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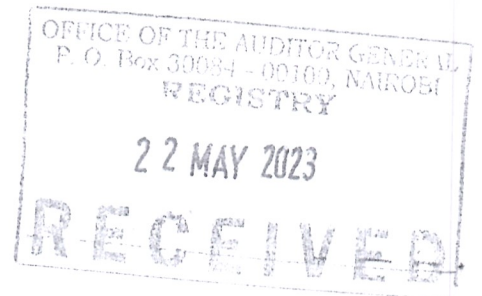
TABLED BY: Hon. Kimani Phungwayah, MP
OF: leader, majority party
CLERK AT THE TABLE: Inzofu mwale

THE AUDITOR-GENERAL

ON

**BAR MATHONYE VOCATIONAL TRAINING
CENTRE**

**FOR THE YEAR ENDED
30 JUNE, 2022**



**International Public Sector Accounting Standards (IPSAS) Annual Financial Reporting Template
for Technical Vocational Education Training (TVET) Institutions, National Polytechnics and
Teacher Training Colleges**

BAR MATHONYE VOCATIONAL TRAINING CENTRE

**ANNUAL REPORT AND FINANCIAL STATEMENT
FOR THE YEAR ENDED
30TH JUNE 2022**

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

**BAR MATHONYE VOCATIONAL TRAINING CENTRE, ANNUAL REPORTS
AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2022**

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**BAR MATHONYE VOCATIONAL TRAINING CENTRE, ANNUAL REPORTS
AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2022**

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I. Key Entity Information and Management

(a) Background information

Bar Mathonye Vocational Training Centre was incorporated/ established in the year 2016. This centre was a proposal of the community during a public participation forum organised by the COUNTY GOVERNMENT OF KISUMU. This proposal was driven by the need assessment of the local catchment area. The centre is duly registered under the TVET Act No. TVETA/PUBLIC/VTC/0187/2019.

The entity operates under the County Government of Kisumu, Ministry of Education, ICT and Human Resource Development.

Courses offered,

- Building Technology.
- Electrical and Electronics Technology.
- Fashion Design and Garment Making.
- Beauty Therapy and Hairdressing.

(b) Principal Activities

The principal activity:

- Skills training.
- Skills development

Vision

- To develop and produce industrious citizen to cope with current technology.

Mission.

- To transform lives of youths in TIVET institution by imparting employed and entrepreneurial skills that will make them self-reliance and competence based.

Motto.

- Industry and development.

Objectives.

- Achieve and maintain high level of quality training.
- Ensure compliance with the technical and vocational education and training Act 2013 and other relevant statutory and safety requirements.

(c) Key Management

The entity's day-to-day management is under the following key organs:

- Board of Governors.
- County Directorate.
- Centre Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CECM	-Mr. John Abiero Awiti
2.	Chief Officer	-Mrs. Peninah Onyango
3	Director	-Mrs. Paschalia Ouma
4	Centre Manager	-Mdm. Medina Oduka
5	BOG Person	-Mrs. Pamela Ochieng

(e) Fiduciary Oversight Arrangements.

- *County executive.*
- *Audit and risk committee activities.*
- *Development partner oversight activities.*

Key Entity Information and Management (Continued)

(f) Entity Headquarters

P.O. Box 26
PAW AKUCHE,
KENYA

(g) Entity Contacts

Telephone: (254) 721120928
E-mail: barmathonyevtc@gmail.com
Website: N/A

(h) Entity Bankers

Kenya Commercial Bank Ltd,
Kisumu main branch,
P.O. Box 17-40100
Kisumu, Kenya

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

II. The Council/Board of Governors

No.	Member/ Director	Details
1.	BOG Chair Mrs Pamela Ochieng	B.O.G Chairperson.
2.	Mr Morris Ochuka	Finance representative
3.	Mdm Medina A. Oduka	Secretary.
4.	Mrs Paschalia Ouma	Director VET.
5.	Mr Phillip Orude	Industry representative
6.	Mr Benard Aende	Engineering representative
7.	Mr Jacob Awiti Aketch	Innovation and infrastructure committee
8.	Mrs Wilikister Adhiambo Orude	Leadership and management representative
9.	Mr Maurice Oricho	Sub-county administrator
10.		

III. Management Team

1. Centre Manager	Overall in charge of the centre
2. Deputy Manager	In charge of training
3. Heads of Departments	In charge of respective departments.

