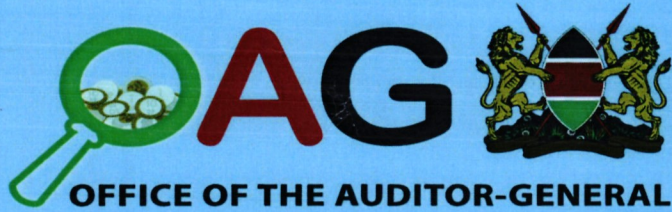



REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

REPORT

 OF THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 04 MAR 2021	DAY: Thurs
BY: Hon. Amos Kimungu	
CLERK-AT THE-TABLE: Perpetual Muiya	

THE AUDITOR-GENERAL

ON

**STATE DEPARTMENT FOR POST
TRAINING AND SKILLS DEVELOPMENT**

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



**MINISTRY OF EDUCATION
STATE DEPARTMENT FOR POST TRAINING AND SKILLS DEVELOPMENT**

REPORTS AND FINANCIAL STATEMENTS

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

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

Table of Contents

Page

I. KEY ENTITY INFORMATION AND MANAGEMENT.....	i
II. FORWARD BY THE CABINET SECRETARY.....	v
III. STATEMENT OF PERFORMANCE AGAINST MDA'S PREDETERMINED OBJECTIVES	ix
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING	xiii
V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES	xv
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE STATE DEPARTMENT FOR POST TRAINING AND SKILLS DEVELOPMENT.....	xvii
VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2020.....	1
VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2020.....	2
IX. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020.....	3
X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED 30 JUNE 2020.....	4
XI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT FOR THE YEAR ENDED 30 JUNE 2020.....	5
XII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES.....	6
XIII. SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2020	7
XIV. NOTES TO THE FINANCIAL STATEMENTS.....	12
XV. PROGRESS ON FOLLOW UP OF PRIOR YEARS AUDITOR'S RECOMMENDATIONS	17

I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

The State Department for Post-Training and Skills Development (PTSD) is one of the four departments under Ministry of Education, established under Executive Order No 1 of June, 2018 (Revised). The core mandate of the department is to provide an institutional framework to devise and implement National Sectoral and work place Strategies to develop and improve the skills for the Kenyan workforce.

The state department was established to enhance linkage between education and industry where Ministries, Departments Agencies (MDAs) and the private sector undertakes different skilling programmes in fragmented manner. This has led to inequity in distribution of placement opportunities as well as duplication of efforts and wastage of resources.

There also exist weak linkages between training and industry. This has led to mismatch between demand and supply of skills in the labour market as well as hindrance to smooth transition from learning to earning. The department is hence committed to creating linkages between training, skills and industry to enhance employability and productivity.

In order to address the concerns, the State Department was established and mandated to coordinate, promote, implement and regulate post training and skills development initiatives. Towards this endeavour, the department will coordinate, promote and regulate post training and skills development initiatives. Additionally, the department seeks to upskill the youth with competencies and entrepreneurial capacity to function effectively in the labour market. This is aimed at providing a seamless transition from learning to earning in order to increase productivity and contribute to the economic growth of Kenya.

Vision

A globally competitive skilled labour force for National Development.

Mission

To promote skills development through creation of skills and industry linkages to enhance employability, workplace productivity and competitiveness.

Strategic Goal

The department's Strategic goal is to provide an institutional framework to devise and implement National, Sectoral and Workplace strategies to develop and improve the skills of the Kenyan workforce.

Strategic Objectives

The strategic objectives of the Department are to: -

- To review, formulate, and implement appropriate supportive policies, legal and institutional frameworks for the sub-sector
- To institutionalize national-wide work-based learning initiatives

Ministry of Education
State Department for Post Training and Skills Development
Reports and Financial Statements
For the year ended 30 June, 2020

- To develop a national and sector specific skills inventory
- To map skills development and providers by sectors
- To establish and strengthen institutional linkages to link training, skills development and the industry for skills development and improvement.
- To integrate national skilling to the national qualification framework
- To promote private-public partnership in skills development
- To mobilize resources for skills development
- To promote research for skills management for sustainable development
- To integrate modern technology in skills development, improvement and management.

Core Values

In its endeavour to execute its Mandate, the state department is guided by the following Core Values/ Principles: -

- Team spirit
- Prompt customer responsiveness
- Integrity – honesty, accountability and transparency
- Patriotism
- Consultation
- Professionalism
- Gender equity and equality

The state department day-to-day management is under the following key organs:

Departments

The State Department comprises the following;

General Administration and Planning

Workplace Readiness Services

Post-Training Information Management

(b) Key Management

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

No.	Designation	Name
1	Cabinet Secretary	Prof George Magoha
2	Principal Secretary -Accounting Officer	Alfred Cheruiyot
3	Secretary –Administration	Mohamed Birik
4	Senior Assistant Secretary	Clement A.D. Ochola

(c) Fiduciary Management

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

No.	Designation	Name
1	Principal Secretary/Accounting Officer	Alfred Cheruiyot
2	Secretary – Administration	Mohamed Birik
3	Secretary – PTSD	Dr Caroline W. Kariuki
4	Senior Assistant Secretary	Clement A. D. Ochola
5	Senior Principal Finance Officer	Catherine Shiroko
6	Head Accounting Unit	James Barasa Oundo

