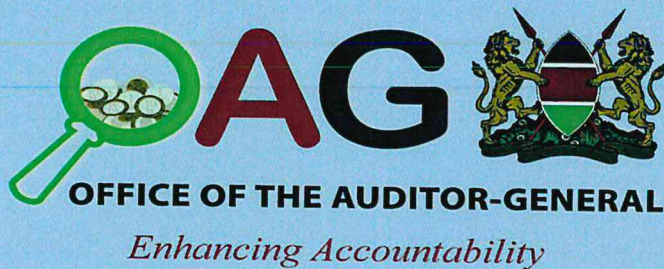


REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY
REPORT

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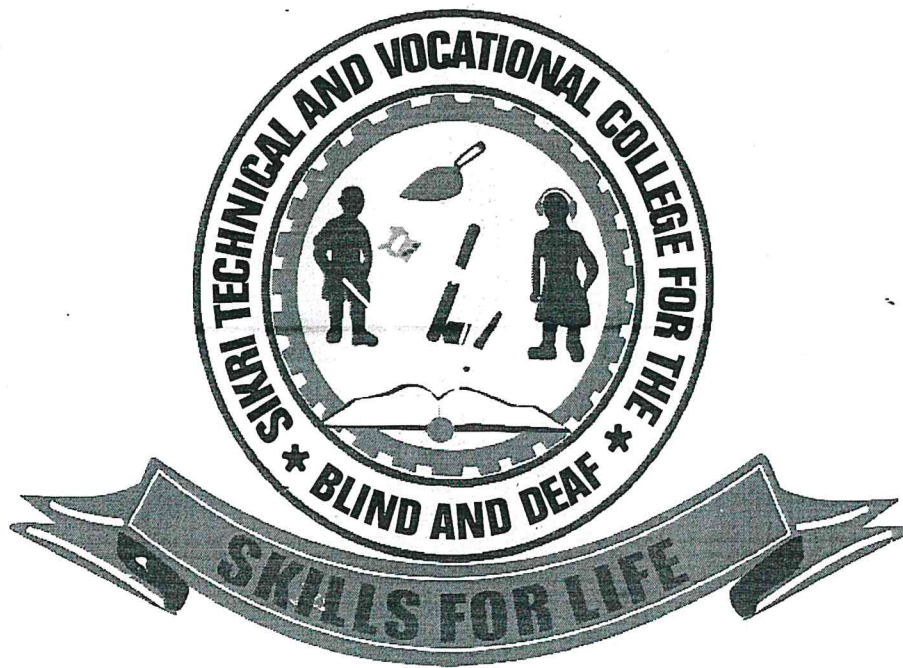
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CLERK-AT THE-TABLE:	C. Ndlovu	

THE AUDITOR-GENERAL

ON

**SIKRI TECHNICAL AND VOCATIONAL
COLLEGE FOR THE BLIND AND DEAF**

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



**SIKRI TECHNICAL & VOCATIONAL COLLEGE
FOR THE BLIND AND DEAF
ANNUAL REPORT AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED

30TH JUNE 2020

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



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1. KEY STVCBD INFORMATION AND MANAGEMENT

(a) Background information

STVCBD was established under the TVET Act of 2013. It was upgraded from Vocational Training Centre for the Blind and Deaf in July 2016. STVCBD is domiciled in Kenya and has one branch. The institute is under the Ministry of Education.

The Sikri Technical & Vocational College for the Blind and Deaf is situated along the main highway Kisumu-Oyugis-Kisii, 6km away from Oyugis town. The College is located in Homabay County, Rachuonyo South Sub-County, Kasipul constituency, East Kamagak Location, Kachieng Sub location. The centre sits on a 34 acre piece of land and experiences high rainfall conducive for agricultural practice.

The Institute was started in 1970 by the CMM brother of Tilburg under the Kisii catholic Diocese as Vocational training Centre for the Blind and Deaf- Sikri, to offer practical agriculture skills training for the poor of the poorest learners who were visually impaired .At its inception on 5/2/1970 six students were admitted, in January 1971 another six more students joined the programme.

In 1975, the school population dropped drastically despite numerous awareness campaign of the centre being conducted by the school administration .This prompted the administration in consultation with the ministry of Education to admit hearing impaired students. A total of 15 H.I. Students were admitted to undertake a four year agricultural course at the centre.

In 1980, a sign language specialist was invited from Holland to train basic sign language. This led to the development of sign language dictionary to be used in the school. It is important to note that at this time the government emphasized oralism as opposed to use of sign language as a medium of instruction in public special schools and no dictionary existed on Kenya sign language.

