

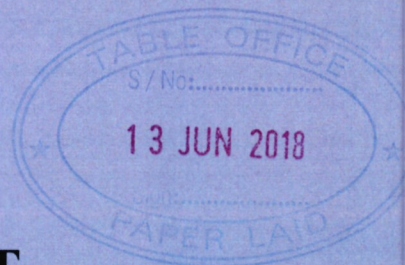
REPUBLIC OF KENYA



Paper laid
By the WOM on
13/6/18.
Manayo



OFFICE OF THE AUDITOR-GENERAL



PARLIAMENT
OF KENYA
LIBRARY

REPORT

OF

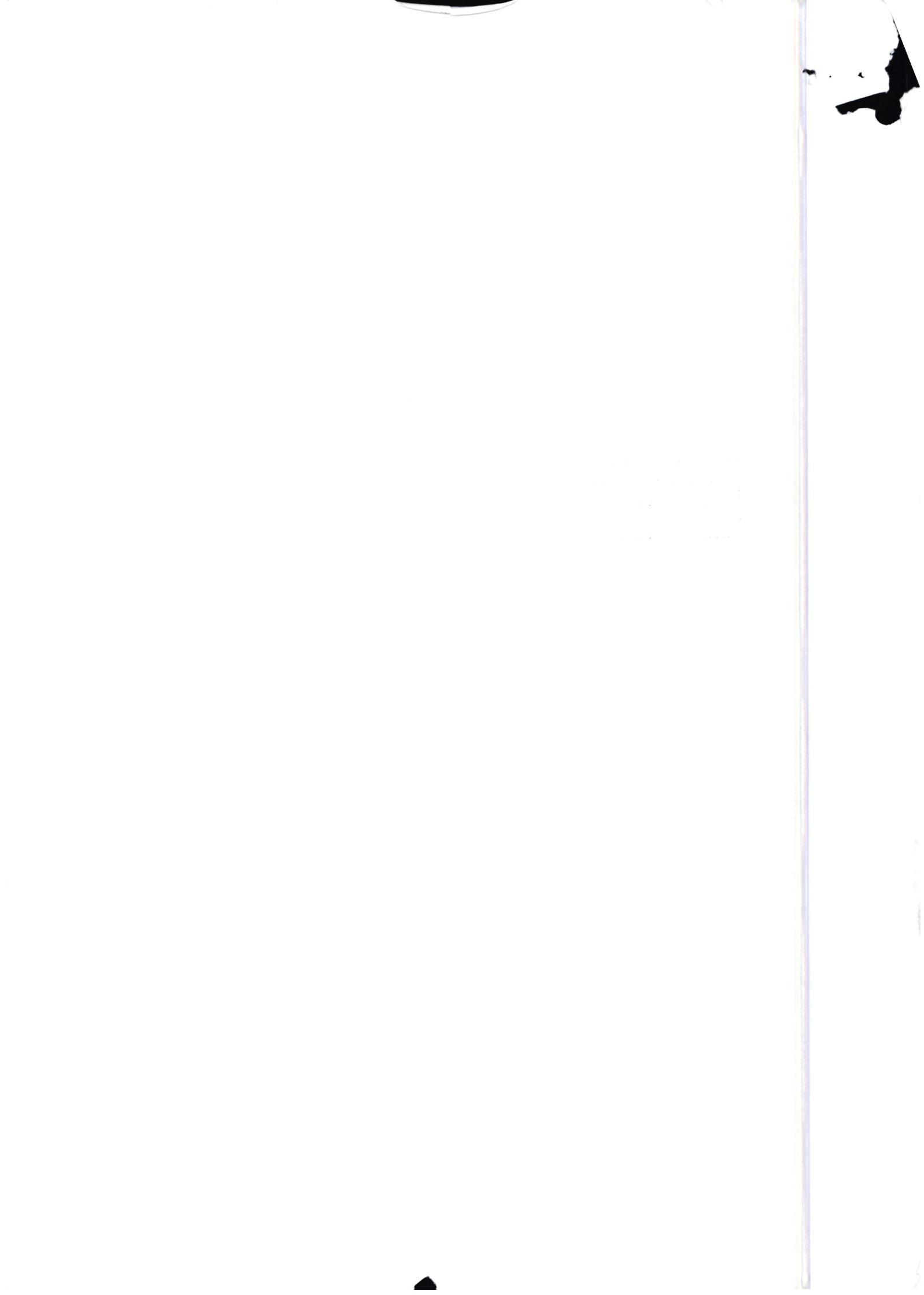
THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
MINISTRY OF EDUCATION, SCIENCE AND
TECHNOLOGY**

**FOR THE YEAR ENDED
30 JUNE 2017**

**STATE DEPARTMENT OF VOCATIONAL AND
TECHNICAL TRAINING VOTE 1064**





MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2017

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

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

Table of Content

I. KEY ENTITY INFORMATION AND MANAGEMENT	I
II. COMMENTARY BY THE CABINET SECRETARY.....	XIII
IV. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES	XXX
V. REPORT OF THE AUDITOR-GENERAL ON THE STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING FOR THE YEAR ENDED 30 JUNE 2017.....	XXXI
VI. STATEMENT OF RECEIPTS AND PAYMENTS	1
VII. STATEMENT OF ASSETS AND LIABILITIES.....	2
VIII. STATEMENT OF CASHFLOWS.....	3
IX. STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	4
X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT	6
XI. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT	7
XII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES.....	9
XIII. SIGNIFICANT ACCOUNTING POLICIES	10
XIII NOTES TO THE FINANCIAL STATEMENTS	14

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

The Ministry of Education was renamed through Presidential Executive Order No. 1/2016 of May 2016, on organization of the Government of the Republic of Kenya where the Ministry of Education created three State Departments namely; Vocational and Technical Training, University Education and Basic Education. The three State Departments are headed by respective Principal Secretaries.

The Ministry is headed by the Cabinet Secretary for Ministry of Education, Ambassador (Dr.) Amina Chawahir Mohamed, EGH, CAV who is responsible for the general policy and strategic direction of the entity.

The State Departments under Ministry of Education are outlined below;

- (i) The State Department of Vocational and Technical Training administered by Dr. Kevit Desai, PhD. MBS.
- (ii) The State Department of University Education administered by Prof. Micheni Japhet Ntiba, PhD, DBA, CBS.
- (iii) The State Department of Basic Education administered by Dr. Belio R. Kipsang, CBS

The accompanying financial statements constitute the financial statements for the State Department of Vocational and Technical Training.

The vision, mission, core values and core function of the **State Department of Vocational and Technical Training** under **Ministry of Education** include:

1.1 Vision

To provide skilled and globally competitive employable human resource.

1.2 Mission

To provide, promote and co-ordinate the training sector by assuring quality, inclusiveness and relevance for the enhancement of the national economy and global competitiveness

Mandate

The State Department of Vocational and Technical Training (VTT) is charged with the responsibility of coordinating national skills training. It is responsible for policy, curriculum development, registration and supervision of VTT institutions in the Country.

This mandate is derived from the TVET Act 2013 which indicates the Cabinet Secretary in consultation with the other Ministries and the private sector involved in training shall;

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

- (i) Develop policies – and profile strategies for the development of a national training system
- (ii) Have the overall responsibility in the provision of training and
- (iii) In collaboration with other Ministries and stakeholders, be responsible for promoting access, equity, quality and relevance in training

Core Values

- a. **Access and equity** - Every Kenyan has a right to access quality and relevant education and training. The policy shall therefore create an enabling environment, opportunities and mechanisms to provide pathways to those seeking to pursue quality vocational and technical training at all levels.
- b. **Inclusivity and respect for cultural and social diversity**- National values shall be respected and promoted in all TVET institutions and this includes principles that pay attention to the people with disability and respect human dignity while ensuring equity, equality and protection of marginalized societies.
- c. **Non-discrimination** - There shall be no discrimination on grounds of race, colour, gender, religion, national or social origin, economic status, political or other opinions.
- d. **Quality and Relevance** - Emphasis shall be placed on demand driven and outcome based training. This principle shall promote technical, professionalism, knowledge and qualification needed in the various sectors of the economy.
- e. **National integration** - Employment opportunities, occupational standards and development prospects within TVET structures shall be made available to all Kenyans
- f. **Life-long Learning** - The training will be designed to operate within a framework of open-ended and flexible structures in the context of lifelong education and training. This is the principle for continuing training for improvement of professional qualifications and updating of knowledge, skills and understanding.
- g. **Entrepreneurship Culture** - TVET examination and competence assessment shall be centred on promoting and developing innovation, creativity and entrepreneurial minds for self-reliance.
- h. **Complimentarily** -Education for those receiving technical, industrial, vocational and entrepreneurship training in the form of on-the-job training or other training in institutions or other facilities.
- i. **Environment** - Protection of the environment and the common heritage of the country.
- j. **Partnerships** -Creating and promoting an enabling environment for Public-Private Partnerships for enhancing investment in technical training.
- k. **Information and Communication** - Promoting integration of information and marketing of training opportunities through ICT.

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

- i. **Leadership** - Leadership within TVET Structure and organs shall be based on the principles of serving people with integrity, ethical practices, respect for the people and fairness among others.

I. KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

1.3 Core Functions

The core functions of the State Department for Vocational and Technical Training include:

- a. Increasing access and equity in training
- b. Enhancing quality and relevance of training programmes
- c. Implementing the TVET Act to regulate and monitor training standards in TVET
- d. ICT integration in TVET provision and pedagogy
- e. Extension and outreach programmes
- f. Collaboration and linkages with industry and other relevant institutions
- g. Establishment of TVET Centres of Excellence
- h. Upgrading of National Polytechnics to award degrees and to open up transition from diploma level to the degree level
- i. Upgrading of technical institutes to National Polytechnics to create clear TVET pathways for upward mobility of trainees
- j. Promotion of structured applied research and innovation culture through Annual TVET Fairs, Robot Contests and exhibitions for
- k. Establishment of industrial processing and manufacturing business incubators and intellectual property rights portfolios to empower institutions for pursuing autonomy status

(b)Key Management

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

- Directorate of Technical Vocational Education and Training (DTVET)
- Directorate of Vocational Education and Training (DVET)
- Technical Vocation Education Training Authority (TVETA)
- Curriculum Development Assessment Certification Council (CDDAC)
- Kenya National Qualification Authority (KNQA)

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

II. KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

(c) Fiduciary Management

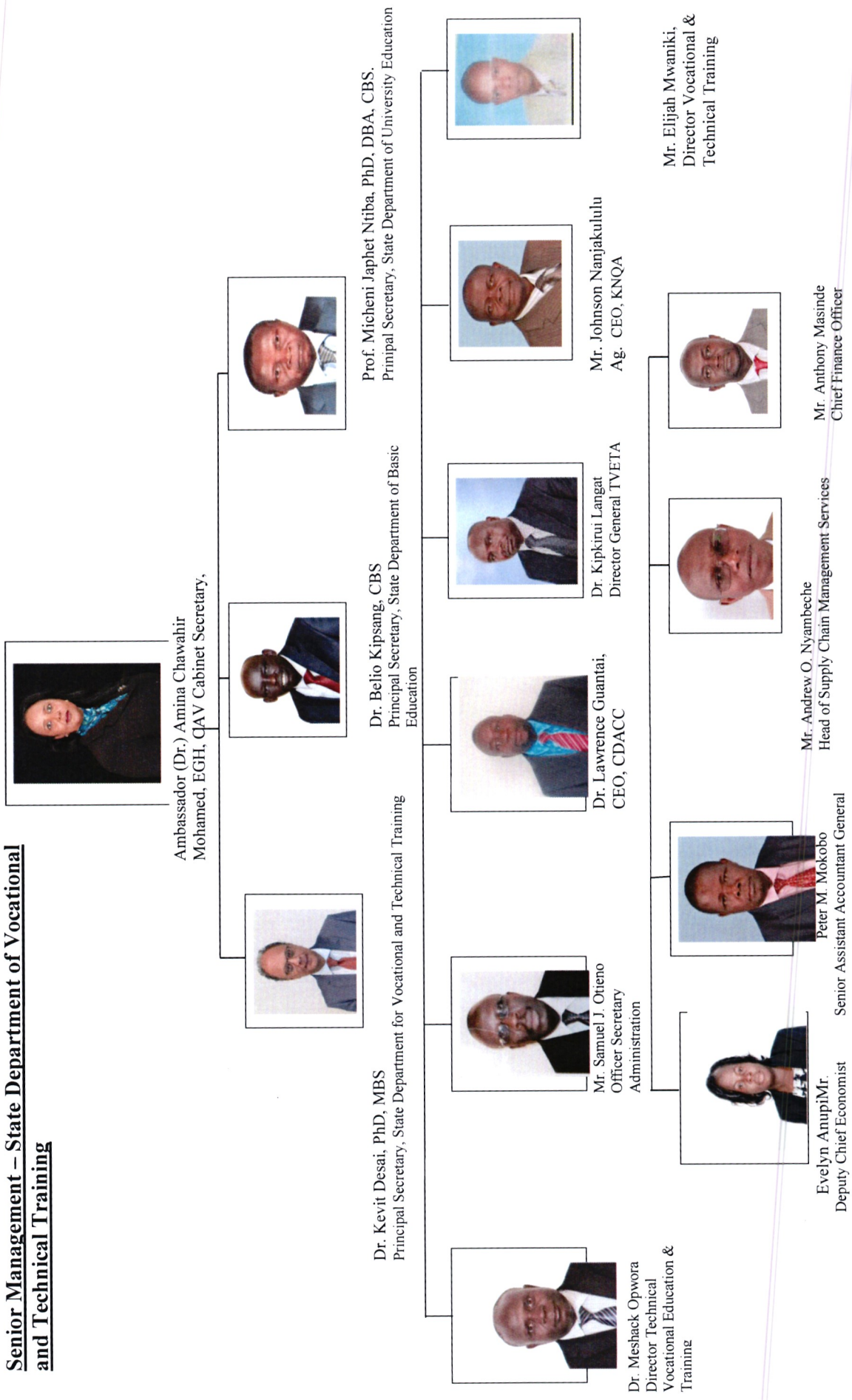
The key management personnel who held office during the financial year ended 30th June 2017 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Cabinet Secretary, Ministry of Education	Ambassador (Dr.) Amina Chawahir Mohamed, EGH, CAV
2	Principal Secretary, State Department Vocational and Technical Training	Dr. Kevit Desai, PhD, MBS
3	Secretary Administration	Samuel J. Otieno
4	Director Vocational Education and Training	Elijah Mwaniki
5	Director of Technical Education	Dr. Meshack Opwora
6	Director General Technical Vocation Education Training Authority	Dr. Kipkurui Langat
7	Chief Executive Officer (CDACC)	Dr. Lawrence Guantai
8	Ag. Chief Executive Officer (KNQA)	Johnson Nanjakululu
9	Senior Assistant Accountant General	Peter M. Mokobo
10	Ag. Chief Finance Officer	Anthony Masinde
11	Central Planning Unit	Evelyn Anupi
12	Supply Chain Management Services	Andrew Nyambeche

**MINISTRY ABC,
STATE DEPARTMENT XYZ
Reports and Financial Statements
For the year ended June 30, 2017**

I. KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)



Senior Management – State Department of Vocational and Technical Training






MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

I. KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)



Senior Management – State Department of Vocational and Technical Training (continued)

 <p>Ambassador (Dr.) Amina Chawahir Mohamed, EGH, CAV Cabinet Secretary, Ministry Education</p>	<p>Amb. Amina Chawahir Mohamed is a renown Kenyan diplomat, lawyer and negotiator. She was born and raised in Kakamega County and has served in the Kenyan public service with distinction, for more than thirty years. She is the serving Cabinet Secretary for The Ministry of Education and the immediate Cabinet Secretary for Foreign Affairs and International Trade.</p> <p>Amb. Mohamed’s long and distinguished diplomatic career spans over thirty years with experience in domestic and international leadership. At the international level, Amb. Mohamed served as Kenya’s Ambassador and Permanent Representative to the United Nations in Geneva between 2000 and 2006. In 2008, she was appointed Permanent Secretary in the Ministry of Justice and constitutional Affairs. In 2011, she joined the United Nations Environment Programme (UNEP) as Deputy Executive Director. She has also held other high-level international leadership positions in various organisations including; WTO, WIPO, ILO, WHO, UNCTAD, UNHCR and UNAIDS.</p> <p>Amb. Mohamed’s professional key competencies include: domestic and international law, public sector and institutional reforms and governance, strategic leadership at bilateral and multilateral level, Resource mobilization, Consensus building at national, regional and international levels, communication and policy implementation.</p>
 <p>Dr. Kevit Desai, PhD, MBS Principal Secretary State Department of Vocational and Technical Training</p>	<p>Dr. Kevit Desai, PhD, MBS, assumed the position of Principal Secretary, State Department for Vocational and Technical Training in 2018. The Department, called Vocational and Technical Training (VTT) was carried from Department of Higher Education by his Excellency the President Hon. Uhuru Kenyatta in 2013.</p> <p>He holds a PhD in Robotics Control Systems Engineering and a Masters in Robotics Control Systems Engineering from Shibaura Institute of Technology (SIT) and a Degree in Electric/Electronic/Computer Engineering from City University, City College and London Metropolitan University, London, England.</p>

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

 <p>Samuel J. Otieno, EBS Secretary Administration</p>	<p>He holds a Bachelor's Degree in Political Science from the University of Nairobi. He served for over 30 years in the former Provincial Administration in various capacities where he rose from District Officer to County Commissioner, and also as a Regional Commissioner in Lower Eastern Province. His last posting as a County Commissioner was in Elgeyo Marakwet from 2014-2015. Prior to working in the field, Mr. Otieno worked at the Treasury as an Assistant Secretary and was involved in the setting up of the current Insurance Regulatory Authority.</p> <p>He is a God fearing man and believes in being fair and just.</p>
 <p>DR. Meshack Chuma Opwora Ag. Director of Technical Education and Training</p>	<p>He has worked in TVET for over twenty-one (21) years. He is responsible for technical training strategic policy formulation, management and governance of National Polytechnics and Technical Training Colleges. He holds a PhD in TVET from the University of Newcastle Australia, an MBA Kenyatta University MED (Administration and Planning) University of Nairobi and BEd in Technology from Moi University.</p>
 <p>Mr. Elijah Mwaniki Ag. Director of Vocational & Technical Training</p>	<p>He has over 22 years' experience in Vocational and Technical Training. He has served as Technical Training Officer for 10 years and Directorate of Technical Accreditation and Quality Assurance for 5 years and now in Directorate of Vocational Education and Training for the last 3 years.</p> <p>Currently, he is the acting Director Vocational Education and Training responsible for policy and curriculum for vocational training centres.</p>
 <p>Dr. Kipkirui Langat Director General of TVET Authority</p>	<p>Dr. Langat is the Director General of TVET Authority. He holds Doctor of Philosophy in Engineering Systems and Management from Egerton University, Master of Philosophy in Technology Education (Automotive Technology), Master of Business Administration (Strategic Management) and Bachelor of Education in Technology Education a from Moi University. He has worked as an Assistant Lecturer, Lecturer and Head of Department, Automotive Engineering at Rift Valley Training Institute. He has also worked as a lecturer in the Department of Mechanical Engineering and a Deputy Dean of students at Eldoret Polytechnic. Dr. Langat worked at Egerton University as a Lecturer in the Department of Industrial and Energy Engineering. He was a programme coordinator for Twinning Programme between Western Michigan University, USA and Egerton University. He</p>

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

	<p>was also among a team of experts who developed Bachelor of Technology in Mechanical Engineering and Bachelor of Philosophy in Mechanical Engineering at the Technical University of Kenya. He was a subject panel for Diploma and Higher National Diploma in Mechanical Engineering between 1999 and 2004 at Kenya Institute of Education. Dr. Langat has also been working with United Nations Environment Programme (UNEP) in developing policies and guidelines for transport emissions in East Africa Region. He was instrumental in the training of motor vehicle inspectors in Kenya and Rwanda. Since 2014, he has been advising East African Community in harmonization of standards for importation of used motor vehicles in the region. He is a member of Technical Committee on Road Transport Standards at the Kenya Bureau of Standards and a consultant for Boston Garage Equipment UK since 2007. He is a fellow member of Institution of Engineering Technologists and Technicians (IET) of Kenya.</p>
 <p>Dr. Lawrence Guantai M'itonga Council Secretary/CEO</p>	<p>Dr. Lawrence Guantai M'itonga is the Chief Executive Officer/Council Secretary of TVET CDACC. He has extensive experience in the TVET sector where he has worked both in TVET institutions as well as in the Ministry. Dr. Guantai has worked as a Senior Assistant Director, TVET, Ag. Senior Assistant Director, Technical Accreditation and Quality Assurance and a Graduate Lecturer at Nairobi Technical Training Institute. He holds a PhD in Medical Microbiology, M.Sc.in Medical Microbiology and B.Ed (Science).</p>
 <p>Ms. Evelyn Anupi Deputy Chief Economist Head Central Planning</p>	<p>Ms. Evelyn Anupi assumed the position of Head of Central Planning and Project Monitoring Unit in 2016. She holds a Master's Degree from Williams College Massachussetes – U.S.A and in a Bachelors Degree in Development. Economics from Moi University Eldoret. She has over 15 years of working as an Economist in the Government of Kenya.</p>

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017



CPA Anthony
Barasa Masinde,
Ag. Chief Finance Officer

Mr. Anthony Masinde assumed the position of Ag Chief Finance Officer, State Department of Vocational and Technical Training in 2016.

He holds a Bachelor of Commerce Degree (Accounting option) from the University of Nairobi and a Master of Business Administration (MBA) from the same institution. He is a Certified Public Accountant CPA (K) and a member of the Institute of Certified Public Accountants (ICPAK).



CPA Peter M. Mokobo
Senior Assistant Accountant
General
Head of Accounting Unit

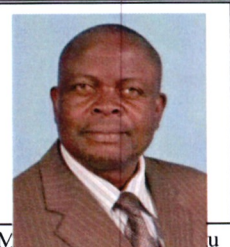
Peter M. Mokobo assumed the position of Head of Accounting Unit in June 2016. He is in charge of accounting and financial reporting as well as designing, implementing and fair presentation of financial statements. He holds a Master's of Business Administration from JKUAT, Bachelor of Business Administration JKUAT and CPA (K) finalist.



Andrew O. Nyambeche
Head of Supply Chain
Management Services
State Department of
Vocational and Technical
Training

Mr. Nyambeche assumed the position of head of supplies Division I. He has 21 years of experience in Government Procurement having worked in various Ministries before he joined the State Department of Vocational and Technical Training.

He holds a Bachelor of Commerce Degree and Master's Degree in Procurement and logistics from Jomo Kenyatta University of Agriculture and Technology (JKUAT) and is a member of the Chartered Institute of Purchasing and Supplies (CIPS).



M
u
Ag. CEO. KNQA

Mr. Nyanjakuku has over 30 years of experience as a teacher Quality Assurance and Standards Officer and Technical Education Officer. He holds a M. ED in Measurement and Evaluation from University of Nairobi. Currently serving as Ag. Chief Executive Officer of Kenya National Qualification Authority which is mandated to Develop and oversee the implementation of Kenya National Qualification Framework.

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

I. KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

(d) Fiduciary Oversight Arrangements

i. Composition of the Committee Members

The various committee members within the State Department are drawn from various sectors of the economy and have a wide range of skills and experience and each contributes independently judgement and knowledge of the committee discussions.

On appointment each committee member is provided with a comprehensive and tailored induction processes covering the State Department's business and operations and provided with information relating to their legal and regulatory obligations.

All committee members and required to re-submit themselves for re-appointment after expiry of their term.

ii. Human Resources Management Advisory Committee

This committee was composed of the following members:

1. Dr. Dina J. C. Mwinzi (Chairperson)
2. Mr. Samuel Otieno
3. Dr. Meshack Opwora
4. Ms. Evelyn Anupi
5. Mr. Anthony Masinde
6. Mr. Peter M. Mokobo
7. Mr. Benedict Maingi

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

The following shows the number of Human Resource Management Advisory Committee meetings held during the year 2016/2017.

S/No.	Name	Date	Human Resources Management Advisory Committee Meeting								Total Attendance
			30 th June 2016	20 th Sept. 2016	14 th October 2016	13 th Dec. 2016	6 th Feb. 2017	7 th March 2017	31 st March 2017	8 th June 2017	
1	Dr. Dinah Mwinzi		√	√	√	x	√	√	√	√	7
2	Samuel Otieno		√	√	√	√	√	√	x	√	7
3	Willis Ombima		√	√	√	√	√	x	x	x	5
4	Benedict Maingi		√	√	√	√	√	x	√	√	7
5	Anthony Masinde		x	√	√	√	√	√	√	√	7
6	Evelyn Anupi		√	√	x	√	x	√	√	√	6
7	Bashir H. Mursal		x	x	x	x	√	√	x	√	3
8	Andrew O. Nyambeche		x	x	x	x	x	√	√	√	3
9	Peter Mokobo		x	x	x	x	x	x	√	√	2

**MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017**

I. KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

(d) Fiduciary Oversight Arrangements (continued)

iii. Human Resources Management Advisory Committee Activities

Their duties include:

- Review of promotions of officers in Job Group A-P
- Review of confirmations in appointment
- Review of disciplinary matters
- Review of re-designation of officers from one cadre to another and
- Confirmation of surcharge of officers found to have misused government resources
- Overall coordination of the training functions in the State Department
- Review and implementation of the State Department training plan
- Review of induction of newly appointed officers and activities around long term training

(e) State Department for Vocational & Technical Training

P.O. Box 9583 - 00200
Jogoo House "B"
Harambee Avenue
Nairobi, Kenya

(f) Entity Contacts

Telephone: +254-020-3318581
Email: psvtt@education.go.ke
Website: www.education.go.ke

(g) Entity Bankers

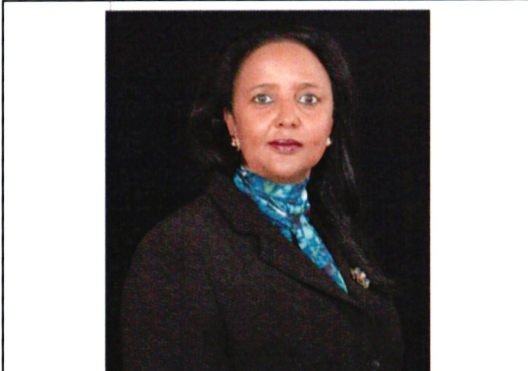
Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

(h) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

II. COMMENTARY BY THE CABINET SECRETARY



Ambassador (Dr.) Amina Chawahir
Mohamed, EGH, CAV
Cabinet Secretary, Ministry education.

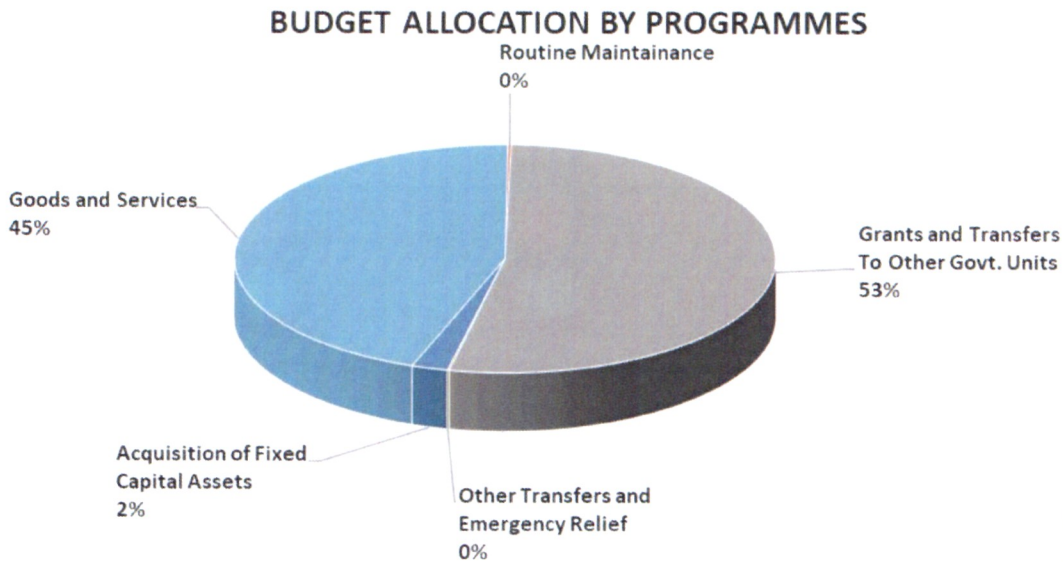
The Ministry is responsible for Education Policy Management; Management of Continuing Education; Administration of Early Childhood Education, education; Standards and Norms; Management of Education Standards; Management of National Examinations and Certification; Curriculum Development; Quality Assurance in Education; Primary and Secondary Education Institutions Management; Teacher Education and Management; School Administration and Programmes; Registration of Basic Education and Training Institutions; Special Needs Education Management; Representation of Kenya in UNESCO; Adult Education Management;

University Education Policy Management; University education; Public Universities and Tertiary Institutions; Science technology innovation policy; Management of Technical Training Institutes including Youth Polytechnics; Management of Institutes of Science and Technology; Management of National Polytechnics; National Council for Sciences and Technology.

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017
BUDGET ALLOCATION

In the financial year 2016/17 the State Department of Vocational and Technical Training was granted a gross budget of **Kshs. 8,418,210,938** which was made up of **Kshs. 2,529,461,570** and **KShs. 5,888,749,368** for recurrent and development vote respectively.

The State Department was to expend the gross budget of **Kshs. 8,418,210,938** under the following three programmes:



MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)

Programme 1: Technical Vocational Education and Training

The objective of this programme is to enhance access, equity, quality and relevance of technical vocational education and training

This programme was allocated **Kshs. 8,059,129,220** representing 95.7% of the budget spent under the following sub programmes:

- SP 1.1 Technical Accreditation and Quality Assurance
- SP 1.2 Technical Trainers and Instructor Services
- SP 1.3 Special Needs in Technical and Vocational Education
- SP1.4 Infrastructure Development

Programme 2: Youth Training and Development

The objective of this programme is to promote access, equity, quality and relevance of Vocational Education and Training. This programme was allocated **Kshs. 107,050,000** representing 1.3% of the budget spent under the following sub programmes:

- SP 2.1: Revitalization of Youth Polytechnics
- SP 2.2: Curriculum Développement
- SP 2.3: Quality Assurance and Standards
- SP 2.4: ICT Integration in VTCs

Programme 3: General Administration, Planning and Support Services

The objective of this programme to provide effective and efficient support services and linkages among programmes of the sub-sector. This programme was allocated **Kshs. 252,031,718** representing 3.0% of the budget spent under the following sub programmes:

- SP 3.1 Planning and Administrative Services

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)

Key Performance Highlights

Below is an overview of the financial performance for the year ended 30th June 2017 as reported in the detailed financial statements together with the commentary and comparative analysis against budget and prior year for the key items in the financial statements.

Financial Performance Summary

Actual Performance against Budget for Year to 30th June 2017

Financial Performance	Printed Estimates	Actual	Variance	%
	KShs	KShs	KShs	Utilisation Variance
Total Receipts	8,418,210,938	7,935,740,311	482,230,627	94%
Total Payments	8,418,210,938	7,848,485,191	569,485,647	93%
Surplus for the Year	0	87,255,120	-87,255,020	

Actual receipts by the MDAs stood at 4% below budget while actual payments were 7% below budget. This is attributable to underutilisation of budget allocation for acquisition of assets and transfers and grants.

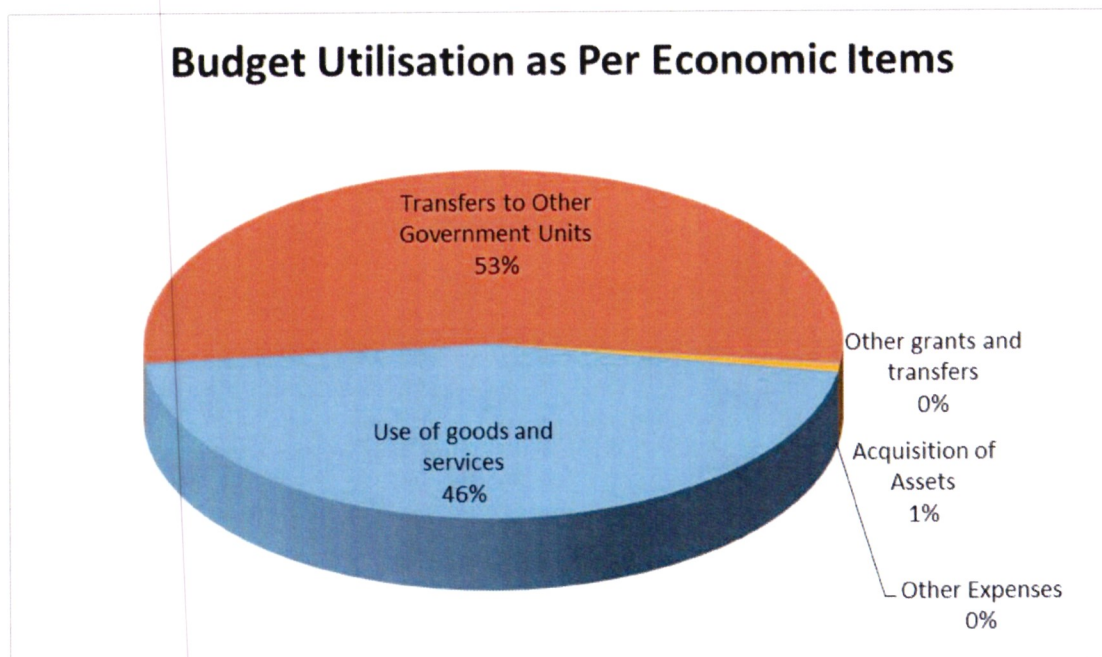
Budget Utilisation

The State Department spent **Kshs. 7,848,725,291** against an approved budget of **Kshs. 8,418,210,938** representing absorption of 93.2%. Utilisation of the budget was carried out through various activities (economic classifications) as shown in the chart below:

	Approved Budget Allocation	Actual Payments	Variance
	Kshs	Kshs	Kshs
Use of goods and services	3,770,517,752	3,497,472,558	273,045,194
Transfers to Other Government Units	4,456,362,422	4,329,951,710	126,410,712
Other grants and transfers	10,000,000	0	10,000,000
Acquisition of Assets	181,330,764	21,301,023	160,029,741
Total Payments	8,418,210,938	7,848,725,291	569,485,647

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017
II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)

Key Performance Highlights (Continued)



It is noted that 53% of the State Department's budget was used in Transfers to Other Government entities i.e. National Polytechnics, Technical and Training Institutes (75%) and Semi-Autonomous Government Agencies (SAGAs).46% of the budget was utilised on Use of goods and services while 1% was utilised in Acquisition of assets.

Current Year Performance against Prior Year

The state department is a newly created department with the just ended financial year 2016/17 being its first year as an entity of its own. There are thus no previous year comparisons to be made.

Receipts

The State Department's receipts comprise of exchequer releases from the National Treasury and proceeds from foreign borrowings.

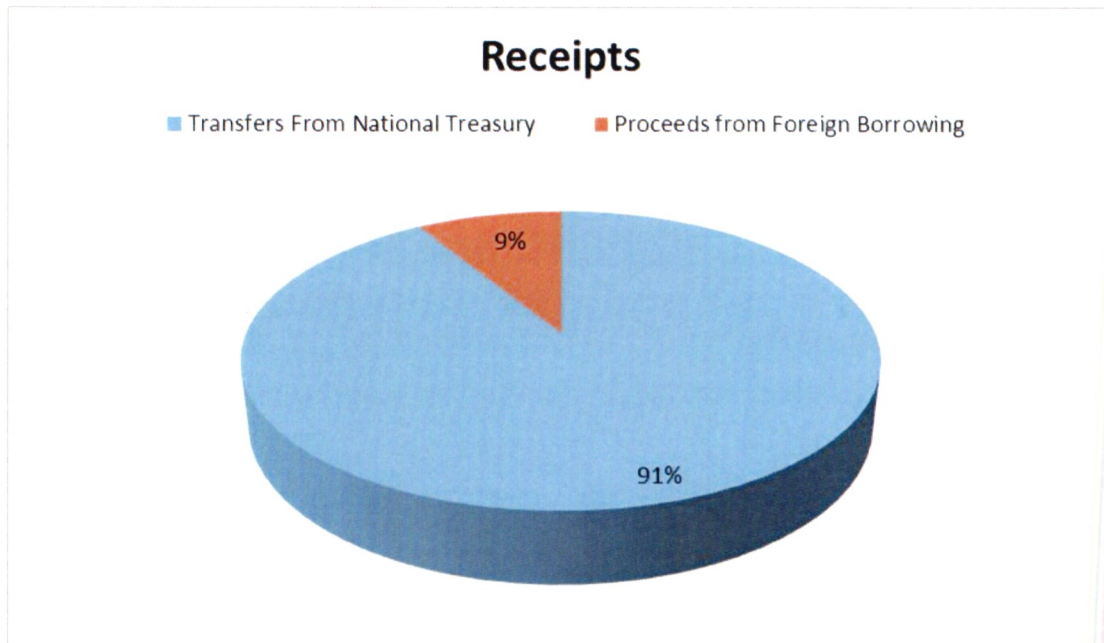
The total receipts for FY 2016/2017 stood at KShs7,935,980,311.

**MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017**

II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)

Total Receipts Breakdown

	Year to 30th June 2017	Year to 30th June 2016	Change	%
Receipts	KShs	KShs	KShs	Change
Transfers from National Treasury	7,239,800,000	-	-	
Proceeds from Foreign Borrowings	696,180,311	-	-	
Total Receipts	7,935,980,311	-	-	



MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)

The diagram above depicts the share of major categories of receipts for the fiscal year ended 30th June 2017. The major source of funding for the State Department is exchequer releases that account for 91% of the total receipts.

Payments

The State Department's payments mainly comprise of Transfers to Other Government entities, Use of goods and services and acquisition of assets.

The total payments for FY 2016/2017 stood at KShs. 7,848,485,191

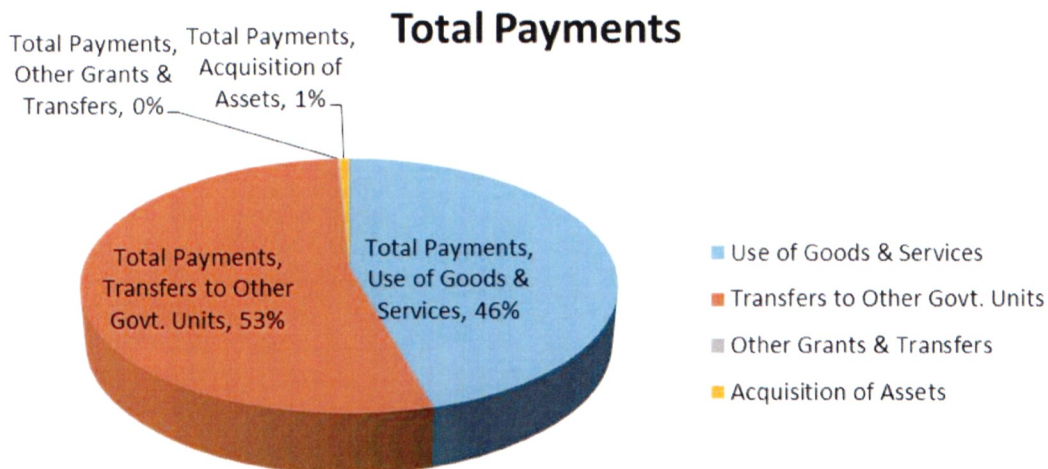
Total Payment Breakdown

	Year to 30th June 2017	Year to 30th Jun-16	Change	%
Payment	KShs	KShs	KShs	Change
Use of goods and services	3,497,472,558	-	-	-
Transfers to Other Government Units	4,329,951,710	-	-	-
Other grants and transfers	0	-	-	-
Acquisition of Assets	21,301,023	-	-	-
Total Payments	7,848,725,291			

**MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017**

II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)

The diagram below depicts the share of major categories of payments for the fiscal year ended 30th June 2016.

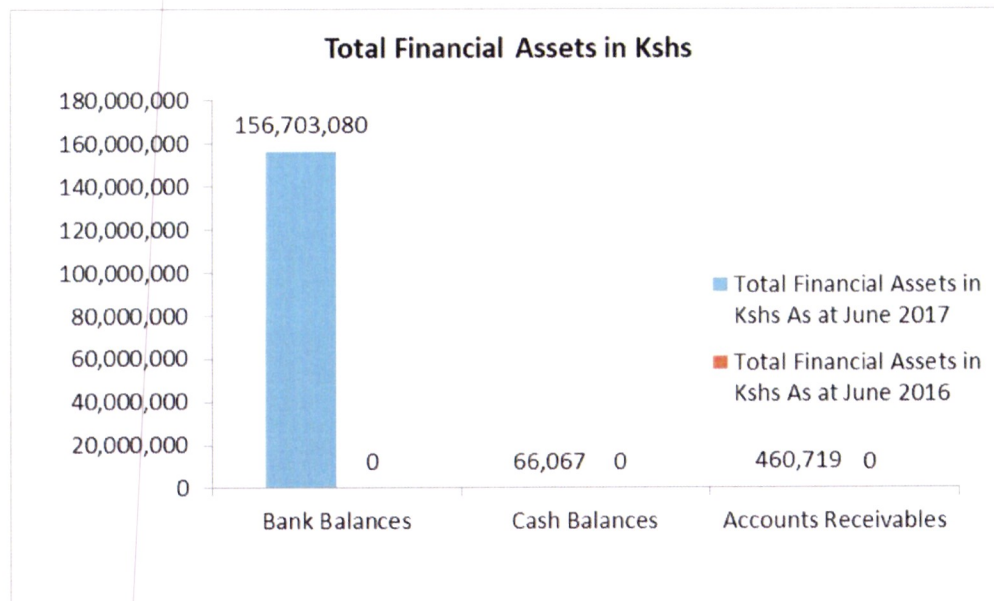


Financial Assets Summary

Financial Assets	As at	As at	Change	%
	30 th June 2017	30 th June 2016		
	KShs	KShs	KShs	Change
Bank Balances	156,703,080		-	
Cash Balances	66,067		-	
Accounts Receivables – District Suspense	460,719		-	
Total Financial Assets	157,229,866			

**MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017**

II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)



Cash Flows and Cash Position

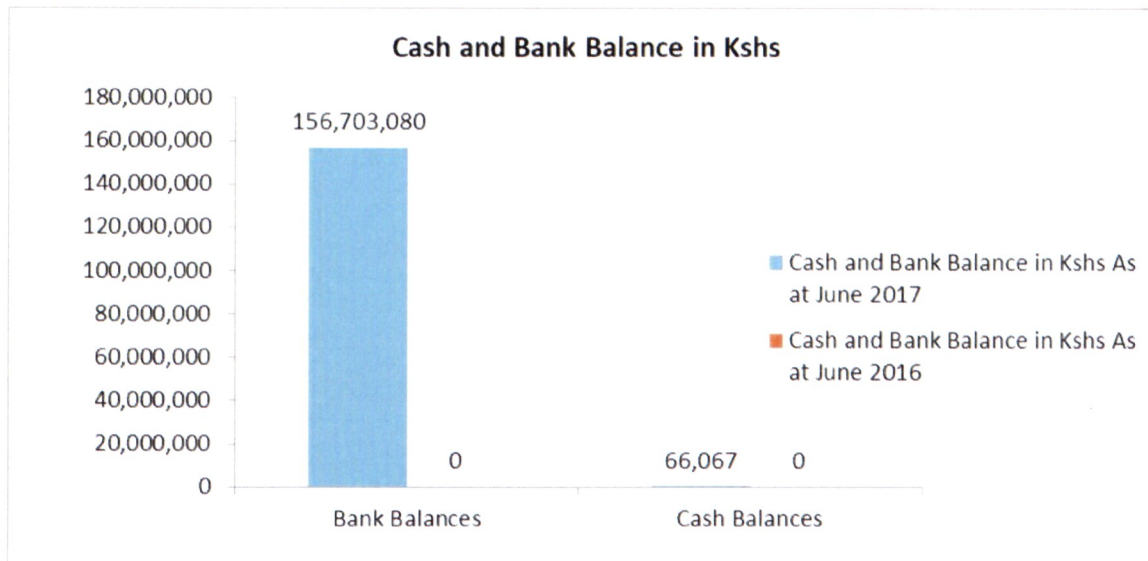
The cash and bank balances held by the State Department of Vocational & Technical Training as at 30th June 2017 were KShs 156,769,147.

Cash and Bank Balance

Cash and Bank balances	As at 30th June 2017	As at 30th June 2016	Change	%
	KShs	KShs	KShs	Change
Bank Balances	156,703,080	-	-	
Cash Balances	66,067	-	-	
Total	156,769,147	-	-	

**MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017**

II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)



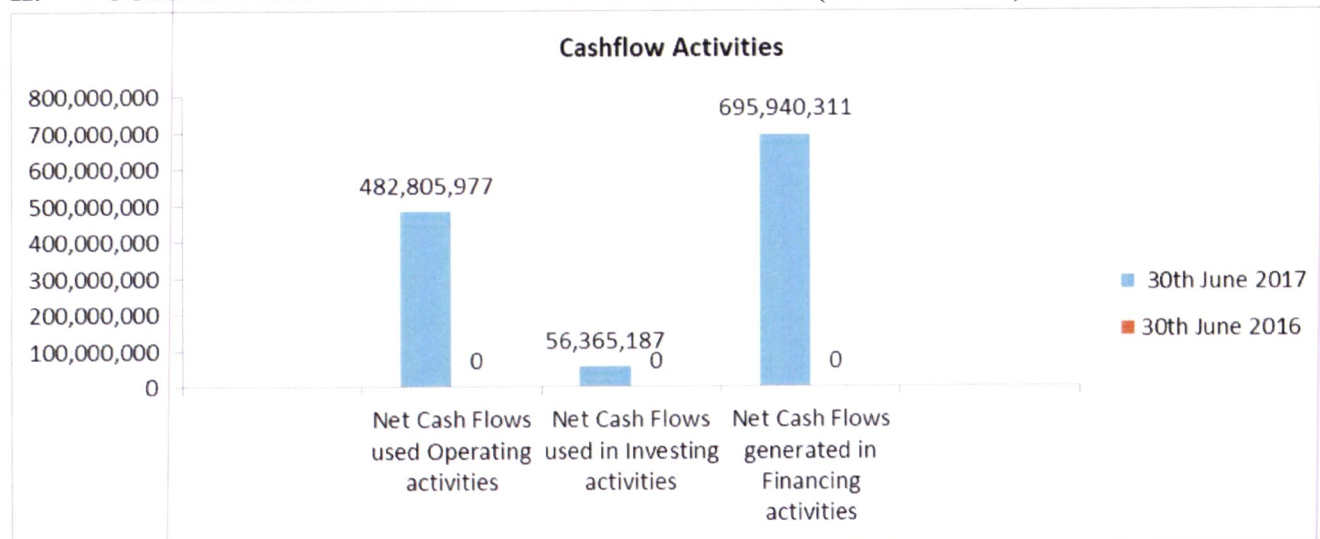
Cash Flow Activities

The table below summarizes cash flows generated and used from various activities.

Cash Flow Activities	Year to 30th June 2017	Year to 30th June 2016	Change	%
	KShs	KShs	KShs	Change
Net Cash Flows generated from Operating activities	(518,110,241)	NA		
Net Cash Flows used in Investing activities	(21,301,023)	NA		
Net Cash Flows generated in Financing activities	696,180,311	NA		
Net increase in Cash and Cash Equivalents	156,769,047	NA		
Cash and Cash Equivalents at 1 July	-			
Cash and Cash Equivalents at 30 June	156,769,047			

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

II. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)



Key Achievements of the State Department in the FY 2016/17

The State department accomplished the following during FY 2016/17:

- **Access to Technical Education and Vocational Training:** The number of public TVET institutions rose from 753 in 2013 to 755 in 2014 and further 874 in 2015 as presented in Table 1.1.

Public TVET Institutions 2012-2015

Category	2012	2013	2014	2015
Youth Polytechnics	647	701	701	816
Technical and Vocational Colleges	49	49	51	55
Kenya Technical Training College	1	1	1	1
National Polytechnics	2	2	2	2
Polytechnic University College	2	-	-	-
Total	701	753	755	874

Source: *Economic Survey 2016*.

- The enrolment in Technical and Vocational Institutions increased from 135,983 (86,529 male and 49,454 Female) in 2014/2015 to 142,418 (89,491 male and 52,927 Female) in 2015/2016¹. This increase is attributed to establishment of New TTIs in the Country, expansion of existing TTIs, equipping of TVET institutions with State of the Art equipment and pursuing of reforms in TVET.

¹ Data on enrolment excludes the two Technical universities name Technical University of Kenya and Technical University of Mombasa. Additionally, during the period, enrolment data on private TVET institutions was not captured

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

Student Enrolment in Technical Institutions by Sex, 2012-2015*

Institution	2012		2013		2014		2015	
	Male	Female	Male	Female	Male	Female	Male	Female
Kenya Technical Trainers College	-	-	-	-	858	597	913	1,119
Kisumu Polytechnic	2,256	1,136	2,223	1,267	2,926	1,872	2,078	2,422
Eldoret Polytechnic	2,730	1,669	3,081	1,949	3,194	1,977	2,189	2,786
Sub Total	4,986	2,805	5,304	3,216	6,120	3,849	4,267	5,208
Other TVET Institutions								
Technical and Vocational Colleges	28,153	18,631	31,956	23,989	29,632	21,232	32,221	23,087
Youth Polytechnics	40,233	26,821	42,942	28,627	45,473	28,222	47,625	29,840
Sub Total	68,386	45,452	74,898	52,616	75,105	49,454	79,846	52,927
Total	121,629		136,034		134,528		142,248	

Source: Economic Survey 2016.

* Enrolment figures exclude Technical University of Kenya and Technical University of Mombasa

- Infrastructure improvement and equipping of TVET Institutions: Construction works for Phase I of 60 new TTIs in constituencies without a TTI continued with an average physical progress completion level of 90%. A total of 24 out of the 60 TTI's under Phase I were fully (100%) completed. Of these, 12 TTIs were assessed and Principals posted by TSC. In addition, the Ministry started construction of phase II of 70 TTIs in constituencies without a TTI with the physical progress for the construction of phase II recording 30%. Therefore, a total of 130 new TTIs are under construction in constituencies without a TTI.
- A total of 10 GoK/ADB funded technical training institutions were registered by TVETA and are now operational. In addition, equipment for five (5) new technical training institutes in underserved regions was delivered, installed, tested and commissioned. There was also upgrading of equipment in a number of technical training institutions under this sub programme. This upgrading led to the elevation of eight (8) Technical Training Institutes to National Polytechnic status. The 48 workshops and laboratories under the ESP developed in existing TTIs have been completed.
- The recent reforms in the TVET sector such full operationalization of TVET Authority; CDACC, National Qualification Authority; Developed TVET Master Plan, Reform Strategy and CBET framework.
- A draft ICT lecturers' competencies framework and an e-resource centre. Eight (8) technical institutions started offering Cisco Networking Academy Programmes meant to provide trainees with industry-valued certification in skills to repair and maintain computers. A total of 40 TVET institutions were connected to the fibre optic cable. The Ministry established Smart classrooms in 10 TVET institutions and a sensitization workshop and training of teachers on the application of ICT to teaching, learning and management was also undertaken. In addition, a flexible and blended e-learning programme has been introduced in 44 TVET institutions in collaboration with the commonwealth of Learning (COL). Under Youth Polytechnics a total of 150 YPs integrated ICT in their programmes

**MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING**

Reports and Financial Statements

For the year ended June 30, 2017

- The TVET curriculum development standards framework was finalized with a goal of adopting the Competence Based Education and Training (CBET) curriculum to make it more relevant to the market needs. The CBET curriculum framework was ratified by stakeholders in a workshop in May 2015
- A total of 15 workshops were built in 11 youth polytechnics. In addition, 4 hostels were built while 5 were rehabilitated.
- A total of 115 Youth Polytechnics were equipped with tools and equipment. A total of 104 trainers and 70 officers were trained on governance and financial management. Sixty-three thousand eight hundred trainees were supported through the Subsidized Youth Polytechnic Tuition funds this is to ensure access and equity in Vocational training.
- Review of instructional materials in four (4) course areas in National Vocational Certificate in Education and Training (NVCET curriculum) namely Metal Processing Technology, Motor Vehicle Technology, Building Technology and Fashion Design & Garment Making was done during the period. Eight other courses have been not reviewed
- As a means of enhancing equity, 4 TVET Special Needs Institutions were fully integrated in TVET. Other affirmative action measures included enhancing the budget of the Special Needs Institutions in addition to training the management of the institutions on Strategic Management, Financial Management, Public Procurement, and Performance Contracting.
- Following the enactment of the TVET Act (2013), Technical and Vocational Education and Training Authority (TVETA) was established with the core mandate of licensing public and private TVET institutions. Consequently, all the TVET institutions registered under the Education Act, Cap 211 (2005) were required, by law to be licensed afresh. TVETA started its operations in FY 2014/2015. The Authority has registered more than 600 TVET institutions since it commenced operations in the FY 2014/15.

III. COMMENTARY BY THE CABINET SECRETARY (CONTINUED)

Emerging Issues

- a) **Curriculum Reform:** The current reforms in curriculum at all levels of education calls for increased resources for piloting the new curriculum; and training and in servicing of teachers/trainers for effective implementation.
- b) **Implementation of a realistic unit cost:** Continuous review and implementation of a realistic unit cost at all levels of education and training requires increased resources
- c) **ICT Integration:** There has been continuous effort by the Sector and stakeholders to embrace ICT in teaching/learning. Implementation of ICT responsive teaching and learning calls for increased investment which has an impact on the already constrained resource envelop.
- d) **Institutional and Legal Requirements:** The full implementation of the various Acts governing the Sector requires the establishment and operationalization of a number of institutions as well as implementation of relevant reforms. As a result, the effective operation of these bodies and their mandate require additional resources
- e) **Devolved System of Governance:** The Constitution transferred a number of functions that were previously implemented by the National Government to County Governments. Some of the services devolved from ETS perspective include provision of ECDE and VET. Development of policies to manage the provision of services in these areas however were retained at the National Government. The operational challenges of the independence and inter-dependence of these two levels of governments were not anticipated.
- f) **Special Needs Education:** Special Needs Education which cuts across all levels of education and training addresses the needs of learners with varied impairments which require more financial resources for the provision of infrastructure, learning materials and assessment of the curriculum implementation. The Ministry will mainstream special needs programmes in all levels of education and training, including TVET.
- g) **Expansion of Training Institutions:** The need to establish Technical Training Institutions in counties that do not have any continues to exert budgetary pressure on resources.
- h) **Increased Demand for Technical Trainer Colleges:** The significant expansion of existing TVET institutions and establishment of new ones all over the country has been recorded. The expansion of TVET call for an establishment of additional technical trainer colleges to match the demand for more trainers. The training of trainers should also mainstream the curriculum reforms that are underway.
- i) **Capacity Building Needs:** The Sector requires continuous capacity building for the effective implementation of curriculum as well as other emerging issues. Specifically, there is the need to establish the Kenya School of Teachers to cater for large number of teachers requiring in service training at a cost of Kshs 300 million at the start.

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

- j) **Competency Based Education and Training (CBET):** CDACC is mandated to develop and implement CBET in the ongoing curriculum reforms. This will provide transition from a knowledge based to competency based curriculum. In addition, there is need for establishment of publishing and printing facility. This requires approximately KShs. 220 million which was not provided for under the available ceiling.
- k) **Recruitment of staff by TVETA:** The National Treasury gave an approval for TVETA to recruit staff which has a cost implication of KShs. 212 million which has not been provided for under the resource ceiling.
- l) **Kenya National Qualification Authority and TVET Funding Board:** Full Operationalization of KNQA is yet to be realized despite their creation in the TVET Act.
- m) **Stakeholder Coordination and Participation in Management of Public Business:** The Constitutional requirement for a broad-based stakeholder participation and the current Education and training reforms calls for revolutionizing of the current practices in various areas including policy formulation and quality assurance. The high number and widespread of stakeholders leads to overlap and conflict of interest in addressing issues in education and training sector. There is need to create mechanisms for better stakeholder's participation in management of public business.

Challenges

The following challenges weighed heavily on the Ministry's effort to effectively deliver on its mandate;

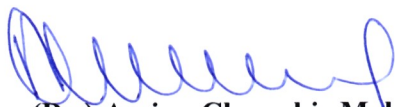
- i) **Uncoordinated Skills Training:** Several ministries oversee the management of public TVET institutions. This arrangement creates difficulties due to multiplicity of testing and certification standards. This situation has implications on standardization of training, quality assurance, recognition of prior learning, and further education of TVET graduates due to the absence of a framework for mutual recognition of qualifications
- ii) There is inadequate industry participation in the formulation of the curriculum, and therefore graduates do not have relevant skills that match the labour market needs. This mismatch between demand and supply of labour has led to unemployment and low productivity.
- iii) **Regional and Gender Disparities in Access, Completion and Transition:** Enrolment of female trainees in Science related courses is lower compared to male counterparts. The marginalised areas which still lag behind the rest of the country require targeted interventions.
- iv) **Inadequate Funding:** The growth in enrolment in TVET institutions require additional money for capitation.

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

- v) Funding of VTCs by various county governments was inadequate and disaggregated. Mass retirements and natural attrition of adult education officers and instructors without replacement, lack of teaching and learning materials led to high drop-out rate of adult learners. There is need to provide capitation grants to adult education learners and mainstream special needs education in ACE. School levies is a barrier to retention of SNE learners across all levels of education and training. The higher cost of implementing special needs education as compared to typical learning means that the levies are higher for SNE learners.
- vi) **Low ICT integration:** The high cost of ICTs equipment and infrastructure has led to inadequate ICT facilities in the learning institutions. The ICT related costs includes high costs of computing devices, internet connectivity, electricity costs, maintained costs and initial costs for training trainers and teachers.
- vii) **Data Management in Education and Training**
The education and training sector is faced with a general lack of harmony in data management system. Data for planning purposes is either inaccurate, incomplete or untimely. Data from VTCs from the counties is scarce and unpredictable and it takes a long time to collect when need arises while timeliness and accuracy of the data is not efficient.
- viii) **Poor Perception and Recognition of TVET:** The public, parents and potential trainees view TVET as last resort career choice. This has led to little impact from TVET as an important strategy to train skilled manpower for the employment market and for sustainable livelihoods. There is stigmatization of Learners with disabilities.
- ix) **Overlaps in Acts of Parliament in Education and Training:** Existence of fragmented and multiple legislations governing education and training sector pose a problem in coordination of education and training functions. Fragmentation of policies e.g. Some policies in TVET sector remains contrary to the spirit of the education regulations and the Constitution.
- x) **Lack of Regulations of Qualifications:** The education and training lacks regulations of qualification leading to uncoordinated qualifications awarding bodies, fraudulent qualifications, lack of credibility and quality qualifications.
- xi) **Inadequate Training and Capacity Building:** The sector experienced some challenges that impacted on full achievement of its objectives including uncoordinated and fragmented training, capacity building and research by various governments' capacity development agencies and lack of a harmonized National Capacity Development policy, agenda and priorities

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

- xii) **Understaffing:** Mass retirements and natural attrition has affected the State Department negatively. VET having been devolved to county Governments, the officers formerly working here were inherently transferred. This left DVET understaffed at the national level.
- xiii) **Skill and Competency Manpower Gap in TVET Trainers Management:** In line with the current TVET reforms which are geared at producing skilled manpower that can actively contribute to the country's economic development courses offered in TVET institutions are highly specialized and require trainers who are skilled in those specific areas for effective training. The current TSC scheme of service for technical teachers does not adequately attract and retain competent professionals such as engineers, technologists and medics to work as trainers in TVET institutions. To enable recruitment, management and retention of adequately skilled and competent staff the Ministry will put in place the necessary policies and structures to facilitate a smooth transition of TVET Trainers management function



Ambassador (Dr.) Amina Chawahir Mohamed, EGH, CAV
Cabinet Secretary, Ministry of Education

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

IV. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

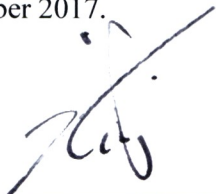
The Accounting Officer in charge of the State Department of Vocational and Technical Training is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the State Department of State Department of Vocational and Technical Training accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2017, and of the entity's financial position as at that date. The Accounting Officer charge of the State Department of Vocational and Technical Training further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The entity's financial statements were approved and signed by the Accounting Officer on 30th September 2017.



Dr. Kevit Desai, PhD, MBS
Principal Secretary



CPA Peter M. Mokobo
Senior Assistant Accountant General

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON THE MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY- STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING VOTE 1064 FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Ministry of Education, Science and Technology- State Department of Vocational and Technical Training set out on pages 1 to 22, which comprise the statement of financial assets and liabilities as at 30 June 2017, 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the State Department of Vocational and Technical Training as at 30 June, 2017, 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 Public Finance Management Act 2012.

In addition, as required by Article 229(6) of the Constitution, except for the matters described in the Basis for Qualified Opinion and Other Matter section of my report, based on the procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Qualified Opinion

1. Cash and Bank Balances

Excluded from the cash and bank balances of Kshs.156,769,047 as at 30 June, 2017 is a payment in the cashbook not in the bank statement amounting to Kshs.600,000 relating to development account which was not reversed in the cashbook as at the date of this report.

In the circumstances, it has not been possible to confirm that cash and bank balance of Kshs.156,769,047 as at 30 June, 2017 is fairly stated.

*Report of the Auditor-General on the Financial statements of Ministry of Education, Science and Technology-
State Department of Vocational and Technical Training Vote 1064 for the year ended 30 June 2017*

2. Under-Collection of AIA

The statement of receipts and payments for the year ended 30 June, 2017 reflects proceeds from foreign borrowing (Appropriation-in-Aid) figure of Kshs.696,180,311 and which is at variance with the approved estimates figure of Kshs.995,699,998 resulting in under-collection of AIA of Kshs.299,519,687 or approximately 30% of the total estimated receipts. No explanation has been given for the under collection of Appropriation-in-Aid of Kshs.299,519,687 for the year ended 30 June 2017.

3. Nugatory Payment

The statement of receipts and payments for the year ended 30 June, 2017 reflects use of goods and services figure of Kshs.3,497,472,588. This figure includes an amount of Kshs.159,817,204 paid to a clearing and forwarding firm on 29 June 2017 in respect of interest, storage, delays and court costs on a contract signed in 2011 for the provision of clearance and inland logistics services for the Government of Kenya-China Project. Although the payment of Kshs.159,817,204 was supported by a High Court decree and certificate of order both dated 7 September, 2016, documents availed for audit review indicate that the amount was arrived at after the consent between the clearing firm and the defendant (Ministry). Further, examination of the decree document reflects a contract sum of Kshs.137,135,407, while the contract signed on 13 December, 2011 indicates a contract sum of Kshs.59,954,926. No explanation was availed for audit review on how the contract sum changed from the initial Kshs.59,954,926 to Kshs.137,135,407 and finally to Kshs.159,817,214.

Additionally, it is not clear and the management has not explained the basis of the interest charged at 3% per month (36% per year) instead of 6% per annum of the principal sum as spelt out under Section 26 of the Civil Procedure Act or between 12% -14% per annum usually applied in settlement of court cases. Further, no explanation has been provided as to why the Ministry consented to pay Kshs.159,817,204 instead of appealing the case considering the huge interest differences. Besides, no judgement has been availed for audit review to support the basis of the payment.

In the circumstances, the expenditure of Kshs.159,817,204 cannot be confirmed as a proper charge to public funds.

4. Delay in Completion of Projects

The statement of receipts and payments for the year ended 30 June, 2017 reflects transfers to other government units figure of Kshs.4,329,951,710 which includes Kshs.1,037,244,895 disbursed to various institutions for settlement of claims from various contractors. These claims arose when the Ministry awarded contracts for the construction of additional seventy (70) new technical training institutes across the country at a total contract sum of Kshs.3,821,946,490 for a period of one year as shown below;

Seventy (70) new Technical Institutes

S/no	Institution	County	Contract Sum (Kshs.)
1	Sabatia TTI	Vihiga	55,911,023
2	Kapchepkor TTI	Baringo	49,746,020
3	Mochongoi T.T.I	Baringo	56,917,344
4	Bomet Central TTI	Bomet	53,398,637
5	Chepalungu Institute of Science and Technology	Bomet	52,180,740
6	Navakholo TTI	Bungoma	53,251,373
7	Sirisia TTI	Bungoma	52,948,588
8	Webuye West TTI	Bungoma	54,865,865
9	Chamasiri TTI	Busia	54,867,250
10	Dr. Daniel Wako- Murende TTI	Busia	54,500,748
11	Mungatsi TTI	Busia	53,997,893
12	Chepsirei TTI	Elgeyo-Marakwet	48,698,788
13	Manyatta TTI	Embu	49,202,841
14	Lagdera TTI	Garissa	49,354,030
15	Ombek TTI	Homa Bay	48,851,800
16	Rachuonyo TTI	Homa Bay	57,669,270
17	Kajiado East TTI	Kajiado	57,542,758
18	Kajiado North TTI	Kajiado	53,998,395
19	Kongoni	Kakamega	55,626,061
20	Wanga TTI	Kakamega	47,899,593
21	Belgut TTI	Kericho	58,819,135
22	Kericho Township	Kericho	52,905,088
23	Total TTI	Kericho	59,848,695
24	Gatundu South	Kiambu	55,481,165
25	Heroes TTI	Kiambu	54,598,965
26	Limuru	Kiambu	60,780,080
27	Magarini TTI	Kilifi	59,481,166
28	Gichugu TTI	Kirinyaga	51,300,055
29	Mwea TTI	Kirinyaga	59,210,550
30	Orogare TTI	Kisii	56,944,454

31	Riragia TTI	Kisii	51,949,663
32	Awach	Kisumu	55,774,985
33	Ikutha TTI	Kitui	59,257,958
34	Msambweni TTI	Kwale	58,493,743
35	Laikipia Tti	Laikipia	58,043,743
36	Mwala TTI	Machakos	55,231,665
37	Kibwezi TTI	Makueni	59,107,958
38	Mandera TTI	Mandera	53,128,605
39	Moyale TTI	Marsabit	58,959,306
40	Igembe South TTI	Meru	57,520,415
41	Tigania East TTI	Meru	53,799,150
42	Awendo TTI	Migori	63,171,256
43	Mabera	Migori	54,865,865
44	Likoni TTI	Mombasa	54,984,099
45	Kandara TTI	Murang'a	55,800,278
46	Kamukunji TTI	Nairobi	53,740,660
47	Elburgon	Nakuru	57,570,913
48	Kiptaragon	Nakuru	51,837,890
49	Kilibwoni TVC	Nandi	55,278,596
50	Tinderet TTI	Nandi	53,745,204
51	EmuruaDikirr Technical Institute	Narok	52,444,894
52	Narok South TTI	Narok	54,686,533
53	KitutuMasaba VTC	Nyamira	54,983,210
54	Kinangop TTI	Nyandarua	54,574,680
55	Ndaragwa TTI	Nyandarua	53,333,635
56	Kieni TTI	Nyeri	53,443,888
57	Tetu TTI	Nyeri	52,008,412
58	Samburu North	Samburu	47,677,860
59	Ugunja TTI	Siaya	54,309,817
60	Mwatate TTI	TaitaTaveta	52,949,162
61	Kiminini TTI	Trans Nzoia	57,530,888
62	Loima TTI	Turkana	54,683,900
63	Turkana North TTI	Turkana	47,498,800
64	Ngeria	UasinGishu	52,180,740
65	Turbo- Cheptach	UasinGishu	53,914,075

66	Chanzeywe TTI	Vihiga	57,500,270
67	Tarbaj TTI	Wajir	51,998,685
68	Wajir North TTI	Wajir	57,635,435
69	Cherangany TTI	West Pokot	52,075,773
70	Kitalekapel TTI	West Pokot	53,455,516
Total			3,821,946,490

However, review of the projects' progress report of December 2017 indicates that all the seventy (70) institutions are incomplete, yet the contract period has already lapsed. The project was therefore way behind schedule.

The State Department of Vocational and Technical Training had earlier embarked on construction of sixty (60) new institutes in October 2014 at a total contract sum of Kshs.3,246,940,967.92 and for a contract period of one year. A review of the project progress report dated December 2017 further revealed that twenty-four (24) institutes worth Kshs.1,284,489,490 are still incomplete as detailed below:

List of 24 Technical Training Institutions

S/No	Mentoring Institution	New TVC	Percentage Work Done	Contract Amount
1.	NE National Polytechnic	Balambala	50	50,879,095
2.	Matili	Bungoma North	95	55,060,696
3.	Bumbe	Bunyala	95	51,823,820
4.	Friends College Kaimosi	Ebukanga	80	54,664,954
5.	RVIST	Eldama Ravine	98	50,440,915
6	NE National Polytechnic	Elwak	80	52,632,190
7	TUM	Fayya	95	50,847,206
8	Homabay	Rangwe TTI	95	55,191,780
9	N'kabune	Kaelo	70	55,102,270
10	Rongo University	Kakrao	60	54,032,486
11	Mombasa	Kaloleni	95	49,535,280
12	TUK	Kasarani	97	50,631,009

13	Rongo University College	Kendege	80	57,254,222
14	RVIST	Kipsoen	96	51,067,432
15	Mombasa	Lamu East	65	59,758,850
16	KIST	Lari	90	52,619,314
17	KIST	Nachu	98	53,166,434
18	Kisumu Poly	Nyakach	85	60,243,100
19	Kisii National Poly	Riamo	55	53,938,485
20	Meru	Saku	85	51,402,035
21	Meru	Samburu West	90	51,798,340
22	Kitale	Sigor	80	53,838,998
23	Eldoret Poly	Turkana East	90	55,172,555.5
24	Nairobi	Wajir South	90	53,388,490
Total				1,284,489,957

All the above 24 institutions are incomplete despite the fact that the contract period has already lapsed and the Ministry has released its entire contribution totaling Kshs.2,646,940,968 for the projects.

In the circumstances, it has not been possible to confirm when and if the project will be completed and when the stakeholders will get value for money from the public resources totaling Kshs.5,106,436,447.

5. Construction of Septic Tanks in nine (9) New Technical Institutes

The statement of receipts and payments for the year ended 30 June, 2017 reflects transfers to other government units figure of Kshs.4,329,951,710 which includes payments of Kshs.39,929,939.40 to eight (8) technical training institutes vide payment voucher No.115 dated 19 May 2017 towards construction of septic tanks. This project was proceeded by the construction of nine (9) technical institutes in counties with none during the year 2014/2015 at a contract sum of Kshs.487,865,560.34. However, available information indicates that the institutes are incomplete while one Chepareria TI has since collapsed the cause is yet to be established. Although the management has explained that a team of experts is carrying out investigation on the cause of the collapsed building, the outcome is unknown. It is not clear and management has not explained why the initial project

worth Kshs.487,865,560.34 has not been completed as at the date of this report. Further, the management has not explained why the construction of septic tanks was not included in the main contract sum.

In the circumstances, it has not been possible to confirm the propriety of the expenditure of Kshs.39,929,939.40 for the year ended 30 June 2017 incurred on construction of septic tanks

6. Procurement of Equipment for TTIS – Kenya-China project

The Government of Kenya through the Ministry of Education, Science and Technology entered into a contract with AVIC International Holding Corporation for the supply of equipment under Kenya-China project on establishment of Technical and Vocational Training workshops at a total cost of US \$ 166,618,659 later revised to US \$158,785,183 (Kshs.16,402,509,403.90) through an addendum dated 25 May 2016.

This project proceeded a previously negotiated project Contract No. ATE/KEZ/09M5409 with the same contractor for the supply of equipment to various TVETs at a cost of US \$ 133,427,833 (Kshs.13,743,066,799). However, minutes of the meeting on negotiations between AVIC International and GoK were not availed for audit review to confirm the considerations/terms of the contract. It was further noted that an essential component of the project, the Government of Kenya was to undertake civil works on construction of 130 Technical Training Institutes. However, a review of the status report dated December 2017 indicates percentage of work done averaged 51% despite the fact the first batch of equipment were delivered in December 2017. The project was therefore behind schedule. The Ministry did not provide reasons for the delay in project completion.

In the circumstances, it has not been possible to confirm if and when the project will be completed and when the stakeholders will obtain the value for their public resources.

It was further noted that the on 11 January, 2017 the State Department-VTT paid Kshs.2,440,000,000 to the Principal Secretary-Treasury Deposit account for equipment under Kenya-China Project on establishment of Technical and Vocational Training Workshop in Kenya. However, no supporting analysis on how the Kshs.2,440,000,000 was utilized was availed for audit review. In the circumstances, it has not been possible to confirm the propriety of expenditure of Kshs.2,440,000,000 for the year ended 30 June 2017.

7. Payment of Rent without Valid Lease Agreements

The statement of receipts and payments for the year ended 30 June, 2017 reflects use of goods and service figure of Kshs.3,497,472,558 and which includes payments totalling Kshs.57,244,711 in respect of rentals of produced assets as disclosed in Note 3 to the financial statements. The figure of Kshs.57,244,711 also includes Kshs.55,369,049 being rent of office space for the various departments whose valid and current lease agreements with various landlords and property managers were not availed for audit verification. In the circumstances, it has not

been possible to confirm that the rent paid of Kshs.55,369,049 was in line with the existing agreement and consistent with market rates.

8. Direct Procurement of Goods and Services

The statement of receipts and payments for the year ended 30 June, 2017 reflects use of goods and services figure of Kshs.3,497,472,558 and which includes payments totalling Kshs.463,883 in respect of air tickets procured from suppliers through direct procurement. No reasons were given for direct procurement as opposed to competitive bidding. In the circumstances, the air tickets may have been overpriced and procurement was not in accordance Section 161 (2) (d) Public Procurement and Assets Disposal Act 2015 on procedure for request for quotations which states that at least three persons shall submit their quotations prior to evaluation.

9. Pending Bills

9.1 Unclear Payments for Equipment for Vocational Training Centres

Examination of payment records for the year under review revealed that the Department paid pending bills for the year 2015/2016 totalling Kshs.8,362,600 relating to procurement of tools and equipment for youth polytechnics. However, scrutiny of the procurement records revealed that purchase of equipment for Youth Polytechnics had not been factored in the procurement plan for the year 2015/2016. This is contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act 2015 which requires the Accounting Officer not to commence any procurement proceeding until satisfied that sufficient funds to meet the obligations of the resulting contract are reflected in its approved budget estimates.

In the circumstances, the propriety of expenditure of Kshs.8,362,600 on equipment for the year ended 30 June, 2017 could not be confirmed and the State Department therefore is in breach of the law.

9.2 Unauthorized Payment of Pending Bills

Examination of pending bills revealed that during the year under review, the State Department of VTT paid Kshs.1,695,000 and Kshs.2,082,336 to Kenya Education Management Institute and Shawa Suppliers and General Contractors respectively. These two payments were however not included in the approved list of pending bills for the year 2015/2016. No explanation has been provided for this anomaly.

In the circumstances, it has not been possible to confirm that expenditure totalling Kshs.3,777,336 was a proper charge to public resources.

10. Transfers to Other Government Units

The statement of receipts and payments for the year ended 30 June, 2017 reflects transfers to other government units figure of Kshs.4,329,951,710 which includes payments totalling Kshs.91,400,000 made to ten (10) Technical Institutes and

seven (7) National Polytechnics towards renovation of workshops as summarized below:

Disbursement to TTIs and National polytechnics for renovation of workshops

S/No.	County	Institution	Amount
National polytechnics			
1	Nyeri	Nyeri Polytechnic	6,000,000.00
2	Garisa	North Eastern Polytechnic	6,000,000.00
3	Meru	Meru Polytechnic	7,000,000.00
4	Kakamega	Sigalagala Polytechnic	7,000,000.00
5	Kisumu	Kisumu Polytechnic	5,000,000.00
6	Kiambu	Kabete Polytechnic	5,000,000.00
7	Transzoia	Kitale Polytechnic	5,000,000.00
Subtotal			41,000,000.00
TTIS			
1	Kiambu	Thika TTI	4,140,000.00
2	Nairobi	PC Kinyanjui TTI	5,140,000.00
3	Meru	Nkabune TTI	5,140,000.00
4	Kiambu	Kiambu IST	5,140,000.00
5	Bungoma	Katine	5,140,000.00
6	Mandera	Mandera TTI	5,140,000.00
7	Embu	Mukiria TTI	5,140,000.00
8	Bungoma	Musakasa TTI	5,140,000.00
9	Kakamenga	Friends C Kaimosi	5,140,000.00
10	Baringo	Koshim TTI	5,140,000.00
Total			50,400,000.00
Grand Total			91,400,000.00

However, no evidence was availed for audit review showing how the Institutions were identified and amount disbursed to each Institution was arrived at.

In the circumstances, it has not been possible to confirm the authenticity of payments totalling Kshs.91,400,000 to the five (5) Technical Institutions and seven (7) National Polytechnics for the year ended 30 June 2017.

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. Except for the matter described in the Basis for Qualified Opinion section, I have determined that there are no Key Audit Matters to communicate in my report.

Other Matter

1.0 Budgetary Control and Performance

The State Department for Vocation Training and Technical Training had a total budget of Kshs.8,418,210,938 voted for the financial year 2016/2017 comprising of Kshs.5,888,749,368 for Development and Kshs.2,529,461,570 for Recurrent votes respectively. The budget absorption in the department was as follows: -

Item	Budgeted Allocation 2016/2017	Actual 2016/2017	Under Absorption	Absorption in %
	Kshs	Kshs	Kshs	
Recurrent	2,529,461,570	2,470,397,010	59,064,560	98%
Development	5,888,749,368	5,378,328,281	510,421,087	91%
Total	8,418,210,938	7,848,725,291	569,485,647	

It has however not been explained why the Department did not fully utilize the budget allocation as at 30 June 2017. Failure to utilize a budget is an indication that some projects and programmes are not carried out as planned hence need to formulate a budget with priority areas.

1.1 Recurrent Vote

The budget performance analysis for the recurrent budget totalling Kshs.2,529,461,570 is as detailed below:

Item	Budget 2016-2017 Kshs	Actuals 2016-2017 Kshs	Under Absorption Kshs	% Absorption
Use of goods and services	379,266,198	338,406,481	40,859,717	89%
Transfers to Other Government Units	2,130,363,052	2,129,498,529	864,523	99.95%
Acquisition of Assets	19,832,320	2,492,000	17,340,320	13%
Grand Total	2,529,461,570	2,470,397,010	59,064,560	98%

From the above analysis, the State Department underutilized the budget for acquisition of assets by 87%. The under absorption of the approved budget is an indication of activities not implemented by the State Department which implies non delivery of goods and services to citizens in the year ended 30 June 2017.

1.2 Development Vote

The budget performance analysis for Development vote budget totalling Kshs.5,888,749,368 was as detailed below:

Item	Budget 2016-2017 Kshs	Actuals 2016-2017 Kshs	Under Expenditure Kshs	% Absorption
Use of goods and services	3,391,251,554	3,159,066,077	232,185,477	93%
Transfers to Other Government Units	2,325,999,370	2,200,453,181	125,546,189	95%
Other grants and transfers	10,000,000	0	10,000,000	0%
Acquisition of Assets	161,498,444	18,809,023	142,689,421	12%
Grand Total	5,888,749,368	5,378,328,281	510,421,087	

From the above analysis, the Department underutilized the budget under acquisition of assets and other grants and transfers by 88% and 100% respectively. The under absorption of the approved budget is an indication of activities not implemented by the Ministry which implies non delivery of goods and services to the citizens during the year under review.

Responsibilities of Management and Those charged with Governance for the financial statements

The Accounting Officer - Ministry of Education, Science and Technology - State Department of Vocational and Technical Training is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash 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.

In preparing the financial statements, management is responsible for assessing the Ministry's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management either intends to liquidate the Ministry or to cease operations, or have no realistic alternative but to do so.

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.

Those charged with governance are responsible for overseeing the Ministry's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

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 of Kenya. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

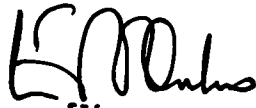
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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.
- 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 Ministry'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 going concern 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 Ministry's ability to continue or to sustain 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 Ministry 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 consolidated and separate 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 entities or business activities of the Ministry to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in financial statements

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.



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

Nairobi

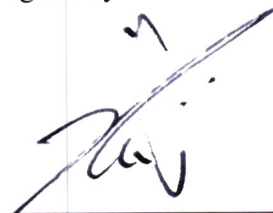
17 April 2018


MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

VI. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016-2017	2015-2016
		Kshs	Kshs
RECEIPTS			
Transfers from National Treasury	1	7,239,800,000	-
Proceeds from Foreign Borrowings	2	696,180,311	-
		7,935,980,311	-
TOTAL REVENUES			
PAYMENTS			
Use of goods and services	3	3,497,472,558	-
Transfers to Other Government Units	4	4,329,951,710	-
Acquisition of Assets	5	21,301,023	-
		7,848,725,291	-
TOTAL PAYMENTS			
		87,255,020	-
SURPLUS/DEFICIT			

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 30th September 2017 and signed by:


Dr. Kevit Desai, PhD, MBS
 Principal Secretary


CPA Peter M. Mokobo
 Senior Assistant Accountant General
 ICPAK Member Number:4097

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

VII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2016-2017	2015-2016
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	6A	156,702,980	-
Cash Balances	6B	66,067	-
Total Cash And Cash Equivalents		156,769,047	-
Accounts Receivables - Outstanding Imprest and Clearance Accounts	7	460,719	-
TOTAL FINANCIAL ASSETS		157,229,866	-
LESS: FINANCIAL LIABILITIES			
Accounts Payables - Deposits	8	69,974,746	-
NET FINANCIAL ASSETS		87,255,120	-
REPRESENTED BY			
Surplus/Deficit for the year		87,255,120	-
NET FINANCIAL POSITION		87,255,120	-

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 30th September 2017 and signed by:



Dr. Kevit Desai, PhD, MBS
Principal Secretary

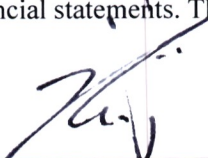



Peter M. Mokobo
Senior Assistant Accountant General
ICPAK Member Number: 4097

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017
VIII. STATEMENT OF CASHFLOWS

	Note	2016-2017	2015-2016
		Kshs	Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Transfers from National Treasury	1	7,239,800,000	-
		7,239,800,000	-
Payments for operating expenses			
Use of goods and services	3	3,497,472,558	-
Transfers to Other Government Units	4	4,239,951,710	-
		7,827,424,268	-
Adjusted for:			
Changes in receivables		- 460,719	-
Changes in payables		69,974,746	-
Net cash flow from operating activities		-518,110,241	-
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	5	(21,301,023)	-
Net cash flows from Investing Activities		(21,301,023)	-
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	2	696,180,311	-
Net cash flow from financing activities		696,180,311	-
NET INCREASE IN CASH AND CASH EQUIVALENT		156,769,047	-
Cash and cash equivalent at BEGINNING of the year		-	-
Cash and cash equivalent at END of the year		156,769,047	-

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 30th September 2017 and signed by:


Dr. Kevit Desai, PhD, MBS
Principal Secretary


Peter M. Mokobo
Senior Assistant Accountant General
ICPAK Member Number:4097

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

IX. STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
		a	b	c=a+b	d	e=c-d	f=d/c %
	RECEIPTS						
	Exchequer releases	4,775,529,222	2,646,981,718	7,422,510,940	7,239,800,000	182,710,940	97%
	Proceeds from Foreign Borrowings	1,749,999,988	754,299,990	995,699,998	696,180,311	299,759,687	70%
	Total Receipts	6,625,529,210	1,892,681,728	8,418,210,938	7,935,980,311	482,230,627	96%
		0	0	0			
	Payments	0	0	0			
	Use of goods and services	1,746,769,788	2,023,747,964	3,770,517,752	3,497,472,558	273,045,194	95%
	Transfers to Other Government Units	4,472,362,422	(16,000,000)	4,456,362,422	4,329,951,710	126,410,712	94%
	Other grants and transfers	10,000,000	0	10,000,000	0	10,000,000	0%
	Acquisition of Assets	296,397,000	(115,066,236)	181,330,764	21,301,023	160,029,741	31%
	Grand Total	6,525,529,210	1,892,681,728	8,418,210,938	7,848,725,291	569,485,647	93%
	Surplus/Deficit	0	0	0	87,255,020	-87,255,020	

**MINISTRY OF EDUCATION,
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017**

VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED (CONTINUED)

Notes

- i. Underutilisation in proceeds from foreign borrowing of 70% is as a result of a long procurement processes that is set as a precondition by the donors before a 'No. Objection' issuance can be granted to the ministry to facilitate the absorption of these funds.
- ii. Underutilisation in Other Grants and Transfers of 87% is as a result of under absorption of scholarship funds as the number of students who met a certain set criterion to qualify for award of the same was not enough to fully utilise funds.
- iii. The underutilisation of Acquisition of Assets of 31% is as a result of delay of capturing the procurement plan in IFMIS due to associated system challenges.

The changes between the original and final budget are as a result of reduction in budgetary requirement forecasts of Kshs. 754,299,990 and thus reallocation of the budget was necessary.



Dr. Kevit Desai, PhD, MBS
Principal Secretary



Peter M. Mokobo
Senior Assistant Accountant General
ICPAK Member Number: 4097

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
		a	b	c=a+b	d	e=d-c	f=d/c %
	RECEIPTS						
	Exchequer releases	2,324,529,852	204,931,718	2,529,461,570	2,502,800,000	26,661,570	99%
	Total Receipts	2,324,529,852	204,931,718	2,529,461,570	2,502,800,000	26,661,570	99%
	PAYMENTS						
	Use of goods and services	180,769,800	198,496,398	379,266,198	338,406,481	40,859,717	89%
	Transfers to Other Government Units	2,126,363,052	4,000,000	2,130,363,052	2,129,498,529	864,523	100%
	Acquisition of Assets	17,397,000	2,435,320	19,832,320	2,492,000	17,340,320	13%
	Grand Total	2,324,529,852	204,931,718	2,529,461,570	2,470,397,010	59,064,560	98%
	Surplus/Deficit	0	0	0	32,402,990	-32,402,990	

Notes

- i. Underutilisation in use of goods of 88% and that of Acquisition of Assets of 31% is as a result delay of capturing the procurement plan in IFMIS due to associated system challenges.

The entity financial statements were approved on 30th September 2017 and signed by:



Dr. Kevit Desai, PhD, MBS



Peter M. Mokobo

**MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING**

**Reports and Financial Statements
For the year ended June 30, 2017**

Principal Secretary

Senior Assistant Accountant General
ICPAK Member Number: 4097

XI. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
		a	b	c=a+b	d	e=d-c	f=d/c %
	RECEIPTS						
	Exchequer releases	2,450,999,370	2,442,050,000	4,893,049,370	4,737,000,000	156,049,370	97%
	Proceeds from Foreign Borrowings	1,749,999,988	(754,299,990)	995,699,998	696,180,311	299,519,687	70%
	Total Receipts	4,200,999,358	1,687,750,010	5,888,749,368	5,433,180,311	455,569,057	92%
	Payments						
	Use of goods and services	1,565,999,988	1,825,251,566	3,391,251,554	3,159,066,077	232,185,477	93%
	Transfers to Other Government Units	2,345,999,370	(20,000,000)	2,325,999,370	2,200,453,181	125,546,189	95%
	Other grants and transfers	10,000,000	0	10,000,000	0	10,000,000	0%
	Acquisition of Assets	279,000,000	(117,501,556)	161,498,444	18,809,023	142,689,421	12%
	Grand Total	4,200,999,358	1,687,750,010	5,888,749,368	5,378,328,281	510,421,087	
	Surplus/Deficit	0	0	0	54,852,030	-54,852,030	

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

XI. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT (CONTINUED)

Notes

- i. Underutilisation in proceeds from foreign borrowing of 70% is as a result of a long procurement processes that is set as a precondition by the donors before a 'No. Objection' issuance can be granted to the ministry to facilitate the absorption of these funds.
- ii. Underutilisation in Other Grants and Transfers of 87% is as a result of under absorption of scholarship funds as the number of students who met a certain set criterion to qualify for award of the same was not enough to fully utilise funds.
- iii. The underutilisation of Acquisition of Assets of 26% is as a result of delay of capturing the procurement plan in IFMIS due to associated system challenges.

The changes between the original and final budget are as a result of reduction in budgetary requirement forecasts of Kshs. 754,299,990 and thus reallocation of the budget was necessary.

The entity financial statements were approved on 30th September 2017 and signed by:



Dr. Kevit Desai, PhD, MBS
Principal Secretary



Peter M. Mokobo
Senior Assistant Accountant General
ICPAK Member Number: 4097

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017
XII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Description	Approved Final Budget	Actual Payments on comparable basis	Budget Utilization Difference
	Kshs	Kshs	Kshs
Technical Vocational Education and Training	8,059,129,220	7,615,194,690	443,934,530
Technical Accreditation and Quality Assurance	186,000,000	186,000,000	0
Technical Trainers and Instructor Services	1,930,978,800	1,913,285,889	17,692,911
Special Needs in Technical and Vocational Education	160,451,052	160,451,052	0
Infrastructure Development and Expansion	5,781,699,368	5,355,457,748	426,241,620
Youth Training and Development	107,050,000	10,318,200	96,731,800
Revitalization of Youth Polytechnics	107,050,000	10,318,200	96,731,800
General Administration, Planning and Support Services	252,031,718	223,212,402	28,819,316
Headquarters Administrative Services	252,031,718	223,212,402	28,819,316
Grand Total	8,418,210,938	7,848,725,291	569,485,646,60

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the department's budget which is programme based.)

XIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes 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 receivables and payables are disclosed in the Statement of Assets and Liabilities. The Statement of Assets and Liabilities is not mandatory statement under the IPSAS Cash basis but is encouraged in order to disclose information on assets and liabilities.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the entity all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

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

2. Reporting entity

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

- i. Revitalization of youth polytechnics under Kenya Italy Debt for Development Program(KIDDP)
- ii. GOK/AfDB Support to Technical and Vocational Education and Training (TVET) for Enhanced Skills Development Project-TVET Phase II
- iii. The Netherlands Technical, Industrial, Vocational and Entrepreneurship Training (TIVET) Project

3. Recognition of receipts and payments

a) Recognition of receipts

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

Tax receipts

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

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Transfers from the Exchequer

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

External Assistance

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

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.

Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds; sovereign bonds and external loans acquired by the entity or any other debt the Entity may take on will be treated on cash basis and recognized as receipts during the year of receipt.

Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2017, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

Recognition of payments

The entity recognises all expenses when the event occurs and the related cash has actually been paid out by the entity.

Compensation of employees

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

Use of goods and services

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

Interest on borrowing

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

Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

Acquisition of fixed assets

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

A fixed asset register is maintained by each public entity and a summary provided for purposes of disclosure. This summary is disclosed as an annexure to the entity's financial statements.

1. In-kind contributions

In-kind contributions are donations that are made to the State Department 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 State Department includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

2. 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.

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restriction on cash

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. There were no other restrictions on cash during the year

3. Accounts Receivable

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

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

XIII NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM NATIONAL TREASURY

The following are the amounts transferred from the exchequer to the ministry on a quarterly basis: (See Annex 4)

Description	2016-2017	2015-2016
	Kshs	Kshs
Total Exchequer Releases for quarter 1	817,000,000	
Total Exchequer Releases for quarter 2	1,045,900,000	
Total Exchequer Releases for quarter 3	1,220,000,000	
Total Exchequer Releases for quarter 4	4,156,900,000	
TOTAL	7,239,800,000	-

2 PROCEEDS FROM FOREIGN BORROWINGS

These represent borrowings that are received from outside the country. (See Annex 5)

	2016-2017	2015-2016
	Kshs	Kshs
Foreign Borrowing - Direct Payments	696,180,311	
TOTAL	696,180,311	-

During the year the ministry was to receive Kshs. 995,699,998.00 however, it received 696,180,311 falling short by Kshs 299,519,687.

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

3 USE OF GOODS AND SERVICES

These comprise the total value of goods and services consumed.

	2016-2017	2015-2016
	Kshs	Kshs
Utilities, Supplies and Services	7,428,066	
Communication, Supplies and Services	9,193,670	
Domestic Travel and Subsistence, and Other Transportation Costs	25,900,027	
Foreign Travel and Subsistence, and other transportation costs	10,025,503	
Printing , Advertising and Information Supplies and Services	3,606,620	
Rentals of Produced Assets	57,244,711	
Training Expenses	124,507,630	
Hospitality Supplies and Services	12,085,585	
Specialized Materials and Supplies	3,031,854,715	
Office and General Supplies and Services	16,480,220	
Fuel Oil and Lubricants	9,646,047	
Other Operating Expenses	178,151,859	
Routine Maintenance - Vehicles	6,647,100	
Routine Maintenance - Other Assets	4,700,806	
TOTAL	3,497,472,559	-

4 GRANTS AND TRANSFERS TO OTHER GOVERNMENT ENTITIES

These amounts transferred to Other Government entities. (See Annexes 6 - 7)

Description	2016-2017	2015-2016
	Kshs	Kshs
Transfers to National Government entities		
(SCOA Codes 2630100, 2630200, 2640400, 2640500, 2649900, 2820100, 2820200, 2820300)	4,329,951,710	-
TOTAL	4,329,951,710	-

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

The above transfers were made to the following self-reporting entities in the year:

Description	Recurrent	Development	2016-2017
	Kshs	Kshs	Kshs
Transfers to SAGAs and SCs			-
TVET AUTHORITY	110,000,000	-	110,000,000
CDACC	76,000,000	-	76,000,000
KNQA	8,868,000		8,868,000
TOTAL	194,868,000	-	194,868,000

We have confirmed these amounts with the recipient entities and attached these confirmations as an Appendix to this financial statements

5 ACQUISITION OF ASSETS (See Annex 1)

These represent payments made to acquire property, plant and equipment during the year; which have been fully expended in the year of purchase in line with the accounting policies.

	2016-2017	2015-2016
	Kshs	Kshs
Non-Financial Assets		
Construction of Buildings	3,402,001	-
Refurbishment of Buildings	3,000,000	-
Purchase of Vehicles and Other Transport Equipment	7,595,200	-
Purchase of Office Furniture and General Equipment	5,639,490	-
Purchase of ICT Equipment, Software and Other ICT Assets	1,664,332	-
TOTAL	21,301,023.05	-

MINISTRY OF EDUCATION,
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

6A: Bank Accounts (See Annex 11)

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit e.t.c	Exc rate (if in foreign currency)	2016-2017	2015- 2016
				Kshs	Kshs
Central Bank of Kenya, 100302577, KShs	6,198,507	Recurrent		6,198,507	
Central Bank of Kenya, 1000302623, KShs	80,529,727	Development		80,529,727	
Central Bank of Kenya, 1000302631, KShs	69,974,746	Deposits		69,974,746	
Central Bank of Kenya, 100302658, KShs	-	CBK165		-	
Central Bank of Kenya, 100328061, KShs	-	Equalization Fund		-	
Total	156,702,980			156,702,980	-

6B: CASH IN HAND (See Annex 12)

	2016-2017	2015-2016
	Kshs	Kshs
Cash in Hand – Held in domestic currency	66,067	-
TOTAL	66,067	-

Cash in hand should also be analysed as follows:

	2016-2017	2015-2016
	Kshs	Kshs
Headquarters, Cash Office	66,067	-
TOTAL	66,067	-

Cash count certificates for the above amount has been provided as an attachment to the financial statement.

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

7. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS (See Annex 8)

Description	2016-2017	2015-2016
	Kshs	Kshs
District suspense	460,719	-
Total	460,719	-

8. ACCOUNTS PAYABLE (See Annex 10)

Description	2016-2017	2015-2016
	Kshs	Kshs
Deposits	69,974,746	-
Total	69,974,746	-

These are retention monies that are 10% retained by the State Department on behalf of third parties that offer services to the State Department.

**MINISTRY OF EDUCATION,
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017**

9. RELATED PARTY DISCLOSURES

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

The following comprise of related parties to the State Department Vocational and Technical Training.

- Key management personnel that include the Cabinet Secretaries, Accounting Officers, Director Generals and various committee members within the State Department.
- Other Ministries Departments and Agencies and Development Projects;
- County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

Related party transactions:

Description	2016-2017	2015-2016
	Kshs	KShs
Transfers to other State Corporations and Semi-Autonomous Government Agencies	194,868,000	-

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
 STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
 Reports and Financial Statements
 For the year ended June 30, 2017

XIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. OTHER IMPORTANT DISCLOSURES

10.1: PENDING ACCOUNTS PAYABLE

Description	2016 – 2017	2015 – 2016
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

10.2: PENDING STAFF PAYABLES

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others	-	-
Total	-	-

10.3: OTHER PENDING PAYABLES

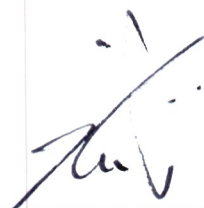
	2016 – 2017	2015 – 2016
	Kshs	Kshs
Amounts due to National Government entities	-	-
Amounts due to Entity entities	-	-
Amounts due to third parties	-	-
Others	-	-
Total	-	-

**MINISTRY OF EDUCATION,
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017**

XIII NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The summary of issues raised by the external auditor, and management comments that were provided to the auditor have been attached as an appendix (See Annex 9). Focal persons have been nominated to resolve the various issues with the associated time frame within which the issues are expected to have been resolved.



Dr. Kevit Desai, PhD, MBS
Principal Secretary



Peter M. Mokobo
Senior Assistant Accountant General
ICPAK Member Number: 4097

**MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING**

Reports and Financial Statements

For the year ended June 30, 2017

ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2015/2016	Additions during the year (KShs)	Disposals during the year (KShs)	Historical Cost c/f (KShs) 2016/2017
Buildings and structures	-	41,538,915	-	41,538,915
Transport equipment	-	7,595,200	-	7,595,200
Office equipment, furniture and fittings	-	5,639,490	-	5,639,490
ICT Equipment, Software and Other ICT Assets	-	1,591,582	-	1,591,582
Total		56,365,187		56,365,187

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the Ministry, Department or Agency.

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

ANNEX 2 – LIST OF PROJECTS IMPLEMENTED BY THE STATE DEPARTMENT VOCATIONAL AND TECHNICAL TRAINING

Ref	Project Name	Principal activity of the project	Accounting Officer	Project consolidated in these financial statements(yes/no)
1	Revitalization of youth polytechnics under Kenya Italy Debt for Development Program (KIDDP)	To improve access, to quality vocational training for youth from poor backgrounds	Project Coordinator: Elijah Obwori	Yes
2	GOK/AfDB Support to Technical and Vocational Education and Training (TVET) for Enhanced Skills Development Project-TVET Phase II	To increase access and equity, improve quality and relevance of TVET	Project Manager: John Tuwei	Yes
3	The Netherlands Technical, Industrial, Vocational and Entrepreneurship Training (TIVET) Project	To rehabilitate and upgrade the Kenya Technical Teachers Colleges and nine regional centers of excellence	Project Coordinator: Francis Mungai	Yes

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

ANNEX 3 – LIST OF SCs, SAGAs AND PUBLIC FUNDS UNDER THE STATE DEPARTMENT VOCATIONAL AND TECHNICAL TRAINING

Ref	SC, SAGA or Public Fund's name	Principal activity of entity	Accounting Officer	Amount transferred during the year	Inter- entity reconciliations done?(yes/no)
1	Technical and Vocational Education and Training Authority (TVETA)	To regulate and coordinate Technical and Vocational Education and Training through registration and Licensing of institutions and trainers and the development of standards and guidelines for a globally competitive human capital.	Dr. Kipkurui Langat	110,000,000	Yes
2	Curriculum Development and Assessment and Certification Council (CDACC)	Undertake design and development of curricula for the training institutions' examination, assessment and competence certification	Dr. Lawrence Guantai	76,000,000	Yes
3	Kenya National Qualifications Authority (KNQA)	Develop and oversee the implementation of Kenya National Qualifications Framework.	Mr. Johnson Nanjakululu	8,868,000	Yes

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

**ANNEX 4 – SUMMARY OF EXCHEQUER RECEIPTS FOR THE STATE DEPARTMENT
VOCATIONAL AND TECHNICAL TRAINING**

Recurrent Exchequer			
S/NO.	Date	Notification No.	Amount (Ksh)
1	6-Sep-16	212	540,000,000.00
2	4-Oct-16	358	8,000,000.00
3	19-Oct-16	435	527,900,000.00
4	15-Nov-16	558	30,000,000.00
5	7-Mar-17	1103	610,000,000.00
6	5-May-17	2423	627,000,000.00
7	28-Jun-17	2773	159,900,000.00
TOTAL			2,502,800,000.00

Development Exchequer			
S/NO.	Date	Notification No.	Amount (Ksh)
1	6-Sep-16	15	277,000,000.00
2	3-Nov-16	126	480,000,000.00
3	24-Mar-17	404	610,000,000.00
4	21-Mar-17	467	2,440,000,000.00
5	18-May-17	516	200,000,000.00
6	16-Jun-17	576	520,000,000.00
7	29-Jun-17	606	210,000,000.00
TOTAL			4,737,000,000.00

TOTAL EXCHEQUERS	7,239,800,000.00
-------------------------	-------------------------

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

ANNEX 5 – SUMMARY OF FOREIGN DIRECT BORROWINGS FOR THE STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING

FOREIGN DIRECT PAYMENTS			
GOK/AFDB SUPPORT TO TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING (TVET) FOR ENHANCED SKILLS DEVELOPMENT PROJECT-TVET PHASE II			
SNO.	PAYEE	DESCRIPTION	AMOUNT (ksh)
1	JAWAMU CONSTRUCTION CO. LTD.	EQPMT TO MERU NP	12,835,265.85
2	HYDROMATICS LTD.	EQPMT TO SIALA TTI	10,453,660.00
3	VITEC LOGISTICS LTD.	EQPMT TO OL'LESSOS TTI	7,939,080.00
4	HYDROMATICS LTD.	EQPMT TO NEP TTI	9,862,056.00
5	JOFRIM E.A CO. LTD.	EQPMT TO ELDORET POLYTECHNIC	8,141,671.20
6	FOURSEAS INTERNATIONAL LTD.	EQPMT TO BURETI TTI	18,424,776.00
7	DEVOTRA B.V	EQPMT TO THIKA TTI	21,786,748.25
8	GLOBE CORPORATION BV	EQPMT TO NAIROBI TTI	4,981,910.50
9	GLOBE CORPORATION BV	EQPMT TO SIAYA TTI	4,991,377.35
10	SCIENCESCOPE LTD.	EQPMT TO MASAI TTI	8,783,088.30
11	SCIENCESCOPE LTD.	EQPMT TO MAWEGO TTI	8,771,537.15
12	GRAIDCO BV	EQPMT TO MACHAKOS TTI	10,818,751.25
13	HYDROMATICS LTD.	EQPMT TO TSEIKURU TTI	10,453,660.00
14	SUNRAYS DISTRIBUTORS LTD.	EQPMT TO SANG'ALO TTI	8,070,450.70
15	SUNRAYS DISTRIBUTORS LTD.	EQPMT TO SIKRI T TTI	10,390,039.30
16	FANAKA MERCHANTS LTD.	EQPMT TO COAST IT	10,685,984.30
17	REDLINE LTD.	EQPMT TO ALDAI IT	9,816,120.20
18	GLOBE CORPORATION BV	EQPMT TO NRB TTI	14,912,553.90
19	GLOBE CORPORATION BV	EQPMT TO SIAYA TTI	14,939,647.60
20	TECHNICAL UNIVERSITY OF KENYA	SERVICE PROVISION FOR TRAINING	65,492,337.50
21	TECHNICAL UNIVERSITY OF MOMBASA	SERVICE PROVISION FOR TRAINING	60,397,225.00
TOTALS			332,947,940.35

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

NETHERLANDS			
SNO.	PAYEE	DESCRIPTION	AMOUNT (ksh)
1	DEVOTRA B.V	SMART CLASSROOMS PHASE 2	45,374,046.40
2	DEVOTRA B.V	SMART CLASSROOMS PHASE 2	30,118,335.50
3	DEVOTRA B.V	SMART CLASSROOMS PHASE 2	287,499,989.50
TOTALS			362,992,371.40

TOTAL FOREIGN DIRECT PAYMENTS	695,180,311.75
--------------------------------------	-----------------------

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

ANNEX 6 – SUMMARY OF RECURRENT DISBURSEMENTS FOR THE STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING

5.1 – TRANSFERS TO TECHNICAL TRAINING INSTITUTES AND INSTITUTES OF TECHNOLOGY

S/N o.	Institution	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total
		KShs.	KShs.	KShs.	KShs.	KShs.
1	Aldai TTI	3,983,716.00	2,828,350.00	2,828,350.00	3,185,492.00	12,825,908.00
2	Baringo TTI	3,983,716.00	3,500,000.00	3,500,000.00	3,500,000.00	14,483,716.00
3	Bondo TTI	3,983,716.00	3,500,000.00	3,500,000.00	3,500,000.00	14,483,716.00
4	Bumbe TTI	6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00	24,000,000.00
5	Bureti TTI	3,983,716.00	3,500,000.00	3,500,000.00	3,500,000.00	14,483,716.00
6	Bushiangala TTI	3,983,716.00	3,500,000.00	3,500,000.00	3,500,000.00	14,483,716.00
7	Butere TTI	3,983,716.00	2,828,350.00	2,828,350.00	3,185,492.00	12,825,908.00
8	Ekerubo Gietai TTI	3,983,716.00	3,500,000.00	3,500,000.00	3,500,000.00	14,483,716.00
9	Emining TTI	3,983,716.00	3,500,000.00	3,500,000.00	3,500,000.00	14,483,716.00
10	Gitwebe TTI	3,983,716.00	2,828,350.00	2,828,350.00	3,185,492.00	12,825,908.00
11	Godoma TTI	3,983,716.00	3,500,000.00	3,500,000.00	3,500,000.00	14,483,716.00
12	Kaiboi TTI	7,000,000.00	8,576,663.00	8,576,663.00	6,000,000.00	30,153,326.00
13	Karumo TTI	3,983,716.00	3,500,000.00	3,500,000.00	3,500,000.00	14,483,716.00
14	Katine TTI	3,983,716.00	3,500,000.00	3,500,000.00	3,500,000.00	14,483,716.00
15	Keroka TTI	6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00	24,000,000.00
16	Kiirua TTI	3,983,716.00	3,500,000.00	3,500,000.00	3,500,000.00	14,483,716.00
17	Kisiwa TTI	6,000,000.00	6,000,000.00	6,000,000.00	3,500,000.00	21,500,000.00
18	Koshin TTI	-	2,828,350.00	2,828,350.00	3,185,492.00	8,842,192.00
19	Mandera TTI	3,983,716.00	2,828,350.00	2,828,350.00	3,185,492.00	12,825,908.00
20	Maasai Mara TVC	-	2,828,350.00	2,828,350.00	3,185,492.00	8,842,192.00
21	Masai TTI	6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00	24,000,000.00
22	Mathenge TTI	6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00	24,000,000.00
23	Matili TTI	6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00	24,000,000.00

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

24	Mawego TTI	7,000,000.00	8,576,664.00	8,576,664.00	8,576,664.00	32,729,992.00
25	Michuki TTI	6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00	24,000,000.00
26	Mitunguu TTI	3,983,716.00	3,500,000.00	3,500,000.00	3,500,000.00	14,483,716.00
27	Mukiria TTI	3,983,716.00	3,500,000.00	3,500,000.00	3,500,000.00	14,483,716.00
28	Mukurwe-ini TTI	3,983,716.00	3,500,000.00	3,500,000.00	3,500,000.00	14,483,716.00
29	Musakasa TTI	3,983,716.00	3,500,000.00	3,500,000.00	3,500,000.00	14,483,716.00
30	Nairobi TTI	7,000,000.00	8,576,663.00	8,576,663.00	8,576,663.00	32,729,989.00
31	Nkabune TTI	6,000,000.00	6,000,000.00	6,000,000.00	8,576,663.00	26,576,663.00
32	Ol'Lessos TTI	7,000,000.00	8,576,663.00	8,576,663.00	6,000,000.00	30,153,326.00
33	PC Kinyanjui TTI	6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00	24,000,000.00
34	Rift Valley TTI	8,000,000.00	8,576,663.00	8,576,663.00	8,576,663.00	33,729,989.00
35	Shamberere TTI	6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00	24,000,000.00
36	Siala TTI	3,983,716.00	2,828,350.00	2,828,350.00	3,185,492.00	12,825,908.00
37	Sot TTI	3,983,715.00	3,500,000.00	3,500,000.00	3,500,000.00	14,483,715.00
38	Thika TTI	7,000,000.00	8,576,664.00	8,576,664.00	8,576,664.00	32,729,992.00
39	Tseikuru TTI	3,983,716.00	3,500,000.00	3,500,000.00	3,500,000.00	14,483,716.00
40	Wote TTI	6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00	24,000,000.00
41	Ziwa TTI	3,983,715.00	3,500,000.00	3,500,000.00	3,500,000.00	14,483,715.00
42	Coast IT	6,000,000.00	6,000,000.00	6,000,000.00	8,576,664.00	26,576,664.00
43	Friends C Kaimosi	7,000,000.00	8,576,664.00	8,576,664.00	8,576,665.00	32,729,993.00
44	Kiambu IST	7,000,000.00	8,576,664.00	8,576,664.00	8,576,665.00	32,729,993.00
45	Nyandarua IST	6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00	24,000,000.00
46	Ramogi IAT	7,000,000.00	8,576,664.00	8,576,664.00	8,576,665.00	32,729,993.00
47	Rift Valley IST	8,000,000.00	-	-	-	8,000,000.00
48	Rwika TI	6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00	24,000,000.00
49	Sang'alo IST	7,000,000.00	8,576,664.00	8,576,664.00	8,576,665.00	32,729,993.00
50	Siaya IT	7,000,000.00	8,576,664.00	8,576,664.00	8,576,665.00	32,729,993.00
Total		257,641,750.00	257,641,750.00	257,641,750.00	257,641,750.00	1,030,567,000.00

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
 STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
 Reports and Financial Statements
 For the year ended June 30, 2017

ANNEX 6 – SUMMARY OF RECURRENT DISBURSEMENTS FOR THE STATE
 DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING (CONTD)

5.2 TRANSFERS TO NATIONAL POLYTECHNICS

S/N o.	Institution	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total
		KShs.	KShs.	KShs.	KShs.	KShs.
1	Kisumu Poly	27,000,000.00	27,000,000.00	27,000,000.00	27,000,000.00	108,000,000.00
2	Eldoret Poly	28,086,250.00	28,086,250.00	28,086,250.00	28,086,000.00	112,344,750.00
3	KTTC	28,000,000.00	28,000,000.00	28,000,000.00	28,000,000.00	112,000,000.00
4	Kabete Poly	12,562,500.00	12,562,500.00	12,562,500.00	12,562,500.00	50,250,000.00
5	Kitale Poly	12,562,500.00	12,562,500.00	12,562,500.00	12,562,500.00	50,250,000.00
6	Meru Poly	12,562,500.00	12,562,500.00	12,562,500.00	12,562,500.00	50,250,000.00
7	Kenya Coast Poly	12,562,500.00	12,562,500.00	12,562,500.00	12,562,500.00	50,250,000.00
8	Nyeri Poly	12,562,500.00	12,562,500.00	12,562,500.00	12,562,500.00	50,250,000.00
9	Sigalagala Poly	12,562,500.00	12,562,500.00	12,562,500.00	12,562,500.00	50,250,000.00
10	North Eastern Poly	12,562,500.00	12,562,500.00	12,562,500.00	12,562,500.00	50,250,000.00
11	Kisii Poly	12,562,500.00	12,562,500.00	12,562,500.00	12,562,500.00	9,028,560.00
	TVET Funding Board		9,028,560.00			
Total		183,586,250.00	192,614,810.00	183,586,250.00	183,586,000.00	693,123,310.00

5.3 TRANSFERS TO NATIONAL POLYTECHNICS

S/No	Institution	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total
		KShs.	KShs.	KShs.	KShs.	KShs.
1.	Machako TIB	9,903,191.00	9,903,191.00	9,903,191.00	9,903,191.00	39,612,764.00
2.	Karen TTID	9,903,191.00	9,903,191.00	9,903,191.00	9,903,191.00	39,612,764.00
3.	VTCBD - Sikri	10,153,191.00	10,153,191.00	10,153,191.00	10,153,191.00	40,612,764.00
4.	SJTID, Nyang'oma	10,153,191.00	10,153,191.00	10,153,191.00	10,153,191.00	40,612,764.00
Total		40,112,764.00	40,112,764.00	40,112,764.00	40,112,764.00	160,451,056.00

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

**ANNEX 6 – SUMMARY OF RECURRENT DISBURSEMENTS FOR THE STATE
DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING (CONTD)**

5.4 TRANSFERS TO SEMI AUTONOMOUS GOVERNMENT AGENCIES (SAGAS)

S/No	Institution	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total
		KShs.	KShs.	KShs.	KShs.	KShs.
1	TVETA	27,500,000.00	27,500,000.00	27,500,000.00	27,500,000.00	110,000,000.00
2	CDACC	19,000,000.00	19,000,000.00	19,000,000.00	19,000,000.00	76,000,000.00
3	KNQA	-	-	-	8,868,000.00	8,868,000.00
Total						194,868,000.00

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

ANNEX 7 – SUMMARY OF DEVELOPMENT DISBURSEMENTS FOR THE STATE
DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING

7.1 TRANSFERS FOR CONSTRUCTION OF 70 TTIS

Mentoring Institution	Proposed Name	Second Disbursement	Third Disbursement	Facilitation Disbursement	Fourth Disbursement	Total Funds Disbursed
San'galo IT	Wanga TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Shamberere TTI	Kongoni	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Kisiwa TTI	Navakholo TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Kisiwa TTI	Sirisia TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Matili TTI	Webuye West TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
KIST	Gatundu South	7,145,000.00	11,714,375.00	600,000.00	-	19,459,375.00
KIST	Limuru	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
O'llessos TTI	Elburgon	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
O'llessos TTI	Kiptaragon	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
KTTC	Heroes TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Bureti TTI	Total TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Kiirua TTI	Igembe South TTI	-	10,000,000.00	600,000.00	-	10,600,000.00
Meru TTI	Tigania East TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Rongo University College	Mabera	7,145,000.00	6,714,375.00	600,000.00	5,000,000.00	19,459,375.00
Mawego TTI	Awendo TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
NEP TTI		7,145,000.00	10,000,000.00	800,000.00	-	17,945,000.00
Wote TTI	Ikutha TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Siaya TTI	Awach	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
RIAT	Rachuonyo TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
RIAT	Ombek TTI	7,145,000.00	6,714,375.00	600,000.00	5,000,000.00	19,459,375.00
Murang'a UC	Kandara TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
MTTI	Likoni TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
RVTTI	Turbo- Cheptach	7,145,000.00	9,214,375.00	600,000.00	5,000,000.00	21,959,375.00
RVTTI	Ngeria	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

Matili TTI	Loima TTI	7,145,000.00	6,714,375.00	800,000.00	-	14,659,375.00
Matili TTI	Turkana North TTI	7,145,000.00	6,714,375.00	800,000.00	-	14,659,375.00
Nairobi TTI	Narok South TTI	-	10,000,000.00	600,000.00	-	10,600,000.00
PC Kinyanjui TTI	Emurua Dikirr TI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Bondo TTI	Ugunja TTI	7,145,000.00	6,714,375.00	600,000.00	5,000,000.00	19,459,375.00
Matili TTI	Kiminini TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Ziwa TTI	Cherangany TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Kaiboi TTI	Tinderet TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Kaiboi TTI	Emgwen TVC	-	-	-	-	-
Kaiboi TTI	Bomet Central TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Keroka TTI	Chepalungu IST	7,145,000.00	6,714,375.00	600,000.00	5,000,000.00	19,459,375.00
PC Kinyanjui TTI	Kajiado North TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Masai TTI	Kajiado East TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
NEP TTI	Tarbaj TTI	7,145,000.00	6,714,375.00	800,000.00	-	14,659,375.00
NEP TTI	Wajir North TTI	7,145,000.00	6,714,375.00	800,000.00	-	14,659,375.00
Coast IT	Msambweni TTI	7,145,000.00	6,714,375.00	800,000.00	5,000,000.00	19,659,375.00
NEP TTI	Lagdera TTI	7,145,000.00	6,714,375.00	800,000.00	-	14,659,375.00
Gusii IT	Kitutu Masaba VTC	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Nyandarua IT	Kinangop TTI	7,145,000.00	6,714,375.00	600,000.00	5,000,000.00	19,459,375.00
Nyeri TTI	Ndaragwa TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Baringo TTI	Mochongoi T.T.I	7,145,000.00	6,714,375.00	800,000.00	-	14,659,375.00
Baringo TTI	Kapchepkor TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Jeremiah Nyagah TI	Manyatta TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Sigalagala TTI	Sabatia TTI	7,145,000.00	6,714,375.00	600,000.00	23,809,895.00	38,269,270.00
Sigalagala TTI	Chanzeywe TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Ziwa TTI	Kitalekapel TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Bumbe TTI	Chamasiri TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Bushiangala TTI	Mungatsi TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Bumbe TTI	Dr. Daniel Wako-Murende TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Kiirua TTI	Laikipia West	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Emining TTI	Chepsirei TTI	7,145,000.00	6,714,375.00	800,000.00	5,000,000.00	19,659,375.00

**MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017**

Meru TTI	Moyale TTI	7,145,000.00	6,714,375.00	800,000.00	-	14,659,375.00
Thika TTI	Mwea TTI	7,145,000.00	6,714,375.00	600,000.00	5,000,000.00	19,459,375.00
Thika TTI	Gichugu TTI	-	10,000,000.00	600,000.00	-	10,600,000.00
Mathenge TTI	Kieni TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Michuki TTI	Tetu TTI	7,145,000.00	6,714,375.00	600,000.00	5,000,000.00	19,459,375.00
Coast I.T.	Mwatate TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Wote TTI	Kibwezi TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Muran'ga UC	Kamukunji TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Meru TTI	Samburu North TTI	7,145,000.00	6,714,375.00	800,000.00	-	14,659,375.00
Keroka TTI	Orogare TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Keroka TTI	Riragia TTI	7,145,000.00	9,214,375.00	600,000.00	5,000,000.00	21,959,375.00
Godoma TTI	Magarini TTI	7,145,000.00	-	600,000.00	-	7,745,000.00
Katine TTI	Mwala TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Bureti TTI	Kericho Township TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
Bureti TTI	Belgut TTI	7,145,000.00	6,714,375.00	600,000.00	-	14,459,375.00
						1,073,699,895.00

7.2 TRANSFERS FOR CONSTRUCTION OF 70 TTIS

Mentoring Institution	New Institution	Amount
Rift Valley TTI	Kerio Valley TTI	4,704,200.20
Meru TTI	Samburu TTI	4,653,550.00
Meru TTI	Tharaka TTI	4,320,713.00
NEP TTI	Garbatula TTI	4,845,098.00
NEP TTI	Tana River TTI	4,845,098.00
Kaiboi TTI	Kimasian TTI	4,704,200.20
Mathenge TTI	Laikipia TTI	4,592,630.00
Mombasa TTI	Lamu TTI	7,264,450.00
		39,929,939.40

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

ANNEX 7 – SUMMARY OF DEVELOPMENT DISBURSEMENTS FOR THE STATE
DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING (CONTD)

7.3 TRANSFERS FOR CONSTRUCTION OF 70 TTIS

S/N o.	Institution	1 st Half	3 rd Quarter	4 th Quarter	Renovation of Workshops	Total
		KShs.	KShs.	KShs.		KShs.
1.	Aldai TTI	-	-	2,080,623.00	-	2,080,623.00
2.	Baringo TTI	2,582,154.00	1,291,076.00	1,291,078.00	-	5,164,308.00
3.	Bondo TTI	2,791,919.00	1,395,960.00	1,395,960.00	-	5,583,839.00
4.	Bumbe TTI	2,541,142.00	1,270,571.00	1,270,571.00	-	5,082,284.00
5.	Bureti TTI	2,614,873.00	1,307,509.00	1,307,436.00	-	5,229,818.00
6.	Bushiangala TTI	2,782,208.00	1,391,104.00	1,391,104.00	-	5,564,416.00
7.	Ekerubo Gietai TTI	2,791,920.00	1,395,960.00	1,395,960.00	-	5,583,840.00
8.	Emining TTI	2,590,361.00	1,295,540.00	1,295,180.00	-	5,181,081.00
9.	Gitwebe TTI	2,791,919.00	1,395,960.00	1,395,960.00	-	5,583,839.00
10.	Godoma TTI	2,791,919.00	1,395,960.00	1,395,960.00	-	5,583,839.00
11.	Kaiboi TTI	2,800,000.00	1,400,000.00	1,400,000.00	-	5,600,000.00
12.	Karumo TTI	2,791,919.00	1,395,960.00	1,395,960.00	-	5,583,839.00
13.	Katine TTI	2,322,490.00	1,161,244.00	2,076,123.00	5,140,000.00	10,699,857.00
14.	Keroka TTI	2,879,432.00	1,439,716.00	1,439,717.00	-	5,758,865.00
15.	Kiirua TTI	2,468,000.00	1,234,308.00	1,234,103.00	-	4,936,411.00
16.	Kisiwa TTI	3,455,550.00	1,727,783.00	1,727,778.00	-	6,911,111.00
17.	Koshin TTI (RVTTI)	-	625,000.00	625,000.00	5,140,000.00	6,390,000.00
18.	Mandera TTI	-	-	-	5,140,000.00	5,140,000.00
19.	Masai TTI	1,876,700.00	938,386.00	938,363.00	-	3,753,449.00
20.	Mathenge TTI	2,980,857.00	1,490,428.00	1,490,429.00	-	5,961,714.00
21.	Matili TTI	1,187,002.00	1,218,501.00	593,501.00	-	2,999,004.00
22.	Mawego TTI	2,780,892.00	1,390,440.00	1,390,446.00	-	5,561,778.00
23.	Michuki TTI	2,173,850.00	1,086,925.00	1,086,925.00	-	4,347,700.00
24.	Mitunguu TTI	2,981,134.00	1,490,567.00	1,490,566.00	-	5,962,267.00

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

25.	Mukiria TTI	2,798,740.00	1,399,370.00	1,399,370.00	5,140,000.00	10,737,480.00
26.	Mukurwe-ini TTI	2,813,788.00	1,406,894.00	1,406,894.00	-	5,627,576.00
27.	Musakasa TTI	1,120,968.00	560,484.00	560,485.00	5,140,000.00	7,381,937.00
28.	Nairobi TTI	5,238,832.00	2,619,416.00	2,619,417.00	-	10,477,665.00
29.	Nkabune TTI	2,500,000.00	1,250,000.00	1,250,000.00	5,140,000.00	10,140,000.00
30.	Ol'Lessos TTI	2,500,000.00	1,250,000.00	1,250,000.00	-	5,000,000.00
31.	PC Kinyanjui TTI	2,500,000.00	1,250,000.00	1,250,000.00	5,140,000.00	10,140,000.00
32.	Rift Valley TTI	2,500,000.00	1,250,000.00	1,250,000.00	-	5,000,000.00
33.	Shamberere TTI	2,500,000.00	1,250,000.00	1,250,000.00	-	5,000,000.00
34.	Sot TTI	2,500,000.00	1,250,000.00	1,250,000.00	-	5,000,000.00
35.	Thika TTI	2,500,000.00	1,250,000.00	1,250,000.00	4,140,000.00	9,140,000.00
36.	Tseikuru TTI	2,791,919.00	1,395,960.00	1,395,960.00	-	5,583,839.00
37.	Wote TTI	2,500,000.00	1,250,000.00	1,250,000.00	-	5,000,000.00
38.	Ziwa TTI	2,500,000.00	1,250,000.00	1,250,000.00	-	5,000,000.00
39.	Coast IT	2,500,000.00	1,250,000.00	1,250,000.00	-	5,000,000.00
40.	Friends C Kaimosi	2,500,000.00	1,250,000.00	1,250,000.00	5,140,000.00	10,140,000.00
41.	Kiambu IST	2,500,000.00	1,250,000.00	1,250,000.00	5,140,000.00	10,140,000.00
42.	Nyandarua IST	2,500,000.00	1,250,000.00	1,250,000.00	-	5,000,000.00
43.	Ramogi IAT	2,500,000.00	1,250,000.00	1,250,000.00	-	5,000,000.00
44.	Rift Valley IST	2,500,000.00	-	-	-	2,500,000.00
45.	Rwika TI	2,500,000.00	1,250,000.00	1,250,000.00	-	5,000,000.00
46.	Sang'alo IST	2,500,000.00	1,250,000.00	1,250,000.00	-	5,000,000.00
47.	Siaya IT	2,500,000.00	1,250,000.00	1,250,000.00	-	5,000,000.00
48.	Murang'a TTI	20,000,000.00	10,000,000.00	10,000,000.00	-	40,000,000.00
49.	Lamu TTI- Mpeketoni			15,141,082.20	-	15,141,082.20
Total		134,740,488.00	67,371,022.00	84,881,951.20	50,400,000.00	337,393,461.20

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

ANNEX 7 – SUMMARY OF DEVELOPMENT DISBURSEMENTS FOR THE STATE
DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING (CONTD)

7.4 TRANSFERS TO NATIONAL POLYTECHNICS

S/N o.	Institution	1 st Half	3 rd Quarter	4 th Quarter	Renovation of Workshops	Total
		KShs.	KShs.	KShs.		KShs.
1.	Kisumu Polytechnic	18,000,000.00	9,000,000.00	9,000,000.00	5,000,000.00	41,000,000.00
2.	Eldoret Polytechnic	20,000,000.00	10,000,000.00	10,000,000.00	-	40,000,000.00
3.	KTTC	22,500,000.00	14,381,250.00	12,293,750.00	-	49,175,000.00
4.	Kabete Polytechnic	2,955,685.00	1,447,842.00	1,507,843.00	5,000,000.00	10,911,370.00
5.	Kitale Polytechnic	2,110,613.00	1,055,306.00	1,055,307.00	5,000,000.00	9,221,226.00
6.	Meru Polytechnic	2,900,294.00	1,450,146.00	1,450,148.00	7,000,000.00	12,800,588.00
7.	Kenya Coast Polytechnic	3,163,047.00	1,581,523.00	1,581,524.00	-	6,326,094.00
8.	Nyeri Polytechnic	5,477,900.00	2,738,960.00	2,738,950.00	6,000,000.00	16,955,810.00
9.	Sigalagala Polytechnic	3,999,035.00	1,999,518.00	1,999,518.00	7,000,000.00	14,998,071.00
10.	North Eastern Polytechnic	2,500,000.00	1,250,000.00	1,250,000.00	6,000,000.00	11,000,000.00
11.	Kisii Polytechnic	2,954,886.00	1,477,443.00	1,477,443.00	-	5,909,772.00
Total		86,561,460.00	46,381,988.00	44,354,483.00	41,000,000.00	218,297,931.00

7.5 TRANSFERS TO SPECIAL NEEDS TVET INSTITUTIONS

S/No.	Institution	1 st Half	3 rd Quarter	4 th Quarter	Total
		KShs.	KShs.	KShs.	KShs.
1.	Machakos TIB	6,585,500	3,295,750	3,293,750	13,175,000
2.	Karen TTID	6,585,500	3,295,750	3,293,750	13,175,000
3.	VTCBD - Sikri	6,585,500	3,295,750	3,293,750	13,175,000
4.	SJTID, Nyang'oma	6,585,500	3,295,750	3,293,750	13,175,000
Total		26,342,000	13,183,000	13,175,000	52,700,000

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

**ANNEX 8 – SUMMARY BREAKDOWN OF AIES ISSUED, EXPENDITURE AND DISTRICT
SUSPENSE ACCOUNT**

TOTAL AIES DISBURSED AND EXPENDITURE				
S/NO.	COUNTY	TOTAL AIES	TOTAL PAYMENTS	BALANCE
1	KERICHO	3,795,148.00	3,792,354.00	2,794.00
2	NYERI	3,795,146.00	3,793,333.20	1,812.80
3	EMBU	3,795,143.00	3,761,275.40	25,157.00
4	TRANS NZOIA	3,795,148.00	3,615,643.00	179,505.00
5	UASIN GISHU	3,795,146.00	3,794,765.00	381.00
6	KISII	3,795,143.00	3,612,264.00	182,879.00
7	MOMBASA	3,795,141.00	3,783,720.50	11,420.50
8	NAKURU	3,795,141.00	3,794,675.00	466.00
9	BUSIA	3,795,146.00	3,794,309.00	837.00
10	KAKAMEGA	3,795,146.00	3,786,019.00	9,127.00
11	KISUMU	3,795,141.00	3,750,209.00	44,932.00
12	GARISSA	3,795,147.00	3,793,740.00	1,407.00
13	ISIOLO	3,795,143.00	3,795,143.00	-
	TOTALS	49,336,879.00	48,867,450.10	460,718.30

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

ANNEX 9 – SUMMARY BREAKDOWN OF DEPOSITS ACCOUNT (ACCOUNTS PAYABLES)

S/NO.	CONTRACTOR NAME	KSHS.
1	Bashash	569,500.00
2	Mweha	2,050,830.65
3	Laton	9,794,817.95
4	Plumbing System	1,300,381.45
5	Don-Woods	262,010.65
6	Epco	14,641,341.00
7	Telcoms	65,327.10
8	Fine Tops	104,772.70
9	Alfa Tech	4,572,890.80
10	Seo & Sons	158,991.20
11	Bnan Chang	4,497,760.90
12	Marson	1,320,587.75
13	Babubhai	3,301,787.90
14	Sarawet	299,784.55
15	Stem	115,345.70
16	Wilkori	194,504.30
17	Ashbro	539,097.75
18	Pyramid	9,706,998.00
19	Pong	359,486.90
20	Corban	7,427,507.20
21	Bura Hitech	167,732.50
22	Arcaid	

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

		240,394.50
23	Jimro	215,438.60
24	Annebuggus	119,392.55
25	Besko	183,108.10
26	Winam	249,951.20
27	Filma	257,165.80
28	Jumtech	160,000.00
29	Koyi	249,976.00
30	Withholding Tax-Jipsy Civil Building Cont.	231,897.00
31	Withholding Tax – Arcon Works Ltd	336,931.80
32	INTERTPID CONTRACTORS	728,135.70
33	HIGH POINT AGENCY	854,765.40
34	MBINGO ENTERPRISES LTD.	562,350.00
35	INTERTPID CONTRACTORS	159,412.30
36	MBINGO ENTERPRISES LTD.	134,935.80
37	INTERTPID CONTRACTORS	564,992.95
38	INTERTPID CONTRACTORS	445,272.95
39	HIGH POINT AGENCY	437,825.90
40	HIGH POINT AGENCY	622,426.65
41	TVET KERICHO	1,295,841.00
42	FIRMBASE CONTRACTORS	30,231.90
43	KEPEN CONTRACTORS	49,963.90
44	TORETA AGENCIES	184,615.85
45	SHAWA ENTERPRISES	208,233.60
	TOTAL	69,974,716.40

**MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017**

ANNEX 10 – PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

ANNEX 11 - REPORTS GENERATED FROM IFMIS

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING
Reports and Financial Statements
For the year ended June 30, 2017

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

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