IV. Chairman's Statement

First, may I take this opportunity to thank the Almighty for having brought us to the end of this financial year successfully. Being relatively a young institution, Bar Mathonye VTC has picked up pretty well and in this financial year the institution was able to achieve the following milestones;

- Constructing a two door staff toilet
- Tilling of one of our classes
- Participating in co-curriculum activities to the final level
- Participating in a joint graduation of our students.
- Constructing electric and electronic technology class/shed.
- Renovation and face uplift.
- Increased population.

Despite all this milestones, the centre experienced some challenges which made it fail to achieve some of the objectives;

- Late disbursement of funds.
- Low trainee retention rate
- Inadequate instructors.
- Unavailability of clean water.
- Poor/inadequate infrastructures.

Way forward;

With the funding the institution received this financial year [2021/2022], Bar Mathonye VTC managed to achieve several objectives, however with the increased population, the funding may increase. As a board, we came up with several plans which we believe would foster great development in this institution.

✓ **Start up a technology hub.**

This promotes e-learning thus enabling the institution to cope up with the current learning trends. [Digitalisation] and also boost the institutions population.

✓ **Boarding facility.**

This will help solve the issue of retention as most of the trainees will be around the school and also maintain the schools population.


✓ **Water and sanitation**

Purchase more water tanks to help in conserving rain water to solve the problem of lack of clean water.

Conclusion

I thank the government for having thought it wise to start up institutions like this one thus enabling our youth to find a place where they are able to acquire skills for their future livelihood, I also thank my colleagues in the board for their support and the centre manager and the staff for working to achieve the objectives despite the limited resources. It's my belief that the institution is in a position to overcome all these challenges and compete nationally, generating a knowledgeable and adequate human resource.

Signed.


Pamella Awuor Ochieng.
CHAIRPERSON.

V. Report of the Principal

As an institution of technical training, Bar Mathonye VTC has a pivotal role to play in achieving national and development goals. In line with this, Bar Mathonye is keen in providing employability skills training to steer the country towards achieving economic, social and political goals as enshrined in national development instruments.

At the end of this financial year 2021-2022 Bar Mathonye VTC made remarkable development as stated above by the board chair. This development has been achieved fully by the national capitation the institution receives annually. Skill development being our major principle, this institution managed to come up with the project as part of our training work.

In our construction work, we procure instructional materials with the help of the instructor in charge the trainees are able to work on the projects.

In this financial year, The County Government of Kisumu in collaboration with our institutions organised a joint graduation ceremony which saw Bar Mathonye VTC graduating eight trainees, as shown;

- 2 in electrical dept.
- 3 in dressmaking dept.
- 3 in hairdressing dept.

On that note, our institution managed to register more trainees who will be sitting for their grade exam [NITA] in December. The number increased from 5 to 12 motivated by the graduation.

In this financial year too, the institution participated in various ball games organised by Kisumu County VTC sports committee in collaboration with our institutions. This saw major growth in the population and through this Bar Mathonye VTC plans to focus more on continual growth by infusing funds on all the faces of growth namely:

- Trainee enrolment
- Quality training.
- Efficient and prudent utilization of funds.

- Tools, equipment and infrastructures.

However, with all this achievements the institution still faces various challenges that hinders some operations in the institution this includes;

- Late disbursement of funds
- Lack of enough training staff.
- Unavailability of reliable source of water to sustain our day to day activities.
- The institution lacks adequate rooms and equipment to enable it measure to the modern technology.

Its therefore the desire of the management that with a fore mention inventions, tampered by effective management Bar Mathonye VTC will be able to surmount the challenges to enable the institution to fully rise up to its mission and vision.

Signed,



Medina Achieng Bauwa Oduka.
MANAGER.

VI. Statement of Performance against Predetermined Objectives

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

Bar Mathonye VTC has 4 strategic pillars and objectives within current Strategic Plan for the FY 2020/2021- FY 2022/023 These strategic pillars are as follows:

- Pillar 1: To increase the number of trainee enrolment
- Pillar 2: To improve quality training and examination performance
- Pillar 3: To increase retention rate of trainees.
- Pillar 4: To improve centre infrastructures and facilities.
- Pillar 5: To effectively and efficiently manage financial resources

Bar Mathonye VTC develops its annual work plans based on the above 4 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. Bar Mathonye VTC achieved its performance targets set for the FY 2021/22 period for its 4 strategic pillars, as indicated in the diagram below:

✓ **Painting and renovation works.**

- Building a staff toilet.
- Increasing learning/instructional materials.
- Constructing an electric wireman class/shed.
- Providing more computers for learning.

With all these in place, the institution still faces some challenges/risks that may affect the steady growth. This challenges includes;

✓ **Understaffing.**

The institutions spends allot on hiring casual workers to help in achieving its mandate which would have been directed elsewhere to improve the institution.