In 1987 a wood and weaving workshop was constructed and in 1988 the two workshops were equipped with teaching/learning resources. Consequently Carpentry/joinery and weaving /textile/clothing and textile was introduced. These courses were to strengthen the general agriculture which was the main course as it requires maintenance of farm structures, buildings and clothing.

Right at inception, the institute has provided rehabilitation to visually impaired students in, Braille literacy, Orientation and Mobility, activities of daily living and communication skills. In view of this the institute had an established Braille press for production of Braille materials. In 1999 the rehabilitation department was instrumental for the rehabilitation of 1998 bomb blast survivors.

It is important to note that the institute provides training to students across the East and central Africa region and has been the only training centre in the region with the blind, deaf and deaf/blind students all in one Institution undertaking agriculture course. The institute provides relevant livelihood skills training to persons with disabilities. This training ensures that the trainees are equipped with the

necessary skills to enable them compete favourably in the job market or establish their own livelihood activities. The trainees are therefore empowered, in income generation, independence, transition and social integration. The centre currently has 13 practical and 5 academic departments with a teaching staff of 24 and 30 non-teaching staff. The institute has the capacity to train, evaluate and certify trainees in the following vocational areas; agriculture, carpentry and joinery, clothing and textile, and building and construction.

(b) Principal Activities

The principal activity of Sikri Technical & Vocational College for the Blind and Deaf is to offer training to Students in technical courses and entrepreneurship courses as per the industry needs and examined by KNEC, NITA and CBET courses.

The mission of the Institute is to provide technical training in Agriculture, Artisan, Plumbing, Weaving, Carpentry & Joinery, Electrical works and to foster applied research and community outreach for innovation and sustainability

STVBD Vision, Mission, and Motto include:

Motto

Skills for life

Vision

To be a regional centre of excellence for vocational and technical training for persons with special needs.

Mission

To provide and promote competence based skills to persons with special needs so as to meet challenges of dynamic society

(c) Key Management

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

No.	Designation	Name
1.	Board of Governors	Led by Dr. Christine Ogola
2.	Principal	Mr. Daniel Randa
3.	Deputy Principal Administration	Mr. Stalin Olwenge
4.	Deputy Principal Academics	Mrs. Bertha Owaga
5.	Finance Officer	Mr. Herbert Ngaira
6.	PR/HR Officer	Ms. Janet Obora
7.	Procurement Officer	Ms. Patricia Oketch

(d) Fiduciary Oversight Arrangements

STVCBD is in the process of creating these committees:

- *Audit committee activities*
- *Development partner oversight activities*

KEY STVCBD INFORMATION AND MANAGEMENT (Continued)

(e) STVCBD Headquarters

P.O. BOX 194-40222
OYUGIS
OFF KISUMU-KISII ROAD
KENYA

(f) STVCBD Contacts

Telephone: (254) 772 768 777
E-mail: sikriblinddeaf@gmail.com or sikriblinddeaf@yahoo.com
Website: www.sikritechnicalinstitute.ac.ke

(g) STVCBD Bankers

1. Kenya Commercial Bank
Oyugis Branch
P.O.Box 476-40202
Kisii, Kenya
2. Co-operative Bank
Oyugis Branch
P.O.Box 263-40222
Oyugis, Kenya
3. Equity Bank
Oyugis Branch
P.O.Box 75104-40222
Oyugis, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

2. THE BOARD OF GOVERNORS



Dr. Christine Ogola
CHAIRPERSON
(July 2019-June 2020)

Year of Birth: 1976

Appointment: October 2018

Inauguration: January 2019

Qualification and Experience:

Dr. Christine, is a PhD. holder from University of the Witwatersrand, Johannesburg, South Africa. A trained, qualified and experienced researcher in Archaeology. She is also a field and laboratory trained in archaeology and related discipline research methods.

Dr. Christine is a Senior Research Scientist at National Museums of Kenya and part time lecturer in Archaeology – Kenyatta University, she is also a Consultant at Narok archaeological project, The Archaeology of Kakapel, environmental and social impact assessment – Lokichar, mobility and links project university of Liverpool, national museums and British academy etc.