(d) Fiduciary Oversight Arrangements

The following are the different committees and their activities in the Departments:

Audit Committee Activities

- Evaluating adequacy of management procedures with regard to risk management, control and governance
- Reviewing and approving the audit charter and the internal audit manual work plans
- Reviewing the internal and external audit findings/recommendation and proposing necessary action
- Reviewing the systems established to ensure sound public financial management and internal controls, compliance with policies, laws, regulations, procedures, plans and ethics
- Initiating special audit/investigation on any allegations, concerns and complaints regarding, lack of accountability and transparency in consultation with the Accounting Officer.
- Any other task, which are within the mandate of the committee

Budget Implementation Committee Activities

- Budget Implementation
- Budget Review Expenditure
- Evaluation of projects implementation status
- Discuss and agree on re-allocation/increase or decrease of budgetary allocations
- Preparation of quarterly expenditure forecasts for discussions with National Treasury for release of funds

Parliamentary Committee Activities

- Gather information on issues raised
- Receive and compile the gathered information
- Facilitate the Cabinet Secretary's appearance at the parliament and Senate as requested
- Make follow up on issues raised form both National Assembly and the Senate
- Submit responses as required and agreed by the Cabinet Secretary

Ministry of Education
State Department for Post Training and Skills Development
Reports and Financial Statements
For the year ended 30 June, 2020

- Make annual reports on all matters attended to in response to parliament concerns

Development partner oversight activities

- Carrying out periodic financial review on project activities
- Issuing no objection clearance on planned spending on project activities
- Carrying out regular supervision mission
- Offering advice on the best practices worldwide as far project implementation is concerned
- Offering technical support where local talent is insufficient

(e) Entity Headquarters

P.O. Box 30040-00200
Jogoo House "B"
Harambee Avenue
NAIROBI, KENYA

(f) Entity Contacts

Telephone: Nairobi (254) 020 3318581
E-mail: cs@education.go.ke
Website: www.education.go.ke

(g) Entity Bankers

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

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. FORWARD BY THE CABINET SECRETARY



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

Prof Secretary, Ministry of Education, on March 26, 2019. He is a Professor of Transplant Surgery. Before his appointment as Cabinet Secretary, Prof. Magoha was the Chairman of the Kenya National Examinations Council (KNEC) where he served from March 09, 2016 to March 08, 2019. He was also an Honorary Consultant Surgeon and Urologist at Kenyatta National Hospital and Nairobi Hospital. Before joining KNEC, Prof. Magoha served as Vice-Chancellor, University of Nairobi for 10 years from January 2005 to January 2015. Previously, he was Chairman of the African Network of Scientific and Technological Institutions and the Kenya Medical Practitioners and Dentists Board.

For two years, from August 2013 to August 2015, Prof. Magoha served as the President of the Association of Medical Councils of Africa. He also served as the Chairman of Kenya Association of Urological Surgeons (KAUS) from 1997 to 2013. While serving as Vice Chancellor of the University of Nairobi, Prof. Magoha was elected President of the Association of African Universities (AAU) in 2011, a position he held until 2013. He has been serving as a member of the AAU executive board since 2005.

Prof. Magoha served as a Commissioner at the Commission for University Education (CUE), previously called Commission for Higher Education (CHE), from 2005 to 2013. For his exemplary service, Prof. Magoha the Kenya Medical Association honoured Prof Magoha with Distinguished Service Award for services he offered to the Medical Profession in 2008. He represented the African Continent in the Confucius Council in Beijing, China from 2009-2015.

Born in 1952, Prof. Magoha undertook his primary education in Yala, Siaya County and Nairobi County before joining Starehe Boys Centre and Strathmore College for his high school education. He then proceeded to the University of Lagos in Nigeria where he studied Medicine. He furthered his studies in Surgery and Urology at Lagos University Teaching Hospital, University College Hospital, Ibadan; Royal College of Surgeons, Dublin, Ireland and Royal Postgraduate Medical School Hammersmith Hospital, London, Department of Urology, where he earned various academic awards.

Ministry of Education
State Department for Post Training and Skills Development
Reports and Financial Statements
For the year ended 30 June, 2020

He trained in executive management at the Stanford University, Graduate School of Business, and has many international professional honours and awards. Locally, the awards include Chief of the Order of Burning Spear (CBS), Moran of the Burning Spear (MBS) and Elder of the Burning Spear (EBS). Prof. Magoha joined the University of Nairobi as a Lecturer in Urological Surgery in 1988 and rose through the ranks to become a full Professor of Surgery in 2000. He served in various administrative positions at the University rising from Chairman of the Academic Department of Surgery in 1999, Dean of the School of Medicine, Principal of the College of Health Sciences, Deputy Vice-Chancellor in charge of Administration and Finance to Vice-Chancellor in January 2005.

Prof. Magoha has published more than 60 peer-reviewed publications and supervised to completion over 40 Master of Medicine (Surgery) students. He is a member of many professional bodies in Urology and Surgery including British Association of Urological Surgeons (BAUS) and Société Internationale d'Urologie (SIU). He is actively involved in research in male erectile dysfunction; prostate, testicular and penile cancers; circumcision, and HIV/AIDs. He is a fellow of the International College of Surgeons (ICS), African Academy of Sciences (AAS) and the Kenya National Academy of Sciences (KNAS), among others.

