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**OFFICE OF THE AUDITOR-GENERAL**

*Enhancing Accountability*



**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 30 JUN 2021

DAY:  
WED

OF

**THE AUDITOR-GENERAL**

TABLED  
BY:

L.C. Majority  
Party  
PKW

THE TABLE:

**ON**

**TVET CURRICULUM DEVELOPMENT,  
ASSESSMENT AND CERTIFICATION  
COUNCIL**

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



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**TVET CURRICULUM DEVELOPMENT ASSESSMENT AND CERTIFICATION COUNCIL (TVET CDACC)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

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## I. KEY ENTITY INFORMATION AND MANAGEMENT

### a. Background Information

TVET Curriculum Development, Assessment and Certification Council (TVET CDACC) is a body corporate established under Section 44 (1) of the Technical and Vocational Education and Training (TVET) Act No. 29 of 2013. The Sessional Paper No. 1 of 2019 emphasizes on mainstreaming Competency Based Education and Training (CBET) in TVET system, hence the creation of the Certification Council.

TVET CDACC started its operations in the year 2014 with the appointment of the chairman, members and acting Council Secretary/CEO by the Cabinet Secretary in charge of Education. It was categorized by the State Corporations Advisory Committee (SCAC) on 11<sup>th</sup> January, 2016. TVET CDACC recruited a substantive CEO/Council Secretary on 26<sup>th</sup> March, 2017 and the first batch of 22 employees in the FY 2018/19.

The Council was operating under the financial, accounting and procurement platforms of the ministry since its establishment. In the financial year, FY 2016/2017, the National Treasury allowed the Council to open a commercial bank account for its operations. The ministry deployed an accountant to assist in maintaining books of accounts. However, the Council has since recruited its own accounts staff.

### Vision

A centre of excellence in TVET curriculum development, assessment and certification for a globally competitive labour force

### Mission

To provide demand driven curricula, competence assessment and certification of TVET graduates for the global labour market

### Core Values

- Integrity
- Professionalism
- Teamwork
- Efficiency
- Transparency
- Good governance
- Accountability

### b. Principal Activities

The functions of the Council as stipulated under the TVET Act No. 29 of 2013 are to:

- (i) undertake, design and develop curricula for the training institutions' examination, assessment and competence certification;
- (ii) make rules with respect to such examinations and competence assessments;
- (iii) issue certificates to candidates who satisfy national TVET examination and competence assessment requirements;
- (iv) promote recognition of its qualifications in foreign systems;
- (v) investigate and determine cases involving indiscipline by candidates registered with it;

- (vi) promote and carry out research relating to its examinations; and
- (vii) Promote the publication of books and other materials relevant to its examinations.

**c. Key Management**

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

- (i) Council
- (ii) CEO/Council Secretary
- (iii) Secretariat

**d. Fiduciary Management**

The key management personnel who held office during the FY 2019/2020 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	Council Secretary/CEO	Dr. Lawrence Guantai M'itonga

**e. Fiduciary Oversight Arrangements**

The Council provides oversight arrangements through the following Council Committees:

**(i) The Finance and General Purpose Committee**

The committee advises the Council on all matters related to finances, human resources, procurement and other general issues. The committee makes recommendations for considerations by the full Council.

**(ii) The Technical Committee**

The committee advises the Council on all technical matters.

**(iii) The Risk and Compliance Committee**

The committee plays an oversight role and advises the Council on all issues of audit, risk and compliance.

**f. Independent Auditors**

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

**g. Principal Legal Adviser**

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

**h. Council Contacts**

Telephone: (+254) 0777 172002 202217210 Ext 2503/2506/2521

E-mail: [cdacc.tvet@gmail.com](mailto:cdacc.tvet@gmail.com), [info@tvetcdacc.go.ke](mailto:info@tvetcdacc.go.ke)

Website: [www.tvetcdacc.go.ke](http://www.tvetcdacc.go.ke)

**i. Council Headquarters**

P.O. Box 15745- 00100

ABSA Towers

Loita Street

Nairobi, Kenya

**j. Council Bankers**

**1. Recurrent Account**

Kenya Commercial Bank

Acc.1183760809

Kipande House

Nairobi

**2. Appropriation In Aid (A.I.A) Account**

Kenya Commercial Bank

Acc.1236735323

Kipande House

Nairobi

## COUNCIL MEMBERS

### Chairman, Prof. Charles Manasseh M. Ondieki



Prof. Charles M. M. Ondieki (1952) is the Chairperson of the Technical and Vocational Education and Training Curriculum Development, Assessment and Certification Council (TVET CDACC). He is an Associate Professor in the Department of Mechanical & Mechatronics Engineering at Multimedia University of Kenya where he doubles as overall University Industrial Training and Attachment Coordinator. He is also an adjunct Professor at Department of Mechanical and Mechatronics Engineering at Technical University of Kenya. Prof. Ondieki holds a PhD degree in Engineering Management; MSc in Mechanical Engineering; Higher Diploma in Mechanical Engineering; and Diploma in Technical Teacher Training. He is a Fellow member of the

Institution of Engineering Technologists and Technicians. He has several years of work experience as University lecturer, senior civil servant and senior manager in private sector. He has designed and developed several curricula at certificate, diploma and undergraduate and postgraduate degree levels. Presently he is a senior consultant with many consulting firms dealing with technical and management training, monitoring and evaluation, youth entrepreneurship, strategic and business plans and market research locally and regionally.

### Dr. Lawrence Guantai M'itonga - Council Secretary/CEO



Dr. Lawrence Guantai M'itonga (Born 1973) is the Chief Executive Officer/Council Secretary of TVET CDACC. He has extensive experience in the TVET sector where he has worked both in TVET institutions as well as in the Ministry. Dr. Guantai has worked as a Senior Assistant Director, TVET, Ag. Senior Assistant Director, Technical Accreditation and Quality Assurance and a Graduate Lecturer at Nairobi Technical Training Institute. He holds a PhD in Medical Microbiology, M.Sc. in Medical Microbiology and B.Ed (Science). He also holds a Certificate IV in Training and Assessment in University of Technology, Sydney. He is a certified 'DACUM' Occupational Analysis facilitator by Ohio University.