She has undertaken conference papers presentations and publications and has received several grants and awards



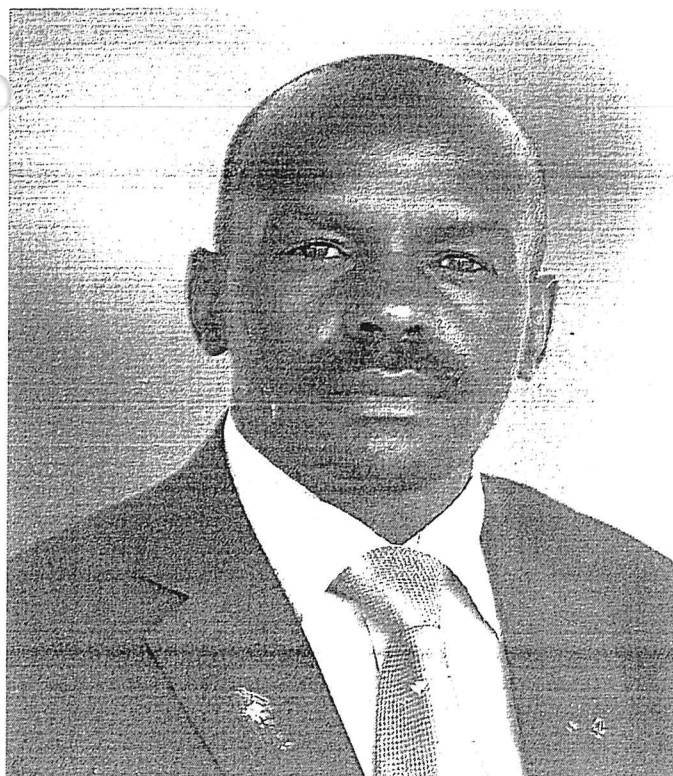
Mr. Lucas Ocharo
MEMBER/ CD TVET
(July 2019 to December 2019)

Year of Birth: 1961

Appointment: July 2016

Qualification and Experience:

Mr. Ocharo holds a Post Graduate Diploma in Education for the Knowledge Society (Dublin City University), BEd (Sc) University of Nairobi. He is currently holding position of County Director TVET representing PS TVET (Dr. Kevit Desai)



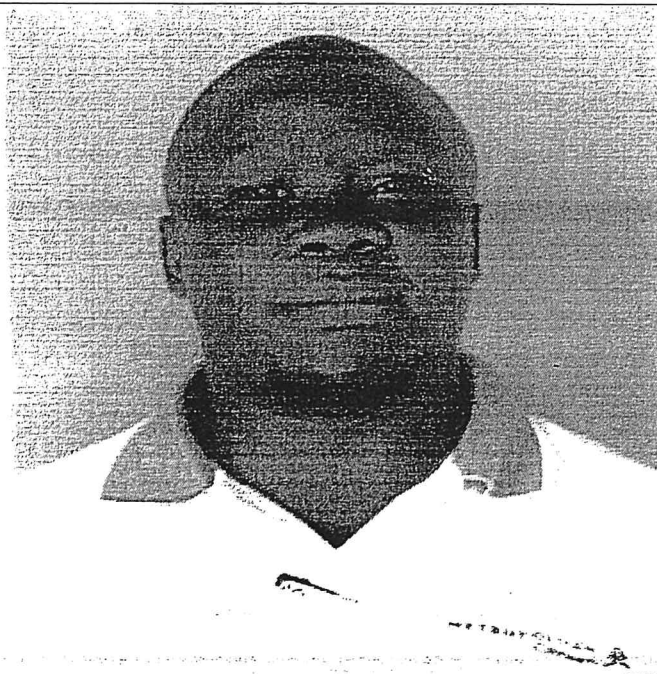
Mr. Tom Olang'o
MEMBER / CD TVET
(January to June 2020)

Year of Birth: 1970

Appointment: January 2020

Qualification and Experience:

A Deputy Director of Technical Education currently serving as a Regional Director of Technical and Vocational Education and Training (TVET) in charge of Kisii, Nyamira, Migori and Homa Bay Counties. He is a long serving public servant with twenty six years of experience. He was initially employed as a Graduate Teacher of Mathematics by the Teachers Service Commission and later joined the Ministry of Education as an Education Officer in 1999 where he has served to date. He was born in 1970 and is a holder of Master of Education in Curriculum Studies from Nairobi University and currently concluding a PhD on the same at Kenyatta University. He has been engaged in several international assignments and is currently the Ministry's Focal Point Person for Skills Initiative for Africa Project by AUDA NEPAD.



Mr. Collins Ochieng' Agai
MEMBER
(July 2019-June 2020)

Year of Birth: 1978

Appointment: October 2018

Inauguration: January 2019

Qualification and Experience:

Mr. Agai holds Bachelor of Commerce (Accounting Option) and he is also trained in Accountancy and Insurance. Currently he works at Insurance and Pension Officer - Chemelil Sugar Company Ltd. His Professional Body Membership is International Federation of Accountants Association of Kenya Insurers and Insurance Institute of Kenya



Mr. Evans Owiti

MEMBER

(July 2019 to March 2020)

Year of Birth: 1974

Appointment: March 2017

Qualification and Experience:

Mr. Owiti holds MBA in Global Management. Technica computer studies IT Makini school, High school Deputy Head Brookfield, IHUB and Usahidi Project Manager Human Resources Manager Consultant BGP Oil Company, Strategic planning, Management and Control consultant Board of Administrative Chair.