The State Department for Post-Training and Skills Development (PTSD) is one of the four departments under Ministry of Education, established under Executive Order No 1 of June, 2018 (Revised). The core mandate of the department is to provide an institutional framework to devise and implement National Sectoral and work place Strategies to develop and improve the skills for the Kenyan workforce.

The state department was established to enhance linkage between education and industry where Ministries, Departments Agencies (MDAs) and the private sector undertakes different skilling programmes in fragmented manner. This has led to inequity in distribution of placement opportunities as well as duplication of efforts and wastage of resources.

During the year, the department was allocated a recurrent budget amounting to Kenya Shillings One hundred and twenty two million, three hundred and six thousands, one hundred and twenty seven Seventy-Five Million, four Hundred and Fifty-Five Thousand only (Ksh.122,306,127) under one program- General Administration Planning and Support Services. The department absorbed 93% which would have higher had all the requested exchequer been fully funded.

Key Achievements of the entity

- 59 university institutions sensitized on career management
- 75 Youth Trained on use of Science Technology and Innovation for Employment Creation
- 3 County work-based learning committees established
- Sensitized 180 industry and training institutions on importance of linking education to industry.

- Draft Strategic Plan
- Operationalization of the State Department Office
- Proposed staff establishment forwarded to Public service Commission

Emerging Issues

- Linking of education to industry
- Fourth industrial revolution complicate future employment opportunities vis a vis educational output
- Rapid Technological advancement & innovation: the rapid rate of global advancement and innovation in technology is causing organizations to reorganize operations and improve service delivery model. Keeping pace with competition with latest technological creating convinces and time saving service delivery.
- Competency Based Education and Training Curriculum reforms
- Quality work life: The younger generation of employees prefers virtual offices rather than the physical offices. In such arrangement, measuring employee performance becomes a challenge.

Key challenges affecting service delivery during the period includes:

- Inadequate Staff;
- Inadequate funding
- Inadequate office equipment and facilities
- Inadequate office equipment and facilities
- Institutional Structures
- Disintegrated data management and sharing on skills development
- Uncoordinated national programmes on skilling

In order to consolidate the gains realized by the training institutions, the following recommendations are proposed:

- Resource mobilization (adequate human and financial resources)
- Involvement of the private sector (successful delivery of planned activities will heavily depend on the level of collaboration of key stakeholders)
- Strengthen post-training data management (invest in data management and information sharing among the stakeholders)
- Capacity Building for Management Staff in Education and Training
- Fast Tracking Work-Based Learning Programmes
- Strengthening M & E in the sector
- Establish and Operationalization of Sector-Specific Councils

In the financial year 2019/2020 the State Department of Post Training and Skills Development had a gross budget of Kshs. 122,306,127.00 which was for recurrent vote.

*Ministry of Education
State Department for Post Training and Skills Development
Reports and Financial Statements
For the year ended 30 June, 2020*

Financial Performance	Printed Estimates Kshs.	Actual Kshs.	Variance Kshs.	% Utilisation Variance
Total Receipts	122,306,127	114,301,007	8,005,120	7%
Total Expenditure	122,306,127	114,300,139	8,005,988	7%
Surplus for the Year		868	868	0

Actual receipts by the state department stood at 7% below budget while actual payments were 7% below budget. This is attributable to late Supplementary budget, under-capacity and delays in exchequer releases.



Prof. George Magoha
Cabinet Secretary

III. STATEMENT OF PERFORMANCE AGAINST MDA'S PREDETERMINED OBJECTIVES

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

PTSD is committed to provision and management of a national skills assessment and development platform to ensure timely integration of labour-market information with training services for seamless transition from learning to earning.

During the 2018-2022, the Department's programs will be guided by the following specific Strategic Objectives;

- i) To review, formulate, and implement appropriate supportive policies, legal and institutional frameworks for the sub-sector
- ii) To institutionalize national-wide work-based learning initiatives
- iii) To develop a national and sector specific skills inventory
- iv) To map skills development and providers by sectors
- v) To establish and strengthen institutional linkages to link training, skills development and the industry for skills development and improvement.
- vi) To mobilize resources for skills development

Progress on attainment of Strategic Development Objectives

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

*Ministry of Education
State Department for Post Training and Skills Development
Reports and Financial Statements
For the year ended 30 June, 2020*

Sub Programme	Objective	Indicator	Outcome	Performance
PROGRAMME 1.0: GENERAL ADMINISTRATION, PLANNING AND SUPPORT SERVICES				
	Operationalized State Department Have an approved Strategic Plan	No of operationalized offices	Fully functional offices with motivated staff	Office refurbished and equipped
		% completion of staff establishment	Smooth running department	Awaiting approval from PSC
		% completion of approved strategic plan	Planned programmes	Completed and circulated
		% completion of IPPD infrastructure	Timely remuneration to staff	IPPD operational with half of the Hardware infrastructure
	Approved OCS guidelines	% of completion	Smooth operation of OCS	Career guidelines was fully developed
	University institutions sensitized on career management.	No of institutions sensitized	Awareness created	Successfully done in collaboration with KEMI
	Youth Trained on use of Science Technology and Innovation for Employment Creation	No sensitized	Awareness created	Done in collaboration with CEMASTEAM
	County work-based learning committees established	No of committees Established	Well informed members	Kitui, Kilifi & Busia committees established