✓ **Poor retention rate.**

Due to high economic inflation rate, the institution risk losing students [due to the nature of our students] caused by the unavailability of basic needs forcing them to find other ways of providing for their basic needs.

✓ **Inadequate finance/late disbursement of funds.**

This may not make u achieve our mandate as an institution because the institution majorly depend on the funds disbursed from the government

IX. Environmental and Sustainability Reporting Statement (Two-to-three pages)

Bar Mathonye VTC exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promotes the organisations strategic objectives.

Sustainability strategy and profile

Our major aim is to impart skills and knowledge, the institution has managed to find ways of sustaining which includes;

- Flexible timetable that caters for all
- Providing lunch programme to the trainees.
- Encouraging co curriculum activities. Effective and efficient use of institutional funds.

The above may not be fully achieved taking into consideration the political pressure and economic practices affecting the community, example; economic inflation in the country and the current election process.

Environmental performance

Our policy stands at having a green economy, through his the institution practices tree planting yearly and ensures proper waste management. These has been challenged by the poor climatic condition in our region and the poor/overused land. The institution employs the use of manure before planting to boost soil.

Employee welfare

The IVET policies guide the institution when hiring staff and through this gender ratio is taken into account. The BOG are also involved in the selection process.

The institution also ensures that an applicant attaches a certificate of good health to comply with the OSHA and health Act of 2027.

On appraisal, staffs are given opportunities to further their studies and through this staff appraisal is based on merit and achievements.

Market place practices-

The organisation ensures:

a) **Responsible competition practice.**

The organisation raises the bar on responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.

b) **Responsible Supply chain and supplier relations-** The organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices. This is achieved by having a free and fair procurement process.

c) **Responsible marketing and advertisement-** ethical marketing practices are maintained.

d) **Product stewardship-** safeguard consumer rights and interests.

Corporate Social Responsibility / Community Engagements.

Bar Mathonye VTC provides venues for their various meetings example chief's Barraza's and playground to promote talents. The institution also engages community members as casual labourers.

X. Report of the Council/Board of Governors

The Council/Board members submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of Bar Mathonye VTC affairs.

Principal activities

Bar Mathonye mandate is mainly training and skill upgrading.

Results

Trainee enrolment for the year ended June 30th 2022.

TRADE	2021					2022				
	YR 1		YR2		TOTAL	YR1		YR2		TOTAL
	M	F	M	F		M	F	M	F	
DRESSMAKING	0	9	0	6	15	1	22	0	8	31
ELECTRICAL	14	0	16	0	30	14	2	15	2	33
MASONRY	6	0	8	0	14	10	0	10	1	21
BEAUTY & H-DRESSING	0	10	0	7	17	1	20	0	16	37
TOTAL					76					122

Council/Board of Governors

The members of the Board /Council who served during the year are shown on page v. During the year no director retired/ resigned and none was appointed.

XI. Statement of Board of Governors/ Council's Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - (entities should quote the applicable legislation under which they are regulated)*) require the council members to prepare financial statements in respect of that *entity*, which give a true and fair view of the state of affairs of Bar Mathonye VTC at the end of the financial year/period and the operating results of Bar Mathonye VTC for that year/period. The Council members are also required to ensure that Bar Mathonye VTC keeps proper accounting records which disclose with reasonable accuracy the financial position of Bar Mathonye VTC. The council members are also responsible for safeguarding the assets of Bar Mathonye VTC.

BAR MATHONYE VOCATIONAL TRAINING CENTRE.
Annual Report and Financial Statements for the year ended 30th June 2022

The Council members are responsible for the preparation and presentation of Bar Mathonye VTC financial statements, which give a true and fair view of the state of affairs of Bar Mathonye VTC for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of Bar Mathonye VTC, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for Bar Mathonye VTC financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the State Corporations Act, and the IVET Act*) – *entities should quote applicable legislation as indicated under*). The council members are of the opinion that Bar Mathonye VTC financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2022, and of Bar Mathonye VTC financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for Bar Mathonye VTC, which have been relied upon in the preparation of Bar Mathonye VTC financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Council members to indicate that Bar Mathonye VTC will not remain a going concern for at least the next twelve months from the date of this statement.


Approval of the financial statements

Bar Mathonye VTC financial statements were approved by the Board on 19/05/2023
and signed on its behalf by


.....

Name

Chairperson of the Board/Council

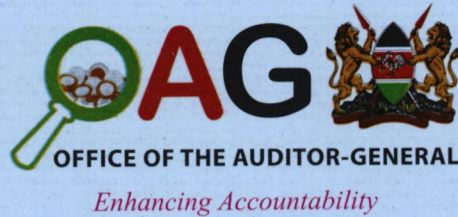

.....

