort career choice. This has led to little impact from TVET as an important strategy to train skilled manpower for the employment market and for sustainable livelihoods. There is stigmatization of Learners with disabilities. The parents and guardians have continued to look down on educating children with SN&D.

Weak Linkage between Training and Industry: The public financing of education and training has an immediate implication of increasing the number of trainees released to the market either at graduation levels or before graduation. However, there exist weak linkage between academia and the industry due to lack of a framework on industry/institution linkage. This has negatively affected the relationships as envisioned hence slowing the gains expected from the linkages.

Uncoordinated Skills Training: Several ministries oversee the management of public TVET institutions. However, this arrangement creates difficulties due to multiplicity of testing and certification standards. This situation has implications on standardization of training, quality assurance, recognition of prior learning, and further education of TVET graduates due to the absence of a framework for mutual recognition of qualifications.

Regional and gender disparities in access and participation to education and training: Gender disparity exists with low enrolment in some regions especially marginalised regions. In some regions of the country, females do not have same opportunities in accessing education and training as their male counterparts due to retrogressive cultural and religious practices. Some religious and cultural beliefs such as female genital mutilation and child labour hinder girls from attending training.

Data Management in Education and Training: Availability of accurate, timely and relevant data is important for decision making. However, the data management systems in TVET is not well integrated and harmonized leading to inaccurate statistical data, challenges in resources allocation and policy decision making.

Understaffing: Despite the progress the government has made in education sector, the sector still experience understaffing for education personnel to implement education and training programmes at all levels. Although the TVET trainers have been moved from TSC to the Ministry, staffing gaps still exist especially in the newly operationalized TVCs

Special Needs Education: Majority of the trainers and support staff are not trained to handle students with special needs. Data on the prevalence of disabilities not only in the sector but also in the wider society is lacking which inhibits adequate planning for the youth with disabilities.

Inadequate Funding: The financing of the sector is a joint effort of National and County government on one hand and private sector/households/development partners on the other hand. Financing of the sector has remained low compared to other sectors and the total budget. This has adversely affected the development of the sector. There is inadequate budgetary allocation to cater for counterpart commitments and operation of regular recurrent and development programmes. This has hampered the operation of the institutions for infrastructure and equipment improvement and operation of SAGAs.

Lack of labour market information and tracer studies: The sector lacks data and information on the skills required and available in the labour market. This made it difficult to identify areas of training where more focus needs to be directed. Thus, there is a mismatch between the skills possessed by the job seekers and those required by industry

Inadequate financial resources and delay in exchequer release: Construction works in TVET institutions are ongoing. Due to limited resources and delay in exchequer releases, some of the institutions could not be completed as scheduled

M&E system: The TVET MIS has not been rolled out. A consultant has finalized the system Lack of the system hampered the Ministry from timely collection of data and also inability to get data from private TVET institutions.

Recommended way forward

In order to reverse some of the negative trends in TVET, the Government initiated reforms through the TVET Act 2013, with a view to improving quality and relevance of training and employability of youth and to increase enrolment from the current 430,598 to 3 million by 2022. The need for increased investment in TVET has further been emphasized in the Education sector analysis conducted in 2018 and the National Education Sector Strategic Plan 2018 – 2022. In addition, the role of TVET in developing the relevant human capital for the attainment of GoK's 'Big Four' agenda on manufacturing, food security, affordable healthcare and affordable housing is underscored in the Third Medium Term Plan, 2018-2022. The specific interventions and way forward are as discussed below:

Governance and accountability: The importance of Governance and accountability in resource utilization to ensure success of programme implementation. Under infrastructure, concerted effort is being made to fully complete phase I and II and equip the same. Posting of principals and trainers is being pursued to ensure full operationalization.

Special Needs in TVET: The need for continued affirmative action for learners with Special needs; with Special TVET institutions being mainstreamed in TVET, enrolment has improved as their funding improved.

Equity: Although efforts put in place to ensure gender parity at TVET, girls are still disadvantaged. There is need for a survey in gender disparity in TVET in order to identify the issues and therefore interventions necessary to improve access for girls and the courses for enrolment.

Linkage between Industry TVET and Society: Existence of weak linkage between Industry TVET and Society has led to mismatch between demand and supply of labour. It is important to ensure collaboration between stakeholders in curriculum reform to ensure that labour is responsive to market demands

Funding: The cost of TVET is increasing and requires substantial investments with a high impact on government budget and out of reach to most households. There exists a social and geographical inequality in access to TVET services which is worsened by the high poverty levels.

Public Private Partnerships: The Government, in collaboration with the private sector and development partners, continues to dedicate the financial resources necessary for the expansion and modernization of TVET programmes. The provision of TVET needs a balanced funding mechanism to make training systems sustainable. When properly designed, such systems involve the range of public and private partners

M&E framework: The need for harmonization in the development of work plans, institutional and legal framework in order to avoid duplication and overlaps in implementation of Programmes. This will be achieved by establishing clear M&E framework, database and dissemination policy.

A Repositioned TVET: In the past the TVET sector has been faced with a challenge of negative perception and image. TVET is often seen as last choice education and not a preferred option in education and training. Institutional reforms should address the stigmatization of technical and vocational training as being reserved for the academically weak needs to be changed through a sustained civic education campaign and aggressive rebranding of TVET. TVET has change agents (both internal and external ones) whose interest in reforms in TVET is bearing fruits as depicted by increase in enrolment

Collaboration: Close and productive interaction between academia, private sector and public institutions in all fields is vital in harnessing the existing potential in a coordinated manner. However, TVET institutions and industry in Kenya have for long been operating in separate domains. This situation needs clear policy interventions to promote interaction between private sector and TVET institutions both at the county and the national level. Although efforts are already underway to strengthen the linkages, there is need for all players to seamlessly complement one another.

Political Goodwill: Political goodwill is vital for implementation of the plan. The Sector plan should be aligned to the governing Political party manifesto

The State Department reiterates its commitment to providing quality TVET in order to enhance both the socio-human aspects of the labour force by contributing to the livelihood of individuals, the developmental needs of the economy and to the broader society. This will promote the competitiveness of the Kenyan economy at regional and international levels and also provides relevant skills for job creation and employment to graduates from primary, secondary schools and the general public at large. The Department will continue implementing initiatives with due regard to sustainability, cost-effectiveness, local ownership and high added-value to services.

Prof. George A. O. Magoha, CBS
Cabinet Secretary
Ministry of Education

3. STATEMENT OF PERFORMANCE AGAINST STATE DEPARTMENT FOR VOCATIONAL AND TECHNICAL TRAINING'S PREDETRMINED OBJECTIVES

Introduction

The Vision 2030 has placed special demands on the tertiary sector as the leading engine that the economy must essentially rely upon to produce adequate numbers of middle level professionals needed to drive the economy towards the attainment of the Vision. The link between TVET and the world of work, the economy and national development is indelible. TVET seeks to strengthen that link through the integration of ICT into its programmes to ensure that all trainees are exposed to science and technology and appreciate the new trends. Special attention will be given to exposing trainees to opportunities that allow them to practically apply the acquired knowledge.

The TVET sector has experienced considerable growth in the past few years. It continues to produce the needed middle level human resource for the national economy. The Vision 2030 has placed special demands on TVET as the leading engine that the economy must essentially rely upon to produce adequate middle level manpower that will be needed to drive the economy towards the attainment of the Vision. The success of the Vision 2030 and attainment of the 'Big 4' Agenda is hinged on the total numbers, skills and quality of its manpower.

TVET has been undergoing reforms which are guided by a number of policy documents including: Vision 2030; the 'Big 4' Agenda; the Policy Framework on Reforming Education and Training in Kenya; National Education Sector Program (NESP) 2014-2018; and the TVET Act No. 29 of 2013 among others. The current endeavour is towards the improvement of TVET enrolment per 100,000 populations from 446 to 780 by 2022 and provide adequate opportunities for accessible Competency Based Education and Training. Kenya has experienced moderate growth over the last 50 years in Tertiary Education and Training. However, the country is yet to produce adequate and skilled middle level human resource required to meet the demands for national development.

The key development objectives of the Ministry of Education '*-State Department for Vocational and Technical Training's 2018-2022 plans* are:

- To enhance access and equity in education, training and research;
- To provide quality and competence-based education, training and research;
- To Strengthen management, governance and accountability in education, training and research and;
- To enhance relevance and capacities for Science, Technology and Innovation (ST&I) in education, training, and research for labor markets

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
 Report and Financial Statements for the year ended 30 June, 2020

Program	Objective	Outcome	Indicator	Performance
Infrastructure development and equipment of TVET	To improve infrastructure and equip TVET institutions to enable them deliver market ready skills	Promote acquisition of market - ready skills at TVET level	No of TVCs constructed constituencies;	In FY 2019/20 the state department continued the construction which is done in four phases namely: 9 TTIs in Counties without any; Phase I of 60 TTIs in constituencies; Phase II of 70 TTIs in Constituencies; and Phase of 30 in constituencies. For the Phase of 9 TTIs, a total of 5 were completed and operationalized during the period under review. For Phase I of 60, a total of 54 were completed and operationalized while for Phase II of 70, a total of 58 were completed and operationalized. The sub sector initiated phase III of 30 TVCs which recorded an average of 20 percent completion. In summary, 117 of these TVCs were completed and operationalized, 3 were in the process of being operationalized towards the end of FY 2019/20.
				Equipping of TVET institutions under GoK/ Africa Development Bank: In 2019/20 a total of 32 were equipped The 4 special technical training institutions were equipped to equip vulnerable youth with relevant TVET skills and work experience.
				Equipping of TVET institutions under GoK/ China Project: A total of 144 institutions have been equipped under the GoK/China initiative. Out of this number, a total of 42 were equipped in 2019/20 FY.
Rebranding and repositioning TVET.	To support trainees coming into TVET while also rebranding and	Increased enrolment in TVET	Gross enrolment in TVET	The State department registered a 19.7% increase in enrolment. The gross enrolment for both public and private TVETs

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
 Report and Financial Statements for the year ended 30 June, 2020

Program	Objective	Outcome	Indicator	Performance
	repositioning TVET to make it a premier education pathway to train workers for the labour market			increased from 359,852 (202,479 Male and 157,373 Female) in 2018/19 to 430,589 trainees (246,486 male and 184,112 female) in 2019/20 compared as depicted in Figure 1. Out of this enrolment, National Polytechnics accounted for 23.7 percent, Public Technical Vocational Centers (TVCs) accounted for 26 percent, and Private Technical Vocational Centres accounted for 18.8 percent, whereas Vocational Training Centres (VTCs) accounted for 31.5 percent.
Inclusive training in TVET	To enhance equity and inclusivity in TVET.	Improved Gender Parity	Gender parity index	The Gender Parity Index moved from 0.78 to 0.75 implying that although male still have an edge over female, performance of female in terms of enrolment improved.
Competency Based Education and Training (CBET) Curriculum Development	To ensure that TVET courses are competency based and aligned to the labour market demands thus reducing the mismatch between skills training and industry demands	Reduced mismatch between skills training and industry demands	Increased employability and self reliance	In FY 2019/20 the State department in partnership with the industry, developed 401 CBET curricula. In addition, 11,165 TVET trainers and industry experts were capacity built on Competency Based Assessment, A total of 94 Sector Skills Advisory Committees (SSACs) in various sectors were formed and twenty-three (23) TVET CDACC officers trained. A total of 69 learning guides to support the implementation of the CBET curriculum were developed. Additionally assessment tools for 4,114 units of competency. In addition, mentoring tools for assessing the trainees while on industrial attachment. Further, the 172 trainees in five TVET institutions who were involved in the piloting of the CBET

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Report and Financial Statements for the year ended 30 June, 2020

