

REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY	
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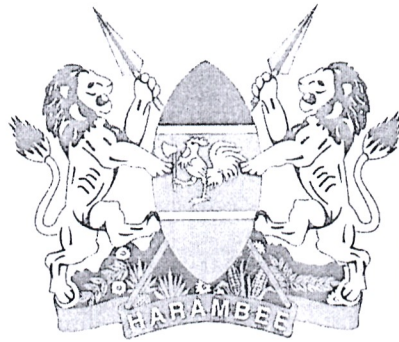
**THE AUDITOR-GENERAL**

**ON**

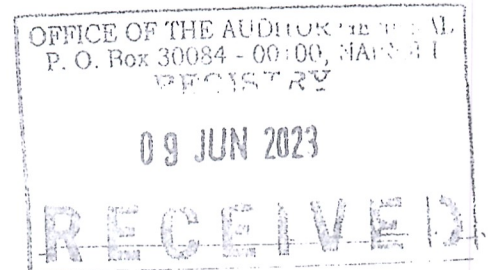
**CHWA VOCATIONAL TRAINING CENTRE**

**FOR THE YEAR ENDED**

**30 JUNE, 2022**



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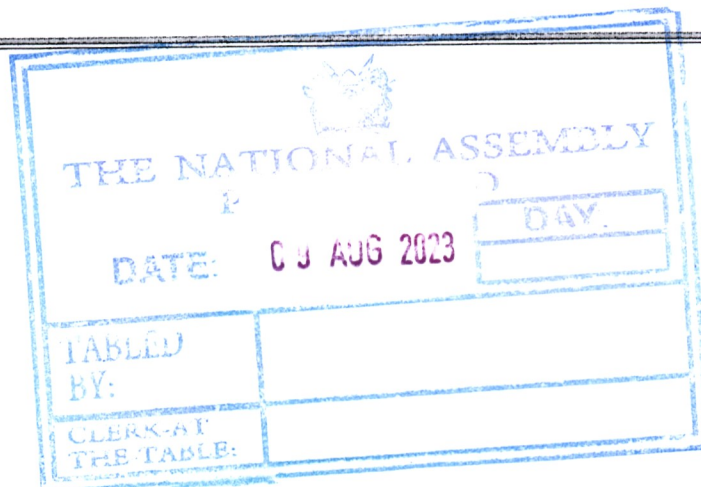


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**CHWA VOCATIONAL TRAINING CENTRE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2022**



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## I. Key Entity Information and Management

### (a) Background information

The Chwa Vocational Training Centre was incorporated/ established under the TVET Act/2013 Act in 1992 as a community initiative with registration certificate No TVETA/PUBLIC/VTC/0001/2016..It is located along Kolenyo-Akado road, West Seme Ward, Seme Constituency; South West Kadinga Sub location

CHWA vocational Training Centre is under the County Government of Kisumu, Ministry of Education ICT and Human Resource Development.

### (b) Principal Activities

The principal activity/mission/ mandate is to offer vocational skills training to the youth in

1. Building Technology (Masonry)
2. Fashion Design & Garment Making
3. Information Communication Technology (Computer)
4. Hair dressing and beauty therapy

The aims of this vocational training include:

- a) To impart marketable skills and technical know- how that respond to contemporary labour market demands by the industry, the informal sector and for self-employment;
- b) To develop practical skills that will promote and enable the youth to fully participate in the affairs of their community and country;
- c) To provide skills for sustainable livelihoods, work and self-sustainability;
- d) To promote and sustain entrepreneurial and technological innovations among the youth;
- e) To unleash and redirect the potential of the youth towards productive economic activities;
- f) To provide life skills to the youth that will enable them cope with the challenges of life;

#### **Vision**

To be the most preferred technical provider in Kenya

#### **Mission**

To equip the youths with skills, knowledge and attitude for employment and self-reliance

#### **Core values**

Our core values are informed by our firm commitments that define who we are as an institution and the qualities and principles that we integrate in all our activities within the institution. These are:

- excellence
- respect
- integrity
- honesty
- responsibility
- openness

(f) **Entity Headquarters**  
P.O. Box 38-40104  
KOMBEWA  
KENYA

(g) **Entity Contacts**

E-mail: chwavtcgmail.com

(h) **Entity Bankers**  
Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya

Other Commercial Banks

Kenya Commercial Bank  
P.O.Box 2640-40100  
Kisumu

(i) **Independent Auditors**  
Auditor-General  
Office of Auditor General  
Anniversary Towers, Institute Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

