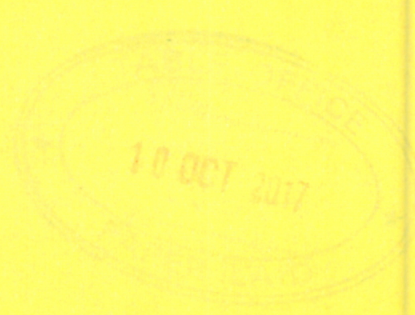


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**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE, 2016**



*Towards a globally competitive
and prosperous nation.*

**TECHNICAL AND VOCATIONAL EDUCATION
AND TRAINING AUTHORITY**



Laid at the Floor of
the House on 10.10.2017
by Lem



ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE, 2016



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

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Authority's Headquarters	Telposta Towers, 25 th Floor Kenyatta Avenue Nairobi
Authority's Contacts	P.O. Box 35625 – 00100 Nairobi Tel. 020-2217210/2/4/6/7/8/9 Email: info@tvetauthority.go.ke Website: www.tvetauthority.go.ke
Authority's Bankers	Kenya Commercial Bank Ltd. Kipande House Branch P.O. Box 30012-00100 Nairobi, Kenya
Independent Auditors	Auditor- General Office of the Auditor General Anniversary Towers, University Way P.O. Box 30084-00100 Nairobi, Kenya
Principal Legal Adviser	The Attorney General State law Office Harambee Avenue P.O. Box 40112 City Square 00200 Nairobi

THE BOARD MEMBERS

Prof. Wilson O. Ogola (Chairman)	25th April 2014
Dr. Dinah Mwinzi (Principal Secretary – Training)	December 2015.
Mrs Jane W. Wambugu Chief Accountant	October 2015.
Eng. Catherine A. Nyambala (Director)	25th April, 2014
Dr. Ahmed Kibet Ferej (Director)	25th April, 2014.
Eng. Nebart Bernard Muriuki (Director)	25th April, 2014.
Dr. Hazel Gachunga (Director)	25th April, 2014.
Prof Faith Muli (Director)	25th April, 2014.

DATE OF APPOINTMENT

SENIOR MANAGEMENT STAFF

NAME

Dr. Kipkirui Langat, PhD
Mr. Edward Mburu, MITM
Mr. Fred Oanda, MSc
Mrs. Bibiana Otieno, MA
Ms. Susan Njagi, MLIS
Mr. Naftali Makiah
Mr. Daniel Njaibu

DESIGNATION

Director General/CEO
Ag. Head of Standards and Compliance
Ag. Head of Accreditation
Ag. Head of Corporate Services
Ag. Head of Research and Policy
Accountant
Internal Auditor

VISION

To be a leading Authority in the regulation, quality assurance and accreditation of technical and vocational and training for the provision of Competent Human capital

MISSION

To regulate and coordinate Technical and Vocational Education and Training through registration and licensing of institutions and trainers and the development of standards and guidelines for a globally competitive human capital

MANDATE

The Technical and Vocational Education and Training Authority is mandated to; Promote access, Equity, Quality and relevance in Technical and Vocational Education and Training by regulating, Inspecting Registering, Accrediting and licensing institutions, trainers and Programmes

CORE VALUES

Integrity
Professionalism
Accountability
Public Participation
Team work
Efficiency

4. REPORT OF THE DIRECTOR GENERAL/CHIEF EXECUTIVE OFFICER

In 2005, the government published Sessional Paper No. 1 with an aim of having TVET to provide and promote lifelong education and training for self-reliance and in 2007 the Africa Union adopted a policy on TVET framework as part of its Plan for Action for the 2nd Decade of Education (2006-2015). The Constitution of Kenya (2010) has the Bill of Rights at its core while the Kenya Vision 2030, acknowledges the need to reform the education and training to create a sector fit for purpose. This has led to the policy provisions embodied in this document which addresses the constitutional requirements and national aspirations as well as offer direction in modernizing and re-branding the country's education and training system. Hence the establishment of the Technical and Vocational Education and Training Authority (TVETA) through the TVET Act 2013.

During the financial year under review, TVETA implemented several programmes to ensure quality regulated, education that produces competent Human capital. Among our key achievements during the period is our steadfastness in developing and enforcing Technical and Vocational Education Training policies, building partnership aimed at promoting public awareness and education on recognized TVET institutions.

