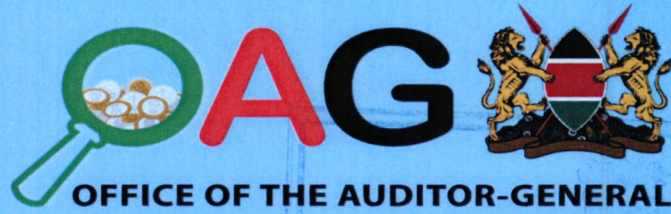


REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

DATE: 22 FEB 2023

DAY:
Wednesday

TABLED
BY:

Leader of the Majority Party

CLERK-AT
THE-TABLE:

Modo

REPORT

OF

THE AUDITOR-GENERAL

ON

**CENTRE OF EXCELLENCE IN SUSTAINABLE
AGRICULTURE AND AGRIBUSINESS
MANAGEMENT CREDIT NO.5798-KE**

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

EGERTON UNIVERSITY



Project Name: Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)

Implementing Entity: EGERTON UNIVERSITY

PROJECT CREDIT NUMBER: 5798-KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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1. PROJECT INFORMATION AND OVERALL PERFORMANCE

Name and registered office

Name: The project's official name is **Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)**

Overall Objective: Sustainable Agriculture and Agribusiness Management through capacity development, research and technology transfer for enhanced food security.

Address: The project headquarters offices are; Egerton University, Nakuru County, Kenya.

The address of its registered office is:

Egerton University P.O. Box 536 - 20115 Egerton, Kenya.

Contacts: The following are the project contacts

Email: cesaam@egerton.ac.ke

Website: cesaam.egerton.ac.ke | **Twitter:** @CESAAM_EGERTON | **Facebook:** CESAAM Egerton University

Mobile: +254725809214 | +254700822859 | +254722831634

Project Information

Project Start Date:	The project start date is 04-07-2016
Project End Date:	The project end date is 31.12.2023
Project Manager:	The project manager is Prof. George Owuor
Project Sponsor:	The project sponsor is International Development Association

1.3 Project Overview

Line Ministry/State Department of the Project	The project is under the supervision of the Education Ministry. (State Department for University Education)
Project number	IDA Credit 5798-KE
Strategic goals of the Project	The strategic goals of the project are as follows: i) Capacity development along the Agricultural Value Chain in the Eastern and Southern Africa region, especially for the fragile and post conflict states. ii) To undertake innovative research, including use of biotechnology and climate smart agriculture, for increased crop and livestock productivity. iii) Enhance the capacity of the University's Agro-Science Park to assist partner universities establishes a similar model for incubation of

	<p>technological innovations.</p> <p>iv) Develop evidence based agricultural policy briefs and disseminate best practices through Agricultural Knowledge Centres in Egerton (CESAAM) and partner universities</p>
Achievement of strategic goals	<p>Expected outputs include:</p> <ol style="list-style-type: none"> 1) Increased capacity to conduct quality training and research nationally and regionally. 2) Equipped research laboratories. 3) Increased innovation products. 4) Increased dissemination of agricultural best practices and evidence-based policy briefs. <p>The cumulative impacts of these outputs are increased productivity along the value chain and improved food security.</p>
Other important background information of the project	<p>CESAAM aims at leveraging fragile and post-conflict countries through offering opportunities to their faculty and students. The program does this through Post graduate training, Research, Retooling workshops, Exchange programs, Summer schools and admission of students from these countries.</p>
Current situation that The project was formed to intervene	<p>The project was formed to intervene in the following areas:</p> <ol style="list-style-type: none"> 1) Address Food insecurity and persistent hunger and poverty affecting poverty affecting about 33% of African population. 2) Occurrence of frequent droughts, rampant crop and livestock diseases, 3) Poor Policies and market information access. 4) Inadequate technical capacity and limited technologies and innovations to address emerging challenges including diseases and pests. 5) Climate change effects and inability to sustainably ameliorate the climate impacts. 6) Low involvement in Agri-entrepreneurship, particularly among the Youth
Project duration	<p>The project was effective as from 24th August 2016 and is expected to run until 31 December 2023.</p>

Bankers

The following is the banker for the current year:

- (i) Kenya Commercial Bank (Egerton Branch)

Auditors

The project is audited by the Auditor General- Kenya.

Roles and Responsibilities

In line with the Project Organogram, the Project Management is in two Levels: The CESAAM Steering or Management Core Team and Thematic Leaders. The Core teams are involved in day-to-day decision making, while thematic leaders are Professors drawn from different disciplines and which comes handy during project research thematic areas. Thus the main management team is the core team as below:

The CESAAM Project Management Team

Names	Title designation	Key qualification	Responsibilities
Prof. Isaac O. Kibwage Ph.D, HSC	Vice Chancellor	Professor of Pharmaceutical Chemistry	Overall governance and
Prof. George Owuor	Centre Leader	PhD in Agribusiness	leadership issues at
Prof. Samuel M. Mwonga	Deputy Centre Leader	University Level and represent the Council	Deputy Centre Leader- and in charge of Academics
Prof. Josephine P. Ouma	Member of the Steering	PhD in Agronomy	Member of the Steering Committee in Charge of Overseeing Procurement
Dr. Mary Omwamba	Member of the Steering	PhD in Food science	Member of the Steering Committee in charge of Logistics
Gabriel Ndung'u	Project Accountant	MBA (Finance), CPA-K	Preparation of financial statements
Prof. Joshua Ogendo	Member of the Steering Steering	PhD in Crop Protection	In charge of Research and Innovation

	Partners with MoU and Agreement signed	Activities involved in:
Partners and partners hip involved :	<ol style="list-style-type: none"> 1. Community Action for Rural Development (CARD) 2. Kenya Association of Manufacturers (KAM) 3. Kenya Private Sector Alliance (KEPSA) 4. The Hive Limited Limited 5. University of Rwanda 6. University of Burundi 7. Nelson Mandela African Institute of Science and Technology (NM-AIST CREATES) 8. Gulu University, 9. University of Juba, 10. Jaramogi Oginga Odinga University of Science and Technology (JOOUST) 11. Virginia Tech, 12. Pwani University, 13. University of Namibia, 14. Florida A&M University (FAMU) 15. University of Edinburg 16. Zheijiang University 17. Nanjing Agricultural University 18. Kenya Agricultural & Livestock Research Organization. (KALRO). 19. The Biosciences eastern and central Africa (BeCA)-ILRI HubBeCA ILRI 20. The International Maize and Wheat Improvement Center (CIMMYT) 21. International Centre of Insect Physiology and Ecology (ICIPE). 22. Hand in Hand East Africa 23. Kenya Plant Health Inspectorate Service (KEPHIS) 24. Lian Farm Ltd 	<ol style="list-style-type: none"> 1. Retooling of faculty staff 2. Research & Innovation 3. Exchange Programmes 4. Product development and commercialization 5. Internship opportunities for Students 6. Benchmarking and development of new and/or existing programs 7. Joint teaching and/or co-supervision 8. Joint events that booster research and capacity Building 9. Joint private Sector engagement/mapping 10. Development and mounting of short/skill-based Courses 11. Specialized Research Opportunities 12. Collaborative research projects 13. Joint proposal Writing

Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for The Financial Year Ended June 30, 2022.

Funding summary

The Project is from 2016 to 2023 with an approved budget of XDR 5,999,905 equivalent to KShs 619,490,191 Six hundred nineteen Million, four hundred ninety thousand, one hundred and ninety-one only as highlighted in the table below: Below is the funding summary:

Source of funds	Debit Commitment		Amount received to date - (06/30/2022)		Unsettled balance to date (06/30/2022)	
	Debit Commitment (XDR)	(KSh)	Debit Commitment (XDR)	(KSh)	Debit Commitment (XDR)	(KSh)
(i) Loan	6,000,000	608,700,000				
International Development Association: 2016/2017	-	0	1,100,000.00	111,395,000		
International Development Association: 2018/2019	-	0	842,556.36	85,477,345		
International Development Association: 2019/2020			1,159,348.53	117,616,922		
International Development Association: 2020/2021			1,307,979.54	132,689,452		
International Development Association: 2021/2022			791,367.59	80,384,242		
TOTAL	6,000,000	608,700,000	5,201,212	527,662,959	798,788	81,037,041
(ii) Counterpart funds						
Egerton University	-	1,000,000	0	1,000,000	0	0
Total	5,999,905	620,490,191	5,201,212	528,662,959	798,788	81,037,041

PROJECT INFORMATION AND OVERALL PERFORMANCE.

A. Application of Funds

Application of funds	Amount received to date – (30 th June 2022)		Cumulative Amount paid to date – (30 th June 2022)	Unutilised balance to date(30 th June 2022)	
	Donor currency	Kshs		Donor currency	Kshs
	(A)	(A')	(B')	(A)-(B)	(A')-(B')
(i) Loan					
International Development Association	5,201,212	527,662,959	469,135,575	576,908.66	58,527,383.80
(ii) Counterpart Funds					
Egerton university	26,464	2,684,800	2,666,333	23.34	2,367.80
Total	5,227,676	530,347,759	471,801,908	576,932	58,529,752

Summary of Overall Project Performance Disbursement Linked Results (DLR) during the Financial Year 2021/22

1. DLR 2.2 – CESAAM now has 240 graduate students- (MSc 168; PhD 72) - 52% female and 23% regional) and 63 graduated.
2. Total direct project beneficiaries – 505; includes an international conference, virtual forums, and training, research grants awarded, and short courses offered.
3. DLR 2.3 – CESAAM has fully achieved national accreditation. - International Accreditation: 2 Programs: MSc Agribusiness, Crop protection, Food Science & MSc Animal Nutrition currently submitted for international accreditation (ASIIN)
4. DLR 2.5: 214 publications in internationally refereed journals; this is fully achieved as per initial and re-structuring targets (20 publications in this quarter). Fully achieved
5. CESAAM jointly held an International Conference with Africa Farm Management Association (AFMA) in Nov 2021 in Nairobi.
6. CESAAM students presented their papers at the Africa Farm Management Association (AFMA) 12th International conference.
7. CESAAM students presented their papers at the Egerton University 14th Biennial International conference.
8. DLR 2.6: **Exchange (80 A total of 40 supported** out of which 10 have been verified. Exchanges: 5 PhD & 3 Academic staff to MaRCCI, Makerere University, 5 PhD & 3 Academic Staff to CREATES, Nelson Mandela University, Tanzania, 11 PhD & 3 Academic staff to JOOUST, 3 Academic Staff to Virginia Tech. New exchange planned in Quarter 4 2021/22 due to COVID.
9. Japan private sector engagement conducted with EMCO Japan. Follow-up planned in March 2022
10. DLR 2.7: **on Externally generated revenue (Fully Achieved) – To-date attracted a total of ksh 201,487,904.**
11. **New projects in Q1 & 2: Laser Pulse & IFC Creating model farms as centers of excellence Project**
12. DLR 2.8: **on The Partnership for skills in Applied Sciences, Engineering and Technology (PASET) Benchmarking – Fully achieved**
13. DLR 3.2 – 3.4: **Financial Management**, successfully verified for years 1,2 &3 with unqualified opinion. Disbursement for year 3 done.
14. DLR 4.1 – 4.2: **Procurement:** 2018/19-2020 done with 60% compliance. Withdrawal done pending disbursement. 2020/21 audit done in for February 2022.
15. Hosted INSEFOODS for benchmarking, PTRE and vice versa in this quarter.

Kenya Africa Center of Excellence (ACE) II Project
Implementation status of the Africa Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) as at June 2022

1. PROJECT DELIVERABLES

	Total Amount (USD)	Overall Target (Results)	Cumulative Results verified as at September 2021	Verified Amount as at September 2021	Remaining amount for all Years	Disbursement projections (December, 2021).	Comments/ remedial actions
DLR# 1.1 Completion of Effectiveness Conditions	600,000	1	1	600,000	0	0	Fully achieved
DLR# 1.2 Development of the Project Implementation Plan	500,000	1	1	500,000	0	0	Fully achieved
DLR 1	1,100,000			1,100,000			
DLR# 2.1 Timely annual implementation of the plans (% of execution of the budget)	500,000		0	0	500,000		As per the Aid Memoir following the TAM in Malawi, this DLR was dropped and apportioned to DLRs 2.2, 2.5 and 2.6
DLR #2.2: Newly enrolled students in the ACE of which at least 20% must be regional (African) students.		Master students: 60	Masters: 157	Round 1: 102,500 Round 2: 181,000 Round 3: 268,500 Round 4:		0	A total of 157 MSc students have been verified.

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	PhD: 30	PhD: 40	13,500 Total: 565,500	See below remaining amount for full achievement of the MSc, PhD and SC	0	A total of 40 PhDs verified to-date
	Short course: 100	SC: 68	Round 1: 0 Round 2: 4,769 Round 3: 59,800 Round 4: 13,800 Total: 78,369		0	
DLR 2.2			1,200,000 0		0	
DLR#2.3: Accreditation of quality of education programs.	21	34	300,000	300,000	0	Ongoing process. Through Direct Procurement (Two programmes)
DLR#2.4: Partnerships for collaboration in applied research and training.	8	6	200,000	0	0	- This DLR is fully achieved.

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DLR#2.5: Peer-reviewed journal papers or peer-reviewed conference papers prepared collaboratively with national, regional or international co-authors.	500,000	70	75	500,000	0	0	- This is completely achieved.
DLR#2.6: Faculty and PhD student exchanges to promote regional research and teaching collaborations	500,000	34	12	180,000	320,000	0	- An exchange program for 20 students to Zhejiang University was cancelled due to COVID-19. These Zhejiang ones are targeted for September 2020.
DLR#2.7: External revenue generation	900,000	500,000	223,488	900,000	0	0	DLR2.7 Verified
DLR#2.8: Institution participating in benchmarking exercise	100,000	1	100,000	0	0	0	DRL #2.8 verified
DLR 3	2,600,000			1,980,000	620,000	0	
DLR#3.1: Timely Withdrawal applications supported by interim unaudited financial reports for each ACE	75,000			0	75,000	45,000	DLR 3.1 is yet to be verified.
DLR#3.2: Functioning audit committee under each Eastern and Southern African Higher Education Institutions.	75,000			45,000	30,000	15,000	

Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
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DLR#3.3: Functioning internal audit unit for each Eastern and Southern African Higher Education Institution	75,000			45,000	30,000	15,000	
DLR#3.4: Transparency of financial management (audit reports, interim unaudited financial reports, budgets and Annual Work Programs are all web accessible)	75,000			45,000	30,000	15,000	
DLR 3	300,000			135,000	165,000	90,000	
DLR# 4.1 Timely procurement audit report for each ACE	150,000	5	2	60,000	90,000	45,000	
DLR#4.2: Timely and satisfactory procurement progress report for each ACE	150,000	5	2	60,000	90,000	45,000	
DLR 4	300,000	-	-	120,000	180,000	90,000	
Grand Total	6,000,000			5,079,869	920,131		

*Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for The Financial Year Ended June 30, 2022.*

Summary

Category	Total Amount (USD)	Verified Amount as at 31st August 2021 (USD)	Remaining amount for all Years (USD)	Comments/Remedial action to be taken
DLR# 1.1 Completion of Effectiveness Conditions	600,000.00	600,000.00	-	Capped reached
DLR# 1.2 Development of the Project Implementation Plan	500,000.00	500,000.00	-	Capped reached
DLR# 2.1 Timely annual implementation of the plans (% of execution of the budget)	500,000.00		500,000.00	DLR dropped and apportioned to 2.2, 2.5 & 2.6
DLR #2.2: Newly enrolled students in the ACE of which at least 20% must be regional (African) students.	1,200,000.00	1,744,869.00	(544,869.00)	DLR completely achieved
DLR#2.3: Accreditation of quality of education programs.	600,000.00	300,000.00	300,000.00	
DLR#2.4: Partnerships for collaboration in applied research and training.	200,000.00	200,000.00	-	
DLR#2.5: Peer-reviewed journal papers or peer-reviewed conference papers prepared collaboratively with national, regional or international co-authors.	300,000.00	300,000.00	-	
DLR#2.6: Faculty and PhD student exchanges to promote regional research and teaching collaborations	500,000.00	180,000.00	320,000.00	
DLR#2.7: External revenue generation	900,000.00	900,000.00	-	
DLR#2.8: Institution participating in benchmarking exercise	100,000.00	100,000.00	-	
DLR#3.1: Timely Withdrawal applications supported by interim unaudited financial reports for each ACE	75,000.00	-	75,000.00	Timely withdrawal is yet to be verified
DLR#3.2: Functioning audit committee under each Eastern and Southern African Higher Education Institutions.	75,000.00	45,000.00	30,000.00	partially verified
DLR#3.3: Functioning Internal audit unit for each Eastern and Southern African Higher Education Institution	75,000.00	45,000.00	30,000.00	partially verified
DLR#3.4: Transparency of financial management (audit reports, interim unaudited financial reports, budgets and Annual Work Programs are all web accessible)	75,000.00	45,000.00	30,000.00	partially verified
DLR# 4.1 Timely procurement audit report for each ACE	150,000.00	50,000.00	90,000.00	partially verified
DLR#4.2: Timely and satisfactory procurement progress report for each ACE	150,000.00	50,000.00	90,000.00	partially verified
TOTAL	6,000,000.00	5,079,869.00	920,131.00	
		%	85%	

Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for The Financial Year Ended June 30, 2022.

2. Safeguards actions

Action	Status
Grievance Redress Mechanism	<ul style="list-style-type: none"> - An online GRM System set up. Available on CESAAM and University websites - It is anonymous but an optional provision for a name and email is provided incase someone requires feedback - Students are sensitized on use
An inclusive CESAAM Steering Committee	<ul style="list-style-type: none"> - CESAAM has a steering committee that comprises students, faculty members, industry partners, academic partners and co-opted members when necessary.
Students - Supervisors Consultative Meetings	<ul style="list-style-type: none"> - FIVE consultative meetings have been organized to discuss supervision
Co-supervision and advising of graduate students with partners	<ul style="list-style-type: none"> - To help meet the need for regional research interventions and for dynamism, CESAAM shared with students' profiles of faculty members from partner university and research institutions to select supervisors - CESAAM has planned a joint supervisors and students' regional forum to discuss matters relating to research in the region and student-supervisor relationship enhanced - CESAAM is in constant touch with the Graduate School and relevant academic units on students' progress and complaints.
Social & Environmental safeguards focal points	<ul style="list-style-type: none"> - CESAAM's Social safeguards is also the Director University Welfare Services and former Director Institute of Women, Gender and Development Studies at Egerton University. She is also an expert in sexual harassment. - The Environmental safeguards focal point is a certified environmentalist and former immediate former Dean Faculty of Environment and Resource Development at Egerton University
Special accommodation and fund for student mothers	<ul style="list-style-type: none"> - Female students are now supported with special accommodation and additional subsistence to cater for toddlers
Community dissemination workshops	<ul style="list-style-type: none"> - Dissemination workshops where students are sent back to places of research to disseminate information to the community
Asbestos disposal	<ul style="list-style-type: none"> - CESAAM procured a NEMA-approved consultant who successfully executed disposal of asbestos
CESAAM Complex	<ul style="list-style-type: none"> - There was a community engagement program where there were no objections to the building - CESAAM also presented and ESIA report that was approved by the World Bank, NEMA, County Government and CESAAM Steering Committee. The complex is now complete and the secretariat are operating at the complex.
Research funding	<ul style="list-style-type: none"> - The Steering Committee approved an increase in research funding for students. PhD now earns USD 12,000 for research and MSc USD 3,000 for research. Additional depending on the nature of research.

Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for The Financial Year Ended June 30,2022.