### Dr. Kipkirui Langat - Director General of TVET Authority



Dr. Langat (Born 1972) is the Director General of TVET Authority. He holds Doctor of Philosophy in Engineering Systems and Management from Egerton University, Master of Philosophy in Technology Education (Automotive Technology), Master of Business Administration (Strategic Management) and Bachelor of Education in Technology Education from Moi University. He has worked as an Assistant Lecturer, Lecturer and Head of Department, Automotive Engineering at Rift Valley Training Institute. He has also worked as a lecturer in the Department of Mechanical Engineering and a Deputy Dean of students at Eldoret Polytechnic. Dr. Langat worked at Egerton University as a Lecturer in the

Department of Industrial and Energy Engineering. He was a programme coordinator for Twinning Programme between Western Michigan University, USA and Egerton University. He was also among a team of experts who developed Bachelor of Technology in Mechanical Engineering and Bachelor of Philosophy in Mechanical Engineering at the Technical University of Kenya. He was a subject panel for Diploma and Higher National Diploma in Mechanical Engineering between 1999 and 2004 at Kenya Institute of Education. Dr. Langat has also been working with United Nations Environment Programme (UNEP) in developing policies and guidelines for transport emissions in East Africa Region. He was instrumental in the training of motor vehicle inspectors in Kenya and Rwanda. Since 2014, he has been advising East African Community in harmonization of standards for importation of used motor vehicles in the region. He is a member of Technical Committee on Road Transport Standards at the Kenya Bureau of Standards and a consultant for Boston Garage Equipment UK since 2007. He is a fellow member of Institution of Engineering Technologists and Technicians (IET) of Kenya.



**Prof. George Thumbi: Industry Representative**

Prof. George Muturi Thumbi (Born 1953) is a Professor in Civil Engineering Technology at the Technical University of Kenya. He has a wide experience in the Ministry, TVET institutions as well as in the universities. Prof. Thumbi has worked as an inspector of water supply in the Ministry of Water, tutor at Kenya Water Institute, worked with TSC as Senior Lecturer at Jomo Kenyatta College of Agriculture and Technology (JKCAT) and later Lecturer and Senior Lecturer at JKUAT. Currently, he is a Full Professor at the Department of Civil and Construction Engineering, Technical University of Kenya. He is a Director, School of Infrastructure and Resource Engineering and also Chairman, Institute of Engineering

Technologists. Prof. Thumbi is a holder of Doctor in Engineering and his professional affiliations include: Lead expert, Environmental Impact Assessment and Audit (NEMA) and fellow with Institute of Engineering Technologists.



**Ms Agnes Naliaka Wachie: Industry Representative**

Ms Agnes Naliaka Wachie (Born 1966), DIP (PM), BPhil (Elect/Elect Eng.), HND (Elect/Elect Eng.) (DIP (Ed Elec/Elect) – Senior Tech Officer, Energy Regulatory Commission. Ms. Agnes Wachie is a Senior Technical Officer- Electricity at the Energy Regulatory Commission. She holds a Bachelor's Degree in Electrical Engineering, Diploma in Technical Education Electrical and Electronics and a Diploma in Project Management from Galilee International Management Institute- Israel. She is a Graduate Engineer- EBK, a registered member of the Institute of Technologists and Technicians now KTTB. Council Member of the TVET CDACC since November 2014 and has a wide

experience in Power engineering and Assessment and Management of licensing of Power Undertakings in the energy sector. She worked for Kenya Power from 1988 to 1995 and later Energy Regulatory Commission from 1999 to date.



**Dr. Kevit Desai: Former Principal Secretary Vocational & Technical Training**

Dr. Kevit Desai (Born 1968) is the owner and founder of Centurion Systems Limited and holds a Ph.D. in Robotics Systems Engineering. Kevit served as an Industrial Automation Development Engineer at Nippon ABS Ltd in Tochigi Japan. He is also a master trainer in automation and drives technologies. He is the founder and chairman of Linking Industry with Academia (LIWA). Kevit has been a member of the steering Committee in JICA master's degree and internship program of the Africa Business Education Initiative for the youths. He is also the chairman of the permanent working group on vocational training. He also

serves as a trustee at the United States International University Africa (USIU).

He served as a Pan African University Trustee, Board of Director AIESEC, Standing Committee on Investment of Renewable Energy (MOE), Asian Foundation, Task Force on Alignment of Higher Education with the Constitution, TAHEST, Task Force for Research and Development, National Council for Science & Technology Council, University of Nairobi, South Eastern University and National Higher Education Reform Task (Ministry of Education). He also served as a former Commissioner of the Commission of Higher Education. Dr. Desai has chaired and directed various organizations such as Kenya Markets Authority Trust, Regional Mega Projects Coordination Council, and Regional Mega Project Coordinating Council (RMPCC), Institute of Electrical and Electronics Engineer East Africa (IEEE) (Kenya, Uganda, Tanzania, Sudan, Kenya ICT Federation (KIF), General Co-chair AFRICON 2009, Mahatma Gandhi Academy Society, Kenya Private Sector Alliance (KEPSA), Kenya ICT Board, Engineering Students Exhibition and the University Grants Committee. He has been awarded Honorary Doctor of Science honoris causa of KCA University. He has also been knighted Moran of the Order of the Burning Spear (MBS) for Engineering contribution (2008) citation by the professional society of Kenya. He is professionally affiliated to the Institute of Electrical and Electronics Engineers (IEEE), Institute of Electrical and Electronics Engineers, Kenya Section, Kenya ICT Federation (KIF) and the Kenya Science, Technology and Innovation Steering Committee

**Dr. Priscilla N. Mutua: Representative of Principals of Technical Training Institutions**

Dr. Priscilla N. Mutua (Born 1967) is a representative of Kenya Technical Training Institutes (KATTI)



and is currently the principal Machakos Technical Institute for the Blind. Priscillah Nduku Mutua is a trained teacher and a PhD holder in curriculum studies. Professionally and administratively, she has risen from a secondary school graduate teacher in 1991 to a Principal in the MTIB. Within the TVET framework, she has attended, participated and contributed in eight conferences four of them global in scope. Within this, she has achieved the coveted position of KATTI's Vice Sec. General and the Ministerial appointment in 2017 to the membership of TVE-TCDACC. Priscillah has demonstrated very commendable competencies in teaching, programme administration, management, analytical assessment, partnership, collaboration and linkages and

strategic management. Her ability to adapt, integrity, innovativeness and personal drive have enabled her to grow MTIB into a modern, and indeed the best special needs institution for the visually challenged in Kenya. She has seen to the transformation of previously helpless special needs trainees into self-acceptance, self-reliance and talent recognition and nurturing of renown world Paralympic champions including Hon. Henry Wanyoike and Henry Nzungi. This has made Priscillah a household name in the context of visual disability.