Program	Objective	Outcome	Indicator	Performance
				programmes were assessed. On certification, the CDACC digitalized the certification process where certificates issued can be authenticated using a QR code. The TVET Competency Based Education and Training (CBET) framework was finalized and adopted to guide in the implementation of CBET curriculum and make it more relevant to the market needs.
Trainer Management Services	To improve the management of TVET trainers and instructors	Improved sourcing, deployment, development and retaining competent Trainers in TVET institutions under the purview of Ministry of Education	Improved trainer management	Under trainer management, the Ministry moved trainers from TCS to PSC in order to ensure that the sector gets adequately trained trainers with the requisite industry skills. A scheme of service for trainers was developed and approved by the public service commission. In order to improve capacity in TVC, the department managed to recruit one thousand (2000) trainers.
TVET Accreditation and Quality Assurance	To strengthen TVET Accreditation and Quality Assurance in TVET	Strengthened TVET Accreditation and Quality Assurance in TVET	Strengthened TVET Accreditation and Quality Assurance in TVET	In FY 2019/20, through TVET Authority accredited 305 institutions. In addition, quality audits were carried out in 320 institutions in FY 2019/20. 1,829 trainers were registered in FY 2019/2020. Through TVETA, three training manuals in Internal Quality Assurance; Career guidance; and Leadership and management were developed.
	To coordinate and harmonize the various levels of education and Training in the	A coordinated and harmonized education	A Kenya National Qualification Framework	In the implementation of the Kenya National Qualifications Framework the following were realized in FY 2019/20: Developed the KNQF

*STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Report and Financial Statements for the year ended 30 June, 2020*

Program	Objective	Outcome	Indicator	Performance
	County; and to create a database of all qualifications in the country.	and Training in the County;	and database	Regulations 2018; guidelines for Recognition, Equation and Verification of Qualifications; Policy and guidelines for Kenya Credit Accumulation Transfer system; Kenya National Classification of Qualifications system; Classified all qualifications offered by all local Qualifications awarding institutions; National Policy on Recognition of Prior Learning (RPL); National Standards and guidelines for Assessment of National Qualifications; the National Qualifications Information Management System (NAQIMS) for computerization of the accreditation, registration of qualifications and registration of learners, facilitate online sharing and dissemination of information on national qualifications and improve efficiency and minimize costs of accreditation of institutions and qualifications and, registration learners.

4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Provision of Technical and Vocational Education and Training exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on five pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile -

Among the objectives of the education and training sector policy in Kenya is the realization of a Kenyan workforce that is well trained and specialized to international standards; to stimulate employment; and contribute to improved productivity, competitiveness and prosperity of individuals. Kenya, which aspires to become a middle income economy by the year 2030, can only realize an innovative economy through technological innovation. Skills acquired through Technical and Vocational Education and Training (TVET) are essential in preparing students for a multiplicity of positions in the industry and the informal sector. Kenya's focus under Technical and Vocational Education and Training is on providing skills that meet the needs of the workplace as well as self-employment.

TVET in Kenya has experienced both structural and curricular changes that have had an impact on graduates. TVET is fundamental to the world of work. For most people, finding a job is the anticipated outcome of their education and it is through their work that people achieve self-fulfilment. One of the major issues relating to the world of work, where TVET must play a major role in providing solutions, is the question of what changes should be made to school curricula at all levels so that young people become more work-oriented and acquire the basic skills needed to perform productive work.

The TVET system is expected to play a key role in providing a skilled workforce to meet the development aspirations of the country thereby improving workforce productivity and economic competitiveness in the global economy. The government is committed to reduce dependency on hydropower and ensure that the private sector plays a more prominent role in driving development. There is also an increased emphasis on increasing productivity and tackling poverty, especially for those living in rural areas. Under these reforms, TVET is expected to play an important role in providing the appropriate types and levels of skills to facilitate such transition and transformation. The main objective of TVET is to develop an effectively co-ordinated and harmonized TVET system that is capable of producing quality skilled human resource with the right attitudes and values required for growth and prosperity of the various sectors of the economy.

As the nature of required education, training and skills changes rapidly, TVET institutions including youth polytechnics need better understanding of how to respond to the changing technological capabilities and skill needs of the job market. They are faced with the daunting task of producing graduates who fit the current workplace and the National economy. In turn, if they are to inform and influence core education and training activities, firms and skill planners need to have an enhanced understanding of the will, competencies and capabilities of TVET colleges to respond to the skills demand

Quality service at tertiary level of learning is the most important factor for motivating students. There is therefore need to ensure that the quality in services offered to students in TVET institutions is maintained. This requires putting in place deliberate measures to tackle the challenges of quality, knowledge, skills and motivation of vocational teachers and trainers. There is need for continued quality assurance in the Sub Sector and the empowerment of Quality Assurance Officers to carry out

their mandate to ensure quality education in the sub- sector including those in the devolved units. Service providers in youth polytechnics should also be given service quality training that promotes friendly and caring services. Better trained instructors are able to deliver high quality education and industry standard training and education. Where possible institutions should partner with relevant industries and invite lecturers from relevant industries for practical exposure. The Government should recruit adequate qualified staff and ensure that all staff receive continuous training and development on course delivery using modern methods, teaching methodologies and practical knowledge among others. The Government should also provide youth polytechnics with adequate, modern and quality materials for practical lessons such as smart boards, projectors, and computers to improve the quality of learning. Emphasis should be placed on assessing quality service in youth polytechnics with the objective of ensuring quality education and fostering students' satisfaction.

2. Environmental performance

The foundation of every nation is the education of its young people. TVET institutions follow policy guidelines provided by relevant ministries and government agencies though with varying adoption levels. The TVET ACT 2013 was designed to address the job skills issue and, more so, to ensure an increased and sustained enrolment ratio of 20% by the year 2030. We are pursuing significant reforms which are required to make the TVET system more relevant.

We are committed to environmental protection across all TVET institutions. We view environmental sustainability from two perspectives:

1. We conduct business in a manner that protects our trainees, employees, the communities where we operate and the environment; and
2. We offer services that deliver efficiency contributing to an overall reduction in the usage of natural resources.

As a sector we have adopted and embraced Competency Based Education and Training (CBET) as the guiding principle for Kenya's TVET ecosystem. The system requires that all the stakeholders should work collaboratively to develop and implement CBET whose content selection infuses material on sustainable enjoyment, preservation and protection of the environment and the common heritage of the country.

In compliance with requirements of the National Environment Management Authority (NEMA), all our capital projects undergo Environment Impact Assessment (EIA) before construction begins. All our sites are NEMA compliant.

Greening Technical and Vocational Education Training (TVET) which an initiative of the United Nations Educational, Scientific and Cultural Organization (UNESCO) together with, the International Centre for the Technical and Vocational Education and Training (UNEVOC) requires Technical and Vocational Educational Training Institutions provide knowledge and develop skills that ease transition to green economies and societies. In an effort to attain the Sustainable Development Goals, the Kenyan government has revamped TVET institutions with both human and non-human resources. We appreciate that green skills hold the future for sustainable economies. Through greening initiative, TVET plays an important role in steering the transition to a low-carbon economy and climate-resilient society. We carry out this through the traditional roles of TVET in preparing learners for occupational fields and increasing their participation in the world of work. These traditional roles are facing new expectations, including calls to adapt to better align with emerging green jobs and qualifications and

contribute to the development of skills and competencies that power a more circular economy and sustainable culture, as opposed to the common take-make-dispose culture that prevails.

The shift to low-carbon economies requires not only new regulation, investment and institutional frameworks, but also TVET to engage more systemically in response to the changing job opportunities and skills needs that a green development agenda brings about. The green transition will bring new employment opportunities but will also alter existing jobs. In order to avoid high social costs and, at the same time, to tap the employment potential of green jobs, TVET needs to anticipate and respond to skill changes needed for successful careers in low-carbon economies. TVET systems need to prepare their learners for being responsible and well informed producers and consumers, and for being able to act competently, creatively and as agents for sustainability in their workplaces and in society at large.

3. Employee welfare

Today, the ability of workers to be innovative requires quality training that is not only market driven but also addresses requirements of present day workplace. In TVET, the quality of education and training is determined by among other things, the quality of course instructors, curricula, learning facilities, and the learning environment. Technical education and training has a key role to play in the achievement of Vision 2030 through creation of a workforce that is ready for both the public and private sector

Maintaining the health and safety of our employees, customers and neighbours, and protecting the environment are part of our philosophy. Our objective is to have a safe training and learning environment. We are committed to publicly reporting our safety statistics as part of our sustainability strategy.

We are proactive and progressive in our human resources policies and our programs and are committed to creating an outstanding place to work and build a career. We have key policies and provisions support our strong viewpoints on diversity and inclusion, anti-harassment and human rights. We also invest in talent development through workshops and training programs. In 2019/0 a team of trainers were taken to China under the GoK/China project for a hands on training on how to handle the State of Art Equipment that have been delivered to TVET institutions

Our policies also support our commitment to providing benefits, from health coverage, maternity/paternity leave to bereavement leave.

We have embraced Performance appraisal with a total of 95 TVET institutions having been placed on Performance Contract. At the Headquarter level, all staff are appraised based on set and agreed upon targets.

4. Market place practices-

The most important factor in TVET is the relationship of training outputs to employers and the job market. Because of the need for close interaction with enterprises, TVET institutions should be located near where the jobs are. The type and range of training needs change as labor market needs change. TVET serves vastly different clienteles including youth, those with low income, workers, women, disabled, unemployed, and migrants—each with their own characteristics, contexts, and constraints. Before-and-after assessments are essential, i.e., analysis of labor market demands, and feedback mechanisms to assess the actual use of graduate skills in productive work

Technical and vocational education and training (TVET) and skills development is under the responsibility of several line ministries. It has, more than any other subsector of education, strong linkages to both formal and non formal labor markets. Thus, TVET and skills development undoubtedly constitute a challenging subsector of education. We are aware that to fulfil our mandate, we need to continuously align with the dynamism of our operating environment with a view to facilitating fair and competitive practices, while catalyzing the ever-evolving creativity and innovation of the Kenyan public. TVET systems must be flexible to respond to changing demands. In response to this, we opt for short courses and continuous training under the CBET modular approach.

We have the standards of Quality Assurance and Quality Control which is applied to TVET. This is done by seeking a certification from TVET authority and by adopting quality assurance management mechanism to ensure quality of training

The Kenya National Qualifications Authority (KNQA) was set up in 2015 to help coordinate and harmonize education, training, assessment and quality assurance of all qualifications awarded in the country; with the view to improving quality and international comparability. The KNQA which the authority has developed and is now implementing is part of Kenya's international commitments to develop an accurate, reliable and robust database of all qualifications in the country that will allow for comparability and information sharing in the education sector globally.

We value our suppliers and contractors. Under the construction of TVCs in constituencies, we embrace the mentor-mentee approach where established TVET institution manages construction of a new TVC. The procurement process is done by the mentor under the guidance of the Council/Board. We honour all contractual agreements and ensure timely payments by depositing funds in the mentor institution account. The mentor manages the funds and pays contractors after certification by Project manager.

5. Community Engagements-

We seek and maintain important links with communities. The strong relationships between social partners in TVET have had considerable benefits such as improving collaboration between the worlds of work and education. Improved collaboration helps stakeholders identify relevant qualifications required in the world of work and translate them into up-to-date programmes and curricula. Social partnerships also create links with organizations and create networking opportunities to facilitate learning processes in schools, enterprises or through apprenticeships.

Social partnerships in TVET are vehicles for positive results, including: (i) providing learning opportunities; (ii) serving as vehicles for addressing socioeconomic challenges; (iii) becoming a site for localized decision-making related to TVET and broader community well-being; and (iv) providing local advice capable of informing centralized policy-making in and beyond TVET. Partnerships can take different forms to achieve these results.

In line with fulfilling its mandate, 'service to community' we have continued to reach out to the less privileged in society to assist, both in material and non-material ways. This is done through financial assistance to trainees who desire to get TVET training.

STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that

complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the State Department for Vocational and Technical Training is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the State Department for Vocational and Technical Training accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the State Department for Vocational and Technical Training further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

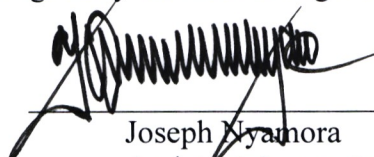
The Accounting Officer in charge of the State Department for Vocational and Technical Training confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The *entity's* financial statements were approved and signed by the Accounting Officer on _____
2020.



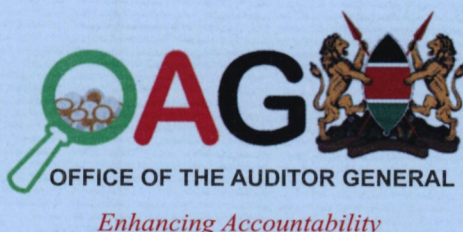
Dr. Julius O. Jwan, PHD, MBS
Principal Secretary



Joseph Nyanora
Assistant Accountant General
ICPAK Member Number 7770

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR VOCATIONAL AND TECHNICAL TRAINING FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the State Department for Vocational and Technical Training as set out on pages 1 to 26, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation-recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respect, the financial position of the State Department for Vocational and Technical Training as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Unreconciled Bank Balance Variances

The statement of assets and liabilities reflects bank balances of Kshs.187,133,948 which as disclosed under Note 11A to the financial statements comprised balances held in various bank accounts including bank accounts for donor funded projects. However, the balances for the project bank accounts differed with the balance reflected in the respective financial statements of the projects as follows:

Project	Bank Balance as per the Financial Statements of the State Department (Kshs.)	Bank Balance as per the Financial Statements of the Project (Kshs.)	Variance (Kshs.)
ADB	3,354,258	Nil	3,354,258
KIDDP	26,342,444	26,159,554	182,890
EASTRIP	72,009,480	71,945,910	63,570

Management has not explained or reconciled the variances, casting doubt on the accuracy of the reported bank balances of Kshs.187,133,948 as at 30 June, 2020.

2.0 Non-Disclosure of Pending Bills

Note 17 to the financial statements on pending accounts payables reflects pending bills amounting to Kshs.4,188,368. Information available, however, indicates that the State Department had pending bills amounting to Kshs.1,146,714,979 as at 30 June, 2020. Consequently, pending bills amounting to Kshs.1,142,526,611 were not disclosed. Failure to disclose and settle bills during the year to which they relate, distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

3.0 Accounts Receivables

3.1 Unsupported District Suspense

The statement of assets and liabilities reflects a receivables balance of Kshs.1,355,512 which as disclosed at Note 12 to the financial statements includes district suspense of Kshs.945,112 which was not adequately supported with the relevant supporting documents or schedules. In addition, no evidence was provided that Management had carried out investigations on the cause of the suspense account balance.

3.2 Undisclosed Outstanding Imprests

The reported accounts receivables balance of Kshs.1,355,512 did not include outstanding imprests as at 30 June, 2020. The manual Imprest Register reflected outstanding imprest of Kshs.494,800 as at 30 June, 2020 while the Integrated Financial Management Information Systems (IFMIS) Imprest Register reflected an outstanding temporary imprest balance of Kshs.1,654,520 as at the same date, resulting into an unexplained variance of Kshs.1,159,720 between the two sets of records. Further, the imprests were outstanding contrary to Regulation 93(5) of the Public Finance Management (National Government) Regulation, 2015, which requires temporary imprest holders to account or surrender the imprest within 7 working days after returning to duty station.

In the circumstances, the recoverability and accuracy of the receivables balance of Kshs.1,355,512 as at 30 June, 2020 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. I have determined that there are no Key Audit Matters to communicate in my report.

Other Matter

1.0 Budgetary Control and Performance

As reflected in the summary statement of appropriation-recurrent and development combined, the State Department's actual receipts amounted to Kshs.17,847,414,199 against budgeted receipts of Kshs.26,105,171,972 resulting in a shortfall of Kshs.8,257,757,773 or 32% of the budget.

Similarly, the State Department's actual expenditure for the year amounted to Kshs.17,847,485,026 against budgeted expenditure of Kshs.31,095,310,078 resulting in an overall under absorption of Kshs.13,247,825,052 or 57% efficiency. Management attributed the under expenditure to delayed Exchequer releases.

2.0 Delay of Exchequer Releases

Review of records maintained by the State Department revealed that the State Department received Kshs.2,887,044,148 Exchequer releases from The National Treasury in the month of June 2020, as detailed below:

Date Funds Received in the Bank Account	Amount Received (Kshs.)
02 June, 2020	171,714,588
04 June, 2020	1,550,127,430
25 June, 2020	495,889,488
30 June, 2020	669,312,642
Total	2,887,044,148

The above delay in release of Exchequer may have resulted in low absorption of the budget thus negatively affecting timely implementation of programmes of the State Department and provision of services to the public.

3.0 Unresolved Prior Year Audit Matters

Various prior year audit issues remained unresolved as at 30 June, 2020. Management has not provided reasons for the delay in resolving the prior year audit issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Non-Compliance to the Two Thirds Rule on Salary Deductions

Analysis of the payroll data for the year ended 30 June, 2020 revealed that payroll deductions for fifty (50) and twenty-one (21) employees in the months of March and June respectively were earning less than two thirds of their gross pay. Further, sixteen (16) employees had negative net pays in the month of June, 2020. This contravenes Section 19(3) of the Employment Act, 2007 which states that the total amount of all deductions made by an employer from the wages of his employees at any one time shall not exceed two-thirds of such wages or such additional or other amount as may be prescribed by the Minister either generally or in relation to a specified employer or employee or class of employers or employees or any trade or industry.

In the circumstance, the State Department was in breach of the Law.

2.0 Continued Retention of Retired Public Officers

A review of sample personnel files for staff revealed that the State Department had appointed forty-one (41) officers who had attained the mandatory retirement age of sixty (60) years and were not registered as persons living with disability on local contract terms. In addition, two (2) of the forty-one (41) officers have had their contracts extended severally. This is contrary to Section B.20(1) subsection (ii) and (iv) of the Public Service Commission-Human Resource Policies and Procedures Manual, 2016 which outlines circumstances for appointment on contract terms.

The Public Service Commission while authorizing the contract extensions advised the State Department to plan on building capacity by competitively filling the positions. Although the Management provided explanations for the extensions, the affected officers had been heading their respective Departments for significantly long durations prior to their retirement. The multiple contract extensions might have resulted from poor or lack of succession planning on the key positions at the State Department.

3.0 Incomplete Technical Training Institutes

As previously reported, records maintained by the State Department revealed that construction of eight (8) Technical Training Institutes that started as early as June, 2014 and which ought to have been completed within one year were still at varying stages of completion and no extension of the contract periods had been granted. Although Management attributed the delayed completion to various challenges ranging from insecurity to disputes over land, completion of the projects was not achieved as at the time the audit was finalized and solutions for the challenges were not indicated.

4.0 Collapse of Chepareria Technical Training Institute

The contract for the construction of Chepareria Technical Training Institute was awarded to a local contractor at a contract sum of Kshs.48,743,504. However, the building collapsed while under construction and after more than Kshs.26,700,000 had been disbursed to the Institution and paid to the contractor. The collapse was attributed to poor workmanship by the contractor who seemed not to have been familiar with the site and

who is since demanding for a new site and Bills of Quantities among other conditions in order to redo the work. The State Department had not taken any action against the contractor - over five (5) years after the collapse of the building and abandonment of the site by the contractor. An update of the situation was not provided for audit review.

5.0 Non-Operational Institutions

As previously reported, the State Department completed sixteen (16) Technical Training Institutes in fifteen (15) Counties. The institutions though completed, were not operational as at the time of audit casting doubt on their viability and whether proper feasibility studies were conducted. In addition, the non-operational Institutions continued to draw Kshs.2,000,000 annually for operational costs from the Government.

Under the circumstances, value for money may not have been realized.

6.0 Proposed Kakrao Technical Training Institute

As previously reported, the contract for the construction of the Proposed Kakrao Technical Training Institute was awarded at a contract sum of Kshs.53,720,833. The contract commenced on 1 November, 2014 with an expected completion date of 1 November, 2015 for a period of 52 weeks. The contract was terminated on 4 July, 2017. According to the termination letter, the contractor had already been paid Kshs.46,214,053 being 86% of the contract sum. The level of completion at the time of termination was 73% and the contractor, therefore, ought to have been paid Kshs.33,844,125 or 63% of the contract sum given 10% portion requirement. The contractor was therefore overpaid by Kshs.12,369,928 which may constitute loss of public funds. In addition, the incomplete Institution with no learners was fitted with furniture and donor funded equipment which are now subject to wear and tear without being put to any economical use.

In the circumstances, the objectives of the project may not have been attained and value-for-money may not be realized on the expenditure.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for 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 and for its assessment of the effectiveness of internal control.

In preparing the financial statements, Management is responsible for assessing the State Departments ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the State Department or to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the State Department to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

25 May, 2021

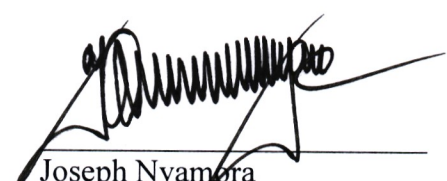
6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2019- 2020	2018-2019
		Kshs	Kshs
RECEIPTS			
Proceeds from Domestic and Foreign Grants	1	-	20,289,632
Transfers from National Treasury	2	12,602,009,601	10,166,785,921
Transfers from Other Government Entities	3	-	664,740,590
Proceeds from Foreign Borrowings	4	2,501,756,878	5,944,625,612
Other Revenues	5	2,743,647,720	20,647,724
TOTAL REVENUES		17,847,414,199	16,817,089,479
PAYMENTS			
Compensation of Employees	6	5,081,318,749	3,535,083,064
Use of goods and services	7	2,277,385,052	5,782,806,589
Transfers to Other Government Units	8	10,038,248,387	6,998,566,833
Social Security Benefits	9	-	315,258
Acquisition of Assets	10	450,532,838	456,069,731
TOTAL PAYMENTS		17,847,485,026	16,772,841,475
SURPLUS/DEFICIT		- 70,827	44,248,004

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2020 and signed by:



Julius O. Jwan, PhD, MBS
 Principal Secretary



Joseph Nyamera
 Assistant Accountant General
 ICPAK Member Number 7770

7. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2020

	Note	2019- 2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	11A	187,133,948	142,313,471
Cash Balances	11B	264,629	303,116
Total Cash And Cash Equivalents		187,398,577	142,616,587
Accounts Receivables - Outstanding Imprest and Clearence Accounts	12	1,355,512	807,065
TOTAL FINANCIAL ASSETS		188,754,089	143,423,652
LESS: FINANCIAL LIABILITIES			
Accounts Payables - Deposits	13	63,430,168	60,864,435
NET FINANCIAL ASSETS		125,323,921	82,559,217
REPRESENTED BY			
Fund balance b/fwd	14	82,559,217	63,158,562
Prior year adjustments	15	42,835,530	- 24,847,349
Surplus/Defict for the year		- 70,827	44,248,00
NET FINANCIAL POSITION		125,323,920	82,559,217

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2020 and signed by:



Dr. Julius O. Jwan, PhD, MBS
Principal Secretary



Joseph Nyamora
Assistant Accountant General
ICPAK Member Number 7770

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Report and Financial Statements for the year ended 30 June, 2020