Name

Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON BAR MATHONYE VOCATIONAL TRAINING CENTRE FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

- A. Report on the Financial Statements that considers 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 Bar Mathonye Vocational Training Centre set out on pages 1 to 13, which comprise of the statement of financial

Report of the Auditor-General on Bar Mathonye Vocational Training Centre for the year ended 30 June, 2022

position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with 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 explanation 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 Bar Mathonye Vocational Training Centre as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training (TVET) Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies of the Financial Statements

Review of the Centre's financial statements revealed the following inaccuracies;

- (i) Review of the Centre's financial statements revealed that the statement of cash flows reflects cash and cash equivalents opening balance of Kshs.41,070 from the financial year 2020/2021. Further, Notes 1, 2 and 3 to the financial statements reflect opening balances for the previous financial year. However, the opening balances could not be confirmed since there are no audited financial statements for the year ended 30 June, 2021.
- (ii) The statement of financial performance reflects total expenses amount of Kshs.1,899,612 against re-computed amount indicates an amount of Kshs.899,612 thus resulting to unreconciled variance of Kshs.1,000,000.
- (iii) The statement of financial performance reflects transfers from other National Government – grants (SVTCSG) amount of Kshs.1,893,000 while Note 1 to the financial statements reflects a balance of Kshs.2,875,070 resulting to an unreconciled variance of Kshs. 972,070. Further, Note 1 to the financial statements reflects a balance of Kshs.2,875,070 against a recomputed amount of Kshs.2,703,000 resulting to unreconciled variance of Kshs.810,000.
- (iv) The statement of financial position reflects total assets of Kshs.1,914,418 and nil balance of total liabilities which would have resulted in net assets balance of Kshs.1,914,418. However, the statement of financial position reflects net assets of Kshs.301,030 resulting to an unexplained variance of Kshs.1,613,388.
- (v) The statement of financial performance reflects an accumulated surplus balance of Kshs.1,613,388. However, the statement of changes in net assets was not prepared or disclosed and therefore the accumulated surplus balance could not be confirmed therein.

- (vi) The statement of cash flows reflects total receipts of Kshs.3,686,070 against re-computed amount of Kshs.3,513,000 resulting to unreconciled variance of Kshs.173,070. Further, the statement reflects total payments amount of Kshs.1,899,612 against re-computed amount in the statement of financial performance of Kshs.1,783,182 resulting to unreconciled variance of Kshs.116,430.
- (vii) The statement of cash flows reflects Nil net cash flows from operating activities against recomputed amount of Kshs.1,613,388 resulting to unreconciled variance of Kshs.1,613,388.
- (viii) The statement of cash flows reflects closing cash and cash equivalents of Kshs.976,218 against recomputed balance of Kshs.1,654,458 resulting to unreconciled variance of Kshs.678,240,
- (ix) The statement of comparison of budget and actual amounts reflects actual total revenue amount of Kshs.3,686,070 while statement of financial performance reflects a recomputed total revenue of Kshs.3,513,000 resulting to unreconciled variance of Kshs.173,070. Further, statement of comparison of budget and actual amounts reflects Nil amount while the statement of financial performance reflected an amount of Kshs.147,537 and the statement of cash flows reflected a balance of Kshs.1,147,537 in respect of use of goods and services. The three set of financial statements amounts were not reconciled.

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

2. Use of Goods and Services

The statement of financial performance reflects an amount of Kshs.147,537 in respect of use of good and services as disclosed in Note 2 to the financial statements. The following anomalies were noted:

- (i) The statement of financial performance reflects an expenditure of Kshs.147,537 on use of goods and services while Note 2 to the financial statements reflect an amount of Kshs.1,031,107 resulting to an unexplained variance of Kshs.883,570.
- (ii) Note 2 to the financial statement reflects Kshs.1,031,107 in respect of goods and services out of which Kshs.154,360 relates to co-curricular expenses against a budgeted amount of Kshs.120,000 for this item resulting to unapproved over expenditure of Kshs.34,360.
- (iii) Note 2 to the financial statement reflects Kshs.1,031,107 in respect of goods and services out of which Kshs.523,960 relates to training expenses. However, Management provided supporting documents for an amount of Kshs.200,150 leaving an unsupported balance of Kshs.323,810.

In the circumstances, the accuracy and completeness of the use of goods and services expenditure of Kshs.147,537 could not be confirmed.

3. Repairs and Maintenance

The statement of financial performance and as disclosed in Note 4 to the financial statements reflects Kshs.370,275 in respect to repairs and maintenance against a recomputed balance of Kshs.378,275 resulting to unreconciled of Kshs.8,000. Further, the supporting schedule showing details of payees and dates of payments were not provided for audit review.