**Mr. John W. O. Okumu - Representative of National Polytechnics**

Mr. Okumu John Wycliffe Odhiambo (born 1968) is the Principal Siaya Institute of Technology. He has served as a Deputy Principal (Administration) of Sigalagala National Polytechnic and the Kisumu National Polytechnic. He has over 29 years of teaching experience in which he has taught Technical Education in Engineering Drawing and Metal/Mechanical Technology besides serving in various administrative positions in public institutions. He has attended and trained in several Executive Management and Corporate Governance programs. He represents National Polytechnics in the TVET Curriculum Development, Assessment and Certification Council (TVET CDACC), where he serves as the chair of Technical Committee. He is a registered member with the Kenya Engineering Technician and Technologists Board.



**Dr. Juliana Asser - Representative of Technical University Senate**

Dr. Juliana Asser (Born 1970) works at the Registrar Academic Affairs office - Technical University of Mombasa. She is a PhD holder in Business Administration; Strategic Management Option (JKUAT), a Master's Degree in Business Administration from Kenyatta University and a Bachelor of Education from Moi University. She is a full member of Kenya Institute of Management. She previously taught in public institutions where she held various management positions. She serves as a member of TVET CDACC representing Technical Universities in Kenya.



**Mr. Zachary Maurice Ooko – PS Representative**

Mr. Zachary Maurice Ooko (born 1959) is a Deputy Director, Technical Education whose current responsibility is Project Coordinator for GoK Infrastructure development phases I, II, III. (Construction of TVCs in 160 constituencies). He has worked in the Directorate of Technical Education since 2008 where he participated in the development of TVET Act, 2013, proposals for TVET project funding among other TVET documents. He has over 35 years' experience in the public service both as a trainer, dean of students, deputy principal as well as a technical education officer. Mr. Ooko holds M. Ed. (Distance Education), B. Ed. Technology as well as Dip. Ed. Technology from KTTC.



**Council Committees**

Name of the Committee	Members
Finance and general purpose	<ol style="list-style-type: none"> <li>1. Priscilla N. Mutua (Dr)- Chair</li> <li>2. Kevit Desai (Dr)</li> <li>3. Zachary Ooko</li> <li>4. John Okumu</li> <li>5. Juliana Asser (Dr)</li> </ol>
Technical committee	<ol style="list-style-type: none"> <li>1. John Okumu</li> <li>2. Kevit Desai (Dr)</li> <li>3. Zachary Ooko</li> <li>4. Kipkirui Langat (Dr)</li> <li>5. Juliana Asser (Dr)</li> <li>6. George Thumbi (prof)</li> </ol>
Audit and risk compliance	<ol style="list-style-type: none"> <li>1. Agnes Naliaka Wachie</li> <li>2. George Thumbi (Prof)</li> <li>3. Kipkirui Langat (Dr)</li> </ol>

**KEY ENTITY INFORMATION AND MANAGEMENT (Continued)**

**(a) Key Management**

Name of the Staff	Responsibility
1. Dr. Lawrence Guantai	Council Secretary/CEO
2. Ms Zipporah Njoroge	Head of Collaborations, Linkages and Partnerships
3. Ms Rosalind Githinji	Head of Project Coordination
4. Ms Hellen Murithi	Head of Administration and Human Resource Management
5. David Gatimu	Head of Assessment and Certification
6. David Maina	Head of Finance, Planning and Strategy
7. Yvonne Muyundo	Head of Curriculum Development
8. Hillary Ng'eno	Head of Material Development
9. Alphan Muthami	Head of Curriculum Research and Advocacy
10. Elijah Kimeto	Head of Procurement
11. Annastacia Mwinzi	Head of Accounts

## II. CHAIRMAN'S STATEMENT



TVET CDACC is mandated to undertake design and development of curricula for the training institutions' examination, assessment and competence certification and advise the Government on matters related thereto. The Organizational objectives are to provide a dynamic curriculum responsive to the manpower needs of a dynamic economy and establish competence-based assessment and certification system. During the FY 2019/20, the Council made various progress in the development of Competency Based Curriculum in collaboration with the industry.

### BUDGET ALLOCATION

In the FY 2019/20, TVET CDACC had a gross budget of Kshs. 430,000,000 for recurrent vote, and was to expend the gross budget under the following five programmes:

#### **Programme 1: Development of Competency Based Education and Training (CBET) curricula**

The objective of this programme is to ensure that TVET curriculum produces TVET graduates with skills that match industry demand. It is developed in collaboration with industry and based on occupational standards. The Council undertook the following activities:

- i. Development of occupational standards;
- ii. Development of competency based curriculum;
- iii. Development of CBET training/learning materials; and
- iv. Sensitization of TVET stakeholders on CBET.

#### **Programme 2: Establishment of Competence Assessment and Certification System**

The objective of this programme is to ensure that trainees' achievement is outcome based and certification is based on demonstration of competencies. The Council undertook the following activities:

- i. Online platform for registration for assessors and verifiers;
- ii. Training of assessors and verifiers;
- iii. Registered assessment centers; and
- iv. Development of assessment and mentoring tools.

#### **Programme 3: Publicity of TVET CDACC**

The objective of this programme is to sensitize stakeholders and the general public on the mandate of TVET CDACC and CBET approach. The Council undertook the following activities:

- i. Updating of TVET CDACC website and portal;
- ii. Implementation of a TVET CDACC communication strategy;
- iii. Participation in trade fairs conferences and seminars; and
- iv. Press statements and releases in local dailies.

#### **Programme 4: Enhancement of work environment**

The objective of this programme is to ensure that the TVET CDACC Secretariat work in a conducive environment and are facilitated to undertake their responsibilities. The Council undertook the following activities:

- i. Partitioning of new office space; and
- ii. Procurement of general supplies

#### **Programme 5: TVET CDACC human resource capacity enhancement**

The objective of this programme is to ensure that the Council is appropriately staffed with the right staff to assist in achieving its mandate. The Council undertook the following activities:

- i. Conduct staff training based on the training needs.