Ministry of Education
State Department for Post Training and Skills Development
Reports and Financial Statements
For the year ended 30 June, 2020

	Sensitized industry and training institutions on importance of linking education to industry	Number of institutions sensitized	Awareness created	Collaborated with CEMASTEIA, ILO & Barclays Bank (48 industry, 132 training institutions)
	Established Industry Education Linkages	No of professional bodies established	Capacity building	No funds available
	Sector skills councils established and operationalized	Sector skills councils established and operationalized	Capacity building	No funds available
	Establishment of Industry Education Linkages	No. of OCS established in universities	Awareness created	PTSD trained universities to establish OCS;
	Kenya National Skills Development Council (KNDSC) established and operationalized	% level of operationalization of the KNDSC	Capacity building	No funds available
	National skills development policy	% completion	Guided skills development	NSDP Developed and operational
	National Skills Development Fund Established	% of operationalization	Revolving fund	No funds available
	Youth trained under the apprenticeship program	No. of apprentices trained	Capacity building	No funds available
	unemployed youths trained on entrepreneurship	No. of start-ups enterprises natured	Capacity building	No funds available

*Ministry of Education
 State Department for Post Training and Skills Development
 Reports and Financial Statements
 For the year ended 30 June, 2020*

	PTSD mobile training workshop trucks acquired and refurbished	No. PTSD of mobile training workshops for PLWD	Self-sustenance	No funds available
	PTSD mobile training workshop trucks acquired and refurbished	No. PTSD of mobile training workshops for ASAL	Self-sustenance	No funds available
	start-ups entrepreneurs exposed to entrepreneurship	No. of exhibitions held	Exposure	No funds available
	3 National skills maps developed	% of completion		No funds available
	Operational integrated skills and employment information management systems (Name Change)	% of completion	Inter linkages	No funds available

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

State department for Post training and skills development i.e. one the four departments under the Ministry of Education, established by the executive order No. 1 of June 2018.

Its mission is to promote and coordinate skills development through skilling, retooling and strengthening education in industry linkages to enhance employability, and competitiveness and the broad mandate is to provide an institutional framework to devise and implement National, sectoral and workplace strategies to develop and improve skills of the Kenyan workforce.

Below is a brief highlight of our achievements:

1. Sustainability Strategy and Profile

The labour market is undergoing rapid changes occasioned by technological development, demographic changes and globalization. These trends are affecting the landscape of gainful employment, the type of jobs and the skills required in the labour market.

In order to fit in the dynamic world of work, it is important to reform the education, training and skilling systems and to ensure improved quality and new approaches to lifelong learning. Competing in global economy is complex, therefore, countries not only need skills but also a flexible workforce that can adjust to rapid shift in labour market demand.

2. Environmental Performance

The State Department for Post Training and Skills Development is guided by environmental policy including

- (i) Climate Change: - The department promotes environmentally friendly skills and technologies that are eco-friendly and non-pollutant.
- (ii) Waste Management: - The department has mainstreamed waste management in post training and skills development programmes.

3. Employee Welfare

The State Department for Post Training and Skills Development is currently run by a staff in-post of 41 against a proposed establishment of 260.

The Public Service Commission undertakes the hiring process for all MDAs and take into account the gender ratio, and other affirmative policies. The Human Resource Department in itself does the management of recruitment, rewarding, Training and

*Ministry of Education
State Department for Post Training and Skills Development
Reports and Financial Statements
For the year ended 30 June, 2020*

separation of human resources. The HR for Post Training has implemented performance management and staff appraisals for year 2019/2020 while undertaking training need assessment, implementation and monitoring.

Several staff have gone for promotional courses including Supervisory Management courses, SLDP and Senior Management courses; Interns posted to the department by Public Service Commission have programmes also implemented.

The department has complied with policy on safety, and compliance with occupational safety, health Act 2007 (OSFIA) by ensuring that the officers are well ventilated, have adequate lighting, and the space is enough to allow individual movement.

Staff in the PSTD have been sensitized on the appraisal system it's rewarding. They were taken through target setting, mid-term year review and annual appraisal.

The State Department has programmes geared towards skills improvement. The officers have individual training plans, which cater for short and long-term training. The department has trained officers on SLDP, SMC and supervisory courses as well as other individual courses.

4. Market place practices

The State Department for Post Training and Skills Development has embraced responsible compensation practice by -

- a) Developing and publishing a public procurement and asset disposal operations manual that is helpful in sensitizing staff and suppliers on public procurement and asset disposal operations manual.

This has the output of having fair competition, committed staff and involvement of both AGPO and non-AGPO suppliers. The department has also adopted anti-corruption strategies by utilizing a prequalification of suppliers' method and requiring the suppliers to fill confidential business questionnaires, PIN certificate, certificate of registration, of special groups and company profile.

5. Community Social Responsibility

The State Department was involved in CSR by planting 10,000 tree seedlings in Ngong Forest. This exercise was done in conjunction with the Kenya Forest Service.