In the circumstances, the accuracy and completeness of the repairs and maintenance expenditure of Kshs.370,275 could not be confirmed.

4. Unsupported Property, Plant and Equipment

The statement of financial position reflects an amount of Kshs.938,200 in respect of property, plant and equipment and as disclosed in Note 7 to the financial statements. However, the following anomalies were noted:

- (i). The statement of financial position reflects property, plant and equipment balance of Kshs.938,200 while Note 7 to the financial statements reflects net book value of Kshs.3,535,603 resulting to unreconciled variance of Kshs.2,597,403.
- (ii). The statement of financial position reflects property, plant and equipment balance of Kshs.938,200 while Note 7 to the financial statements reflects a recomputed balance of Kshs.3,654,011 resulting to unreconciled variance of Kshs.2,715,811.
- (iii). Management did not provide any supporting schedules or other documentation to indicate the ownership, existence and valuation of the assets disclosed.
- (iv). Note 7 to the financial statements reflects a depreciation charge of Kshs.154,209 during the year. However, the statement of financial performance omitted the depreciation charge for the year and therefore the statement is not accurate. Further, the details on how the depreciation charge was determined were not provided for audit review.
- (v). The Centre did not prepare a fixed asset register to record all the assets it owns. Further, the Centre do not have a Finance Policy and Procedures Manual to guide it on the rates of depreciation and amortization of the property and equipment it owns.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.938,200 could not be confirmed.

5. Incomplete Trial Balance

The statement of financial performance reflects amounts of Kshs.1,893,000 and Kshs.1,620,000 in respect of transfers from the National Government – grants (SVTCSG) and transfers from the County Government of Kisumu respectively. However, these amounts were not included in the trial balance of the Centre. Further, the statement of financial position reflects property, plant and equipment balance of Kshs.938,200. Similarly, the balance was not included in the trial balance.

In the circumstances, the accuracy of the Centre's trial balance could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Bar Mathonye Vocational Training Centre 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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

1. Presentation and Disclosure of the Financial Statements

Review of financial statements for the year under review revealed the following anomalies:

- (i). The table of contents contains errors and some pages have not been indicated. Further, the table reflects the statement of changes in net assets without reference to a specific page number while there is no such statement in the financial statements.
- (ii). The statement of changes in net assets was not prepared or included in the financial statements presented for audit.

In the circumstances, presentation and disclosure of the financial statements could not be confirmed.

2. Irregular Board Allowances

Review of the board remuneration ledger revealed that included in Board/Council expenses of Kshs.116,670 is Director's emoluments amounting to Kshs.80,550 which related to repairs and maintenance cost which were wrongly classified under Board expenses. Further, a review of Board minutes revealed that the Board met once, on 19 January, 2022 and letters of appointment of Board Members were not provided for audit review. In addition, Management did not provide the approved rates payable to the Board Chairperson and Board Members per sitting against which they were paid the respective allowances.

In the circumstances, the regularity of the expenditure on Board allowances of Kshs.116,670 could not be confirmed.

3. Employee Costs

The statement of financial performance and as disclosed in Note 3 to the financial statements reflects employee costs amount of Kshs.381,800. Review of records and available information revealed that the Centre recruited staff on a voluntary basis during the financial year 2021/2022 and paid them a monthly stipend. However, the Board minutes approving the appointments, the approved rates paid as stipend and the individual personnel files were not provided for audit review. Further, Management did not provide the approved Human Resource Manual, Career guidelines/scheme of service and approved staff establishment and therefore it was not possible to ascertain their compliance with the Human Resource Policy and Procedures Manual for the Public Service of May, 2016. In addition, review of records revealed that the Centre did not have a scheme of service in place and therefore it was not possible to determine which document Management relies on to draw the terms of reference for their staff and basic requirements for the various positions recruited by the Centre including the rates used to pay the various employees.

In the circumstances, regularity of the employee costs of Kshs.381,800 could not be confirmed.

Basis of Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and 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, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

The Centre operated during the year under review without an Internal Audit Unit and Audit Committee. This is contrary to Section 73 (1) (a) of the Public Finance Management Act, 2012 which states that “every National Government entity shall ensure that it complies with this Act and—has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board.” and sub-section (5) which states that “every National Government public entity shall establish an Internal

Auditing Committee whose composition and functions are to be prescribed by the regulations”.

In the circumstances, the Centre lacks an internal monitoring mechanism to check on its operations.