#### **KEY ACHIEVEMENTS**

In the FY 2019/20, TVET CDACC made the following achievements:

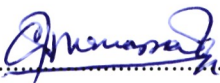
- i) The Council partnered with various stakeholders and industry experts to develop six nine (69) learning guides to enable implementation of CBET curricula.
- ii) The Council partnered with industry in the development of 163 Occupational standards and Curricula various trade areas.
- iii) Trained 11,165 assessors and verifiers cumulatively on competency based assessment from various TVET institutions including new public TVCs and VTCs;
- iv) Registered 46 assessment centers (Registration of assessment center depends on registration of institution by TVETA);
- v) Developed assessment tools for 4,114 units of competency;
- vi) Assessed 172 candidates in five TVET institutions.
- vii) Developed online Competency Based Assessment training content; and
- viii) Partnered with the following Organizations to achieve its mandate:
  - a) The British High Commission in a project known as “Skills for Prosperity”. The project aims at supporting the development of trainers and trainee manuals, assessment tools, ensure sustainability of Sector Skills Advisory Committees, support establishment of automated assessment Centers and review OS and CBET Curricula.
  - b) GIZ in a project known as “Promotion of youth employment and TVET programs” to support the development of OS, Curricula, Learning Guides, assessment tools and mentoring tools in Industrial mechatronic, Automotive mechatronics and Automotive body building. The Project was launched by the President of Kenya and German.
  - c) GIZ Green innovations on development of Sweet Potato value chain curriculum
  - d) GIZ soil protection and rehabilitation “Learning Guides in soil management”
  - e) Kenya Wildlife Service Training Institute- Development of Learning Guides in Wildlife management.
  - f) Kenya Water Institute- Development of Learning Guides in water programs.
  - g) Outspan Medical College- Development of Learning Guides in Perioperative Theatre Technology and Health Services Support.
  - h) Nairobi Institute of Music and Performing Arts – development of assessment tools for Music technology, Music performance, Music arts, Theatre arts and Film production.
  - i) ILO – development of learning guides and assessment tools for five curricula (level 4)
  - j) EASTRIP – World Bank Project supporting the development of curricula in identified sectors and development of infrastructure.
  - k) OKP – KEN 103470 Project -Nuffic Netherlands supporting the development of Occupational Standards and their respective curricula the Manager Technical Training Institutions and its Learning Guide.

- l) Young Africa Works in Kenya- Master card and KEFEP a component of Skills development for the youth.
- m) Bear II project: supporting the development of curricula
- n) TVET Innovation Fund- Supporting Productivity and Competitiveness in Kenya- Canadian Government/ KEFEP- supporting research and innovation in some of the National Polytechnics.
- o) Kenya Police Service – supporting the development of police force curriculum

### **CHALLENGES**

In the financial year 2019/20, TVET CDACC faced the following challenges:

- i) Inadequate infrastructure;
- ii) Inadequate capacity of TVET trainers to train CBET programmes and carry out competency-based assessment;
- iii) Delay in accreditation of institutions to offer CBET programmes and accreditation of CBET curricula by various state agencies; and
- iv) Overlaps of mandates.

.....  


Date 30/9/20.....

Prof. Charles Ondieki  
**Chairman of the Council**

### III. REPORT OF THE CHIEF EXECUTIVE OFFICER



TVET CDACC is a service state corporation charged with the mandate to undertake design and development of curricula for the training institutions' examination, assessment and competence certification and advise the Government on matters related thereto. The Council heavily depends on the government grant to carry out its mandate. The provision from the government has been inadequate thus making it impossible for the Council to undertake its activities.

The Council recruited the first batch of 22 staff in the FY 2018/19. The staff inadequacy and low budgetary allocation has highly affected its operation.

Despite these challenges, the Council has made several milestones in the FY 2019/2020 which include:

- i) The Council partnered with various stakeholders and industry experts to develop six nine (69) learning guides to enable implementation of CBET curricula.
- ii) The Council partnered with industry in the development of 163 Occupational standards and Curricula various trade areas.
- iii) Trained 11,165 assessors and verifiers cumulatively on competency based assessment from various TVET institutions including new public TVCs and VTCs;
- iv) Registered 46 assessment centers (Registration of assessment center depends on registration of institution by TVETA);
- v) Developed assessment tools for 4,114 units of competency;
- vi) Assessed 172 candidates in five TVET institutions.
- vii) Developed online Competency Based Assessment training content; and
- viii) Partnered with the following Organizations to achieve its mandate:
  - a) The British High Commission in a project known as "Skills for Prosperity". The project aims at supporting the development of trainers and trainee manuals, assessment tools, ensure sustainability of Sector Skills Advisory Committees, support establishment of automated assessment Centers and review OS and CBET Curricula.
  - b) GIZ in a project known as "Promotion of youth employment and TVET programs" to support the development of OS, Curricula, Learning Guides, assessment tools and mentoring tools in Industrial mechatronic, Automotive mechatronics and Automotive body building. The Project was launched by the President of Kenya and German.
  - c) GIZ Green innovations on development of Sweet Potato value chain curriculum
  - d) GIZ soil protection and rehabilitation "Learning Guides in soil management"
  - e) Kenya Wildlife Service Training Institute- Development of Learning Guides in Wildlife management.
  - f) Kenya Water Institute- Development of Learning Guides in water programs.
  - g) Outspan Medical College- Development of Learning Guides in Perioperative Theatre Technology and Health Services Support.
  - h) Nairobi Institute of Music and Performing Arts – development of assessment tools for Music technology, Music performance, Music arts, Theatre arts and Film production.
  - i) ILO – development of learning guides and assessment tools for five curricula (level 4)

- j) EASTRIP – World Bank Project supporting the development of curricula in identified sectors and development of infrastructure.
- k) OKP – KEN 103470 Project -Nuffic Netherlands supporting the development of Occupational Standards and their respective curricula the Manager Technical Training Institutions and its Learning Guide.
- l) Young Africa Works in Kenya- Master card and KEFEP a component of Skills development for the youth.
- m) Bear II project: supporting the development of curricula
- n) TVET Innovation Fund- Supporting Productivity and Competitiveness in Kenya- Canadian Government/ KEFEP- supporting research and innovation in some of the National Polytechnics.
- o) Kenya Police Service – supporting the development of police force curriculum

The Council endeavours to continue serving the nation by providing quality services efficiently and effectively.



.....  
Dr. Lawrence Guantai  
**Council Secretary/C.E.O**

Date. 30/9/20.....