(j) **Principal Legal Adviser**

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

## II. The Council/Board of Governors

No.	Member/ Director	Details
-----	------------------	---------

1.	Board of Governors Chairman- Shadrack Ongonga Arowo	Board chair.
2.	Mr.GeorgeAbongo	He is the finance Representative
3.	John Misodho	Industry Representative
4.	Mr.Brian OmolloAdoyo	ICT Representative
5.	Mr. Norbert Nyawada	Member of Innovation & Infrastructure committee
6.	Mr George Onyago Opany	Engineering Representative
7.	Lilian Okoth	Leadership and Management Representative
8.	Mrs PaschaliaOuma	Director VET
9.	Mrs Nancy Warsame	Sub-County Administrator
10.	Mable Kay	secretary to the Board of Governors-

### III. Management Team

No.	Member/ Director	Details
1.	Centre Manager	Overall in charge of the centre
2.	Deputy Centre manager	In charge of training
3.	Heads of Department	In charge of respective departments
4.	Class Managers	Overall in charge of the classes

### IV. Chairman's Statement

I humbly take this opportunity to present to the Annual Report and Financial Statements of Chwa vocational training centre for the financial year ended 30th June 2022. This annual report goes a long way in helping us evaluate our performance for the year giving us an opportunity to identify the gaps to enable the institution make improvements

The year 2021/2022 financial performance was achieved through concerted effort by the board of governors and the entire staff of CHWA VTC.

Over the past year, CHWA VTC has continued to build on the progress that the institution has made since its establishment in 2018 despite being a young institution. We are in the process of developing a 5-year strategic plan aimed at providing us with a road map and strategies for further sustainable development in the future.

As a Board and with the consultation of a wide array of stakeholders, we felt the need to put in place a general framework that would guide and direct the institution's development agenda and priority areas over the longer term in order to effectively and swiftly respond to the ever changing technology in education and training.

The five year plan recognizes the unique role that CHWA VTC plays in the surrounding locality and the need to steer it further towards becoming a more accessible and diverse institution that provides unequalled skill development opportunities to the youths.

With our vision, mission and objective in mind, we are committed to providing quality and relevant skills to our trainees to align with the president's big four agenda namely;

1. Expansion of manufacturing sector
2. Affordable housing
3. Affordable health care
4. Food security

In order to achieve this, it is important for us to identify strategic areas upon which to direct our efforts and resources to mitigate the negative impact of inconsistent government funding. By taking advantage of our existing strengths and opportunities, we can expand and diversify our entrepreneurial activities and achieve a sustainable solution to our funding challenges.

### **CHALLENGES**

Our most pressing challenges are;

- Inadequate infrastructural development.
- Inadequate staffing.
- Untimely disbursement of funds from the National and County governments, which greatly disrupt our training programs.
- Inadequate modern tools and equipment.

I take this opportunity to hail the consultative and participatory approach embraced by this strategic plan and appreciate the input of all our stakeholders in developing the same. These include the BOG, manager, instructors, National government and County Government of Kisumu, our sponsors, area leaders, and members of the community, non-teaching staff and trainees of CHWA VTC among others.

### **Future expectations**

With the new Strategic plan in place, we look forward to improving physical infrastructure of the centre and putting up key facilities for quality training

In conclusion, I take this opportunity to thank my colleagues in the Board for supporting me in providing leadership. I also commend the management and staff for working tirelessly to

achieve the objectives of the centre despite the limited resources. I am confident that we will continually spare no effort to attain and surpass the targets set for the new financial year. I also appreciate the County Government of Kisumu, the community at large and all other stakeholders for supporting this registered Vocational Training Centre.

.....

Shadrack Arowo  
Chairperson

#### **V. Report of the Principal**

Over the years, CHWA VTC has continued to provide quality training and register its trainees for NITA trade tests with 90% pass rate. These trainees gain appropriate and relevant technical, entrepreneurial, communication and ICT skills that enable them graduate as whole-rounded individuals, who engage in self-employment and contribute to poverty reduction efforts in their communities.

We have established a beauty and therapy class due to high demand and this has increased the trainee enrolment. We also intend to introduce other courses relevant to the needs of the community in order for us to maintain positive growth. The centre remains vibrant in executing its goal, which is training.

CHWA VTC is well fenced, neatly slashed, flowers well planted and a well rebranded gate this ensures comfort and safety of both the learners and the centres property.

Chwa VTC has a total of three instructors as follows;

- one instructor for building technology employed by the county government on p&p terms
- one instructor for fashion design employed by the Board of Governors on contract terms
- one volunteer instructor for guidance and counselling

**Non-training staff**

Chwa VTC has one non-training staff engaged as a night security officer.