Mrs. Esther Imbega

MEMBER

(July 2019 to March 2020)

Year of Birth: 1975

Appointment: March 2017

Qualification and Experience:

Madam Imbega holds Higher Diploma Food Technolog and she is currently working in Homaline Company



Eng. Andrew Tarus
MEMBER
(July 2019 to March 2020)

Year of Birth: 1976

Appointment: March 2017

Qualification and Experience:

Eng. Tarus holds a Bachelor in Technical Civil Engineering and he is currently Contractor in Eldoret



Mr. Jorum Otieno
MEMBER
(July 2019-June 2020)

Year of Birth: 1986

Appointment: October 2018

Inauguration: January 2019

Qualification and Experience:

Mr. Otieno holds MSC Information Communication Technology, BSC Computer Engineering Technology and Diploma in Information Technology.

He is a manager running very successful consultancy firm in the areas of Information Communication Technology and specialized in Computer Engineering Technology. He has managed several large and medium scales ICT projects in Kenya and elsewhere in the world ranging from software systems which run small institutions to large systems which are used in multiple locations to run healthcare, education and other activities. He has implemented hardware related ICT projects across Kenya and the region.



Madam Nancy Robi Samwel
MEMBER
(July 2019-June 2020)

Year of Birth: 1991

Appointment: October 2018
Inauguration: January 2019

Qualification and Experience:

Madam Robi holds Bachelor of Science in Nursing. She worked at Kerugoya County Referral hospital as nursing officer intern, worked at Kehancha mother and child and also mother solbritt hospitals as a primary nurse. Currently she is working at Langas Racecourse health centre as nursing officer volunteer. She has done article published by Kenya journal of midwifery and nursing, on cultural competence in provision health care services. She also presented the same article at 4th the annual Baraton international interdisciplinary research conference.



Mr. Daniel Randa
SECRETARY TO THE BOARD/ PRINCIPAL
(July 2019-June 2020)

Year of Birth: 1966

Appointment: Sept 2016



Qualification and Experience:





Mr. Randa is the Principal of the Institute and holds Masters in Science Agribusiness Management, Bachelor of Science Education Agriculture/ Biology. He also hold Diploma in Science Education Agriculture/ Biology

3. BOARD COMMITTEES

Name of the Committee	Members
Finance Infrastructure and Human Resource Committee	1.Mr. Collins Agai – Chairperson 2. Eng. Andrew Tarus-Member 3. Mr. Jorum Otieno-Member 4. Mr. Tom Olang'o- Member 5. Mr. Daniel Randa-Secretary
Education Training & Research Committee	1.Mdm Esther Imbega- Chairperson 2.Mr. Evance Owiti-Member 3. Mdm. Nancy Robi-Member 4. Mr. Tom Olang'o- Member 5. Mr. Daniel Randa-Secretary

4. MANAGEMENT TEAM

1.  Mr. Daniel Randa Senior Principal	Mr. Randa is In charge of day to day running of the Institute. He is the Chief Executive Officer who reports to all stakeholders. He is also the mandatory signatory to all the Institutes bank accounts and Secretary to Board of Governors
2.  Mr. Stalin Olwenge Deputy Principal- Administration	Mr. Olwenge deputizes the Principal and he is in charge of disciplinary issues concerning students and Non-teaching staff. He attends Board meetings and take minutes as in-attendance member

<p>3.</p>  <p>Mrs. Bertha Owaga Deputy Principal Academics</p>	<p>Madam Bertha is in charge of Core business of STVCBD on behalf of the Principal by ensuring quality and relevant education is offered to students by spearheading courses and programmes. She chairs academic committees and ensures timetables, course outlines, class attendance and evaluation are as per the academic & SPO standard procedures, and such standards maintained. She attends BOG meetings related to education, research & training in attendance to take minutes and in general board meetings when requested by the Principal</p>
<p>4.</p>  <p>Mr. Ronald Ongete Ag. Registrar</p>	<p>Mr Ongete ensures that term programmes and time tables are made in time, students who apply for courses in the institute meet the relevant requirements for admission. He is also in charge of marketing of institute courses to ensure increase enrolment</p>
<p>4.</p>  <p>Mr. Jackton Owino Ag. Dean of Students</p>	<p>Mr. Owino is the Dean of Students who is in charge of student affairs i.e. process boarding issues accommodation and disciplinary. He is also in charge of assisting students who apply for HELB loans and other bursary to support payment fees</p>
<p>5.</p>  <p>Mr. Andrew Nyambuga Ag. Industrial Liaison Officer</p>	<p>Mr. Nyambuga is in charge of Attachment and student placement. He is in charge of emergency first aid attention to students and staff at the College. He is also coordinates in turns from various institutions to the college</p>

Note: The Principal and the Secretary to the BoG features in both under the 'Board' and 'Management'.