#### **IV. CORPORATE GOVERNANCE STATEMENT**

TVET CDAC Council is accountable to the stakeholders and the Government for Council's performance and governance. The Council has a draft Charter that establishes its authority, responsibilities and membership of the key committees. The Charter clearly establishes the relationship between the Council and Management.

The primary roles of the Council are to provide overall strategic guidance for TVET CDACC and effective oversight on the management team. Currently the Council has established three committees to give detailed consideration to policy matters and key strategic issues with respect to corporate management without interfering with or impeding the operation of the Council. These committees meet regularly and submit their reports to the full Council for adoption and approval.

The Council meets regularly and has a formal schedule of its matters. During the FY 2019/2020 under review, the Council comprised of the Chairman, ten (10) members with seven (7) being institutional/industry representatives and the Chief Executive Officer who is also the secretary to the Council.

The Council shall remain truly committed to transforming the lives of Kenyans by developing curriculum that matches the needs of the industry, carrying out competence assessment and ensuring that only competent candidates are certified.

## V. STATEMENT OF RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012, Section 14 of the State Corporations Act, 2010 and Section 13 of TVET Act, 2013 require the Directors to prepare financial statements in respect of TVET CDACC, which give a true and fair view of the state of affairs of the Council at the end of the financial year/period and the operating results of the Council for that year/period. The Directors are also required to ensure that the Council keeps proper accounting records which disclose with reasonable accuracy the financial position of the Council. The Directors are also responsible for safeguarding the assets of the Council.


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


The Directors accept responsibility for the Council's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 Section 81 and the State Corporations Act, 2010 Section 14. The Directors are of the opinion that the Council's financial statements give a true and fair view of the state of Council's transactions during the financial year ended June 30, 2020, and of the Council's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Council, which have been relied upon in the preparation of the Council's financial statements as well as the adequacy of the systems of internal financial control.

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

### Approval of the quarterly financial statements

The TVET CDACC's financial statements were approved by the Board on 30/9/ 2020 and signed on its behalf by:

  
Chairman of the Council  
**Prof. Charles Ondieki**

  
Council Secretary / C.E.O  
**Dr. Lawrence Guantai**

## VI. MANAGEMENT DISCUSSION AND ANALYSIS

### **The entity's operational and financial performance**

TVET CDACC is mandated to undertake design and development of curricula for the training institutions' examination, assessment and competence certification and advise the Government on matters related thereto. The Organizational objectives are to provide a dynamic curriculum responsive to the manpower needs of a dynamic economy and establish competence-based assessment and certification system. During the FY 2019/20, the Council made various progress in the development of Competency Based Curriculum in collaboration with the industry.

In the FY 2019/2020, TVET CDACC had a gross budget of Kshs. 430,000,000 for recurrent vote, and the following achievements were realized:

- i) The Council partnered with various stakeholders and industry experts to develop six nine (69) learning guides to enable implementation of CBET curricula.
- ii) The Council partnered with industry in the development of 163 Occupational standards and Curricula various trade areas.
- iii) Trained 11,165 assessors and verifiers cumulatively on competency-based assessment from various TVET institutions including new public TVCs and VTCs;
- iv) Registered 46 assessment centers (Registration of assessment center depends on registration of institution by TVETA);
- v) Developed assessment tools for 4,114 units of competency;
- vi) Assessed 172 candidates in five TVET institutions.
- vii) Developed online Competency Based Assessment training content; and
- viii) Partnered with the following Organizations to achieve its mandate:
  - a) The British High Commission in a project known as "Skills for Prosperity". The project aims at supporting the development of trainers and trainee manuals, assessment tools, ensure sustainability of Sector Skills Advisory Committees, support establishment of automated assessment Centers and review OS and CBET Curricula.
  - b) GIZ in a project known as "Promotion of youth employment and TVET programs" to support the development of OS, Curricula, Learning Guides, assessment tools and mentoring tools in Industrial mechatronic, Automotive mechatronics and Automotive body building. The Project was launched by the President of Kenya and German.
  - c) GIZ Green innovations on development of Sweet Potato value chain curriculum
  - d) GIZ soil protection and rehabilitation "Learning Guides in soil management"
  - e) Kenya Wildlife Service Training Institute- Development of Learning Guides in Wildlife management.
  - f) Kenya Water Institute- Development of Learning Guides in water programs.
  - g) Outspan Medical College- Development of Learning Guides in Perioperative Theatre Technology and Health Services Support.
  - h) Nairobi Institute of Music and Performing Arts – development of assessment tools for Music technology, Music performance, Music arts, Theatre arts and Film production.
  - i) ILO – development of learning guides and assessment tools for five curricula (level 4)
  - j) EASTRIP – World Bank Project supporting the development of curricula in identified sectors and development of infrastructure.
  - k) OKP – KEN 103470 Project -Nuffic Netherlands supporting the development of Occupational Standards and their respective curricula the Manager Technical Training Institutions and its Learning Guide.

- l) Young Africa Works in Kenya- Master card and KEFEP a component of Skills development for the youth.
- m) Bear II project: supporting the development of curricula
- n) TVET Innovation Fund- Supporting Productivity and Competitiveness in Kenya- Canadian Government/ KEFEP- supporting research and innovation in some of the National Polytechnics.
- o) Kenya Police Service – supporting the development of police force curriculum

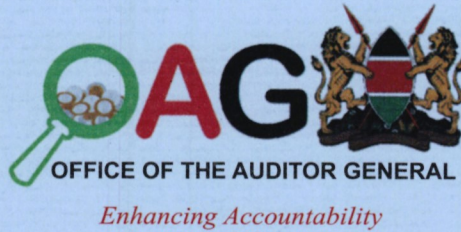
### **CHALLENGES**

In the financial year 2019/20, TVET CDACC faced the following challenges:

- i) Inadequate infrastructure;
- ii) Inadequate capacity of TVET trainers to train CBET programmes and carry out competency-based assessment;
- iii) Delay in accreditation of institutions to offer CBET programmes and accreditation of CBET curricula by various state agencies; and
- iv) Overlaps of mandates.