8. STATEMENT OF CASH FLOWS FOR THE YEAR ENDE 30 JUNE 2020

	Note	2019- 2020	2018-2019
		Kshs	Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Proceeds from Domestic and Foreign Grants	1	-	20,289,632
Transfers from National Treasury	2	12,602,009,601	10,166,785,921
Transfers from Other Government Entities	3	-	664,740,590
Other Revenues	5	2,743,647,720	20,647,724
		15,345,657,321	10,872,463,867
Payments for operating expenses			
Compensation of Employees	6	5,081,318,749	3,535,083,064
Use of goods and services	7	2,277,385,052	5,782,806,589
Transfers to Other Government Units	8	10,038,248,387	6,998,566,833
Social Security Benefits	9	-	315,258
		17,396,952,188	16,316,771,744
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	12	- 548,447	14,022,957
Increase/(Decrease) in Accounts Payable: (deposits and retention)	13	2,565,733	545,398
Prior Year Adjustments	15	42,835,530	-
		2,006,442,051	5,454,586,871
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	10	(450,532,838)	(456,069,731)
Net cash flows from Investing Activities		(450,532,838)	(456,069,731)
CASHFLOW FROM BORROWING ACTIVITIES			

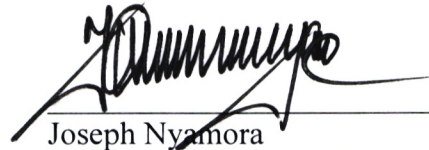
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
 Report and Financial Statements for the year ended 30 June, 2020

Proceeds from Foreign Borrowings	4	2,501,756,878	5,944,625,612
Net cash flow from financing activities		2,501,756,878	5,944,625,612
NET INCREASE IN CASH AND CASH EQUIVALENT		44,781,989	33,969,010
Cash and cash equivalent at BEGINNING of the year		142,616,587	108,647,577
Cash and cash equivalent at END of the year		187,398,576	142,616,587

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2020 and signed by:



Julius O. Jwan, PhD, MBS
 Principal Secretary



Joseph Nyamora
 Assistant Accountant General
 ICPAK Member Number 7770

9. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation Difference to Final Budget f=d/c %
RECEIPTS						
Exchequer releases	11,680,706,496	4,291,150,745	15,971,857,241	12,602,009,601	3,369,847,640	79%
Proceeds from Foreign Borrowings	4,600,000,000	2,098,243,122	6,698,243,122	2,501,756,878	4,196,486,244	37%
Other Receipts	1,467,535,805	1,967,535,805	3,435,071,609	2,743,647,720	691,423,889	80%
Total Receipts	17,748,242,301	8,356,929,672	26,105,171,972	17,847,414,199	8,257,757,773	68%
Payments						
Compensation of Employees	3,049,500,000	2,280,743,541	5,330,243,541	5,081,318,749	248,924,792	95%
Use of goods and services	4,045,721,094	(1,639,066,123)	2,406,654,971	2,277,385,052	129,269,919	95%
Subsidies	0	7,343,223,282	7,343,223,282	7,343,223,282	0	100%
Transfers to Other Government Units	9,692,222,648	5,863,745,299	15,555,967,946	2,695,025,105	12,860,942,841	17%
Social Security Benefits	1,447,169	(952,831)	494,338	0	494,338	0%
Acquisition of Assets	959,351,390	(500,625,390)	458,726,000	450,532,838	8,193,162	98%
Grand Total	17,748,242,301	13,347,067,778	31,095,310,078	17,847,485,026	13,247,825,052	57%
Surplus/Deficit	0	(4,990,138,106)	(4,990,138,106)	(70,826)	(4,990,067,280)	

Notes

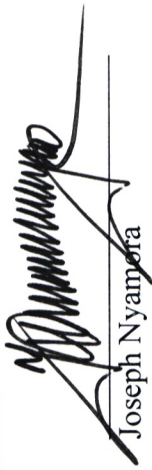
- i. Exchequer releases were affected by budget reductions and Covid 19 challenges which affected the country's revenue collections resulting in slow releases.
- ii. Proceeds from Foreign Borrowings were affected by slow completion of works due to heavy rains and restrictions on movement (curfew) hence many sites were abandoned resulting in no issue of completion certificates.

- iii. Other receipt refers to AIA which are normally collected by various institutions. All the institutions were closed due Covid 19 Pandemic resulting in non-collection of fees.
- iv. Transfers to other government units were drastically affected by the covid 19 pandemic which forced the National Treasury to do budget rationalization. Lack of exchequer to facilitate disbursements has also contributed to the low absorption.
- v. Social Security Benefits performed at zero because there were no retirees earmarked for such benefits during the financial year under review.

The entity financial statements were approved on _____ 2020 and signed by:



Julius O. Jwan, PhD, MBS
Principal Secretary



Joseph Nyamora
Assistant Accountant General
ICPAK Member Number 7770

10. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=d-c	% of Utilisation Difference to Final Budget f=d/c %
RECEIPTS						
Exchequer releases	7,102,106,496	2,606,226,925	9,708,333,421	9,708,333,421	0	100%
Other Receipts	1,467,535,805	1,967,535,805	3,435,071,609	2,743,647,720	691,423,889	80%
Total Receipts	8,569,642,301	4,573,762,730	13,143,405,030	12,451,981,141	691,423,889	95%
Grand Total	8,569,642,301	8,235,998,855	16,805,641,155	12,511,719,056	4,293,922,099	74%
Surplus/Deficit	0	-3,662,236,125	-3,662,236,125	-59,737,915	-3,602,498,210	
PAYMENTS						
Compensation of Employees	3,049,500,000	2,280,743,541	5,330,243,541	5,081,318,749	248,924,792	95%
Use of goods and services	87,707,937	26,397,730	114,105,667	86,937,025	27,168,642	76%
Transfers to Other Government Units	5,430,235,805	5,930,235,805	11,360,471,609	7,343,223,282	4,017,248,327	65%
Social Security Benefits	1,447,169	(952,831)	494,338		494,338	0%
Acquisition of Assets	751,390	(425,390)	326,000	240,000	86,000	74%
Grand Total	8,569,642,301	8,235,998,855	16,805,641,155	12,511,719,056	4,293,922,099	74%
Surplus/Deficit	(8,569,642,301)	(11,898,234,980)	(20,467,877,280)	(12,571,456,971)	(7,896,420,309)	

Notes

- i. Other receipt refers to AIA which are normally collected by various institutions. All the institutions were closed due Covid 19 Pandemic resulting in non-collection of fees.

- ii. Use of goods and services was affected by the late release of exchequer by the National Treasury that could not allow the procurement processes to be completed on time.
- iii. Transfers to other government units were drastically affected by the covid 19 pandemic which forced the National Treasury to do budget rationalization. Lack of exchequer to facilitate disbursements has also contributed to the low absorption.
- iv. Social Security Benefits performed at zero because there were no retirees earmarked for such benefits during the financial year under review.

The entity financial statements were approved on _____ 2020 and signed by:



Julius O. Jwan, PhD, MBS
Principal Secretary



Joseph Nyamora
Assistant Accountant General
ICPAK Member Number 7770

11. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Exchequer releases	4,578,600,000	1,684,923,820	6,263,523,820	2,893,676,180	3,369,847,640	46%
Proceeds from Foreign Borrowings	4,600,000,000	2,098,243,122	6,698,243,122	2,501,756,878	4,196,486,244	37%
Total Receipts	9,178,600,000	3,783,166,942	12,961,766,942	5,395,433,058	7,566,333,884	42%
Payments						
Use of goods and services	3,958,013,157	(1,665,463,853)	2,292,549,304	2,190,448,027	102,101,277	96%
Transfers to Other Government Units	4,261,986,843	(66,490,506)	4,195,496,337	2,695,025,105	1,500,471,232	64%
Acquisition of Assets	958,600,000	(500,200,000)	458,400,000	450,292,838	8,107,162	98%
Grand Total	9,178,600,000	(2,232,154,359)	6,946,445,641	5,335,765,970	1,610,679,671	77%
Surplus/Deficit	0	6,015,321,301	6,015,321,301	59,667,088	5,955,654,213	

Notes

- i. Exchequer releases were affected by budget reductions and Covid 19 challenges which affected the country's revenue collections resulting in slow releases.
- ii. Proceeds from Foreign Borrowings were affected by slow completion of works due to heavy rains and restrictions on movement (curfew) hence many sites were abandoned resulting in no issue of completion certificates.
- iii. Transfers to other government units were drastically affected by the covid 19 pandemic which forced the National Treasury to do budget rationalization. Lack of exchequer to facilitate disbursements has also contributed to the low absorption.

The entity financial statements were approved on _____ 2020 and signed by:



Julius O. Jwan, PhD, MBS
Principal Secretary



Joseph Nyarora
Assistant Accountant General
ICPAK Member Number 7770

12. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget		Adjustments		Final Budget		Actual on comparable basis		Budget utilization difference	
	2020	Kshs	2020	Kshs	2020	Kshs	2020	Kshs	2020	Kshs
Technical Vocational Education and Training	0		0		21,507,789,409		15,657,303,964		(5,850,485,445)	
Technical Accreditation and Quality Assurance (0505010000)					875,000,000		868,948,629		6,051,371	
Technical Trainers and Instructor Services(0505020000)					15,697,087,716		11,371,960,508		4,325,127,208	
Special Needs in Technical and Vocational Education (0505030000)					160,451,052		120,338,289		40,112,763	
Infrastructure Development and Expansion (0505040000)					4,775,250,641		3,296,056,538		1,479,194,103	
Youth Training and Development	0		0		2,110,225,293		2,075,119,570		35,105,723	
Revitalization of Youth Polytechnics (0507010000)					2,110,225,293		2,075,119,570		35,105,723	
General Administration, Planning and Support Services	0		0		134,072,094		115,061,491		19,010,603	
Headquarters Administrative Services (0508010000)					134,072,094		115,072,094			
County Administrative Services					0		(10,603)		10,603	
TOTAL	28,787,380,000		(3,948,009,600)		23,752,086,796		17,847,485,025		(5,796,369,120)	

13. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the state department for vocational and technical training. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012 and also comprise of the following development projects implemented by the entity:

- i. *Kenya Italy Debt for Development Program (KIDDP)*
- ii. *GoK –AfDB*
- iii. *Equalisation Fund*
- iv. *GoK China Project*
- v. *EASTRIP*

3. Reporting Currency

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

a) Recognition of Receipts

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

External Assistance

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

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criterion is applied for loans received in the form of a direct payment.

During the year ended 30 June, 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

Use of Goods and Services

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

Interest on Borrowing

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

SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Repayment of Borrowing (Principal Amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

Acquisition of Fixed Assets

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

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

5. In-kind contributions

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. Third Party Payments

Included in the receipts and payments, are payments made on its behalf to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties in the statement of receipts and payments as proceeds from foreign borrowings.

7. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

Restriction on Cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30 June 2020, this amounted to Kshs xxx compared to Kshs xxx in prior period as indicated on note xxxx.

There were no other restrictions on cash during the year.

SIGNIFICANT ACCOUNTING POLICIES CONTINUED

8. Accounts Receivable

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

9. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

10. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Entity at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2020 for the period 1st July 2019 to 30th June 2020 as required by Law and there were two supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

Government Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers.