5. CHAIRPERSON'S STATEMENT

On behalf of the board of Governors, I feel honored to present to our stakeholders the Annual Report and Financial statements of Sikri Technical for the financial year ended 31st June, 2020.

This annual report helps us to reflect on our performance for the year giving us opportunity to celebrate our success and at the same time identify areas of improvement. The FY 2019/2020 financial performance was achieved through concerted effort by Sikri Technical Board, Management and the entire staff.

In the year under review, the board and the parent ministry negotiated and vetted a Performance contract FY2019/2020 setting out our targets for the year. The board as well spearheaded the revision and or development of key tools of governance e.g. strategic plan 2016 – 2020 review, ISO 9001: 2015 certification process and policies aligning them to the emerging governance issues. This ensures that the college's competitive edge is sharpened and it continues to offer training services in a more broadened perspective. Going forward, the Board will continue to carry out its mandate as set out in the TVET ACT 2013, its strategic plan 2016-2020 and its annual work plans.

Finally, I would like to thank the Board members and the management of Sikri Technical who, through their unwavering commitment, have led to the achievement of the Board's mandate in the past year. I also offer my gratitude to our stakeholders and look forward to collaborating with you towards achievement of the Board's mandate.



DR. CHRISTINE OGOLA- BOARD CHAIRPERSON
ON BEHALF OF BOARD OF GOVERNORS



6. REPORT OF THE PRINCIPAL

I am delighted to see our institution come to the end of another financial year. Throughout the year, our focus has remained on enhancing the quality of academic programs, increasing partnership and collaborations with various stakeholders so as to continually improve college's performance and seeking to ensure that STVCBD continues to offer quality and competitive training to alleviate the PWD employability gap in the various industries.

During the year ended 31st June, 2020, STVCBD was mainly funded through government grant (35.62 %) and Appropriation in Aid (fee and production unit) (A-I-A) (16.18 %) for its recurrent expenditure.

I am pleased to share our successes for the year with all our stakeholders; in the year ended 31st June, 2020, we presented our first candidates for KNEC examinations in Building and Civil Engineering, Social work and Community Development, Agriculture, ICT, Electrical, Fashion Design at Diploma and Certificate Levels and further introduced 33 CBET CDACC programs for trainees in order to increase hands on graduants for various sectors. The college undertook a reverse regular integration program and day schooling to promote accessibility to education and training for youths of both genders.

We implemented phase 1 (one) of Enterprise Resource Planning System (ERP) Registry and Finance modules thus improving our efficiency in service delivery, the Board conducted Strategic Plan 2016 – 2020 to ensure it stays on course in the five year Strategic period and policies to promote competitive training system, healthy learning and working environment.

It is my believe that the road STVCBD has taken in opening up more training opportunities to PWDs as witnessed by increased student enrolment and courses will yield fruit and contribute immensely in producing hands on workforce for various sectors of the economy.

The last quarter of the year, the college closed due to Covid -19 pandemic which negatively affected the college financially as well as suspension of the academic calendar of activities for the year.

I wish to thank the Government of Kenya through the Ministry of Education, Board of Governors, Management and Staff for their contributions made in the FY2019/2020.

.....
MR. DANIEL RANDA
SENIOR PRINCIPAL/ C.E.O



7. REVIEW OF STVCBD'S PERFORMANCE FOR FY 2019/2020

STVCBD'S Strategic Pillars includes;

1. Pillar 1: Effective Academic and curriculum implementation
2. Pillar 2: Finance and resource mobilization
3. Pillar 3: Infrastructure improvement
4. Pillar 4: Partnership and collaboration
5. Pillar 6: Research and innovation