Further, the Authority made major strides in enhancing its operationalization structures. The Authority undertook a participatory and consultative process in initiating development of a five year Strategic Plan 2016-2021 in line with the TVETA Act. This entailed among others, review of the business environment, key policies and laws and regulations. Although the strategic plan is not complete, some aspects of it were implemented by the Authority during the year and successfully achieved commendable key deliverables.

Information and communication technologies are just as essential for modern society as electricity and water networks. Modern everyday audiences have embraced technology as one platform of communication. To this end the Authority prioritized the development of its website www.tvetauthority.go.ke to continuously inform our stakeholders. It is now possible to check the status of accredited TVET institutions and programmes in Kenya. The website is relatively interactive and look forward to improving it to meet the needs of our customers.

In order to further the Authority's mandate, we undertook inspection of 612 TVET institutions for registration and licensing. One of our major achievements during this period was the closure of non-complying institutions. Through the help of other key lead agencies the Authority prosecuted institutions that contravened the Act. The Authority has continuously prepared and reviewed a register of TVET institutions to enable the public know the complying institutions.

The Authority made significant strides in enhancing public education and awareness of recognized TVET institutions by carrying out a number of advertisements in both print and electronic media. We also organized a media breakfast meeting as part of a wider campaign to sensitize the public, advertised for and shortlisted TVET monitors and evaluators among other

undertakings. As a result of these initiatives, we received overwhelming feedback from our stakeholders and this help us to improve on service delivery.

Human capital is a key pillar to the successful execution of the Authority's strategic thinking. The input of members of staff is the most critical element guaranteeing in the attainment of the targets set in the Performance Contracts and Annual wok Plan. The staff of the Authority have received high quality training both locally and overseas through an elaborate training plan for all staff.

Despite our success the Authority has faced challenges in its endeavor to ensure quality TVET education. Among the key challenges is the understaffing. The Authority is currently working with minimal staff vis a vis the huge number of set-up institutions that calls for regular vetting to ensure quality education. Fragmentation of TVET institutions is still a challenge since a number of institutions in other line Ministries are yet to comply with Sessional Paper No. 14 of 2012 and TVET Act 2013. Some of these institutions have cited respective Acts of Parliament establishing them as the reason of not complying, though ideally these acts should have been amended in line with the TVET Act 2013 and the Kenya Constitution 2010. Section (4) of the TVET Act gives the Cabinet Secretary for Education the overall responsibility in the provision of training and shall, in collaboration with other Ministries and stakeholders, be responsible for promoting access, equity, quality and relevance in training. In section 5 the Cabinet Secretary shall provide policy guidance on all matters relating to the implementation while section 7 gives TVETA the overall responsibility of coordinating and regulating TVET in Kenya.

Once again the impressive performance for the FY 2015/2016 would not have been made possible without the continued commitment and dedication of management and staff of TVETA. Thus, I thank them for their loyalty and hard work.

I want to thank the Board of Directors for their good counsel, timely guidance and decision making that enabled us to deliver these impressive results. I also thank our stakeholders for their support which was very instrumental in our success.



Dr. Kipkirui Langat, PhD. FIETK

DIRECTOR GENERAL/CHIEF EXECUTIVE OFFICER

5. CORPORATE GOVERNANCE STATEMENT

TVETA is driven by its mission to be a leading Authority in the regulation, quality assurance and accreditation of technical and vocational education and training for the provision of competent human capital. The general mandate of the Authority is to promote quality access, equity and relevance in Technical and Vocational Education and Training (TVET) by developing regulating standards, inspecting, registering, and licensing trainers, institutions and training programmes as appropriate.

The functions of the Authority are set out in Section 7 of the TVET Act and among others include the following;

- a) Regulate and coordinate training under the Act,
- b) Inspect, license, register and accredit training institutions;
- c) Accredit and inspect programmes and courses;
- d) Determine the national technical and vocational training objectives;
- e) Prescribe the minimum criteria for admission to training institutions and programmes in order to promote access, equity and gender parity.
- f) Recognize and equate qualifications awarded by local or foreign technical and vocational education institutions' in accordance with the Standards and guidelines set out by the Authority from time to time;
- g) Collect, examine and publish information relating to training;
- h) Assure quality and relevance in programmes of training;
- i) Liaise with the national and- county governments and with the public and the private sector on matters relating to training;
- j) Undertake, or cause to be undertaken, regular monitoring, evaluation and inspection of training and institutions to ensure compliance with set standards and guidelines;

Section 8(1) of the TVET Act provides for the appointment of a nine member Board as the governing organ of TVETA. The Cabinet Secretary for Education, Science and Technology appointed the following to be Chairperson and members of the Board, with effect from 25th April, 2014; Wilson O. Ogola (Prof.)—(*Chairperson*); *Members*: Hazel G. Gachanga (Dr.), Ahmed Kibet Ferej(Dr.), Nebart Muriuki (Eng), Catherine Auma Nyambala (Eng), and Faith Muli (Prof.)

Other members of the Board include Cabinet Secretary National Treasury, Principal Secretary State Department of Vocational and Technical Training and the Chief Executive of the Fund. The Board was inaugurated on 4th June, 2014. The Board has been operating with eight members because the Chief Executive of the Fund has not yet been recruited.

6. STATEMENT OF THE BOARD OF DIRECTOR'S RESPONSIBILITIES

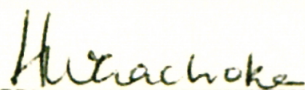
Section 81 of the Public Finance Management Act, 2012 require the Board of Directors to prepare financial statements in respect of the Authority, which give a true and fair view of the state of affairs of the Authority at the end of the financial year and the operating results for that period. The Board of Directors is also required to ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy the financial position of the Authority. The Board of Directors is also responsible for safeguarding the assets of the Authority.

The Board of Directors is responsible for the preparation and presentation of the Authority's financial statements, which give a true and fair view of the state of affairs of the Authority for and as at the end of the financial year (period) ended on June 30, 2016. 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 Commission; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

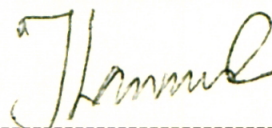
The Board of Directors accept responsibility for the Authority's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM, 2012 Act, 2012 and the State Corporations Act. The Board of Directors is of the opinion that Authority's financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2016, and of the Authority's financial position as at that date.

The Board of Directors further confirm the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the Authority's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board to indicate that the Technical and Vocational Education and Training Authority will not remain a going concern for at least the next twelve months from the date of this statement.



Dr. Hazel Gachunga
Ag. **CHAIRPERSON**
ON BEHALF OF THE BOARD



Dr. Kipkirui Langat, PhD, FIETK.
DIRECTOR GENERAL/CEO

7. INDEPENDENT AUDITOR'S REPORT ON THE TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING AUTHORITY ANNUAL REPORT AND FINANCIAL STATEMENTS

REPUBLIC OF KENYA

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P.O. BOX 300084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING AUTHORITY (TVETA) FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Technical and Vocational Education and Training Authority set out on pages 28 to 40, which comprise the statement of financial position as at 30 June 2016, and the statement of financial performance, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions Article 229 of the Constitution 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.

Management's Responsibility for the Financial Statements

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 such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The 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.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report 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. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error in making those risk

Report of the Auditor-General on the Financial Statements of Technical and Vocational Educational and Training Authority (TVETA) for the year ended 30 June 2016

Promoting Accountability in the Public Sector

assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

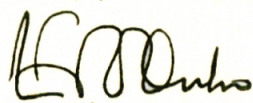
Basis for Qualified Opinion

Cash and Cash Equivalents

Note 11 to the financial statements reflect Kenya Commercial Bank balance of Kshs. 23,816,820. However, the respective bank reconciliation statement as at 30 June 2016 indicate unrepresented cheques totalling Kshs. 2,531,245 and whose subsequent clearance by the bank had not been known by the time of this audit. Further, one of the unrepresented cheques of Kshs. 163,537 had become stale as at 10 March 2017 and had not been reversed in the cashbook as the same date. In the circumstances, it has not been possible to confirm the accuracy of cash and cash equivalents balance of Kshs. 23,817,820 as at 30 June 2016.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Technical and Vocational Education and Training Authority as at 30 June 2016, 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.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

18 April 2017


Report of the Auditor-General on the Financial Statements of Technical and Vocational Educational and Training Authority (TVETA) for the year ended 30 June 2016

Promoting Accountability in the Public Sector

8. FINANCIAL REPORTS

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE 2016

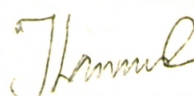
	Note	2016 Kshs
Revenue from Non-Exchange Transactions		
Ministry of Higher Education, Science and Technology	3(a)	106,163,618
		106,163,618
Expenses		
Employee Costs	4	28,818,780
Depreciation and Amortization Expense	5	1,662,187
Repairs and Maintenance	6	525,970
Contracted Professional Services	7	2,048,300
Administrative Expenses	8	13,807,304
Operating Expenses	9	23,778,482
Board Expenses	10	11,358,272
Provision for audit Fees	13	350,000
Total Expenses		82,349,295
Surplus for the period		23,814,323



Dr. Hazel Gachunga

Ag. CHAIRPERSON

ON BEHALF OF THE BOARD



Dr. Kipkirui Langat, PhD, FIETK.

DIRECTOR GENERAL/CEO

STATEMENT OF FINANCIAL POSITION
AS AT 30th JUNE 2016

	Note	2016 Kshs.
Assets		
Current Assets		
Cash and cash equivalents	11	23,817,820
Trade and other receivables from exchange transactions	12	1,147,630
Trade and other receivables from non-exchange transactions	14	861,060
Total Current Assets		25,826,510
Non-Current Assets		
Property, Plant and Equipment	16	29,947,108
Total Assets		55,773,618
Current Liabilities		
Trade and other payables from exchange transactions	13	350,000
Total Current Liabilities		350,000
Net Assets		
Revenue Reserves	15	23,814,323
Capital Grants	3b	31,609,295
Total Reserves		55,423,618
Total Liabilities		55,773,618

STATEMENT OF CHANGES IN NET ASSETS

	Capitalized Grants Kshs	Revenue Reserves Kshs	TOTAL Kshs
1st July 2015	-	-	-
Capitalized Grant	31,609,295		31,609,295
Surplus for the period		23,814,323	23,814,323
30th June 2016	31,609,295	23,814,323	55,423,618

STATEMENT OF CASHFLOWS

	Note	2016 Kshs.
Cash flow from Operating Activities		
Surplus for the year	15	23,814,323
Adjustments for items not involving cash movements		
Depreciation	5	1,662,187
Surplus before working capital changes		25,476,510
Working Capital Changes		
Prepayments	12	(1,147,630)
Increase/Decrease in Accounts Receivables	14	(861,060)
Increase/Decrease in Accounts Payables	13	350,000
Net Cash flow from operating activities		23,817,820
Cash flow from Financing Activities		
Capital Grants	3b	31,609,295
Cash flow from Investing Activities		
Changes in Fixed Assets	16	(31,609,295)
Increase/Decrease in Cash and Cash Equivalents		23,817,820
Cash and Cash Equivalents - Beginning	11	-
Cash and Cash Equivalents - Ending		23,817,820

9. NOTES TO THE FINANCIAL STATEMENTS

1. Statement of compliance and basis of preparation – IPSAS 1

The Authority'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 Authority. 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 are prepared on accrual basis. The accounting policies adopted have been consistently applied to all the years presented.

2. Summary of significant accounting policies

a) 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 Authority and can be measured reliably.

b) Financial Instruments IPSAS 29 Financial Assets

Initial recognition and measurement

Financial assets are classified at initial recognition by the Authority at fair value as held-to-maturity investments. Non-derivative financial assets with fixed or determinable payments and fixed maturities

c) Property, plant and equipment – IPSAS 17

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 Authority 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 as

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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.

d) Depreciation

Depreciation is calculated on reducing balance at the following rates:

Assets	Rate
Motor Vehicle	25%
Furniture and fittings	12.50%
Plant, Machinery and Equipment	12.5%
Computers	30%

It is the Authority's policy to provide for depreciation on assets in the year of acquisition

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

e) Nature and purpose of reserves

The Authority creates and maintains reserves in terms of specific requirements. The Authority maintains a revenue reserve where the entire surplus for the period is taken.

f) Foreign currency transactions – IPSAS 4

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Cash and cash equivalent is accounted for using the closing rate at the end on the financial year.

g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at the Kenya Commercial Bank

h) Comparative figures

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

i) 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 Entity 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 Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

j) 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 Authority

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

k) Provisions

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.

l) Subsequent events – IPSAS 14

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30th, 2016.

m) Contingent liability

There were no contingent liabilities in the year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 Revenue from Non-Exchange Transactions-Ministry of Higher Education, Science and Technology

	Shs
a i. Recurrent Grants	77,344,838
ii. Salary Grants	28,818,780
	106,163,618

b Capital Grants	Shs
Furniture and fittings	2,697,680
Motor Vehicles	21,804,000
Plant and equipment	3,083,215
Computers	4,024,400
	31,609,295