V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

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

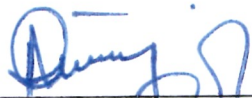
The Accounting Officer in charge of the State Department for Post Training and Skills Development accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International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

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

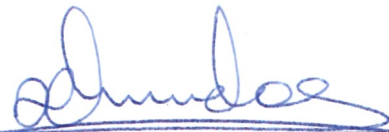
*Ministry of Education
State Department for Post Training and Skills Development
Reports and Financial Statements
For the year ended 30 June, 2020*

Approval of the financial statements

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



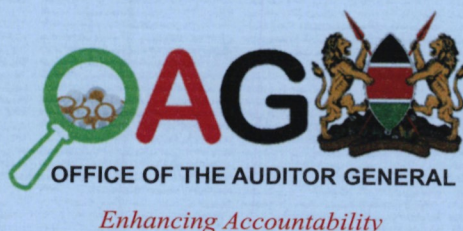
Principal Secretary
Name: Alfred K. Cheruiyot, CBS.



Deputy Accountant General
Name: James Oundo Barasa
ICPAK Member Number: 18974

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR POST TRAINING AND SKILLS DEVELOPMENT FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of State Department for Post Training and Skills Development set out on pages 1 to 17, which comprise of the statement of assets and liabilities as at 30 June, 2020, statement of receipts and payments, statement of cash flows and the summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the State Department for Post Training and Skills Development as at 30 June, 2020 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the State Department for Post Training and Skills Development 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 were no key audit matters to report in the year under review.

Other Matter

Pending Bills

Note 13 to the financial statements reflects pending bills balance of Kshs.449,405 as at 30 June, 2020. Management has not explained why the bills were not settled during the

year when they occurred and the Department is at risk of incurring additional significant interest costs and penalties with the continued delay in making payments.

Failure to settle bills during the year in which they relate to distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

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.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (cash basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the State Department'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 State Department or to cease operations.

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the State Department 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness

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

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


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

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

- Perform such other procedures as I consider necessary in the circumstances.

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

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



Nancy Gathungu
AUDITOR GENERAL

Nairobi

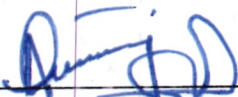
28 December, 2020

*Ministry of Education
State Department for Post Training and Skills Development
Reports and Financial Statements
For the year ended 30 June, 2020*

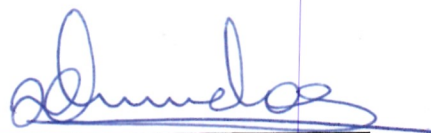
VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2020

Item	Note	2019-2020	2018-2019
		Kshs	Kshs
RECEIPTS			
Transfers from National Treasury	1	114,301,008	56,053,900
Total receipts		114,301,008	56,053,900
PAYMENTS			
Compensation of Employees	2	57,143,101	16,207,292
Use of goods and services	3	48,270,722	22,374,000
Acquisition of Assets	4	8,886,315	17,452,182
Total Payments		114,300,138	56,033,474
Surplus		870	20,426

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



Principal Secretary
Name: Alfred K. Cheruiyot, CBS.



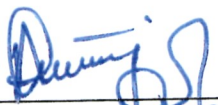
Deputy Accountant General
Name: James Oundo Barasa
ICPAK Member Number: 18974

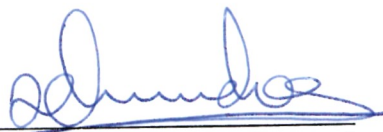
*Ministry of Education
State Department for Post Training and Skills Development
Reports and Financial Statements
For the year ended 30 June, 2020*

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

	Note	2019- 2020 Kshs	2018-2019 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	5	870	20,426
Cash Balances		-	-
Total Cash And Cash Equivalents		870	20,426
Accounts Receivables - Outstanding Imprest and Clearance Accounts	6	-	-
TOTAL FINANCIAL ASSETS		870	20,426
LESS: FINANCIAL LIABILITIES			
Accounts Payables - Deposits	7	-	-
NET FINANCIAL ASSETS		870	20,426
REPRESENTED BY			
Fund balance b/fwd	8	20,426	-
Prior year adjustments	9	(20,426)	-
Surplus/Deficit for the year		870	20,426
NET FINANCIAL POSSITION		870	20,426

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


Principal Secretary
Name: Alfred K. Cheruiyot, CBS.

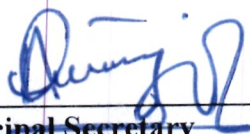

Deputy Accountant General
Name: James Oundo Barasa
ICPAK Member Number: 18974

Ministry of Education
State Department for Post Training and Skills Development
Reports and Financial Statements
For the year ended 30 June, 2020

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

		2019-2020	2018-2019
	Note	Kshs	Kshs
CASHFLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Payments from operating activities	1	114,301,008	56,053,900
Adjusted for			
Compensation of employees	2	(57,143,101)	(16,207,292)
Use of goods and services	3	(48,270,722)	(22,374,000)
Prior Year adjustment		(20,426)	
Net Cashflow from operating Activities		8,866,759	17,472,608
Cash flows used in investing activities			
Acquisition of assets	4	(8,886,315)	(17,452,182)
Net cash flows used in investing activities		(8,886,315)	(17,452,182)
Net increase/(decrease) in cash and cash equivalents		(19,556)	20,426
Cash and cash equivalents at 1 July		20,426	0
Cash and cash equivalents at 30 June		870	20,426

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



Principal Secretary
Name: Alfred K. Cheruiyot, CBS.