STRATEGIC PILLARS	OBJECTIVES	KEY PERFORMANCE INDICATORS	ACTIVITIES	ACHIEVEMENTS
Pillar 1: Effective Academic and curriculum implementation	To impart competence based skills relevant to industry to trainees with special needs To Increase enrolment and courses by 2020	Good performance in both internal & external Examinations Increased Enrolment as per target Graduate trainees with relevant industry skills	Training in relevant modern curriculum Publicity & Marketing : Adverts, Road shows, Co-curriculum activities Feedback from industry	Successful Implementation of competence based TVET CDACC curriculum Trainees population increase from 600 to 798 Positive feedback from our industry partners
Pillar 2: Finance and resource mobilization	To Generate income through intensive sustainable agriculture and value addition chain	Diversification of sources of income to ensure self sustainability	Intensify Agriculture and value addition chain	Increased Farm Production for Poultry, Maize, Vegetables and Milk
Pillar 3: Infrastructure improvement	To Establish infrastructure to meet training needs for persons with disability	Increased number of Lecturer Halls, Hostel, workshop & other Facilities	Construction of New/Renovation of Old structures to meet the minimum prerequisite standards	Construction of Twin Tower with offices, Mechanical Engineering workshops, Hostels Renovation of old Lecture Halls
Pillar 4: Partnership and collaboration	To partner and collaborate with relevant institutions to enhance effective implementation of training goals	New like- minded partners brought on board	Writing proposals to various organization of interest to the college	Partnership agreement with Sense International & CBM Kenya which is on course on matters disability mainstreaming

Sikri Technical and Vocational College for The Blind And Deaf

Annual Report and Financial Statements For The Year Ended 30th June 2020

Pillar 5: Research and innovation	To inspire creativity in trainees with disability and exhibiting innovative products in trade fair and science week to improve operation effectiveness	Innovative products/Projects exhibited in Trade Fairs/ \Science week	Coming up with innovative ways to solve problems arising from emerging trends in the dynamic globe	Participating in West kenya region TVET fair & Robotics Contest emerg Second position Initiating the process of developing a Robot to participate in National Competition
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8. CORPORATE GOVERNANCE STATEMENT

Sikri Technical and Vocational College for The Blind and Deaf (STVCBD) is a registered TVET institution offering technical/vocational training for persons with special needs in tune with the provisions and guidelines stipulated in the Technical and Vocational Education & Training Act No.29 of 2013 Persons with Disability Act 2003 and Sustainable Development Goal 4.

The Board of Governors of STVCBD was constituted in accordance with the provisions in the TVET Act 2013.

The members of the Board comprises of:

- A chairperson – Dr. Christine Ogola
- A representative from the principal secretary M.O.E responsible For Technical and Vocational Training (county Director MOE State department of Technical Education)
- And six other members:
 1. Mr. Collins ochieng agai –Finance Management
 2. Mr. Evans Owiti-Leadership and Management
 3. Mrs. Esther Imbega-Technology
 4. Eng. Andrew Tarus-Engineering
 5. Madam Nancy Robi-Industry
 6. Mr. Jorum Otieno-ICT Security
- A secretary who is the Principal of the institute-Mr. Daniel Randa

Note: - one notable challenge is the absence of one member to be nominated by the county Governor's office. This has not been forthcoming despite numerous requests sent to the said office.

In the FY2019/20 the total members of the full BOG meetings were 4(four) held on every quarter and 4(four) committee meetings.

There are 2(two) committees of the BOG i.e.:

1. Finance, Infrastructure and Human Resource Committee
2. Education, Training & Research

The board delegates management of the institute to the C.E.O/Principal to deliver strategic direction and achieve the goals determined by the board. Any powers not specifically reserved for the board have been delegated to the Principal. The board is free to alter the matters reserved for its decision subject to the limitations imposed by the TVET Act 2013 and the written law.

Succession Plan: in accordance to the TVET Act2013 in appointing and reappointing members of the B.O.Gs, the Cabinet Secretary staggers the commencement dates of some members to maintenance proportion of new membership that ensures continuity in the affairs of the B.O.Gs. This Caters for a smooth succession .The M.O.E state department of Technical training also ensures training and induction of new Board members.

Existing B.O.G charter: the B.O.G Sikri Technical & Vocational College for the Blind and Deaf is guided by the provisions in the TVET Act. 2013 as in:

- Role of the board of Governors.
- Composition of Board.
- Duties & responsibilities of the board.
- Cessation of membership of the Board.
- Role of the chairperson to the Board.
- Role of the individual members of the Board.
- Delegation of management.
- Board committees.

Sikri Technical and Vocational College for The Blind And Deaf
Annual Report and Financial Statements For The Year Ended 30th June 2020

- Conflict of interest.
- Board meetings.

The process of appointment and removal of council/ board members is stipulated in the TVET Act 2013. The appointment of members of the Board shall take into account ethics and gender balance and promote inclusion of persons with disabilities, minorities and the marginalized and ensure balanced competencies among the members.