12. Comparative Figures

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

SIGNIFICANT ACCOUNTING POLICIES CONTINUED

13. 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 30th June 2020.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 26 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

14. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2020

1 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount in foreign currency	2019- 2020 Kshs	2018-2019 Kshs
Grants Received from Bilateral Donors (Foreign Governments)				
KIDDP			-	20,289,632
TOTAL			-	20,289,632

2 EXCHEQUER RELEASES

Description	Reference of the transfer	Date of transfer	2019- 2020 Kshs	2018-2019 Kshs
Total Exchequer Releases for quarter 1			1,683,802,378	273,664,450
Total Exchequer Releases for quarter 2			3,056,590,209	2,268,777,697
Total Exchequer Releases for quarter 3			4,278,669,427	2,679,341,550
Total Exchequer Releases for quarter 4			3,582,947,587	4,945,002,224
TOTAL			12,602,009,601	10,166,785,921

3 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2019- 2020 Kshs	2018-2019 Kshs
Teachers Service Commission		664,740,590
TOTAL	-	664,740,590

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
 Report and Financial Statements for the year ended 30 June, 2020

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2020
 CONTINUED**

4. PROCEEDS FROM FOREIGN BORROWINGS

			2019- 2020	2018-2019
			Kshs	Kshs
Foreign Borrowing - Direct Payments			2,501,756,878	5,944,625,612
TOTAL			2,501,756,878	5,944,625,612

5. OTHER REVENUES

			2019- 2020	2018-2019
			Kshs	Kshs
Receipts from Administrative Fees and Charges			41,435,350	20,647,724
Receipts from Administrative Fees and Charges - Collected as AIA			2,702,212,370	-
TOTAL			2,743,647,720	20,647,724

6. COMPENSATION OF EMPLOYEES

			2019- 2020	2018-2019
			Kshs	Kshs
Basic salaries of permanent employees			3,466,918,339	1,890,995,849
Basic wages of temporary employees			993,523,401	555,873,717
Personal allowances paid as part of salary			620,877,009	1,088,213,498
TOTAL			5,081,318,749	3,535,083,064

7. USE OF GOODS AND SERVICES

			2019- 2020	2018-2019
			Kshs	Kshs
Utilities, supplies and services			2,881,099	7,066,473
Communication, supplies and services			5,638,187	5,922,039

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
 Report and Financial Statements for the year ended 30 June, 2020

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2020
 CONTINUED**

Domestic travel and subsistence	70,396,314	74,047,627
Foreign travel and subsistence	1,704,631	7,050,457
Printing, advertising and information supplies & services	4,775,484	4,515,324
Rentals of produced assets	46,217,117	55,634,857
Training expenses	68,144,258	226,721,040
Hospitality supplies and services	3,349,732	10,979,488
Specialized materials and services	1,983,116,822	5,288,923,879
Office and general supplies and services	5,534,490	11,447,520
Other operating expenses	68,947,765	61,018,918
Routine maintenance – vehicles and other transport equipment	2,471,462	6,054,449
Routine maintenance – other assets	713,629	5,940,124
Fuel Oil and Lubricants	13,494,062	17,484,394
TOTAL	2,277,385,052	5,782,806,589

8. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019- 2020	2018-2019
	Kshs	Kshs
Current Grants to Government agencies and Other Levels of Government	7,343,223,282	3,498,566,833
Capital Grants to Government agencies and Other Levels of Government	2,695,025,105	3,500,000,000
TOTAL	10,038,248,387	6,998,566,833

9. SOCIAL SECURITY BENEFITS

Description	2019- 2020	2018-2019
	Kshs	Kshs
Government pension and retirement benefits	-	315,258
TOTAL	-	315,258

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Report and Financial Statements for the year ended 30 June, 2020

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2020
CONTINUED

10. ACQUISITION OF ASSETS

	2019- 2020	2018-2019
	Kshs	Kshs
Non Financial Assets		
Construction of Buildings	441,282,878	455,869,751
Purchase of Vehicles and Other Transport Equipment	4,842,600	
Purchase of Office Furniture and General Equipment	4,407,360	199,980
Sub Total	450,532,838	456,069,731
TOTAL	450,532,838	456,069,731

11A. Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit e.t.c	Exc rate (if in foreign currency)	2019- 2020	2018-2019
				Kshs	Kshs
Central Bank of Kenya, 1000302577, KShs		Recurrent	1	14,997,254	69,406,385
Central Bank of Kenya, 1000302623, KShs		Development	1	4,375,241	3,474,614
Central Bank of Kenya, 1000302631, KShs		Deposits		59,241,800	59,264,434
Central Bank of Kenya, 1000302658, KShs		AfDB		3,354,258	3,354,258
Central Bank of Kenya, 1000328061, KShs		Equalisation Fund		6,813,471	6,813,78
KIDDP (KCB Ac No. 1109219547)		KCB	1	26,342,444	
EASTRIP		KCB	1	72,009,480	
Total	-			187,133,948	142,313,471

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
 Report and Financial Statements for the year ended 30 June, 2020

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2020
 CONTINUED

11B Cash in hand

	2019- 2020	2018-2019
	Kshs	Kshs
Cash in Hand – Held in domestic currency	264,629	303,116
TOTAL	264,629	303,116

Cash in hand should also be analysed as follows:

	2019- 2020	2018-2019
	Kshs	Kshs
Headquarters, Cashoffice Location 1	264,629	303,116
TOTAL	264,629	303,116

12 Accounts Receivables

Description	2019- 2020	2018-2019
	Kshs	Kshs
Government Imprests (EASTRIP PROJECT)	410,400	
District suspense	945,112	807,065
TOTAL	1,355,512	807,065

13 Accounts Payables

	2019- 2020	2018-2019
	Kshs	Kshs
Deposits	59,241,800	59,264,434
R/D Cheques Payable	4,188,368	1,600,001
TOTAL	63,430,168	60,864,435

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
 Report and Financial Statements for the year ended 30 June, 2020

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2020
 CONTINUED

14 BALANCES BROUGHT FORWARD

	2019- 2020	2018-2019
	Kshs	Kshs
Bank accounts	142,313,471	108,428,249
Cash in hand	303,116	219,328
Receivables - Outstanding		
Imprests	807,065	14,830,022
Payables - Deposits	(60,864,435)	(60,319,037)
TOTAL	82,559,217	63,158,562

15 PRIOR YEAR ADJUSTMENTS

Description of the error	Balance b/f	Adjustments	Adjusted Balance b/f
	FY 2018/2019 as per Financial statements		FY 2019/2020
	Kshs	Kshs	Kshs
Bank Account Balances	24,847,349.00	67,682,879.00	42,835,530.00
	-	-	-
	24,847,349.00	67,682,879.00	42,835,530.00

16 RELATED PARTY DISCLOSURES

	2019- 2020	2018-2019
	Kshs	Kshs
Transfers to the Other Ministries Departments and Agencies	10,038,248,387	6,998,566,833
Transfers to other State Corporations and Semi-Autonomous Government Agencies	818,800,000	565,258,000
Transfers to Government Development Projects	691,497,926	

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
 Report and Financial Statements for the year ended 30 June, 2020

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2020
 CONTINUED**

17 OTHER IMPORTANT DISCLOSURES

17.1 PENDING ACCOUNTS PAYABLE

			2019- 2020	2018-2019
			Kshs	Kshs
Supply of services			4,188,368	1,600,001
TOTAL			4,188,368	1,600,001

16. PROGRESS ON FOLLOW UP OF PRIOR YEARS AUDITOR'S RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

FINANCIAL YEAR	PARAGRAPH AND TITLE	PAC RECOMMENDATION	ACTION TAKEN
2016/2017	171: Under-collection of A-I-A	a). Accounting Officer should within 3 months of adoption of this report ensure that A-I-A of Kshs 299,519,687 is collected and fully accounted for. b). The Accounting Officer should be surcharged for the A-I-A of Kshs 299,519,687 should he fail to ensure that the same is collected and accounted for.	-The Accounting officer has put mechanisms to ensure that the State Department will absorb the total Loan that is received from Development partners and that the same is properly accounted for. - The State Department has clarified to the OAG that the Kshs.299,519,687 is the A-I-A Loan component that was not absorbed during the FY 2016/2017
2016/2017	172. Nugatory Payment	a). Accounting Officer should within 3 months of adoption of this report forward relevant documents to OAG for audit verification b). The Auditor should with one month of receiving the documents under paragraph 1 verify the documents and forward the same to National Assembly	-Relevant Documents relating to the payment have been submitted to the office of the Auditor General and they will forward the same to the National Assembly.
2016/2017	173. Delay in completion of Projects	The Accounting officer should within 3 months of adoption of this report ensure that the remaining 24 TVC are completed and forward the completion certificates to OAG for verifications	- Out of the 24 TVCs that had not been completed, 15 TVCs are now complete and the completion certificates submitted to the auditor for verifications. The remaining 9 institutions are in various stages of completion.

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
 Report and Financial Statements for the year ended 30 June, 2020

2016/2017	174. Construction of Septic tanks in 9 New Technical Institutes	The Accounting Officer should within 3 months of the adoption of this report. Submit to the National Assembly, a detailed report highlighting a road map for the progression of the project to 100% completion of the project to ensure that the project achieves value for money.	The report has been prepared for submission to National Assembly
2016/2017	175. Procurement of Equipment for TTIs - Kenya China Project	The Accounting Officer should within 3 months of this report, submit the minutes of the negotiations between AVIC International and the Government of Kenya to the Auditor General for audit verification.	A letter was done to the national treasury requesting for the negotiations minutes. Briefs, copies of correspondences and documents relating to the project have been availed to the OAG.
2016/2017	176. Payment of Rent without Valid Lease Agreements	-a). The Accounting officer, should within 3 months of the adoption of this report, ensure that the Teleposta Towers Lease Agreement is registered to Land office b). Accounting officer should within 3 months of the adoption of this report, ensure that the ongoing negotiations for the Lease of Uchumi are concluded.	- The two lease agreement have been finalized and signed and have been submitted for audit verifications. -The signed copies of the lease agreements have been submitted to the land's office for registration.
2016/2017	177. Direct Procurement of goods and Services	Accounting Officer must ensure that procurement for the department is conducted in strict adherence to the provisions of the Public Procurement and Asset Disposal Act , No. 33 of 2015	-The Accounting officer is committed to the recommendation and will adhere to the Procurement Act.

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
 Report and Financial Statements for the year ended 30 June, 2020

2016/2017	178. 1 Pending Bills Unclear Payments for Equipment for Vocational Training Centres.	a). Accounting officer should within 3 months of adoption of this report submit relevant documents to the Auditor General for verifications b). Accounting Officer and other officers involved to be surcharged the amount of Kshs. 8,362,600 should they fail to provide the documents for audit	The vouchers have been submitted to the Auditor General for audit review and verifications
2016/2017	178.2 Unauthorized Payment of Pending Bills	a). Accounting officer should within 3 months of adoption of this report submit the vouchers to the Auditor General for audit verification b). The Accounting officer should be surcharged for the total amount involved should he fail to provide the vouchers to the Auditor General for audit verification.	Vouchers have been submitted to the Auditor General for audit review and verifications
2016/2017	179. Transfer to other Government Units	a). The accounting officer should within 3 months of the adoption of this report ensure that relevant audit documents in support of the utilization of the funds by the beneficiary institutions are submitted to the Auditor General for audit verification b). The committee reprimands the accounting officer for mismanagement and misappropriation of public funds in relations this projects and failure to provide documents in time for audit review.	-Letters have been done to the principals on submission of supporting documents on expenditure of funds disburse. The same to be submitted to the Auditor General for verification. -The Accounting officer has undertaken to ensure all relevant documents are provided to the OAG as and when requested and has also undertaken to ensure maximum cooperation during any future Audit assignment.