**Staff Shortage**

Currently we have a shortage of instructors as follows:


<b>NO.</b>	<b>Course</b>	<b>Deficit</b>
1.	Building Technology(masonry)	1
2.	Fashion Design & Garment Making	1
3.	Hair dressing and beauty therapy	1
4.	Motor vehicle technology	1
5.	ICT	1

**Challenges**

Low enrolment has affected the institution's capitation funding since its pegged on every trainee admitted.i.eKsh 15,000 per trainee admitted.

- Inadequate infrastructural development.  
Lack of theory classrooms and modern workshops for training
- Inadequate staffing.  
This has affected the delivery of quality training
- Untimely disbursement of funds from the National and County governments, which greatly disrupt our training programs.  
This has affected the timely procurement of goods and services as well as honouring supplier commitments.
- Inadequate modern tools and equipment.  
This has compromised the quality and quantity of training.
- Lack of electricity power.  
This has hindered the introduction of new courses related to electricity.

I take this opportunity to thank all our stake holders for their unwavering support in helping us to achieve our great mission of skills development.

  
.....  
MABLE KAY AYUMA  
Centre Manager

## VI. Statement of Performance against Predetermined Objectives

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

Chwa Vocational Training Centre has 3 strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2018/2019 - FY 2022/2023. These strategic pillars are as follows:

Pillar 1: Increasing student admissions

Pillar 2: Provide quality training to Instructors

Pillar 3: Provide a conducive environment for training through development of classrooms

Chwa Vocational Training Centre develops its annual work plans based on the above 3 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Chwa Vocational Training Centre achieved its performance targets set for the FY 2021/22 period for its xx strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1:	Increasing student admissions		Mobilization through use of chief	The institution has managed to increase student admission by approximately 10%
Pillar 2:	Provide quality training to Instructors		Through employing the best trainers	Enrolment of approximately over 70 students to sit for NITA exams
Pillar 3:	Provide a conducive environment for training through development of classrooms		Development plans targeting improvement of infrastructure. Renovation of classrooms and staff offices	Commencement of a new administration building and the renovation of latrines and hairdressing and beauty therapy class.

## VII. Corporate Governance Statement

The functions of the BOG include:

- a) promote the best interests of the institution and ensure its development;
- b) promote quality education for all trainees in accordance with the standards set under this Act or any other written law;
- c) ensure and assure the provision of proper and adequate physical facilities for the institution;
- d) manage the institution's affairs in accordance with the rules and regulations governing the occupational safety and health;
- e) provide for the welfare and observe the human rights and ensure safety of the trainees, trainees and non-teaching staff at the institution;
- f) encourage a culture of dialogue and participatory democratic governance at the institution;
- g) promote the spirit of cohesion, integration, peace, tolerance, inclusion, elimination of hate speech, and elimination of tribalism at the institution;
- h) allow reasonable use of the facilities of the institution for community, social and other lawful purposes, subject to such reasonable and equitable conditions as it may determine including the charging of a fee;
- i) administer and manage the resources of the institution;
- j) receive, collect and account for any funds accruing to the institution;

- k) Recruit, employ and remunerate such number of trainers and non-teaching staff as may be required by the institution in accordance with the relevant policies and guidelines.

### VIII. Management Discussion and Analysis

Hair dressing and Beauty therapy department was established during the financial year with the aim of increasing trainee enrolment. The department will also houses a modern salon that will be open to members of the public for income generation.

In line with the new strategic plan, the financial year 2021/2022 saw renovation of key facilities among them water storage tanks and pit latrines.

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

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

#### **Sustainability strategy and profile**

*(The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure).*

#### **Environmental performance**

*(Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products).*

### Employee welfare

The staffs is motivated by providing conducive environment

### Market place practices-

The organisation should outline its efforts to:

- a) Responsible competition practice.  
Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.
- b) Responsible Supply chain and supplier relations- explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices.
- d) Product stewardship- outline efforts to safeguard consumer rights and interests.

*(The statement may also include how the organisation promotes education, sports, healthcare, labour relations, staff training and development, water and sanitation initiatives)*

### Corporate Social Responsibility / Community Engagements

CHWA VTC exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on 2 pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

**X. Report of the Council/Board of Governors**

The Council/Board members submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of the *Chwa Vocational Training Centre*'s affairs.

**Principal activities**

The principal activities of the entity is training

**Results**

The results of the entity for the year ended June 30 are set out on page ....

**Council/Board of Governors**

The members of the Board /Council who served during the year are shown on page v. During the year no director retired/ resigned and no director was appointed.