The BOG members are appointed by the Cabinet Secretary M.O.E

Roles & functions of the B.O.G

- Development of infrastructure
- Sourcing for funds
- Enhancing training and research
- Networking linkages & collaboration with industry
- Collaborating with the surrounding communities to enhance training, research and industry
- Ensuring optimum enrollment of students & students welfare.

The Institute maintains a conflict of interest register where any B.O.G member is obliged to declare his/her interest.

9. MANAGEMENT DISCUSSION AND ANALYSIS

During the financial year 2019/2020 the institute received Ksh 30,609,072.25 from the Government for recurrent/ Operational expenditures. This was received in three quarters i.e.

- Quarter one-Ksh 10,153,190.75 received on 23rd October 2019
- Direct credit mini disbarments Ksh 149,500.00 received on 17th December 2019
- Quarter two- Ksh 10,153,190.75 received on 4th March 2020
- Quarter three- Ksh 10,153,190.75 received on 24th April 2020

No development grants were received during the financial year.

The Institute managed to raise the following incomes

- I. Ksh 11,062,988.00 from student fees,
- II. Ksh 1,897,416.00 from farm production unit
- III. Ksh 156,000.00 from rental income from institute facilities.

During the FY 2019/2020 the institute incurred the following expenditures

- a) Good and Services Ksh 27,647,549.00 where purchase of tuition training materials, Purchase of boarding items for students, taking students to participate in sports activities, & medical expenses
- b) Employee cost Ksh 11,927,965.00 where contracted security firm, BOG teaching and non-teaching staff salaries were paid and contributions of statutory deductions submitted to the relevant offices (i.e. NHIF, NSSF & KRA)
- c) Remuneration of Directors Ksh 1,975,308 which covered BOG transport & sitting allowance to attend BOG Meetings, trainings & performance contract workshops
- d) Repairs & Maintenance Ksh 1,161,945 where equipment's were repaired & maintained for their efficient use.
- e) General (Administration) Expenses Ksh 6,143,900.00 for purchase of assorted stationeries, covid 19 prevention mechanisms, KATTI subscriptions, Performance contract costs and other administration costs

10. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

This includes

1. Sustainability strategy and Profile

STVCBD exists to impart skills, knowledge and attitude to trainees across East and central Africa region. The College provides relevant livelihood skills training to persons with disabilities including but not limited to The Visually impaired, Hearing impaired, intellectually challenged, Deaf Blind among others. The College takes a responsible approach towards balancing social and environmental factors to maintain a sustainable and successful organizational culture.

2. Environmental Performance

Our environmental responsibilities comprise the care we take to protect nature and biodiversity, the steps we take to enhance local habitats through our work. We manage our college responsibly through a documented and proven integrated management system that is regularly audited for compliance ISO 9001:2015 (Quality management system).

The college seeks to protect the environment through the following measures;

- i. Use of Organic manure on the farm and not commercial
- ii. Burning waste in an incinerator
- iii. Planting minimum 500 trees annually
- iv. Use of Biogas for cooking

3. Employee welfare

STVCBD has an HR policy document which takes into account:

- Hiring and Firing procedures
- Gender ratio(1/3 Rule)
- Capacity Building
- Staff welfare
- Appraisal and Reward system
- Health and Safety issues of Employees

4. Market place Practices

STVCBD has an active Anti-Corruption Committee which reports to Ethics and Anti-Corruption Commission on quarterly basis. The college Leadership is also guided by Chapter six of the Kenyan constitution 2010 and Leadership and Integrity Act, 2012.

The College adheres to Procurement and Disposal Act and any policies on procurement as issued by Public procurement and Regulatory authority.

5. Community Engagement

The college has an annual Soccer Tournament for the neighboring communities with the Final matches Played on the Mashujaa Day 20th Day of October, every year. The main purpose is to search for local talents in the village for exposure.

The College despite being meant for the disabled only, has initiated a reverse integration programme where trainees with no disability learn together with their trainees with special needs.

The college has a subsidized fees structure for learners with special needs. We also involve partners to assist in provision of start up kits for needy Trainees.

STVCBD offers opportunity to other colleges and schools to learn on industry standards on various areas of specialization

11. REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended June 30th, 2020 which show the state of STVCBD's affairs.