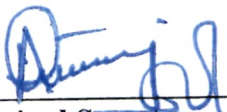
Deputy Accountant General
Name: James Oundo Barasa
ICPAK Member Number: 18974

Ministry of Education
 State Department for Post Training and Skills Development
 Reports and Financial Statements
 For the year ended 30 June, 2020

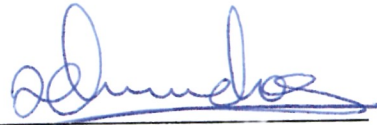
X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED 30 JUNE 2020

Item		Add/Less Supplementary	Approved Estimates	Actual Expenditure	Budget Utilization Difference	% Utilization to Final Budget
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts from Exchequer	100,250,000	22,056,127	122,306,127	114,301,008	8,005,119	93%
Total receipts	100,250,000	22,056,127	122,306,127	114,301,008	8,005,119	93%
					0	
Compensation of Employees	26,850,000	36,550,000	63,400,000	57,143,101	6,256,899	90%
Use of goods and services	57,400,000	-7,380,188	50,019,812	48,270,722	1,749,090	97%
Acquisition of Assets	16,000,000	-7,113,685	8,886,315	8,886,315	0	100%
Total	100,250,000	22,056,127	122,306,127	114,300,138	8,005,989	93%
Surplus				870		

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



Principal Secretary
 Name: Alfred K. Cheruiyot, CBS.



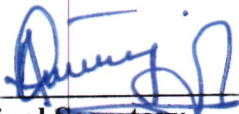
Deputy Accountant General
 Name: James Oundo Barasa
 ICPAK Member Number: 18974

Ministry of Education
State Department for Post Training and Skills Development
Reports and Financial Statements
For the year ended 30 June, 2020

XI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT FOR THE YEAR ENDED 30 JUNE 2020

Item		Add/Less Supplementary	Approved Estimates	Actual Expenditure	Budget Utilization Difference	% Utilization to Final Budget
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts from Exchequer	100,250,000	22,056,127	122,306,127	114,301,008	8,005,119	93%
Total receipts	100,250,000	22,056,127	122,306,127	114,301,008	8,005,119	93%
					0	
Compensation of Employees	26,850,000	36,550,000	63,400,000	57,143,101	6,256,899	90%
Use of goods and services	57,400,000	-7,380,188	50,019,812	48,270,722	1,749,090	97%
Acquisition of Assets	16,000,000	-7,113,665	8,886,315	8,886,315	0	100%
Total	100,250,000	22,056,127	122,306,127	114,300,138	8,005,989	93%
Surplus				870		

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



Principal Secretary
 Name: Alfred K. Cheruiyot, CBS.



Deputy Accountant General
 Name: James Oundo Barasa
 ICPAK Member Number: 18974

*Ministry of Education
State Department for Post Training and Skills Development
Reports and Financial Statements
For the year ended 30 June, 2020*

XII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on Comparable basis	Budget Differences
General Administration, Planning and Support	2019-2020 (Kshs)	2019-2020 (Kshs)	2019-2020 (Kshs)	2019-2020 (Kshs)	2019-2020 (Kshs)
Headquarters Administrative	53,765,000	26,166,909	79,931,909	73,509,173	6,422,736
Headquarters Financial Services	24,250,000	-1,283,073	22,966,927	22,176,729	790,198
Headquarters Planning Services	22,235,000	-2,827,709	19,407,291	18,614,236	793,055
Total	100,250,000	22,056,127	122,306,127	114,300,138	8,005,989

XIII. SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2020

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

- **Statement of Compliance and Basis of Preparation**

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

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

- **Reporting Entity**

The financial statements are for the *State Department for Post Training and Skills Development*. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012 and also comprise of the following development projects implemented by the entity:

- **Reporting Currency**

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

- **Significant Accounting Policies**

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

- a) **Recognition of Receipts**

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

- **Tax Receipts**

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

SIGNIFICANT ACCOUNTING POLICIES

- **Transfers from the Exchequer**

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

- **External Assistance**

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

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

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

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

- **Other receipts**

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

b) Recognition of payments

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

- **Compensation of Employees**

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

- **Use of Goods and Services**

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

- **Interest on Borrowing**

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

SIGNIFICANT ACCOUNTING POLICIES CONTINUED

- **Repayment of Borrowing (Principal Amount)**
The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.
- **Acquisition of Fixed Assets**
The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.
A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.
- **In-kind Contributions**
In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.
- **Third Party Payments**
Included in the receipts and payments, are payments made on its behalf to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties in the statement of receipts and payments as proceeds from foreign borrowings.
- **Cash and Cash Equivalents**
Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

Restriction on Cash

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30 June 2020, this amounted to Kshs 0 compared to Kshs 0 in prior period as indicated on note.

There were no other restrictions on cash during the year.

SIGNIFICANT ACCOUNTING POLICIES

- **Accounts Receivable**

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

- **Accounts Payable**

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

- **Pending Bills**

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

- **Budget**

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

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

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

- **Comparative Figures**

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

SIGNIFICANT ACCOUNTING POLICIES

- **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.