2. Failure to Develop Risk Management Strategy

The Board of the Centre did not develop risk management strategies during the year under audit review. Without a risk management strategy, the Centre may not be effective in managing a robust business operation of the Centre. This is contrary to Regulation 165 (1) of the Public Finance Management (National Government) Regulations, 2015 which requires the Accounting Officer of a National Government entity to develop risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations.

In the circumstances, existence of an effective risk management measures could not be confirmed.

3. Lack of Human Resource Policy, Scheme of Service and Staff Establishment

During the year under review, the Centre did not have Human Resource Department nor formulate a Human Resource Policy, scheme of service and staff establishment, to guide on administrative and personnel matters. This is contrary to Human Resources Policies and Procedures Manual for the Public Service, 2016 which bestows the Public Service Commission and Management with roles and functions which include setting and overseeing the overall human resources strategy, terms of service of employees and approval of significant policies of the organizational structure of the Centre.

In the circumstances, the effectiveness of internal controls on human resource management could not be confirmed.

4. Lack of Information Communication Technology (ICT) Policy

Review of records revealed that there was no ICT Policy in place which includes data security policy and disaster recovery plans. Further, formally documented and approved processes to manage performance information systems were not provided for audit.

In the circumstances, existence of effective ICT controls could not be confirmed.

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 the Board of Governors

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

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

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

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

Those charged with governance are responsible for overseeing the Training Centre'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 controls 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 controls 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 controls 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 controls.
- 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 Centre'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 Centre 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 Centre 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 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

01 August, 2023




BAR MATHONYE VOCATIONAL TRAINING CENTRE.
Annual Report and Financial Statements for the year ended 30th June 2022

XIII Statement of Financial Performance for the year ended 30 June 2022

Description	Notes	2021/2022 Kshs
Revenue from non-exchange transactions		
Transfers from the National Government – grants (SVTCSG)	i	1,893,000.00
Transfers from the County Government of Kisumu	1a	1,620,000.00
Total revenue		3,513,000.00
Expenses		
Use of goods and services	2	147,537.00
Employee costs	3	381,800.00
Repairs and maintenance	4	370,275.00
Total expenses		1,899,612.00
Net Surplus for the year		1,613,388.00

(The notes set out on pages x to xx form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 4 to 17 were signed by:




		
.....
Chairman of Council/Board	Finance Officer	Principal
	ICPAK No	
Date	Date 19-6-23	Date

BAR MATHONYE VOCATIONAL TRAINING CENTRE.
Annual Report and Financial Statements for the year ended 30th June 2022

XIV. Statement of Financial Position as at 30th June 2022

Description	Notes	2021-2022
		Kshs
Assets		
Current Assets		
Cash and cash equivalents	5	976,218.00
Inventories	6	-
Non-Current Assets		
Property, plant, and equipment	7	938,200.00
Total Assets		1,914,418.00
Liabilities		
Current Liabilities		
Trade and other payables from exchange transactions		
Refundable deposits from customers		
Total Liabilities		
Net Assets		301,030.00
Reserves		
Accumulated Surplus		1,613,388.00
Capital Fund		0.00
Total Net Assets and Liabilities		1,914,418.00

The Financial Statements set out on pages xx to xx were signed by:

 Chairman of Council/Board Date 19/5/2023	 Finance Officer ICPAK No Date 19-5-23	 Principal Date 19/05/2023
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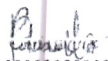
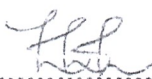

BAR MATHONYE VOCATIONAL TRAINING CENTRE.
Annual Report and Financial Statements for the year ended 30th June 2022

XV. Statement of Cash Flows for the year ended 30 June 2022

Description	Note	2021-2022
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from National Government entities	1	1,893,000.00
Transfers from County Government of Kisumu	1a	1,620,000.00
Total Receipts		3,686,070.00
Payments		
Use of goods and services	2	1,147,537.00
Employee costs	3	381,800.00
Repairs & Maintenance	4	370,275.00
Total Payments		1,899,612.00
Net cash flows from operating activities		
Cash and cash equivalents at 1 July 2021		41,070.00
Cash and cash equivalents at 30 June, 2022	5	976,218.00

((IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation)).

The Financial Statements set out on pages 11 to 17 were signed by:

		
.....
Chairman of Council/Board	Finance Officer	Principal
	ICPAK No	
Date 19/05/2023	Date 19-5-23	Date 19/05/2023

Annual Report and Financial Statements for the year ended 30th June 2022
XVI. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2022

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Variance Difference
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from other govt entities and govt grants	3,451,500	-	3,451,500	3,686,070		93.63
Rendering of services- fees from students	1,695,500		1,695,500	-		-
Total Income	3,451,500		3,451,500	3,686,070		93.63
Expenses						
Use of goods and services						
Employee cost	381,800		381,800	381,800		
Remuneration of directors R.M.I	386,100		370275	370275		
Total Expenditure	1899612			1899612		
Surplus For the Period	1551888			1,786,458		

(Budget notes)

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) (PPSAS 24.14)
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (PPSAS 24.29)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.