# REPUBLIC OF KENYA

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON TVET CURRICULUM DEVELOPMENT, ASSESSMENT AND CERTIFICATION COUNCIL FOR THE YEAR ENDED 30 JUNE, 2020**

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### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Opinion**

I have audited the accompanying financial statements of TVET Curriculum Development, Assessment and Certification Council set out on pages 1 to 17, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and 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 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, the financial statements present fairly, in all material respects, the financial position of TVET Curriculum Development, Assessment and Certification Council as at 30 June, 2020 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

#### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the TVET Curriculum Development, Assessment and Certification Council 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 opinion.

## **Key Audit Matters**

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

## **Other Matter**

### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.429,529,269 and Kshs.428,819,769 respectively resulting in under collection of Kshs.709,500. Similarly, the Council spent a total of Kshs.383,321,245 against an approved budget of Kshs.429,529,269 resulting to an under-expenditure of Kshs.46,208,024 or 11% of the budget. The under collection of revenue and the under-expenditure affected the planned activities of the Council and may have impacted negatively on service delivery to the public.

## **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, I confirm that, nothing 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**

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

## **Basis for Conclusion**

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

## **Responsibility 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 (Accrual 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 overall governance.

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

## **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the

provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement 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 review is planned and performed to express a conclusion with limited assurance as to 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 review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern. 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 Council to cease to continue as a going concern.
- 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 Council to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**

**22 June, 2021**

**VIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR  
ENDED 30 JUNE 2020**


	Notes	2019-2020	2018-2019
		Kshs	Kshs
<b>Revenue</b>			
<b>Revenue from non-exchange transactions</b>			
Grants from Ministry	5a	420,000,000	364,480,001
<b>Total</b>		<b>420,000,000</b>	<b>364,480,001</b>
<b>Revenue from exchange transactions</b>			
Other Revenue (A.I.A)	5b	8,819,769	708,500
<b>Total</b>		<b>8,819,769</b>	<b>708,500</b>
<b>Total Revenue</b>		<b>428,819,769</b>	<b>365,188,501</b>
<b>Expenses</b>			
Employee Costs	6	34,187,881	14,704,125
Remuneration of directors	7	10,279,265	10,570,618
Depreciation and amortization expense	8	12,523,298	12,153,089
Repairs and maintenance	9	1,086,306	3,323,642
General expenses	10	337,767,793	300,550,891
<b>Total Expenses</b>		<b>395,844,543</b>	<b>341,302,364</b>
<b>Surplus for the Period</b>		<b>32,975,226</b>	<b>23,886,137</b>
<b>Surplus B/f</b>		<b>42,052,047</b>	<b>18,165,910</b>
<b>Transfer to Capital Grants</b>			
<b>Surplus/(Deficit) C/f</b>		<b>75,027,273</b>	<b>42,052,047</b>


The notes set out on pages 6 to 16 form an integral part of these Financial Statements.

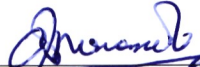
**IX. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020**

	Notes	2019-2020	2018-2019
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	30,967,655	5,350,591
Receivables from exchange transactions	12	4,016,283	1,888,611
<b>Total current assets</b>		<b>34,983,938</b>	<b>7,239,202</b>
<b>Non-current assets</b>			
Property Plant and Equipment	14	43,022,739	35,112,845
<b>Total non-current assets</b>		<b>43,022,739</b>	<b>35,112,845</b>
<b>Total Assets</b>		<b>78,006,677</b>	<b>42,352,047</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			-
Accounts Payables	13	2,979,404	300,000
<b>Total current liabilities</b>		<b>2,979,404</b>	<b>300,000</b>
<b>Net assets</b>			
Reserves (accumulated surplus)		42,052,047	18,165,910
Reserves for the year		32,975,226	23,886,137
Capital Fund		-	-
<b>Total Liabilities</b>		<b>75,027,273</b>	<b>42,052,047</b>
<b>Total net assets and liabilities</b>		<b>78,006,677</b>	<b>42,352,047</b>

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board by:

  
Council Secretary / C.E.O  
Dr. Lawrence Guantai

  
Head of Accounts  
Annastacia K. Mwinzi  
ICPAK NO: ASSOC/2884

  
Chairman of the Council  
Prof. Charles Ondieki

Date: 30/9/20.....

Date: 30/9/20.....

Date: 30/9/20.....

**X. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2020**

	<b>Accumulated Surplus Kshs</b>	<b>Capital/Develop ment Grants/Fund Kshs</b>	<b>Total Kshs</b>
<b>At 1 July, 2018</b>	18,165,910	-	18,165,910
Capital/Development grants during the year			<b>0</b>
Surplus/(Deficit) for the year	23,886,137	-	<b>23,886,137</b>
<b>At 30 June, 2019</b>	<b>42,052,047</b>	-	<b>42,052,047</b>
<b>At 1 July, 2019</b>	42,052,047	-	42,052,047
Capital/Development grants during the year			<b>0</b>
Surplus/(Deficit) for the year	<b>32,975,226</b>	-	<b>32,975,226</b>
<b>At 30 June, 2020</b>	<b>75,027,273</b>	<b>0</b>	<b>75,027,273</b>

**XI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE  
2020**

		<b>2019-2020</b>	<b>2018-2019</b>
	Note	<b>Kshs</b>	<b>Kshs</b>
<b>Surplus for the period</b>		<b>32,975,226</b>	<b>23,886,137</b>
<b>Adjusted for</b>			
Depreciation	14	12,523,298	12,153,089
Decrease/(increase) in receivables	12	-2,127,672	-1,206,246
Increase in payables	13	2,679,404	0
<b>Net Cashflow from operating Activities</b>		<b>46,050,256</b>	<b>34,832,979</b>
<b>Cash flows used in investing activities</b>			
Purchase of assets	14	20,433,192	31,532,130
<b>Net cash flows used in investing activities</b>		<b>20,433,192</b>	<b>31,532,130</b>
Net increase/(decrease) in cash and cash equivalents	11	25,617,064	3,300,849
Cash and cash equivalents at 1 July	11	5,350,591	2,049,742
<b>Cash and cash equivalents at 30 June</b>		<b>30,967,655</b>	<b>5,350,591</b>

**XII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020**

Item	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020
<b>Revenue</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Government grants and subsidies	420,000,000	-	420,000,000	420,000,000	0
Other revenue (A.I.A)	10,000,000	-470,731	9,529,269	8,819,769	-709,500
<b>Total income</b>	<b>430,000,000</b>	<b>-470,731</b>	<b>429,529,269</b>	<b>428,819,769</b>	<b>-709,500</b>
<b>Expenses</b>					
Compensation of employees	50,000,000	5,450,437	55,450,437	34,187,881	-21,262,556
Remuneration of directors	20,000,000	-6,029,269	13,970,731	10,279,265	-3,691,466
Repairs and maintenance	20,000,000	-10,000,000	10,000,000	1,086,306	-8,913,694
Use of goods and services	340,000,000	108,101	360,108,101	337,767,793	-22,340,308
Finance cost	-	-	-	-	-
<b>Total expenditure</b>	<b>430,000,000</b>	<b>-10,470,731</b>	<b>439,529,269</b>	<b>383,321,245</b>	<b>-56,208,024</b>

**Note:** The difference under compensation of employees was made for recruiting additional Council staff. However, the approval to recruit 31 new staff members was given at the end of financial year 2019/2020. Thus, the money will be utilised in the financial year 2020/2021.