4 Employees Costs	Shs
Salaries paid to employees	28,818,780

5 Depreciation and Amortization Expense	Shs
Property, Plant and Equipment	1,662,187

6 Repairs and Maintenance	Shs
Motor Vehicles	482,070
Furniture and Equipment	43,900
	525,970

7 Contracted Professional Services	Shs
IT/Website Development	1,328,300
Human Resource Consultancy	720,000
	2,048,300

8 Administrative Expenses	Shs
Communication Supplies and Services	2,078,726
Printing, Advertising, Information Supplies and Services	2,129,701
Specialized Materials	1,181,400

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Office and General Supplies	1,761,737
Trade Shows and Exhibitions	1,196,950
Committee and Conferences	4,356,760
Training Expenses	1,102,030
	13,807,304
9 Operational Expenses	Shs
Quality and Standards assurance	12,016,048
Workshops, Conferences & Retreats	7,794,237
Fuel, Oil and Lubricants	3,290,600
Other Operating Expenses	17,240
Motor Vehicle Insurance	330,602
Computer Supplies and Accessories	329,755
	23,778,482
10 Board Expenses	Shs
Honoraria	1,920,000.00
Sitting Allowance	5,684,000.00
Mileage	1,045,672.00
Travelling	1,995,800.00
Others	712,800
	11,358,272
11 Cash and cash equivalents	Shs
Kenya Commercial Bank	23,816,820
Cash on Hand	1,000
	23,817,820

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Closing Cash 30th June, 2016	<u>23,817,820</u>
	Authorithy's Bankers: Kenya Commercial Bank	
	Account Number: 1164286862	
	Currency: Kenya Shillings	
12	Trade and other receivables from exchange transactions	Shs
	Insurance	<u>1,147,630</u>
		<u>1,147,630</u>
13	Trade and other payables from Exchange Transactions	Shs
	Provision for Audit Fees	<u>350,000</u>
		<u>350,000</u>
14	Trade and other payables from Non-Exchange Transactions	Shs
	Staff Advances/Imprest	<u>861,060</u>
		<u>861,060</u>
15	Revenue Reserves	Shs
	Opening Balance(1st July, 2015)	-
	Surplus for the year	<u>23,814,323</u>
	Total	<u>23,814,323</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16 FIXED ASSETS MOVEMENT SCHEDULE

	Furniture & Fittings	Plant & Equipment	Motor Vehicles	Computers	Total
	12.50%	12.50%	25.00%	30.00%	
Cost 1 July 2015	-	-	-	-	-
Additions	2,697,680	3,083,215	21,804,000	4,024,400	31,609,295
Cost 30 June 2016	2,697,680	3,083,215	21,804,000	4,024,400	31,609,295
Accum Depreciation 1 July 2015	-	-	-	-	-
Charge for the Year	49,368	75,236	1,537,583	-	1,662,187
Accum Depreciation 30 June 2015	49,368	75,236	1,537,583	-	1,662,187
Net Book Value 30 June 2016	2,648,312	3,007,979	20,266,417	4,024,400	29,947,108
Net Book Value 30 June 2015	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FINANCIAL YEAR ENDED 30th JUNE 2016

	Original Budget Kshs	Final Budget	Actual on Comparable Basis Kshs	Performance Difference Kshs
Revenue				
Recurrent Grants	150,373,870	144,373,870	137,773,003	6,600,867
Total Income	150,373,870	144,373,870	137,773,003	6,600,867
Expenses				
Employee Costs	30,818,870	30,818,870	28,818,870	2,000,000
Repairs and Maintenance	1,300,000	1,300,000	525,970	774,030
Contracted Professional Services	8,440,000	8,440,000	2,048,300	6,391,700
Administrative Expenses	18,985,000	18,985,000	13,807,304	5,177,696
Operating Expenses	40,330,000	34,330,000	23,778,482	10,551,518
Motor Vehicles	22,000,000	22,000,000	21,804,000	196,000
Furniture and Fittings	3,500,000	3,500,000	2,697,680	802,320
Equipment/Computers	9,000,000	9,000,000	7,107,615	1,892,385
Board Expenses	16,000,000	16,000,000	11,358,272	4,641,728
Audit Fee	-	-	350,000	(350,000)
Depreciation Expense	-	-	1,662,187	(1,662,187)
Total Expenses	150,373,870	144,373,870	113,958,680	30,415,190
Surplus/(Deficit)	-	-	23,814,323	

18. Variances

The variances and balances in the budget analysis are as a result of the Ministry releasing the fourth budgetary allocation late and therefore affecting the utilization of the total allocation.



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