**Auditors**

The Auditor General is responsible for the statutory audit of the Chwa Vocational Training Centre in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Chwa Vocational Training Centre for the year/period ended June 30, 2022, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

.....  
Secretary of the Board/Council  
Kisumu  
Date:

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

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

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

The Council members accept responsibility for the Chwa Vocational Training Centre's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the State Corporations Act, and the TVET Act*) – *entities should quote applicable legislation as indicated under*). The council members are of the opinion that the Chwa Vocational Training Centre's financial statements give a true and fair view of the state of Chwa Vocational Training Centre's transactions during the financial year ended June 30, 2022, and of the Chwa Vocational Training Centre's financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the Chwa Vocational Training Centre, which have been relied upon in the preparation of the Chwa Vocational Training Centre's financial statements as well as the adequacy of the systems of internal financial control. Nothing has come to the attention of the Council members to indicate that the Chwa Vocational Training Centre will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Chwa Vocational Training Centre's financial statements were approved by the Board on \_\_\_\_\_ XXX and signed on its behalf by:

..... SHADRACK AROYO .....

Name

Chairperson of the Board/Council

..... MABLE KA/ .....

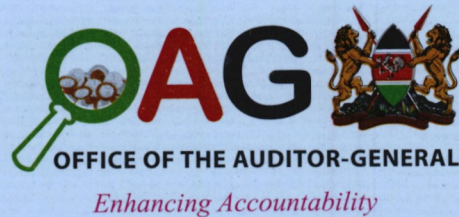
Name

Accounting Officer/Principal

**XII. Report of the Independent Auditor on Chwa Vocational Training Centre**

# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON CHWA VOCATIONAL TRAINING CENTRE FOR THE YEAR ENDED 30 JUNE, 2022**

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### **PREAMBLE**

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

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

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of Chwa Vocational Training Centre set out on pages 1 to 29, which comprise of the statement of financial performance, statement of financial position as at 30 June, 2022, statement changes

in net assets for the year ended, statement of cashflow, statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Chwa Technical Vocational Training Center at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

## **Basis for Qualified Opinion**

### **1. Inaccuracies in the Financial Statements**

Review of annual reports and financial statements revealed the following:

- i. The statement of financial position reflects Nil balances in property, plant and equipment and trade and other payables from exchange transactions. However, the Centre is in possession of assets such as buildings, computers, furniture and liabilities in form of creditors. Further, ownership documents for the assets including title deeds, asset transfer document were not provided for audit review.
- ii. The statement of performance reflects Nil amount in respect of fees revenue from exchange transactions. However, the Centre enrolled students during the year and registers indicating the number of students who had paid school fees and unpaid balances were not provided for audit review.

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

### **2. Inaccuracies in Cash and Cash Equivalents**

The statement of financial position and as disclosed in Note 12 to the financial statements reflects cash and cash equivalents amounting to Kshs.1,117,984. However, last cashbook update was done on 31 May, 2022 whose balance was Kshs.166,682. Further, the bank reconciliation statement for June, 2022 reflected a cashbook balance of Kshs.142,682. The variances between the three sets of records were not reconciled. In addition, the Management did not constitute a board of survey to confirm bank and cash balances as at 30 June, 2022.

In the circumstances, the accuracy and completeness of cash and cash equivalent balance of Kshs.1,117,984 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Chwa Vocational Training Centre Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya.

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

## 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 as to whether the activities, financial transactions and information reflected in the financial statements comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **1. Understaffing of Key Staff Positions**

The County Government of Kisumu, through the department of information communication technology, education and human resources seconded the current Centre Manager in the year 2020. The responsibilities of the Centre Manager as stipulated in the appointment letter includes teaching the courses of specialization, evaluation of learners, coordination and providing guidance. However, review of employees records and qualifications revealed lack of instructors, office administrators, procurement officers and a qualified accountant.

In the circumstance, this compromised maintenance of effective internal control measures.

#### **2. Delay in Appointment of Principal**

A review of staff establishment revealed that Centre had not recruited Principal since inception of the Centre contrary to Section 30 of the Technical and Vocational Education and Training Act, 2013 which requires a Principal of a public training institution established under Section 26(1)(a) or (b) be appointed by the Cabinet

Secretary on the recommendation of the Board of Governors following a competitive recruitment process and who shall serve for a period of five years, which term may be renewed once.

In the circumstances, the Management did not comply with Technical and Vocational Education and Training Act ,2013

### **3. Lack of an Audit Committee and Risk Management Policy**

During the year under review, the Training Centre did not have an Audit Committee and Management did not develop a risk management policy to enable identification and mitigation against potential risks.

In the circumstance, identification and mitigation against potential risks could not be confirmed.