XVII. Notes to the Financial Statements

1. General Information

Bar Mathonye VTC entity is established by and derives its authority and accountability from TVET 2013 Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is Vocational Training.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Bar Mathonye VTC's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Bar Mathonye VTC.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2022.

IPSASB deferred the application date of standards from 1st January 2022 owing to covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2021 The center does not operate under business combinations hence this IPSAS 40 does not apply
IPSAS 41: Financial Instruments	Applicable: 1st January 2022: The center does not operate under business combinations hence this IPSAS 41 does not apply
IPSAS 42: Social Benefits	Applicable: 1st January 2022: The center does not operate other social benefits. It is only operating with NSSF as the only social benefit hence this IPSAS 42 does not apply

4. Early adoption of standards

The center is adopting IPSAS accrual for the first time and has taken into account clauses under IPSAS 33

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii. Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest income

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

XVIII. NOTES TO THE FINANCIAL STATEMENTS (Continued)

b) Budget information

The original budget for FY 2021/2022 was approved by the Board of Governors. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of on the FY 2021/2022 budget following the BOG/ Board's approval.

c) Property, plant and equipment

XIX. As at the preparation of the financial statements for the FY 2021/2022, the centre had not done valuation of its assets though it is preparing to engage a value

d) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Centre determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity.

During the Financial Year under review, Bar Mathonye Vocational Training Center did not have any financial assets withheld to maturity

Impairment of financial assets

XX. The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has

BAR MATHONYE VOCATIONAL TRAINING CENTRE.
Annual Report and Financial Statements for the year ended 30th June 2022

an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated.

V. Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- i. The technical feasibility of completing the asset so that the asset will be available for use or sale
- ii. Its intention to complete and its ability to use or sell the asset
- iii. How the asset will generate future economic benefits or service potential
- iv. The availability of resources to complete the asset
- v. The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

i) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

At the end of the financial year, 2021/2022, Bar Mathonye Vocational Training Institute had not constituted a committee to value its closing stock at market prevailing prices

j) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

BAR MATHONYE VOCATIONAL TRAINING CENTRE.
Annual Report and Financial Statements for the year ended 30th June 2022

During the Financial year under review, Bar Mathonye Vocational Training Center did not have any legal or constructive obligations hence did not cater for expenses arising from such obligations in the financial statements

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that, an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

XXI. NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. Entity to state the reserves maintained and appropriate policies adopted.

k) Changes in accounting policies and estimates

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

XXII. NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the Government of Kenya, BOG members, CEO/Center manager and senior Staff.

l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and 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.

BAR MATHONYE VOCATIONAL TRAINING CENTRE.
Annual Report and Financial Statements for the year ended 30th June 2022

During the Financial year under review, Bar Mathonye Vocational Training Center's cash and cash equivalents amounted to;
Cash and Cash Equivalents

Financial Institution	Account number	2021-2022	2020-2021
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1221475436	20,662	68,338
Kenya Commercial Bank	1234208733	955,556	22,732
Sub- Total		976,218	91,070

m) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation. The institute is adopting IPSAS for the first time and hence it has no comparative figures.

Notes to the Financial Statements (Continued)

I. Transfers from other National Government entities

Description	2021-2022	2020-2021
	Kshs	Kshs
conditional Grants		
Repairs maintenance and improvement of tools and equipment.	445,500	138,600
Text books, exercise books and stationery	270,000	84,000
Tools, equipment and instructional/assessment/examination materials.	678,000	344,148
Electricity, water and bank charges- utilities	168,750	52,500
Skills, competitions and exhibitions	128,250	39,900
Co-curricular activities	135,000	42,000
Local travel and transport	67,500	21,000
Other Organizational Grants [county government of Kisumu]	810,000	-----
Total Government Grants and Subsidies	2,875,070	974,148

1. (a) Transfers from other Government entities (Categorized)

Description	2020-2021
Transfer from Kisumu County (CDF-Kisumu west)	1,620,000.00
Total Transfers	1,620,000.00

BAR MATHONYE VOCATIONAL TRAINING CENTRE.
Annual Report and Financial Statements for the year ended 30th June 2022