### **XIII. NOTES TO THE FINANCIAL STATEMENTS**

#### **1. GENERAL INFORMATION**

TVET CDACC is established by and derives its authority and accountability from TVET Act, No. 29 of 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activities are to undertake design and development of competency-based curriculum for TVET, competence assessment and certification.

#### **2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

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

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the indirect method.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The financial statements are prepared on accrual basis.

#### **3. ADOPTION OF NEW AND REVISED STANDARDS**

##### **i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2020**

<b>Standard</b>	<b>Impact</b>
<b>IPSAS 40:</b> Public Sector Combinations	TVET CDACC is an entity of its own and does not have interest of business combination with any other entity be it amalgamation, therefore the standard does not apply in the financial year 2019/2020.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020**

<b>Standard</b>	<b>Impact:</b>
<b>IPSAS 41:</b> Financial Instruments	The entity does not hold any financial asset for maturity; therefore, the standard does not apply in the financial year 2019/2020.
<b>IPSAS 42:</b> Social Benefits	TVET CDACC is an entity whose mission is to provide demand driven curricula, competence assessment and certification of TVET graduates for the global labour market. The standard does not apply in the financial year 2019/2020.

**iii. Early adoption of standards**

TVET CDACC did not early – adopt any new or amended standards in the financial year 2019/2020.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Revenue recognition**

**i. Revenues 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.

**ii. Revenues from exchange transactions**

Revenue from the sale of goods/services is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods/service 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. TVET CDACC recognises revenue from CBA training/assessment fees and sale of learning guides, assessment tools, occupational standards and curricula this is recorded under Appropriation In Aid (AIA) account.

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **b) Budget information**

The original budget for FY 2019-2020 was approved by the National Assembly on September 2019. The budget is prepared on the accrual basis that is, all planned costs and income are presented in a single statement to determine the needs of TVET CDACC. As a result of the adoption of the accrual basis for budgeting purposes, there is no timing or differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts. No subsequent revisions or additional appropriations were made to the approved budget in the FY 2019/2020.

### **c) Property, Plant and Equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

#### **Depreciation of Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them using the straight-line method. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

The following rates were applied for depreciation;

- Motor Vehicles 25%
- Furniture, Fixtures Fittings and Equipment @12.5%
- Computers, Laptops and Printers @ 30%
- Software 20%

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **d) Provisions**

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

Where the TVET CDACC expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

### **e) Contingent liabilities**

The TVET CDACC 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.

### **f) Contingent assets**

TVET CDACC does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control in the notes to the financial statements.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

### **g) Nature and purpose of reserves**

TVET CDACC creates and maintains reserves in terms of specific requirements. Revaluation reserve is created to record increase or decrease in value of property. In financial year 2019-2020 no asset or property which has been revalued hence no revaluation gain or loss recorded.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**h) Changes in accounting policies and estimates**

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

**i) Cash and cash equivalents**

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

For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers which were not surrendered or accounted for at the end of the financial year.

**j) Comparative figures**

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

**k) Significant judgments and sources of estimation uncertainty**

The preparation of the TVET CDACC's financial statements in conformity with IPSAS requires management to makes judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period.

**l) Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The TVET CDACC based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the TVET CDACC. Such changes are reflected in the assumptions when they occur.

**m) Useful lives and residual values**

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the TVET CDACC

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

**n) Provisions**

Provisions were raised and management determined an estimate based on the information available.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material

**o) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2020.

**p) Related party**

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

**q) Segment reporting**

The entity does not have any branches/reporting segments. All the operations of the entity are managed from the registered office. The core business of TVET CDACC continues design and development of competency-based curriculum for TVET.

**r) Bad debt provision**

The entity provides 10% for debts over one year and 5% in the preceding year. If there is high probability that the debt is not recoverable it is written off. There were no bad debts in the financial year 2019-2020.

**s) Financial Risk Management Disclosure**

The centre did not have investments in financial instruments in financial year 2019-2020.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**t) Related party disclosures**

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 directors, the CEO and senior managers.

The Key management personnel receives salaries and other benefits from Council.

**2019-2020**

Number of persons	46
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**u) Commitments and contingencies**

There were no capital commitments during the financial year 2019-2020

**v) Contingencies**

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

**w) Ultimate and holding entity**

TVET CDACC is a state corporation under the ministry of Education. Its ultimate parent is the Government of Kenya.

**x) Employee benefits**

TVET CDACC provides retirement benefits for its employees and directors. The retirement benefits are contributory.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**5. REVENUE**

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income	Total income during the year 2019-2020	2018-2019
<b>5a. GRANT FROM MINISTRY</b>			
Ministry of Education/State Department of Vocational Technical Training	420,000,000	420,000,000	364,480,001
<b>5b. OTHER REVENUE</b>			
Other Revenue (A.I.A)	8,819,769	8,819,769	708,500
<b>Total</b>	<b>428,819,769</b>	<b>428,819,769</b>	<b>365,188,501</b>

<b>6. EMPLOYEE COSTS</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>KShs</b>	<b>KShs</b>
Salaries and Wages	32,469,820	4,176,000
Employee related costs - contributions to pensions	1,718,061	8,467,701
Extraneous Allowance		1,810,424
Leave allowances		250,000
<b>Employee costs</b>	<b>34,187,881</b>	<b>14,704,125</b>

<b>7. REMUNERATION OF DIRECTORS</b>		
<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>KShs</b>	<b>KShs</b>
Chairman's Honoraria	1,020,000	1,020,000
Sitting Allowances	4,600,000	5,424,000
DSA & Other expenses	4,659,265	4,126,618
<b>Total director emoluments</b>	<b>10,279,265</b>	<b>10,570,618</b>