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

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement 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 constituency 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 constituency ability to continue as a going concern or 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 constituency 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 constituency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
 CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**


**18 July, 2023**


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


Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities	6	1,275,000	390,000
Transfers from other levels of government	7	387,000	70,000
		<b>1,662,000</b>	<b>460,000</b>
<b>Revenue from Exchange transactions</b>			
Other income-		0	0
<b>Revenue from Exchange transactions</b>		<b>0</b>	<b>0</b>
<b>Total Revenue</b>		<b>1,662,000</b>	<b>460,000</b>
<b>Expenses</b>			
Use of goods and services	8	451,108	363,328
Employee costs	9	196,000	64,000
Board / Council Expenses	10	32,640	0
Repairs and maintenance	11	118,140	150,000
<b>Total Expenses</b>		<b>797,888</b>	<b>577,328</b>
<b>Other Gains/(Losses)</b>			
Gain on sale of assets		0	0
<b>Total Other Gains/(Losses)</b>		<b>0</b>	<b>0</b>
<b>Net surplus for the year</b>		<b>864,112</b>	<b>(117,328)</b>
Attributable to:			
Surplus/(deficit) attributable to minority interest		0	0
Surplus attributable to owners of the controlling entity		0	0
		<b>864,112</b>	<b>(117,328)</b>

(The notes set out on pages 6 to 28 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 5 were signed by:

  
.....  
Chairman of Council/Board

  
.....  
Finance Officer  
ICPAK No 20129

  
.....  
Principal

Date 6/6/23

Date 3/10/23

Date 31/5/23

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

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	12	1,117,984	253,872
Current portion of receivables from exchange transactions		0	0
		<b>1,117,984</b>	<b>253,872</b>
<b>Non-Current Assets</b>			
Property, plant, and equipment		0	0
		0	0
<b>Total Assets</b>		<b>1,117,984</b>	<b>253,872</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions		0	0
		0	0
<b>Non-Current Liabilities</b>			
Borrowings		0	0
		0	0
<b>Total Liabilities</b>		<b>0</b>	<b>0</b>
<b>Net Assets</b>		<b>1,117,984</b>	<b>253,872</b>
Reserves		0	0
Accumulated Surplus		1,117,984	253,872
Capital Fund		0	0
<b>Total Net Assets and Liabilities</b>		<b>1,117,984</b>	<b>253,872</b>

The Financial Statements set out on pages 1 to 5 were signed by:



Chairman of Council/Board

Date

6/6/23



Finance Officer

ICPAK No 2039

Date

3/05/23



Principal

Date

31/5/23

## XV. Statement of Changes in Net Asset for the year ended 30 June 2022

Description	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2020	0	0	371,200	0	371,200
Revaluation gain	0	-	-	-	0
Fair value adjustment on quoted investments	-	0	-	-	0
Total comprehensive income	-	-	(117,328)	-	(117,328)
Capital/development grants received during the year	-	-	-	0	0
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	0	0	-
At June 30, 2021	0	0	253,872	0	253,872
At July 1, 2021	0	0	253,872	0	253,872
Revaluation gain	0	-	-	-	0
Fair value adjustment on quoted investments	-	0	-	-	0
Total comprehensive income	-	-	864,112	-	864,112
Capital/development grants received during the year	-	-	-	0	0
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	0	0	-
At June 30, 2022	0	0	1,117,984	0	1,117,984

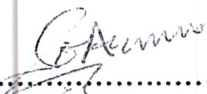


(Note:

1. For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done).

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

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Cashflows from operating activities</b>			
<b>Receipts</b>			
Transfers from national government entities/govt. Grants	6	1,275,000	390,000
Transfers from county government. Grants	7	330,000	0
Other income	8	57,000	70,000
<b>Total Receipts</b>		<b>1,662,000</b>	<b>460,000</b>
<b>Payments</b>			
Compensation of employees	10	196,000	64,000
Use of goods and services		451,108	363,328
Repair and maintenance		118,140	150,000
Board/Council expenses		32,640	0
<b>Total Payments</b>		<b>797,888</b>	<b>577,328</b>
<b>Net Cash Flows from operating activities</b>	13	<b>864,112</b>	<b>(117,328)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		0	0
Proceeds from sale of property, plant and equipment		0	0
<b>Net cash flows used in investing activities</b>		<b>0</b>	<b>0</b>
<b>Cash flows from financing activities</b>			
Proceeds From Borrowing		0	0
Repayment Of Borrowings		0	0
<b>Net cash flows used in financing activities</b>		<b>0</b>	<b>0</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>864,112</b>	<b>(117,328)</b>
Cash and Cash equivalents at 1 JULY	12	253,872	371,200
<b>Cash and Cash equivalents at 30 JUNE</b>	12	<b>1,117,984</b>	<b>253,872</b>

The Financial Statements set out on pages 1 to 5 were signed by:

