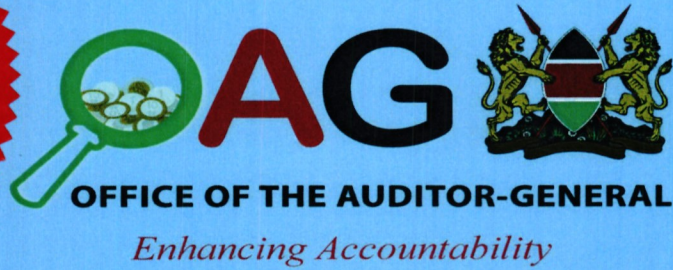
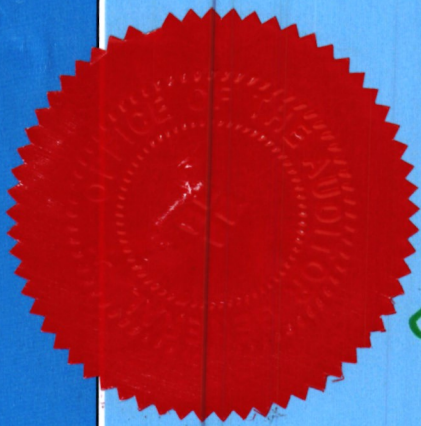


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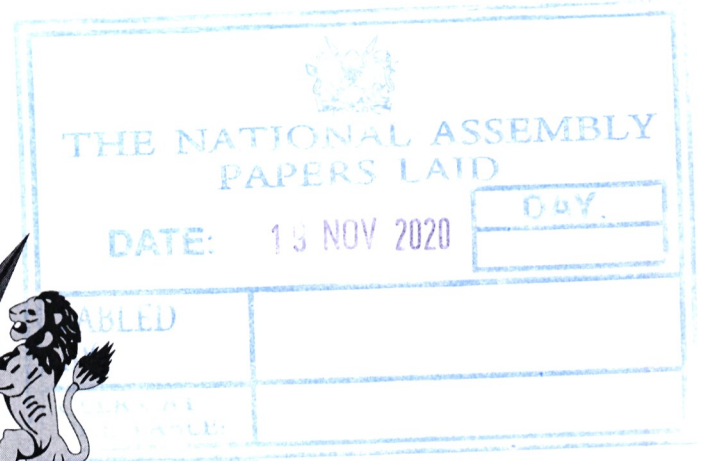
THE AUDITOR-GENERAL

ON

**STATE DEPARTMENT FOR VOCATIONAL
AND TECHNICAL TRAINING**

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 13 NOV 2020
Tabled by: Lom
Munam Mado

**FOR THE YEAR ENDED
30 JUNE, 2019**



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

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2019**

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

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Ministry of Education was renamed through Presidential Executive Order No. 1/2016 of May 2016, on organization of the Government of the Republic of Kenya where the Ministry of Education created three State Departments namely; Vocational and Technical Training, University Education and Basic Education. The three State Departments are headed by respective Principal Secretaries.

The Ministry is headed by the Cabinet Secretary for Ministry of Education, Prof. George A. O. Magoha, CBS who is responsible for the general policy and strategic direction of the entity.

The State Departments under Ministry of Education are outlined below;

- (i) The State Department for Vocational and Technical Training administered by Dr. Kevit Desai, CBS
- (ii) The State Department for University Education and Research administered by Prof. Collette A. Suda, PhD, FKNAS, CBS,
- (iii) The State Department for Early Learning and Basic Education administered by Dr. Belio R. Kipsang, CBS
- (iv) The State Department for Post Training and Skills Development administered by Alfred Cheruiyot

The accompanying financial statements constitute the financial statements for the State Department of Vocational and Technical Training.

The vision, mission, core values and core function of the **State Department of Vocational and Technical Training** under **Ministry of Education** include:

1.1 Vision

To provide skilled and globally competitive employable human resource.

1.2 Mission

To provide, promote and co-ordinate the training sector by assuring quality, inclusiveness and relevance for the enhancement of the national economy and global competitiveness

Mandate

The State Department of Vocational and Technical Training (VTT) is charged with the responsibility of coordinating national skills training. It is responsible for policy, curriculum development, registration and supervision of VTT institutions in the Country.

This mandate is derived from the Technical and Vocation Education Training (TVET) Act 2013 which indicates the Cabinet Secretary in consultation with the other Ministries and the private sector involved in training shall;-

- (i) Develop policies – and profile strategies for the development of a national training system
- (ii) Have the overall responsibility in the provision of training and
- (iii) In collaboration with other Ministries and stakeholders, be responsible for promoting access, equity, quality and relevance in training

Core Values

- a. **Access and equity** - Every Kenyan has a right to access quality and relevant education and training. The policy shall therefore create an enabling environment, opportunities and mechanisms to provide pathways to those seeking to pursue quality vocational and technical training at all levels.
- b. **Inclusivity and respect for cultural and social diversity**- National values shall be respected and promoted in all TVET institutions and this includes principles that pay attention to the people with disability and respect human dignity while ensuring equity, equality and protection of marginalized societies.
 - c. **Non-discrimination** - There shall be no discrimination on grounds of race, colour, gender, religion, national or social origin, economic status, political or other opinions.
 - d. **Quality and Relevance** - Emphasis shall be placed on demand driven and outcome based training. This principle shall promote technical, professionalism, knowledge and qualification needed in the various sectors of the economy.
 - e. **National integration** - Employment opportunities, occupational standards and development prospects within TVET structures shall be made available to all Kenyans
 - f. **Life-long Learning** - The training will be designed to operate within a framework of open-ended and flexible structures in the context of lifelong education and training. This is the principle for continuing training for improvement of professional qualifications and updating of knowledge, skills and understanding.
 - g. **Entrepreneurship Culture** - TVET examination and competence assessment shall be centred on promoting and developing innovation, creativity and entrepreneurial minds for self-reliance.
 - h. **Complimentarily** -Education for those receiving technical, industrial, vocational and entrepreneurship training in the form of on-the-job training or other training in institutions or other facilities.

- i. **Environment** - Protection of the environment and the common heritage of the country.
- j. **Partnerships** -Creating and promoting an enabling environment for Public-Private Partnerships for enhancing investment in technical training.
- k. **Information and Communication** - Promoting integration of information and marketing of training opportunities through ICT.
- l. **Leadership** - Leadership within TVET Structure and organs shall be based on the principles of serving people with integrity, ethical practices, respect for the people and fairness among others.

1.3 Core Functions

The core functions of the State Department for Vocational and Technical Training include:

- a. Increasing access and equity in training
- b. Enhancing quality and relevance of training programmes
- c. Implementing the TVET Act to regulate and monitor training standards in TVET
- d. ICT integration in TVET provision and pedagogy
- e. Extension and outreach programmes
- f. Collaboration and linkages with industry and other relevant institutions
- g. Establishment of TVET Centres of Excellence
- h. Upgrading of National Polytechnics to award degrees and to open up transition from diploma level to the degree level
- i. Upgrading of technical institutes to National Polytechnics to create clear TVET pathways for upward mobility of trainees
- j. Promotion of structured applied research and innovation culture through Annual TVET Fairs, Robot Contests and exhibitions for
- k. Establishment of industrial processing and manufacturing business incubators and intellectual property rights portfolios to empower institutions for pursuing autonomy status

(b) Key Management

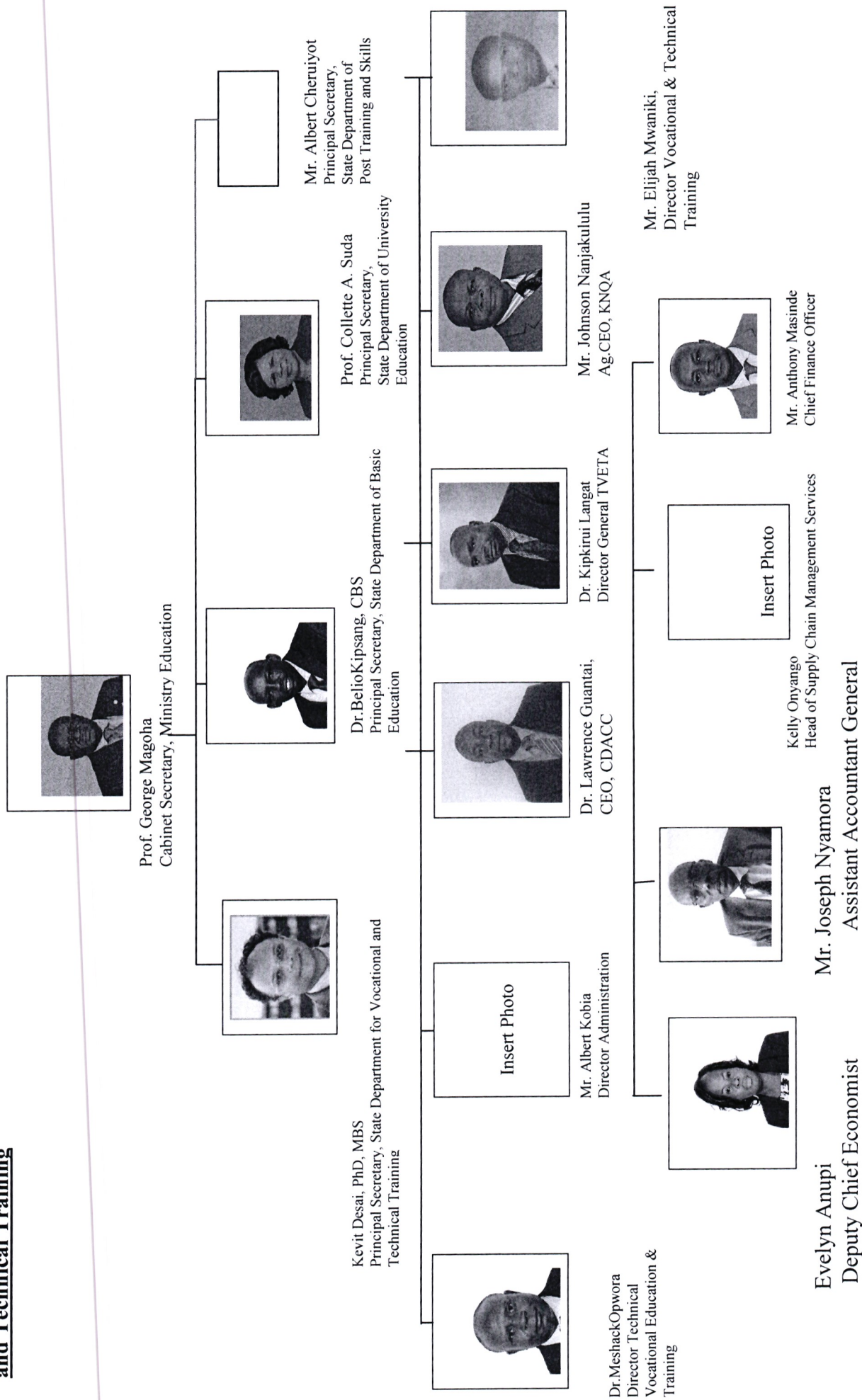
The State Department for Vocational and Technical Training's day-to-day management is under the following key organs:

- Directorate of Technical Vocational Education and Training (DTVET)
- Directorate of Vocational Education and Training (DVET)

**MINISTRY OF EDUCATION
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
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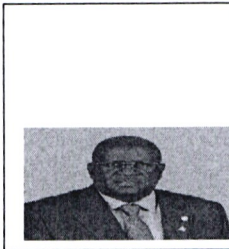
- Technical Vocation Education Training Authority (TVETA)
- Curriculum Development assessment Certification Council (CDDAC)
- Kenya National Qualification Authority (KNQA)

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)



Prof. George Magoha
 Cabinet Secretary, Ministry
 Education

Professor George Albert Omore 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.