3. Impact to date (on community, policy etc.)

IMPACT																																																																																																																																																																																																																																									
Deliberate support of female scientists	CESAAM now has a total of 240 students enrolled. Of this number 52% are female and 23% being regional students. CESAAM also provides affirmative fund for female scientists (students) with toddlers.																																																																																																																																																																																																																																								
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*Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for The Financial Year Ended June 30,2022.*

	TOTAL	9	15	24	2	1	3	SUB-TOTAL: 27
								TOTAL: 240
1 st Regional Summer School for Graduate Students	CESAAM organized and hosted its 1 st Regional Summer School for Graduate Students. This, in our understanding, is the largest event that has brought together ACE II students in the agriculture field. Over 200 students participated from INSEFOODS, MaRCCI, CSABC, CREATES and CESAAM.							
High profile regional exhibitions	Meant to market the centre in the region.							
Open/Field days	To train farmers on emerging agricultural technologies. CESAAM organized a joint Seeds of Gold Field Day with Nation Media for farmers and industry at Egerton University. Over 400 participants and exhibitors attended. This was in January 2020.							
Skill-based short courses	Organized for the community, farmers and students. (Feed formulation, Research Analytics for students, Proposal writing for students, Policy Brief Preparation course).							
Youth-led extension	CESAAM students underwent direct outreach to farmers using the Seeds of Gold model of extension.							
Community Dissemination workshops	All students and faculty supported by CESAAM to carry out research are expected to carry out dissemination workshops of research findings in their areas of study. A dissemination workshop is planned post-COVID for 4 students who have graduated and collected data in Kenya.							
1 st CESAAM Competitive Research Grant	CESAAM competitively awarded proposal research grants, which will be community oriented and that which must have policy implications, to faculty members. A key criterion for selection was whether the proposal had a strong component on collaboration with industry players.							
Regional sensitization visits	Joint Sensitization visit CESAAM, INSEFOODS, Internet of Things, Rwanda College of Agriculture and Veterinary Medicine (Kenya, Tanzania and Rwanda)							
Dissemination of best-practices and policies	2 Side Events Held at the RUFORUM international Conference in Nairobi, Kenya. The side events were on social safeguards (sexual harassment in HEIs) and on Role of Partnerships in Research and Academic Excellence							

Upcoming Activities.

Activity	Dates	Purpose
Short course training of farmers	October, 2022	Enhance capacity for farmers and community at large.
RUFORUM Biennial Conference	December, 2022	Students, faculty, private partners and international partners present their research work at the international conference.
Community outreach programme in Mandera County	November, 2022	Training of farmers on the dry-land agriculture in Mandera.
Sustainable agriculture Short Course	September, 2022	A training designed for farmers
Training faculty on students supervision, consultancy and policy briefs.	September 2022	Enhancing staff with the necessary knowledge on graduate supervision, consultancy and policy brief.
International accreditation of two MSc programmes	October, 2022	International accreditation of programmes

1. Key challenges and risks

Issue/Risk	Status and proposed action
Procurement	<ul style="list-style-type: none"> - Slow procurement process - Unwillingness of suppliers to supply items due to main university debts - CESAAM plans to have a suppliers' sensitization workshop to help them understand the different nature of the project. - Relatively high procurement staff turn-over - Procuring of the international institutions
Regional Accreditation of programs	<ul style="list-style-type: none"> - No known body carries out this.
Risk of extension for students	<ul style="list-style-type: none"> - Due to COVID-19 related delays and industrial action by lecturers, students are likely to provide reasons for extension. This will have financial implications on the centre
COVID-19 related risks and challenges	<ul style="list-style-type: none"> - Disruption in academic programs - Effect in completion rate for students - Delay in procurement - Delay in getting feedback from lecturers by students - Student exchanges affected due travel restrictions
Challenge of sandwich programs	<ul style="list-style-type: none"> - There is a challenge of recognition and transfer of credit for related programs. This inhibited CESAAM from carrying out a joint sandwich program with Zhejiang University.

2. Sustainability of the Centre

Action	Status (including timelines)
CESAAM is attracting Fee paying students	<ul style="list-style-type: none"> - 26 self-paying students now admitted at CESAAM - 56 new applicants including those from the region
Have CESAAM as a directorate/institutionalization of the centre	<ul style="list-style-type: none"> - A committee to over-see this sustainability plan is already set-up - Discussions are underway for this
Research proposals for funding	<ul style="list-style-type: none"> - Several groups supported to write proposals for funding. - Externally generated funds attracted. - The centre has now attracted a sum of Ksh 201,487,904 at at 30th June 2022.
Regional gate-way for agricultural interventions	<ul style="list-style-type: none"> - CESAAM is positioning itself, through partnership, as a regional gateway for agriculture-related interventions in the region. This is due to its regional appeal because its presence in the region.
Phase II Proposal writing	<ul style="list-style-type: none"> - CESAAM together with 2 other Kenyan ACES (Insefoods – JOOUST & PTRE - Moi University) were involved in joint proposal writing for Phase II of ACE II.

1.9. Summary of Project Compliance:

The centre has complied with the Egerton financial rules and regulations, the Public Finance Management Act (PFM Act 2012) and the Financing agreement with the development partners.

2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETERMINED OBJECTIVES

The objective of the Project is to support the University to establish a center of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) through capacity development, research and technology transfer for enhanced food security. The Project shall finance eligible activities aimed at achieving the following Disbursement Linked Indicators (DLIs):-

- (a) Regional specialization endorsed and institutional readiness
- (b) Excellence in education and research capacity and development impact
- (c) Timely, transparent and institutionally reviewed Financial Management
- (d) Timely and audited Procurement

The following table specifies the categories of the proceeds of the grants and the allocations of the amounts to each DLI.

Disbursement Linked Indicator	Amount of the Financing Allocated expressed in US\$)
DLI 1: Regional specialization endorsed and institutional readiness	1,100,000
DLI 2: Excellence in education and research capacity and development impact	4,300,000
DLI 3: Timely, transparent and institutionally reviewed Financial Management	300,000
DLI 4: Timely and audited Procurement	300,000
TOTAL (US\$)	6,000,000

The Center shall:

- a. Implement the Project in accordance with the Project implementation plan;
- b. Not assign, amend, abrogate or waive any of the provisions of the Project implementation plan without **the Governments and the Association's prior written concurrence.**

- c. Implement the project with due diligence and efficiency and in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices and in accordance with the provisions of this Subsidiary Grant Agreement;
- d. Implement all contractual obligations with the Association and other implementation Agreements to which it is a party in such a manner as to protect the interest of the Government and the Association and to accomplish the purposes of the Financing;
- e. Prepare the relevant Project reports under the project; and Participate in the mid-term Review of the operations under the project which shall cover progress achieved in the implementation of the project and to implement the relevant recommendations of the mid-term review as agreed with the Association.
- f. Promptly inform the Government of any conditions which interfere or threaten to interfere with the progress of the project or the performance of its obligations under this Subsidiary Grant Agreement.

Summary of achievement

- ❑ DLR 2.2 – CESAAM now has **240 graduate students- (MSc 168 : PhD 72) -(52% female and 23% regional)**. 100 (88 MSc and 12 Ph.D.) have been verified. **Graduated = 63 (10 PhDs, 53-MScs: 40% female)**,- 31 Awaiting graduation. Total direct project **beneficiaries – 630**; includes an international conference, virtual forums, and training, research grants awarded, and short courses offered.
- ❑ DLR 2.3 – CESAAM has **fully achieved national accreditation**. Two programs are undergoing **International Accreditation:-** MSc Food Science & MSc Animal Nutrition currently submitted for international accreditation (ASIIN)- contract awarded
- ❑ DLR 2.4: 2 new **partnership** with Kentaste Coconut processor, Malindi Fruit processors, and AFMA (**partnerships, is currently fully achieved**)
- ❑ DLR 2.5: 241 **publications** in internationally refereed journals; this is fully achieved as per initial and restructuring targets (**16 publications in this quarter**). **Fully achieved**
- ❑ DLR 2.6:**Exchange (67%- A total of 44 supported** out of which 10 have been verified. Exchanges: 5 Ph.D. & 3 Academic staff to MaRCCI, Makerere University , 5 Ph.D. & 3 Academic Staff to CREATES, Nelson Manderu University, Tanzania, 5 Ph.D. & 3 Academic staff to JOOUST, 3 Academic Staff to Virginia Tech, 4 Academic staff to MaRCCI, Makerere, Uganda, 10 Ph.D. students to JOOUST and 3Ph.D students KALRO Muguga Research Centre.
- ❑ DLR 2.7: **Externally generated revenue (Fully Achieved) – To date attracted a total of USD 1,833,918.**

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- ❑ DLR 2.8: **on PASET Benchmarking – Fully achieved**

- ❑ DLR 3.2 – 3.4: **FM**, successfully verified for years 1,2 &3 with an unqualified opinion. Disbursement for year 3 is done.

- ❑ DLR 4.1 – 4.2: **Procurement**: 2020/2021 done with 78.9% compliance.

3. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Sustainability strategy and profile

The project is committed to implementing the following measures for its sustainability plan;

1. Proposal Development for new funding. New Projects Already earned USD 1.9 Million, e.g. recent ones below:

- a) IFC. 2021 on creating model farms – USD 290,000
- b) Laser Pad Project-on ICT Block chain value chain system-USD 150,000
- c) 7 County based value chain projects- Over USD -500,000
- d) Future proposals will continue through existing teams of experts already trained on fundable proposal development

2. Product development (Innovated Products ongoing development) :


- ✓ Animal feeds packaged and sold
- ✓ Marmalade jam
- ✓ Sorghum Bread (seed unit, flour targeting bakers & confectionery)

3. New Fee Paying Cohort 2022/23- 10 PhD & 20 Msc in Popular programmes (Agribusiness, Animal Nutrition, Crop Protection and Food Science) CESAAM will link them for internships, research attachments and publications)

4. Popular paid Short Courses (Value Addition, Feed formulation, Poultry production, Dairy Mgt-Cow Signal & Agribusiness Value chain Development, Conservation Agriculture)

5. Institutionalization of the Centre to the university structure.

1. Environmental performance

The University shall carry out its Respective Part of the Project in accordance with the requirements of the Environmental and Social Management Framework (ESMF) dated April 18, 2016 and the Environmental and Social management Plan, as appropriate, and except as the Government and the Association shall otherwise agree in writing. The University shall not amend or waive any provision of the safeguard instruments if any such amendment or waiver may, in the opinion of the Association, materially or adversely affect the implementation of its Respective Part of the Project or the Project. 

The University shall in its progress report include progress made on compliance with environmental and social safeguard measures under the Project, giving details of measures taken in furtherance of the environmental and social safeguard and any conditions which interfere or threaten to interfere with the

smooth implementation of the said plans and frameworks, and remedial measures taken or required to be taken to address such conditions.

The university and the project have taken the following measures;

- a) Availability of waste disposal points within the CESAAM building
- b) CESAAM Building NEEMA approval plus World Bank approval for construction executed Further: waste disposal and safety gear followed
- c) CES Ethical Certificate for our Graduate students during their fieldwork.
- a) CESAAM students and staff participated in EMS public waste removal, tree planting and training
- b) CESAAM in collaboration with National Environmental Authority disposed Asbestos successfully

2. Employee welfare

Give account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The organization should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA)

3. Market place practices-

a) Responsible Supply chain and supplier relations-

The procurement of goods, works and consultants services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with Annex II of the financing agreement.

b) Responsible ethical practices

The University shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines and the relevant laws of Kenya.

c) Regulatory impact assessment

The university and the project is committed to safeguard and citizen stakeholder's rights that's;

- a) Dignity.
- b) Non-discrimination.
- c) Equality.
- d) Autonomy.
- e) Accountability.
- f) Participation.
- g) Proportionality.

4. Community Engagements

The project is committed to sharing its output and input with the community. The following events have so far been conducted;

- a) Youth-led extension and 4-k club revival plan
- b) 1st Regional summer school for graduate students
- c) Skilled based short courses for farmers
- d) Open field days/communication dissemination
- e) Thesis disseminations of best practice

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

Centre leader for the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) are responsible for the preparation and presentation of the **Project's** financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes:

- (i) Maintaining adequate financial management arrangement 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 Project;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the Project;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Vice Chancellor of Egerton University and the Centre leader for the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) accept responsibility for the **Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting**, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Vice Chancellor of Egerton University and the Centre leader for the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) are of the opinion that the **Project's** financial statements give a true and fair view of the state of **Project's** transactions during the financial year/period ended June 30, 2022, and of the **Project's** financial position as at that date. The Vice Chancellor of Egerton University and the Centre leader for the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.


The Vice Chancellor of Egerton University and the Centre leader for the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

The Project financial statements were approved by the Egerton University Council on 28th September 2022 and signed by the Vice Chancellor of Egerton University and the Centre leader for the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) on 29th September, 2022.



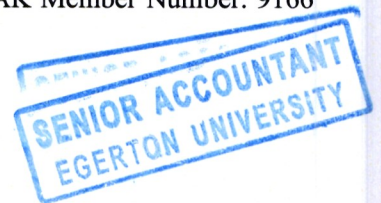
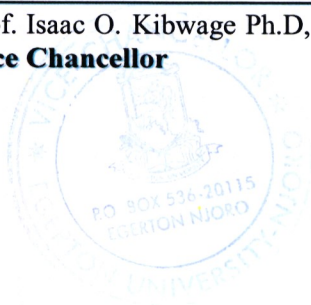
Prof. Isaac O. Kibwage Ph.D, HSC
Vice Chancellor



CESAAM Centre Leader
Name: Prof. George Owuor

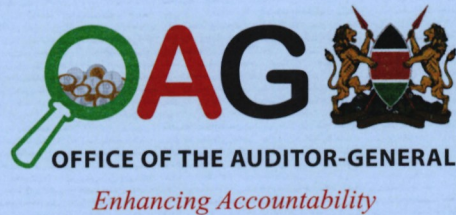


Project Accountant:
Name: C.P.A Gabriel Ndungu.
ICPAK Member Number: 9166



REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON CENTRE OF EXCELLENCE IN SUSTAINABLE AGRICULTURE AND AGRIBUSINESS MANAGEMENT CREDIT NO.5798-KE FOR THE YEAR ENDED 30 JUNE, 2022 - EGERTON UNIVERSITY

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 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 Centre of Excellence in Sustainable Agriculture and Agribusiness Management set out on pages 1 to 21, which

Report of the Auditor-General on the Centre of Excellence in Sustainable Agriculture and Agribusiness Management Credit No. 5798-KE for the year ended 30 June, 2022 - Egerton University

comprise the statement of financial assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and statement of comparative 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 effects of the matter 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 Centre of Excellence in Sustainable Agriculture and Agribusiness Management as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Loan Agreement Credit Number 5798-KE dated 4 July, 2016 between the International Development Association (IDA) and the Republic of Kenya and the Public Finance Management Act, 2012.

In addition, the special account statement presents fairly transactions for the year, and the closing balance has been reconciled with the books of account

Basis for Qualified Opinion

Other Grants and Transfers and Payments

The Statement of receipts and payments reflects other grants and transfers and payments amounting to Kshs.57,826,186 as further detailed in Note 8.7 to the financial statements. The amount relates to expenditure funded by other Donor funds. However, the expenditure includes Imprests issued totaling to Kshs.29,650,041 which has not been accounted for and supported with evidence of travel, list of participants and their role in the project and evidence of work done.

In the circumstances, the propriety of the other grants and transfers and payments totaling Kshs.57,826,186 for the year ended 30 June, 2022 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Centre of Excellence in Sustainable Agriculture and Agribusiness 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.

Emphasis of Matter

Pending Accounts Payable

The other important disclosures in Note 11.1 to the financial statements include pending accounts payable totaling to Kshs.2,475,500. Review of documents revealed that the pending accounts payable relate to commitments for which the goods and services had not been delivered or received.

Failure to settle bills during the year in which they relate to adversely affect the budgetary provisions for the subsequent year to which they have to be charged.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by International Development Association - Credit No.5798-KE financing agreement, I report based on my audit, that:

- i. 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;
- ii. In my opinion, adequate accounting records have been kept by the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM), so far as appears from the examination of those records; and,
- iii. The financial statements are in agreement with the accounting records and returns.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Project'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 Project 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 Project's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to

governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

15 November, 2022

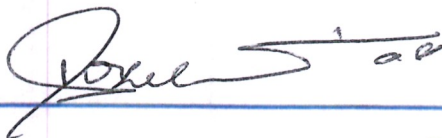
*Report of the Auditor-General on the Centre of Excellence in Sustainable Agriculture and Agribusiness Management
 Credit No. 5798-KE for the year ended 30 June, 2022 - Egerton University*

*Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for The Financial Year Ended June 30, 2022.*


6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30TH JUNE 2022


	Note	Receipts and payments controlled by the entity	Receipts and Payments made by third parties	TOTAL	Receipts and payments controlled by	Receipts and Payments made by third	TOTAL	Cumulative to-date
		2021/22			2020/21			
		KShs	KShs		KShs	KShs		KShs
RECEIPTS								
Transfer from Government entities	8.3	-	-	-	-	-	-	2,684,800
Loan from external development partners	8.4	80,284,242	-	80,284,242	132,689,452	-	132,689,452	527,662,959
Other Attracted funds	8.5	49,216,917	-	49,216,917	48,982,684	-	48,982,684	201,487,904
TOTAL RECEIPTS		129,501,158	-	129,501,158	181,672,136	-	181,672,136	731,835,663
PAYMENTS								
Transfers To Other Government Entities	8.6	-	-	-	-	-	-	1,000,000
Other Grants And Transfers And Payments	8.7	57,826,186	-	57,826,186	42,833,571	-	42,833,571	165,533,660
Excellence In Education And Research	8.8	28,353,864	-	28,353,864	85,050,329	-	85,050,329	294,865,385
Exchanges To Promote Regional Research & T	8.9	19,251,109	-	19,251,109	7,531,439	-	7,531,439	64,708,199
External Generation Of Revenue	8.10	338,670	-	338,670	1,398,850	-	1,398,850	3,131,980
Enhancing Institutional Readiness & Operation	8.11	12,070,973	-	12,070,973	19,518,996	-	19,518,996	67,202,429
Timely And Transparency Financial Managements	8.12	8,301,423	-	8,301,423	7,297,070	-	7,297,070	37,227,582
TOTAL PAYMENTS		126,142,224	-	126,142,224	163,630,254	-	163,630,254	635,669,235
SURPLUS/DEFICIT		3,358,934	-	3,358,934	18,041,882	-	18,041,882	96,166,428

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.



Prof. Isaac O. Kibwage Ph.D, HSC
Vice Chancellor


CESAAM Centre Leader
Name: Prof. George Owuor

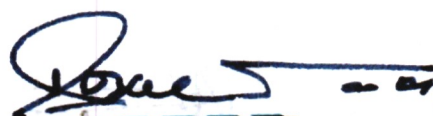

Project Accountant:
Name: C.P.A Gabriel Ndungu.
ICPAK Member Number: 9166



7. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE 2022

	Note	2021/22	2020/21
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8.15	81,451,991	69,670,668
Accounts receivables – Imprests and Advances	8.16	14,714,437	23,136,827
Total Cash and Cash Equivalents		96,166,429	92,807,495
TOTAL FINANCIAL ASSETS		96,166,429	92,807,495
REPRESENTED BY			
Fund balance b/fwd	8.17	92,807,495	74,765,613
Surplus/Deficit for the year		3,358,934	18,041,882
NET FINANCIAL POSITION		96,166,429	92,807,495


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 29th September, 2022 and signed by:


 Prof. Isaac O. Kibwage Ph.D, HSC
 Vice Chancellor




 CESAAM Centre Leader
 Name: Prof. George Owuor



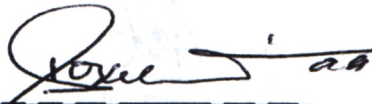

 Project Accountant:
 Name: C.P.A Gabriel Ndungu.
 ICPAK Member Number: 9166




8. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2022

	Note	2021/2022 KShs	2020/2021 KShs
Receipts for operating activities			
Transfer from Government entities	8.3	-	-
Other Attracted funds	8.5	49,216,917	48,982,684
Payments for operating activities			
Transfers to Egerton University	8.6	-	-
Other Grants And Transfers And Payments	8.7	57,826,186	42,833,571
Excellence In Education And Research	8.8	28,353,864	85,050,329
Exchanges To Promote Regional Research & teaching	8.9	19,251,109	7,531,439
External Generation Of Revenue	8.10	338,670	1,398,850
Enhancing Institutional Readiness & Operations	8.11	12,070,973	19,518,996
Timely And Transparency Financial Management	8.12	8,301,423	7,297,070
Net cash flow from operating activities		(76,925,308)	(114,647,570)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets		-	-
Net cash flows from Investing Activities		-	-
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	8.4	80,284,242	132,689,452
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		3,358,934	18,041,882
Cash and cash equivalent at beginning of the year		92,807,495	74,765,613
Cash and cash equivalent at END of the year		96,166,429	92,807,495

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 29th September, 2022 and signed by:


Prof. Isaac O. Kibwage Ph.D, HSC
Vice Chancellor


CESAAM Centre Leader
Name: Prof. George Owuor


Project Accountant:
Name: C.P.A Gabriel Ndungu.
ICPAK Member Number: 9166

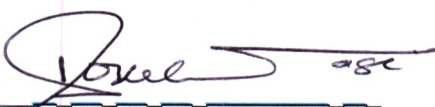


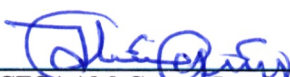
9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS 30TH JUNE 2022


Receipts/Payments Item	Original Budget 2021/22	Final Budget 2021/22	Actual on Comparable Basis 2021/22	Budget Utilization Difference 2021/22	Percentage of Utilization 2021/22
Receipts	Kshs	Kshs	Kshs	Kshs	
Proceeds from domestic and foreign grants	135,910,536	135,910,536	80,284,242	55,626,294	59%
Other Attracted funds	65,950,000	65,950,000	49,216,917	16,733,083	75%
Total Receipts	201,860,536	201,860,536	129,501,158	72,359,378	64%
PAYMENTS					
World Bank Funding	Kshs	Kshs	Kshs	Kshs	
Excellence In Education And Research	67,614,900	67,614,900	28,353,864	39,261,036	42%
Exchanges To Promote Regional Research & Teaching	35,421,250	35,421,250	19,251,109	16,170,141	54%
External Generation Of Revenue	2,581,250	2,581,250	338,670	2,242,580	13%
Enhancing Institutional Readiness & Operations	17,520,636	17,520,636	12,070,973	5,449,663	69%
Timely And Transparency Financial Management	12,772,500	12,772,500	8,301,423	4,471,077	65%
SUB-TOTAL PAYMENTS	135,910,536	135,910,536	68,316,039	67,594,497	50%
OTHER ATTRACTED FUNDS					
	Kshs	Kshs	Kshs	Kshs	
Other Grants and Transfers	65,950,000	65,950,000	57,826,186	8,123,814	88%
GRAND TOTAL PAYMENT	201,860,536	201,860,536	126,142,224	75,718,312	62%

Note: The significant budget utilization/performance differences in the last column are explained in **Annex 1** to these financial statements.

The Eligible Expenditure Programs (EEPs) for the financial year 2021/2022 was KShs **1,420,992,506** which consists of the teaching Staff remuneration as explained in **Note 9.2**.


Prof. Isaac O. Kibwage Ph.D, HSC
Vice Chancellor


CESAAM Centre Leader
Name: Prof. George Owuor


Project Accountant:
Name: C.P.A Gabriel Ndungu.
ICPAK Member Number: 9166



10. SIGNIFICANT ACCOUNTING POLICIES

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

10.1 Statement of compliance and basis of preparation

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

The accounting policies adopted have been consistently applied to all the years presented.

10.2 Reporting entity

The financial statements are for the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation Public Finance Management Act 2012 (PFM Act 2012).

These financial statements are part of the consolidated financial statements of Egerton University for the reporting period.

10.3 Reporting currency

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Project and all values are rounded to the nearest Kenya Shilling. Where exchange rate is required one USD will be converted at 101.45 as provided in the Project Appraisal Documents.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10.4. Recognition of receipts

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

i) Transfers from the Exchequer

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

ii) External Assistance

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

iii) Other receipts

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

a) Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

b) Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds; sovereign bonds and external loans acquired by the Project or any other debt the Project may take on will be treated on cash basis and recognized as a receipt during the year they were received.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

c) Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for the Project currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. An analysis of the Project's undrawn external assistance is shown in the funding summary

d) Recognition of payments

The Project recognizes all payments when the event occurs and the related cash has actually been paid out by the Project.

i) Compensation of employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

ii) Use of goods and services

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

iii) Interest on borrowing

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

iv) Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the consolidated financial statements.

v) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by CESAAM Project and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

e) In-kind donations

In-kind contributions are donations that are made to the CESAAM Project in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Project includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

f) 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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

g) Restriction on cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third part deposits

h) Imprests and Advances

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

i) Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognized because:

NOTES TO THE FINANCIAL STATEMENTS (Continued)

- i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships,

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. There were no contingent liabilities in the year.

j) 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.

k) Pending bills

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

l) Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the **financial statements**. The **Project's** budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the Ministries, Departments and Agencies MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognized as inter-entity transfers and are eliminated upon consolidation.

A high-level assessment of the **Project's** actual performance against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

m) Third party payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third **parties'** column in the statement of receipts and payments.

During the year no funds were received in form of direct payments from third parties.

n) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates, Kenya Shillings. Transactions in foreign currencies during the year/period are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of receipts and payments.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

o) Comparative figures

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

p) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2022.

q) Prior period adjustments

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.3 RECEIPTS FROM GOVERNMENT OF KENYA

The counterpart funding and other receipts from government is as follows:

	2021/2022	2020/21	Cumulative
	KShs	KShs	to-date
<i>Other transfers from government entities</i>			
Egerton University	0	0	2,000,000
Refund by Egerton university	0	0	684,800
	0.00	0.00	2,684,800

8.4. LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

During the 12 months to 30 June 2022 we received funding from development partners in form of loans negotiated by the National Treasury donors as detailed in the table below:

	Date received	Amount in		Loans received in cash	Loans received as direct payment*	Total amount in KShs					PROJECT LIFE	
		USD	KShs			FY 2020/22	FY 2020/21	FY 2019/20	FY 2018/19	FY16/17		TOTAL
The World Bank	12/6/2016	1,100,000	111,595,000	0	0	0	0	0	0	111,595,000	111,595,000	
The World Bank	5/12/2018	2,555	259,167	0	0	0	0	259,167	0	0	259,167	
The World Bank	5/2/2019	12,968	1,315,641	0	0	0	0	1,315,641	0	0	1,315,641	
The World Bank	24/2/2019	827,033	83,902,535	0	0	0	0	83,902,535	0	0	83,902,535	
The World Bank	24/7/2019	512,870	52,030,625	0	0	0	52,030,625	0	0	0	52,030,625	
The World Bank	12/11/2019	646,489	65,586,298	0	0	0	65,586,298	0	0	0	65,586,298	
The World Bank	18/2/2021	1,307,930	132,689,452		0	132,689,452	0				132,689,452	
The World Bank	22/03/2022	739,280	75,000,000			75,000,000					75,000,000	
The World Bank	5/4/2022	52,087	5,284,242			5,284,242					5,284,242	
Total		5,201,212	527,662,959	-		80,284,242	132,689,452	117,616,922	85,477,343	111,595,000	527,662,959	

8.5 OTHER ATTRACTED FUNDS

	FY 2021/2022			FY 2020/2021			PROJECT LIFE
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total Receipts	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total Receipts	
	KShs	KShs	KShs	KShs	KShs	KShs	KShs
School Fees and related fees	-	-	0	-	-	-	-
EGU-BOWIE USA Exchange Project	134,563	-	134,563	-	-	-	-
Inter-university Council for East Africa	1,539,360	-	1,539,360	1,533,600	-	1,533,600	-
GLOBAL SCOPE Project	857,548	-	857,548	3,055,911	-	3,055,911	-
INTERNATIONAL FINANCE CORPORATION Project	11,878,468	-	11,878,468	-	-	-	-
SWIFT UNIVERSITY OF G SOUTHO	-	-	-	4,588,425	-	4,588,425	-
THE TRUSTEE OF OFFICE	-	-	-	3,703,352	-	3,703,352	-
LASER Project	2,069,582	-	2,069,582	-	-	-	-
UNEP CHINAMA Project	1,464,508	-	1,464,508	1,394,398	-	1,394,398	-
BHEARD Project Dr Opiyo	2,376,069	-	2,376,069	-	-	-	-
RWANDA HIGH COMMISSION	174,435	-	174,435	170,665	-	170,665	-
EGU OPERATION EXPENSES	167,750	-	167,750	-	-	-	-
Kenya Climate Smart Agriculture Projects (KCSAP)	28,002,961	-	28,002,961	34,536,334	-	34,536,334	-
NARIGP DAIRY VALUE CHAIN VIHIGA	321,062	-	321,062	-	-	-	-
NARIGP LOCAL VEGETABLE VALUE CHAIN VIHIGA	230,612	-	230,612	-	-	-	-
Total Other Attracted Funds	49,216,917	-	49,216,917	48,982,684	-	48,982,684	201,487,905
Total	49,216,917	-	49,216,917	48,982,684	-	48,982,684	201,487,905

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.6. TRANSFERS TO OTHER GOVERNMENT ENTITIES.

During the 12 months to 30 June 2022, there were no transfers of funds to reporting government entities as shown below:

	FY 2021/22			FY 2020/21			PROJECT LIFE
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	
	KShs	KShs	KShs	KShs	KShs	KShs	
Transfers to Egerton University	-	-	0	-	-	0	1,000,000
TOTAL	-	0	0	-	0	0	1,000,000

No further funds were transferred during the financial year 2021/22. The previous transfers made in 2017 were confirmed that the beneficiary institutions received the funds and have recorded these as inter-entity receipts

8.7. OTHER GRANTS AND TRANSFERS AND PAYMENTS

	FY 2021/22			FY 2020/21		
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Payments made by the Entity in Cash	Payments made by third parties	Total Payments
	KShs	KShs	KShs	KShs	KShs	KShs
ADB MOHEST	3,574,094.00	-	3,574,094	7,421,324.00	-	7,421,324.00
EGU OPERATION EXPENSES	16,100.00	-	16,100	107,365.00	-	107,365.00
NAPROCLA Project	1,480,512.33	-	1,480,512.33	6,590,984.00	-	6,590,984.00
Inter-university Council for East Africa	1,788,000.00	-	1,788,000	2,640,000.00	-	2,640,000.00
Students FEES and Related expenses	949,225.00	-	949,225	50,000.00	-	50,000.00
UNEP CHINAMA Project	1,345,390.00	-	1,345,390	1,559,142.00	-	1,559,142.00
EGU-BOWIE USA Exchange Project	2,193,750.00	-	2,193,750	0	-	-
RWANDA HIGH COMMISSION	474,524.00	-	474,524	170,664.00	-	170,664.00
Kenya Climate Smart Agriculture Projects(KCSAP)	34,551,845.81	-	34,551,845.81	18,223,510.00	-	18,223,510.00
LASER Project	3,495,198.10	-	3,495,198.1	2,228,650.00	-	2,228,650.00
GLOBAL SCOPE Project	1,535,778.49	-	1,535,778.49	2,425,148.00	-	2,425,148.00
LOCUST MASS project	0.00	-	0	176,128.00	-	176,128.00
NMK ALOE Project	0.00	-	0	1,240,657.00	-	1,240,657.00
POULTRY VALUE CHAIN Project	2,365,704.00	-	2,365,704	0	-	-
NARIGP APICULRURE Project	356,700.00	-	356,700	0	-	-
BHEARD Project	2,181,584.20	-	2,181,584.2	0	-	-
NARIGP DAIRY VALUE CHAIN VIHIGA Project	320,000.00	-	320,000	0	-	-
NARIGP LOCAL VEGETABLE VALUE CHAIN VIHIGA Project	206,000.00	-	206,000	0	-	-
INTERNATIONAL FINANCE CORPORATION Project	991,780.00	-	991,780	0	-	-
TOTAL	57,826,186	0	57,826,186	42,833,572	0	42,833,572

8.8 EXCELLENCE IN EDUCATION AND RESEARCH

	FY 2021/22 (Ksh)	FY 2020/21 (Ksh)
Support atleast 25 Ph.D. students	17,446,694	43,884,650
Support atleast 30 Msc. Students	10,635,398	37,654,979
Review & Development of Phd & Msc Curriculum	-	1,896,200
Development of short courses for Private sectors upgrading - Agric value chain	229,772	270,000
Conduct short term courses on sustainable agric & agri business/value chain	42,000	1,344,500
Total	28,353,864	85,050,329

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.9. EXCHANGES TO PROMOTE REGIONAL RESEARCH & TEACHING

	FY 2020/21 (Ksh)	FY 2020/21 (Ksh)
Staff exchange fellowship	-	947,919
Ph.D. students exchange fellowship	3,058,000	-
Staff supported in collaborated research projects	2,273,751	1,265,400
Support publications on research output on peer reviewed journals	579,598	568,266
Conduct 2 theses dissemination workshops for 40 graduate students and 1 sup	849,425	-
Establish call center within CESAAM and link with devolved systems	4,354,179	761,700
Support 3 Staff and 20 students to present their research output in local, regio	2,258,700	346,480
Retooling workshop to build capacity of teaching staff	350,060	2,036,480
CESAAM - 4 Staff exchange fellowship	1,600,241	
CESAAM - Staff supported in collaborated research pj	960,400	
programmes (Crop protection and Agribusiness) internationally accredited by	-	432,494
Internship Support for students	2,966,755	588,550
Engage in consultative MoUs baesd meetings to come up with new MOuS with	-	584,150
Total	19,251,109	7,531,439

8.10. EXTERNAL GENERATION OF REVENUE

	FY 2021/22 (Ksh)	FY 2020/21 (Ksh)
Support research team to develop research proposals	338,670	1,398,850
Total	338,670	1,398,850

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.11. ENHANCING INSTUTIONAL READINESS & OPERATIONS

	FY 2021/22 (Ksh)	FY 2020/21 (Ksh)
Procure equipments for Cesaam research center and ICT upgrading	-	2,189,500
Cesaam office block design	4,289,964	10,138,030
Modern research equipment for research and teaching procured and commissioned.	2,916,612	2,860,684
Procurement of laboratory comsumables	-	222,090
Procure assorted equipment - animal nutrition lab	527,500	-
Support Agro science park	-	391,500
Marketing Cesaam Project and its programs (adverts, banners etc)	2,006,646	2,320,500
Cesaam steering committee, thematic research and training sub committees	2,330,251	1,396,692
Total	12,070,973	19,518,996

8.12. TIMELY AND TRANSPARENCY FINANCIAL MANAGEMENT

	FY 2021/22 (Ksh)	FY 2020/21 (Ksh)
Cesaam staff package (Salaries and wages)	2,620,000	2,373,063
Admistrative and office running	2,187,731	1,153,638
Renovation of post graduate and tatton demon	769,204	27,500
local & regional Travel	2,724,488	3,742,869
Total	8,301,423	7,297,070

8.14. CASH AND CASH EQUIVALENTS CARRIED FORWARD

	FY 2021/22 (Ksh)	FY 2020/21 (Ksh)
	KShs	KShs
Bank accounts (Note 8.15)	81,451,991	69,670,668
Outstanding Imprests	14,714,437	23,136,827
Total	96,166,429	92,807,495

8.15. BANK ACCOUNT DETAILS

	FY 2021/22 (Ksh)	FY 2020/21 (Ksh)
	KShs	KShs
CESAAM Project Account - KCB Bank no 1184060347	81,451,991	69,670,668
Total bank account balances	81,451,991	69,670,668

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.16. OUTSTANDING IMPRESTS AND ADVANCES

Name of Officer or Institution	Amount Taken	Due Date of Surrender	Amount Surrendered	Balance	Balance
	KSHs		KSHs	2021/22	2020/21
				KSHs	KSHs
ONDIEK JAMES OMBIRO	61,000.00	27-May-2021	61,000.00	0.00	61,000.00
MR ABEL MIYOGO OGANGA	557,900.00	15-Feb-2021	557,900.00	0.00	557,900.00
MS TABITHA W. NDUNGU	90,000.00	25-Jun-2021	90,000.00	0.00	90,000.00
JOSEPH ALARO DULO	3,058,000.00	24-Jun-2021	3,058,000.00	0.00	3,058,000.00
NKOIBONI RAPHAEL SILOMA	105,000.00	19-Mar-2020	105,000.00	0.00	105,000.00
JANET CHEMUTAI BII	1,595,300.00	11-Mar-2021	1,595,300.00	0.00	1,595,300.00
OLYCHINA EMMAH OTARY	131,200.00	28-May-2021	131,200.00	0.00	131,200.00
CYRIL OCHIENG OUMA	955,500.00	28-May-2021	955,500.00	0.00	955,500.00
PROF K. ERICK CHERUIYOT	150,000.00	04-Jun-2021	150,000.00	0.00	150,000.00
DR MOSES NDIRITU GICHUKI	84,000.00	17-Jun-2021	84,000.00	0.00	84,000.00
KARIUKI ISAAC MAINA	1,479,320.00	02-Sep-2020	1,479,320.00	0.00	1,479,320.00
PROF JOSHUA O. OGENDO	1,092,730.00	07-May-2021	1,092,730.00	0.00	1,092,730.00
PROF K. ERICK CHERUIYOT	5,000.00	09-Apr-2019	5,000.00	0.00	5,000.00
PHILIP KANDAGOR BETT	660,200.00	30-Jun-2021	660,200.00	0.00	660,200.00
TOROTICH FAITH JEBET	1,314,400.00	15-Mar-2021	1,314,400.00	0.00	1,314,400.00
AYEKA PETER AMWOGA	233,900.00	11-Mar-2021	233,900.00	0.00	233,900.00
ELICK ONYANGO OTACHI	508,800.00	21-Dec-2020	508,800.00	0.00	508,800.00
PROF M. DAUDI NYAANGA	176,000.00	24-Jun-2021	176,000.00	0.00	176,000.00
PROF JULIUS KIPKEMBOI	566,200.00	12-Feb-2021	566,200.00	0.00	566,200.00
DR PATRICK SIMIYU MULIRO	1,188,000.00	21-Jan-2021	1,188,000.00	0.00	1,188,000.00
PROF JOSEPH WAFULA MATOFARI	1,188,000.00	16-Dec-2020	1,188,000.00	0.00	1,188,000.00
MR MOSES KIPKENY SEREM	1,177,000.00	13-Apr-2021	1,177,000.00	0.00	1,034,500.00
PROF CHARLES MULEKE INYAGWA	2,015,800.00	27-May-2021	2,015,800.00	0.00	2,015,800.00
VITALIS N. KIBIWOT	484,716.00	22-Jun-2021	484,716.00	0.00	484,716.00
CHEPTOO IRENE CHELIMO	252,600.00	10-Jun-2020	252,600.00	0.00	252,600.00
ARNOLD MATHEW OPIYO	81,650.00	24-Jun-2021	81,650.00	0.00	81,650.00
SAMUEL ODEYO NYALALA	431,250.00	18-May-2021	431,250.00	0.00	431,090.00
MR VINCENT CHRISTER EKESA	959,000.00	31-Mar-2021	959,000.00	0.00	959,000.00
PROF PAUL KIPROTICH KIMURTO	608,746.00	15-Jun-2021	608,746.00	0.00	608,746.00
NGENO KIPLANGAT	111,738.00	29-Apr-2021	111,738.00	0.00	111,738.00
MR JOSHUA KOECH	381,800.00	04-Nov-2020	381,800.00	0.00	381,800.00
MWANGI JOSEPH KANYUA	172,737.00	18-Jan-2021	172,737.00	0.00	172,737.00
MWANGI JOSEPH KANYUA	881,800.00	30-Apr-2021	881,800.00	0.00	881,800.00
HILLARY KIPLANGAT BETT	280,400.00	29-Mar-2021	280,400.00	0.00	280,200.00
DR DAVID KURIA WAMUKURU	240,000.00	28-May-2021	240,000.00	0.00	240,000.00

Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

MUGERA JOSEPH KARIUKI	102,000	9/20/2022	0.00	102,000.00	0.00
MS HAFSA YUSSUF MAALIM	42,000.00	16-Sep-2022	0.00	42,000.00	0.00
MR GABRIEL WARIMA NDUNGU	679,665.00	30-Aug-2022	0.00	679,665.00	0.00
MS GRACE JEPKOGEI ROTICH	699,118.00	26-Aug-2022	0.00	699,118.00	0.00
GETRAY SHIJENJE	104,565.00	16-Sep-2022	0.00	104,565.00	0.00
KIRUI COLLINS KIPKORIR	79,185.00	13-Jul-2022	0.00	79,185.00	0.00
MR CHRISTOPHER ONYANGO ONANO	173,350.00	26-Aug-2022	0.00	173,350.00	0.00
NYONGA ERICK APIWOKA	197,500.00	24-Sep-2022	0.00	197,500.00	0.00
MR STEPHEN THUMBI THUKU	119,265.00	22-Sep-2022	0.00	119,265.00	0.00
PROF JOSEPHINE ACHIENG OUMA	1,652,790.00	19-Aug-2022	0.00	1,652,790.00	0.00
PROF JOSHUA O. OGENDO	1,500,485.00	15-Sep-2022	0.00	1,500,485.00	0.00
JOSEPH JUMA MAFURAH	250,905.00	29-Sep-2022	0.00	250,905.00	0.00
PROF CHARLES MULEKE INYAGWA	640,500.00	24-Sep-2022	0.00	640,500.00	0.00
MWANGI JOSEPH KANYUA	172,737.00	18-Apr-2021	0.00	172,737.00	0.00
NGENO KIPLANGAT	1,017,170.00	07-Apr-2022	0.00	1,017,170.00	0.00
KINGORI ANTHONY MACHARIA	805,000.00	24-Sep-2022	0.00	805,000.00	0.00
MR MWAVISHI D. LIKHANGA	99,380.00	12-Jul-2022	0.00	99,380.00	0.00
PROF PAUL KIPROTICH KIMURTO	732,613.00	26-Aug-2022	0.00	732,613.00	0.00
PROF GILBERT ONACHA O. OBWOYE	346,225.00	19-Aug-2022	0.00	346,225.00	0.00
PROF MWANGI A. JAMES. KIBE	136,840.00	29-Sep-2022	0.00	136,840.00	0.00
PROF K. ERICK CHERUIYOT	150,000.00	09-Aug-2022	0.00	150,000.00	0.00
PROF NZULA K. KITAKA	314,400.00	03-Jul-2022	0.00	314,400.00	0.00
PHILIP KANDAGOR BETT	491,275.00	26-Aug-2022	0.00	491,275.00	0.00
PROF CHARLES MWITHALI MERIMBA	58,765.00	28-Sep-2022	0.00	58,765.00	0.00
AYEKA PETER AMWOGA	315,898.70	14-Jan-2022	0.00	315,898.70	0.00
ELICK ONYANGO OTACHI	118,199.65	21-Feb-2022	0.00	118,199.65	0.00
TOROTICH FAITH JEBET	430,400.00	20-Aug-2022	0.00	430,400.00	0.00
PROF MARGARET W. NGIGI	453,400.00	09-Aug-2022	0.00	453,400.00	0.00
PROF GEORGE OWUOR	101,140.00	16-Sep-2022	0.00	101,140.00	0.00
OSCAR INGASIA AYUYA	329,795.00	13-Sep-2022	0.00	329,795.00	0.00
MR NICKSON KHAMASI MUTESHI	111,900.00	14-Jun-2022	0.00	111,900.00	0.00
MR JOHN G. KAMAU	140,305.00	24-Aug-2022	0.00	140,305.00	0.00
MRS RAHAB WANJIRU MBURU	180,000.00	06-Aug-2022	0.00	180,000.00	0.00
MR SONGA HARRY	61,165.00	16-Sep-2022	0.00	61,165.00	0.00
GITAU RAPHAEL	-25,786.10	25-Jul-2022	0.00	-25,786.10	0.00
KARIUKI ISAAC MAINA	1,086,046.75	02-Sep-2021	0.00	1,086,046.75	0.00
WANDULU ALEXANDER O.	-17,632.50	28-Sep-2022	0.00	-17,632.50	0.00
MWANGI JOSEPH KANYUA	-170,669.25	28-Sep-2022		-170,669.25	0.00
Imprest Salary recovery	1,034,542.15	30/6/20222		1,034,542.15	0.00
Total			23,136,827	14,714,437	23,136,827

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.17. FUND BALANCE BROUGHT FORWARD

	FY 2021/22	FY 2020/21
	KShs	KShs
Bank accounts	81,451,991	69,670,668
Outstanding imprests and advances	14,714,437	23,136,827
Total	96,166,429	92,807,495

11. OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 2)

	2021/22	2020/21
	KShs	KShs
Supply of services	1,375,500	
Supply of goods	1,100,000	576,386
Total	2,475,500	576,386

**2. ELIGIBLE EXPENDITURE PROGRAMS PAYROLL FOR THE TEACHING STAFF
2021/22**


s/no.	Designation Category	Gross Pay per Annum 2021/2022	Gross Pay per Annum 2020/2021
		Ksh	Ksh
1	Professor	97,635,561	110,530,824
2	Adjunct Professor	19,032,032	31,545,697
3	Associate Professor	221,109,503	250,312,645
4	Senior Lecturer	283,622,985	321,082,624
5	Lecturer	605,187,106	685,117,479
6	Assistant lecturer	168,631,881	190,904,016
7	Tutorial Fellow	25,773,437	29,177,476
Grand Total		1,420,992,506	1,618,670,761

The eligible expenditure programs includes the payroll for the teaching staff for Egerton University for the year 2021/22 as a requirement from the world bank .

12. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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


Ref No.	Issue / Observations	Management comments	Status	Timeframe
1	CESAAM Office Block Design	The Vice chancellor appointed the Project implementation committee which is mandated to supervise the construction. In addition the project manager/consultant was also contracted, whose main task was to issue interim certificates which were presented to the Project Implementation Committee for approval and payment.	Resolved	FY 2021/22
2	outstanding Imprests and advances	The notes to the financial statements were amended accordingly and we regret the omissions.	Resolved	FY 2021/22
3	Bank reconciliation	The Annex to the financial statements were amended accordingly and we regret the omissions.	Resolved	FY 2021/22
4	Project Information	The project information section of the annual Report and financial statements have been updated accordingly to reflect the correct date.	Resolved	FY 2021/22


Prof. Isaac O. Kibwage Ph.D, HSC
Vice Chancellor




CESAAM Centre Leader
Name: Prof. George Owuor




Project Accountant:
Name: C.P.A Gabriel Ndungu.
ICPAK Member Number: 9166



ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget 2021/22	Final Budget 2021/22	Actual on Comparable Basis 2021/22	Budget Utilization Difference 2021/22	Percentage of Utilization 2021/22
Receipts	Kshs	Kshs	Kshs	Kshs	
Proceeds from domestic and foreign grants	135,910,536	135,910,536	80,284,242	55,626,294	59%
Other Attracted funds	65,950,000	65,950,000	49,216,917	16,733,083	75%
Total Receipts	201,860,536	201,860,536	129,501,158	72,359,378	64%
PAYMENTS					
World Bank Funding	Kshs	Kshs	Kshs	Kshs	
Excellence In Education And Research	67,614,900	67,614,900	28,353,864	39,261,036	42%
Exchanges To Promote Regional Research & Teaching	35,421,250	35,421,250	19,251,109	16,170,141	54%
External Generation Of Revenue	2,581,250	2,581,250	338,670	2,242,580	13%
Enhancing Institutional Readiness & Operations	17,520,636	17,520,636	12,070,973	5,449,663	69%
Timely And Transparency Financial Management	12,772,500	12,772,500	8,301,423	4,471,077	65%
SUB-TOTAL PAYMENTS	135,910,536	135,910,536	68,316,039	67,594,497	50%
OTHER ATTRACTED FUNDS					
	Kshs	Kshs	Kshs	Kshs	
Other Grants and Transfers	65,950,000	65,950,000	57,826,186	8,123,814	88%
GRAND TOTAL PAYMENT	201,860,536	201,860,536	126,142,224	75,718,312	62%

Explanation to the variances.

- i) Proceeds from domestic and foreign grants were received at Ksh 80,284,241 which is 59%. The project utilized the balances brought forward from the financial year 2020/2021 to cover for the difference. Other attracted funds were at 75% of the expected funds. The joint projects also used funds brought forward from the previous years.
- ii) The utilization of 54% for the budget of exchange to promote regional research and teaching was as a result of delays in student progressing to the field work as an effect of the COVID 19. CESAAM partners also postponed most of joint activities due to COVID 19 as well. However, staff exchange is scheduled to take place in July 2022 in Makerere University Uganda.
- iii) The underutilization of 31% for the allocated budget of enhancing institutional readiness and operations was as a result of reduction of activities due to limited movement due to COVID 19 Pandemic restrictions.
- iv) The underutilization of 35% for the allocated budget of timely and transparency financial managements was as a result of reduction of activities due to limited movement due to COVID 19 Pandemic restrictions.
- v) The underutilization for the other grants and transfers by 12% was as a result of the difference in the work plans for other projects which form part of attracted funds from joint research projects.

Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for The Financial Year Ended June 30, 2022.

ANNEX 2 - ANALYSIS OF PENDING BILLS

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To Date	Outstanding Balance	Comments
				2021/2022	
Gold Sprint Enterprises	1,375,500	30/04/2022	0	1,375,500	payable
student stipend	1,100,000	30/06/2022	0	1,100,000	payable
Grand Total	2,475,500		0	2,475,500	

ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Opening Cost (KShs)	*Purchases/Additions in the Year (KShs)	**Disposals in the Year (KShs)	Closing Cost (KShs)
	2020/21	2021/22	2021/22	92
	(a)	(b)	(c)	(d)= (a)+ (b)-(c)
Transport equipment	13,000,000		0.00	13,000,000
Office equipment, furniture and fittings	15,185,980		0.00	15,185,980
Buildings	10,538,869	5,254,597.50	0.00	15,793,467
TOTAL	38,724,849			43,979,447

ANNEX 4 – PICTORIAL REPRESENTATION OF KEY PAST ACTIVITIES PICTORIALS

Background photos of the centre



Egerton University



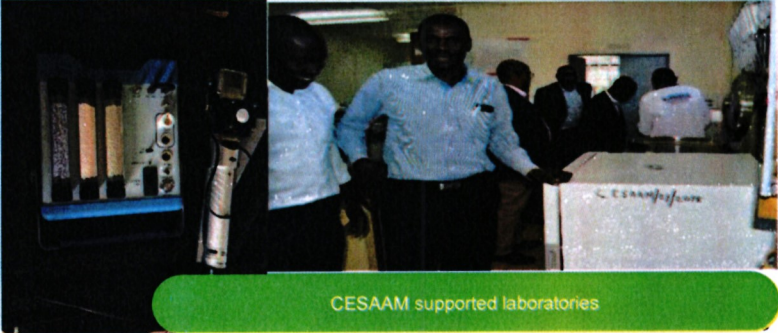
CESAAM complex



Dairy, Food Science and Technology renovated PhD class

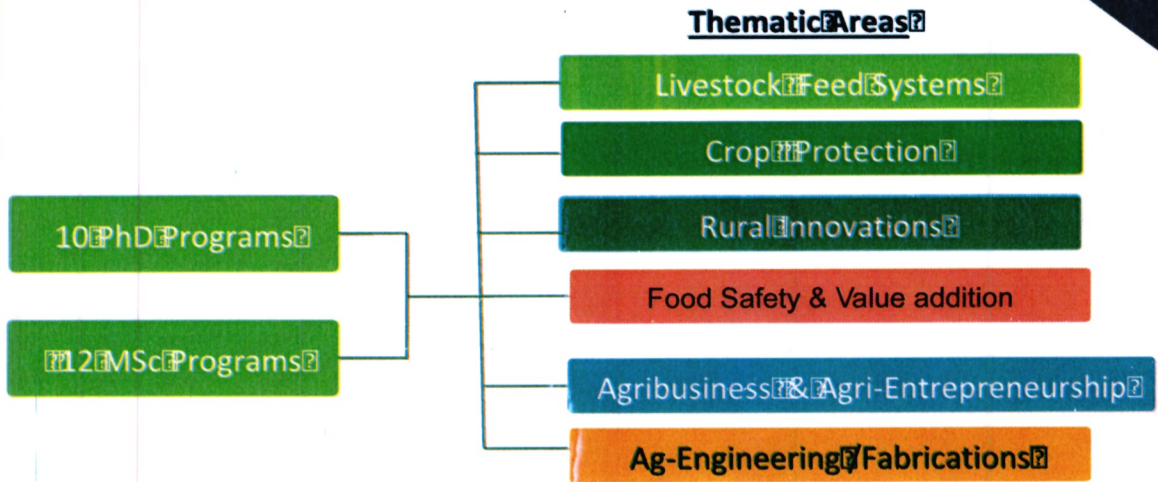


CESAAM exchange fellowship



CESAAM supported laboratories

CESAAM PROGRAMS





The Principal Secretary, State Department for University Education and Research Amb. Simon Nabukwesi officially opens the CESAAM Complex on 4 February 2022. Amb. Nabukwesi toured various CESAAM Project activities immediately after chairing the African Centres of Excellence (ACE) Steering Committee meeting at Main Campus in Njoro.

CESAAM FACULTY EXCHANGE IN MARCI –MAKERERE **FR**

Efforts to create sustainability activities working with regional partners in capacity building



Exploring Joint Sustainability Partnerships in West Africa-WACWISA- Tamale Ghana-West Africa **FR**



Florida A&M, University of Maryland & CESAAM after discussing sustainable activities (June 6-12, 2022)

key issues agreed going forward:

- Exchange fellowships offered in USA,
- joint advising,
- joint research
- product development for income generation



FR

Viginiatech & CESAAM June 15, 2022
after agreeing on sustainable activities(3rd visit in 4 years)



FR

CESAAM hosts WB Journalists, June 7-8th, **FR** 2022 showcasing CESAAM success stories & lessons learnt



Farm based Innovations & Experiential Learning



Cassava for Value Addition

Commercialization of Sorghum Bread take



SORGHUM BREAD UNDERGOING COMMERCIALION TRIAL & BAKING BEING DONE JOINTLY WITH SUPERMARKETS

Research & Innovations at Agro-science



Sorghum Bread- Agreed with Woolmart for Commercialization starting Feb 11, 2022



Fingerlings for Farmers



Propagation of Indigenous mushrooms



Mushroom Sausages-Improvement ongoing



ASAL Bean Seeds

New Peanut Variety for ASAL is at the last stage of patenting



Farm Clinics-Ongoing

Agric-Engineering Fabrications

FR



Chaff-Cutter



Feed Mixer

- Fabricated Machines passed farmers trials & preference, commercialization a major challenge. Currently engaging Engineering Companies via Kenya Association of Manufacturers.

25

More Fabricated Machines by Agric-Engineering...

FR



Sorghum Thresher



Winnower

263

Images of Short Courses & Innovations



Kajiado County trainees with products they made after the training



4 K-Club Youths after Training in Honey Value Addition & Poultry Mgt



Nakuru County Dairy Trainees

COMMUNITY OUTREACH CONTINUES



- ❖ Youth-led extension & K-Club revival plan
- ❖ 1st Regional Summer School for Graduate Students
- ❖ Skill-based short courses
- ❖ Open Field days/Community Dissemination
- ❖ Theses dissemination of best-practices

PS/CAS Higher Education in Kenya Prof. Collate Suda, Samples products from CESAAM students. The products are part of students' innovations at the Agro-Science Innovation and Incubation Center. Looking are VC-Prof. Rose Mwonya, and Centre Leader-Prof. George Owuor



Center Leader, Prof. George Owuor with 2 CESAAM female students accompanied by their toddlers. The female students are part of many who have benefitted from CESAAM's special accommodation for female students, aimed at supporting female students to proceed with their studies uninterrupted, despite having toddlers. The Centre organises 3 bedroomed hostels, and provides a nanny, and facilities such as fridge and cookers.



The World Bank ACE II Coordinator Ms Ruth Charo, addresses NSC members at Egerton during the NSC hosted by CESAAM at Egerton University Njoro.

CENTER OF EXCELLENCE BUILDING COMPLETE

FR



Conferences held in 2021/22 : 1. Global Opportunity-Virgina-tech-USA & 2. AFMA



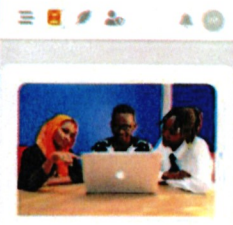


CESAAM student with a farmer during Farm clinic. Farm clinic occurs when students work and solve farmers' problems at farm level. They live with farmers for extended period of the crop.



Farm clinics is an important ingredient of Egerton and CESAAM training programmes and community engagement. Seeds of gold programme is a partnership between the Egerton and Nation Media for outreach.

5. Cesaam Students Engage In Entrepreneurial Activities Amidst Covid 19 Pandemic, 2021



Students in the centre are currently engaging in different entrepreneurial activities that focus on value addition, making of soaps and detergents to agri-consultancy, capacity building using e-



Starting A Business
 The starting a business short course is designed to equip you with skills and knowledge that will support your successful transitioning into entrepreneurship. These skills and knowledge will encompass business idea development, business plan development and business idea pitching.

Images of Cesaam entrepreneurial students' product & GOI activity








OUR MOTTO: SUSTAINABLE FOOD SECURITY





STUDENTS TESTIMONIALS

CESAAM Graduates

Congratulations to you all	
	<p>Name: Syprian Syeunda Program: Graduated with a Masters in Food Science. <i>Completed in record time and appeared in Vice Chancellor's roll of honor.</i></p> <p>Personal Testimonial: "Being a CESAAM fellow was one of the most rewarding and exciting seasons as a food scientist. It was a humbling experience and I was greatly honoured to interact with diverse cultures, participate in multifaceted conferences, eye-opener exhibitions and edifying agricultural events. Not only did they arouse further my unrelenting hunger for academic success, but also energized, and gave me an impetus to challenge and develop myself as a strategic leader, an innovative food scientist, collaborator, mentor and above all the value of giving back to the community."</p>
	<p>Name: Isaiah Aleri Program: Graduated with an MSc Plant Breeding and Genetics <i>Completed in record time and appeared in Vice Chancellor's roll of honor.</i></p> <p>Personal testimonial: "I am indebted to CESAAM for their persistent support and guidance during my study period. Being a CESAAM fellow at Egerton University laid a divine platform, mentorship and urge to develop into an upcoming breeder with the opportunity to interact with diverse audiences during academic conferences and workshops. The academic success achieved is a stepping-stone to grooming myself into a scientist aligned to contributing to knowledge and sharing technical information that enhances the agricultural success within communities."</p>
	<p>Name: Albert Francis Program: MSc Livestock Production Systems</p> <p>Personal testimonial: "Being a student at Egerton University I acquired the knowledge which will help in dissemination of relevant agricultural knowledge and skills to smallholder farmers in East African Countries and Africa at large hence enhancing product diversity and post-harvest towards ensuring income, food and nutrition security. I thank Africa Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) at Egerton University (Kenya), for sponsoring my MSc studies which strengths</p>

	<p>my capacity in fighting food insecurity and poverty challenges to Africa's development. I recommend further sponsoring of students because with the economic statuses of the African communities without such sponsorship is not possible for many to develop their academic carrier."</p>
	<p>Name: Isabelle Beatrice Mukandungutse Program: MSc Animal Nutrition <i>Isabelle, a Rwandan National, excelled in her academic work against all odds. She is the first female student under CESAAM Sponsorship to complete and graduate in record time.</i> Personal testimonial: "I am proud to say that CESAAM has provided wonderful support in shaping my career as an Animal Scientist, Researcher and role model for women scientists."</p>
	<p>Name: Chesang Sumukwo Program: MSc Animal Breeding and Genetics Personal testimonial: "<i>CESAAM fellowship has been pivotal in its career support and development, cementing my status as an animal geneticist. I am very grateful for having an opportunity to be part of this awesome family. This has provided me with an opportunity to interact with many talented and inspiring researchers not only from Egerton University but also regionally. I can confidently attest the commitment of CESAAM in nurturing talents to address Africans food insecurity, sustainability and poverty. May almighty God bless CESAAM and Egerton University.</i>"</p>
	<p>Name: Maurice Ikaal Program: MSc Livestock Production Systems Personal Testimonial: "As a first cohort of CESAAM fellows, I have built and learnt a wealth of experience while at Egerton University. Through this, I have interacted with diverse cultures via studies, conferences and exhibitions that have shaped my post-graduate journey for academic attainment as a Livestock Systems Specialist."</p>

	<p>Name: Boniface Sakwa Program: MSc Animal Nutrition Personal testimonial: “The most interesting moment of my academic life has been under CESAAM program in Egerton University. As an animal nutritionist, I gained a lot of experience through conferences, short course programs, and exhibitions facilitated by CESAAM. This offered me opportunity to interact and share a lot of knowledge with my fellow students, researchers, and professors from different countries within Africa. My capacity in research and publication has been boosted by CESAAM and this will enhance my career in livestock production. I am motivated and challenged to become an innovative animal nutritionist and an essential person in the community in curbing food insecurity through improving livestock productivity. I am very thankful to God, CESAAM administration and Egerton University for all the support given to me during my master’s degree program in Animal Nutrition.”</p>
	<p>Name: Reagan Lewis Program: MSc Livestock Production Systems <i>Reagan did his best to share the knowledge and skills he had through a mentorship and leadership program he started. Congratulations Reagan</i> Personal testimonial: “I thank CESAAM for the opportunity I got to study LPS at Egerton University, a premium university in agriculture and related disciplines. Coming from South Sudan, this noble chance presented me with a golden chance to make a difference back in my country where I will continue with active research to improve the lives of our people. I will forever remain indebted to the World Bank and the Kenyan Government for offering support to establish this centre of excellence.”</p>

Other students’ general experience at CESAAM

Support for female scientists

By Khumoetsile Octavia Sebotsa (MSc Agricultural Extension)



I am Khumoetsile Octavia Sebotsa from Botswana undertaking Master of Science in Agricultural Extension intake 2018. I am proud to be a female student at CESAAM. CESAAM has given me opportunity to exploit my full potential. 2018 intake saw a fair percentage enrolment of women in CESAAM. The quality of training is very high and very practical. I am also the graduate students Congress and feel proud as a leader. My call is for all CESAAM sponsors and partners to continue supporting and bridging the ever-increasing gap between men and women in agriculture. At CESAAM quality is at the top in Agricultural research and all are equal.

My experience as an exchange student

By Flora Eyoha Severino Lado

I am a PhD student of the Department of Mining and Minerals Engineering at Virginia Polytechnic Institute and State University, USA. and on exchange fellowship at CESAAM Egerton University. I have been here for the last one-year and I am proud to report that I enjoy a rich network of Professors and students from different specializations especially during the CESAAM workshops and meetings which brings together different departments and institutions. My research focus is enhancing petroleum oil recovery and treating water produced with the petroleum oil. The research aimed at increasing oil production to boost South Sudan economy and use the treated water in agriculture for irrigation or/and livestock watering. CESAAM has a very impressive and has facilitated my exchange program.



My research experience as a female scientist

By Nancy Njogu (PhD Agronomy)

I am a Kenyan PhD student addressing crop losses in maize and other cereals such as sorghum in Kenya. I am proud to be part of CESAAMs mission of addressing hunger in Africa. I am currently in my research addressing pesticides and limited expertise in efficient pesticide application. Biopesticides are safer than inorganic pesticides but a lot of research on biopesticides to manage FAW has only been done in other countries and only limited research has been done in Africa. Host plant resistance through use of resistant varieties is the best solution to contain FAW in combination with other methods of pest control due to its low cost. This study will therefore evaluate 49 selected advanced sorghum breeding lines with the aim of identifying high yielding, and FAW resistant lines which could be released as varieties to be used by farmers and improve sorghum productivity in ASALs.



Sandwich programs is the way to go – my experience in University of Pretoria



My name is Jean Claude NDAYISABA from Burundi. I am a second year student pursuing **master's** degree program in Agricultural and Applied economics at under CESAAM at Egerton University in Kenya. I am fully sponsored by CESAAM (Centre of Excellence in Sustainable Agriculture and Agribusiness Management). I had my first beautiful experience at my arrival on airport. I was welcomed by two gentlemen sent by CESAAM who took me to Egerton in all tranquillity. Therefore, I started feeling well due to the kindness of the two men. Once arrived at Egerton, CESAAM repeatedly organized orientation sessions which made me becoming familiar with **Egerton and its surroundings. I deeply appreciate Egerton University's staff** which always tries its best so that new foreign students get easily familiar with

Egerton environment. Right now, I made friends both Kenyans and other international students. I am now feeling like at home. Let me highlight that CESAAM usually organizes seminars, workshops which enhance my acknowledge. CESAAM in collaboration with the department Agricultural Economics and Agribusiness management where am enrolled promoted me. My Experience of a Sandwich Program in University of Pretoria between CESAAM and University of Pretoria was very satisfying. At UP, I specialized in Agricultural Policy Analysis. Now, I have enough skills and knowledge in agricultural policy as well as in quantitative methods to assess the impact of any agricultural and environmental policy. During my stay in UP, I mostly participated in seminars where presentations were made by experts in policy analysis. I had an opportunity of participating in excursions learning how South African managed to develop its agriculture. Finally, I do say that I made friends from almost all African countries.

To sum up, allow me to say that even my dream of becoming bilingual (French and English) has been

concretized via CESAAM.

My country lacks qualified human resources in one or another domain; I, as a Policy Economist do reaffirm my commitment to contribute in designing agricultural and environmental policies for my country and the world in general.

I do give my thanks to CESAAM for the contribution it is making to my country and to the entire world through sponsoring my studies.

Excellent support for student mothers



I am Swaumu Hassan Mohamed, a Tanzanian lady pursuing a Master's degree in Agribusiness Management at Egerton University. Apart from being among the thirty (30) female scientists sponsored by Inter-University Council for East Africa (IUCEA), I am also a beneficiary of the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM). This can be evidenced from the moment I landed in Kenya. I informed CESAAM that I had a nine months- old daughter and I would like to come with her. CESAAM agreed and arranged special accommodation whereby both, I and my daughter's nanny could comfortably live. Not only that but also CESAAM supported our stay at Tree Top by paying more than half of the accommodation rent (Kes 5000) for the whole period we resided. In

addition to that, CESAAM has facilitated us with special facilities such as a microwave that helped me to save time during food preparation and a fridge for easy storage of perishable foods like milk for my daughter. Moreover, CESAAM has ensured the timely flow of my stipends without any delays and lastly, the Centre has provided me with an internship stipend that helped during the internship period at the University of Dar es Salaam. Therefore, special thanks go directly to the Centre Leader and his team, their support is immensely appreciated.

My Joy of Being a CESAAM PhD Fellow



By Jackson Nkesiga (PhD Food Science)

I am grateful for this great opportunity of sharing my experience with CESAAM at Egerton University, Kenya.

My name is Jackson Nkesiga from Rwanda, pursuing Ph.D in Food Science at Department of Dairy and Food Science and Technology, started my studies in August, 2018 at Egerton University. My studies are sponsored by the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) at Egerton University. My joy and dreams came true since the time I received an email from CESAAM informing me that I have received a Ph.D Scholarship at Egerton University and I thank CESAAM for financially supporting my studies, keeping communication and updates concerning us. Some scholarships

do not provide air ticket and stipends but let me take this time to thank also CESAAM Leaders that offer timely and consistently the stipends which are highly helping students. Apart from that, CESAAM have been good for me since the time I came, because they organize seminars that are helpful in my academic studies. I cannot finish without thanking CESAAM for its initiated program of looking internship

opportunities for us and these will also contribute hugely in improving our practical knowledge and skills. Since I joined Egerton University, I have realized that it is actually a high quality teaching and deserving university where practical and sound knowledge are gained. I have no hesitation to say that my dreams will be fulfilled through studying at Egerton University, then the community will have outstanding performers that will help them to achieve high quality health and sustainable development.

My Acknowledgment for CESAAM Support

By Idah Akoth Omondi (MSc Agricultural Extension)



A true change comes from individual, it makes what is considered as a mirage to happen. What people think of you are misery and illusion that if given room, shall poison you and make you useless. Associate with the high achievers and visionary people because they will nurture, empower and help you develop your capacity to realize the hidden potential in you that no one had ever thought could become real. Through interaction with people, situations and experience I have realized that one can alter the trajectory of his/her lives and free themselves to pursue a future of self-determination in all facets of life. Appreciations to CESAAM for offering me such a rare chance to pursue my masters in Egerton, I believe knowledge attained will be crucial for transforming and developing my community which for a long time have not believed in the value for educating a girl child.

CESAAM 2021 GRADUATES



Jane Atieno Waititu -Kenya
 PhD in Animal Nutrition
Research: Use of Prosopis (Muthenge) pods in Commercial Rabbit feeds
 atwaitts@gmail.com



Marie-Françoise Mwabonimana-Kwanda
 PhD in Livestock Production Systems
Research: Control of Parvite Cysticercosis in Pork (the Cause of taenia tapeworm in humans)
 mndoras2001@yahoo.fr



Dickson Okello O.-Kenya
 PhD in Agribusiness Management
Research: Entrepreneurship in dairy farm business
 okelodck@gmail.com



Peter Caleb Obiano-Kenya
 PhD in Horticulture
Research: Biosolid Soil Amendment technology to improve NPK levels in greenhouse
 petercaleb68@gmail.com



Khumoetsile Octavia Schotsa-Botswana
 MSc in Agricultural Extension
Research: Role of Social Media on Youth Participation in Agriculture
 ctusebotsa@gmail.com



Eugenia Wangechi-Kenya
 MSc Food Science
Research: Sugar Reduced Gum Arabic Jam for healthy living & quality
 eugeniawangechi@gmail.com



Jackson Kilanzi Mutuku-Kenya
 MSc in Crop Protection
Research: Controlling blight in crops using biological means plus fungicides
 kilanziack@gmail.com



Shadrack Kipngetich Chumo-Kenya
 MSc in Soil Science
Research: Adding Micronutrients to reduce soil acidity
 kipngetichshaddu@gmail.com



Lilian Muthoni-Kenya
 MSc in Animal Nutrition
Research: Feeding Mulberry to Indigenous chicken for increased egg production
 mulimwa@gmail.com



Jean Claude Ndayisaba-Burundi
 MSc in Agricultural & Applied Economics
Research: Impact of Food Trade between Burundi & other Countries
 ndiaclaude3@gmail.com



Robert Mwezigwa-Uganda
 PhD in Animal Nutrition
Research: Use of Rumen Content in Poultry Feed Production



Catherine Ndungu Wanjiru-Kenya
 MSc in Animal Breeding & Genetics
Research: Genetic Improvement Alternatives for Indigenous chicken breeds
 catendungu@yahoo.com

@CESAAM_EGERTON
 website (cesaam.egerton.ac.ke)

Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for The Financial Year Ended June 30, 2021.

TWEETS FOR 2021

CESAAM Egerton @CESAAM_EGERTON · 30 Jun
Day 3 of thesis dissemination workshop. Disseminating research results using local language of Luo @Ace2Africa @WBG_Education @iucea_info @NakuruAgrCall @EduMinKenya @VTCals @egertonunikenya



CESAAM Egerton @CESAAM_EGERTON · 28 Jun
CEC Agriculture, Livestock, Fisheries and Cooperatives, Nakuru County- Dr. Immaculate Njutha Maina addressing stakeholders during 1st CESAAM Graduates Dissemination Workshop @Ace2Africa @WBG_Education @iucea_info @kilimoKE @EduMinKenya



CESAAM Egerton @CESAAM_EGERTON · 28 Jun
Theses Dissemination is getting back to key stakeholders recommendations and best practices derived from the results of the students' research work @Ace2Africa @EduMinKenya @iucea_info



CESAAM Egerton @CESAAM_EGERTON · 07 Jun
Grab a copy of Daily Nation today for insight about CESAAM supported students innovative Research @Ace2Africa @egertonunikenya @iucea_info



CESAAM Egerton @CESAAM_EGERTON · 07 Jun
Participating in Technical and Advisory Meeting for the Eastern and Southern Africa Higher Education Centres of Excellence for the 24 ACEs @Ace2Africa @workbankgroup @iucea_info



CESAAM Egerton @CESAAM_EGERTON · 28 May
CESAAM National Steering Committee meeting at Egerton University @Ace2Africa @youst_inerfood



CESAAM Egerton @CESAAM_EGERTON · 15 Mar
Currently happening!!! GOI btw Egerton University, CESAAM and Virginia Tech, USA.
Fellows will learn:
1. Framing challenge
2. Using systems thinking to understand systems and complexity
3. Systems mapping
4. Refining pitch
5. Action planning @Ace2Africa @VTCals @VTCALSGlobal



CESAAM Egerton @CESAAM_EGERTON · 17 Dec 20
Welcome to Global Opportunity Initiative 2021 Virtual Training (CESAAM- VT CALS) Theme: Strengthening Food Systems for Food security, Health and Community Vitality. @Ace2Africa @VTCals @VTCALSGlobal

CESAAM Egerton @CESAAM_EGERTON · 17 Dec 20
youtube.com/watch?v=dK31dw...

CESAAM Egerton @CESAAM_EGERTON · 17 Dec 20
The 10th Technical & Advisory Meeting for the Africa Centers of Excellence is now underway. Below, a highlight of successes by @CESAAM_EGERTON #10thTAM #Ace2Impact



CESAAM Egerton @CESAAM_EGERTON · 04 Dec 20
Regional Retooling on Fundable Proposals & Scientific Writing by @VTCALSGlobal @VTCals Dates: 6th - 11th December 2020



CESAAM Egerton @CESAAM_EGERTON · 14 Nov 20
A Learning Forum to Understand the context of Extension at Egerton University and Virginia Tech. @VTCals @VTCALSGlobal @egertonunikenya @VCE_news



Tweet Buzz for 2020

CESAAM Egerton @CESAAM_EGERTON
@CESAAM_EGERTON
PhD Food Science Fellow
@JacksonNKESIGA
now at Nanjing Agricultural University for a 5-month Students' Exchange Program. #CESAAMNJAUPartnership



CESAAM Egerton @CESAAM_EGERTON
@CESAAM_EGERTON student
@BRENDAHKS shares her experience as a female student @egertonunikenya @Ace2Africa sponsored by CESAAM #CESAAMFollows2019

Wellington Ekaya @EkayaEkaya
@ILRI this afternoon we are excited to host colleagues from @CESAAM_EGERTON to discuss matter collaboration. ILRI DDG Iain Wright welcomed the @CESAAM_EGERTON

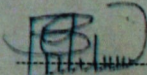
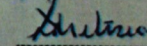
5. CESAAM website (cesaam.egerton.ac.ke)

APPENDICES

- i. Statement of designated/ special account
- ii. Statement of reconciliation of special account
- iii. Bank Reconciliations.

Appendix 1. Statement of designated/ special account

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SPECIAL ACCOUNT STATEMENT	
For period ending	30th JUNE, 2022
Account No.	1000331704
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	ESAHECE ACE II CR NO. 5798
Credit Agreement	
Currency	USD
Part A - Account Activity	
Beginning balance of 1st July, 2021 as per C.B.K. Ledger Account	51,589.83
Add:	
Total Amount deposited by World Bank	2,708,496.20
Total Interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
Deduct:	
Total amount withdrawn	2,708,496.20
Total service charges if not included above in amount withdrawn	
Ending balance on 30th June, 2022	51,589.83
AUTHORISED REPRESENTATIVE CENTRAL BANK OF KENYA	SIGNATURE: 
	DATE: 14.07.2022
AUTHORISED REPRESENTATIVE EXTERNAL RESOURCES DEPARTMENT-TREASURY	SIGNATURE: 
	DATE: 01/08/2022

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2022 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Appendix 2. Statement of Reconciliation of Special Account.

23

**EASTERN AND SOUTHERN AFRICA HIGHER EDUCATION CENTRES OF EXCELLENCE - ACE II
 STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
 FOR THE YEAR ENDED 30 JUNE 2022**

Credit No.: IDA CREDIT NO. 57980-KE
 Bank Account No.: 1000331704 held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		13,946,762.02
	Less:		
2	Total amount documented		13,946,762.02
3	Outstanding amount to be documented		-
	Represented by:		
4	Ending Special account Balance as as 30 June 2022		51,589.83
5	Amounts claimed but not credited as at 30 June 2022		-
6	Amounts withdrawn and not claimed		(51,589.83)
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2022		-

Discrepancy between total appearing on line 3 and 9 -

Notes:




- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by IDA and provide reasons for not claiming the expenditures

The amount appearing on line 6 is eligible for financing by World Bank and shall be documented in subsequent IFRs

S. Njiru
 AUTHORISED REPRESENTATIVE
 RESOURCE MOBILISATION DEPARTMENT
 THE NATIONAL TREASURY

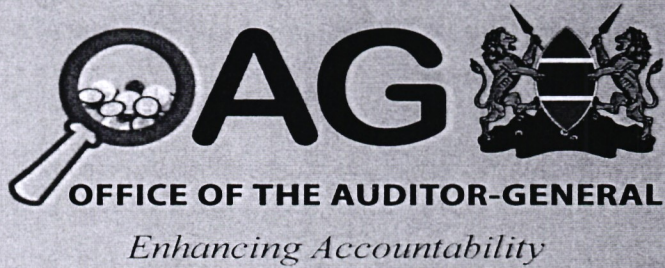
DATE: 01/08/2022

Appendix 3. Bank Reconciliation statement.

RE30 EGERTON UNIVERSITY CESAAM PROJECT BANK RECONCILLIATION STATEMENT KCB ACCOUNT 1184060347 FOR THE MONTH ENDED JUNE 2022		AMOUNT	AMOUNT
1. Cash Book Reconciled Balance as at 30/06/2022		81,451,991.38	
Add: Unpresented Cheques		1,887,478.00	
Add: Unreceipted Deposits			
Reconciled Cash Book Balance as at 30/06/2022			<u>83,339,469.38</u>
2. Reconciled Bank Statement Balance as at 30/06/2022		83,339,469.38	
Add: Unreceipted Deposits			
Closing Bank Balance as at 30/06/2022			<u>83,339,469.38</u>
Prepared by: Getray Shijenje CPA (K),CPM Accountant Research & Extension.			
	Signature		Date:
Approved by: Charles K. Wanjohi CPA (K) Deputy Finance Officer			
	Signature		Date:



REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY
PAPER LAID

REPORT DATE: 22 FEB 2023

TABLED BY:	HON DWEN BAYA, MP DEPUTY LEADER OF MAJORITY
PRESENTED BY:	CHRISTINE NDIRITU

OF

THE AUDITOR-GENERAL

ON

**MABERA TECHNICAL AND
VOCATIONAL COLLEGE**

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



KENYA
VISION 2030

MABERA TECHNICAL & VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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



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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Mabera Technical and Vocational College was incorporated/ established under the TVET Act 2013 Act on (September 2019). The entity is domiciled in Kenya and has no branches. The institute is under the Ministry of Education.

Mabera Technical & Vocational College is situated along the main highway Migori-Sirare, 200m away from Mabera town. The centre is located in Migori County, Kuria West sub-County, Kuria West constituency, Kubweye location, Mabera Sub location. The centre sits on a 2-acre piece of land and experiences high rainfall conducive for agricultural practice. The Mabera Technical and Vocational College operates within the mandate of Ministry of Education which provides the general policy and strategic direction on Kenya's higher Education. The centre currently has 49 staff of which 39 are teaching staff and 10 support staff. The Mabera Technical and Vocational College has the following departments Hospitality, Business, Electrical and Electronics, Building and Civil engineering. Mabera Technical and Vocational College is a centre of excellence for Hospitality.

(b) Principal Activities

The core mandate of Mabera Technical & Vocational College is to offer training to Students in technical courses and entrepreneurship courses as per the industry needs and examined by KNEC and KASNEB.

Vision

A centre of excellence in, technical and vocational skills development to meet societal needs.

Mission

To develop qualified, self-motivated, globally competitive, innovative persons through practical oriented, training, applied research and entrepreneurial skills that are responsive to societal needs.

Motto

Technology for peace and development.

Core values

- ❖ Professionalism
- ❖ Integrity
- ❖ Innovativeness
- ❖ Team work
- ❖ Accountability and transparency

(c) Key Management

Mabera Technical and Vocational College is managed by the Board of Governors, appointed by The Cabinet Secretary in charge of Education. The B.O.G. provides leadership in; policy direction and ensures that the institutes programmes and activities are in line with its mandate and set objectives. The principal is



the secretary to the Board and executes all policies in line with the institute's core mandate. The principal is assisted by one deputy who is Administration and Academics in charge of the day-to-day activities of the school, all the non-teaching staff and implementation of the curriculum. The heads of departments report to the deputy principal.

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Stalin Olwenge
2.	Deputy principal	Paul Motonu
3	Registrar (s)	Walter J.O. Ouma
4	Dean of students	Sheila Kasoa
5	Accountant	Cosmas Siangwi Nyamao

(e) Fiduciary Oversight Arrangements

The Board has the overall mandate of ensuring the sound management of the college. This includes; Approving policies, strategic governance, planning and reviewing policies and plans, approving budgets, quarterly and annual financial statements.

The Management team has the responsibility of ensuring that the policies approved by the Board are implemented and enhancing sound financial management for effective operations.

As at the end of financial year Mabera Technical and Vocational College have two committees that is Finance Infrastructure and ICT committee and Education Training committee activities.

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

Name of the Committee	Members
Finance Infrastructure and ICT Committee	1.Mrs. Stellah Kilwake-Chairperson 2.Mr. Tom Olango-Regional TVET Director 3.Mr. Stalin Olwenge-Member (Principal BOG/Secretary) 4.Mr. Gabriel Rimo Magige-Member 5.Mrs. Jane Akinyi Nyosoro-Member
Education Training Committee	1.Mrs. Mary Motongori Gikuri-Chairperson 2.Mrs. Judith Akinyi Ochieng-Member 3.Mr. Kennedy Otieno Ongeko-Member. 4.Mr. Stalin Olwenge-Member (Principal BOG/Secretary) 5.Mr. Tom Olango-Regional TVET Director



KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(f) Entity Headquarters

P.O. Box 205-40414
Mabera Centre
Migori-Sirare Highway
Isebania, KENYA

(g) Entity Contacts

Telephone: (254) 795476528
E-mail: maberatvc@gmail.com
Website: www.maberatvc.ac.ke

(h) Entity Bankers

Kenya Commercial Bank Ltd,
Isebania Branch,
P.O. Box 134-40414
Isebania, Kenya

(i) Independent Auditors



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

(j) Principal Legal Adviser




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





II. THE BOARD OF GOVERNORS

No.	Member/ Director	Details
1.	 <p data-bbox="304 857 778 1003">Mr. Joseph Boke Masiaga BoG Chairperson Bachelor of Business Administration Finance Option.</p>	<p data-bbox="882 443 1299 477">Year Of Birth: 4th October 1970</p> <p data-bbox="882 479 1262 512">Appointment: 10th July 2019</p> <p data-bbox="882 515 1353 548">Inauguration: 24th September 2019.</p> <p data-bbox="882 551 1353 622">Qualification: Bachelor of Business Administration Finance Option.</p> <p data-bbox="882 624 1458 696">Work experience: Branch Manager at KCB-Isibania.</p> <p data-bbox="882 698 1347 732">Manager Business Banking at KCB.</p> <p data-bbox="882 734 1214 768">Personal banking at KCB.</p> <p data-bbox="882 770 1385 804">In charge (supervisor) clearing at KCB.</p> <p data-bbox="882 806 1177 840">Customer care at KCB.</p> <p data-bbox="882 842 1091 875">Cashier at KCB.</p> <p data-bbox="882 878 1485 949">Mr. Boke is the BoG chairperson and an independent member of board.</p>
2.	 <p data-bbox="304 1424 746 1536">Mrs. Judith Akinyi Ochieng Vice chair BoG BSC Environmental Management.</p>	<p data-bbox="882 1003 1273 1037">Year Of Birth: 15th May 1985</p> <p data-bbox="882 1039 1257 1072">Appointment: 10th July 2019</p> <p data-bbox="882 1075 1337 1108">Inauguration: 24 September 2019.</p> <p data-bbox="882 1111 1353 1182">Qualifications: BSC Environmental Management.</p> <p data-bbox="882 1184 1134 1218">Work Experience:</p> <p data-bbox="882 1220 1458 1292">Environmental Impact Assessment Officer at Greenchem consultancies.</p> <p data-bbox="882 1294 1474 1366">Monitoring and evaluation officer at Evidence Action.</p> <p data-bbox="882 1368 1485 1440">Field officer at Africa Agricultural Technology Foundation.</p> <p data-bbox="882 1442 1353 1514">Field officer at Impact Research and Development Organisation.</p> <p data-bbox="882 1516 1410 1588">Mrs. Judith is an independent member of board.</p>

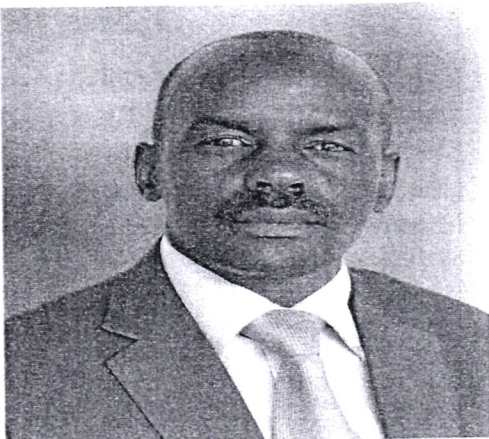



3.	 <p>Mrs. Stellah Kilwake BoG Member Bachelor of Commerce Finance Option. Certified Public Accountant (CPA)</p>	<p>Year Of Birth: 1982 Appointment: 10th July 2019 Inauguration: 24th September 2019. Qualifications: Bachelor of Commerce Finance Option. Certified Public Accountant (CPA). Credit Management and Debts Recovery (TCA). Certificate in Computer Operations. Work Experience: Finance officer at Kenya Institute of Risk Management. Part time lecturer in accounting at Défense Forces Pay and Clerical Training School. Mrs. Stellah chairs the Finance Infrastructure and ICT committee and she an independent member.</p>
4.	 <p>Mr. Gabriel Rimo Magige BoG Member Bachelor degree in Architectural studies</p>	<p>Year Of Birth: 16th May 1986 Appointment: 10th July 2019 Inauguration: 24th September 2019 Qualifications: Bachelor degree in Architectural studies. Work Experience: An architect for several design projects at Romanic Architects. Assistant architect at Achera and Partners Architects. Graduate architect at ABODE Design. Research Assistant at WAAKI Associates. Mr Rimo is an independent member of board.</p>
5.	 <p>Mrs. Jane Akinyi Nyasoro BoG Member Bachelor of Business Information and Technology (BBIT).</p>	<p>Year Of Birth: April 1992 Appointment: 10 July 2019 Inauguration: 24th September 2019. Qualifications: Bachelor of Business Information and Technology (BBIT). Certificate in Cisco Certified Network Associate. Work Experience: Information Technology (IT) officer at Plan International Kenya. Sponsorship Data Clerk at Plan International Kenya. Research Assistant at Plan International. Mrs. Jane is independent member.</p>






<p>6.</p>	 <p>Dr. Kennedy Otieno Ongeko BoG Member Doctor of Philosophy in Disaster Management and Sustainable Development.</p>	<p>Year Of Birth: 1970 Appointment: 10th July 2019 Inauguration: 24th September 2019 Qualifications: Doctor of Philosophy in Disaster Management and Sustainable Development. Master of Education in Guidance and Counselling. Bachelors of Education in Economic and Geography. Work Experience: Director liaison and inter-governmental Relations/Civic Education and Public participation at Homa-Bay County government. County Transition Coordinator at Transition Authority. Program director at Ananda Marga Universal Relief Team. NPI Advisor Prevention and Youth Empowerment at NuPITA. Dr. Kennedy is an independent member of board</p>
<p>7.</p>	 <p>Mrs. Mary Motongori Gikuuri BoG Member Master in Education Management.</p>	<p>Year Of Birth: 1955 Appointment: 10th July 2019 Inauguration: 24 September 2019. Qualifications: Master in Education Management. Work Experience: Chairperson Examination Board at Public Service Commission. Acting vice chairperson at Public Service Commission. Member at Public Service Commission Director at Father Angelo Principal at Nyaroha Girls High School. Patron at Kuria Disability Network. Deputy head teacher at Moi Nyabohanse High School. Assistant teacher at Ndururumo High School. Mrs. Mary chairs the Education Training committee activities and she is an independent member of board.</p>





<p>8.</p>	 <p>Mr. Tom Olango County Director TVET Master of Education in Curriculum and PHD Candidate</p>	<p>Year of Birth: 1970 Qualification and Experience: A Deputy Director of Technical Education currently serving as a Regional Director of Technical and Vocational Education and Training (TVET) in charge of Kisii, Nyamira, Migori and Homa Bay Counties. He is a long serving public servant with twenty-six years of experience. He was initially employed as a Graduate Teacher of Mathematics by the Teachers Service Commission and later joined the Ministry of Education as an Education officer in 1999 where he has served to date. He was born in 1970 and is a holder of Master of Education in Curriculum Studies from Nairobi University and currently concluding a PhD on the same at Kenyatta University. He has been engaged in several international assignments and is currently the Ministry's Focal Point Person for Skills Initiative for Africa Project by AUDA NEPAD. Mr Olango is an independent member of board.</p>
<p>9.</p>	 <p>Mr. Evans Omondi Secretary to the Council/ Board Masters in Development Studies</p>	<p>Year Of Birth: 1964 Qualifications: MDS (Masters in Development Studies) BA, Dip Ed, Cert. in SNE (HI opt), ICDL (end user), Cert. in counselling. Work Experience: Makasembo Sec. Sch. Section Head Humanities, Sikri Technical and vocational college for the Blind and Deaf Deputy principal, currently Principal Mabera Technical and Vocational College. Mr Stalin is secretary of board and independent member of board.</p>



III. MANAGEMENT TEAM

No.	Member/ Director	Details
1.	 Evens Omondi Principal/BOG Secretary Masters in Development Studies	<p>Mr. Evans Omondi is in charge of day to day running of the Institute. He is the Chief Executive Officer who reports to all stakeholders. He is also the mandatory signatory to all the Institutes bank accounts and Secretary to Board of Governor.</p>
2.	 Paul Motonu Deputy principal Bachelor of Education	<p>Mr. Paul Motonu deputizes the principal and he is in charge of disciplinary issues concerning students. Ensures academic time tables are made in time. Also ensures that the lessons that appear on the timetable are adequately taught.</p>
3.	 Walter J.O. Ouma Ag. Registrar Bachelor of Science (Eco-tourism, Hotel and Institution Management with IT)	<p>Mr. Walter J.O. Ouma ensures that term programmes, students who apply for courses in the institute meet the relevant requirements for admission. He is also in charge of marketing of institute courses to ensure increase in enrolment.</p>



4.	 <p>Sheila Kasoa Ag. Dean of Students Bachelor of Education Arts</p>	Mrs. Sheila Kasoa is the Dean of Students who is in charge of student affairs i.e. process boarding issues accommodation and disciplinary.
5.	 <p>Cosmas Siangwi Accountant CPA</p>	Mr Siangwi is in charge of institution finances, preparing financial reports and give financial advisory to the institution.

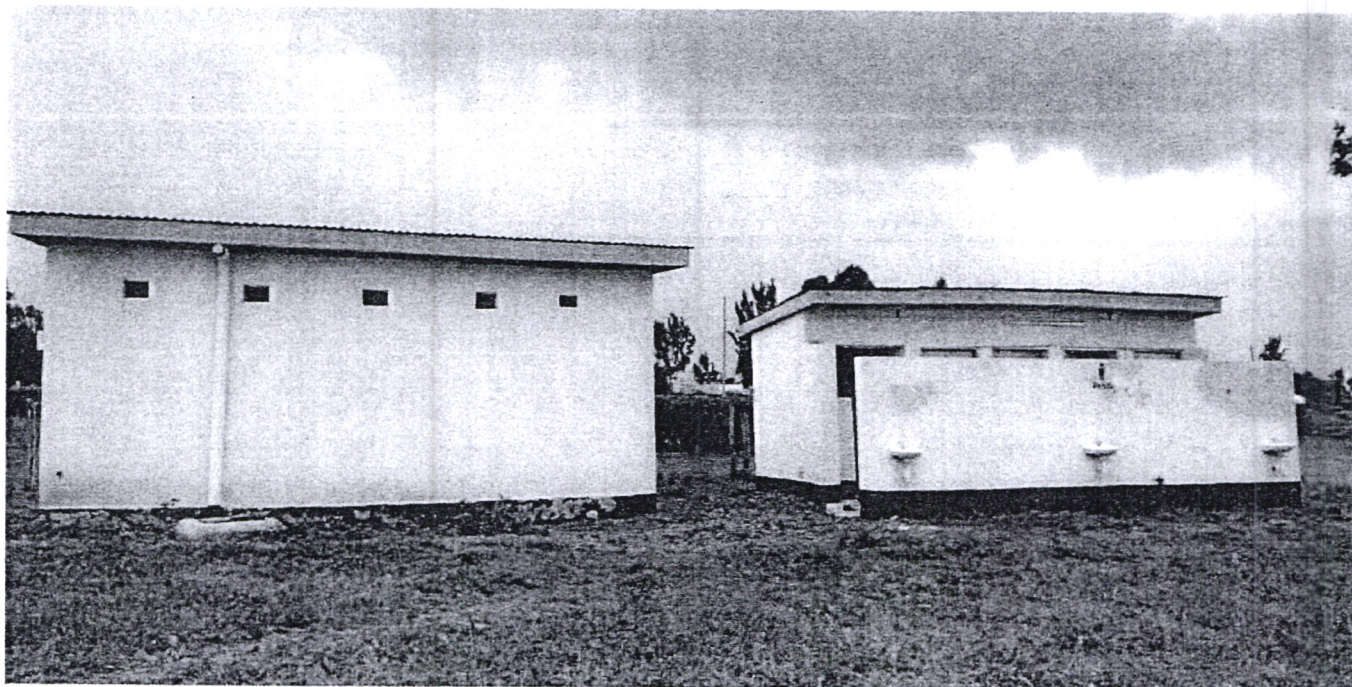


IV. CHAIRMAN'S STATEMENT

On behalf of Mbera Technical and Vocational College, I'm pleased to present the Annual Report and Financial Statements for the year ended 30th June 2020. These statements are prepared in conformity with the International Public Sector Accounting Standards (IPSAS) and International Accounting Standards (IASs).

Further, the statements incorporate the requirements of Article 81 of the public finance management Act, 2012 and the National treasury guidelines with regards to adoption of IPSAS.

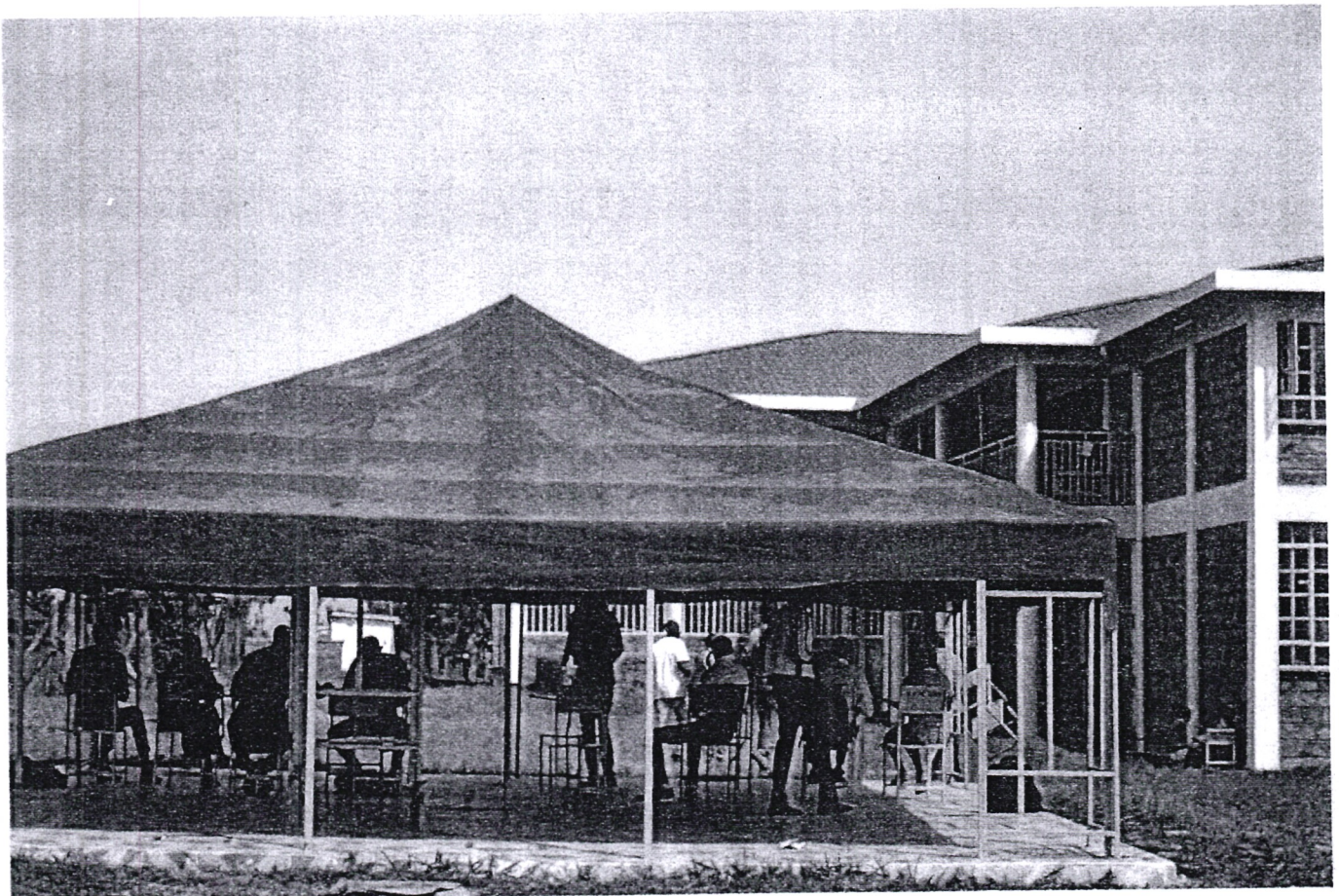
Despite the significant successes over the period, the college continued to face challenges including insufficient funding, inadequate infrastructure, staff and COVID-19 pandemic. Despite all this Mbera Technical and Vocational College managed to do some projects. To improve its financial position, the college has embarked on implementing various austerity measures to monitor and rationalize its financial expenditures and jumpstarting its income generating unit.



Two blocks of washrooms for both male and female



Modern school gate.



Class session is on a temporary make-shift.



Mbera Technical and Vocational College is committed to its mission and strategic thrust of offering quality education within an environment of prudent financial management.

There are plans to develop the College strategic plan in view of the existing economic realities and the new developments within the College. This will enable prioritization of projects and activities that are central to growth of the college and the attainment of vision 2030 and the Big Four agenda.

This being our first year since the establishment, we are confident and satisfied that with continued prudent management of resources and an increase in government projects and grants. In engaging other partners (CDF and County Government) the college will develop into one of the modern technical training institutes in the region.

I wish to thank the government for its financial support so far. Finally, I also wish to thank the Board of Governors, Trainers and Staff at Mbera Technical and Vocational College, NG-CDF Kuria, parents, guardians and students for their continued support and dedication, even as we together strive to achieve greater heights of excellence.

.....
MR. JOSEPH BOKE MASIAGA – BOARD CHAIRPERSON
ON BEHALF OF BOARD OF GOVERNORS



V. REPORT OF THE PRINCIPAL

It is my great pleasure to present to you the annual report and financial statements of Maberu Technical and Vocational College for the year ended 30th June 2020 as required by the Public Finance Management Act, 2012.

Maberu Technical and Vocational College performance during the year under review is impressive despite being its maiden year since inception. The government capitation still remains as the institute's main source of income.

The college has continued with its core business of disseminating knowledge through, training and innovation. The current student population is 437 and is expected to increase to over 700 by the end of this year.

Development partners projects

Currently there is no on-going development project.

Income.

MTVC received Ksh 2,205,400 from the Government through Mawego TTI as recurrent income. The College managed to collect Kshs. 8,195,060 from A-I-A, also the college received ksh.3, 000,000 from Kuria West Ng-cdf for sinking and construction of borehole.

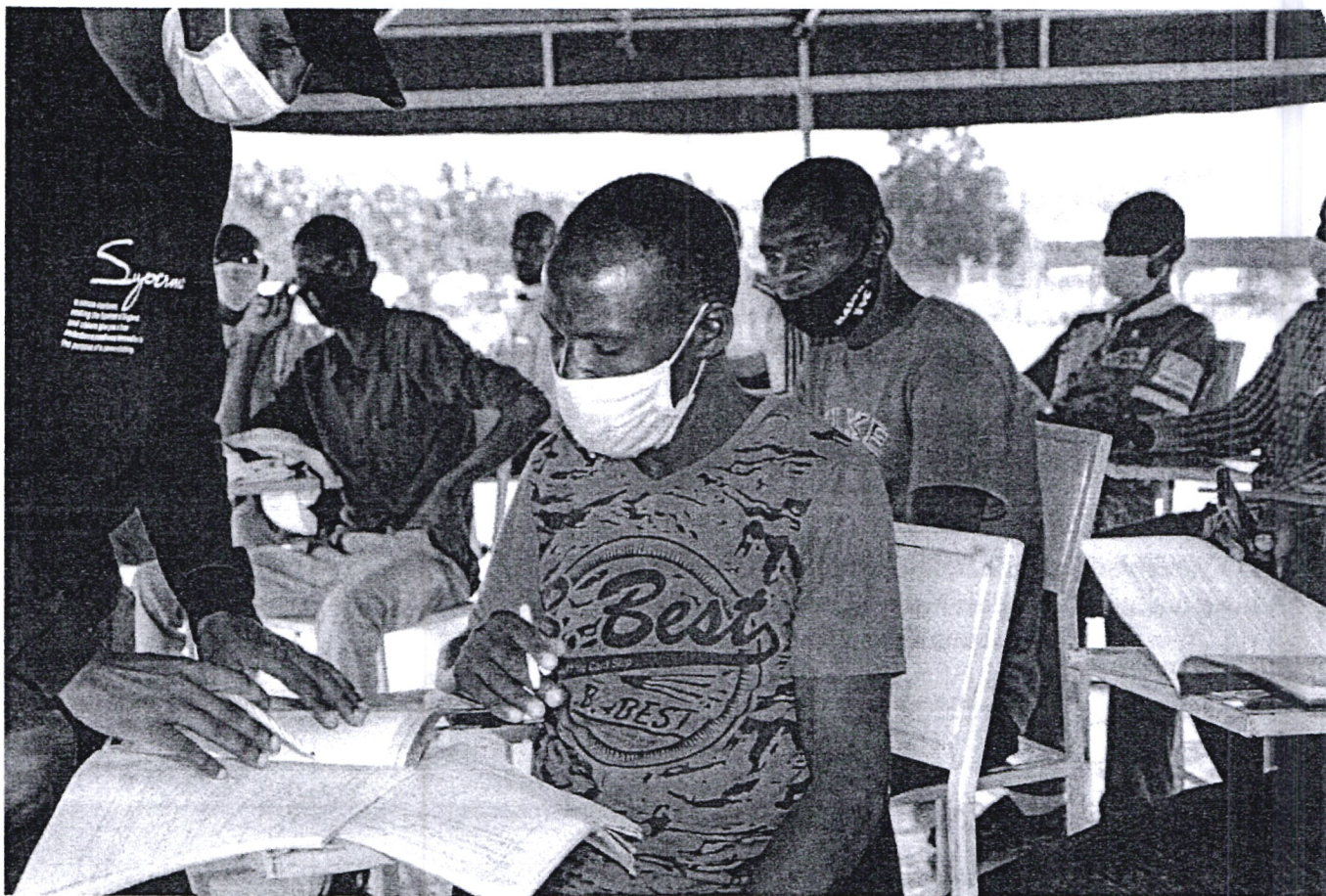
Expenses

The technical has incurred Kshs 5,828,344 in recurrent expenses for the financial year 2019/2020.



Two blocks of washrooms for both male and female students

When Maberu Technical and Vocational College open its door to students in the year 2019 the saw it was wise to build more washrooms to accommodate number of students that was increasing.



Class session at temporary make-shift.

Due to inadequate learning space and the directives given by the ministry that learner should sit 1 to 1.5m space during the learning sessions this has forced the Mbera Technical and Vocational College to erect temporary learning structures to comply with the ministry directives.



Morden gate

Due to the equipment's and learning materials that Maberu Technical and Vocational College had acquired and for the security reasons the Maberu Technical and Vocational College saw it was wise to have a more enhanced gate unlike the one it had before which was a temporary structure.

Staff Members

Staff population stood at 27 at the close of financial year 2019/2020 and is expected to rise for both academic and administrative in the next financial year.

Gender Distribution; Male 17 and Female 10

Conclusion

On behalf of Maberu Technical and Vocational College management and staff, I wish to take this opportunity to thank the Government, our Development partners and all Stakeholders for their continued support.

Finally, I would like to express my sincere gratitude for constituting the College Board of Governors to help provide policy and strategic guidance, the entire college staff and students who have worked tirelessly to ensure smooth running of the institute.

Thank you.

.....
Evance Omondi
PRINCIPAL/ C.E.O



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.

Mabera Technical and Vocational College did not have strategic pillars /issues/ themes and objectives in the FY 2019/2020 as they did not have Strategic Plan for the FY 2019- FY 2020. So, there were no strategic pillars.



CORPORATE GOVERNANCE STATEMENT

Introduction

Mabera Technical and Vocational College is governed by Board of Governors and as per the TVET Act 2013. Which gives the Board of Governors all the necessary powers for the proper performance of its functions under the act and in particular, without prejudice to the generality of the forgoing, the board of governors shall have powers to:

- Manage, supervise, and administer the assets of the Institute in such a manner as best promotes the purpose for which the institute is established.
- Receive any grants, donations or endowments on behalf of the institution and make legitimate disbursements.
- Approval of the budgets, making policies and opening of bank accounts for the funds of the Institute.

Governance Principles.

It is our view that *governance* is not just a matter for the Board; a good governance culture must be percolated through the institute system. The current socio-economic, business and political environment in which the Institution operates, underscore the need for continued high standards of corporate governance and accountability.

The emerging realities unmasked with the promulgation and implementation of the new Constitution, an enlarged space for expression and a more enlightened clientele, calls for diligence in governance.

Mabera Technical and Vocational College is committed to good corporate governance, which promotes the long-term interests of the Government of Kenya and any other stakeholder, strengthens Board and management accountability and helps build public trust in the College.

The Board is appointed by the Government of Kenya through the Cabinet Secretary, Ministry of Education, science and technology to oversee their interest in the long-term health and the overall success of the business and its financial strength in order to discharge its mandate in training. The Board serves as the ultimate decision-making body of the college, except for those matters reserved to or shared with the Government of Kenya. The Board selects and oversees the members of senior management, who are charged by the Board with conducting the business of the college in line with the Technical, Vocational, Education & Training Act of 2013 and the constitution of the Republic of Kenya.

The Board has established Corporate Governance Guidelines which provide a framework for the effective governance of the college. The guidelines address matters such as the Governing Board's Vision and mission, overall strategy, members' responsibilities, Board committee structure, recommendation of the Chief Executive Officer, Over-sighting the performance and evaluation of management. The Board regularly reviews developments in corporate governance and updates the Corporate Governance Guidelines and other governance materials as it deems necessary and appropriate.

The College's corporate governance materials, including the Corporate Governance Guidelines, the College's legal order, the terms and reference for each Board committee, the Institute's Codes of Business Conduct, information about how to report concerns about the college and the college's public policy engagement and technological contributions policy.

Size and composition of the Board.

The board consists of nine (9) board members and the Principal as their Secretary who poses extensive experience in a variety of disciplines all of which are applied in the overall management of the institute. The board has the right balance of skills and experience appropriate for the requirements of the Institute, all members participate in the decision making and the board operated effectively during the year and



continues to do so. (The board has two Organs, Executive with six members and Full Board with all the nine.)

Board meetings.

The technical board meeting was as follows, executive meets zero (0) times and full board three (3) times and Special Meetings took place (0) zero in the just ended financial year. Members receive adequate notice and board papers in advance to enable them review and prepare for the meeting.

The following table shows the number of Board meeting held during the financial year plus the attendance of individual Board members.

Financial year Board meetings

	Board Members	Executive Board Meetings	Full Board Meetings	Special/Emergency Meetings
1.	Mr. Joseph Boke Masiaga	0	3	0
2.	Mrs. Judith Akinyi Ochieng	0	3	0
3.	Mrs. Stellah Kilwake	0	3	0
4.	Mr. Gabriel Rimo Magige	0	3	0
5.	Mrs. Mary Motongori	0	2	0
6.	Ms. Jane Akinyi Nyasoro	0	3	0
7.	Dr. Kennedy Otieno	0	3	0
8.	Mr. Tom Olango	0	3	0
9.	Mr. Evans Omondi	0	3	0



VII. MANAGEMENT DISCUSSION AND ANALYSIS

Financial Performance Review

In the financial year 2018/19, Mabera Technical and Vocational College started the financial year with no cash balance and received Ksh 2,205,400 from the Government through Mawego TTI as recurrent income (capitation). The college received ksh 4,595,000. The College received ksh.3000,000 from Kuria West Ng-cdf for sinking borehole. This enabled the College to achieve several milestones including enhancement in infrastructural development, academic activities and refurbishment of its facilities. The expansion of infrastructure will allow admission of more students into the college which supports the government goal of expanding access to education.

Since it was its year of inception there was no project planned. COVID-19 disrupted most the learning time makes it hard for the operations.

Mabera Technical and Vocational College at the end of the financial year there was no outstanding statutory as Mabera Technical and Vocational College complied with statutory requirements.

Challenges

Mabera Technical and Vocational College has suffered its share of the effects of the global Covid -19 Pandemic. Term I 2020 have to end early while the Opening of Term II 2020 was only for few months and for few students. Due to effects of COVID-19 in the economy of the country that led to massive job losses this meant that parents did not have enough income pay fees for their sons and daughters for the current term. To this extent we closed the financial year with a higher rate of outstanding fees balances notwithstanding the general unfavourable economic situation prevailing due to Covid -19.

Complying with Ministry of Health Covid – 19 Protocols continue to limit the Institute realize its full potential in terms of revenue collection and coursing delays or postponement of projects implementation process.

Opportunities and risks facing Mabera Technical and Vocational College

Opportunities	Threats
Potential for collaboration & Linkages	Competition from other TVCS
High demand for technical skills	Rapid Technological changes
Centralized placement of new students by KUCCPS	Rapid changes of policy
Positive perception of TVET by the Public	Rigid KICD Curriculum
Demand for short term courses	High cost of training in practical skills
Access to student loans & bursaries from H.E.L.B, county & NGCDF	Unpredictable job market
Government support	Formal employment culture in the society
Enabling legal & policy framework	Unfavourable economic changes
	cybercrime
	HIV/ AIDS drugs and substance abuse



VIII. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

In pursuit of its commitment to environmental sustainability, the college in 2019/2020 has been in the forefront to lead at all levels, local, national, regional and international community in demand driven environmental technology development, best practices and innovations. The college undertook the following activities:

Planting over 500 trees within the college and participated at the International Day of Forests and World Environment Day.

Sustainability strategy and profile

Despite being new institution with limited resources Mbera Technical and Vocational College has achieved a lot and at the same time has face a lot of challenges as most new institution normally face. COVID-19 has been the biggest challenge the Mbera Technical and Vocational College has been facing among others such as inflation, inadequate political goodwill, inadequate TVET policies, and inadequate infrastructure. Despite all this challenges Mbera Technical and Vocational College has been marking itself to get more students thus having more students Mbera Technical and Vocational College will receive more capitation funds from government its operations, also Mbera Technical and Vocational College has started income generating activities to supplement its income.

Mbera Technical and Vocational College has increase number of course it offers to diversify opportunities to those who are seeking various training, Mbera Technical and Vocational College has also been participating and involving the community in its activities and also Mbera Technical and Vocational College has been coo-prorating with other institutions with similar cadre.

Environmental performance

Our research, teaching and activities are guided by our commitment to environmental sustainability. Mbera Technical and Vocational College partner with different stakeholders to protect the environment by planting trees, using environmentally friendly equipment's, materials and has a composite place for throwing wastes.

Employee welfare

Mbera Technical and Vocational College has developed its human resource police which is in-line with Kenyan labour laws act 2017. Mbera Technical and Vocational College always follows the laws and procedures whenever they are hiring/recruiting their employees. This is normally done through competitive shortlisting and interview and the best candidate is selected after considering level of competency, education gender, marginalised groups and regional balance. Mbera Technical and Vocational College often take its employees for training to improve their skills, appraisal is normally done and best employees being rewarded. Mbera Technical and Vocational College has put adequate safety and health measures to protect its employees from hazards.

Market place practices-

Mbera Technical and Vocational College has been marketing itself by adhering to advertisement rules and regulations according to advertisement laws of the country. Mbera Technical and Vocational College has been ensuring that when it's advertising itself it involves some government agencies such as chiefs and assistant-chief to announce at barazas about Mbera Technical and Vocational College and courses it offers. Mbera Technical and Vocational College has also employed qualified procumbent officer who advises the institution on the procurement laws, how to get the best prices for institution and maintaining good relationship with suppliers. Mbera Technical and Vocational College has been ensuring that all of their adverts are within the law. Mbera Technical and Vocational College has ensured that its goods and services meet the standard and are safe for consumption.



Corporate Social Responsibility / Community Engagements

MTVC Corporate Social Responsibility (CSR) programs reflect the College commitment to operate in an environmentally sustainable and socially responsible manner. The programs support the College strategic vision and reassures that its activities are carried out ethically, sustainably and for the public good. The College aim to make a significant contribution to the communities and society through research, education and a wide range of activities undertaken by staff, students and alumni.

In the FY 2019/20, the following Corporate Social Responsibilities were undertaken:

8.1 Health Care

The College enrolled all staff to NHIF medical Scheme

Mbera Technical and Vocational College strategy for social responsibility includes a commitment to pursue change across the following priority areas:

Research with impact

Our research is making a positive difference to society, addressing the major challenges of the 21st century.

Socially responsible graduates

Through establishing and strengthening existing collaborations and linkages, our graduates are learning to exercise ethical, social and environmental responsibility.

Engaging our communities

Our events and activities are harnessing our knowledge, resources and visitor attractions for the benefit of our communities. Examples of events & activities include Sports day, Open day and National day events.

Responsible processes

Our processes are balancing efficiency with opportunities to create social and environmental benefit.

Environmental sustainability

Our research, teaching and activities are guided by our commitment to environmental sustainability.

We also have a number of Technological areas for our research, teaching, community engagement and processes, allowing us to focus and measure our efforts in making a difference to society.



IX. REPORT OF THE BOARD OF GOVERNORS

The Council/Board members submit their report together with the audited financial statements for the year ended 30 June 2020 which show the state of the *Mabera Technical and Vocational College* affairs.

Principal activities

The principal activities of the college are as stated,

The Core business of the Institute as provided by the TVET Act 2013 section 26 (1) (a) and (d) includes;

- Promotion of Skills Training in (TVET) through, Research, Science, Technology and Innovation incommensurate with Industry and Community demands.
- Promotion of Gender balance and equality of opportunity among students and employees.
- Promotion of Equalization for persons with disability, minorities and other marginalized groups.

Results

The results of the entity for the year ended 30th June 2020 are set out on page 1 to 5

BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page v to viii. During the year 2019-2020 none of board member retired/ resigned.

Auditors

The Auditor General is responsible for the statutory audit of Mabera Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. Office of Auditor General staff were nominated by the Auditor General to carry out the audit of the Mabera Technical and Vocational College for the year/period ended 30 June 2020 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

For :Evans Omondi
Principal/BOG Secretary
Mabera Technical and Vocational College

Date: 15 September 2022



X. STATEMENT OF BOARD OF GOVERNORS MEMBERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the council members to prepare financial statements in respect of that entity, which give a true and fair view of the state of affairs of the entity 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 entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The council members are also responsible for safeguarding the assets of the *entity*.

The council members are responsible for the preparation and presentation of Maberu Technical and Vocational College financial statements, which give a true and fair view of the state of affairs of Maberu Technical and Vocational College for and as at the end of the financial year (period) ended on June 30, 2021. 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 Maberu Technical and Vocational College; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The council members accept responsibility for Maberu Technical and Vocational College 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 (*section 29 of schedule 2 of the Technical and Vocational Education and Training Act 2013*). The council members are of the opinion that Maberu Technical and Vocational College financial statements give a true and fair view of the state of Maberu Technical and Vocational transactions during the financial year ended 30 June 2020, and of Maberu Technical and Vocational College financial position as at that date. The council members further confirm the completeness of the accounting records maintained for Maberu Technical and Vocational College which have been relied upon in the preparation of Maberu Technical and Vocational College 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 Maberu Technical and Vocational College will not remain a going concern for at least the next twelve months from the date of this statement.

MABERA TECHNICAL AND VOCATIONAL COLLEGE
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Approval of the financial statements

The *Mabera Technical and Vocational College* financial statements were approved by the Board on 24th Sept 2021 and signed on its behalf by:

Name: Joseph Boke Masiaga

For : Evans Omondi

Signature.....

Chairperson of the Board

Signature

Accounting Officer/Principal

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MABERA TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Mabera Technical and Vocational College set out on pages 1 to 37, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of cash flows, statement of changes in net assets and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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 Mabera Technical and Vocational College as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1. Unsupported Student Debtors

The statement of financial position reflects current receivables from exchange transactions balance of Kshs.14,379,971 which, as disclosed in Note 19 to the financial statements, includes student debtors balance of Kshs.12,624,971. However, the balance was not supported with debtors' schedules or ageing analysis. It was, therefore, not possible to establish for how long the debts have been outstanding. Further, the College did not have a debt management policy.

In the circumstances, the accuracy, completeness and recoverability of the student debtors' balance of Kshs.12,624,971 could not be confirmed.

2. Unsupported Property, Plant and Equipment

The statement of financial position as disclosed in Note 20(a) to the financial statements reflects property, plant and equipment balance of Kshs.53,842,296. However, the balance

was not supported with fixed asset register. Further, the balance includes Kshs.2,700,000 and Kshs.448,191 in respect of borehole and fence respectively which was not supported with valuation report, payment certificates or purchase invoices. In addition, the value of two (2) hectares of land on which the College is situated was not incorporated into the property, plant and equipment as at year end.

In the circumstances, the accuracy, completeness, and security of the property, plant and equipment balance of Kshs.53,842,296 could not be confirmed.

3. Unsupported Trade and Other Payables from Exchange Transactions

The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.1,594,774. However, the creditors' ageing analysis, and schedules were not provided for audit.

In the circumstances, the accuracy and completeness of the trade and other payables balance of Kshs.1,594,774 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Mabera Technical and Vocational College Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matter described in the Report on Lawfulness and Effectiveness in the Use of Public Resources, I confirm that, nothing else 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

Lack of Approved Budget

During the year under review, the College did not have an approved budget. This is contrary to Section 22(1) and (2) of the Second Schedule of the Technical and Vocational Education and Training Act, 2013, which provides that, a Board of Governors of a public institution shall prepare annual estimates of revenue and expenditure for the institution under its charge, in such form and at such times as the Cabinet Secretary may prescribe

and it may incur expenditure for the purpose of the institution in accordance with estimates approved by the Cabinet Secretary, and any approved expenditure under any head of the estimates may not be exceeded without the prior written approval of the Cabinet Secretary.

In the circumstances, Management was in breach of the law, and the regularity of the actual expenditure of Kshs.11,946,798 incurred during the year under review could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of an Internal Audit and Audit Committee

Review of the overall internal control environment of the College revealed that, during the year under review, the College did not have an Internal Audit function and Audit Committee. This was in contravention of Section 73(1)(a) of the Public Finance Management Act, 2012.

Similarly, the College did not have an audit committee in place as required by Regulation 174(1) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, the effectiveness of the College's internal controls systems and oversight could not be confirmed.

2. Lack of Human Resource Department

During the year under review, the College did not have a Human Resource function or department, contrary to Section 27(2)(b) of the Technical and Vocational Education and Training Act, 2013, which requires governance and management structures of all training institutions to decentralize decision-making authority about human resource issues.

Further, the College did not have an approved human resource policy manual that defines terms and conditions of employment and promotions of casuals and permanent employees among other issues. In addition, the College did not have an approved staff establishment to guide on the optimal staff levels required to achieve its objectives.

In the circumstances, the College may face challenges in determining its optimal staffing levels while recruiting new staff if the available positions are not identified and defined in the organizational structure.

3. Lack of Risk Management Policy

During the year under review, the College did not have an approved risk management policy to provide a framework for the management of risk and creating risk awareness in the institution. This is contrary to Regulation 165 of the Public Finance Management (National Government) Regulations, 2015 which stipulates that an Accounting Officer shall ensure that the National Government entity develops risk management strategies, which includes fraud prevention mechanisms and system of risk management and internal controls that build robust business operations.

In the circumstances, it was not possible to confirm the effectiveness of the College's risk management systems.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit so as to obtain assurance as to whether processes and systems of internal control, risk management and overall governance was maintained 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 Board of Governors

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

In preparing the financial statements, Management is responsible for assessing the College's ability 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 College 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.

The Board of Governors is responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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


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

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgment and maintain professional scepticism 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Company's 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 College's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease 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 College 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

07 October, 2022



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

	Notes	2019-2020	2018-2019
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfer from the National Government	6	12,637,500	0
Transfers from mentor institute	7	2,205,400	0
Public contributions and donations	8	3,000,000	0
		17,842,900	0
Revenue from exchange transactions			
Rendering of services- Fees from students	9	7,953,600	0
Sale of goods	10	400	0
Other income	11	211,000	0
Revenue from exchange transactions		8,165,000	0
Total revenue		26,007,900	0
Expenses			
Use of goods and services	12	4,838,983	0
Employee costs	13	322,900	0
Remuneration of board members	14	485,595	0
Depreciation and amortization expense	15	6,120,638	0
Repairs and maintenance	16	178,680	0
Total expenses		11,946,796	0
Other gains/(losses)		-	
Net Surplus for the year		14,061,104	0

The notes set out on pages 20 to 35 form an integral part of the Annual Financial Statements.



XIII. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Notes	2019-2020 Kshs	2018-2019 Kshs
Assets			
Current assets			
Cash and cash equivalents	17	2,476,101	0
Current portion of receivables from exchange transactions	19	14,379,971	0
		16,856,072	0
Non-current assets			
Property, plant and equipment	20a	53,842,296	0
Intangible assets	20c	450,000	0
		54,292,296	0
Total assets		71,148,368	0
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	21	1,594,774	0
Refundable deposits from customers	22	310,600	0
Total Current liabilities		1,905,374	0
Non-current liabilities		-	-
Total liabilities		1,905,374	0
Net assets			0
Retained earning		14,061,104	0
Capital Fund		55,181,890	0
Total net assets and liabilities		71,148,368	0

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

Joseph Boke Masiaga

Liech Dominic

Evans Omondi

Chairman of Board of Governors

Finance Officer
ICPAK No 26736

Principal

Date.....15/9/2022.....

Date 15/9/2022

Date...15/9/2022.....



XIV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2020

	Reserve	Fair value adjustment reserve	Retained earnings	Capital/Development	Total
At 1 July 2018	0	0	0	0	0
Revaluation gain	0	0	0	0	0
Fair value adjustment on quoted investments	0	0	0	0	0
Total comprehensive income	0	0	0	0	0
Capital/Development grants received during the year	0	0	0	0	0
Transfer of depreciation/amortisation from capital fund to retained earnings	0	0	0	0	0
At 30 June 2019	0	0	0	0	0
At 1 July 2019	0	0	0	0	0
Reserve	0	0	0	0	0
Fair value adjustment on quoted investments	0	0	0	0	0
Total comprehensive income	0	0	14,061,104	0	14,061,104
Capital/Development grants received during the year	0	0	0	55,181,890	55,181,890
Transfer of depreciation/amortisation from capital fund to retained earnings	0	0	0	0	0
At 30 June 2020	0	0	14,061,104	55,181,890	69,242,994

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

	Note	2019-2020 Kshs	2018-2019 Kshs
Cash flows from operating activities			
Cash Flow from Operating Activities			
Profit for the Year		14,061,104	0
Adjustments:			
Depreciation	15	6,120,638	0
Cash Flow from Operating Activities Before Adjustments		20,181,742	0
Working Capital Changes			
Decrease/(Increase) in receivables	19	(14,379,971)	0
Increase/(Decrease) in Payables		1,905,374	0
Total working capital changes		(12,474,597)	0
Net cash flows from operating activities		7,707,145	0
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(5,231,044)	0
Proceeds from sale of property, plant and equipment		0	0
Decrease in non-current receivables		0	0
Increase in investments		0	0
Net cash flows used in investing activities		(5,231,044)	0
Cash flows from financing activities			
Capital Reserve increase		-	0
Repayment of borrowings		-	0
Increase in deposits		-	0
Net cash flows used in financing activities		0	0
Net increase/(decrease) in cash and cash equivalents		2,476,101	0
Cash and cash equivalents at 1 JULY 2020		0	0
Cash and cash equivalents at 30 JUNE 2020	17	2,476,101	0



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

	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference		Utilisation Difference	
	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020	2020-2021	
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	%	%
Transfers from other Govt entities Govt grants	0	0	0	0	0	0	12,637,500	(12,637,500)			0%	0%
Transfer from mentor institute	0	0	0	0	0	0	2,205,400	(2,205,400)				
Public contributions and donations	0	0	0	0	0	0	3,000,000	(3,000,000)			0%	0%
Rendering of services- Fees from students	0	0	0	0	0	0	7,953,600	(7,953,600)			0%	0%
Sale of goods	0	0	0	0	0	0	400	(400)			0%	0%
Finance Income	0	0	0	0	0	0	0.00	0			0%	0%
Other Income	0	0	0	0	0	0	211,000	(211,000)			0%	0%
Gains on disposal, rental income and agency fees	0	0	0	0	0	0	0	0			0%	0%
Total income	0	0	0	0	0	0	26,007,900	(26,007,900)			0%	0%
Expenses												
Compensation of employees	0	0	0	0	0	0	322,900	(322,900)			0%	0%
Use of Goods and services	0	0	0	0	0	0	4,838,983	(4,838,983)			0%	0%
Repair and Maintenance	0	0	0	0	0	0	178,680	(178,680)			0%	0%
Remuneration of directors	0	0	0	0	0	0	485,595	(485,595)			0%	0%
Depreciation and Amortization	0	0	0	0	0	0	6,120,638	(6,120,638)			0%	0%
Total expenditure	0	0	0	0	0	0	11,946,796	(11,946,796)			0%	0%
Surplus for the period	0	0	0	0	0	0	14,061,104	14,061,104			0%	0%

Budget notes

I. Mabera Technical and Vocational College did not have budget for comparison since it was its inception year so all the expenditure were supported by BOG minutes.



XVII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Mabera Technical and Vocational College entity is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. Mabera Technical and Vocational College principal activity is training.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying Mabera Technical and Vocational College accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Mabera Technical and Vocational College*

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



NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. ADOPTION OF NEW AND REVISED STANDARDS

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

Standard	Impact
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p> <p><i>This amendment has enabled Mabera Technical and Vocational College to recognise all the income in the year they were delivered and not when cash is received.</i></p>



NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023: 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. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> •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; •Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and •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.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023 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:</p> <ul style="list-style-type: none"> (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.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> 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. d) 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.

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2021.



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.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 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 *one* of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule *first* of the *income* Act.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (continued)

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.

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.



Subsequent costs are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Organisation and the cost can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income account during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation are credited to a revaluation surplus reserve account. Decreases that offset previous increases of the same asset are charged against the revaluation surplus; all other decreases are charged to the Statement of Comprehensive Income account. Each year the difference between depreciation charged based on the revalue carrying amount of the asset (the depreciation charged to the Statement of Comprehensive Income account) and depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

i) Depreciation

Depreciation on assets is calculated using reducing balance method to write down their cost or revalue amounts to their residual values over their estimated useful lives using the following rates:

Building	10%
Borehole	10%
Furniture & fittings	10%
Fence	10%
Equipment & Tools	10%
Computer software	25%
Computers	25%

ii) Impairment

Assets are periodically reviewed for impairment. Where the carrying amount of an asset is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount.

iii) Gain/loss on disposals

Gains and losses on disposals of assets are determined by reference to their carrying amount and are taken into account in determining the surplus (deficit) for the year.



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 a 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:



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.

i) Inventories

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

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)

i) 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.

j) Provisions

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

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)

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

l) 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.

m) 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.

n) 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.

o) 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)

p) 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 CEO/principal and senior managers.

q) 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.

r) 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.

s) Comparative figures

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

t) Subsequent events

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



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. (This financial year MTVC did not provide for the provisions)



NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. (a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Unconditional grants		
Capitation grants	12,637,500	-
Operational grant	-	-
Other grants	-	-
Conditional grants		
Library grant	-	-
Hostels grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
Learning facilities grant	-	-
Other organizational grants	-	-
Total government grants and subsidies	12,637,500	-

7 TRANSFERS FROM OTHER LEVELS OF GOVERNMENT

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfer from mentor institute	2,205,400	-
Total Transfers	2,205,400	-

8 PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2019-2020	2018-2019
	Kshs	Kshs
Public donations	-	-
Donations from local leadership	-	-
Donations from religious institutions	-	-
Donations from alumni	-	-
Other donations	3,000,000	-
Total donations and sponsorships	3,000,000	-

(Donation from Kuria West Ng-CDF (sinking of borehole))



NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 RENDERING OF SERVICES

Description	2019-2020	2018-2019
	Kshs	Kshs
Tuition fees	2,904,460	-
Activity fees	352,260	-
Industrial attachment fees	642,000	-
Examination fees	729,920	-
Personal Emoluments	901,240	-
E, W & C	509,120	-
L, T & T	490,400	-
R, M & I	256,800	-
Practical fee	907,000	-
Development fee	12,000	-
Boarding fee	60,000	-
Student Council	188,400	-
Total revenue from the rendering of services	7,953,600	-

10 SALE OF GOODS

Description	2019-2020	2018-2019
	Kshs	Kshs
Sale of goods		
Sale of food	400	-
Sale of farm produce	-	-
Cafeteria	-	-
Other (include in line with your organisation)	-	-
Total revenue from the sale of goods	400	0

(The sale of food was practical food that students usually prepare during practical and sales to staff and fellow students at subsidise price)

11 OTHER INCOME

Description	2019-2020	2018-2019
	Kshs	Kshs
Insurance recoveries	-	-
Application fee	152,000	-
Income from sale of tender	44,000	-
Graduation fees	-	-
Miscellaneous (supplementary paper fee)	15,000	-
Total other income	211,000	0



12 USE OF GOODS AND SERVICES

Description	2019-2020	2018-2019
	Kshs	Kshs
School Equipment and Stores	-	-
Industrial attachment costs	-	-
Electricity, Water & Conservancy	77,237	-
Administrative Costs	3,110,240	-
Security	90,000	-
Contingency	195,760	-
Library books	64,356	-
Sports equipment and Sporting Activities	45,500	-
Examination fees	-	-
Sports	360,220	-
Local Transport and Travelling	895,670	-
Insurance	-	-
Total good and services	4,838,983	0

13 EMPLOYEE COSTS

	2019-2020	2018-2019
	Kshs	Kshs
Salaries and wages	322,900	-
Employee related costs - contributions to pensions and medical aids	-	-
Travel, motor car, accommodation, subsistence and other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Performance and other bonuses	-	-
Social contributions	-	-
Employee costs	322,900	-

14 REMUNERATION OF DIRECTORS

Description	2019-2020	2018-2019
	Kshs	Kshs
Chairman's Honoraria	65,000	-
BOG' emoluments	420,595	-
Other allowances	-	-
Total director emoluments	485,595	-



15 DEPRECIATION AND AMORTIZATION EXPENSE

Description	2019-2020	2018-2019
	Kshs	Kshs
Property, plant and equipment	5,970,638	-
Intangible assets	150,000	-
Investment property carried at cost	-	-
Total depreciation and amortization	6,120,638	-

16 REPAIRS AND MAINTENANCE

Description	2019-2020	2018-2019
	Kshs	Kshs
Property	144,410	-
Equipment and machinery	5,800	-
Borehole	-	-
Furniture and fittings	-	-
Computers and accessories	3,500	-
General repairs	24,970	-
Total repairs and maintenance	178,680	-

17 CASH AND CASH EQUIVALENTS

Description	2019-2020	2018-2019
	Kshs	Kshs
Current account	2,476,101	-
On - call deposits	-	-
Fixed deposits account	-	-
Staff car loan/ mortgage	-	-
Others(specify)	-	-
Total cash and cash equivalents	2,476,101	-



NOTES TO THE FINANCIAL STATEMENTS (Continued)

18 (a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2019-2020 Kshs	2018-2019 Kshs
a) Current account			
Kenya Commercial bank No 1		2,453,747	-
Kenya Commercial bank No 2		16,915	-
Sub- total		2,470,662	-
b) On - call deposits			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
Sub- total		-	-
c) Fixed deposits account			
Kenya Commercial bank		-	-
Bank B		-	-
Sub- total		-	-
d) Staff car loan/ mortgage			
Kenya Commercial bank		-	-
Bank B		-	-
Sub- total		-	-
e) Others(specify)			
Cash in transit		-	-
cash in hand		5,439	-
Mobile Money account		-	-
Sub- total		5,439	-
Grand total		2,476,101	-

19 RECEIVABLES FROM EXCHANGE TRANSACTIONS

19(a) Current Receivables from Exchange Transactions

Description	2019-2020 Kshs	2018-2019 Kshs
Current receivables		
Student debtors	12,624,971	-
Rent debtors	-	-
Consultancy debtors	-	-
Other exchange debtors	1,755,000	-
Less: impairment allowance	-	-
Total current receivables	14,379,971	-



NOTES TO THE FINANCIAL STATEMENTS (Continued)

20 Property and equipment

All categories of property, plant and equipment are recorded at cost.

Subsequent costs are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Organisation and the cost can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income account during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation are credited to a revaluation surplus reserve account. Decreases that offset previous increases of the same asset are charged against the revaluation surplus; all other decreases are charged to the Statement of Comprehensive Income account. Each year the difference between depreciation charged based on the revalued carrying amount of the asset (the depreciation charged to the Statement of Comprehensive Income account) and depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

i) Depreciation

Depreciation on assets is calculated using reducing balance method to write down their cost or revalue amounts to their residual values over their estimated useful lives using the following rates:

Building	10%
Borehole	10%
Furniture & fittings	10%
Fence	10%
Equipment & Tools	10%
Computer software	25%
Computers	25%

ii) Impairment

Assets are periodically reviewed for impairment. Where the carrying amount of an asset is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount.

iii) Gain/loss on disposals

Gains and losses on disposals of assets are determined by reference to their carrying amount and are taken into account in determining the surplus (deficit) for the year.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

20 (a). PROPERTY, PLANT AND EQUIPMENT

Cost	Buildings	Learning Materials	Office Equipment	Furniture and fittings	Computers	Borehole	Fence	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2018	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-
At 30th June 2019	-	-	-	-	-	-	-	-
Additions	392,780	261,504	-	873,460	103,300	3,000,000	-	4,631,044
Disposals	-	-	-	-	-	-	-	-
Transfer/adjustments	54,683,900	-	-	-	-	-	497,990	55,181,890
At 30th June 2020	55,076,680	261,504	-	873,460	103,300	3,000,000	497,990	59,812,934
Depreciation and impairment								
At 1 July 2018	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
At 30th June 2019	-	-	-	-	-	-	-	-
At 1st July 2019	-	-	-	-	-	-	-	-
Depreciation	(5,507,668)	-	-	(87,346)	(25,825)	(300,000)	(49,799)	(5,970,638)
Disposals	-	-	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-	-	-
At 30th June 2020	(5,507,668)	-	-	(87,346)	(25,825)	(300,000)	(49,799)	(5,970,638)
Net book values								
At 30th June 2019	-	-	-	-	-	-	-	-

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At 30 th June 2020	49,569,012	261,504	-	786,114	77,475	2,700,000	448,191	53,842,296
<i>[Include brief description of WIP as a footer]</i>								

Transfer /adjustments of Kshs.55,181,890 consist of assets taken over from the mentor institution.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

Valuation

MTVC has not yet valued its land and building since its inception in the year 2019.

20 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Learning Materials	261,504	-	261,504
Buildings	55,076,680	5,507,668	49,569,012
Borehole	3,000,000	300,000	2,700,000
Computers and related equipment	103,300	25,825	77,475
Office equipment, furniture, and fittings	873,460	87,346	786,114
Fence	497,990	49,799	448,191
Total	59,812,934	(5,970,638)	53,842,296

20 (c.) INTANGIBLE ASSETS-SOFTWARE

Description	2019-2020	2018-2019
	Kshs	Kshs
Cost		
At beginning of the year	-	-
Additions	600,000	-
At end of the year	600,000	-
Additions—internal development	-	-
At end of the year	600,000	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	150,000	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	450,000	-



NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	Kshs	Kshs
Trade payables	1,594,774	-
Fees paid in advance	-	-
Employee advances	-	-
Third-party payments	-	-
Other payables	-	-
Total trade and other payables	1,594,774	-

22. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Description	2019-2020	2018-2019
	Kshs	Kshs
Consumer deposits	-	-
Caution money	310,600	-
Other refundable deposits	-	-
Total deposits	310,600	-

23. CASH GENERATED FROM OPERATIONS

	2019-2020	2018-2019
	KShs	KShs
Surplus for the year before tax		
Adjusted for:		
Surplus/Deficit for the year	14,061,104	-
Depreciation	6,120,638	-
Non-cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance income	-	-
Finance cost	-	-
Working Capital adjustments		
Increase in inventory	-	-
Increase in receivables	(14,379,971)	-
Increase in deferred income	-	-
Increase in payables	1,905,374	-
Increase in payments received in advance	-	-
Net cash flow from operating activities	7,707,145	-



NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. FINANCIAL RISK MANAGEMENT

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The entity's financial risk management objectives and policies are detailed below:

(i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2019				
Receivables from exchange transactions	-	-	-	-
Receivables from non exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2020				
Receivables from exchange transactions	14,379,971	14,379,971	-	-
Receivables from non exchange transactions	-	-	-	-
Bank balances	2,470,662	2,470,662	-	-
Total	16,850,633	16,850,633	-	-



NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. 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 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.

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.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2019				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2020				
Trade payables	10,000	512,175	1,072,599	1,594,774
Current portion of borrowings	-	-	-	-
Refundable Deposit from customer	-	-	310,600	310,600
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	10,000	512,175	1,383,199	1,905,374



NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. 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.

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

27. FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk (Continued)

a) Foreign currency risk (Continued)

Foreign currency sensitivity analysis

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

b) 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.



NOTES TO THE FINANCIAL STATEMENTS (Continued)

28 FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk (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:

	2019-2020	2018-2019
	Kshs	Kshs
Revaluation reserve		
Retained earnings	14,559,094	-
Capital fund	54,683,900	-
Total funds	69,242,994	-
Total borrowings	-	-
Less: cash and bank balances	(2,476,101)	-
Net debt/(excess cash and cash equivalents)	0	-
Gearing	0%	0%



NOTES TO THE FINANCIAL STATEMENTS (Continued)

29. 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 MTVC holding 100% of MTVC 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) Key management;
- iv) Board of governors

30. SEGMENT INFORMATION

Mabera Technical and Vocational College

31. DEFERRED TAX LIABILITY

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%.

32. EVENTS AFTER THE REPORTING PERIOD

MTVC received fourth quarter capitation of Kshs.877,500 on 3rd July 2020.

33. ULTIMATE AND HOLDING ENTITY

The entity is an educational institution under the Ministry of education. Its ultimate parent is the Government of Kenya.

34. CURRENCY

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



APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR 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)
N/A	N/A	N/A	N/A	N/A

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.

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APPENDIX II: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized				Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	
Mawego TTI	12/21/May, 11 June 2020	Recurrent	2,205,400	-	-	-	-	2,205,400
Ng-cdf-Karia West	07/10/2019	Development	3,000,000	-	-	-	-	3,000,000
Total			5,205,400	-	-	-	-	5,205,400