		
.....	.....	.....
<b>Chairman of Council/Board</b>	<b>Finance Officer</b>	<b>Principal</b>
	ICPAK No 201351	
Date 6/6/23	Date 3/5/23	Date 3/5/23

Annual Report and Financial Statements for the year ended 30th June 2022

XVII. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2022

Description	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference		Utilization Difference	
	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	Kshs	2021-2022	%
Revenue												
Transfers from national govt entities and govt grants	1,500,000		0		1,500,000		1,275,000		(225,000)			15%
Transfers from county govt	274,280		0		274,280		330,000		55,720			20.32%
Rendering of services- fees from students	1,353,100		0		1,353,100		0		(1,353,100)			100%
Other income-CDF	0		-		0		57,000		57,000			100%
<b>Total Income</b>	<b>3,127,380</b>		<b>0</b>		<b>3,127,380</b>		<b>1,662,000</b>		<b>-1,465,380</b>			<b>46%</b>
Expenses												
Compensation of employees	44,000		-		44,000		196,000		(152,000)			345%
Use of goods and services	2,646,630		0		2,646,630		451,108		2,195,522			82%
Repair Maintenance and improvement	436,000		0		436,000		118,140		317,860			72%
Remuneration of directors	50,000		0		50,000		32,640		17,360			34%
<b>Total Expenditure</b>	<b>3,176,630</b>		<b>0</b>		<b>3,176,630</b>		<b>797,888</b>		<b>2,378,742</b>			<b>74%</b>
<b>Surplus For the Period</b>	<b>(49,250)</b>		<b>0</b>		<b>(49,250)</b>		<b>864,112</b>		<b>913,632</b>			

(Budget notes)

- I. The transfers from national government went down with 15% because the no of trainees used at the time of budgeting was higher than the actual admission
- II. The institution did not receive fee from the trainees leading 100% variance on rendering services
- III. The institution received bursary from CDF which was not budgeted for resulting into 100% variance on other income
- IV. The employee cost went up because more staff were engaged that was budgeted for.
- V. The other expenditure went down because all the revenues that were budgeted were not received

**XVIII. Notes to the Financial Statements**

**1. General Information**

xxx entity is established by and derives its authority and accountability from xxx Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is xxx.

**2. Statement of Compliance and Basis of Preparation**

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

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

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

IPSASB deferred the application date of standards from 1st January 2022 owing to covid19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

- ii. **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.**

Standard	Effective date and impact:
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>

Standard	Effective date and impact:
	<i>(State the impact of the standard to the Entity if relevant)</i>
<b>IPSAS 42:</b> Social Benefits	<b>Applicable: 1<sup>st</sup> January 2023</b> The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and  (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. <i>(State the impact of the standard to the Entity if relevant)</i>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<b>Applicable: 1st January 2023:</b> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued. <i>(State the impact of the standard to the Entity if relevant)</i>
Other improvements to IPSAS	<b>Applicable 1<sup>st</sup> January 2023</b> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i></li> </ul>

Chwa Vocational Training Centre  
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Standard	Effective date and impact:
	<p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> <li>• <i>IPSAS 39: Employee Benefits</i></li> </ul> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement</b> Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</li> </ul> <p><i>State the impact of the standard to the Entity if relevant</i></p>
IPSAS 43	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the impact of the standard to the Entity if relevant</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the impact of the standard to the Entity if relevant</i></p>

iii. Early adoption of standards

(The entity) did not early-adopt any new or amended standards in year 2022.

#### 4. Summary of Significant Accounting Policies

##### a) Revenue recognition

##### i) Revenue from non-exchange transactions

###### Transfers from other government entities

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

##### ii) Revenue from exchange transactions

###### Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

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

###### Sale of goods

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

###### Interest income

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

###### Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

4 Summary of Significant Accounting Policies (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

**Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

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

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx of these financial statements.

c) Taxes

*Current income tax*

The entity is exempt from paying taxes as per schedule xxx of the xxx Act.

*Sales tax/ Value Added Tax*

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**Notes to the Financial Statements (Continued)**

**d) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of xxx years.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

**e) Property, plant and equipment**

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite

h) Research and development costs

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

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments

*Financial assets*

*Initial recognition and measurement*

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

*Loans and receivables*

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

*Held-to-maturity*

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

*Impairment of financial assets*

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments (Continued)

*Financial assets (Continued)*

*Impairment of financial assets (Continued)*

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

*Financial liabilities*

*Initial recognition and measurement*

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

*Loans and borrowing*

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

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

j) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

**Inventories (Continued)**

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

**k) Provisions**

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

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

***Contingent liabilities***

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

***Contingent assets***

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

**Notes to the Financial Statements (Continued)**

**4 Summary of Significant Accounting Policies (Continued)**

**l) Nature and purpose of reserves**

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

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

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

**n) Employee benefits**

**Retirement benefit plans**

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**o) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

**p) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**Notes to the Financial Statements (Continued)**

**4 Summary of Significant Accounting Policies (Continued)**

**q) Related parties**

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

**r) Service concession arrangements**

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

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

**t) Comparative figures**

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

**u) 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 June 30, 2022.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

**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

**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 Entity
- 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

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

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.