Kevit Desai, PhD, MBS
 Principal Secretary
 State Department of
 Vocational and Technical
 Training

Dr. Kevit Desai is the Principal Secretary in the State Department of Vocational and Technical Training (TVET) in the Ministry of Education. He is the Chairman of the Social and Political Pillar of the Vision 2030 Board Committee (2018) and a Trustee of KENET Board of Trustees (2018). Kevit is also the Chairman of the Permanent Working Group on TVET in Kenya (PWG). He is championing private sector, TVET, government and development partner linkages, towards transformation of Kenya's technical and vocational training platform. The PWG initiative is promoting continuous communication, common agenda and cross sector coordination throughout different stakeholder networks.


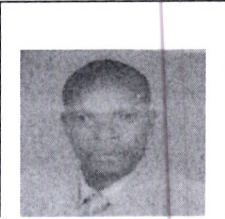
He is the founder of Centurion systems limited and former Managing Director, he holds a PhD in Robotics Systems Engineering. CSL is a technology transfer firm, which specializes in providing productivity, innovation and efficiency solutions to industry. CSL provides four services: repair and maintenance of systems, professional training and systems integration. CSL is closely linked to other technology transfer organizations, e.g. FESTO, Siemens, Mitsubishi Danfoss and Rockwell automation.

Kevit also served as an Industrial Automation Development Engineer at Nippon ABS Ltd in Tochigi Japan. He is also a master trainer in Automation and drives technologies.

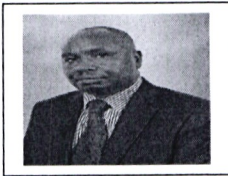
In addition to being the founder of Centurion Systems Limited, he is also the founding chairman of Linking Industry with Academia (LIWA). Kevit was the Chairman of Council, Technical University of Mombasa and Chairman of The Board of Governors – Karen Technical Training Institute for the Deaf. He is Chairman of the Board of young Scientists Kenya. He also serves as the Chairman of Board of trustees at the United States International University Africa (USIU).

Dr. Desai stepped down from Centurion Systems, LIWA, TUM and KTTID

MINISTRY OF EDUCATION
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	<p>after his appointment to the ministry of Education in February 2018.</p> <p>He is a member of the Steering Committee in JICA master’s degree and internship program of the Africa Business Education (ABE) initiative for the youths. The program has given students scholarships to study in Japan for their master’s degree as well as work in Japanese companies for industrial exposure.</p> <p>He served as a Governor, Director and C.E.O of Kenya Private Sector Alliance and a former Commissioner of the Commission of Higher Education. As a Task Force Member of the Ministry of Higher Education, Science and Technology, Dr. Desai was responsible for the development of the University Act; Science, Technology and Innovation Act; and Technical, Vocational Education and training (TVET) Act of Parliament. This was a culmination of 15 years of his involvement in all the sessional papers, policy documents and strategies for skills, education and research.</p>
<p>Mr. Albert Kobia Director Administration</p>	
 <p>DR. Meshack Chuma Opwora Ag. Director of Technical Education and Training</p>	<p>He has worked in TVET for over twenty-one (21) years. He is responsible for technical training strategic policy formulation, management and governance of National Polytechnics and Technical Training Colleges. He holds a PhD in TVET from the University of Newcastle Australia, an MBA Kenyatta University MED (Administration and Planning) University of Nairobi and BED in Technology from Moi University.</p>
 <p>Mr. Elijah Mwaniki Ag. Director of Vocational & Technical Training</p>	<p>He has over 22 years experience in Vocational and Technical Training. He has served as Technical Training Officer for 10 years and Directorate of Technical Accreditation and Quality Assurance for 5 years and now in Directorate of Vocational Education and Training for the last 3 years.</p> <p>Currently, he is the acting Director Vocational Education and Training responsible for policy and curriculum for vocational training centres.</p>

Dr. Kipkirui Langat
 Director General of
 TVET Authority




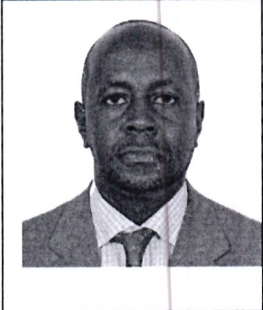

Dr. Langat is the Director General of TVET Authority. He holds Doctor of Philosophy in Engineering Systems and Management from Egerton University, Master of Philosophy in Technology Education (Automotive Technology), Master of Business Administration (Strategic Management) and Bachelor of Education in 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.



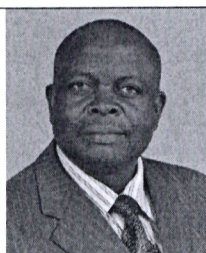
Dr. Lawrence
 Guantai M'itonga
 Council
 Secretary/CEO

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).

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 <p>Ms. Evelyn Anupi Deputy 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 in 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, Ag. 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>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 Business Administration and CPA (K) finalist.</p>
<div style="border: 1px solid black; width: 150px; height: 80px; margin: 0 auto; text-align: center; padding: 5px;"> <p>Insert Photo</p> </div> <p>Kelly Onyango Head of Supply Chain Management Services State Department of Vocational and Technical Training</p>	

MINISTRY OF EDUCATION
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Mr. Johnson
 Nanjakululu
 Ag. CEO. KNQA

Mr. Nanjakululu has over 30 years of experience as a teacher Quality Assurance and Standards Officer and Technical Education Officer. He holds a M.ED in Measurement and Evaluation from University of Nairobi. Currently serving as Ag. Chief Executive Officer of Kenya National Qualification Authority which is mandated to Develop and oversee the implementation of Kenya National Qualification Framework.

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2017 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Cabinet Secretary, Ministry of Education	Prof. George A. O. Magoha, CBS
2	Principal Secretary, State Department Vocational and Technical Training	Dr. Kevit Desai, MBS
3	Director Administration	Mr. Albert Kobia
4	Director Vocational Education and Training	Elijah Mwaniki
5	Director of Technical Education	Dr. Meshack Opwora
6	Director General Technical Vocation Education Training Authority	Dr. Kipkurui Langat
7	Chief Executive Officer (CDACC)	Dr. Lawrence Guantai
8	Ag. Director General/CEO (KNQA)	Mr. Johnson Nanjakululu
9	Assistant Accountant General	Joseph Nyamora
10	Ag. Chief Finance Officer	Anthony Masinde
11	Central Planning Unit	Evelyn Anupi
12	Supply Chain Management Services	Kelly Onyango

(d) Fiduciary Oversight Arrangements

i. Composition of the Committee Members

The various committee members within the State Department are drawn from various sectors of the economy and have a wide range of skills and experience and each contributes independently judgement and knowledge of the committee discussions.

On appointment each committee member is provided with a comprehensive and tailored induction processes covering the State Department's business and operations and provided with information relating to their legal and regulatory obligations.

All committee members and required to re-submit themselves for re-appointment after expiry of their term.

(e) State Department for Vocational & Technical Training

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

(f) Entity Contacts

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

(g) Entity Bankers

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

(h) Independent Auditors

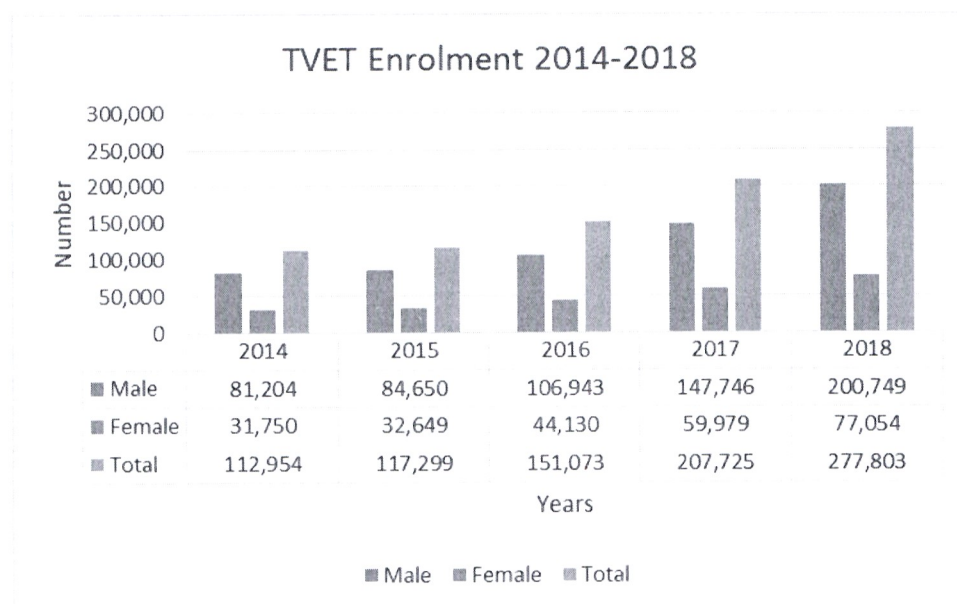
Auditor- General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084 - 00100
Nairobi.

II. FORWARD BY THE CABINET SECRETARY

Detail key achievements for the State Department for Vocational and Technical Training

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. Skills development draws from Vision 2030’s social pillar on education and training which emphasizes enhanced equity and wealth creation opportunities for the poor. During the period under review, the State department registered an 26% increase in enrolment. The gross enrolment increased from 226,647 (125,291 Male and 101,356 Female) in 2017/18 to 284,506 trainees (157,971 male and 126,535 female) in 2018/19 compared as depicted in figure 1.

Figure 1: TVET Enrolment



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

Construction of TVCs in Constituencies: 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 two phases of sixty (60) and seventy (70) new institutions by TVET mentoring institutions. The project was funded by the National Government with Constituency Development Fund contributing Ksh 10 Million per institution.

Since inception of project, so far, for the phase I of 60 TTIs, a total of 53 have been operationalized. Out of the 53, a total of 51 are operational with principals in place. During the period under review, 34 TVCs were completed

Equipping of TVET institutions under GoK and Africa Development Bank: A total of 33 institutions were equipped. 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.

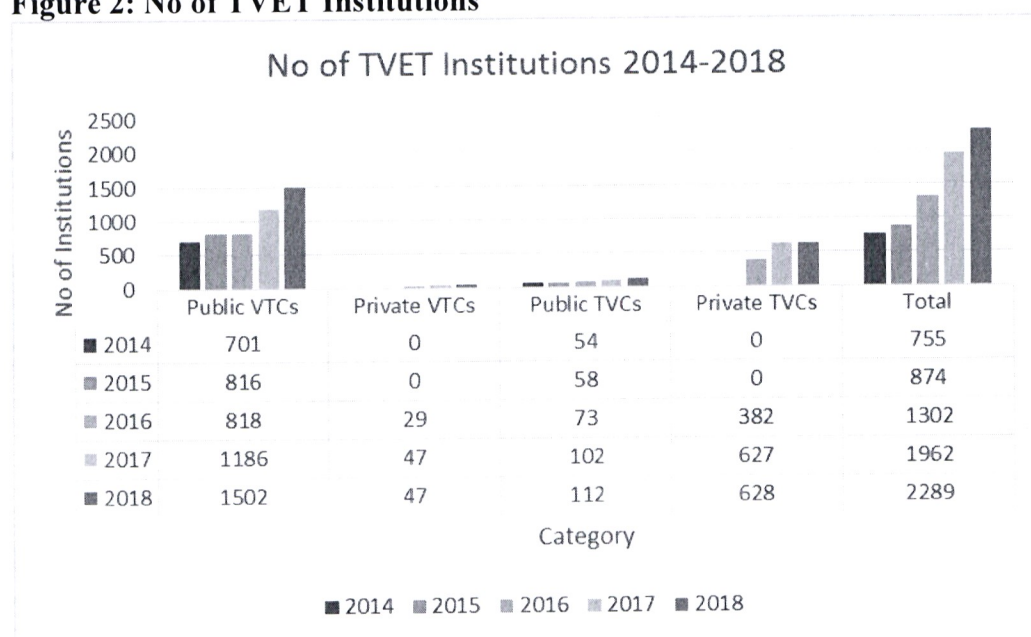
Equipping of TVET institutions under GoK/ China Project: A total of 46 TVCs were equipped under GoK/China project during FY 2018/19. The equipping of TVET institutions was funded by GoK and China Government to the new and existing TVET institutions. The Ministry started equipping Technical and Vocational Colleges to improve access, quality and relevance in TVET sector. The following institutions were equipped with equipment through GoK/ China project in FY 2018/2019. Under this phase, a total of 10 TTIs have been equipped under the GoK/China initiative.

Reforms under Trainer Management: Under trainer management, the Ministry moved trainers from TSC 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 Ministry managed to recruit one thousand (1000) trainers.

Conditional Grant for trainees in VTCs: In the FY 2018/2019, 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 vide the Kenya Gazette Notice No.10594 dated 15th October 2018. Each trainee received Ksh 15,000.

TVET sub sector witnessed a 16.7 percent increase in the number of training institutions. The most notable increase was in public vocational training centers, which went up by 26.6 per cent to 1,502 in 2018.(See Figure 2)

Figure 2: No of TVET Institutions



Emerging issues

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.

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.

Training Curriculum Reforms: 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.

Radicalisation and Violent Extremism: There have been trends of violence in training institutions including vandalism of institutions property. Some students and out of school youth have been victims of recent recruitment into radicalized groups and have been engaged in acts that have obviously infringed on the rights of other citizens and in some cases even caused loss of life. In isolated instances, radicalisation literature has been found with learners and teachers/trainers which is an indication that our learning institutions may be porous for anyone who may want to take advantage of children and youth in the sector. In light of the aspirations of the SDG 4 to create global citizens through education and training, collaborative effort will be required across governments to ensure this developing phenomenon is addressed.

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 TVET sector is however faced with a number of challenges including; poor perception, inadequate infrastructure, outdated training equipment, inappropriate curriculum that is not aligned to industry needs, inadequate number of qualified trainers and low enrolment

In order to reverse this trend, GoK initiated reforms in TVET 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 360,000 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

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.

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

Human Resource; A few TVET institutions were completed but there was a delay in posting trainers. This hindered the TVET institutions from rolling out enrolment drives and courses. Additionally, there is inadequate number of trainers with pedagogical competency and limited customized teaching and learning materials; limited industry participation and inadequate research support services; poor geographical distribution of TVET institutions; negative perception of TVET; and low enrolment for females in Science Engineering and Technology (SET) courses.

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.

Lessons Learnt

The following lessons were learnt:

Governance and accountability: The importance of Governance and accountability in resource utilization to ensure success of programme implementation. Under infrastructure, concerted effort should be made to fully complete phase I and II and equip the same to attract trainees

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, should dedicate the financial resources necessary for the expansion and modernization of TVET programmes

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. The negative image of TVET can be attributed to a number of factors related to access, equity, quality and relevance. These include lack of awareness of what is offered in TVET institutions, unclear admission and progression procedures, poor career guidance on TVET in basic education, inappropriate infrastructure and equipment, weak staff management system, unresponsive curriculum, examination and competency assessment procedures as well as low funding. High quality, accessible and relevant TVET is associated with higher status and improved attractiveness of TVET. TVET has change agents (both internal and external ones) whose interest in reforms in TVET led to an 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.

Way forward/Recommendations

1. Capacity for monitoring and evaluation to be improved for effective project implementation
2. 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
3. Careful attention needs to be paid to ensuring that the preparation of the MTP is aligned to the preparation of the Medium Term Expenditure Framework (MTEF) for synergy and harmony in the prioritization and funding of programmes the importance of stakeholder participation in the provision of education and training.
4. 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.
5. The critical role of a multi-sectoral approach to funding and facilitating full implementation of the proposed policies and legal framework by strengthening the role of PPPs in provision of Technical Education and Training and research activities.
6. There is need to strengthen linkage between TVET and industry. The Ministry will develop a collaboration framework
7. There is need to strengthen linkage between national and County Government. The Ministry together with County Government will finalise to conditional grant guidelines
8. The County Government to continue investing in VTCs by making VTCs a priority in their agenda
9. Procurement laws should be reviewed to avoid delays due to cumbersome procurement rules/laws
10. National Treasury should be releasing funds on time.
11. The state department for vocational and Technical Training should work closely with security agencies and the local communities to ensure enabling environment for projects implementation.
12. Regular monitoring and evaluation of projects by the ministry headquarters should be enhanced
13. Customizing of drawings and designs to respective areas to avoid contract sum variations and ensure infrastructure is adapted to serve the communities



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

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 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 of 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, 2019. 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 of 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 State Department of Vocational and Technical Training financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Accounting Officer charge of the State Department of Vocational and Technical Training further confirms the completeness of the accounting records maintained for the State Department of Vocational and Technical Training 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 of 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.

**MINISTRY OF EDUCATION
STATE DEPARTMENT FOR VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements For the year ended 30 June, 2019**

Approval of the financial statements

The State Department of Vocational and Technical Training financial statements were approved and signed by the Accounting Officer on _____ 2019.



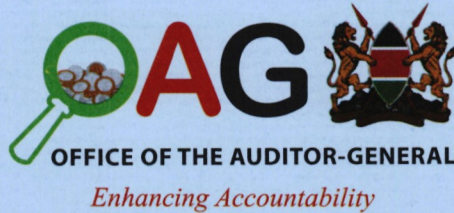
Dr. Kevit Desai, MBS
Principal Secretary



Joseph Nyamora
Assistant Accountant General
ICPAK Member Number 7770

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR VOCATIONAL AND TECHNICAL TRAINING FOR THE YEAR ENDED 30 JUNE, 2019

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 18, which comprise the statement of assets and liabilities as at 30 June, 2019, 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 effects 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, 2019, 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 Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Transfers to Other Government Units

The statement of receipts and payments reflects an expenditure of Kshs.6,998,566,833 in respect of transfers to other government units. The following anomalies were noted regarding the expenditure:

1.1 Over Disbursement Due to Use of Unverified Data

From a sample of Institutions, it was noted that the enrolment numbers provided by Kenya Universities and Colleges Central Placement Service were not used for disbursement purposes. Instead, different enrolment data containing inflated numbers whose source is unknown, was used resulting to an over payment of Kshs.50,599,308 as detailed below:

PV No.	Institution	KUCCPS Total No.	Valid No.	No. Used	Difference	Rate Kshs.	Amount Kshs.
1507	North Eastern NP	1,141	1,139	2,046	907	6,322.28	5,734,308
1092	Kisiwa TVC	31	-	2,113	2,113	15,000	31,695,000
1092	Mathenge TVC	494	374	1,108	734	15,000	11,010,000
1092	Moiben TVC	8	6	150	144	15,000	2,160,000
Total							50,599,308

1.2 Over Disbursement Due to Inflated Student Enrolment Numbers

For some institutions, the data for student enrolment numbers used to make the disbursements was not cleaned to eliminate the students who did not provide the correct details, those who did not meet the minimum qualification, unregistered programs, non-citizens and those whose results could not be validated. This had the effect of increasing the number of students in these institutions leading to overpayment of Kshs.119,403,322 as detailed below:

PV No.	Institution	KUCCPS Total No.	Valid No.	No. Used	Difference	Rate Kshs.	Amount Kshs.
1504	Kabete NP	7,681	106	7,198	7,092	15,000	106,380,000
1507	Eldoret NP	11,673	8,617	8,624	7	6,322	44,254
1507	Kabete NP	10,631	3,431	3,433	2	6,322	12,645
1507	Kisumu NP	6,561	4,081	4,082	1	6,322	6,322
1507	Meru NP	7,739	1,361	1,362	1	6,322	6,322
1507	Nyeri NP	5,874	1,939	1,940	1	6,322	6,322
1507	Sigalagala NP	3,782	459	461	2	6,322	12,645
1507	North Eastern NP	-	-	2,046	2,046	6,322	12,934,812
666	Eldoret NP	3,049	3,042	3,049	7	15,000	105,000
Total							119,403,322

1.3 Excess Disbursements and Disbursements to Institutions with Low/Nil Student Population

Examination of records held by the State Department revealed that six (6) Institutions entitled to a total of Kshs.12,000,000 based on the set criteria received a total of Kshs.27,000,000 resulting into excess disbursement of Kshs.15,000,000. Further, an amount of Kshs.64,500,000 in respect of recurrent grants was disbursed to Institutions with less than 200 students. In addition, Kshs.500,000 was disbursed to Endebess Technical Training Institute in spite of the fact that the Institution was not listed among the beneficiary Institutions.

In the circumstances, it has not been possible to confirm that the established criteria for the transfers was adhered to and that the disbursements were fairly done.

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

Key Audit Matters

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

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. Purchase of Furniture

Included in the amount of Kshs.6,998,566,833 in respect of transfers to other Government units reflected in the statement of receipts and payments is an amount of Kshs.36,234,800 being expenditure for purchase of furniture and fittings for Vocational and Technical Training Institutes. However, the source of the funding was not disclosed as this activity was not provided for in the budget for the 2018/19 financial year neither were the amounts included in the pending bills for financial year 2016/17 when the procurement commenced.

Evaluation of tenders was done on 22 May, 2017 and two merchants emerged the winners for a total of Kshs.36,234,800. The contracts for the two companies were signed on 2 August, 2017 - seventy-two (72) days after notification of award of tender contrary to the provisions of Section 2 (2.29) of the tender document that provided for a maximum of thirty days.

The bid price for one of the bidders was adjusted upwards by Kshs.341,600 from Kshs.18,014,400 to Kshs.18,356,000 by the Evaluation Committee contrary to Section 82 of the Public Procurement and Asset Disposal Act, 2015 which clearly stipulates that the

tender sum as submitted and read out during the tender opening shall be absolute and final and shall not be the subject of correction, adjustment or amendment in any way by any person or entity.

Further, the procured items were delivered on 1 February, 2018 and 25 May, 2018 - seventy-five (75) and one hundred and seventy-five (175) days respectively after the expiry of the contract periods. In addition, three Inspection and Acceptance Committee reports with different dates and each providing a different status of the goods delivered to Kasarani TVC were provided. It could therefore not be confirmed that the items were delivered in compliance with the terms and specifications of the contract.

Consequently, the propriety and value for money on the purchase of furniture expenditure of Kshs.36,234,800 could not be confirmed.

2. Non-Compliance to the Third Rule on Salary Deductions

Analysis of the payroll data for the year ended 30 June, 2019 revealed that payroll deductions for twenty-three (23), twenty-five (25) and one hundred and forty-nine (149) employees in the months of April, May and June respectively were in excess of two thirds of their gross pay. This contravenes Section 19(3) of Employment Act, 2007 which states that the total amount of all deductions which under the provisions of subsection (1), may be 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 is in breach of the Law.

3. Non-Operational Institutions

In the financial year 2017/2018, 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.

4. Stalled Projects

4.1 Proposed Kakrao Technical Training Institute

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.

4.2 Incomplete Technical Training Institutes

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

5. Unresolved Prior Year Matters

5.1 Purchase of Information, Communication and Technology (ICT) Equipment, Furniture and Fittings for Technical Solutions

As reported in the previous year, the statement of receipts and payments for the year ended 30 June, 2019 reflected a figure of Kshs.6,850,983,600 under use of goods and services. The figure included an amount of Kshs.6,509,182,533 for purchase of specialized materials and services as disclosed in the financial statements, which also included an amount of Kshs.339,347,580 spent in the procurement of ICT equipment, furniture and fittings for various technical training institutions from nine (9) firms. The following anomalies were noted:

- i. The approved procurement plan for the year was not availed for audit review. It was therefore not possible to confirm that the items were in the procurement plan of the State Department of Vocational and Technical Training.
- ii. The bidder's original tender documents were not availed for audit review and therefore the validity of the procurement process could not be ascertained for the year ended 30 June, 2018.
- iii. The tender evaluation was undertaken thirty-four (34) days after the tender opening on 19 April, 2018 and forty-one (41) days for ICT equipment and furniture and fittings respectively contrary to the provisions of Section 80(6) of the Public

Procurement and Asset Disposal Act, 2015 which allows a maximum of thirty (30) days after the opening of the tenders.

- iv. The appointment letters for the tender opening and evaluation committees were not availed for audit review and hence it's not clear if the members who performed the duties on 19 April, 2017 and 15 May, 2017 were appointed by the Principal Secretary as per the Public Procurement and Assets Disposal Act 2015.
- v. The evaluation reports prepared did not have scores awarded by each evaluator neither were the individual score sheets availed for audit review.
- vi. The Inspection and Acceptance Committee members were paid Kshs.5,917,800 for inspection and acceptance of various equipment and construction works at various Technical Training Institutions. The officers had not been appointed formally into the Inspection and Acceptance Committees as required by the Public Procurement and Asset Disposal Act, Section 48(1) which requires that an accounting officer of a procuring entity to establish an ad-hoc committee known as the Inspection and Acceptance committee.

In the circumstances, the State Department is in breach of the law.

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 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 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.

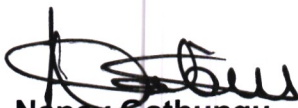
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 ability of the State Department 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

29 October, 2020

MINISTRY OF EDUCATION
STATE DEPARTMENT FOR VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements For the year ended 30 June, 2019

V. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE, 2019

	Note	2018/2019	2017/2018
		Kshs	Kshs
RECEIPTS			
Proceeds from Domestic and Foreign Grants	1	20,289,632	-
Transfers from National Treasury	2	10,166,785,921	3,677,402,447
Transfers from Other Government Entities	3	664,740,590	-
Proceeds from Foreign Borrowings	4	5,944,625,612	6,980,086,122
Other Revenues	5	20,647,724	-
TOTAL REVENUES		16,818,089,479	10,657,488,569
PAYMENTS			
Compensation of Employees	6	3,535,083,064	229,523,132
Use of goods and services	7	5,782,806,589	6,850,983,600
Transfers to Other Government Units	8	6,998,566,833	3,514,285,398
Social Security Benefits	9	315,258	4,690,818
Acquisition of Assets	10	456,069,731	82,102,076
TOTAL PAYMENTS		16,772,841,474	10,681,585,024
SURPLUS/DEFICIT		44,248,005	-24,096,455

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 _____ 2019 and signed by:



Dr. Kevit Desai, MBS
Principal Secretary



Joseph Nyamora
Assistant Accountant General
ICPAK Member Number 7770

VI. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE, 2019

	Note	2018/2019	2017/2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	11A	142,313,471	108,428,249
Cash Balances	11B	303,116	219,328
Total Cash And Cash Equivalents		142,616,587	108,647,577
Accounts Receivables - Outstanding Imprest and Clearence Accounts	12	807,065	14,830,022
TOTAL FINANCIAL ASSETS		143,423,652	123,477,599
LESS: FINANCIAL LIABILITIES			
Accounts Payables - Deposits	13	60,864,435	60,319,037
NET FINANCIAL ASSETS REPRESENTED BY		82,559,217	63,158,562
Fund balance b/fwd	14	63,158,562	87,255,020
Prior year adjustments	15	(24,847,350)	-
Surplus/Defict for the year		44,248,005	-
NET FINANCIAL POSITION		82,559,217	63,158,565

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 _____ 2019 and signed by:



Dr. Kevit Desai, MBS
Principal Secretary



Joseph Nyamora
Assistant Accountant General
ICPAK Member Number 7770

MINISTRY OF EDUCATION
STATE DEPARTMENT FOR VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements For the year ended 30 June, 2019

VII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE, 2019

	Note	2018/2019	2017/2018
		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	10,166,785,921	3,677,402,447
Transfers from Other Government Entities	3	664,740,590	-
Other Revenues	5	20,647,724	-
		10,872,463,867	3,677,402,447
Payments for operating expenses			
Compensation of Employees	6	3,535,083,064	229,523,132
Use of goods and services	7	5,782,806,589	6,850,983,600
Transfers to Other Government Units	8	6,998,566,833	3,514,285,398
Social Security Benefits	9	315,258	4,690,818
		16,316,771,744	10,599,482,948
Adjusted for:			
Changes in receivables	12	14,022,957	14,356,027
Changes in payables	13	545,398	- 38,381,042
Adjustments during the year	15	-24,847,350	-
		-	-
Net cashflow from operating activities		5,454,586,871	6,946,105,516
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	10	(456,069,731)	(82,102,076)
Net cash flows from Investing Activities		(456,069,731)	(82,102,076)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	4	5,944,625,612	6,980,086,122
Net cash flow from financing activities		5,944,625,612	6,980,086,122
NET INCREASE IN CASH AND CASH EQUIVALENT		33,969,010	48,121,470

**MINISTRY OF EDUCATION
STATE DEPARTMENT FOR VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements For the year ended 30 June, 2019**

Cash and cash equivalent at BEGINNING of the year		108,647,577	156,769,047
Cash and cash equivalent at END of the year		142,616,586	108,647,577

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 _____ 2019 and signed by:



Dr. Kevit Desai, MBS
Principal Secretary



Joseph Nyamora
Assistant Accountant General
ICPAK Member Number 7770

MINISTRY OF EDUCATION
STATE DEPARTMENT FOR VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements For the year ended 30 June, 2019

VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget f=d/c %	Remarks
	a	b	c=a+b	d	e=c-d		
RECEIPTS							
Proceeds from Domestic and Foreign Grants	0	61,605,500	61,605,500	20,289,632	41,315,868	32%	i
Exchequer releases	10,166,785,921	0	10,166,785,921	10,166,785,921	0	100%	
Transfers from Other Government Entities	0	0	0	664,740,590	(664,740,590)	0%	ii
Proceeds from Foreign Borrowings	3,300,000,000	3,640,000,000	6,940,000,000	5,944,625,613	995,374,387	86%	iii
Other Receipts	5,000,000	18,000,000	23,000,000	20,647,724	2,352,276	90%	
Total Receipts	13,471,785,921	3,719,605,500	17,191,391,421	16,817,089,480	374,301,941	98%	
PAYMENTS							
Compensation of Employees	1,109,500,000	2,712,525,000	3,822,025,000	3,535,083,064	286,941,936	92%	
Use of goods and services	3,515,643,554	3,338,638,487	6,854,282,041	5,782,806,589	1,071,475,542	84%	iv
Transfers to Other Government Units	7,270,463,545	2,049,790,353	9,320,253,898	6,998,566,833	2,321,687,065	75%	v
Social Security Benefits	1,626,570	1,626,570	3,253,140	315,258	2,937,882	9%	
Acquisition of Assets	276,844,538	294,838,988	571,683,526	456,069,731	115,613,795	79%	
Grand Total	12,174,078,207	8,397,419,398	20,571,497,605	16,772,841,474	3,798,656,220	81%	
Surplus/Deficit	1,297,707,715	(4,677,813,898)	(3,380,106,184)	44,248,005	(3,424,354,279)		

Remarks:

- The Underutilisation of Proceeds from Domestic and Foreign Grants was occasioned by lack delays in issuance of payment certificates to the contractors.
- The Disparity in Transfers from other Govt. Entities was occasioned by transfer of technical trainers from the TSC to PSC hence necessitating the transfer of their payroll from TSC to the State Departments' which was initially not budgeted for.
- The Underutilisation of Foreign Borrowings was occasioned by lack of adequate Exchequer Release.
- The Underutilisation of Use of goods and services was occasioned by delays in the procurement processes.

The entity financial statements were approved on _____ 2019 and signed by:



Dr. Kevit Desai, MBS
Principal Secretary



Joseph Nyamora
Assistant Accountant General
ICPAK Member Number 7770

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget	Remarks
RECEIPTS							
Exchequer releases	7,136,327,150		7,136,327,150	7,136,327,150	0	100%	
Transfers from Other Government Entities			0	664,740,590	(664,740,590)		
Other Receipts	5,000,000	18,000,000	23,000,000	20,647,724	2,352,276	90%	
Total Receipts	7,141,327,150	18,000,000	7,159,327,150	7,821,715,464	(662,388,314)	109%	
PAYMENTS							
Compensation of Employees	1,109,500,000.00	2,712,525,000	3,822,025,000	3,535,083,064	286,941,936	92%	
Use of goods and services	106,352,099.00	82,403,487	188,755,586	167,606,644	21,148,942	89%	i
Transfers to Other Government Units	2,617,755,000.00	2,326,244,803	4,943,999,803	4,066,657,378	877,342,425	82%	ii
Social Security Benefits	1,626,570.00	1,626,570	3,253,140	315,258	2,937,882	10%	iii
Acquisition of Assets	844,537.50	884,538	1,729,076		1,729,076	0%	iv
Grand Total	3,836,078,207	5,123,684,398	8,959,762,605	7,769,662,344	1,190,100,261	87%	
Surplus/Deficit	3,305,248,944	(5,105,684,398)	(1,800,435,455)	52,053,120	(1,852,488,575)		

Remarks

- The Underutilisation of Use of goods and services was occasioned by delays in the procurement processes.*
- The Disparity in Transfers to other Govt. Entities was occasioned by inadequate issuance of Exchequer.*
- The Underutilisation of Social Security Benefits was occasioned by transfer of eligible staff to other state departments.*
- The Underutilisation of Acquisition of Assets was occasioned by delays in the procurement processes.*

The entity financial statements were approved on _____ 2019 and signed by:



Dr. Kevit Desai, MBS
Principal Secretary



Joseph Nyamora
Assistant Accountant General
ICPAK Member Number 7770

SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation	Remarks
	a	b	c=a+b	d	e=c-d	f=d/c %	
RECEIPTS							
Proceeds from Domestic and Foreign Grants		61,605,500	61,605,500	20,289,632	41,315,868	35%	i
Exchequer releases	3,030,458,771		3,030,458,771	3,030,458,771	0	100%	
Proceeds from Foreign Borrowings	3,300,000,000	3,640,000,000	6,940,000,000	5,944,625,613	995,374,387	86%	ii
Total Receipts	6,330,458,771	3,701,605,500	10,032,064,271	8,995,374,016	1,036,690,255	90%	
Payments							
Use of goods and services	3,409,291,455	3,256,235,000	6,665,526,455	5,615,199,945	1,050,326,510	84%	iii
Transfers to Other Government Units	4,652,708,545	-276,454,450	4,376,254,095	2,931,909,455	1,444,344,640	67%	iv
Acquisition of Assets	276,000,000	293,954,450	569,954,450	456,069,731	113,884,719	80%	v
Grand Total	8,338,000,000	3,273,735,000	11,611,735,000	9,003,179,131	2,608,555,869	78%	
Surplus/Deficit	-2,007,541,229	427,870,500	-1,579,670,729	-7,805,115	-1,571,865,614		

Remarks

- The Underutilisation of Proceeds from Domestic and Foreign Grants was occasioned by lack delays in issuance of payment certificates to the contractors.
- The Underutilisation of Foreign Borrowings was occasioned by delays in issuance of payment certificates to the contractors.
- The Underutilisation of Use of goods and services was occasioned by delays in the procurement processes.
- The Disparity in Transfers to other Govt. Entities was occasioned by inadequate issuance of Exchequer.
- The Underutilisation of Acquisition of Assets was occasioned by delays in the procurement processes.

The entity financial statements were approved on _____ 2019 and signed by:



Dr. Kevit Desai, MBS
Principal Secretary



Joseph Nyamora
Assistant Accountant General
ICPAK Member Number 7770

X. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Program	Sub Program	Description	Approved Budget	Actual Payments	Variance
0		Default - Non Programmatic	0	0	0
	0	Default - Non Programmatic	0	0	0
505000000		Technical Vocational Education and Training	18,252,779,535.00	15,578,131,754.15	2,674,647,780.85
	505010000	Technical Accreditation and Quality Assurance	646,200,002.00	643,847,725.00	2,352,277.00
	505020000	Technical Trainers and Instructor Services	7,945,337,501.00	6,787,796,420.95	1,157,541,080.05
	505030000	Special Needs in Technical and Vocational Education	157,242,032.00	157,242,032.00	0
	505040000	Infrastructure Development and Expansion	9,504,000,000.00	7,989,245,576.20	1,514,754,423.80
507000000		Youth Training and Development	2,156,222,609.00	1,047,088,368.25	1,109,134,240.75
	507010000	Revitalization of Youth Polytechnics	2,156,222,609.00	1,047,088,368.25	1,109,134,240.75
508000000		General Administration, Planning and Support Services	162,455,460.00	142,597,567.60	19,857,892.40
	508010000	Headquarters Administrative Services	162,455,460.00	142,597,567.60	19,857,892.40
	508020000	County Administrative Services	0	0	0
		Grand Total	20,571,457,604.00	16,767,817,690.00	3,803,639,914.00

I. 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 of 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) Project ADB Project
- ii) Project KIDDP

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. (Check if this policy is applicable to entity)

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 criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2019, 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 recognized 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 actually 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.

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.

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 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.

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 2019.

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.

MINISTRY OF EDUCATION
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Reports and Financial Statements For the year ended 30 June, 2019

XII. NOTES TO THE FINANCIAL STATEMENTS

1 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount in foreign currency	2018-2019	2017-2018
			Kshs	Kshs
Grants Received from Bilateral Donors (Foreign Governments)				
Grant from KIDDP			20,289,632	-
TOTAL			20,289,632	-

2 EXCHEQUER RELEASES

Description	Reference of the transfer	Date of transfer	2018-2019	2017-2018
			Kshs	Kshs
Total Exchequer Releases for quarter 1			273,664,450	136,059,082
Total Exchequer Releases for quarter 2			2,268,777,697	1,824,332,365
Total Exchequer Releases for quarter 3			2,679,341,550	805,300,000
Total Exchequer Releases for quarter 4			4,945,002,224	911,711,000
TOTAL			10,166,785,921	3,677,402,447

3 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description			2018-2019	2017-2018
			Kshs	Kshs
Teachers Service Commission			664,740,590	-
Transfers from Counties				
TOTAL			664,740,590	-

MINISTRY OF EDUCATION
STATE DEPARTMENT FOR VOCATIONAL AND TECHNICAL TRAINING
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12 NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

4 PROCEEDS FROM FOREIGN BORROWINGS

			2018-2019	2017-2018
			Kshs	Kshs
Foreign Borrowing - Direct Payments			5,944,625,612	6,980,086,122
TOTAL			5,944,625,612	6,980,086,122

5 OTHER REVENUES

			2018-2019	2017-2018
			Kshs	Kshs
Receipts from Administrative Fees and Charges - Collected as AIA			20,647,724	-
TOTAL			20,647,724	-

6 COMPENSATION OF EMPLOYEES

			2018-2019	2017-2018
			Kshs	Kshs
Basic salaries of permanent employees			1,890,995,849	153,667,063
Basic wages of temporary employees			555,873,717	
Personal allowances paid as part of salary			1,088,213,498	75,856,069
TOTAL			3,535,083,064	229,523,132

7 USE OF GOODS AND SERVICES

			2018-2019	2017-2018
			Kshs	Kshs
Utilities, supplies and services			7,066,473	8,512,888
Communication, supplies and services			5,922,039	3,025,175
Domestic travel and subsistence			74,047,627	48,736,291
Foreign travel and subsistence			7,050,457	4,686,058
Printing, advertising and information supplies & services			4,515,324	3,684,938
Rentals of produced assets			55,634,857	53,556,125
Training expenses				

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			226,721,040	94,395,965
Hospitality supplies and services			10,979,488	5,012,389
Specialised materials and services			5,288,923,879	6,509,182,533
Office and general supplies and services			11,447,520	3,210,455
Fuel Oil and Lubricants			17,484,394	84,764,156
Other Operating Expenses			61,018,918	8,737,353
Routine maintenance – Motor Vehicles			6,054,449	1,558,349
Routine maintenance – Other Assets			5,940,124	21,920,925
TOTAL			5,782,806,589	6,850,983,600

**8 TRANSFER TO OTHER
GOVERNMENT ENTITIES**

Description			2018-2019	2017-2018
			Kshs	Kshs
Transfers to National Government entities			6,998,566,833	3,514,285,398
TOTAL			6,998,566,833	3,514,285,398

9 SOCIAL SECURITY BENEFITS

			2018-2019	2017-2018
			Kshs	Kshs
Government pension and retirement benefits			315,258	4,690,818
TOTAL			315,258	4,690,818

10 ACQUISITION OF ASSETS

			2018-2019	2017-2018
			Kshs	Kshs
Non Financial Assets				
Construction of Buildings			455,869,751	81,589,912
Purchase of Office Furniture and General Equipment			199,980	
Purchase of Specialised Plant, Equipment and Machinery				512,164
TOTAL			456,069,731	82,102,076

MINISTRY OF EDUCATION
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NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

11
A 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)	2018-2019	2017-2018
				Kshs	Kshs
<i>Central Bank of Kenya, 1000302577, KShs</i>	Recurrent		1	69,406,385	45,716,743
<i>Central Bank of Kenya, 1000302623, KShs</i>	Development		1	3,474,614	2,392,469
<i>Central Bank of Kenya, 1000302631, KShs</i>	Deposits		1	59,264,434	60,319,037
<i>Central Bank of Kenya, 1000307536, KShs</i>	AfDB			3,354,258	
<i>Central Bank of Kenya, 1000328061, KShs</i>	Equalisation Fund			6,813,780	
Total	-			142,313,471	108,428,249

11
B Cash in hand

		2018-2019	2017-2018
		Kshs	Kshs
Cash in Hand – Held in domestic currency		303,116	219,328
TOTAL		303,116	219,328

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

12 Outstanding Imprests

Description		2018-2019	2017-2018
		Kshs	Kshs

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Government Imprests			-	13,366,521
District suspense			807,069	1,463,501
TOTAL			807,069	14,830,022

13 Accounts Payables

			2018-2019	2017-2018
			Kshs	Kshs
Deposits			59,264,434	60,319,037
Payables (RD Cheques)			1,600,001	
TOTAL			60,864,435	60,319,037

14 BALANCES BROUGHT FORWARD

			2018-2019	2017-2018
			Kshs	Kshs
Bank accounts			108,428,249	
Cash in hand			219,328	
Receivables - Outstanding Imprests			14,830,022	
Payables - Deposits			(60,319,037)	
				87,255,020
TOTAL			63,158,562	87,255,020

15 PRIOR YEAR ADJUSTMENTS

Description of the error			2018-2019	2017-2018
			Kshs	Kshs
Adjustments on bank account balances			(24,847,350)	
TOTAL			(24,847,350)	0

XIII. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

2017/2018 <u>ISSUE RAISED</u>	<u>RESPONSES</u>	<u>STATUS</u>
1.BANK RECONCILIATIONS	Being done monthly	upto date
2.OUTSTANDING IMPREST	Has since been surrendered and recoveries are being made from defaulters.	on going

OTHER IMPORTANT DISCLOSURES

ANNEX 1

EXCHEQUERS

Recurrent

Date	Notification No.	Amount
27-Jul-18	RE5/7/18/19	17,836,350
17-Aug-18	RE14/4/18/19	146,100,000
27-Aug-18	RE19/3/18/19	18,428,100
4-Sep-18	RE25/3/18/19	78,600,000
13-Sep-18	RE31/2/18/19	12,700,000
28-Sep-18	RE37/2/18/19	323,757,400
4-Oct-18	RE40/3/18/19	455,200,000
29-Oct-18	RE54/4/18/19	352,331,400
9-Nov-18	RE61/2/18/19	159,400,000
22-Nov-18	RE68/5/18/19	5,800,000
20-Dec-18	RE81/2/18/19	28,400,000
28-Dec-18	RE85/6/18/19	24,750,000
28-Jan-19	RE101/1/18/19	340,077,200
11-Feb-19	RE110/2/18/19	1,500,800,000
27-Feb-19	RE123/6/18/19	342,799,850
27-Mar-19	RE139/5/18/19	343,164,500
24-Apr-19		521,300,000
3-May-19		345,953,200
26-Jun-19		347,773,650
28-Jun-19	RE:192/8/18/19	1,419,000,000
3-Jun-19	RE:171/3/18/19	344,755,500
21-May-19	RE:167/4/18/19	7,400,000
Sub Total		7,136,327,150

Development

5-Oct-18	DE:16/2/18/19	390,338,897
12-Oct-18	DE:19/4/18/19	12,500,000
19-Nov-18	DE:39/3/18/19	22,800,000
6-Dec-18	DE:46/2/18/19	493,500,000
7-Mar-19	DE:85/1/18/19	152,500,000
17-Apr-19	DE:101/3/18/19	16,600,000

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15-May-19	DE:110/2/18/19	217,000,000
28-Jun-19	DE:137/1/18/19	464,576,749
28-Jun-19	DE:140/7/18/19	300,000,000
	Conditional Grants To Counties	960,643,125
Sub Total		3,030,458,771
TOTAL		10,166,785,921

ANNEX 2		
DIRECT PAYMENTS		
AfDB		
S/No.	Description	Amount
1	SUNRAYS DISTRIBUTORS LIMITED	7,862,189
2	DEVOTRA B V	9,739,863
3	REDLINE LIMITED	9,560,807
4	REDLINE LIMITED FOR THE SUPPLY OF EQUIPMENTS	3,681,359
5	SUNRAYS DISTRIBUTORS	2,780,926
6	SENDER SERVICES CO LTD	20,013,580
7	BADOLE CONSTRUCTION LTD	12,575,550
8	M/S EPCO BUIDERS LTD	8,361,743
9	FANAKA MERCHANTS LTD	10,410,227
10	INTERTECH GROUP 54	7,811,149
11	MACHAKOS TECHNICAL TRAINING INSTITUTE	4,463,285
12	KENYA INSTITUTE OF HIGHWAYS AND BUILDINGS	17,155,000
13	EPCO BUILDERS	12,280,094
14	ST. JOSEPH INSTITUTE	3,257,620
15	XTREME ENGINEERING	16,153,812
16	TINFRA ENGINEERING LIMITED FOR CONSTRUCTION	10,052,462
17	NJUCA CONSOLIDATED	17,304,252
18	EQUIPPED TRADING LIMITED	13,364,068
19	OMAR SALIM BASLUM LTD	17,239,260
20	GRAIDCO B.V FOR TRAINING AND MAINTAINANCE	10,522,481
21	NIRAS SWEDEN FOR THE DRAFT OF PLAN	2,213,782
22	BUMBE TECHNICAL TRAINING	1,636,875

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23	LENA TECHNOLOGIES	108,000
24	JAWAMU CONSTRUCTION CO	12,625,269
25	BLOOTEX LIMITED	29,599,565
26	SENDER SERVICES	11,921,233
27	XTREME ENGINEERING LIMITED	16,719,990
28	CITIPTS ENGINEERING LTD	52,291,688
29	THIKA TECHNICAL TRAINING	1,016,250
30	INTERTECH GROUP	32,117,418
31	MAOW HOLDING LIMITED	20,111,659
32	NYERI NATIONAL POLYTECHNICAL	691,875
33	OMAR SALM BASLUM LTD	10,321,388
34	KISUMU NATIONAL POLYTECHNIC	12,422,000
35	STONE CONTRACTOR LTD	79,684,897
36	FANAKA MERCHANTS LTD	4,225,004
37	BUMBE TECHNICAL TRAINING INSTITUTE	1,818,750
38	HYDROMATICS LTD	31,360,980
39	HYDROMATICS LTD	10,453,660
40	HYDROMATICS LTD	10,453,660
41	HYDROMATICS LTD	29,586,168
42	CADENA	14,409,422
43	COAST INSTITUTE	887,500
44	MUKURWE-INI TECHNICAL TRAINING INSTITUTE	784,500
45	MERU NATIONAL POLYTECHNIC	2,330,000
46	SIKRI TECHNICAL TRAINING	3,660,000
47	MAOW HOLDING	20,538,185
48	ARCON LIMITED	22,781,314
49	NYANDARUA INSTITUTE OF SCIENCE AND TECHNOLOGY	675,000
50	FANAKA MERCHANTS	15,836,524
51	KIAMBU INSTITUTE OF SCIENCE AND TECHNOLOGY	2,430,600
52	FANAKA MERCHANTS	15,175,793
53	CADENA FOR CONSULTANCY SERVICES.	10,724,576
54	CADENA FOR CONSULTANCY	10,724,576
55	KITALE NATIONAL POLYTECHNIC	4,164,000
56	RAMOGI INSTITUTE	645,000
57	MATILI TECHNICAL TRAINING	3,960,000
58	KITENGELA AQUA FISH FARM	39,758,147
59	OCEANIC CONSTRUCTION	17,347,367
60	EPCO BUILDERS LIMITED	13,308,754
61	INTERTECH GROUP	35,649,783
62	MAWEGO TECHNICAL TRAINING INSTITUTE	721,000
63	OMAR SALIM BASLUM LTD	20,062,061
64	MOKAS COMMERCIAL LTD	749,500
65	TINFRA ENGINEERING LTD	13,375,880
66	BADOLE CONSTRUCTION LTD FOR	9,473,148

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67	NJUCA CONSOLIDATED CO	16,314,757
68	CADENA	14,067,759
69	COOLPRINT LTD	1,842,000
70	IMWAS LTD	1,505,275
71	AKIM CONSULTANTS AND GENERAL SUPPLIERS	146,000
72	EQUIPPED TRADING LTD	9,005,941
73	SENDER SERVICES CO	12,078,444
74	ARCON WORKS LTD	12,599,743
75	EPCO BUILDERS LIMITED	14,751,626
76	FANAKA MERCHANTS LTD	12,928,427
77	APEX SYSTEM SUPPLIES	421,200
78	JOMARI AGENCIES	2,171,300
79	MAOW HOLDINGS LTD	25,371,717
80	EXETREME ENGINEERING LTD	13,038,411
81	NYERI POLYTECHNIC	622,688
82	TECHNICAL UNIVERSITY OF KENYA	56,635,189
83	SANGALO INSTITUTE	4,320,000
84	JEREMIAH NYAGA	4,978,800
85	JEREMIAH NYAGA	5,532,000
86	KENYA COAST POLYTECHNIQUE	1,536,000
87	EULER TECHNOLOGY SOLUTIONS	15,768,545
88	DEVOTRA B.V	37,738,308
89	ST. JOSEPH TECHNICAL TRAINING INSTITUTE FOR THE DEAF	3,355,200
90	BLOOTEX LIMITED	20,215,026
91	KISII NATIONAL POLYTECHNICH	2,187,600
92	KISII NATIONAL POLYTECHNIC	1,968,840
93	MUKRWEINI TECHNICAL	706,050
94	IDEALYIC LTD	28,514,917
	SUB TOTAL	1,186,464,229
	KENYA- CHINA PROJECT	
S/No.	Description	Amount
1	Avic International Holding	1,477,263,837
2	Avic International Holding	1,445,336,072
3	Avic International Holding	1,835,561,474
	SUB TOTAL	4,758,161,384
	GRAND TOTAL	5,944,625,612

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ANNEX 3			
DISBURSEMENT OF GRANTS			
INSTITUTIONS	RECURRENT	DEVELOPMENT	TOTAL
TECHNICAL TRAINING INSTITUTE			
AHMED S. MWIDANI (MOMBASA TTI)	5,420,000	-	5,420,000
ALDAI TTI	13,140,000	3,056,700	16,196,700
BARINGO TTI	22,110,000	6,714,867	28,824,867
BONDO TTI	21,000,000	9,337,594	30,337,594
BORABU TVC(GUSII IT)	2,690,000	-	2,690,000
BUMBE TTI	31,410,000	8,152,000	39,562,000
BUNYALA TVC(BUMBE TTI)	9,083,851	-	9,083,851
BURETI TTI	49,650,000	6,317,800	55,967,800
BUSHIANGALA TTI	38,730,000	8,103,280	46,833,280
BUTERE TTI	22,680,000	1,528,350	24,208,350
CHUKA TVC	9,040,948	-	9,040,948
COAST IT	40,034,063	5,090,000	45,124,063
DAVID M. WAMBULI(WOTE TTI)	2,990,000	-	2,990,000
EKERUBO GIETAI TTI	25,740,000	7,713,830	33,453,830
EMINING TTI	20,190,000	6,505,590	26,695,590
EMSOS TVC(KAIBOI TTI)	5,090,000	-	5,090,000
ENDEBESS TTI	8,794,268	-	8,794,268
FRIENDS COLLEGE KAIMOSI	93,076,550	5,094,500	98,171,050
GARSEN TVC(COAST IT)	500,000	-	500,000
GATANGA TVC (MICHUKI TTI)	3,603,359	-	3,603,359
GITWEBE TTI(GUSII IT)	5,145,000	6,215,900	11,360,900
GODOMA TTI	13,050,000	3,208,330	16,258,330
IJARA TVC (NEP TTI)	500,000	3,208,330	3,708,330
ISIOLO NORTH TVC (KIIRUA TTI)	500,000	-	500,000
KAIBOI TTI	50,836,550	7,130,000	57,966,550
KAJIADO NORTH TVC (MASAI TTI)	500,000	-	500,000
KAJIADO WEST TVC	4,070,000	-	4,070,000

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(MASAI TTI)			
KAPCHEROP TVC	5,724,079	-	5,724,079
KARUMO TTI	10,590,000	7,129,000	17,719,000
KASARANI TVC (NAIROBI TTI)	3,935,000	-	3,935,000
KATINE TTI	8,400,000	5,601,500	14,001,500
KEROKA TTI	51,316,550	7,132,300	58,448,850
KIAMBU IST	92,830,000	5,094,500	97,924,500
KIIRUA TTI	8,760,000	5,094,500	13,854,500
KIMASIAN TVC (KAIBOI TTI)	500,000	-	500,000
KIMININI TVC (MATILI TTI)	500,000	-	500,000
KINANGO TVC (COAST IT)	500,000	-	500,000
KINANGOP TVC (NYANDARUA IST)	500,000	-	500,000
KIPIPIRI TVC (NYANDARUA IST)	4,044,192	-	4,044,192
KIPKABUS TVC (RIFT VALLEY TTI)	17,240,569	-	17,240,569
KIPSEON TVC (RIFT VALLEY TTI)	500,000	-	500,000
KIPSINENDE TVC	8,900,000	-	8,900,000
KISIWA TTI	69,426,702	5,094,500	74,521,202
KONOIN TTI	31,560,000	-	31,560,000
KOSHIN TTI	9,360,000	3,056,700	12,416,700
LAIKIPIA EAST TVC (MATHENGE TTI)	2,540,000	-	2,540,000
LAIKIPIA NORTH TVC (MATHENGE TTI)	500,000	-	500,000
LAISAMIS TVC (NYANDARUA IST)	4,727,172	-	4,727,172
LUNGA LUNGA TVC (MOMBASA TTI)	500,000	-	500,000
MAASAI MARA TVC	10,500,000	3,056,700	13,556,700
MANDERA TTI	10,550,606	3,417,030	13,967,636
MASAI TTI	63,466,550	5,094,500	68,561,050
MASINGA TVC (N'KABUNE TTI)	4,940,000	-	4,940,000
MATHENGE TTI	37,740,000	6,074,390	43,814,390
MATHIOYA TVC(MICHUKI TTI)	5,160,644	-	5,160,644
MATHIRA TVC (NYERI TTI)	3,293,851	-	3,293,851

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MATILI TTI	35,130,000	5,094,500	40,224,500
MAWEGO TTI	66,676,550	7,641,750	74,318,300
MICHUKI TTI	57,976,550	7,682,506	65,659,056
MITUNGUU TTI	14,550,000	5,094,500	19,644,500
MOIBEN TVC	6,500,000	-	6,500,000
MSAMBWENI TVC (COAST IT)	500,000	-	500,000
MUKIRIA TTI	28,470,000	8,151,200	36,621,200
MUKURWE-INI TTI	19,770,000	7,132,300	26,902,300
MUMIAS WEST TVC(SIGALAGALA TTI)	3,990,303	-	3,990,303
MURAGA TVC	4,006,945	-	4,006,945
MUSAKASA TTI	16,167,513	7,132,300	23,299,813
MWATATE TVC (COAST IT)	500,000	-	500,000
MWEA TVC (THIKA TTI)	500,000	-	500,000
NACHU TVC (KIAMBU IST)	2,630,000	-	2,630,000
NAIROBI TTI	149,320,000	11,483,003	160,803,003
NAIVASHA TVC (KABETE TTI)	3,373,434	-	3,373,434
NAROK WEST TVC (KEROKA TTI)	2,650,152	-	2,650,152
NDIA TVC (MICHUKI TTI)	3,640,834	-	3,640,834
N'KABUNE TTI	31,636,550	7,641,750	39,278,300
NUU TVC (WOTE TTI)	5,036,679	-	5,036,679
NYANDARUA IST	31,756,550	5,094,500	36,851,050
OKAME TVC(BUMBE TTI)	4,280,000	-	4,280,000
OI'LESSOS TTI	132,850,000	5,563,194	138,413,194
PC KINYAJUI TTI	31,613,229	10,189,000	41,802,229
RAMOGI IAT	87,870,000	5,390,510	93,260,510
RIFT VALLEY TTI	154,570,000	3,820,875	158,390,875
RUNYENJES TVC (RWIKA TI)	3,430,000	-	3,430,000
RWIKA IT	43,696,550	2,187,135	45,883,685
SABATIA TVC (SIGALAGALA TTI)	1,900,000	-	1,900,000
SAMBURU TVC (MERU TTI)	500,000	-	500,000
SAMBURU WEST (MERU TTI)	500,000	-	500,000
SANG'ALO IST	90,670,000	5,290,000	95,960,000
SHAMBERERE TTI	25,440,000	11,014,309	36,454,309

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SIALA TTI	21,120,000	3,056,700	24,176,700
SIAYA TTI	50,986,550	5,290,000	56,276,550
SOT TTI	54,390,000	10,189,000	64,579,000
SOTIK TTI	20,840,000	-	20,840,000
TAVETA TVC (COAST IT)	2,480,114	-	2,480,114
THARAKA TVC (MERU TTI)	10,640,000	-	10,640,000
THIKA TTI	155,440,000	4,075,600	159,515,600
TSEIKURU TTI	8,040,000	5,400,170	13,440,170
UGENYA TVC(SIAYA IT)	5,570,000	-	5,570,000
WAJIR SOUTH TVC (NAIROBI TTI)	500,000	-	500,000
WAMINGU TVC (COAST IT)	500,000	-	500,000
WERU TVC	6,950,000	-	6,950,000
WOTE TTI	40,096,550	5,094,500	45,191,050
ZIWA TTI	33,300,000	5,090,000	38,390,000
SUB TOTALS	2,441,035,557	297,021,993	2,738,057,549
NATIONAL POLYTECHNICS AND KTTC			
ELDOROT NP	45,735,000	11,462,625	57,197,625
KABETE NP (KABETE TTI)	129,661,758	4,515,581	134,177,340
KENYA COAST NP (MOMBASA TTI)	51,147,961	10,184,500	61,332,461
KENYA TTC	61,345,356	19,361,000	80,706,356
KISII NP (GUSII IT)	103,445,250	5,491,871	108,937,121
KISUMU NP	62,986,243	36,680,400	99,666,643
KITALE NP(KITALE TTI)	63,690,778	5,094,500	68,785,278
MERU NP (MERU TTI)	104,259,629	6,521,260	110,780,889
NORTH EASTERN NP (NEP TTI)	25,184,250	5,094,499	30,278,749
NYERI NP (NYERI TTI)	71,268,910	11,774,204	83,043,114
SIGALAGALA NP (SIGALAGALA TTI)	52,716,929	7,641,750	60,358,679
SUB TOTALS	771,442,065	123,822,190	895,264,255
SPECIAL NEEDS			

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KAREN TTI FOR THE DEAF	38,820,508	13,424,008	52,244,516
MACHAKOS TTI FOR THE BLIND	38,820,508	13,424,008	52,244,516
ST. JOSEPH TI FOR THE DEAF, NYANG'OMA	39,800,508	13,424,008	53,224,516
VTC FOR THE BLIND AND DEAF- SIKRI	39,800,508	13,424,008	53,224,516
SUB TOTALS	157,242,032	53,696,032	210,938,064
70TVCs UNDER CONSTRUCTION			
MURANGA TTI(THIKA TTI)	-	13,939,000	13,939,000
CHEPSIREI TTI(EMINING TTI)	-	1,000,000	1,000,000
CHEPALUNGU IST(KEROKA TTI)	-	3,321,365	3,321,365
TETU TTI(MICHUKI TTI)	-	4,089,213	4,089,213
MWEA TTI(THIKA TTI)	-	6,372,290	6,372,290
GATUNDU SOUTH(KIST)	-	6,621,790	6,621,790
KAJIADO NORTH TTI (PC KINYAJUI TTI)	-	10,139,020	10,139,020
MWATATE TTI (COAST IT)	-	13,138,518	13,138,518
KIMININI TTI(MATILI TTI)	-	14,479,896	14,479,896
OMUGA TTI (RIAT)	-	7,474,260	7,474,260
BOMET CENTRAL TTI (KAIBOI TTI)	-	9,539,262	9,539,262
SAMBURU NORTH TTI(MERU NP)	-	13,964,325	13,964,325
TOTAL TTI (BURETI TTI)	-	11,755,405	11,755,405
OMBEK TTI (RIAT)	-	7,992,425	7,992,425
UGUNJA TTI (BONDO TTI)	-	8,054,700	8,054,700
OROGARE TTI (KEROKA TTI)	-	8,321,365	8,321,365
KAPCHEPKOR TTI (BARINGO TTI)	-	9,760,683	9,760,683
LIKONI TTI (COAST NP)	-	14,184,368	14,184,368
KERICHO TOWNSHIP TTI (BURETI TTI)	-	11,919,751	11,919,751
KONGONI (SHAMBERERE TTI)	-	16,766,686	16,766,686
KIPTARAGON (OI'LESSOS TTI)	-	10,852,553	10,852,553
KIENI TTI(MATHENGE TTI)	-	15,029,979	15,029,979

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AWACH (SIAYA TTI)	-	12,723,993	12,723,993
NFARAGWA TTI (NYERI NP)	-	10,827,158	10,827,158
DR. DANIEL WAKO-MURENDE TTI(BUMBE TTI)	-	11,449,751	11,449,751
HEROES TTI (KTTC)	-	16,613,628	16,613,628
KAJIADO EAST TTI (MASAI TTI)	-	13,683,383	13,683,383
WEBUYE WEST TTI (MATILI TTI)	-	13,776,060	13,776,060
TIGANIA EAST TTI (MERU NP)	-	14,013,348	14,013,348
TINDERET TTI (KAIBOI TTI)	-	13,594,503	13,594,503
KAMUKUNJI TTI (MURAN'GA TTI)	-	14,755,323	14,755,323
NGARIA (RVTTI)	-	10,089,476	10,089,476
KITALEKAPEL TTI (ZIWA TTI)	-	15,041,607	15,041,607
MOCHONGOI TTI (BARINGO TTI)	-	13,143,268	13,143,268
CHERANGANY TTI (ZIWA TTI)	-	13,661,864	13,661,864
EMURUA DIKIRR TI(PC KINYANJUI TTI)	-	14,030,985	14,030,985
WAJIR NORTH TTI (NE NP)	-	8,639,425	8,639,425
TARBAJ TTI (NE NP)	-	8,818,485	8,818,485
WANGA TTI (SANG'ALO IT)	-	13,450,442	13,450,442
MWALA TTI (KATINE TTI)	-	15,442,751	15,442,751
IKUTHA TTI (WOTE TTI)	-	16,206,966	16,206,966
CHAMASIRI TTI (BUMBE TTI)	-	16,453,341	16,453,341
MUNGATSI TTI(BUSHIANGALA TTI)	-	13,149,054	13,149,054
KIBWEZI TTI (WOTE TTI)	-	10,276,458	10,276,458
MANYATTA TTI(JEREMIAH NYAGAH TI)	-	12,477,331	12,477,331
NAVAKHOLO TTI(KISIWA TTI)	-	20,351,175	20,351,175
BELGUT TTI(BURETI TTI)	-	13,333,631	13,333,631
ELBURGON (O'LESSOS TTI)	-	11,894,769	11,894,769
SIRISIA TTI (KISIWA TTI)	-	11,016,709	11,016,709

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CHANZEYWE TTI(SIGALAGALA NP)	-	16,215,271	16,215,271
LAGDERA TTI(NE NP)	-	6,716,579	6,716,579
MOYALE TTI (MERU NP)	-	6,904,916	6,904,916
KITUTU MASABA TTI (KISII NP)	-	7,636,620	7,636,620
LIMURU (KIST)	-	10,879,208	10,879,208
KANDARA TTI (MURANG'A TTI)	-	17,386,369	17,386,369
MANDERA NORTH (NE NP)	-	10,082,939	10,082,939
TURKANA NORTH TTI (MATILI TTI)	-	12,765,648	12,765,648
AWENDO TTI (MAWEGO TTI)	-	11,183,465	11,183,465
LAIKIPIA WEST (KIIRUA TTI)	-	7,765,043	7,765,043
GICHUGU TTI (THIKA TTI)	-	1,717,409	1,717,409
NAROK SOUTH TTI(NAIROBI TTI)	-	8,461,529	8,461,529
LOIMA TTI (MATILI TTI)	-	10,288,439	10,288,439
IGEMBE SOUTH TTI(KIIRUA TTI)	-	10,761,448	10,761,448
MAGARINI TTI(GODOMA TTI)	-	10,853,655	10,853,655
EMGWEN TVC (KAIBOI TTI)	-	22,156,052	22,156,052
SUB TOTAL		749,406,328	749,406,328
ROSHO TTI	-	47,195,000	47,195,000
GRANTS FOR NEW INSTITUTIONS			
GARSEN TVC(COAST IT)	500,000	-	500,000
IJARA TVC(NEP TTI)	500,000	-	500,000
ISIOLO NORTH TVC (KIIRUA TTI)	500,000	-	500,000
KAJIADO NORTH TVC (PC KINYANJUI TTI)	500,000	-	500,000
KIMASIAN TVC(KAIBOI TTI)	500,000	-	500,000
KIMIMINI TVC (MATILI TTI)	500,000	-	500,000
KINANGO TVC(COAST IT)	500,000	-	500,000
KINANGOP TVC (NYANDARUA IST)	500,000	-	500,000
KIPSEON TVC(RIFT	500,000	-	500,000

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VALLEY IST)			
LAIKIPIA NORTH TVC(MATHENGE TTI)	500,000	-	500,000
LUNGALUNGA TVC(MOMBASA TTI)	500,000	-	500,000
MSAMBWENI TVC (COAST IT)	500,000	-	500,000
MWATATE TVC (COAST IT)	500,000	-	500,000
MWEA TVC (THIKA TTI)	500,000	-	500,000
SAMBURU TVC (MERU TTI)	500,000	-	500,000
SAMBURU WEST TVC (MERU TTI)	500,000	-	500,000
WAJIR SOUTH TVC (NAIROBI TTI)	500,000	-	500,000
WAMINGU TVC (COAST IT)	500,000	-	500,000
SUB TOTAL	9,000,000	-	9,000,000
TRANSFER TO SAGAS			
CDACC	364,480,001		364,480,001
TVETA	253,084,524	-	253,084,524
KNQA	25,941,200	-	25,941,200
SUB TOTAL	643,505,725	-	643,505,725
CONDITIONAL GRANTS TO COUNTIES			
BOMET		36,145,625	36,145,625
BUSIA		46,779,800	46,779,800
ELGEYO MARAKWET		31,559,000	31,559,000
HOMABAY	-	35,239,625	35,239,625
KAJIADO		30,460,475	30,460,475
KAKAMEGA		52,782,050	52,782,050
KIAMBU		51,423,050	51,423,050
KILIFI		40,041,425	40,041,425
KIRINYAGA		39,418,550	39,418,550
KISII		52,917,950	52,917,950
KISUMU		31,445,750	31,445,750
KITUI		44,141,075	44,141,075
KWALE		31,604,300	31,604,300
LAMU		23,563,550	23,563,550

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MACHAKOS	-	40,992,725	40,992,725
MAKUENI	-	23,835,350	23,835,350
MANDERA	-	23,586,200	23,586,200
MARSABIT	-	19,837,625	19,837,625
MERU	-	49,848,875	49,848,875
MIGORO	-	23,971,250	23,971,250
NAKURU	-	36,089,000	36,089,000
NYAMIRA	-	39,950,825	39,950,825
SIAYA	-	29,067,500	29,067,500
TAITA TAVETA	-	37,504,625	37,504,625
UASIN GISHU	-	25,103,750	25,103,750
VIHIGA	-	41,525,000	41,525,000
WEST POKOT	-	21,808,175	21,808,175
SUB TOTAL	-	960,643,125	960,643,125
NEW TVCS			
BELGUT TVC	1,000,000	-	1,000,000
BUNGOMA NORTH TVC	1,000,000	-	1,000,000
CHEPSIREI TVC	1,000,000	-	1,000,000
EBUKANGA TVC	1,000,000	-	1,000,000
FAYYA TVC	1,000,000	-	1,000,000
GARSEN TVC	1,000,000	-	1,000,000
GATUNDU SOUTH TVC	1,000,000	-	1,000,000
IJARA TVC	1,000,000	-	1,000,000
ISIOLO NORTH TVC	1,000,000	-	1,000,000
KAELO TVC	1,000,000	-	1,000,000
KAJIADO EAST TVC	1,000,000	-	1,000,000
KAJIADO NORTH TVC	1,000,000	-	1,000,000
KALOLENI TVC	1,000,000	-	1,000,000
KANDEGE TVC	1,000,000	-	1,000,000
KIENITVC	1,000,000	-	1,000,000
KIMASIAN TVC	1,000,000	-	1,000,000
KIMININI TVC	1,000,000	-	1,000,000
KINANGO TVC	1,000,000	-	1,000,000
KINANGOP TVC	1,000,000	-	1,000,000
KIPSOEN TVC	1,000,000	-	1,000,000
KIPTARAGON TVC	1,000,000	-	1,000,000
KONGONI TVC	1,000,000	-	1,000,000
LAIKIPIA NORTH TVC	1,000,000	-	1,000,000

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LARI TVC	1,000,000		1,000,000
LODWAR TVC	1,000,000		1,000,000
LUNGA LUNGA TVC	1,000,000		1,000,000
MABERA TVC	1,000,000		1,000,000
MARSABIT TVC	-		-
MSAMBWENI TVC	1,000,000		1,000,000
MWATATE TVC	1,000,000		1,000,000
MWEA TVC	1,000,000		1,000,000
NYAKACH TVC	1,000,000		1,000,000
OMUGA TVC	1,000,000		1,000,000
RANGWE TVC	1,000,000		1,000,000
RAVINE TVC	1,000,000		1,000,000
RIRAGIA TVC	1,000,000		1,000,000
SAMBURU TVC	1,000,000		1,000,000
SAMBURU WEST TVC	1,000,000		1,000,000
SEME TVC	1,000,000		1,000,000
TETU TVC	1,000,000		1,000,000
TURKANA EAST TVC	1,000,000		1,000,000
WAJIR SOUTH TVC	1,000,000		1,000,000
WEBUYE WEST TVC	1,000,000		1,000,000
WUMUNGU TVC	1,000,000		1,000,000
SUB TOTAL	43,000,000		43,000,000
DISBURSEMENT FOR FURNITURE			-
SIGALGALA		27,500,000	27,500,000
THIKA TTI		10,000,000	10,000,000
KAIBOI TTI		30,000,000	30,000,000
RVTTI		12,500,000	12,500,000
MERU NP		10,000,000	10,000,000
KISII NP		15,000,000	15,000,000
NE NP		10,000,000	10,000,000
NAIROBI TTI		20,000,000	20,000,000
KISUMU NP		10,000,000	10,000,000
KENYA COAST NP		12,500,000	12,500,000
KITALE NP		5,000,000	5,000,000
NYERI NP		12,500,000	12,500,000
SUB TOTAL		175,000,000	175,000,000

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70 NEW TTIS			
LAGDERA TTI		3,778,076	3,778,076
MOYALE TTI		3,884,016	3,884,016
KITUITU MASABA VTC		4,295,598	4,295,598
NGERIA		4,747,988	4,747,988
KIBWEZI TTI		5,780,508	5,780,508
LAIKIPIA WEST		9,115,485	9,115,485
LIMURU		6,119,554	6,119,554
GICHUGU TTI		5,216,041	5,216,041
SERESIA TTI		6,196,899	6,196,899
NAROK SOUTH TTI		9,933,099	9,933,099
ELBURGON		6,690,807	6,690,807
CHANZEYWE TTI		2,871,090	2,871,090
MANYATTA TTI		7,018,498	7,018,498
MUNGATSI TTI		7,396,343	7,396,343
BELGUT TTI		7,500,167	7,500,167
TURKANA NORTH TTI		8,669,138	8,669,138
LOIMA TTI		12,077,732	12,077,732
EGEMBE SOUTH TTI		12,633,005	12,633,005
MAGHARINI TTI		12,741,248	12,741,248
AWENDO TTI		13,128,416	13,128,416
EMGWEN TVC		23,122,544	23,122,544
SUB TOTAL		172,916,252	172,916,252
PURCHASE OF FURNITURE TO TTIS			
STARZONE		18,356,000	18,356,000
APICAH FURNITURE		17,878,800	17,878,800
SUB TOTAL		36,234,800	36,234,800
CONSTRUCTION OF 15 NEW TTIS			
LAFEY		20,000,000	20,000,000
ELDAS		20,000,000	20,000,000
KITUI EAST		20,000,000	20,000,000
MBEERE NORTH		20,000,000	20,000,000
YATTA		20,000,000	20,000,000
RARIEDA		20,000,000	20,000,000
KIGUMO		20,000,000	20,000,000
KHWISERO		20,000,000	20,000,000

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OLKALOU		20,000,000	20,000,000
MT. ELGON		20,000,000	20,000,000
KACHELIBA		20,000,000	20,000,000
GILGIL		20,000,000	20,000,000
KITUTU CHACHE SOUTH		20,000,000	20,000,000
GITHUNGURI		20,000,000	20,000,000
RUIRU		20,000,000	20,000,000
SUB TOTAL		300,000,000	300,000,000
ALLOWANCES PAID	1,432,000	15,973,735	17,405,735
GRAND TOTAL	4,066,657,378	2,931,909,455	6,998,566,833

ANNEX 49 (A)	
LIABILITIES	
JAMII SACCO	53,673
JAMII SACCO	26,312
JAMII SACCO	53,673
JAMII SACCO	26,312
RACHUONYO SACCO	17,647
RACHUONYO SACCO	17,342
JAMII SACCO	98,014
RACHUONYO SACCO	31,343
RACHUONYO SACCO	17,200
JAMII SACCO	26,312
JAMII SACCO	29,262
JAMII SACCO	28,673
JAMII SACCO	48,111
RACHUONYO SACCO	48,543
JAMII SACCO	26,312
JAMII SACCO	26,312
JAMII SACCO	26,312
JAMII SACCO	108,263
JAMII SACCO	26,311
JAMII SACCO	108,210
LAW COURT	46,809
HOUSE RENT	29,700
HOUSE RENT	48,700
LAW COURT	63,309

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HOUSE RENT	38,900
HOUSE RENT	34,900
LAW COURT	46,809
HOUSE RENT	8,600
LAW COURT	46,809
HOUSE RENT	43,500
HOUSE RENT	54,090
LAW COURT	46,809
HOUSE RENT	51,600
HOUSE RENT	47,000
LAW COURT	46,809
LAW COURT	46,809
HOUSE RENT	46,809
TOTAL	1,600,001

ANNEX 4 (B)		
DEPOSIT SCHEDULE		
sn	Name	BALANCE
1	BASHASH	565,500
2	MWEHA	2,050,831
3	LATON	3,948,841
4	PLUMBING SYSTEM	1,300,381
5	DON WOODS	262,011
6	EPCO	7,241,743
7	TELCOMS	65,327
8	FINE TOPS	104,773
9	ALPHA TECH	4,572,891
10	SEO & SONS LTD	158,991
11	NAN CHANG	4,497,761
12	MARSON	1,320,588
13	BABUBHAI	3,301,788
14	SARAWET	299,785
15	STEM	115,346
16	WILKORI	194,504
17	ASHBRO	539,098
18	PYRAMID	11,044,398
19	PONG	359,487
20	CORBAN	7,427,507

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21	BURA HITECH	167,733
22	ARCAID	240,395
23	JIMRO	215,439
24	ANNESBUGGUS	119,393
25	BESKO	183,108
26	FILMA	257,166
27	JUMTECH	160,000
28	TAX-JIPSY	231,891
29	TAX- ARCON	336,932
30	INTERPID	622,187
31	HIGHPOINT	70,466
32	TVET KERICHO	1,295,841
33	FIRMBASE	30,232
34	KEPEN	49,964
35	TORETA	184,616
36	SHAWA	208,234
37	FRANCO	468,105
38	TRILLION	656,971
39	ICONET	597,157
40	SRANCO	478,880
41	JONESA	636,902
42	JUSAN	115,532
43	JONES	154,340
44	PATIENCE	1,506,266
45	TRANSFER	898,620
46	TRANSFER	466
47	TRANSFER	6,055
	TOTAL	59,264,434

ANNEX 5				
UNSPENT DISTRICT BALANCES				
S/N	DISTRICT	TOTAL AIE	TOTAL PAYMENT	BALANCE
1	MOMBASA COUNTY	3,034,935	3,034,655	280
2	UASIN GISHU COUNTY	3,034,935	3,034,469	466
3	ISIOLO COUNTY	3,034,935	3,034,739	196
4	GARISSA COUNTY	3,034,935	2,922,935	112,000
5	NYERI COUNTY	3,034,934	3,034,740	194
6	KAKAMEGA COUNTY	3,034,935	3,034,547	388
7	EMBU COUNTY	3,034,935	3,034,880	55
8	KERICHO COUNTY	3,034,935	3,030,156	4,779
9	TRANS NZOIA	3,034,935	2,854,826	180,109
10	BUSIA COUNTY	3,034,934	3,034,913	21
11	MAKUENI COUNTY	3,034,935	3,034,430	505
12	KISII COUNTY	3,034,934	2,791,687	243,247
13	KISUMU COUNTY	3,034,934	3,014,185	20,749
14	NAKURU COUNTY	3,034,935	2,790,858	244,077
TOTAL		42,489,086	41,682,021	807,065

ANNEX 6	
PRIOR YEARS ADJUSTMENTS	
DESCRIPTION	AMOUNT
Opening Bal for Imprests	14,830,022
Unspent AIE returned for 2017/18	577,374
Receipt in Bank Statement not in cashbook (AIE Undercast)	600,000
Bank Balances recovered back for the F/Y 2017/18	(52,079,004)
AfDB opening Balance	3,354,258
Equalisation Fund opening balances	6,813,780
NET ADJUSTMENT	(24,847,350)

NOTE

Kshs. 14,830,022 relates to outstanding imprests at end of financial year 2017/18 that we later cleared in the financial year 2018/19.

Kshs. 577,374 relates to unspent AIEs for financial year 2017/18 from the districts that were banked after end of the financial year.

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Kshs. 600,000 was an outstanding item on the bank reconciliation. Receipt in Bank Statement not in cashbook (AIE Undercast).

Kshs. 52,079,004 relates to bank balances at the end of year that were recovered back by the national treasury.

Ksks 3,354,258 and Ksh 6,813,780. These were closing balances of the AfDB and Equalisation Fund balances that were not included in the closing balances at end of Financial Year 2017/18.