- **Errors**

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

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

- **Related Party Transactions**

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

*Ministry of Education
State Department for Post Training and Skills Development
Reports and Financial Statements
For the year ended 30 June, 2020*

XIV. NOTES TO THE FINANCIAL STATEMENTS

1 Transfers from National Treasury

Item Description	2019-2020	2018-2019
	Kshs	Kshs
Exchequer Releases/ Provisioning Account	114,301,008	56,053,900
TOTAL	114,301,008	56,053,900

2 Compensation of Employees

Item Description	2019-2020	2018-2019
	Kshs	Kshs
Basic Salaries - Permanent Employees	38,461,786	11,967,816
Personal Allowances paid as part of Salary	18,681,315	4,239,476
TOTAL	57,143,101	16,207,292

3 Use of Goods and Services

Item Description	2019-2020	2018-2019
	Kshs	Kshs
Communication, Supplies and Services	973,511	992,993
Domestic Travel and Subsistence, and Other Transportation Costs	13,416,135	10,152,435
Foreign Travel and Subsistence, and other transportation costs	2,298,160	2,737,184
Printing , Advertising and Information Supplies and Services	2,120,524	21,200
Rentals of Produced Assets	7,256,352	0
Training Expenses	1,719,780	465,680
Hospitality Supplies and Servi	3,925,890	2,179,057

Ministry of Education
State Department for Post Training and Skills Development
Reports and Financial Statements
For the year ended 30 June, 2020

Specialised Materials and Supp	0	500
Office and General Supplies and Services	3,875,345	2,293,340
Fuel Oil and Lubricants	2,410,000	1,926,450
Other Operating Expenses	6,715,874	990,089
Routine Maintenance - Vehicles	3,023,651	590,072
Routine Maintenance - Other Assets	535,500	25,000
TOTAL	48,270,722	22,374,000

4 Acquisition of Assets

Item Description	2019- 2020	2018-2019
	Kshs	Kshs
Refurbishment of Buildings	746,879	240,175
Purchase of Vehicles and Other Transport Equipment	6,146,100	13,857,024
Purchase of Office Furniture and General Equipment	1,993,336	2,994,983
Research, Feasibility Studies, Project Preparation and Design, Project Supervision	0	360,000
TOTAL	8,886,315	17,452,182

Ministry of Education
 State Department for Post Training and Skills Development
 Reports and Financial Statements
 For the year ended 30 June, 2020

5A. Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent. Development	Exc rate (if in foreign currency)	2019-2020	2018-2019
				Kshs	Kshs
Central Bank of Kenya, 1000385693, KShs	Ksh	Reccurent	-	870	20,426
Total				870	20,426

5B. Cash in Hand

	2019-2020	2018-2019
	Kshs	Kshs
Cash in Hand – Held in domestic currency		
TOTAL	-	-

Cash in hand should also be analysed as follows:

	2019-2020	2018-2019
	Kshs	Kshs
Headquarters, National Bank Building, Cashoffice		
TOTAL	-	-

6 Accounts Receivable - Outstanding Imprests

Description	2019-2020	2018-2019
	Kshs	Kshs
Government Imprests	0	
Salary advances	0	
District suspense	0	
Clearance accounts	0	
Total	0	

7 Accounts Payable

	2019-2020	2018-2019
	Kshs	Kshs
Deposits	-	-
TOTAL	-	-

8 Fund Balance Brought Forward

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	20,426	-
TOTAL	20,426	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 Prior Year Adjustments

Description of the error	Balance b/f		Adjusted
	FY 2018/2019 as per Financial statements	Adjustments	Balance b/f FY 2018/2019
	Kshs	Kshs	Kshs
Bank account Balances	20,426	(20,426)	-
	20,426	(20,426)	-

10 Changes in Receivable

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-

11 Changes in Accounts Payable – Deposits and Retentions

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2019 (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

12 Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the

- Key management personnel that include the Cabinet Secretaries and Accounting Officers
- Other Ministries Departments and Agencies and Development Projects;
- County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

Related party transactions:

	2019- 2020	2018-2019
	Kshs	Kshs
Transfers from other Ministries Departments and Agencies	114,301,008	56,053,900

*Ministry of Education
State Department for Post Training and Skills Development
Reports and Financial Statements
For the year ended 30 June, 2020*

13 Pending Accounts Payable (See Annex 1)

	Balance b/f FY 2018/2019	Additions for the period	Paid during the year	Balance c/f FY 2019/2020
Description	Kshs	Kshs	Kshs	Kshs
Construction of buildings	0	0	0	
Construction of civil works	0	0	0	
Supply of goods	1,783,900	0	1,783,900	0
Supply of services	1,480,665	449,405	1,480,665	449,405
Total	3,264,565	449,405	3,264,565	449,405

14 Pending Staff Payables (See Annex 2)

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2019/2020
Description	Kshs	Kshs	Kshs	Kshs
Senior management	0	0	0	
Middle management	0	0	0	
Unionisable employees	0	0	0	
Others	0	0	0	
Total	0	0	0	

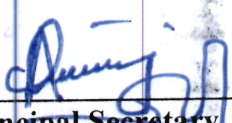
15 Other Pending Payables (See Annex 3)

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2019/2020
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	0	0	0	
Amounts due to County Government entities	0	0	0	
Amounts due to third parties	0	0	0	
Total	0	0	0	

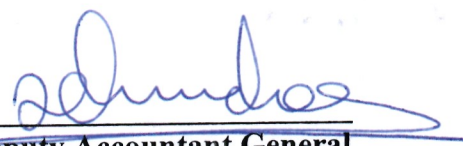
XV. PROGRESS ON FOLLOW UP OF PRIOR YEARS AUDITOR'S RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and)	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)



Principal Secretary
Name: Alfred K. Cheruiyot, CBS.