*(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).*

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**Notes to the Financial Statements (Continued)**

**6. Transfers from other National Government entities**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Unconditional Grants</b>		
Capitation Grants	1,275,000	390,000
Operational Grant	0	0
Other Grants	0	0
	<b>1,275,000</b>	<b>390,000</b>
<b>Conditional Grants</b>		
Library Grant	0	0
<b>Total Government Grants and Subsidies</b>	<b>1,275,000</b>	<b>390,000</b>

**(a) Transfers from other Government entities (Categorized)**

Name Of The Entity Sending The Grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total grant income during the year	2020-2021
			Kshs	Kshs	Kshs
zxx State Department	1,275,000	0	0	1,275,000	390,000
XX Ministry	0	0	0	0	0
		0	0		
<b>Total</b>	<b>1,275,000</b>	<b>0</b>	<b>0</b>	<b>1,275,000</b>	<b>390,000</b>

*(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry. The details of the reconciliation have been included under appendix xxx)*

**7. Transfers from Other Levels of Government**

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfer from County govt of Kisumu	330,000	0
CDF Bussery	57,000	70,000
<b>Total Transfers</b>	<b>387,000</b>	<b>70,000</b>

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**Notes To The Financial Statements (Continued)**

**8. Use Of Goods And Services**

Description	2021-2022	2020-2021
	Kshs	Kshs
Teaching and learning materials	370,392	170,580
Bank charges	2,016	2748
Electricity	10,000	0
Water	0	100,000
Co-curriculum activities	28,000	30,000
Local Travel & transport	0	30000
Skills Competition	40,700	30000
<b>Total goods and services</b>	<b>451,108</b>	<b>363,328</b>

**9. Employee Costs**

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries and wages	196,000	64,000
<b>Employee Costs</b>	<b>196,000</b>	<b>64,000</b>

**10. Board/Council Expenses**

Description	2021-2022	2020-2021
	Kshs	Kshs
Allowances	23,500	0
Other Board/Council Expenses	9,140	0
<b>Total</b>	<b>32,640</b>	<b>0</b>

**11. Repairs and Maintenance**

Description	2021-2022	2020-2021
	Kshs	Kshs
Property	98,140	150,000
Computers and accessories	20,000	0
<b>Total Repairs and Maintenance</b>	<b>118,140</b>	<b>150,000</b>

Notes to the Financial Statements (Continued)

12. Cash and Cash Equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Account	1,117,984	253,872
Others (Specify)	0	0
<b>Total Cash and Cash Equivalents</b>	<b>1,117,984</b>	<b>253,872</b>

12 (a). Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	2021-2022	2020-2021
		Kshs	Kshs
<b>a) Current Account</b>			
Kenya Commercial Bank	1233819399	975,428	247,325
Kenya Commercial Bank	1112768009	142,556	6,547
<b>Sub- Total</b>		<b>1,117,984</b>	<b>253,872</b>
<b>Grand Total</b>		<b>1,117,984</b>	<b>253,872</b>

13. Cash generated from operations

	2021-2022	2020-2021
	Kshs	Kshs
<b>Surplus for the year before tax</b>		
<b>Adjusted for:</b>	864,112	(117,328)
Depreciation	0	0
Non-Cash grants received	0	0
Contributed assets	0	0
Impairment	0	0
Finance Income	0	0
Finance Cost	0	0
<b>Working Capital Adjustments</b>	0	
Increase in Inventory	0	0
Increase in Receivables	0	0
Increase in Deferred Income	0	0
<b>Net Cash Flow from Operating Activities</b>	<b>864,112</b>	<b>(117,328)</b>

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)



**Notes to the Financial Statements (Continued)**

*(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)*

**44. Financial Risk Management (Continued)**

**(i) Credit risk (continued)**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has significant concentration of credit risk on amounts due from xxxx

The board of directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**(ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the entity's directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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**Notes to the Financial Statements (Continued)**

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2021</b>				
Trade Payables	0	0	0	0
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At 30 June 2022</b>				
Trade Payables	0	0	0	0
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**44. Financial Risk Management (Continued)**

**(iii) Market risk**

The entity has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

**Notes to the Financial Statements (Continued)**

**a) Interest rate risk**

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits.