2. Use of Goods

Description	2021-2022		2020-2021		
	Kshs		Kshs		
	Nat govt	Co.gvt	Total	Nat.gvt	Co.gvt
utilities	40236	606	40842	160148	25752
Co-curricular	154360		154360		
Text books, exercise books and stationary	107755		107755	127330	487920
Travelling and accommodation	55900	10500	66400		
Skills development levies	137790		137790		
Training expenses	200150	323810	523960	359670	127330
Other (<i>specify</i>)					
Total good and services	696,191	334,916	1,031,107	154,002	673,820

Notes to the Financial Statements (Continued)

3. Employee Costs.

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries and wages	306,300	94,000
Employee related costs - contributions to pensions and medical aids	---	-
Travel, motor car, accommodation, subsistence and other allowances	23,000	-
Housing benefits and allowances	----	-
Overtime payments	----	-
Performance and other bonuses	52,500	-
Social contributions		-
Employee Costs	381,800	94,000

4. Repair and Maintenance

BAR MATHONYE VOCATIONAL TRAINING CENTRE.
Annual Report and Financial Statements for the year ended 30th June 2022

Description	2021-2022	2020-2021
	Kshs	Kshs
Property	--	-
Investment property – earning rentals	--	-
Equipment and machinery	167,775	-
Vehicles	--	-
Furniture and fittings	54,000	-
Computers and accessories	156,500	-
Total Repairs and Maintenance	370,275	-

5. Cash and Cash Equivalent

Financial Institution	Account number	2021-2022
		Kshs
b) Current Account		
Kenya Commercial Bank	1221475436	20,662
Kenya Commercial Bank	1234208733	955,556
Sub- Total		976,218

6. Inventories

Description	2021-2022
	Kshs
Consumable stores	
Learning material stores	
Maintenance stores	
Total Inventories	

BAR MATHONYE VOCATIONAL TRAINING CENTRE.
Annual Report and Financial Statements for the year ended 30th June 2022

Appendix III- Inter-Entity Confirmation Letter

	ENTITY NAME:		
	Break Down of Transfers from the State department of Technical and Vocational Training		
	FY2021/2022		
a.	Recurrent Grants		
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>
			<u>Indicate the FY to which the amounts relate</u>
			1,893,000
			1,620,000
			2021/2022
			2021/2022
		Total	
b.	Development Grants		
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>
			<u>Indicate the FY to which the amounts relate</u>
			0.00
		Total	
c.	Direct Payments		
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>
			<u>Indicate the FY to which the amounts relate</u>
			0.00
		Total	
d.	Donor Receipts		
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>
			<u>Indicate the FY to which the amounts relate</u>
			0.00
		Total	
			2020/2021

BAR MATHONYE VOCATIONAL TRAINING CENTRE,
Annual Report and Financial Statements for the year ended 30th June 2022

Note to financial statements Continued

1. Property, Plant and Equipment

	Land and Buildings Kshs	Motor vehicles Kshs	Furniture and fittings Kshs	Computers Kshs	Other Assets (Specify) Kshs	Plant and equipment Kshs	Capital Work in progress Kshs	Total Kshs
Cost								
At July 2019	3,500,000.	-	150,500	145,950	-	299,000	-	4,050,450
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-
At 30 th June 2020	3,500,000	-	150,500	145,950	-	299,000	-	4,050,450
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
At 30 th June 2020	3,500,000	-	150,500	145,950	-	299,000	-	4,050,450
Depreciation And Impairment	225,000	-	3,140	29,190	-	29,900	-	287,230
At July 2021	3,250,000	-	147,360	116,760	-	269,100	-	3,763,220
Depreciation	100,000	-	3,947	23,352	-	26,910	-	154,209
Impairment	-	-	-	-	-	-	-	-
At 30 June 2022	3,150,000	-	143,413	93,408	-	242,190	-	3,535,603
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
At 30 th June 2022	3,150,000	-	143,413	93,408	-	242,190	-	3,535,603
Net Book Values								
At 30 th June 2022	3,150,000	-	143,413	93,408	-	242,190	-	3,535,603
Depreciation rate : (%)	2	5	2	20		10		

APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

As at the time of submission of the financial statements for the year end 30th June 2021/2022, the center had not been previously audited.

BAR MATHONYE VOCATIONAL TRAINING CENTRE.
Annual Report and Financial Statements for the year ended 30th June 2022

II. Appendix IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized					Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific		
Ministry of Education		Recurrent	3,686,070.00	3,686,070.00						3,686,070.00
Ministry of Education		Development	-	-						
USAID		Donor Fund								
Ministry of Education		Direct Payment	-	-						
Total			3,686,070.00	3,686,070.00						3,686,070.00