Deputy Accountant General
Name: James Oundo Barasa
ICPAK Member Number: 18974

Ministry of Education
 State Department for Post Training and Skills Development
 Reports and Financial Statements
 For the year ended 30 June, 2020

ANNEXURE
ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2020	Comments
	A	B	c	d=a-c		
Supply of goods						
3.Lyrical Traders	408,000		408,000	0	0	
4.Kenmore Enterprises	267,750		267,750	0	0	
5. Seruka International	309,900		309,900	0	0	
6.Chrispen Agencies	89,750		89,750	0	0	
7.Kenmore Enterprises	137,500		137,500	0	0	
8.Fair Sales Ventures	131,000		131,000	0	0	
9.Joely General Supplies	315,000		315,000	0	0	
10.Solid Furniture Business Service	59,000		59,000	0	0	
11.VenYTE Supplies	66,000		66,000	0	0	
Sub-Total	1,783,900		1,783,900	0	0	
Supply of services						
1. Emmola Trading Company	746,879		746,879	0	0	
2. Kenya Safari Lodges & Hotels	474,500		474,500	0	0	
3. Wamera Auto Mechanical Engineering Works	229,786		229,786	0	0	
4. Fine Tune Motors	29,500		29,500	0	0	
Sub-Total	1,480,665		1,480,665			
Grand Total	3,264,565		3,264,565			
5. Long Rock Tours and Travel	39,025		0		39,025	No Exchequer
6. Long Rock Tours and Travel	112,665		0		112,665	No Exchequer
7. Long Rock Tours and Travel	167,715		0		167,715	No Exchequer
8. Long Rock Tours and Travel	130,000		0		130,000	No Exchequer
Sub-Total	449,405		0		449,405	
Grand Total	449,405		0		449,405	

*Ministry of Education
State Department for Post Training and Skills Development
Reports and Financial Statements
For the year ended 30 June, 2020*

ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER

Assets class	Historical Costs b/f (Kshs) 2018/2019	Additions during the year (Kshs) 2019/2020	Disposals During the year (Kshs) 2019/2020	Historical Costs c/f (Kshs) 2019/2020
Land				
Buildings and structures	240,175			240,175
Transport equipment	13,857,023			13,857,023
Office equipment, furniture and fittings	2,994,984	8,886,315		11,881,299
ICT equipment, software and other ICT assets				
Other machinery and equipment				
Heritage and cultural assets				
Intangible assets	360,000			360,000
Total	17,452,182	8,886,315		26,338,497

ANNEX 3- REPORTS GENERATED FROM IFMIS

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

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

Ministry of Education
 State Department for Post Training and Skills Development
 Reports and Financial Statements
 For the year ended 30 June, 2020

REPUBLIC OF KENYA
 BANK RECONCILIATION

Page 1 of 2

F.O. 30

From Date : 01-JUL-19 To : 30-JUN-20 REC-State Department for Post Training
 Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000385693

Balance as per bank certificate	834,027.95
Less --	
1. Payment in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	833,160.00
2. Receipts in Bank Statement not yet recorded in Cash Book	
Add --	
3. Payment in Bank Statement not yet recorded in Cash Book	20,425.85
4. Receipts in Cash Book not yet Recorded in Bank Statement	
Bank Balance as per Cash Book	21,293.80

Reconciled by: Signature: Date:

Reviewed by : Signature: Date:

Approved by: Signature: Date:

Ministry of Education
 State Department for Post Training and Skills Development
 Reports and Financial Statements
 For the year ended 30 June, 2020

REPUBLIC OF KENYA
 BANK RECONCILIATION

Page 2 of 2

F.O. 30

From Date : 01-JUL-19 To : 30-JUN-20
 Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000385693

REC-State Department for Post Training

1. PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)			
Cheque		Payee	Amount
No	Date		
1843	30-JUN-20	GEORGE MARANGU	180,000.00
1844	30-JUN-20	CHARLES ANYONA	130,000.00
1845	30-JUN-20	LONGROCK TOURS AND TRAVEL LIMITED	388,860.00
1847	30-JUN-20	JOSHUA OTIENO OTURI	24,500.00
1848	30-JUN-20	FLORENCE CHEROP CHEPKWONY	50,000.00
1849	30-JUN-20	RICHARD KAMOCHIE GITHENDU	60,000.00
Total:			833,160.00
2. RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK			
Receipts		Amount	
No	Date		
Total:			
3. PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK			
Cheque		Amount	
No	Date		
NONREF	28-JUL-19	Transfer	20,425.85
Total:			20,425.85
4. RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT			
Receipts		Amount	
No	Date		
Total:			