Julius O. Jwan, PHD, MBS
 Principal Secretary

Joseph Nyamora
 Assistant Accountant General
 ICPAK Member Number 7770

ANNEX 1 - SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f	Additions during the year	Disposals during the year	Historical Cost c/f
	(Kshs)	(Kshs)	(Kshs)	(Kshs)
Buildings and structures	455,869,751	441,282,878		897,152,629
Transport equipment		4,842,600		4,842,600
Office equipment, furniture and fittings	199,980	4,407,360		4,607,340
Total	456,069,731	450,532,838	0	906,602,569

ANNEX 3 – LIST OF PROJECTS IMPLEMENTED BY THE ENTITY

Ref	Project Name	Principal activity of the project	Accounting Officer	Project consolidated in these financial statements (yes/no)
1	GOK - AFDB	Increase access and Equity, Improve quality and relevance of TVET education and training	Mr. John Tuwei	Yes
2	GOK - CHINA	Improve Access, Quality and Relevance of TVET	Mr. Joseph Nyambune	Yes
3	KIDDP PROJECT	Improve access to quality vocational training for youth from poor backgrounds. Revitalization of youth polytechnics through capacity buildings, curriculum implementations, provision of training equipment and rehabilitation of infrastructure.	Mr. Elijah Obwori	Yes
4	EAST AFRICA SKILLS FOR TRANSFORMATION AND REGIONAL INTEGRATION PROJECT (EASTRIP)	Creation of Regional centres of skills development, involvement of industry and private sector in training, bridging the inadequacy of financing in TVET and to provide a learning and knowledge sharing platform.	Mr. Gitau	Yes

ANNEX 4 – LIST OF SCs, SAGAs AND PUBLIC FUNDS UNDER THE ENTITY

Ref	SC, SAGA or Public Fund's name	Principal activity of entity	Accounting Officer	Amount transferred during the year	Inter-entity reconciliations done?(yes/no)
1	TVETA	Inspection and Registration of TVET Institutions within the country.	Dr. Kipkurui Langat	238,800,000.00	yes
2	CDACC	Accreditation of curriculum development, assessors, verifiers and assessment center.	Dr. Lawrence Guantai	420,000,000.00	yes
3	KNQA	Cordinates and harmonize education, training, assessment and quality assurance of all qualifications awarded in the country.	Mr. Johnson Nanjakululu	160,000,000.00	yes
				818,800,000.00	

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
 Report and Financial Statements for the year ended 30 June, 2020

ANNEX 5 – RETURNED CHEQUES (R/D)

PAYEE	AMOUNT (Ksh)
JAMII SACCO	53,673.00
JAMII SACCO	26,311.95
JAMII SACCO	53,673.00
JAMII SACCO	26,311.95
RACHUONYO SACCO	17,647.20
RACHUONYO SACCO	17,341.60
JAMII SACCO	98,013.60
RACHUONYO SACCO	31,342.85
RACHUONYO SACCO	17,200.00
JAMII SACCO	26,311.95
JAMII SACCO	29,261.95
JAMII SACCO	28,673.00
JAMII SACCO	48,111.40
RACHUONYO SACCO	48,542.95
JAMII SACCO	26,311.95
JAMII SACCO	26,311.95
JAMII SACCO	26,311.95
JAMII SACCO	108,263.45
JAMII SACCO	34,210.60
JAMII SACCO	108,210.30
LAW COURT	46,809.35
HOUSE RENT	29,700.00
HOUSE RENT	48,700.00
LAW COURT	63,309.35
HOUSE RENT	38,900.00
HOUSE RENT	34,900.00
LAW COURT	46,809.35
HOUSE RENT	8,600.00
LAW COURT	46,809.35
HOUSE RENT	43,500.00
HOUSE RENT	54,090.00
LAW COURT	46,809.00
HOUSE RENT	51,600.00
HOUSE RENT	47,000.00
LAW COURT	46,809.35
LAW COURT	46,809.35

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
 Report and Financial Statements for the year ended 30 June, 2020

HOUSE RENT	46,809.00
COMMERCIAL BANK OF AFRICA	43,447.95
DIAMOND TRUST BANK	166,107.50
JAMII SACCO	153,673.00
JAMII SACCO	30,648.75
DIAMOND TRUST BANK	35,264.50
JAMII SACCO	163,476.00
JAMII SACCO	30,648.75
I&M BANK	187,765.70
DIAMOND TRUST BANK	149,728.25
JAMII SACCO	130,734.00
JAMII SACCO	30,648.75
JAMII SACCO	130,734.00
JAMII SACCO	27,897.15
NATIONAL INDUSTRIAL CREDIT	25,514.70
I&M BANK	40,201.30
JAMII SACCO	130,734.00
DIAMOND TRUST BANK	32,818.25
JAMII SACCO	27,897.15
CBK	105,121.00
KNUT DISTRICT FUND NAKURU	3,300.00
MAKUSI GEOFFREY AKANGA	84,754.00
DIAMOND TRUST BANK	32,818.25
JAMII SACCO	27,897.15
JAMII SACCO	105,401.00
JAMII SACCO	27,897.15
JAMII SACCO	107,152.35
I&M BANK	40,201.30
JAMII SACCO	30,797.15
JAMII SACCO	108,103.95
KENINDIA ASSOCIATION SACCO	54,453.95
JAMII SACCO	27,897.15
KCB	24,364.50
JAMII SACCO	26,977.35
JAMII SACCO	108,130.50
JAMII SACCO	108,183.70
JAMII SACCO	26,977.35
	4,188,368.20

ANNEX 6 – DIRECT PAYMENTS (FOREIGN BORROWINGS)

S/NO.	PAYEE	AMOUNT (Ksh)
1	NJUCA CONSOLIDATED CO. LTD	8,905,769.00
2	TINFRA ENGINEERING LIMITED	15,205,172.00
3	EQUIPPED TRADING(K)LIMITED	15,320,699.00
4	NJUCA CONSOLIDATED CO.LTD	12,157,880.00
5	FANAKA MERCHANTS LTD	25,328,785.00
6	XTREME ENGINEERING	15,659,417.00
7	OCEANIC CONSTRUCTION CO.LTD	30,535,807.00
8	TINFRA ENGINEERING LIMITED	12,055,345.00
9	OMAR SALIM BASLUM LIMITED	32,578,784.50
10	EPCO BUILDERS LIMITED	15,238,959.00
11	BADOLE CONSTRUCTION LTD	11,837,803.75
12	EPCO BUILDERS LIMITED	9,372,755.00
13	EQUIPPED TRADING(K)LIMITED	10,036,367.00
14	MAOW HOLDINGS LIMITED	17,232,215.00
15	EPCO BUILDERS LIMITED	13,318,540.00
16	MACHAKOS TECHNICAL T.I FOR THE BLIND	4,016,956.50
17	BLOOTEX LIMITED	19,733,043.00
18	SCIENCESCOPE	35,026,359.65
19	SCIENCESCOPE	35,026,359.65
20	SIGALAGALA NATIONAL POLYTECHNIC	7,804,950.00
21	FANAKA MERCHANTS FOR CIVIL WORKS	20,033,056.00
22	SENDER SERVICES FOR CIVIL WORKS	12,465,982.00
23	EXTREME ENGINEERING	16,450,165.00
24	XTREME ENGINEERING LTD	28,788,430.80
25	OMAR BASLUM SALIM	13,302,615.60
26	MAOW HOLDINGS LIMITED	7,165,389.00
27	EPCO BUILDERS LIMITED	15,739,201.00
28	EPCO BUILDERS LIMITED	10,905,323.85
29	RAMOGI INSTITUTE OF ADVANCED TECHNOLOGY	580,500.00
30	KAREN TECHNICAL TRAINING INSTITUTE	7,391,250.00
31	CADENA	14,060,403.85
32	KIAMBU INSTITUTE OF SCIENCE AND TECHNOLOGY	2,187,540.00
33	MATILI TECHNICAL TRAINING INSTITUTE	3,564,000.00

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
 Report and Financial Statements for the year ended 30 June, 2020

34	SIKRI TECHNICAL TRAINING INSTITUTE	3,294,000.00
35	CADENA- FOR CONSULTANCY SERVICES	14,060,403.85
36	KIAMBU INSTITUTE OF SCIENCE AND TECHNOLOGY	243,060.00
37	SUNRAYS DISTRIBUTORS LIMITED	21,847,393.20
38	COAST INSTITUTE OF TECHNOLOGY	798,750.00
39	COAST INSTITUTE OF TECHNOLOGY	88,750.00
40	FANAKA MERCHANTS	13,467,495.75
41	EXTREME ENGINEERING LTD	25,593,323.00
42	MAOW HOLDINGS LIMITED	29,896,811.00
43	TINFRA ENGINEERING LTD	21,648,339.00
44	OCEANIC CONSTRUCTION LTD	28,035,098.00
45	EPCO BUILDERS LTD	8,929,283.00
46	BADOLE CONSTRUCTION LTD	58,324,323.00
	SUB TOTAL	725,252,853.95
	GoK - CHINA PROJECT	
1	AVIC INTERNATIONAL HOLDING	1,468,560,562.85
2	AVIC INTERNATIONAL HOLDING	125,548,325.85
3	AVIC INTERNATIONAL HOLDING	182,395,135.65
	SUB TOTAL	1,776,504,024.35
	TOTAL	2,501,756,878.30

ANNEX 7 – EXCHEQUER RELEASES

RECURRENT		
DATE	REFERENCE	AMOUNT (Ksh)
31-07-2019	RE:06/03	385,729,406.30
1/8/2019	RE:04/04	385,913,541.05
26-08-2019	RE:12/02	157,966,479.80
29-08-2019	RE:15/03	372,210,229.40
20-09-2019	RE:24/08	6,826,783.00
29-09-2019	RE:29/06	375,155,938.00
1/10/2019	RE:31/02	620,175,000.00
16-10-2019	RE:39/04	938,523,560.00
1/11/2019	RE:47/02	417,333,742.00
15-11-2019	RE:57/05	261,575,988.00
27-11-2019	RE:60/6	400,069,640.00
27-12-2019	RE:75/06	375,074,023.70
22-01-2020	RE:87/02	27,663,144.00
6/2/2020	RE:96/01	395,239,590.00
18-02-2020	RE:100/05	208,735,394.30
3/3/2020	RE:108/01	406,430,758.00
30-03-2020	RE:122/3	390,762,616.25
6/5/2020	RE:140/04	606,706,671.00
14-05-2020	RE:143/05	20,258,407.00
28-05-2020	RE:148/04	43,289,600.00
29-05-2020	RE:149/07	25,648,761.00
2/6/2020	RE:150/02	171,714,588.00
4/6/2020	RE:152/01	1,550,127,430.00
25-06-2020	RE:162/09	495,889,488.00
30-06-2020	RE:165/03	669,312,642.00
6/3/2020	RE: Q/29/19/20	2,000,000,000.00
SUB-TOTAL		11,708,333,420.80
DEVELOPMENT		
	REFERENCE	AMOUNT (Ksh)
4/10/2019	DE:09/02	11,543,673.00
15-10-2019	DE:11/01	3,084,894.00
29-10-2019	DE:17/02	1,243,121.00
7/11/2019	DE:23/04	6,854,499.00
27-11-2019	DE:31/03	27,462,244.00

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
 Report and Financial Statements for the year ended 30 June, 2020

20-12-2019	DE:40/01	43,838,256.00
20-01-2020	DE:54/01	108,151,567.00
30-01-2020	DE:61/02	691,497,926.00
SUB-TOTAL		893,676,180.00
TOTAL		12,602,009,600.80

ANNEX 8 – OUTSTANDING IMPRESTS

OUTSTANDING IMPRESTS	
JOHN TUWEI	42,000.00
ARCHER ARINA OMOLLO	42,000.00
PERPETUAH NJERU	33,600.00
JOSEPH ROTICH	117,200.00
DAVID MAIYO	87,800.00
BERNARD OPIYO	87,800.00
TOTAL	410,400.00

ANNEX 9 – TRANSFERS TO OTHER GOVERNMENT ENTITIES

INSTITUTION	RECURRENT GRANT & AIA	DEVELOPMENT	TOTAL
	Ksh	Ksh	Ksh
SAGAs			
TVETA	263,800,000.00	-	263,800,000.00
CDACC	427,540,579.00	-	427,540,579.00
KNQA	176,435,350.00	-	176,435,350.00
SUB TOTAL	867,775,929.00		867,775,929.00
NATIONAL POLYTECHNICS			
ELDORET NP	707,928,155.00	-	707,928,155.00
KABETE NP	601,840,000.00	-	601,840,000.00
KENYA COAST NP	239,768,900.00	-	239,768,900.00
KISII NP	344,099,132.00	-	344,099,132.00
KISUMU NP	350,795,487.00	-	350,795,487.00
KITALE NP	239,151,171.00	-	239,151,171.00
MERU NP	704,890,000.00	-	704,890,000.00
NORTH EASTERN NP	38,691,700.00	-	38,691,700.00
NYERI NP	355,500,000.00	-	355,500,000.00
SIGALAGALA NP	381,242,516.00	-	381,242,516.00
KTTC	225,709,732.00	-	225,709,732.00
SUB TOTAL	4,189,616,793.00	-	4,189,616,793.00
SPECIAL NEEDS TVET			
KAREN TTI FOR THE DEAF	29,709,572.25	-	29,709,572.25
MACHAKOS TTI FOR THE BLIND	29,709,572.25	-	29,709,572.25