***Management of interest rate risk***

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

**44 Financial Risk Management (Continued)**

**(iii) Market risk (Continued)**

**b) Interest rate risk(continued)**

***Sensitivity analysis***

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (2022: Kshsxxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (2022 – Kshs xxx)

Notes To The Financial Statements (Continued)

**iv) Capital Risk Management**

The objective of the entity's capital risk management is to safeguard the entity's ability to continue as a going concern. The entity capital structure comprises of the following funds:

Description	2021-2022	2020-2021
	Kshs	Kshs
Revaluation Reserve	0	0
Retained Earnings	1,117,984	253,872
Capital Reserve	0	0
<b>Total Funds</b>	<b>1,117,984</b>	<b>253,872</b>
Total Borrowings	0	0
Less: Cash and Bank Balances	(1,117,984)	(253,872)
Net Debt/(Excess Cash and Cash Equivalents)	1,117,984	253,872
<b>Gearing</b>	<b>100%</b>	<b>100%</b>

**15. Related Party Balances**

**Nature of related party relationships**

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

**Government of Kenya**

The Government of Kenya is the principal shareholder of the *entity*, holding 100% of the *entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Parent Ministry;
- iii) Xxx;
- iv) Xxx;
- v) Xxx;
- vi) Key management;
- vii) Board of directors;

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**Notes to the Financial Statements (Continued)**

The transactions and balances with related parties during the year are as

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Transactions with Related Parties</b>		
<b>a) Sales to related parties</b>		
Sales of electricity to govt agencies	0	0
Rent income from govt. agencies	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>B) Purchases from related parties</b>		
Purchases of electricity from kplc	10,000	xxx
Purchase of water from govt service providers	0	xxx
Rent expenses paid to govt agencies	0	xxx
<b>Total</b>	<b>10,000</b>	<b>xxx</b>
<b>b) Grants /Transfers from the Government</b>		
Grants from National Govt	1,275,000	xxx
Grants from County Government	330,000	xxx
<b>Total</b>	<b>1,605,000</b>	<b>xxx</b>
<b>c) Expenses incurred on behalf of related parties</b>		
Payments of Salaries and Wages for xx Employees	0	xxx
Payments for Goods and Services for XX	0	xxx
<b>Total</b>		
<b>d) Key Management Compensation</b>		
Directors' emoluments	32,640	xxx
<b>Total</b>	<b>32,640</b>	<b>xxx</b>

**16. Events After The Reporting Period**

There were no material adjusting and non- adjusting events after the reporting period.

**17. Ultimate And Holding Entity**

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of xxx. Its ultimate parent is the Government of Kenya.

**18. Currency**

The financial statements are presented in Kenya Shillings (Kshs).

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**XIX. Appendices  
Appendix 1: Implementation Status of Auditor-General Recommendations**

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

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

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report;
  - (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
  - (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
  - (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.
- .....

**Name**  
**Accounting Officer**  
(Enter title of Head of entity)  
**Date**

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Appendix II: Projects Implemented by (The Entity)

Projects

Projects implemented by the State Corporation/ SAGA Funded by development partners.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1						
2						
3						

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**Appendix III- Inter-Entity Confirmation Letter**

*[Insert your Letterhead]*

*[Insert name of beneficiary Entity]  
[Insert Address]*

The *[insert SC/SAGA/Fund name here]* wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2022				Inter-Ministerial (C)	Total (D)=(A+B+C)	Amount Received by [beneficiary Entity] (KShs) as at 30 <sup>th</sup> June 2021 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)						
	09/07/2021	165,000	0		0	165,000	225,000	(60,000)	
	07/01/2022	555,000	0		0	555,000	0	555,000	
	28/03/2022	555,000	0		0	555,000	165,000	390,000	
<b>Total</b>		<u>1,275,000</u>	<u>0</u>		<u>0</u>	<u>1,275,000</u>	<u>390,000</u>	<u>885,000</u>	

In confirm that the amounts shown above are correct as of the date indicated.

**Head of Accountants department of beneficiary Entity:**

Name ..... Sign ..... Date.....

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**Appendix IV: Reporting of Climate Relevant Expenditures**

Name of the Organization  
 Telephone Number  
 Email Address  
 Name of CEO/MD/Head

Name and contact details of contact person (in case of any clarifications) .....

Project Name	Project Description	Project Objectives	Project Activities	Source Of Funds				Implementing Partners
				Q1	Q2	Q3	Q4	

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**Appendix V: Disaster Expenditure Reporting Template**

Date:						
Entity						
Period to which this report refers (FY)	Year	Quarter				
Name of Reporting Officer						
Contact details of the reporting officer:	Email	Telephone				
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments