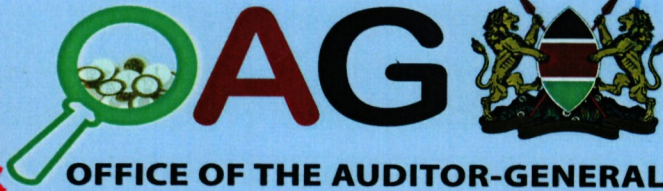


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CLERK-AT THE TABLE:	CHRISTINE NDIRITU

THE AUDITOR-GENERAL

ON

**STATE DEPARTMENT FOR VOCATIONAL
AND TECHNICAL TRAINING**

**FOR THE YEAR ENDED
30 JUNE, 2021**



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

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2021**

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

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1. KEY STATE DEPARTMENT FOR VOCATIONAL AND TECHNICAL TRAINING INFORMATION AND MANAGEMENT

The State Department for Vocational and Technical Training was formed on July 2018 through the Executive Order No. 1/2018 of July 2018 on “Organization of the Government of the Republic of Kenya”. At cabinet level, the Cabinet Secretary for Ministry of Education, who is responsible for the general policy and strategic direction of the State Department for Vocational and Technical Training, represents the State Department for Vocational and Technical Training.

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

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

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

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

origin.

(a) Key Management

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

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

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

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

(b) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021

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and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Cabinet Secretary, Ministry of Education	Prof. George A. O. Magoha, CBS
2	Chief Administrative Secretary	Hon. Hassan Noor Hassan
3	Principal Secretary, State Department of Vocational and Technical Training	Dr. Margaret W. Mwakima
4	Secretary Administration	Mr. David Yatich Kipkemei
5	Director General Technical Vocation Education Training Authority	Dr. Kipkurui Lang'at
6	Chief Executive Officer (CDACC)	Dr. Lawrence Guantai
7	Director General/ CEO (KNQA)	Mr. Johnson Nanjakululu
8	Deputy Accountant General	Mr. Joseph Kiraita
9	Chief Financial Officer	Mr. Anthony Masinde
10	Chief Economist	Ms. Evelyn Anupi
11	Head of Supply Chain Management Services	Mr. Gilbert Mamati
12	Director Human Resource and Development	Mr. Elikanah Mosiori
13	Director Vocational Education Training	Eng. Mutinda Mwaa
14	Ag. Director of Technical Education	Mr. Tom Mulati

(c) Fiduciary Oversight Arrangements

- (i)** Audit and finance committee activities
The key roles was to ensure that state department followed the laid down procedures as enshrined in the PFM act 2012 and regulations 2015 in the execution of budgetary allocations.
Finance roles were to ensure the programs of the state department are adequately funded and receives the required fundings.
- (ii)** Parliamentary committee activities
The roles were limited to handle outstanding audit issues, explaining and lobbying for more budget allocation based on the increased learning technical training institutions.
- (iii)** Development partner oversight activities
The state department is implementing various donor funded project and the committee is vital in ensuring that the projects timelines are met, quality work is done and status provide on time to time to ensure proper coordination and continuous flow of funds.

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(d) State Department for Vocational and Technical Training

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

(e) State Department for Vocational and Technical Training Contacts

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

(f) State Department for Vocational and Technical Training Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank
P.O. BOX 300112
City Square 00200
Nairobi, Kenya

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

2. FORWARD BY THE CABINET SECRETARY

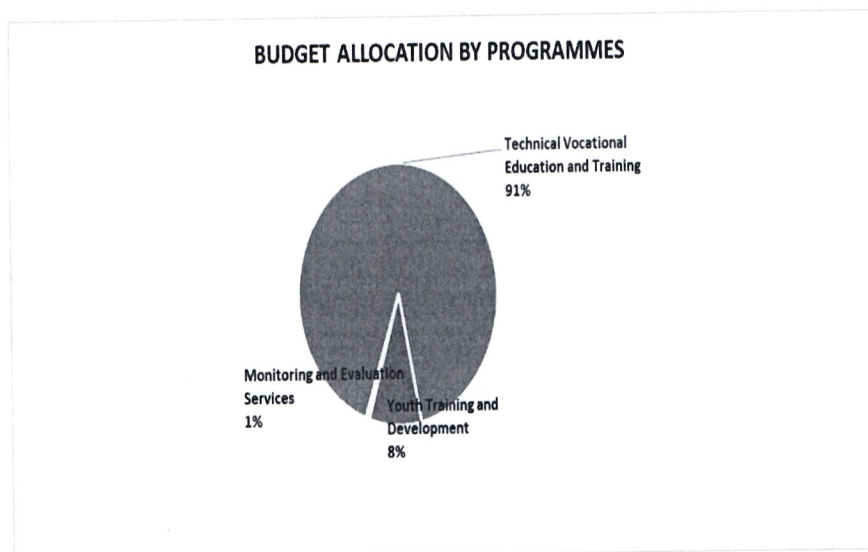
The Country's socio-economic development largely depends on the effectiveness and quality of its human resources development (HRD) system. In order to confront the developmental challenges, Kenya needs an education and training system that facilitates articulation amid its different components. The current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

- The TVET sub-sector is guided by the TVET Act no. 29 of 2013 and provides key reforms in this sub-sector to make it responsive to industry demands and the dynamic global technological changes. The sub-sector has had considerable growth in the past few years. It continues to produce the needed middle level human resource for the national economy. The Vision 2030 has placed special demands on TVET as the leading engine that the economy must essentially rely upon to produce adequate middle level manpower that is needed to drive the economy towards the attainment of the Vision. The success of the Vision 2030 and attainment of the 'Big 4' Agenda is hinged on the total numbers, skills and quality of its manpower.
- The Government of Kenya (GoK) has prioritized skills development and training through Technical Vocation Education and Training (TVET) as an enabler to achieving vision 2030, a catalyst for industrialization and a key strategy to addressing youth employment. TVET has been undergoing reforms which are guided by a number of policy documents including: Vision 2030; the 'Big 4' Agenda; the Sessional Paper No. 1 of 2019 on Reforming Education and Training in Kenya; National Education Sector Strategic Plan (NESSP) 2018-2022; and the TVET Act No. 29 of 2013 among others. The current endeavour is towards the improvement of TVET enrolment per 100,000 populations from 446 to 780 by 2022 and provides adequate opportunities for accessible Competency Based Education and Training.

BUDGET ALLOCATION

In the financial year 2020/21 the State Department for Vocational and Technical Training had a gross budget of KShs. 24,685,934,728 which was made up of KShs. 18,391,928,195 and KShs. 6,294,006,533 for recurrent and development vote respectively. The State Department was to expend the gross budget of KShs. 24,685,934,728 under the following three programmes:

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Key Performance Highlights

Below is an overview of the financial performance for the year ended 30 June 2021 as reported in the detailed financial statements together with the commentary and comparative analysis against budget and prior year for the key items in the financial statements.

Financial Performance Summary

Actual Performance against Budget for Year to 30 June 2021

Financial performance	Printed Estimates	Actual	Variance	% of Utilisation variance
Total Receipts	24,685,934,728	20,327,644,262	4,358,290,466	82%
Total Payments	24,685,934,728	20,312,283,149	4,373,651,579	82%
Surplus/Deficit	-	15,361,113	(15,361,113)	

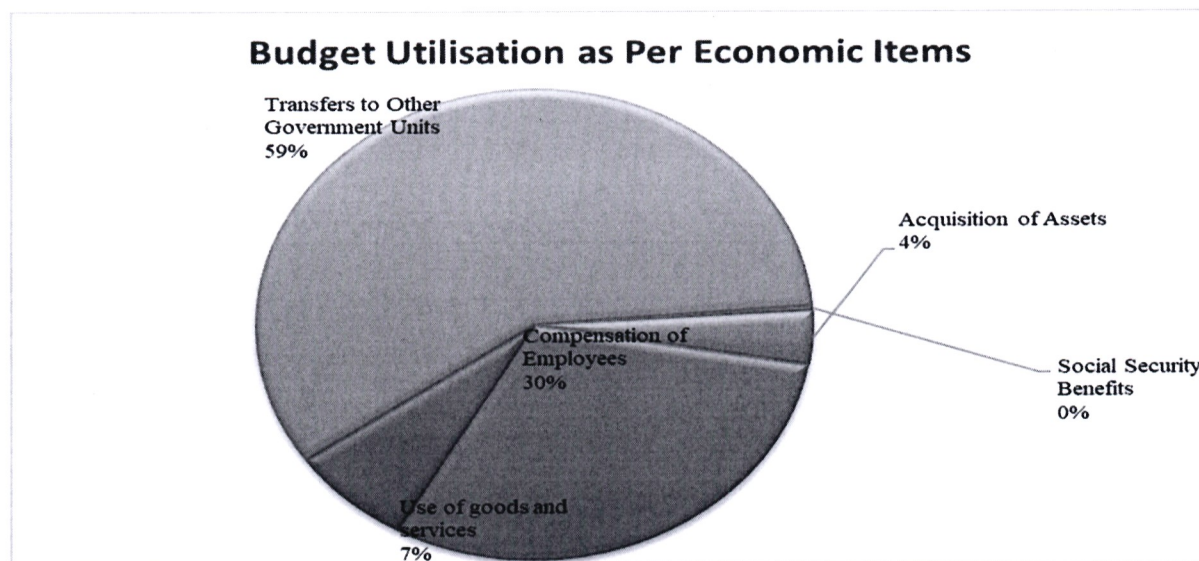
Actual receipts by the MDAs stood at 18% below budget while actual payments were 18% below budget. This is attributable to underutilisation of budget allocation for acquisition of assets and social security benefits

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Budget Utilisation

The State Department spent KShs. 20,312,283,149 against an approved budget of KShs. 24,685,934,728 representing absorption of 82%. Utilisation of the budget was carried out through various activities (economic classifications) as shown in the chart below:

	Approved Budget Allocation	Actual Payments	Variance
Compensation of Employees	6,205,754,341	6,174,004,258	31,750,083
Use of goods and services	2,150,360,761	1,465,900,314	684,460,448
Transfers to Other Government Units	15,071,048,592	11,858,364,762	3,222,683,830
Social Security Benefits	156,087,480	63,972,170	92,115,310
Acquisition of Assets	1,102,683,554	750,041,645	342,641,909
Total Payments	24,685,934,728	20,312,283,149	4,373,651,579



It is noted that 59% of the State Department's budget was used in Transfers to Other Government entities i.e. Vocational Training Institutes (75%), Projects, State Corporations, Semi-Autonomous Government Agencies (SAGAs). 30% of the budget was utilised on employee compensation while 4% was utilised in Acquisition of assets and 7% on use of goods and services.

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Receipts

The State Department's receipts mainly comprise of exchequer releases from the National Treasury. Other receipts, proceeds from domestic and foreign grants and other receipts.

Total Receipts Breakdown

Receipts	Year ended 30th June 2021	Year ended 30th June 2020	Change	% Change
	Kshs	Kshs		
Proceeds from Domestic and Foreign Grants	10,000,000	-	10,000,000	0%
Transfers from National Treasury	16,112,875,068	12,602,009,601	3,510,865,467	28%
Proceeds from Foreign Borrowings	1,868,679,733	2,501,756,878	(633,077,145)	-25%
Other Revenues	2,336,089,461	2,743,647,720	(407,558,259)	-15%
Total Receipts	20,327,644,262	17,847,414,199	2,480,230,063	14%

The increase in total receipts is as a result of an increase in exchequer releases from the National Treasury by KShs 3.5 Billion due to increased budgetary allocation. There was also an increase in other revenues by KShs10 million attributed to domestic and foreign grants from KfW/ Germany.

Payments

The State Department's payments mainly comprise of Transfers to Other Government entities i.e. Constituency Development Fund, Projects, and State Corporations, Semi-Autonomous Government Agencies (SAGAs), employee compensation and acquisition of assets

Total Payment Breakdown

Payments	Year ended 30 June 2021	Year ended 30 June 2020	Change	% change
	Kshs	Kshs		
Compensation of Employees	6,174,004,258.00	5,081,318,749.00	1,092,685,509.00	22%
Use of goods and services	1,465,900,314.00	2,277,385,052.00	- 811,484,738.00	-36%
Transfers to other Government Units	11,858,364,762.00	10,038,248,387.00	1,820,116,375.00	18%
Social Security Benefits	63,972,170.00	-	63,972,170.00	0%
Acquisition of Assets	750,041,645.00	450,532,838.00	299,508,807.00	66%
Total Payments	20,312,283,149.00	17,847,485,026.00	2,464,798,123.00	14%

The increase in payments is attributable to a significant increase in Transfers to Other Government entities i.e. Vocational Training Institutes (18%), Projects, State Corporations, Semi-Autonomous Government Agencies (SAGAs) Further, there was also an increase in Acquisition of Assets.

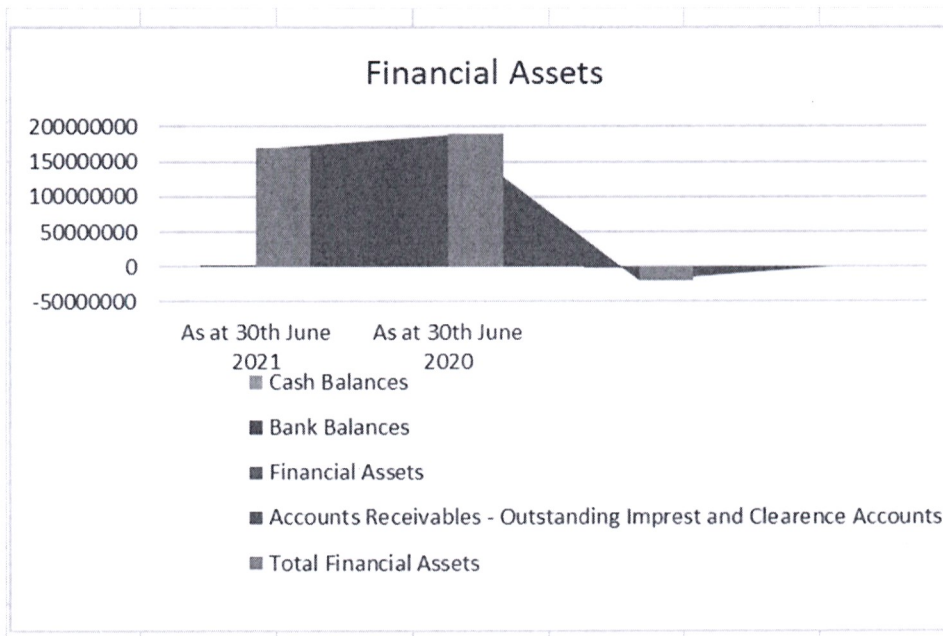
Financial Assets Summary

Financial Assets	As at 30th June 2021	As at 30th June 2020	Change	% Change
	Kshs	Kshs		
Bank Balances	167,630,436	187,133,948	(19,503,512)	-10%
Cash Balances	-	264,629	(264,629)	-100%
Accounts Receivables - Outstanding Imprest and Clearance Accounts	1,012,351	1,355,512	(343,162)	-25%
Total Financial Assets	168,642,787	188,754,089	(20,111,302)	-11%

Bank balances reduced by 10% as a result of increased spending towards year end. Cash balances increased by 100% due to decreased cash related transactions during the year. There

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is also a decline in accounts receivables by 25% as a result of prompt accounting for imprest advance by the imprest holders and also surrenders of AIE to the districts mainly towards year end.



Cash Flows and Cash Position

The cash and bank balances held by the State Department for Vocational and Technical Training as at 30 June 2021 was KShs 167 Million compared to KShs 187 Million held as at 30 June 2020. The breakdown of the cash and bank balances is as summarized in the table below

Financial Assets	Kshs	Kshs	Change	% Change
Bank Balances	167,630,436	187,133,948	(19,503,512)	-10%
Cash Balances	-	264,629	(264,629)	-100%
Total	167,630,436	187,398,577	(19,768,141)	-110%

Bank balances decreased by 10% as a result of increased spending towards year end. Cash balances increased by 100% due to decreased cash related transactions at the year.

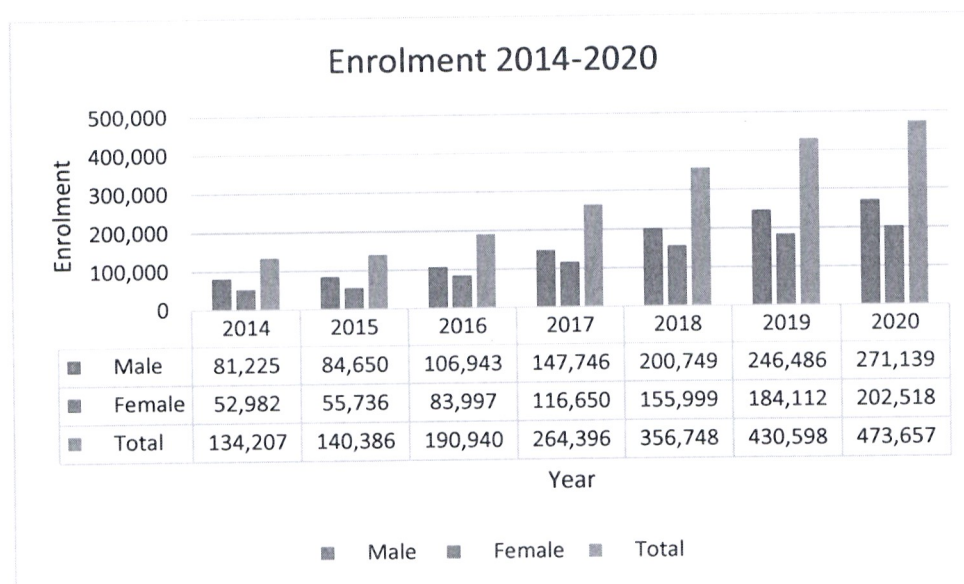
In the financial year 2020/21, the State Department had a budget allocation of Ksh 24,685,934,728 of which Recurrent Ksh 18,391,928,195 and development was Ksh 6,294,006,533. For recurrent budget the absorption rate stood at 83%. The low absorption is attributed to delay in getting data from KUCCPS which the department uses to inform disbursement of capitation to trainees. For development vote the absorption rate was 85%. The low absorption is attributed to the development budget being uploaded in the second quarter delaying budget execution.

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During the period under review, the overall enrolment in Public TVET institutions under Ministry of Education recorded a 9.9 % increase. The gross enrolment for both public and private TVETs increased from 430,589 (246,486 Male and 184,112 Female) in 2019/20 to 473,657 trainees (271,139 males and 202,518 females) in 2020/21. Out of this enrolment, National Polytechnics accounted for 23.7 percent, whereas Vocational Training Centres (VTCs) accounted for 31.5 percent.

This increase between the years is attributed to the establishment of new TVCs in the country, expansion of existing TVET Institutions; increased funding of special needs TVET institutions, the introduction of annual capitation to each trainee in the TVET institutions under the Ministry of Education and enhancement of Higher Education Loans Board trainees’ loan allocation. The inaugural capitation disbursement was done in the FY 2018/19 and amounted to Kshs 2,446 Million and this increased to Kshs 2,673 Million in the FY 2019/2020 and Kshs 4,946 Million in the FY 2020/21. The TVET HELB loan expenditure grew from Kshs 300 Million in FY 2018/19 to Kshs 4,062 Million for FY 2019/20 and but reduced to Kshs 2,555 M in FY 2020/21

- The Gender Parity Index recorded 0.75 implying that although male still have an edge over female, performance of female in terms of enrolment improved.



The number of public and private TVET institutions rose from 2,028 in 2018 to 2,191 in 2019 and 2,379 in 2020 to as presented in Table 1.1. The number of TVET institutions is set to sharply rise given the ongoing construction and the Government’s commitment to ensure that there is at least one TTI in each of the 290 constituencies

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Table 2: Public and Private TVET Institutions 2018-2020

Category	2018	2019	2020
Public Vocational Training Centres (VTCs)	1,200	1,200	1,200
Private Vocational Training Centres (VTCs)	63	47	86
Public Technical and Vocational Colleges	109	191	238
Technical Trainers College	1	1	1
Private Technical and Vocational Colleges	645	742	843
National Polytechnics	10	10	11
Total	2,028	2,191	2,379

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

Construction of TVCs in Constituencies (GoK):

During the period under review, the state department continued with construction works for new Technical and Vocational Colleges in constituencies. The construction is split into four phases namely: 9 TTIs in Counties without any; Phase I of 60 TTIs in constituencies; Phase II of 70 TTIs in Constituencies; and Phase III of 30 in constituencies. For the Phase of 9 TTIs, a total of 6 were completed and operationalized during the period under review. For Phase I of 60, a total of 53 were completed and operationalized. The remaining seven (Sigor – 79%, Lamu East – 95%, Samburu West – 59%, Kakrao – 85%, Balambala – 65%, Saku – 80% and Merti – 95%) have delayed due to failure of NG-CDF to contribute Kshs 10M each, natural calamities and insecurity. Phase II of 70, a total of 60 were completed and operationalized. The remaining ten (Igembe South – 79%, Mandera North – 92%, Ngeria – 45%, Wajir North – 35%, Laikipia West – 40%, Moyale – 85%, Gichugu – 65%, Magarini – 60%, Ombek – 98% and Kapchepkor – 95%) have delayed due to breach of contracts and failure of NG-CDF to contribute Kshs 10M each. The sub sector-initiated phase III of 30 TVCs which recorded an average of 45 percent completion. The sub sector goal as derived from Jubilee Government Manifesto is to establish one TVC per constituency in a phased approach in Kenya. For the FY 2020/2021 the subsector had planned to initiate the establishment of five TVCs in constituencies that still do not have a TVC; however due to the budgetary racialization in the FY 2019/2020 this establishment was not initiated. In summary, 119 of these TVCs were completed and operationalized.

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Table 1.2: Status summary of newly established TVCs

Phase of the project	Institutions that are completed	No. of institutions not completed	No. of institutions equipped	No. of institutions not equipped
Nine TVCs in Counties (9)	6	3	6	3
Phase I of TVCs in Constituencies (60)	54	6	54	6
Phase II of TVCs in Constituencies (70)	59	11	42	15
Phase III of TVCs in Constituencies (30)	0	30	0	30

Source: DTE 2020

Mwala TVC: GoK - Phase of 70 TVCs



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Construction of Karen Technical



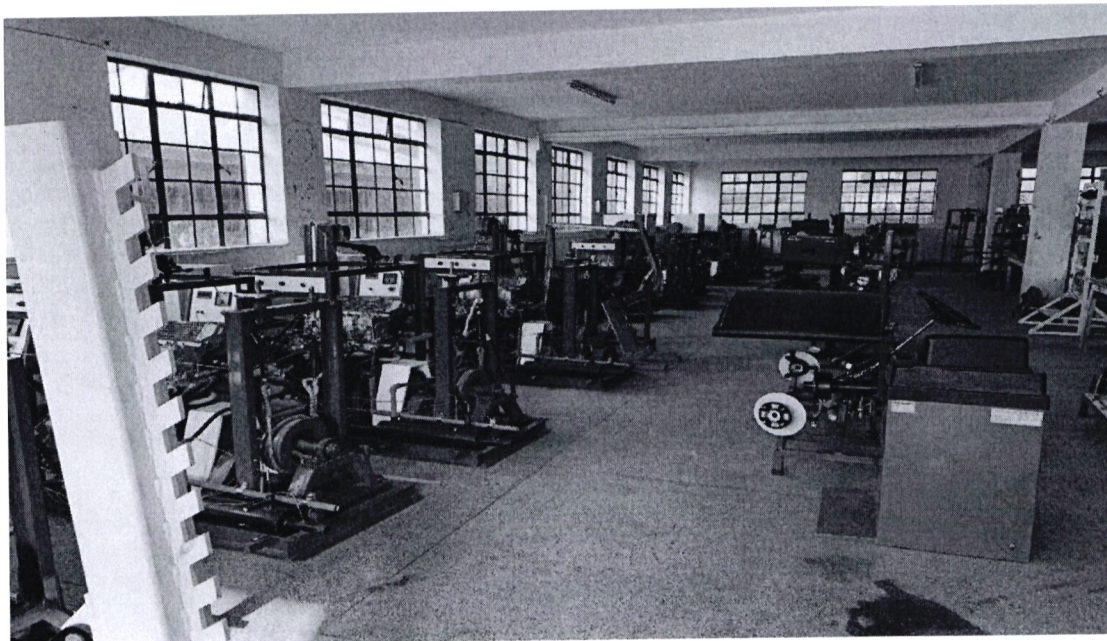
Construction of Aldai TVC



Equipping of TVET institutions under GoK/Africa Development Bank initiative

The aim is to improve access, quality and relevance in TVET sector. A total of 33 institutions were targeted for equipping. Four special technical training institutions were equipped to equip vulnerable youth with relevant TVET skills and work experience. By the close of 2020/21 a total of 28 departments were equipped. A total of 12 workshop blocks in 12 institutions are being constructed under the GoK/AfDB project, 5 institutions (Karen Institute for the Blind, Godoma TTI, Tseikuru TTI, Siala TTI and Aldai TTI) are practically complete.

Provision of Automotive Equipment under GoK/AfDB at Kisii NP



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



Equipping of TVET institutions under GoK/ China Project:

The equipping of TVET institutions was funded by GoK and China Government to the new and existing TVET institutions. The department started equipping Technical and Vocational Colleges to improve access, quality and relevance in TVET sector. A total of 144 institutions have been

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equipped under the GoK/China initiative. Out of this number, a total of 42 were equipped in 2019/20 FY. In the FY 2020/2021, the Ministry of Education uprated the power intake point to a satisfactory load to run the equipment for twelve (12) TVET institutions that benefitted from Agricultural Value Addition equipment

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



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



Reforms under Trainer Management: The Kenya Technical Trainers College was supported to improve its infrastructure. Specifically, the Food and Beverage complex comprising

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restaurants, modern kitchens, classrooms, open working areas and offices were constructed. The college has an on-going project to put up an institutional management complex. As a result of these initiatives, enrolment increased from 4,461 in 2018/2019 and further to 5,067 in FY 2019/20 and 4687 in the 2020/2021.

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. As part of reforms in trainer management, 4,500 TVET trainers have had their services transferred from TSC to Public Service Commission of Kenya (PSCK). In the FY 2018/19 and 2019/20, the PSCK hired an extra 2,596 trainers to address the huge shortfall of trainers; this shortfall was inherited from the TSC and it has been further exacerbated by the expansion in TVET which has seen the National Polytechnics grow from ten (10) in the FY 2018/19 to twelve in the year 2019/2020. The Technical and Vocational Colleges grew from 124 in the FY 2018/19 to 192 in the FY 2020/21. Given this rapid growth in TVET institutions, the subsector has initiated establishment of a unit to manage the trainers and have more presence at the county level.

Special Needs in Technical and Vocational Education: The four (4) special needs institutions were integrated in the TVET sector with their budget increasing from 158 million in 2018/19 to 160.4 million in 2019/20 and remained at Ksh.160.4 Million in 2020/2021. The number of students enrolled in TVET SNE institutions (Machakos TTI for the Blind; Karen TTI for the Deaf; Sikri TTI for Deaf and Blind; Nyang'oma TTI for the Deaf) increased from 1,757 in FY 2018/19 to 2,414 in FY 2019/20 and 3,301 in FY 2020/2021.

Under infrastructure development, one new leather technology workshop was constructed in Machakos TTI for the Blind and one ablution block was constructed at Karen TTI for the Deaf. Construction of two tuition blocks was initiated in Nyangoma TTI for the Deaf and Sikri TTI for Deaf and Blind. The construction of workshop block comprising main building with classrooms, laboratories and offices commenced in the FY 2017/18 in the 4 TTIs and completed by FY 2020/21. The construction works included female and male hostels in the four institutions

Revitalization of youth polytechnics: During the period under review, under the Kenya Italy Debt for Development Programme (KIDDP) project, 6 workshops were constructed in 2 youth polytechnics, 3 hostels were constructed and rehabilitated, 3 administration blocks were built and 3 power houses connected with electricity and a total of 3 youth polytechnics were supplied with ICT equipment.

The department has been disbursing conditional grants to VTCs (formerly known as youth/village polytechnics) through the County governments. This initiative has led to growth in enrolment in VTCs from 107,680 in 2018 /19 to 128,947 in 2019/20 and 139,439 in FY 2020/21 which is mainly attributed to the expansion of the VTCs infrastructure development, modernization and expansion of VTCs by the County governments. The National government's

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effort to rehabilitate VTCs through provision of the conditional grant boosted this growth and positive perception in vocational training.

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

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

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

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

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

development.

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

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

Implementation Challenges

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

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

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

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

Regional and gender disparities in access and participation to education and training: Gender disparity exists with low enrolment in some regions especially marginalised regions. In some regions of the country, females do not have same opportunities in accessing education

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and training as their male counterparts due to retrogressive cultural and religious practices. Some religious and cultural beliefs such as female genital mutilation and child labour hinder girls from attending training.

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

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

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

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

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

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

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

Recommended way forward

In order to reverse some of the negative trends in TVET, the Government initiated reforms through the TVET Act 2013, with a view to improving quality and relevance of training and employability of youth and to increase enrolment from the current 430,598 to 3 million by 2022. The need for increased investment in TVET has further been emphasized in the Education sector analysis conducted in 2018 and the National Education Sector Strategic Plan 2018 – 2022. In addition, the role of TVET in developing the relevant human capital for the attainment of GoK's

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'Big Four' agenda on manufacturing, food security, affordable healthcare and affordable housing is underscored in the Third Medium Term Plan, 2018-2022. The specific interventions and way forward are as discussed below:

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

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

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

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

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

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

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

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

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

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

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

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

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

Introduction

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

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

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

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

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

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Progress on attainment of Strategic development objectives

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

Program	Objective	Outcome	Indicator	Performance
Infrastructure development and equipment of TVET	To improve infrastructure and equip TVET institutions to enable them deliver market ready skills	Promote acquisition of market - ready skills at TVET level	No of TVCs constructed constituencies;	In FY 2020/21 the state department continued the construction which is done in four phases namely: 9 TTIs in Counties without any; Phase I of 60 TTIs in constituencies; Phase II of 70 TTIs in Constituencies; and Phase of 30 in constituencies. For the Phase of 9 TTIs, a total of 5 were completed and operationalized during the period under review. For Phase I of 60, a total of 54 were completed and operationalized while for Phase II of 70, a total of 58 were completed and operationalized. The sub sector initiated phase III of 30 TVCs which recorded an average of 20 per cent completion. In summary, 119 of these TVCs were completed and operationalized, 3 were in the process of being operationalized towards the end of FY 2020/21.

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Program	Objective	Outcome	Indicator	Performance
				<p>Equipping of TVET institutions under GoK/ Africa Development Bank: In 2020/21 a total of 33 were equipped The 4 special technical training institutions were equipped to equip vulnerable youth with relevant TVET skills and work experience.</p>
				<p>Equipping of TVET institutions under GoK/ China Project: A total of 144 institutions have been equipped under the GoK/China initiative. Out of this number, a total of 42 were equipped in 2020/21 FY.</p>
<p>Rebranding and repositioning TVET.</p>	<p>To support trainees coming into TVET while also rebranding and repositioning TVET to make it a premier education pathway to train workers for the labour market</p>	<p>Increased enrolment in TVET</p>	<p>Gross enrolment in TVET</p>	<p>During the period under review, the overall enrolment in Public TVET institutions under Ministry of Education recorded a 9.9 % increase. The gross enrolment for both public and private TVETs increased from 430,589 (246,486 Male and 184,112 Female) in 2019/20 to 473,657 trainees (271,139 males and 202,518 females) in 2020/21. Out of this enrolment, National Polytechnics accounted for 23.7 per cent, whereas Vocational Training Centres (VTCs) accounted for 31.5 percent.</p>

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Program	Objective	Outcome	Indicator	Performance
Inclusive training in TVET	To enhance equity and inclusivity in TVET.	Improved Gender Parity	Gender parity index	The Gender Parity Index registered 0.75 implying that although male still have an edge over female, performance of female in terms of enrolment improved.
Competency Based Education and Training (CBET) Curriculum Development	To ensure that TVET courses are competency based and aligned to the labour market demands thus reducing the mismatch between skills training and industry demands	Reduced mismatch between skills training and industry demands	Increased employability and self-reliance	<p>In the period under review, TVET CDACC in partnership with the industry developed 295 CBET curricula. This brings a cumulative total of 406 CBET curricula. In addition, the Council capacity built 8,062 Curriculum developers, assessors and verifiers in the period under review. So far 12,131 TVET trainers and industry experts have been trained on Competency Based Assessment. Further 98 Sector Skills Advisory Committees (SSACs) in various sectors and recruited fifty-one (51) TVET CDACC officers.</p> <p>106 competence assessment centers were registered. In addition, the Council developed 111 learning guides and digital content for 10 CBET courses to support the implementation of the CBET curriculum as well as capacity building TVET trainers on the development of learning guides, training programs and digital content</p>

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Program	Objective	Outcome	Indicator	Performance
Trainer Management Services	To improve the management of TVET trainers and instructors	Improved sourcing, deployment, development and retaining competent Trainers in TVET institutions under the purview of Ministry of Education	Improved trainer management	<p>The Kenya Technical Trainers College was supported to improve its infrastructure. Specifically, the Food and Beverage complex comprising restaurants, modern kitchens, classrooms, open working areas and offices were constructed. The college has an on-going project to put up an institutional management complex. As a result of these initiatives, enrolment increased from 4,461 in 2018/2019 and further to 5,067 in FY 2019/20 and 4687 in the 2020/2021.</p> <p>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. As part of reforms in trainer management, 4,500 TVET trainers have had their services transferred from TSC to Public Service Commission of Kenya (PSCK). In the FY 2018/19 and 2019/20, the PSCK hired an extra 2,596 trainers to address the huge shortfall of trainers</p>

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Program	Objective	Outcome	Indicator	Performance
TVET Accreditation and Quality Assurance	To strengthen TVET Accreditation and Quality Assurance in TVET	Strengthened TVET Accreditation and Quality Assurance in TVET	Strengthened TVET Accreditation and Quality Assurance in TVET	A total of 434 TVET institutions were accredited in FY 2018/19, 305 in FY 2019/2020 and 414 in FY 2020/2021.

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Program	Objective	Outcome	Indicator	Performance
	To coordinate and harmonize the various levels of education and Training in the County; and to create a database of all qualifications in the country.	A coordinated and harmonized education and Training in the County;	A Kenya National Qualification Framework and database	<p>The KNQF Regulations were developed and gazetted in FY 2018/2019. This paved way for the development of requisite National policies, Standards and Guidelines in the subsequent years. Notably, a total of 10 national policies to inform the implementation of the National Qualifications Framework were developed. The Authority further developed 100 guidelines to inform recognition, equation and verification of qualifications. The Authority developed and implemented a web-based portal (KNREV) that allows for online application and processing of recognition, equation and verification of foreign and local qualifications</p> <p>In addition, 1,318 National Qualifications and 9 Qualifications Awarding Institutions (QAIs) were assessed and Registered in the KNQF. Further, a total of 108 institutions including QAIs, professional bodies, Education and Training providers were sensitized on the role of the KNQF during the period. A National Qualifications Management Information System (NAQMIS) that will allow for creation, storage and access of qualification records was also developed</p>

4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

4.1 Sustainability strategy and profile

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

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

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

As the nature of required education, training and skills changes rapidly, TVET institutions including youth polytechnics need better understanding of how to respond to the changing technological

capabilities and skill needs of the job market. They are faced with the daunting task of producing graduates who fit the current workplace and the National economy. In turn, if they are to inform and influence core education and training activities, firms and skill planners need to have an enhanced understanding of the will, competencies and capabilities of TVET colleges to respond to the skills demand

Quality service at tertiary level of learning is the most important factor for motivating students. There is therefore need to ensure that the quality in services offered to students in TVET institutions is maintained. This requires putting in place deliberate measures to tackle the challenges of quality, knowledge, skills and motivation of vocational teachers and trainers. There is need for continued quality assurance in the Sub Sector and the empowerment of Quality Assurance Officers to carry out their mandate to ensure quality education in the sub- sector including those in the devolved units. Service providers in youth polytechnics should also be given service quality training that promotes friendly and caring services. Better trained instructors are able to deliver high quality education and industry standard training and education. Where possible institutions should partner with relevant industries and invite lecturers from relevant industries for practical exposure. The Government should recruit adequate qualified staff and ensure that all staff receive continuous training and development on course delivery using modern methods, teaching methodologies and practical knowledge among others. The Government should also provide youth polytechnics with adequate, modern and quality materials for practical lessons such as smart boards, projectors, and computers to improve the quality of learning. Emphasis should be placed on assessing quality service in youth polytechnics with the objective of ensuring quality education and fostering students' satisfaction.

4.2 Environmental performance

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

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

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

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

In compliance with requirements of the National Environment Management Authority

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(NEMA), all our capital projects undergo Environment Impact Assessment (EIA) before construction begins. All our sites are NEMA compliant.

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

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

4.3 Employee welfare

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

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

We are proactive and progressive in our human resources policies and our programs and are committed to creating an outstanding place to work and build a career. We have key policies and provisions support our strong viewpoints on diversity and inclusion, anti-harassment and human

rights. We also invest in talent development through workshops and training programs. In 2019/0 a team of trainers were taken to China under the GoK/China project for a hands on training on how to handle the State of Art Equipment that have been delivered to TVET institutions

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

We have embraced Performance appraisal with a total of 136 TVET institutions having been placed on Performance Contract. At the Headquarter level, all staff are appraised based on set and agreed upon targets.

4.4 Market place practices-

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

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

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

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

We value our suppliers and contractors. Under the construction of TVCs in constituencies, we embrace the mentor-mentee approach where established TVET institution manages construction

of a new TVC. The procurement process is done by the mentor under the guidance of the Council/Board. We honour all contractual agreements and ensure timely payments by depositing funds in the mentor institution account. The mentor manages the funds and pays contractors after certification by Project manager.

4.5 Community Engagements-

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

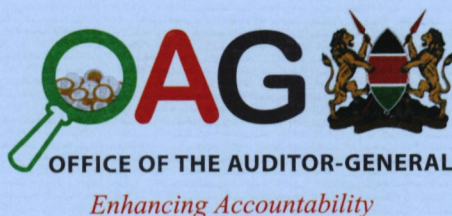
Social partnerships in TVET are vehicles for positive results, including:

- (i) Providing learning opportunities
- (ii) Serving as vehicles for addressing socioeconomic challenges;
- (iii) Becoming a site for localized decision-making related to TVET and broader community well-being;
- (iv) Providing local advice capable of informing centralized policy-making in and beyond TVET. Partnerships can take different forms to achieve these results.

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

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REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR VOCATIONAL AND TECHNICAL TRAINING FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that consider whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards, and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines, and manuals and whether public resources are applied in a prudent, efficient, economic, transparent, and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management, and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the Risk Management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient, and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management, and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the State Department for Vocational and Technical Training set out on pages 1 to 24, which comprise the statement of financial assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation - recurrent and development combined, a summary statement of appropriation - recurrent, a summary statement of appropriation; development and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of State Department for Vocational and Technical Training as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Unreconciled Bank Balances

The statement of assets and liabilities as detailed in Note 10A as at 30 June, 2021 reflects bank balances of Kshs.167,630,436. As previously reported, the comparative bank balance of Kshs.187,133,948 had various project bank balances which differed with the balances reflected in the respective financial statements as follows:

Project	Bank Balance as per the Financial Statements of the State Department (Kshs.)	Bank Balance as per the Financial Statements of the Project (Kshs.)	Variance (Kshs.)
ADB	3,354,258	Nil	3,354,258
KIDDP	26,342,444	26,159,554	182,890
EASTRIP	72,009,480	71,945,910	63,570
Total			3,600,718

The closing balance therefore included unexplained and unreconciled opening balance variance of Kshs.3,600,718.

Further, the bank reconciliation statement for Account Number 1000302577 had payments in cash book not in bank statement of Kshs.375,555,436. Included in the balance are payments to staff amounting Kshs.90,146,668 paid between 26 and 30 June, 2021 all of which have not been included in the outstanding imprest though there is no evidence the activities were undertaken before the year end.

In the circumstance, the accuracy and completeness of the bank balance of Kshs.167,630,436 could not be confirmed.

2.0 Misclassification of Transactions in the Ledger

The supporting ledgers provided for audit revealed the following misclassification of expenses.

Account Name	Amount (Kshs.)	Correct General Account
Communication	1,018,560	Printing, Advertising
Training	170,000	Hospitality
Rentals of Produced Assets	1,815,333	Utilities
Total	3,003,893	

In the circumstance, the accuracy and completeness of the financial statements could not be confirmed.

3.0 Compensation of Employees

The statement of receipts and payments reflects compensation of employees of Kshs.6,174,004,258 which is at variance with the amount reported in the Integrated Payroll and Personnel Database (IPPD) summary of Kshs.6,171,887,634 resulting in an unreconciled and unexplained variance of Kshs.2,116,624. Further, included in the compensation of employees amount of Kshs.6,174,004,258 is Kshs.5,063,658 paid as overtime allowance to staff and Kshs.8,851,948 paid in respect of leave commutation by staff which was not supported with the necessary approvals and justification.

Additionally, the compensation of employees amount of Kshs.6,174,004,258 includes payments totalling Kshs.11,871,140 that have been described as salary reimbursements for which no supporting document or explanations were provided for audit review.

In the circumstances, the accuracy and completeness of the compensation of employees of Kshs.6,174,004,258 could not be confirmed.

4.0 Use of Goods and Services

The statement of receipts and payments reflects and as disclosed in Note 6 of the financial statements use of goods and services amount of Kshs.1,465,900,314. The following anomalies were observed in respect of these payments:

4.1 Utilities, Supplies and Services

Note 6 of the financial statements reflects utilities, supplies and services payments amounting to Kshs.5,925,183. However, an amount of Kshs.3,240,260 related to District expenditure was not supported by respective utility bills and proof of actual payments. Further, the supporting ledger includes an amount of Kshs.1,009,810 that has been described as correction of electricity expenditure charged in wrong account which has not been supported by duly approved journal vouchers. No explanation has been rendered in support of the adjustment.

Under the circumstances, accuracy and completeness of utilities, supplies and services expenditure of Kshs.4,250,070 could not be confirmed.

4.2 Rental of Produced Assets

Note 6 of the financial statements reflects rental of produced assets of Kshs.39,442,747 which includes Kshs.2,056,560 in respect of rental payments for District offices that has not been supported by lease agreements for the respective District offices.

Under the circumstances, accuracy and completeness of rental of produced assets expenditure of Kshs.2,056,560 could not be confirmed.

4.3 Training Expenses

Note 6 of the financial statements reflects training expenses of Kshs.59,725,113. Included in this amount are allowances to staff amounting Kshs.14,963,448 which do not relate to training activities. Management did not provide supporting evidence and authority for the reallocation of funds. This was contrary to Section 43 of Public Finance Management Act, 2012.

In addition, the training expenses includes AIEs issued on 28 June, 2021 to various Districts amounting to Kshs.943,380 that had not been surrendered as at 30 June, 2021 though fully expensed in the financial statements.

Under the circumstances, the accuracy and completeness of the allowances and AIEs amounting to Kshs.15,906,828 in respect of training expenses could not be confirmed.

4.4 Specialized Materials and Services

Note 6 of the financial statements reflects payments in respect of specialized materials and services amount of Kshs.1,150,718,245. Included in this amount are payments for two projects amounting to Kshs.1,143,096,785 in respect of direct payments made to an international supplier by financing bank for supply of goods that were purportedly delivered to various TVET institutions. However, the expenditure was not supported by a financing agreement even though Management indicates there was one signed on 5 September, 2013 and an addendum on 5 May, 2016 and there has been no audited accountability statements for the projects since inception. Further, the project activities have not been supported by approved work plans and procurement plans.

In addition, the payments for specialized material and services included imprest surrenders by staff in respect of travel allowances amounting to Kshs.4,240,200 that could not be matched to any activities related to the procurement of specialized materials and services and the surrender documents to support the travels were not provided for audit review.

Under the circumstances, accuracy, completeness, and validity of specialized materials and services expenditure of Kshs.1,150,718,245 could not be confirmed.

5.0 Transfers to Other Government Units - Current Grants

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects transfers to other Government units of Kshs.11,858,364,762 which includes current grants of Kshs.8,777,167,048. Included in this amount are payments made on 30 June, 2021 amounting to Kshs.28,301,560 in respect of verification of trainees' enrolment data in technical institutions. However, no details of the Institutions where the amounts were transferred to. In addition, the expenditure has not been supported by a work plan, budgetary allocation, institutions to be visited and a report after the verification exercise and proof of actual travel to verify the trainees.

In the circumstance, the validity of the trainees' expenditure of Kshs.28,301,560 for the year ended 30 June, 2021 could not be confirmed.

6.0 Transfer to Other Government Units - Capital Grants

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects transfers to other Government units of Kshs.11,858,364,762. Included in this amount is Kshs.3,081,197,714 in respect of transfers to other levels of Government - capital grants. The amount further includes Kshs.2,710,510,124 disbursed during the year to institutions to undertake various projects for construction of Technical and Vocational Colleges throughout the country. However, Management did not provide evidence in support of receipt of the funds by implementing institutions.

In addition, the amounts were expensed at the point of disbursement. The receiving institutions did not prepare accountability statements expenditure summaries, progress certificates to support payments and project progress status report in support the utilization of the funds.

In the circumstances, the accuracy, completeness and validity of the capital disbursements amount of Kshs.2,710,510,124 could not be confirmed.

7.0 Transfer to Other Government Units - Appropriations-In-Aid

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects transfers to other Government units amount of Kshs.11,858,364,762. Included in this amount are current grants of Kshs.8,777,167,048. The current grant included Appropriation-In-Aid received amounting to Kshs.1,404,367,307 which differ with the amount disclosed as other revenues receipts under the statement of receipts and payments of Kshs.2,336,089,461 resulting to an unexplained and unreconciled variance of Kshs.931,722,154.

In the circumstances, the accuracy and completeness of the Appropriation-In-Aid of Kshs.2,336,089,461 for the year ended 30 June, 2021 could not be confirmed.

8.0 Acquisition of Assets - Construction of Buildings

The statement of receipts and payments and as disclosed in Note 9 to the financial statements reflects acquisition of assets of Kshs.750,041,645. Included in this amount are payments in respect of construction of buildings amounting to Kshs.730,165,945. The

payments further include an amount of Kshs.722,131,333 in respect of contractors undertaking constructions at various Technical Training Institutions. The payments did not have supporting documents in form of expenditure summaries, procurement procedures and project periodic architect's valuation certificates provided for audit verification.

In the circumstance, the validity of the expenditure of Kshs.722,131,333 on construction of buildings could not be confirmed.

9.0 Proceeds from Foreign Borrowings

The statement of receipts and payments reflects Proceeds from Foreign Borrowings of Kshs.1,868,679,733. Included in this amount is the Kenya China Projects amount of Kshs.1,054,551,634 which related to payments made directly to the suppliers by the lending Bank. However, the Management did not provide in support of the payments, and inspection and acceptance reports for the goods or services rendered.

In the circumstance, the accuracy and completeness of proceeds from foreign borrowings of Kshs.1,054,551,634 could not be confirmed.

10.0 Over Disbursement of Capitation due to use of Unverified Data

Review of records by the Kenya Universities and Colleges Central Placement Service revealed that the student enrolment was 182,388. Analysis of the data revealed that twenty-seven (27) were non-citizens, 18,307 did not provide index numbers and 2,726 were duplicates leading to 161,328 validated students. However, enrolment numbers provided by the Service were not used for disbursement purposes resulting to over disbursement of Kshs.28,005,000. Management did not provide explanations on why reconciliation of student data was not done.

In the circumstance, the accuracy and completeness of the disbursements of Kshs.28,005,000 as capitation could not be confirmed as a proper charge to public funds.

11.0 Disbursement of Capitulations to Institutions during the Lockdown Period

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects transfers to other Government units of Kshs.11,858,364,762. Included in this amount are transfers to National Government entities-current grants of Kshs.8,777,167,048 which further includes an amount of Kshs.2,528,002,500 disbursed during Covid-19 lockdown when students were not in session.

In the circumstance, the disbursements of Kshs.2,528,002,500 was not a proper charge to public funds.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the State Department for Vocational and Technical Training Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing 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 were no key audit matters to report in the year under review.

Other Matter

1.0 Budgetary Control and Performance

The State Department had an approved receipts budget of Kshs.24,686,934,728 against actual receipts of Kshs.20,327,644,262 resulting to an under funding of Kshs.4,358,290,466 or 18%. Similarly, the State Department had an approved expenditure budget of Kshs.24,686,934,728 against an actual expenditure of Kshs.20,312,283,149 resulting to under absorption of Kshs.4,373,651,579 or 18%.

The Management attributed the under-funding and the under-absorption to delayed exchequer releases. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2.0 Unresolved Prior Year Audit Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Management has not provided reasons for the delay in resolving the prior year audit issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Management of Imprests

The State Department issued imprests totalling Kshs.15,192,007 to staff before surrendering the previous ones. This is contrary to Regulation 93(8) of the Public Finance Management (National Government) Regulations, 2015 which provides that an accounting officer or AIE holder shall ensure that no second imprest is issued to any officer before the first imprest is surrendered or recovered in full from his or her salary.

The Management of the State Department was in breach of the law.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements, plan, and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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 governance were not effective.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis and for maintaining effective 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, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the State Department's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the State Department or 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 State Department's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation

to governance and risk Management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the State Department's ability 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

23 March, 2022

*State Department for Vocational and Technical Training
Reports and Financial Statements
For the year ended 30 June 2021*

**6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE
2021**

	Note	2020- 2021 Kshs	2019-2020 Kshs
RECEIPTS			
Proceeds from Domestic and Foreign Grants	1	10,000,000	-
Transfers from National Treasury	2	16,112,875,068	12,602,009,601
Proceeds from Foreign Borrowings	3	1,868,679,733	2,501,756,878
Other Revenues	4	2,336,089,461	2,743,647,720
TOTAL REVENUES		20,327,644,262	17,847,414,199
PAYMENTS			
Compensation of Employees	5	6,174,004,258	5,081,318,749
Use of goods and services	6	1,465,900,314	2,277,385,052
Transfers to Other Government Units	7	11,858,364,762	10,038,248,387
Social Security Benefits	8	63,972,170	-
Acquisition of Assets	9	750,041,645	450,532,838
TOTAL PAYMENTS		20,312,283,149	17,847,485,026
SURPLUS/DEFICIT		15,361,113	(70,827)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The State Department for Vocational and Technical Training financial statements were approved on 30 September 2021 and signed by:

Principal Secretary

Dr. Margaret W. Mwakima PhD. DD., CBS

Deputy Accountant General

Joseph M. Kiraita

ICPAK Member Number: 3644

*State Department for Vocational and Technical Training
Reports and Financial Statements
For the year ended 30 June 2021*

7. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2021

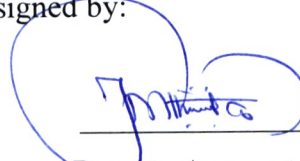
	Note	2020- 2021 Kshs	2019- 2020 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10A	167,630,436	187,133,948
Cash Balances	10B	-	264,629
Total Cash And Cash Equivalents		167,630,436	187,398,577
Accounts Receivables - Outstanding Imprest and Clearence Accounts	11	1,012,351	1,355,512
TOTAL FINANCIAL ASSETS		168,642,787	188,754,089
LESS: FINANCIAL LIABILITIES			
Accounts Payables - Deposits	12	57,497,975	63,430,168
NET FINANCIAL ASSETS		111,144,812	125,323,921
REPRESENTED BY			
Fund balance b/fwd	13	125,323,921	82,559,217
Prior year adjustments	14	(29,540,223)	42,835,530
Surplus/Defict for the year		15,361,113	(70,827)
NET FINANCIAL POSSITION		111,144,812	125,323,920

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The State Department for Vocational and Technical Training financial statements were approved on 30 September 2021 and signed by:



Principal Secretary

Dr. Margaret W. Mwakima PhD. DD., CBS



Deputy Accountant General

Joseph M. Kiraita

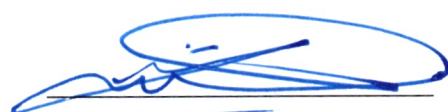
ICPAK Member Number: 3644

Ministry of Education-State Department for Vocational and Technical Training
Reports and Financial Statements
For the year ended June 30, 2021

8. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

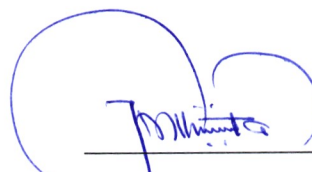
	Note	2020- 2021 Kshs	2019- 2020 Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Proceeds from Domestic and Foreign Grants	1	10,000,000	-
Transfers from National Treasury	2	16,112,875,068	12,602,009,601
Other Revenues	4	2,336,089,461	2,743,647,720
		18,458,964,529	15,345,657,321
Payments for operating expenses			
Compensation of Employees	5	6,174,004,258	5,081,318,749
Use of goods and services	6	1,465,900,314	2,277,385,052
Transfers to Other Government Units	7	11,858,364,762	10,038,248,387
Social Security Benefits	8	63,972,170	-
		19,562,241,504	17,396,952,188
Adjusted for:			
Prior Year Adjustments	14	(29,540,223)	42,835,530
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	343,162	(548,447)
Increase/(Decrease) in Accounts Payable: (deposits and retention)	16	(5,932,193)	2,565,733
		(1,133,406,228)	(2,006,442,051)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	9	(750,041,645)	(450,532,838)
Net cash flows from Investing Activities		(750,041,645)	(450,532,838)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	3	1,868,679,733	2,501,756,878
Net cash flow from financing activities		1,868,679,733	2,501,756,878
NET INCREASE IN CASH AND CASH EQUIVALENT		(19,768,141)	44,781,989
Cash and cash equivalent at BEGINNING of the year		187,398,577	142,616,587
Cash and cash equivalent at END of the year		167,630,436	187,398,576

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The State Department for Vocational and Technical Training financial statements were approved on 30 September 2021 and signed by:



Principal Secretary

Dr. Margaret W. Mwakima PhD. DD., CBS



Deputy Accountant General

Joseph M. Kiraita

ICPAK Member Number: 3644

**State Department for Vocational and Technical Training
Reports and Financial Statements
For the year ended 30 June 2021**

9. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

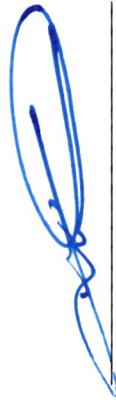
Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c-a+b	Actual on Comparable Basis d	Budget Utilisation Difference e-d	% of Utilisation Difference to Final Budget f-d/c %
RECEIPTS						
Proceeds from Domestic and Foreign Grants	-	10,000,000	10,000,000	10,000,000	-	100%
Exchequer releases	10,194,562,337	6,913,544,197	17,108,106,533	16,112,875,068	995,231,465	94%
Proceeds from Foreign Borrowings	2,800,000,000	75,000,000	2,875,000,000	1,868,679,733	1,006,320,267	65%
Other Receipts	2,346,414,098	2,346,414,098	4,692,828,195	2,356,738,734	2,336,089,461	50%
Total Receipts	15,340,976,434	9,344,958,294	24,685,934,728	20,327,644,262	4,358,290,466	82%
Payments						
Compensation of Employees	3,065,269,341	3,140,485,000	6,205,754,341	6,174,004,258	31,750,083	99%
Use of goods and services	2,138,751,536	11,609,226	2,150,360,761	1,465,900,314	684,460,448	68%
Transfers to Other Government Units	8,907,256,386	6,163,792,207	15,071,048,592	11,858,364,762	3,212,683,830	79%
Social Security Benefits	155,543,740	543,740	156,087,480	63,972,170	92,115,310	41%
Acquisition of Assets	1,074,155,432	28,528,122	1,102,683,554	750,041,645	352,641,909	68%
Grand Total	15,340,976,434	9,344,958,294	24,685,934,728	20,312,283,149	4,373,651,579	82%
Surplus/Deficit	0	0	0	15,361,113	(15,361,113)	

- i. *The exchequer receipts was under absorbed by 6% equivalent to Ksh 995,231,465.00 due to the late uploading of 2nd supplementary for both recurrent and development votes.*
- ii. *During the year under review, because covid 19 impact activities in various construction sites were closed due lock down for containment of covid spread. This resulted in the delay of certificates of payments for various projects.*
- iii. *During the year under review, A.I.A collected was Ksh. 2,346,414,098 against a projection of Ksh. 4,692,828,195. The under collection was due to early closure of the institutions and late opening of the same coupled with a lack of enrolment of new students.*
- iv. *The impact of exchequer delay resulted in late payments of goods and services hence reducing the absorption rates. Lack of enough exchequer funding from the treasury resulting in the voiding of processed payments from the ifmis system reducing rate of absorption.*

**State Department for Vocational and Technical Training
Reports and Financial Statements
For the year ended 30 June 2021**

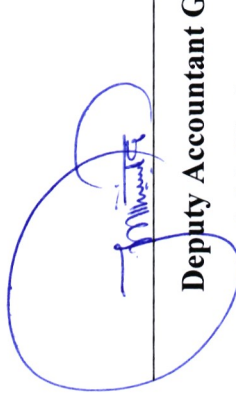
- v. Transfers to other government units was under absorbed by 21% equivalent to Ksh.3,217,683,830.00 due to low KUCCPS enrolment and admission as a result of Covid-19 pandemic.
- vi. Social Security benefit payment of Ksh 63,972,170.00 representing 41% was due to the number of instructors who accepted the appointments and were supposed to be paid was low. The budget was for 361 instructors but only a percentage accepted the offer.
- vii. Acquisition of assets was under absorbed by 32% equivalent to Ksh.347,641,909.00 because of covid-19 impact activities in various construction sites that were closed due lock down for containment of the pandemic spread. This resulted in the delay of certificates of payments for various projects.

The State Department for Vocational and Technical Training financial statements were approved on 30 September 2021 and signed by:



Principal Secretary

Dr. Margaret W. Mwakima PhD. DD., CBS



Deputy Accountant General

Joseph M. Kiraita

ICPAK Member Number: 364

**State Department for Vocational and Technical Training
Reports and Financial Statements
For the year ended 30 June 2021**

10. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=d-c	Utilisation Difference to Final Budget f=d/c %
RECEIPTS						
Exchequer releases	6,726,562,337	6,972,537,664	13,699,100,000	12,740,843,250	958,256,750	93%
Other Receipts	2,346,414,098	2,346,414,098	4,692,828,195	2,336,089,461	2,356,738,734	50%
Total Receipts	9,072,976,434	9,318,951,761	18,391,928,195	15,076,932,711	3,314,995,484	82%
PAYMENTS						
Compensation of Employees	3,065,269,341	3,140,485,000	6,205,754,341	6,174,004,258	31,750,083	99%
Use of goods and services	43,751,536	52,853,492	96,605,027	77,694,677	18,910,350	80%
Transfers to Other Government Units	5,805,256,386	6,124,914,098	11,930,170,483	8,777,167,048	3,153,003,435	74%
Social Security Benefits	155,543,740	543,740	156,087,480	63,972,170	92,115,310	41%
Acquisition of Assets	3,155,432	155,432	3,310,864	80,000	3,230,864	2%
Grand Total	9,072,976,434	9,318,951,761	18,391,928,195	15,092,918,154	3,299,010,041	82%
Surplus/Deficit				(15,985,443)	15,985,443	

Notes

- (a) During the year under review, because covid-19 impact, institutions closed down due to lock down for containment of the pandemic spread.
This resulted in the under expenditure especially in the transfer to other government units and acquisition of assets.
- (b) Other receipts was under collected by Ksh 2.356.738.734.00 since there were collections from license fees, examination and tuition fees from the institutions due to presentational directive on lockdown for pandemic containment.

The State Department for Vocational and Technical Training financial statements were approved on 30 September 2021 and signed by:


Principal Secretary

Dr. Margaret W. Mwakima PhD. DD., CBS


Deputy Accountant General

Joseph M. Kiraita
ICPAK Member Number: 3644

**State Department for Vocational and Technical Training
Reports and Financial Statements
For the year ended 30 June 2021**

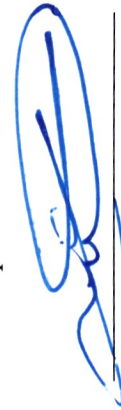
11. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Code	Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
	RECEIPTS						
	Proceeds from Domestic and Foreign Grant	-	10,000,000	10,000,000	10,000,000	-	100%
	Exchequer releases	3,469,000,000	(58,993,467)	3,410,006,533	3,372,031,818	37,974,715	99%
	Proceeds from Foreign Borrowings	2,800,000,000	75,000,000	2,875,000,000	1,868,679,733	1,006,320,267	65%
	Total Receipts	6,269,000,000	26,006,533	6,295,006,533	5,250,711,551	1,044,294,982	83%
	Payments						
22	Use of goods and services	2,095,000,000	(41,244,266)	2,053,755,734	1,388,205,636	665,550,098	68%
263	Transfers to Other Government Units	3,102,000,000	38,878,109	3,140,878,109	3,081,197,714	59,680,395	98%
31	Acquisition of Assets	1,072,000,000	28,372,690	1,100,372,690	750,961,645	349,411,045	68%
	Grand Total	6,269,000,000	26,006,533	6,295,006,533	5,220,364,995	1,074,641,538	83%
	Surplus/Deficit				30,346,556	(30,346,556)	

Notes:

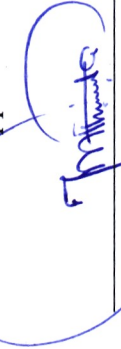
- i. Underutilisation in Acquisition of Assets of 31% was as a result of long procurement process
- ii. *During the year under review, because covid-19 impact, activities in various construction sites were closed due to lock down for containment of the pandemic spread. This resulted in the delay of certificates of payments for various projects.*

The State Department for Vocational and Technical Training financial statements were approved on 30 September 2021 and signed by:



Principal Secretary

Dr. Margaret W. Mwakima PhD. DD., CBS



Deputy Accountant General

Joseph M. Kiraita

ICPAK Member Number: 3644

*State Department for Vocational and Technical Training
Reports and Financial Statements
For the year ended 30 June 2021*

12. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Description	Approved Budget	Actual Payments	Variance
Technical Vocational Education and Training	22,452,367,636	18,119,134,547	4,333,233,089
Technical Accreditation and Quality Assurance	826,125,000	823,264,648	2,860,352
Technical Trainers and Instructor Services	17,234,971,672	13,998,538,321	3,236,433,351
Special Needs in Technical and Vocational Education	160,451,052	120,338,286	40,112,766
Infrastructure Development and Expansion	4,230,819,912	3,176,993,292	1,053,826,620
Youth Training and Development	2,099,747,702	2,068,879,053	30,868,649
Revitalization of Youth Polytechnics	2,099,747,702	2,068,879,053	30,868,649
General Administration, Planning and Support Services	133,819,390	124,269,549	9,549,841
Headquarters Administrative Services	133,819,390	124,269,549	9,549,841
Grand Total	24,685,934,728	20,312,283,149	4,373,651,579

13. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for;

- a) receivables that include imprests and salary advances
- 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 State Department for Vocational and Technical Training

The financial statements are for the (State Department for Vocational and Technical Training). The financial statements encompass the reporting State Department for Vocational and Technical Training as specified under section 81 of the PFM Act

2012 and also comprise of the following development projects implemented by the State Department for Vocational and Technical Training:

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the State Department for Vocational and Technical Training for all the years presented.

a) Recognition of Receipts

The State Department for Vocational and Technical Training recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the State Department for Vocational and Technical Training.

i) 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 State Department for Vocational and Technical Training)

ii) 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 State Department for Vocational and Technical Training.

iii) 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 State Department for Vocational and Technical Training 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 30 June 2021, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

iv) Other receipts

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

b) Recognition of payments

The State Department for Vocational and Technical Training recognises all payments when the event occurs, and the related cash has been paid out by the State Department for Vocational and Technical Training.

i) Compensation of Employees

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

ii) 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.

iii) Interest on Borrowing

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

iv) 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.

v) 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 State Department for Vocational and Technical Training 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 State Department for Vocational and Technical Training 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 State Department for Vocational and Technical Training 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.

a) Restriction on Cash

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2021, this amounted to Kshs 57,497,985 compared to Kshs 59,241,800 in prior period. There were no other restrictions on cash during the 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 State Department for Vocational and Technical Training at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June

SIGNIFICANT ACCOUNTING POLICIES (Continued)

2019 for the period 1st July 2020 to 30th June 2021 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-State Department for Vocational and Technical Training 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 2021.

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 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.

16. Contingent Liabilities

Section 148 (9) of the PFM Act regulations 2015 requires the Accounting officer of a National Government State Department for Vocational and Technical Training to report on the payments made, or losses incurred, by the National Government State Department for Vocational

SIGNIFICANT ACCOUNTING POLICIES (Continued)

and Technical Training to meet contingent liabilities as a result of loans during the financial year.

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the State Department for Vocational and Technical Training; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, The State Department for Vocational and Technical Training does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

*State Department for Vocational and Technical Training
Reports and Financial Statements
For the year ended 30 June 2021*

14. NOTES TO THE FINANCIAL STATEMENTS

1 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS		2020- 2021 Kshs	2019- 2020 Kshs
Name of Donor	Amount in foreign currency (Euros)		
Grants Received from Bilateral Donors (Foreign Governments)			
KfW - GIZ/ GERMANY	81,994	10,000,000	-
TOTAL		10,000,000	-

The following grants were received from development partners (KfW –Germany) through the exchequer.

2 EXCHEQUER RELEASES		2020- 2021 Kshs	2019- 2020 Kshs
Description	Date of transfer		
Total Exchequer Releases for quarter 1		3,589,202,522	1,683,802,378
Total Exchequer Releases for quarter 2		3,799,192,066	3,056,590,209
Total Exchequer Releases for quarter 3		4,098,802,473	4,278,669,427
Total Exchequer Releases for quarter 4		4,625,678,007	3,582,947,587
TOTAL		16,112,875,068	12,602,009,601

During the year the State Department was to receive KShs 17,108,106,533, however, it received 16,112,875,068 in terms of exchequers falling short by KShs 995,231,465 due to the late uploading of 2nd supplementary for both recurrent and development votes.

State Department for Vocational and Technical Training
Reports and Financial Statements
For the year ended 30 June 2021

3	PROCEEDS FROM FOREIGN BORROWINGS	2020-2021 Kshs	2019-2020 Kshs
	Foreign Borrowing - Direct Payments	1,868,679,733	2,501,756,878
	TOTAL	1,868,679,733	2,501,756,878

These represent borrowings that are received from outside the country.

4	OTHER REVENUES	2020-2021 Kshs	2019-2020 Kshs
	Receipts from Administrative Fees and Charges	2,293,949,813	2,702,212,370
	Receipts from Administrative Fees and Charges - Collected as AIA	42,139,648	41,435,350
	TOTAL	2,336,089,461	2,743,647,720

This represents receipts that are obtained from licence fees by SAGAS and examination and tuition fees payment by the Vocational and Technical institutions.

5	COMPENSATION OF EMPLOYEES	2020-2021 Kshs	2019-2020 Kshs
	Basic salaries of permanent employees	4,197,459,485	3,466,918,339
	Basic wages of temporary employees	-	993,523,401
	Personal allowances paid as part of salary	1,876,037,423	620,877,009
	Personal allowances paid as reimbursements	-	-
	Employer Contributions Compulsory national social security schemes	649,800	-
	Employer Contributions Compulsory national health insurance schemes	99,857,550	-
	TOTAL	6,174,004,258	5,081,318,749

Compensation of employees comprise of remuneration paid to employees in return for the work done. It includes sound contributions made by the State Department on behalf of its employees.

*State Department for Vocational and Technical Training
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There was an increase in compensation of employees because of increase in the number of employees in the current year.

6	USE OF GOODS AND SERVICES	2020- 2021 Kshs	2019- 2020 Kshs
	Utilities, supplies and services	5,925,183	2,881,099
	Communication, supplies and services	3,189,805	5,638,187
	Domestic travel and subsistence	71,651,360	70,396,314
	Foreign travel and subsistence	2,553,354	1,704,631
	Printing, advertising and information supplies & services	2,017,345	4,775,484
	Rentals of produced assets	39,442,747	46,217,117
	Training expenses	59,725,113	68,144,258
	Hospitality supplies and services	2,214,341	3,349,732
	Specialized materials and services	1,150,718,245	1,983,116,822
	Office and general supplies and services	3,190,191	5,534,490
	Fuel Oil and Lubricants	20,128,110	13,494,062
	Other operating expenses	102,114,070	68,947,765
	Routine maintenance – vehicles and other transport equipment	2,007,988	2,471,462
	Routine maintenance – other assets	1,022,462	713,629
	TOTAL	1,465,900,314	2,277,385,052

These comprise the total value of goods and services consumed.

There was a decrease in use of goods and services as a result of decrease on expenditure on specialized materials and services.

7	TRANSFER TO OTHER GOVERNMENT ENTITIES	2020- 2021 Kshs	2019- 2020 Kshs
	Description		
	Transfers to National Government entities - Current Grants		
	(SCOA Codes 2630100, 2630200, 2640400, 2640500, 2649900, 2820100, 2820200, 2820300)	8,777,167,048	7,343,223,282
	Transfers to other levels of Government - Capital Grants	3,081,197,714	2,695,025,105
	TOTAL	11,858,364,762	10,038,248,387

**State Department for Vocational and Technical Training
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For the year ended 30 June 2021**

The above transfers were made to the self-reporting entities in the year. We have confirmed these amounts with the recipient entities.

8	SOCIAL SECURITY BENEFITS	2020- 2021		2019- 2020
		Ks hs		Ks hs
	Government pension and retirement benefits		63,972,170	-
	TOTAL		63,972,170	-

9	ACQUISITION OF ASSETS	2020- 2021		2019- 2020
		Ks hs		Ks hs
	<u>Non Financial Assets</u>			
	Construction of Buildings	730,165,945		441,282,878
	Purchase of Vehicles and Other Transport Equipment	18,094,200		4,842,600
	Purchase of Office Furniture and General Equipment	1,781,500		4,407,360
	TOTAL	750,041,645		450,532,838

These represent payments made to acquire property, plant and equipment during the year, which have been fully expended in the year of purchase in line with the accounting policies.

**State Department for Vocational and Technical Training
Reports and Financial Statements
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10A	Bank Accounts	Exc rate (if in foreign currency)	2020- 2021 Kshs	2019- 2020 Kshs
	Name of Bank, Account No. & currency			
	Central Bank of Kenya, 1000302577, KShs	-	1,460,340	14,997,254
	Central Bank of Kenya, 1000302623, KShs	-	490,745	4,375,241
	Central Bank of Kenya, 1000302631, KShs	-	57,497,987	59,241,800
	Central Bank of Kenya, 1000302658, KShs	-	-	3,354,258
	Central Bank of Kenya, 1000328061, KShs	-	-	6,813,471
	KIDDP (KCB A/C No. 1109219547)	-	10,021,335	26,342,444
	EASTRIP (KCB A/C No. 1271486458)	-	98,160,029.00	72,009,480.00
	Total		167,630,436	187,133,948

10B	Cash in hand	2020- 2021 Kshs	2019- 2020 Kshs
	Cash in hand should also be analysed as follows:		
	Cash in Hand – Held in domestic currency	-	264,629
	TOTAL	-	264,629
	Cash in hand should also be analysed as follows:		
	Headquarters, Jogoo House B, Cash office	-	264,629
	TOTAL	-	264,629

Cash count certificates for the above amount has been provided as an attachment to the financial statement

*State Department for Vocational and Technical Training
Reports and Financial Statements
For the year ended 30 June 2021*

11	Outstanding Imprests		
	<i>Description</i>	2020- 2021 Ks hs	2019- 2020 Ks hs
	Government Imprests	-	410,400
	District suspense	1,012,351	945,112
	TOTAL	1,012,351	1,355,512

12	Accounts Payables		
	<i>Description</i>	2020- 2021 Ks hs	2019- 2020 Ks hs
	Deposits	57,497,975	59,241,800
	R/D Cheques payable	-	4,188,368
	TOTAL	57,497,975	63,430,168

This is retention money that is 10% retained by the State Department on behalf of third parties that offer services to the State Department.

13	BALANCES BROUGHT FORWARD		
	<i>Description</i>	2020- 2021 Ks hs	2019- 2020 Ks hs
	Bank accounts	187,133,948	142,313,471
	Cash in hand	264,629	303,116
	Receivables - Outstanding Imprests	1,355,512	807,065
	Payables - Deposits	(63,430,168)	(60,864,435)
	TOTAL	125,323,921	82,559,217

These are the fund balances that were brought forward from FY 2019/20. The bank balances were however taken back by exchequer as shown in note

State Department for Vocational and Technical Training
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14	PRIOR YEAR ADJUSTMENTS	Balance b/f FY 2019/2020as per Financial statements Kshs	Adjustments Kshs	Adjusted Balance b/f FY 2019/2020 Kshs
	Description of the error			
	Bank account Balances	187,133,948	(29,540,223)	216,674,171
		187,133,948	(29,540,223)	216,674,171

The prior year adjustments relate to bank balances that were swept back to exchequer at the beginning of the year of Ksh 14,997,254 and Ksh 1,375,241 from the recurrent and development account respectively. Further kshs. 3,354,258 and kshs. 6,813,471 from AfDB and Equalization Fund respectively.

These adjustments affect the Statement of Assets as they result into the reduction of the fund balance brought forward.

15	RELATED PARTY DISCLOSURES	2020- 2021 Kshs	2019- 2020 Kshs
	Transfers to other State Corporations and Semi-Autonomous Government Agencies/MDAs	11,853,364,762	10,038,248,387
	Transfers to Government Development Projects	1,878,679,733	2,501,756,878
	TOTAL	13,732,044,495	12,540,005,265

16	OTHER IMPORTANT DISCLOSURES	2020- 2021 Kshs	2019- 2020 Kshs
	16.1 PENDING STAFF PAYABLE (See Annex 1)		
	Staff Liability(PAYE)	621,990	-
	TOTAL	621,990	-

This is a staff payable due to KRA that was not submitted in Financial Year 2020/2021 due to lack of exchequer.

*State Department for Vocational and Technical Training
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16.2	PENDING ACCOUNTS PAYABLE (See Annex 1)	2020- 2021		2019- 2020
		Kshs		Kshs
	Consultancy (TUM) - AfDB III Project	13,077,795		-
	Supply of services			4,188,368
		13,077,795		4,188,368

The consultancy (TUM –AfDB III Project) was in the budget and payment was processed but AfDB did not release the finds in the Financial Year 2020/2021.


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

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

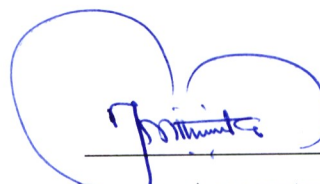
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	NIL			

All the Audit issues raised by the Office of the Auditor General outstanding as at 30 June 2021 with regard to prior year audits.



Principal Secretary

Dr. Margaret W. Mwakima PhD. DD., CBS



Deputy Accountant General

Joseph M. Kiraita

ICPAK Member Number: 3644

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16. ANNEXES

ANNEX 1 - ANALYSIS OF OTHER PENDING PAYABLES

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE			
		2020-2021	2019-2020
Staff liability(PAYE)	621,990	621,990	-
Sub-Total	621,990	621,990	-
Supply of services/Consultancy (TUM)	13,077,795	13,077,795	4,188,368
Sub-Total	13,077,795	13,077,795	4,188,368
Grand Total	13,699,785	13,699,785	4,188,368

ANNEX 2 - SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f	Additions during the year	Disposals during the year	Historical Cost c/f
	(Kshs)	(Kshs)	(Kshs)	(Kshs)
Buildings and structures	897,152,629	730,165,945	-	1,627,318,574
Transport equipment	4,842,600	18,094,200	-	22,936,800
Office equipment, furniture and fittings	4,607,340	1,781,500	-	11,388,840
Total	906,602,569	750,041,645	-	1,661,644,214

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ANNEX 3 – LIST OF PROJECTS IMPLEMENTED BY THE STATE DEPARTMENT FOR VOCATIONAL AND TECHNICAL TRAINING

Ref	Project Name	Principal activity of the project	Accounting Officer	Project consolidated in these financial statements(yes/no)
1	GoK - AfDB	Support to Technical vocational Education and Training for relevant skills Development (TVET project phase II)	Mr. John Tuwei	Yes
2	KIDDP (Kenya Italy Debt for Development Program)	Revitalization of Youth Polytechnics in particular to improve access to quality vocational training for Youth from poor backgrounds	Mr. Elijah Obwori	Yes
3	KfW/GIZ – Germany/ GoK	Promotion of Youth employment and vocational training in Kenya in support for TVET	Ms. Lina Ayako	Yes
4	East Africa Skills for Transformation and Regional Integration project (EASTRIP)	Creation of Regional Centers of skills development, involvement of industry and private sector in Training, bridging the inadequacy of financing in TVET and to provide a learning and a knowledge sharing platform	Mr. Nelson Gitau	Yes
5	GoK- CHINA	Improve Access, Quality and Relevance of TVET	Mr. Joseph Nyambune	Yes

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ANNEX 4 – LIST OF SCs, SAGAs AND PUBLIC FUNDS UNDER THE STATE DEPARTMENT FOR VOCATIONAL AND TECHNICAL TRAINING

1	TVETA	Inspection and Registration of TVET Institutions within the country	Dr. Kipkurui Langat	290,000,000	Yes
2	CDACC	Accreditation of curriculum development, assessors, verifiers and assessment center.	Dr. Lawrence Guantai	321,125,000	Yes
3	KNQA	Coordinates and harmonize education, training, assessment and quality assurance of all the qualifications awarded in the country	Mr. Johnson Nanjakululu	160,000,000	Yes

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ANNEX 5

EXCHEQUERS			
Recurrent			
Date	Notification No.	Amount	
30-Jul-20	RE/06/03/20/21	476,905,045.00	
14-Aug-20	RE/014/02/20/21	162,875,000.00	
19-Aug-20	RE/016/04/20/21	40,000,000.00	
26-Aug-20	RE/017/02/20/21	41,918,278.00	
28-Aug-20	RE/019/04/20/21	511,898,199.25	
17-Sep-20	RE/025/03/20/21	774,300.00	
29-Sep-20	RE/033/04/20/21	472,629,116.00	
12-Oct-20	RE/040/04/20/21	11,319,704.00	
27-Oct-20	RE/047/05/20/21	604,694,542.00	
11-Nov-20	RE/052/01/20/21	1,538,910,000.00	
27-Nov-20	RE/063/02/20/21	509,033,220.00	
17-Dec-20	RE/071/03/20/21	112,500,000.00	
24-Dec-20	RE/076/02/20/21	468,402,879.80	
27-Jan-21	RE/097/06/20/21	2,116,824,664.00	
11-Feb-21	RE/105/03/20/21	1,400,535,000.00	
2-Mar-21	RE/115/02/20/21	508,895,057.90	
1-Apr-21	RE/134/01/20/21	502,819,066.65	
7-May-21	RE/154/01/20/21	591,935,302.20	
21-May-21	RE/160/01/20/21	20,798,209.85	
27-May-21	RE/164/03/20/21	540,178,175.20	
8-Jun-21	RE/171/02/20/21	92,500,000.00	
24-Jun-21	RE/179/08/20/21	1,494,300,000.00	
25-Jun-21	RE/180/03/20/21	520,197,490.35	
Sub Total		12,740,843,250.20	
Development			
26-Aug-20	DE/07/02/20/21	352,000,000.00	
28-Aug-20	DE/09/01/20/21	3,606,000.00	
9-Sep-20	DE/14/02/20/21	27,000,529.00	
10-Sep-20	DE/26/04/20/21	53,927,775.00	

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8-Jan-21	DE/64/01/20/21	41,302,136.30
16-Mar-21	DE/92/01/20/21	31,245,615.00
16-Apr-21	DE/106/01/20/21	10,279,770.00
21-May-21	DE/126/01/20/21	21,558,670.00
2-Jun-21	DE/131/01/20/21	443,347,901.10
22-Jun-21	DE/142/01/20/21	102,226,740.00
24-Jun-21	DE/143/01/20/21	97,013,630.40
29-Jun-21	DE/147/01/20/21	131,179,296.40
29-Jun-21	DE/148/01/20/21	40,000,000.00
30-Jun-21	DE/153/01/20/21	17,343,754.90
Sub Total		1,372,031,818.10
TOTAL EXCHEQUERS TO SDVTT		14,112,875,068.30
DIRECT PAYMENT MADE TO COUNTIES BY NT		2,000,000,000.00
GRAND TOTAL		16,112,875,068.30

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ANNEX 6

DIRECT PAYMENTS		
AfDB II		
S/No.	Description	Amount
1	SENDER SERVICES	26,047,729.00
2	TINFRA ENGINEERING	40,018,690.00
3	OCEANIC CONSRUCTION	18,195,235.00
4	ARCON WORKS LTD	11,931,796.00
5	TINFRA ENGINEERING LTD	9,542,247.00
6	M/S EPCO BUIDERS LTD	12,466,326.78
7	OMAR SALIM BASLUM LTD	52,549,325.50
8	NJUCA CONSOLIDATED CO LTD	6,543,972.00
9	BLOOTEX LIMITED	24,450,198.94
10	FANAKA MERCHANTS LTD	13,181,230.00
11	BADOLE CONSTRUCTION LTD	10,847,457.00
12	M/S DEVETRA BV	53,240,395.05
13	TINFRA ENGINEERING	27,308,874.00
14	MAOW HOLDINGS LIMITED	21,802,699.00
15	SENDER SERVICES	12,194,054.00
16	XTREME ENGINEERING LTD	17,348,662.00
17	BUMBE TTI	181,875.00
18	OCEANIC CONSRUCTION	27,072,303.00
19	XTREME ENGINEERING LTD	4,285,925.00
20	FANAKA MERCHANTS LTD	13,129,978.00
21	EPCO BUILDERS LIMITED	14,238,979.00
22	ARCON WORKS LTD	15,298,560.00
23	ARCON WORKS LTD	26,719,868.30
24	OMAR SALIM BASLUM LTD	31,132,100.10
25	BADOLE CONSTRUCTION LTD	16,328,563.00

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26	FANAKA MERCHANTS LTD	23,839,407.50
27	EQUIPPED TRADING (K) LTD	17,642,359.65
28	MAOW HOLDINGS LIMITED	28,521,001.30
29	NJUCA CONSOLIDATED CO LTD	24,451,890.05
30	FANAKA MERCHANTS LTD	26,224,201.75
31	TINFRA ENGINEERING LTD	30,023,013.55
32	KENYA INSTITUTE OF HIGHWAY	16,441,200.00
33	NJUCA CONSOLIDATED CO LTD	14,802,059.30
34	OCEANIC CONSRUCTION	46,146,568.90
35	TECHNICAL UNIVERSITY OF MOMBASA	15,396,477.00
36	MAOW HOLDINGS LIMITED	19,572,992.00
37	M/S ARCON WORKS LIMITED	27,054,205.00
	SUB TOTAL	796,172,418.67
	KENYA- CHINA PROJECT	
	Description	Amount
1	AVIC INTERNATIONAL HOLDING	288,776,808.70
2	AVIC INTERNATIONAL HOLDING	300,044,740.10
3	AVIC INTERNATIONAL HOLDING	254,995,533.15
4	AVIC INTERNATIONAL HOLDING	20,587,800.00
5	AVIC INTERNATIONAL HOLDING	3,999,007.80
6	AVIC INTERNATIONAL HOLDING	10,973,935.30
7	AVIC INTERNATIONAL HOLDING	105,105,042.95
8	AVIC INTERNATIONAL HOLDING	41,235,361.00
9	AVIC INTERNATIONAL HOLDING	2,055,989.85
10	AVIC INTERNATIONAL HOLDING	1,546,440.30
11	AVIC INTERNATIONAL HOLDING	25,230,975.00
	SUB TOTAL	1,054,551,634.15
	KfW/ GIZ PROJECT	
	Description	Amount
1	NIRRAS LTD.	17,955,680.00

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	SUB TOTAL	17,955,680.00
	GRAND TOTAL	1,868,679,733.00

ANNEX 7

SDVTT SCHEDULE OF OUTSTANDING AIEs RECEIVABLE		
S/N	COUNTY	TOTAL
1	BUSIA COUNTY	1,359.00
2	EMBU COUNTY	54.90
3	GARISSA COUNTY	120,250.00
4	HOMABAY COUNTY	-
5	ISIOLO COUNTY	67,079.00
6	KAKAMEGA COUNTY	5,278.00
7	KAJIADO COUNTY	5,983.00
8	KERICHO COUNTY	7,316.00
9	KILIFI COUNTY	66,992.00
10	KISII COUNTY	64,965.10
11	KISUMU COUNTY	21,515.00
12	LAIKIPIA COUNTY	-
13	MAKUENI COUNTY	532.00
14	MANDERA COUNTY	2,251.00
15	MOMBASA COUNTY	2,516.00
16	NAIROBI COUNTY	-
17	NAKURU COUNTY	74,272.00
18	NYERI COUNTY	1,611.90
19	SAMBURU COUNTY	519,801.00
20	TRANS NZOA COUNTY	50,108.60
21	UASIN NGISHU COUNTY	466.00
TOTAL		1,012,350.50

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ANNEX 8

SDVTT DEPOSIT SCHEDULE AS AT 30/06/2021				
S/N	NAME	BALANCE B/F	RECEIPTS / (PAYMENTS)	BALANCE
1	BASHASH	565,500.00		565,500.00
2	MWEHA	2,050,830.65		2,050,830.65
3	LATON	3,948,840.70		3,948,840.70
4	PLUMBING SYSTEM	1,300,381.45		1,300,381.45
5	DON WOODS	262,010.65		262,010.65
6	EPCO	7,241,742.50		7,241,742.50
7	TELCOMS	65,327.10		65,327.10
8	FINE TOPS	104,772.70		104,772.70
9	ALPHA TECH	4,572,890.80		4,572,890.80
10	SEO & SONS LTD	157,991.20		157,991.20
11	NAN CHANG	4,497,760.90		4,497,760.90
12	MARSON	1,320,587.75		1,320,587.75
13	BABUBHAI	3,301,787.90		3,301,787.90
14	SARAWET	299,784.55		299,784.55

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15	STEM	115,345.70		115,345.70
16	WILKORI	194,504.30		194,504.30
17	ASHBRO	539,097.75		539,097.75
18	PYRAMID	11,044,398.00		11,044,398.00
19	PONG	359,486.90		359,486.90
20	CORBAN	7,427,507.20		7,427,507.20
21	BURA HITECH	167,732.50		167,732.50
22	ARCAID	240,394.50		240,394.50
23	JIMRO	215,438.60		215,438.60
24	ANNESBUGGUS	119,392.55		119,392.55
25	BESKO	183,108.10		183,108.10
26	FILMA	257,165.80		257,165.80
27	JUMTECH	160,000.00		160,000.00
28	TAX-JIPSY	231,891.00		231,891.00
29	TAX- ARCON	336,931.80		336,931.80
30	INTERPID	622,186.50		622,186.50
31	INTERPID	70,250.00		70,250.00
32	INTERPID	246,516.00		246,516.00
33	HIGHPOINT	70,465.55		70,465.55
34	FIRMBASE			30,231.90

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		30,231.90		
35	KEPEN	49,963.90		49,963.90
36	TORETA	184,615.50		184,615.50
37	FRANC	468,104.55	(559,652.00)	(91,547.45)
38	TRILLION	656,970.50		656,970.50
39	TRILLION	183,427.45		183,427.45
40	ICONET SOLUTIONS	597,156.75		597,156.75
41	ICONET SOLUTIONS	136,020.50		136,020.50
42	ICONET SOLUTIONS	561,131.25		561,131.25
43	SRANCO	54,093.55		54,093.55
44	SRANCO	60,000.00		60,000.00
45	JONESA	636,901.90		636,901.90
46	JONESA	105,418.00		105,418.00
47	JUSAN	115,532.25	(449,181.85)	(333,649.60)
48	JUSAN	333,649.65	-	333,649.65
49	JONES	154,340.00		154,340.00
50	PATIENCE	1,506,265.75	(826,498.95)	679,766.80
51	PATIENCE	217,322.85		217,322.85
52	TRANSFER	898,620.30		898,620.30
53	TRANSFER (KCB)	91,520.45		91,520.45

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				-
	TOTAL	59,333,308.60	(1,835,332.80)	57,497,975.80

ANNEX 9

Recurrent Bank	14,997,254
Development Bank	4,375,241
AfDB Phase 1 Bank	3,354,258
Equalisation Fund	6,813,471
NET ADJUSTMENT	29,540,224.00

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ANNEX 10

SN O.	PAYEE	COUNTIES	CONSTITUENCIES	CONSTRUCTION OF NEW TTIs	OTHER DISBURSEMENT	TOTAL
1	MANDERA TTI	MANDERA & WAJIR	LAFEY & ELIDAS	6,933,334.00		6,933,334.00
2	WOTE TTI	KITUI	KITUI EAST, KILOME TVC	3,466,666.00	75,000,000.00	78,466,666.00
3	JEREMIAH NYAGA TTI	EMBU	MBEERE NORTH	3,466,667.00		3,466,667.00
4	MACHAKOS TIB	MACHAKOS	YATTA & MACHAKOS TOWN	23,466,667.00		23,466,667.00
5	KISUMU NP	SIAYA	RARIEDA	3,466,667.00		3,466,667.00
6	MICHUKI TTI	MURANGA	KIGUMO	3,466,667.00		3,466,667.00
7	BUMBE TTI	KAKAMEGA	KHWISERO	3,466,667.00		3,466,667.00
8	NAIROBI TTI	NYANDARUA & NAKURU	OLKALOU & GILGIL	6,933,332.00	4,251,247.80	11,184,579.80
9	KISIWA TTI	BUNGOMA & BUSIA	MT. ELGON & BUTULA	23,466,666.00		23,466,666.00
10	ZIWA TTI	WEST POKOT	KACHELIBA	3,466,666.00		3,466,666.00
11	KISHI NP	KISHI	KITUTU CHACHE SOUTH & SOUTH MUGIRANGO	23,466,667.00		23,466,667.00
12	KABETE NP	KIAMBU	GITHUNGURI & RUIRU	6,933,334.00		6,933,334.00
13	BONDO TTI	KISUMU	NYANDO	20,000,000.00		20,000,000.00
14	KENYA COAST NP	KILIFI	KILIFI NORTH	20,000,000.00		20,000,000.00

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15	AHMED SHAHAME TVC	KWALE		MATUGA	20,000,000.00		20,000,000.00
16	MAWEGO TTI	HOMABAY & MIGORI		MBITA & URIRI	40,000,000.00	40,000,000.00	80,000,000.00
17	KAJIADO WEST TVC	NAIROBI		LANG'ATA	20,000,000.00		20,000,000.00
18	MAASAI MARA TTI	NAROK		KILGORIS	20,000,000.00		20,000,000.00
19	KONOIN TVC	NYAMIRA		WEST MUGIRANGO	20,000,000.00		20,000,000.00
20	THIKA TTI	MURANGA		KIHARU	20,000,000.00	7,306,260.00	27,306,260.00
21	NYERI NP	KIRINYAGA		KIRINYAGA CENTRAL	20,000,000.00		20,000,000.00
22	KAIBOI TTI	NAKURU		NJORO	20,000,000.00		20,000,000.00
23	MUKIRIA TTI	MERU		IGEMBE CENTRAL	20,000,000.00		20,000,000.00
24	RIFT VALLEY TTI	BARINGO(North Rift TTI)		TIATY	40,000,000.00		40,000,000.00
25	KTTC	KTTC				30,848,389.00	30,848,389.00
26	TSEIKURU TTI	FOR KITUI CENTRAL TVC				40,000,000.00	40,000,000.00
27	KIIRUA TTI	FOR MERTI TTI				5,090,791.00	5,090,791.00
28	MERU NP	FOR SAKU TVC & MOYALE TVC				29,832,872.00	29,832,872.00
29	BUSHIANGALA TTI	FOR BUSHIANGALA TTI				20,000,000.00	20,000,000.00
30	NORTH EASTERN NP	FOR ELWAK TVC				30,000,000.00	30,000,000.00
							-
	SUB TOTAL				392,000,000.00	282,329,559.80	674,329,559.80

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ANNEX 11

AHMED SHAHAME TT	5,427,500.00
ALDAI TTI	24,987,500.00
BARINGO TTI	53,992,500.00
BELGUT TVC	3,982,500.00
BOMET CENTRAL TVC	500,000.00
BONDO TTI	42,620,000.00
BORABU NORTH TVC	4,222,500.00
BUMBE TTI	21,765,000.00
BUNGOMA NORTH TVC	4,462,500.00
BURETI TTI	1,000,000.00
BUNGOMA NORTH TVC	1,800,000.00
BUNYALA TVC	7,762,500.00
BURETI TTI	69,415,000.00
BUSHIANGALA TTI	30,565,000.00
BUTERE TVC	17,467,500.00
CHEMASIRI TVC	10,492,500.00
CHEPSIREI TVC	5,842,500.00
CHUKA TTI	12,172,500.00
COAST IT	89,682,500.00
DAVID M WAMBULI TTI	2,962,500.00
DR. DANIEL WAKO TVC	2,677,500.00
EBUKANGA TVC	2,662,500.00
EKERUBO GIETAI TVC	28,042,500.00
ELBURGON TVC	500,000.00
ELDAMA RAVINE TVC	3,585,000.00
EMINING TTI	28,812,500.00
EMGWEN TVC	500,000.00
EMSOS TVC	4,942,500.00
EMURUA DIKIRR TTI	6,240,000.00
ENDEBESS TTI	11,550,000.00

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FRIENDS COLLEGE KAIMOSI	68,277,500.00
GATANGA TVC	7,507,500.00
GATUNDU SOUTH TVC	1,275,000.00
GITWEBE TTI	6,290,000.00
GODOMA TTI	13,215,000.00
JEREMIAH NYAGA	52,907,500.00
KAELO TTI	1,040,000.00
KAIBOI TTI	101,040,000.00
KAJIADO EAST TVC	500,000.00
KAJIADO NORTH TVC	500,000.00
KAJIADO WEST TVC	5,475,000.00
KAMUKUNJI TVC	500,000.00
KAPCHEROP TTI	13,167,500.00
KARUMO TTI	15,225,000.00
KASARANI TTI	15,365,000.00
KATINE TTI	10,985,000.00
KENDEGE TVC	5,272,500.00
KERICHO TOWNSHIP TVC	3,225,000.00
KEROKA TTI	79,470,000.00
KIBWEZI TVC	615,000.00
KIST	35,390,000.00
KIENI TVC	2,502,500.00
KIIRUA TTI	15,447,500.00
KIMASIAN TTI	11,242,500.00
KIMININI TVC	1,842,500.00
KINANGO TVC	3,805,000.00
KINANGOP TVC	307,500.00
KIPIPIRI TVC	6,462,500.00
KIPKABUS TVC	21,352,500.00
KIPSINENDE TVC	24,270,000.00
KIPSOEN TVC	2,112,500.00
KIPTARAGON TVC	4,407,500.00
KISIWA TTI	86,687,500.00
KIST	95,090,000.00
KONGONI TVC	1,072,500.00
KONAIN TTI	51,177,500.00
KOSHIN TTI	9,560,000.00

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KTTC	6,190,000.00
LAIKIPIA EAST TVC	7,775,000.00
LAIKIPIA NORTH TVC	3,472,500.00
LAISAMIS TVC	3,582,500.00
LODWAR TTI	615,000.00
MAASAI TTI	52,417,500.00
MAASAI MARA TVC	25,835,000.00
MABERA TVC	6,972,500.00
MALINDI TTI	500,000.00
MANDERA TVC	6,620,000.00
MANYATTA TVC	1,000,000.00
MASINGA TVC	4,580,000.00
MATHENGE TTI	54,532,500.00
MATHIOYA TVC	6,822,500.00
MATHIRA TVC	4,627,500.00
MATILI TTI	86,550,000.00
MAWEGO TTI	100,472,500.00
MICHUKI TTI	103,360,000.00
MITUNGUU TTI	18,187,500.00
MOIBEN TVC	9,890,000.00
MUKIRIA TTI	59,827,500.00
MUKURWEINI TTI	30,427,500.00
MUMIAS WEST TVC	1,242,500.00
MURAGA TVC	5,602,500.00
MUSAKASA TTI	16,702,500.00
NACHU TVC	2,557,500.00
NAIROBI TTI	161,005,000.00
NAIVASHA TVC	4,760,000.00
NAROK WEST TTI	5,090,000.00
NDIA TVC	5,780,000.00
NGONG TVC	2,095,000.00
NKABUNE TTI	20,447,500.00
NUU TVC	4,342,500.00
OKAME TVC	7,980,000.00
OL'LESSOS TTI	80,890,000.00
OMUGA TVC	1,717,500.00
PC KINYANJUI	46,760,000.00

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RAMOGI IAT	77,542,500.00
RANGWE TVC	675,000.00
RIFT VALLEY TTI	117,867,500.00
RIRAGIA TTI	3,680,000.00
RUNYENJES TVC	4,635,000.00
RVIST	108,930,000.00
SABATIA TVC	13,272,500.00
SAMBURU TVC	5,840,000.00
SANG'ALO TTI	101,412,500.00
SEME TVC	6,322,500.00
SHAMBERE TTI	49,915,000.00
SIALA TTI	29,527,500.00
SIAYA IST	99,005,000.00
SOT TTI	61,927,500.00
SOTIK TTI	32,922,500.00
TAVETA TVC	660,000.00
TETU TVC	1,620,000.00
TINDERET TVC	3,075,000.00
THARAKA TVC	11,337,500.00
THIKA TTI	182,740,000.00
TSEIKURU TTI	4,805,000.00
TURKANA EAST TVC	37,500.00
UGENYA TTI	16,842,500.00
UGUNJA TVC	5,430,000.00
WEBUYE WEST TVC	3,330,000.00
WERU TVC	8,115,000.00
WOTE TTI	53,257,500.00
ZIWA TTI	32,795,000.00
Sub Total Releases to TTIs	3,273,967,500.00
NATIONAL POLYTECHNICS	
ELDORET NP	430,530,000.00
KABETE NP	262,935,000.00
KENYA COAST NP	135,757,500.00
KISII NP	221,205,000.00
KISUMU NP	236,007,500.00
KITALE NP	132,210,000.00

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MERU NP	242,800,000.00
MOMBASA POLYTECHNIC	4,000,000.00
NORTH EASTERN NP	33,402,500.00
NYANDARUA NP	33,132,500.00
NYERI NP	148,030,000.00
SIGALAGALA NP	169,080,000.00
Sub Total Releases to NPs	2,049,090,000.00
	5,323,057,500.00
SPECIAL NEEDS INSTITUTIONS	
KAREN INST FOR THE BLIND	39,612,764.00
KTTC	103,500,000.00
MACHAKOS INST FOR THE BLIND	39,612,764.00
NYANGOMA TTI	40,612,760.00
SIKRI TTI	40,612,764.00
	-
	263,951,052.00
SAGAS	
CDACC	361,500,000.00
TVETA	290,000,000.00
KNQA	160,000,000.00
	811,500,000.00
A.I.A CAPTURED DURING YEAR	2,336,089,461.00
	-
TOTAL PAYMENTS MADE UNDER PS SDVTT FOR VARIOUS M & E ACTIVITIES	13,682,764.05
	-
TOTAL PAYMENTS MADE TO THE OFFICE OF THE ATTORNEY GENERAL	28,886,271.00
Other Current Grant Payments Sub Total	2,378,658,496.05
GRAND TOTAL CURRENT GRANTS	8,777,167,048.05

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ANNEX 12

CONSOLIDATED DISBURSEMENTS

INSTITUTE	TOTAL RECURRENT	TOTAL DEVELOPMENT	TOTAL DISBURSEMENT
AHMED SHAHAME TT	5,427,500.00	20,000,000.00	25,427,500.00
ALDAI TTI	24,987,500.00		24,987,500.00
BARINGO TTI	53,992,500.00		53,992,500.00
BELGUT TVC	3,982,500.00		3,982,500.00
BOMET CENTRAL TVC	500,000.00		500,000.00
BONDO TTI	42,620,000.00	20,000,000.00	62,620,000.00
BORABU NORTH TVC	4,222,500.00		4,222,500.00
BUMBE TTI	21,765,000.00	3,466,667.00	25,231,667.00
BUNGOMA NORTH TVC	4,462,500.00		4,462,500.00
BURETI TTI	1,000,000.00		1,000,000.00
BUNGOMA NORTH TVC	1,800,000.00		1,800,000.00
BUNYALA TVC	7,762,500.00		7,762,500.00
BURETI TTI	69,415,000.00		69,415,000.00
BUSHIANGALA TTI	30,565,000.00	20,000,000.00	50,565,000.00
BUTERE TVC	17,467,500.00		17,467,500.00
CHEMASIRI TVC	10,492,500.00		10,492,500.00
CHEPSIREI TVC	5,842,500.00		5,842,500.00
CHUKA TTI	12,172,500.00		12,172,500.00
COAST IT	89,682,500.00		89,682,500.00
DAVID M WAMBULI TTI	2,962,500.00		2,962,500.00
DR. DANIEL WAKO TVC	2,677,500.00		2,677,500.00
EBUKANGA TVC	2,662,500.00		2,662,500.00
EKERUBO GIETAI TVC	28,042,500.00		28,042,500.00
ELBURGON TVC	500,000.00		500,000.00
ELDAMA RAVINE TVC	3,585,000.00		3,585,000.00
EMINING TTI	28,812,500.00		28,812,500.00
EMGWEN TVC	500,000.00		500,000.00
EMSOS TVC	4,942,500.00		4,942,500.00

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EMURUA DIKIRR TTI	6,240,000.00		6,240,000.00
ENDEBESS TTI	11,550,000.00		11,550,000.00
FRIENDS COLLEGE KAIMOSI	68,277,500.00		68,277,500.00
GATANGA TVC	7,507,500.00		7,507,500.00
GATUNDU SOUTH TVC	1,275,000.00		1,275,000.00
GITWEBE TTI	6,290,000.00		6,290,000.00
GODOMA TTI	13,215,000.00		13,215,000.00
JEREMIAH NYAGA	52,907,500.00	3,466,667.00	56,374,167.00
KAELO TTI	1,040,000.00		1,040,000.00
KAIBOI TTI	101,040,000.00	20,000,000.00	121,040,000.00
KAJIADO EAST TVC	500,000.00		500,000.00
KAJIADO NORTH TVC	500,000.00		500,000.00
KAJIADO WEST TVC	5,475,000.00	20,000,000.00	25,475,000.00
KAMUKUNJI TVC	500,000.00		500,000.00
KAPCHEROP TTI	13,167,500.00		13,167,500.00
KARUMO TTI	15,225,000.00		15,225,000.00
KASARANI TTI	15,365,000.00		15,365,000.00
KATINE TTI	10,985,000.00		10,985,000.00
KENDEGE TVC	5,272,500.00		5,272,500.00
KERICHO TOWNSHIP TVC	3,225,000.00		3,225,000.00
KEROKA TTI	79,470,000.00		79,470,000.00
KIBWEZI TVC	615,000.00		615,000.00
KIST	35,390,000.00		35,390,000.00
KIENI TVC	2,502,500.00		2,502,500.00
KIIRUA TTI	15,447,500.00	5,090,791.00	20,538,291.00
KIMASIAN TTI	11,242,500.00		11,242,500.00
KIMININI TVC	1,842,500.00		1,842,500.00
KINANGO TVC	3,805,000.00		3,805,000.00
KINANGOP TVC	307,500.00		307,500.00
KIPIPIRI TVC	6,462,500.00		6,462,500.00
KIPKABUS TVC	21,352,500.00		21,352,500.00
KIPSINENDE TVC	24,270,000.00		24,270,000.00
KIPSOEN TVC	2,112,500.00		2,112,500.00
KIPTARAGON TVC	4,407,500.00		4,407,500.00
KISIWA TTI	86,687,500.00	23,466,666.00	110,154,166.00
KIST	95,090,000.00		95,090,000.00
KONGONI TVC	1,072,500.00		1,072,500.00
KONOIN TTI	51,177,500.00	20,000,000.00	71,177,500.00



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KOSHIN TTI	9,560,000.00		9,560,000.00
KTTC	6,190,000.00	30,848,389.00	37,038,389.00
LAIKIPIA EAST TVC	7,775,000.00		7,775,000.00
LAIKIPIA NORTH TVC	3,472,500.00		3,472,500.00
LAISAMIS TVC	3,582,500.00		3,582,500.00
LODWAR TTI	615,000.00		615,000.00
MAASAI TTI	52,417,500.00		52,417,500.00
MAASAI MARA TVC	25,835,000.00	20,000,000.00	45,835,000.00
MABERA TVC	6,972,500.00		6,972,500.00
MALINDI TTI	500,000.00		500,000.00
MANDERA TVC	6,620,000.00	6,933,334.00	13,553,334.00
MANYATTA TVC	1,000,000.00		1,000,000.00
MASINGA TVC	4,580,000.00		4,580,000.00
MATHENGE TTI	54,532,500.00		54,532,500.00
MATHIOYA TVC	6,822,500.00		6,822,500.00
MATHIRA TVC	4,627,500.00		4,627,500.00
MATILI TTI	86,550,000.00		86,550,000.00
MAWEGO TTI	100,472,500.00	80,000,000.00	180,472,500.00
MICHUKI TTI	103,360,000.00	3,466,667.00	106,826,667.00
MITUNGUU TTI	18,187,500.00		18,187,500.00
MOIBEN TVC	9,890,000.00		9,890,000.00
MOMBASA POLYTECHNIC	-		-
MUKIRIA TTI	59,827,500.00	20,000,000.00	79,827,500.00
MUKURWEINI TTI	30,427,500.00		30,427,500.00
MUMIAS WEST TVC	1,242,500.00		1,242,500.00
MURAGA TVC	5,602,500.00		5,602,500.00
MURANG'A TVC	-		-
MUSAKASA TTI	16,702,500.00		16,702,500.00
NACHU TVC	2,557,500.00		2,557,500.00
NAIROBI TTI	161,005,000.00	11,184,579.80	172,189,579.80
NAIVASHA TVC	4,760,000.00		4,760,000.00
NAROK WEST TTI	5,090,000.00		5,090,000.00
NDIA TVC	5,780,000.00		5,780,000.00
NGONG TVC	2,095,000.00		2,095,000.00
NKABUNE TTI	20,447,500.00		20,447,500.00
NUU TVC	4,342,500.00		4,342,500.00
OKAME TVC	7,980,000.00		7,980,000.00
OL'LESSOS TTI	80,890,000.00		80,890,000.00

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OMUGA TVC	1,717,500.00		1,717,500.00
PC KINYANJUI	46,760,000.00		46,760,000.00
RAMOGI IAT	77,542,500.00		77,542,500.00
RANGWE TVC	675,000.00		675,000.00
RIFT VALLEY TTI	117,867,500.00	40,000,000.00	157,867,500.00
RIRAGIA TTI	3,680,000.00		3,680,000.00
RUNYENJES TVC	4,635,000.00		4,635,000.00
RVIST	108,930,000.00		108,930,000.00
SABATIA TVC	13,272,500.00		13,272,500.00
SAMBURU TVC	5,840,000.00		5,840,000.00
SANG'ALO TTI	101,412,500.00		101,412,500.00
SEME TVC	6,322,500.00		6,322,500.00
SHAMBERE TTI	49,915,000.00		49,915,000.00
SIALA TTI	29,527,500.00		29,527,500.00
SIAYA IST	99,005,000.00		99,005,000.00
SOT TTI	61,927,500.00		61,927,500.00
SOTIK TTI	32,922,500.00		32,922,500.00
TAVETA TVC	660,000.00		660,000.00
TETU TVC	1,620,000.00		1,620,000.00
TINDERET TVC	3,075,000.00		3,075,000.00
THARAKA TVC	11,337,500.00		11,337,500.00
THIKA TTI	182,740,000.00	27,306,260.00	210,046,260.00
TSEIKURU TTI	4,805,000.00	40,000,000.00	44,805,000.00
TURKANA EAST TVC	37,500.00		37,500.00
UGENYA TTI	16,842,500.00		16,842,500.00
UGUNJA TVC	5,430,000.00		5,430,000.00
WEBUYE WEST TVC	3,330,000.00		3,330,000.00
WERU TVC	8,115,000.00		8,115,000.00
WOTE TTI	53,257,500.00	78,466,666.00	131,724,166.00
ZIWA TTI	32,795,000.00	3,466,666.00	36,261,666.00
Sub Total Releases to TTIs	3,273,967,500.00	517,163,352.80	3,791,130,852.80
NATIONAL POLYTECHNICS			
ELDORET NP	430,530,000.00		430,530,000.00
KABETE NP	262,935,000.00	6,933,334.00	269,868,334.00
KENYA COAST NP	135,757,500.00	20,000,000.00	155,757,500.00
KISII NP	221,205,000.00	23,466,667.00	244,671,667.00
KISUMU NP	236,007,500.00	3,466,667.00	239,474,167.00

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KITALE NP	132,210,000.00		132,210,000.00
MERU NP	242,800,000.00	29,832,872.00	272,632,872.00
MOMBASA POLYTECHNIC	4,000,000.00		4,000,000.00
NORTH EASTERN NP	33,402,500.00	30,000,000.00	63,402,500.00
NYANDARUA NP	33,132,500.00		33,132,500.00
NYERI NP	148,030,000.00	20,000,000.00	168,030,000.00
SIGALAGALA NP	169,080,000.00		169,080,000.00
Sub Total Releases to NPs	2,049,090,000.00	133,699,540.00	2,182,789,540.00
	5,323,057,500.00	650,862,892.80	5,973,920,392.80
SPECIAL NEEDS INSTITUTIONS			
KAREN INST FOR THE BLIND	39,612,764.00		39,612,764.00
KTTC	103,500,000.00		103,500,000.00
MACHAKOS INST FOR THE BLIND	39,612,764.00	23,466,667.00	63,079,431.00
NYANGOMA TTI	40,612,760.00		40,612,760.00
SIKRI TTI	40,612,764.00		40,612,764.00
	-		
	263,951,052.00	23,466,667.00	287,417,719.00
SAGAS			
CDACC	361,500,000.00		361,500,000.00
TVETA	290,000,000.00		290,000,000.00
KNQA	160,000,000.00		160,000,000.00
	811,500,000.00		811,500,000.00
TOTAL DISBURSEMENTS			7,072,838,111.80

ANNEX 13 - REPORTS GENERATED FROM IFMIS

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

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