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Report and Financial Statements for the year ended 30 June, 2020

ST. JOSEPH NYANGOMA-DEAF	30,459,572.25	-	30,459,572.25
VTC FOR THE BLIND- SIKRI	30,459,572.25	-	30,459,572.25
KTTC	76,500,000.00	-	76,500,000.00
SUB TOTAL	196,838,289.00	-	196,838,289.00
TECHNICAL TRAINING INSTITUTIONS	-	-	-
AHMED S. MWIDANI	3,667,500.00	-	3,667,500.00
ALDAI TTI	11,655,000.00	-	11,655,000.00
BARINGO TTI	31,590,000.00	-	31,590,000.00
BONDO TTI	24,862,500.00	-	24,862,500.00
BORABU TVC- GUSII TTI	2,575,000.00	-	2,575,000.00
BUMBE TTI	16,717,500.00	-	16,717,500.00
BUNYALA TTI	6,480,000.00	-	6,480,000.00
BURETI TTI	39,330,000.00	-	39,330,000.00
BIUSHIANGALA TTI	24,097,500.00	-	24,097,500.00
BUTERE TTI	12,082,500.00	-	12,082,500.00
CHEPSIREI TVC-EMINING TTI	1,135,000.00	-	1,135,000.00
CHUKA TVC	9,000,000.00	-	9,000,000.00
COAST INSTITUTE OF TECHNOLOGY	42,907,500.00	-	42,907,500.00
DAVID M. WAMBULI - WOTE TTI	1,450,000.00	-	1,450,000.00
EKERUBO GEITAI-	22,792,500.00	-	22,792,500.00
EMINING TTI	11,655,000.00	-	11,655,000.00
EMSOS TVC	3,340,000.00	-	3,340,000.00
ENDEBESS TTI	8,010,000.00	-	8,010,000.00
FRIENDS COLLEGE KAIMOSI	12,195,000.00	-	12,195,000.00

*STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Report and Financial Statements for the year ended 30 June, 2020*

GATANGA TVC	4,757,500.00	-	4,757,500.00
GATUNDU SOUTH-KIST	1,112,500.00	-	1,112,500.00
GITWEBE TTI	3,407,500.00	-	3,407,500.00
GODOMA TTI	12,645,000.00	-	12,645,000.00
KAIBOI TTI	49,050,000.00	-	49,050,000.00
KAJIADO WEST TTI	2,610,000.00	-	2,610,000.00
KAPCHEROP TVC	4,590,000.00	-	4,590,000.00
KARUMO TTI	6,592,500.00	-	6,592,500.00
KASARANI TTI	7,267,500.00	-	7,267,500.00
KATINE TTI	6,142,500.00	-	6,142,500.00
KEROKA TTI	41,917,500.00	-	41,917,500.00
KIST	125,100,000.00	-	125,100,000.00
KIENI TVC- MATHENGE TTI	2,472,500.00	-	2,472,500.00
KIIRUA TTI	7,110,000.00	-	7,110,000.00
KIMASIAN TVC	1,597,500.00	-	1,597,500.00
KIMININI TVC- MATILI TTI	2,585,000.00	-	2,585,000.00
KIPIPIRI TTI	4,172,500.00	-	4,172,500.00
KIPKABUS TTI	11,520,000.00	-	11,520,000.00
KIPSINENDE TVC	9,855,000.00	-	9,855,000.00
KIPSOEN TVC EMINING TTI	3,317,500.00	-	3,317,500.00
KIPTARAGON TVC- OL'ESSOS	1,135,000.00	-	1,135,000.00
KISIWA TTI	52,537,500.00	-	52,537,500.00
KONON TTI	35,662,500.00	-	35,662,500.00
KOSHIN TTI	4,905,000.00	-	4,905,000.00

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
 Report and Financial Statements for the year ended 30 June, 2020

LAIKIPIA EAST TVC	4,735,000.00	-	4,735,000.00
LAIKIPIA NORTH TVC - MATHENGE TTI	2,440,000.00	-	2,440,000.00
LAISAMIS TVC	3,700,000.00	-	3,700,000.00
MAASAI MARA TVC	14,895,000.00	-	14,895,000.00
MABERA TVC- MAWEGO	3,632,500.00	-	3,632,500.00
MANDERA TTI	5,332,500.00	-	5,332,500.00
MASAI TTI	26,617,500.00	-	26,617,500.00
MASINGA TVC-N'KABUNE TTI	2,620,000.00	-	2,620,000.00
MATHENGE TTI	33,165,000.00	-	33,165,000.00
MATHIOYA TVC	4,375,000.00	-	4,375,000.00
MATHIRA TVC- NYERI TTI	3,182,500.00	-	3,182,500.00
MATILI TTI	35,482,500.00	-	35,482,500.00
MAWEGO TTI	62,392,500.00	-	62,392,500.00
MICHUKI TTI	68,827,500.00	-	68,827,500.00
MITUNGUU TTI	11,407,500.00	-	11,407,500.00
MOIBEN TVC	3,465,000.00	-	3,465,000.00
MUKIRIA TTI	7,087,500.00	-	7,087,500.00
MUKURWE-INI TTI	19,327,500.00	-	19,327,500.00
MUMIAS WEST TVC- SIGALAGALA TTI	3,632,500.00	-	3,632,500.00
MURAGA TVC	3,452,500.00	-	3,452,500.00
MUSAKASA TTI	12,510,000.00	-	12,510,000.00
NACHU TVC-KIST	2,732,500.00	-	2,732,500.00
NAIROBI TTI	167,445,000.00	-	167,445,000.00
NAIVASHA TVC	3,047,500.00	-	3,047,500.00

*STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Report and Financial Statements for the year ended 30 June, 2020*

NAROK WEST TVC	3,227,500.00	-	3,227,500.00
NDIA TVC	3,385,000.00	-	3,385,000.00
NYAKACH TVC- KISUMU POLY	2,867,500.00	-	2,867,500.00
NKABUNE TTI	12,667,500.00	-	12,667,500.00
NUU TVC	3,397,500.00	-	3,397,500.00
NYANDARUA INST. SCIENCE & TEC	22,815,000.00	-	22,815,000.00
OKAME TVC	3,902,500.00	-	3,902,500.00
OL'LESSOS TTI	95,265,000.00	-	95,265,000.00
OMUGA TVC-	1,067,500.00	-	1,067,500.00
PC KINYANJUI TTI	32,332,500.00	-	32,332,500.00
RANGWE TVC- MAWEGO TTI	1,787,500.00	-	1,787,500.00
RIAT	36,990,000.00	-	36,990,000.00
RVTTI	88,695,000.00	-	88,695,000.00
RUNYENJES TVC	3,812,500.00	-	3,812,500.00
RWIKI TTI	32,850,000.00	-	32,850,000.00
SABATIA TVC	1,732,500.00	-	1,732,500.00
SAMBURU TVC-MERU TTI	2,102,500.00	-	2,102,500.00
SANG'ALO INST. SCIENCE & TEC	74,880,000.00	-	74,880,000.00
SEME TVC- SIAYA	4,217,500.00	-	4,217,500.00
SHAMBERERE TTI	20,902,500.00	-	20,902,500.00
SIALA TTI	17,865,000.00	-	17,865,000.00
SIAYA INSTITUTE OF TECHNOLOGY	37,822,500.00	-	37,822,500.00
SOT TTI	47,452,500.00	-	47,452,500.00
SOTIK TTI	22,095,000.00	-	22,095,000.00

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
 Report and Financial Statements for the year ended 30 June, 2020

TAVETA TVC- COAST INSTITUTE OF TEC	1,900,000.00	-	1,900,000.00
THARAKA TVC	7,492,500.00	-	7,492,500.00
THIKA TTI	113,872,500.00	-	113,872,500.00
TINDERET TVC- KAIBOI TTI	6,255,000.00	-	6,255,000.00
TSEIKURU TTI	3,497,500.00	-	3,497,500.00
UGENYA TVC- SIAYA IT	1,337,500.00	-	1,337,500.00
WEBUYE WEST- MATILI TTI	3,452,500.00	-	3,452,500.00
WERU TVC	6,075,000.00	-	6,075,000.00
WOTE TTI	18,585,000.00	-	18,585,000.00
ZIWA TTI	22,770,000.00	-	22,770,000.00
BUNGOMA NORTH TVC- MATILI TTI	1,000,000.00	-	1,000,000.00
EBUKANGA TVC- FRIENDS COLLEGE	1,000,000.00	-	1,000,000.00
FAYYA TVC-COAST IT	1,000,000.00	-	1,000,000.00
GARSEN TVC-COAST IT	1,000,000.00	-	1,000,000.00
HEROES TVC- KTTC	1,000,000.00	-	1,000,000.00
IJARA TVC- NEP	1,000,000.00	-	1,000,000.00
ISIOLO NORTH TVC- KIIRUA	1,000,000.00	-	1,000,000.00
KAELO TVC-NKABUNE TTI	1,000,000.00	-	1,000,000.00
KAJIADO EAST TVC- MASAI TTI	1,000,000.00	-	1,000,000.00
KAJIADO NORTH TVC- PC KINUANJUI	1,000,000.00	-	1,000,000.00
KALOLENI TVC- MOMBASA TTI	1,000,000.00	-	1,000,000.00
KANDEGE TVC- KISII POLY	1,000,000.00	-	1,000,000.00
KERICHO TOWNSHIP TVC- BURETI TTI	1,000,000.00	-	1,000,000.00
KAMASIAN TVC- KAIBOI TTI	1,000,000.00	-	1,000,000.00

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
 Report and Financial Statements for the year ended 30 June, 2020

KINANGO TVC- COAST IT	1,000,000.00	-	1,000,000.00
KINANGOP TVC- NYANDARUA IST	1,000,000.00	-	1,000,000.00
KONGONI TVC- SHAMBERERE TTI	1,000,000.00	-	1,000,000.00
LARI TVC- KIST	1,000,000.00	-	1,000,000.00
LODWAR TVC- KISUMU POLY	1,000,000.00	-	1,000,000.00
LUNGALUNGA TVC- MOMBASA TTI	1,000,000.00	-	1,000,000.00
MARSABIT TVC-KTTC	1,000,000.00	-	1,000,000.00
MSAMBWENI TVC- COAST IT	1,000,000.00	-	1,000,000.00
MWATATE TVC-COAST IT	1,000,000.00	-	1,000,000.00
MWEA TVC- THIKA TTI	1,000,000.00	-	1,000,000.00
RAVINE TVC-EMINING TTI	1,000,000.00	-	1,000,000.00
RIRAGIA TVC- KEROKA TTI	1,000,000.00	-	1,000,000.00
SAMBURU WEST TVC-MERU TTI	1,000,000.00	-	1,000,000.00
TETU TVC-MICHUKI TTI	1,000,000.00	-	1,000,000.00
TOTAL TVC- BURETI TT	1,000,000.00	-	1,000,000.00
TURKANA TVC- ELDORET POLY	1,000,000.00	-	1,000,000.00
UGUNJA TVC- BONDO TTI	1,000,000.00	-	1,000,000.00
WAJIR SOUTH TVC- NAIROBI TTI	1,000,000.00	-	1,000,000.00
WANGA TVC-SANG'ALO TTI	1,000,000.00	-	1,000,000.00
WUMINGU TVC- COAST IT	1,000,000.00	-	1,000,000.00
BARINGO SOUTH TVC- BARINGO TTI	1,000,000.00	-	1,000,000.00
BELGUT TVC- BURETI TTI	1,000,000.00	-	1,000,000.00
BOMET CENTRAL TVC- KAIBOI TTI	1,000,000.00	-	1,000,000.00
CHANZEYWE TVC- SIGALAGALA- TTI	1,000,000.00	-	1,000,000.00

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
 Report and Financial Statements for the year ended 30 June, 2020

CHEMASIR TVC- BUMBE TTI	1,000,000.00	-	1,000,000.00
DR. D W MURENDE TVC- BUMBE TTI	1,000,000.00	-	1,000,000.00
EMURUA DIKIRR TVC- PC KINYANJUI	1,000,000.00	-	1,000,000.00
CHEPALUNGU TVC- KEROKA TTI	1,000,000.00	-	1,000,000.00
IKUTHA TVC-WOTE TTI	1,000,000.00	-	1,000,000.00
KAKRAO TVC- MAWEGO TTI	1,000,000.00	-	1,000,000.00
KAMUKUNJI TVC-NAIROBI TTI	1,000,000.00	-	1,000,000.00
KANDARA TVC- MICHUKI TTI	1,000,000.00	-	1,000,000.00
KAPCHEPKOR TVC- BARINGO TTI	1,000,000.00	-	1,000,000.00
KERIO VALLEY TVC-RVTTI	1,000,000.00	-	1,000,000.00
KITELAKAPEL TVC- ZIWA TTI	1,000,000.00	-	1,000,000.00
KITUTU MASABA TVC- KISII TTI	1,000,000.00	-	1,000,000.00
LAMU EAST TVC- KENYA COAST POLY	1,000,000.00	-	1,000,000.00
LIKONI TVC- KENYA COAST POLY	1,000,000.00	-	1,000,000.00
MANYATTA TVC- JEREMIAH NYAGA	1,000,000.00	-	1,000,000.00
MERTI TVC- KIIRUA TTI	1,000,000.00	-	1,000,000.00
MUNGATSI TVC- BUMBE TTI	1,000,000.00	-	1,000,000.00
MURANG'A TVC- THIKA TTI	1,000,000.00	-	1,000,000.00
NAVAKHOLO TVC- KISIWA TTI	1,000,000.00	-	1,000,000.00
NDARAGWA TVC-NYERI POLY	1,000,000.00	-	1,000,000.00
NORTH HERR TVC- KTTC	1,000,000.00	-	1,000,000.00
OROGARE TVC- KEROKA TTI	1,000,000.00	-	1,000,000.00
RIAMO TVC-KISII POLY	1,000,000.00	-	1,000,000.00
RIATIRIMBA TVC- KOROKA TVC	1,000,000.00	-	1,000,000.00

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
 Report and Financial Statements for the year ended 30 June, 2020

SIRISIA TVC- KISIWA TTI	1,000,000.00	-	1,000,000.00
TANA RIVER TVC- NEP	1,000,000.00	-	1,000,000.00
TIGANIA EAST TVC- MERU POLY	1,000,000.00	-	1,000,000.00
TURBO TVC- RVTTI	1,000,000.00	-	1,000,000.00
	-	-	-
SUB TOTAL	2,018,480,000.00	-	2,018,480,000.00
	-	-	-
OTHER PAYMENTS			
A & E GASHE CONSTRUCTION		47,189,348.70	47,189,348.70
SWAN SOLUTIONS		43,838,256.00	43,838,256.00
SUB TOTAL		91,027,604.70	91,027,604.70
	-	-	-
EASTRIP			
MOMBASA POLY		200,000,000.00	200,000,000.00
KISUMU POLY		200,000,000.00	200,000,000.00
MERU POLY		200,000,000.00	200,000,000.00
SUB TOTAL		600,000,000.00	600,000,000.00
CONDITIONAL GRANT	-	-	-
BARINGO	-	35,605,000.00	35,605,000.00
BOMET	-	47,875,000.00	47,875,000.00
BUNGOMA	-	65,500,000.00	65,500,000.00
BUSIA	-	61,960,000.00	61,960,000.00
ELGEYO MARAKWET	-	41,800,000.00	41,800,000.00
EMBU	-	37,900,000.00	37,900,000.00
GARISSA	-	35,335,000.00	35,335,000.00

*STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Report and Financial Statements for the year ended 30 June, 2020*

HOMA-BAY	-	46,675,000.00	46,675,000.00
ISIOLO	-	21,235,000.00	21,235,000.00
KAJIADO	-	40,345,000.00	40,345,000.00
KAKAMEGA	-	69,910,000.00	69,910,000.00
KERICHO	-	41,005,000.00	41,005,000.00
KIAMBU	-	68,110,000.00	68,110,000.00
KILIFI	-	53,035,000.00	53,035,000.00
KIRINYAGA	-	52,210,000.00	52,210,000.00
KISII	-	70,090,000.00	70,090,000.00
KISUMU	-	41,650,000.00	41,650,000.00
KITUI	-	58,465,000.00	58,465,000.00
KWALE	-	41,860,000.00	41,860,000.00
LAIKIPIA	-	28,525,000.00	28,525,000.00
LAMU	-	31,210,000.00	31,210,000.00
MACHAKOS	-	54,295,000.00	54,295,000.00
MAKUENI	-	31,570,000.00	31,570,000.00
MANDERA	-	31,240,000.00	31,240,000.00
MARSABIT	-	26,275,000.00	26,275,000.00
MERU	-	66,025,000.00	66,025,000.00
MIGORI	-	31,750,000.00	31,750,000.00
MOMBASA	-	39,895,000.00	39,895,000.00
MURANG'A	-	65,710,000.00	65,710,000.00
NAIROBI	-	34,570,000.00	34,570,000.00
NAKURU	-	47,800,000.00	47,800,000.00

*STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Report and Financial Statements for the year ended 30 June, 2020*

NANDI	-	37,255,000.00	37,255,000.00
NAROK	-	30,820,000.00	30,820,000.00
NYAMIRA	-	52,915,000.00	52,915,000.00
NYANDARAU	-	39,700,000.00	39,700,000.00
NYERI	-	28,795,000.00	28,795,000.00
SAMBURU	-	20,905,000.00	20,905,000.00
SIAYA	-	38,500,000.00	38,500,000.00
TAITA TAVETA	-	49,675,000.00	49,675,000.00
TANA RIVER	-	24,490,000.00	24,490,000.00
THARAKA NITHI	-	40,090,000.00	40,090,000.00
TRANS NZOIA	-	53,710,000.00	53,710,000.00
TURKANA	-	25,285,000.00	25,285,000.00
UASIN GISHU	-	33,250,000.00	33,250,000.00
VIHIGA	-	55,000,000.00	55,000,000.00
WAJIR	-	21,295,000.00	21,295,000.00
WEST POKOT	-	28,885,000.00	28,885,000.00
SUB TOTAL	-	2,000,000,000.00	2,000,000,000.00
OTHER PAYMENTS	-	-	-
THIKA TTI	1,401,900.00	-	1,401,900.00
ELDORET NP	1,061,200.00	-	1,061,200.00
KENYA COAST NP	2,508,200.00	-	2,508,200.00
KISII NP	1,545,800.00	-	1,545,800.00
KISUMU NP	2,946,900.00	-	2,946,900.00
MERU NP	1,219,400.00	-	1,219,400.00

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Report and Financial Statements for the year ended 30 June, 2020

NORTH EASTERN NP	1,435,800.00	-	1,435,800.00
NYERI NP	2,637,400.00	-	2,637,400.00
RVIST	1,208,500.00	-	1,208,500.00
SIGALAGALA NP	1,602,100.00	-	1,602,100.00
KAIBOI TTI	3,785,000.00	-	3,785,000.00
NAIROBI TECHNICAL	14,334,200.00	-	14,334,200.00
SABATIA	1,000,000.00	-	1,000,000.00
KTTC	1,000,000.00	-	1,000,000.00
RUNYENJES	1,000,000.00	-	1,000,000.00
SABATIA	900,000.00	-	900,000.00
GITWEBE TVC	645,000.00	-	645,000.00
TVET FUNDING BOARD	21,332,692.00	-	21,332,692.00
Allowances Paid	8,948,178.80	3,997,500.00	12,945,678.80
SUB TOTAL	70,512,270.80	1,057,684,062.00	74,509,770.80
TOTAL	7,343,223,281.80	2,695,025,104.70	10,038,248,386.50

ANNEX 10 – DEPOSITS SCHEDULE

SN	Name	Amount (Ksh)
1	BASHASH	565,500.00
2	MWEHA	2,050,830.65
3	LATON	3,948,840.70
4	PLUMBING SYSTEM	1,300,381.45
5	DON WOODS	262,010.65
6	EPCO	7,241,742.50
7	TELCOMS	65,327.10
8	FINE TOPS	104,772.70
9	ALPHA TECH	4,572,890.80
10	NAN CHANG	4,497,760.90
11	MARSON	1,320,587.75
12	BABUBHAI	3,301,787.90

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
 Report and Financial Statements for the year ended 30 June, 2020

13	SARAWET	299,784.55
14	STEM	115,345.70
15	WILKORI	194,504.30
16	ASHBRO	539,097.75
17	PYRAMID	11,044,398.00
18	PONG	359,486.90
19	CORBAN	7,427,507.20
20	BURA HITECH	167,732.50
21	ARCAID	240,394.50
22	JIMRO	215,438.60
23	ANNESBUGGUS	119,392.55
24	BESKO	183,108.10
25	FILMA	257,165.80
26	JUMTECH	160,000.00
27	TAX-JIPSY	231,891.00
28	TAX- ARCON	336,931.80
29	INTERPID	622,186.50
30	HIGHPOINT	70,465.55
31	FIRMBASE	30,231.90
32	KEPEN	49,963.90
33	TORETA	184,615.50
34	FRANCO	468,104.55
35	TRILLION	656,970.50
36	ICONET	597,156.75
37	JONESA	636,902.90
38	JUSAN	115,532.25
39	JONES	154,340.00
40	PATIENCE	1,506,265.75
41	TRANSFER	898,620.30
42	SEO & SONS LTD	157,991.20
43	JONESA	105,418.00
44	TRILLION	183,427.45
45	INTERPID	70,250.40
46	ICONET SOLUTIONS	136,020.50
47	SRANCO	54,093.55
48	PATIENCE	217,322.85
49	SRANCO	60,000.00
50	INTERPID	246,516.00
51	ICONET SOLUTIONS	561,131.25
52	JUSAN SUPPLIES	333,649.65
	TOTAL	59,241,789.55

ANNEX 11 – OUTSTANDING DISTRICT A.I.E.s

COUNTY	AIE Balances
	Ksh
BUSIA	1,359.00
EMBU	54.90
GARISSA	120,250.00
HOMA BAY	-
ISIOLO	681.00
KAJIADO	5,983.00
KAKAMEGA	5,278.00
KERICHO	7,316.00
KILIFI	66,992.00
KISII	64,965.10
KISUMU	21,515.00
LAIKIPIA	-
MAKUENI	532.00
MANDERA	2,251.00
MOMBASA	1,676.00
NAKURU	74,272.00
NYERI	1,611.90
SAMBURU	519,801.00
TRANS NZOIA	50,108.60
UASIN NGISHU	466.00
TOTAL	945,112.50

ANNEX 8- REPORTS GENERATED FROM IFMIS

The following financial Reports Generated from IFMIS should be generated and attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. GOK IFMIS Receipts and Payments Statement
- iv. GOK IFMIS Statement of Financial Position
- v. GOK IFMIS Statement of Cash Flows
- vi. GOK IFMIS Notes to the Financial Statements
- vii. GOK IFMIS Statement of Budget Execution
- viii. GOK IFMIS Statement of Deposits
- ix. GOK IFMIS Budget Execution by Programme and Economic Classification
- x. GOK IFMIS Budget Execution by Heads and Programmes
- xi. GOK IFMIS Budget Execution by Programmes and Sub-programmes