<b>8. DEPRECIATION AND AMORTIZATION EXPENSE</b>		
<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>KShs</b>	<b>KShs</b>
Property, Plant and Equipment	12,523,298	12,153,089
<b>Total depreciation and amortization</b>	<b>12,523,298</b>	<b>12,153,089</b>

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<b>9. REPAIRS AND MAINTENANCE</b>		
<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>KShs</b>	<b>KShs</b>
Vehicles	897,906	2,686,192
Other Assets	188,400	637,450
<b>Total repairs and maintenance</b>	<b>1,086,306</b>	<b>3,323,642</b>

<b>10. GENERAL EXPENSES</b>		
<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>KShs</b>	<b>KShs</b>
Audit fees	500,000	300,000
Bank Charges	1,255,731	248,856
Communication Supplies and Services	3,219,366	1,289,550
Competence Assessment and Certification	102,380,924	68,309,109
Computer Supplies & accessories	5,889,384	4,256,772
Development of Curriculum	194,377,341	203,043,573
Domestic Travel and subsistence	9,567,837	4,053,865
Foreign Travel and subsistence	1,912,788	2,743,807
Fuel, oil and lubricant	810,000	1,253,527
Hospitality supplies and services	949,947	446,705
Insurance-Motor vehicle and Other Assets	927,833	927,913
Office and General Supplies	2,666,783	4,181,219
Rent and Rates	7,867,689	
Printing and Advertisement, information Supplies and Services	3,575,270	8,610,386
Training expenses	1,866,900	885,609
<b>Total general expenses</b>	<b>337,767,793</b>	<b>300,550,891</b>

<b>11. CASH AND CASH EQUIVALENTS</b>		
<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Current account- 1183760809	30,542,047	4,642,091
Cash in Hand	-	-
Others-AIA A/C- 1236735323	425,608	708,500
Fixed Deposit Account	-	-
<b>Total cash and cash equivalents</b>	<b>30,967,655</b>	<b>5,350,591</b>

## 12. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
Rent	3,056,283	
Outstanding Imprest	220,000	1,229,773
Fuel	740,000	658,838
<b>Totals</b>	<b>4,016,283</b>	<b>1,888,611</b>

## 13. ACCOUNTS PAYABLES

Description	2019-2020	2019-2018
Provision for audit fees	800,000	300,000
Retention	1,858,215	
Other Creditors	321,189	
<b>Total</b>	<b>2,979,404</b>	<b>300,000</b>

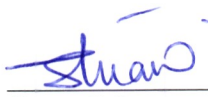
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**14. Property Plant and Equipment**

	Motor vehicles	Furniture and Fittings	Computers and Printers	Software	Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Depreciation Rates</b>	<b>0.25</b>	<b>0.13</b>	<b>0.30</b>	<b>0.20</b>		
<b>COST/VALUATION:</b>						
At 1 July 2018	5,804,000	7,997,260	6,801,350	1,100,600	0	21,703,210
Valuation/Additions	17,612,000	5,446,930	6,634,000	1,839,200	0	31,532,130
As at 30 June 2019	23,416,000	13,444,190	13,435,350	2,939,800	-	53,235,340
<b>DEPRECIATION:</b>						
As at 1 July 2018	2,055,583	1,187,922	2,505,782	220,120	0	5,969,407
Charges for the year	5,854,000	1,680,524	4,030,605	587,960	0	12,153,089
As at 30 June 2019	7,909,583	2,868,445	6,536,387	808,080	0	18,122,495
<b>COST/VALUATION:</b>						
At 1 July 2019	23,416,000	13,444,190	13,435,350	2,939,800		53,235,340
Valuation/Additions	-	-	-	1,851,047	18,582,145	20,433,192
<b>As at 30 June 2020</b>	<b>23,416,000</b>	<b>13,444,190</b>	<b>13,435,350</b>	<b>4,790,847</b>	<b>18,582,145</b>	<b>73,668,532</b>
<b>DEPRECIATION:</b>						
As at 1 July 2019	7,909,583	2,868,445	6,536,387	808,080		18,122,495
Charges for the year	5,854,000	1,680,524	4,030,605	958,169	-	12,523,298
As at 30 June 2020	13,763,583	4,548,969	10,566,992	1,766,249		30,645,793
<b>NET BOOK VALUE:</b>						
<b>At 30 June 2020</b>	<b>9,652,417</b>	<b>8,895,221</b>	<b>2,868,358</b>	<b>3,024,598</b>	<b>18,582,145</b>	<b>43,022,739</b>
<b>At 30 June 2019</b>	<b>15,506,417</b>	<b>10,575,745</b>	<b>6,898,963</b>	<b>2,131,720</b>	<b>16,723,931</b>	<b>51,836,775</b>

**APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR  
RECOMMENDATIONS**

<b>Reference No. on the external audit Report</b>	<b>Focal Point person to resolve the issue (Name and designation)</b>	<b>Status: (Resolved / Not Resolved)</b>

  
\_\_\_\_\_  
Council Secretary / C.E.O  
Dr. Lawrence Guantai

Date: 30/9/20

**APPENDIX II: INTER-ENTITY TRANSFERS**

<b>ENTITY NAME:</b>		TVET CURRICULUM DEVELOPMENT ASSESSMENT AND CERTIFICATION COUNCIL (TVET CDACC).	
<b>Breakdown of Transfers from the State Department of Vocational and Technical Training</b>			
<b>FY 2019/2020</b>			
<b>a. Recurrent Grants</b>			
	<b><u>Bank Statement Date</u></b>	<b>Amount (Kshs)</b>	<b>Indicate the Financial Year to which the amount relate</b>
	16/08/2019	91,120,000.00	FY 2019/2020
	23/10/2019	118,880,000.00	FY 2019/2020
	24/01/2020	105,000,000.00	FY 2019/2020
	18/05/2020	8,216,250.00	FY 2019/2020
	04/06/2020	96,783,750.00	FY 2019/2020
	<b>Total</b>	<b>420,000,000.00</b>	

The above amounts have been communicated to and reconciled with the parent ministry

CEO/Council Secretary  
TVET CDACC

Sign ..... 

Head of Accounting Unit  
State Department of VTT

Sign ..... 