Principal activities

The principal activities of STVCBD are set out on page "iii"

Results

The results of STVCBD for the year ended June 30th 2020 are set out on page 2

BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page v to vii
During the Financial year ended 30th June 2020:

One Board of Governor retired on 31st December 2019

- 1) Mr. Lucas Ocharo

And was replaced on 1st January 2020 by

- 1) Mr. Tom Olang'o

Three BOG members term ended in 31st March 2020, though there 2nd term was renewed in August 2020 were

- 1) Eng. Andrew Tarus
- 2) Madam Esther Imbega
- 3) Mr. Evance Owiti

Auditors

The Auditor General is responsible for the statutory audit of STVCBD in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2020

By Order of the Board



Principal/Secretary B.O.G

Date: 22/09/2020



12. STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the Board of Governors to prepare financial statements in respect of STVCBD which give a true and fair view of the state of affairs of the college at the end of the financial year and the operating results of the college for the period. The BOG members are also required to ensure that the college keeps proper accounting records which disclose with reasonable accuracy the financial position of the college. The council members are also responsible for safeguarding the assets of the college.

The BOG members are responsible for the preparation and presentation of the college financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the financial year ended on June 30th, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the college; (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 college; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

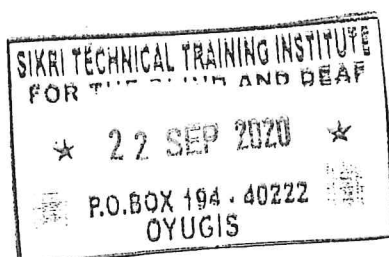
The BOG members accept responsibility for the college's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in partially conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and TVET Act. The BOG members are of the opinion that the college's financial statements give a true and fair view of the state of the college's transactions during the financial year ended June 30th, 2020, and of the college's financial position as at that date. The BOG members further confirm the completeness of the accounting records maintained for the college, which have been relied upon in the preparation of the college's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the BOG members to indicate that the college will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

STVCBD financial statements were approved by the Board on 22nd September 2020 and signed on its behalf by:

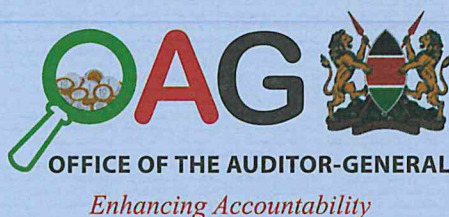

.....
Chairperson




.....
Principal/ Secretary

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Sikri Technical and Vocational College for the Blind and Deaf set out on pages 1 to 22, which comprise the statement of financial position as at 30 June, 2020, statement of financial performance, statement of changes in net assets, statement of cash flows, and the statement comparison of budget 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 Sikri Technical and Vocational College for the Blind and Deaf as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with the Public Sector Accounting Standards and comply with the Technical and Vocational Education and Training Act, 2013 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Presentation of the Financial Statements

The financial statements for the year ended 30 June, 2020 presented for audit review reflects the following anomalies.

- i. The statement of financial position reflects Kshs.3,949,537 (deficit) and Kshs.114,368,203 in respect of accumulated reserves and capital fund respectively, both referenced to Note 16 to the financial statements. However, the note relates to administration costs - general expense and not the two items of the statement.

- ii. The Institute of Certified Public Accountants of Kenya (ICPAK) member number of the accountant signing the financial statements is not indicated contrary to the Public Sector Accounting Standards Board (PSASB) reporting guidelines and template issued in June, 2020.
- iii. A progress on follow up of auditor recommendations report and a report on projects implemented by the College are not included in the financial statements contrary to the requirement of the PSASB reporting templates.

In the circumstances, the Institutes' financial statements are not presented in accordance with the International Public Sector Accounting Standards (IPSAS) and PSASB prescribed formats.

2. Accuracy of Financial Statements

2.1 Statement of Changes in Net Assets

The statement of changes in net assets reflects Kshs.17,073,636 in respect of net surplus for 2018/2019. However, the Management did not provide supporting schedules and computation for the amounts. Further, the statement of changes in net assets reflects an amount of Kshs.6,712,003 in respect of development grants which was not supported by ledgers and supporting schedules for the same.

Consequently, the accuracy and completeness of Kshs.17,073,636 and Kshs.6,712,003 changes in net asset for the year ended 30 June, 2020 could not be confirmed.

2.2 Statement of Cash Flows

The statement of cash flows for the year ended 30 June, 2020 contained inaccuracies as stated below;

- i. The statement of financial position reflects trade payables amounting to Kshs.1,119,935 which decreased by Kshs.12,665,974 from an amount of Kshs.13,785,9090 in 2019. However, the statement of cash flows reflects Kshs.4,476,992 instead of Kshs.12,665,974 leading to unreconciled variance of Kshs.8,188,982.
- ii. The statement of financial position reflects receivable from exchange transaction of Kshs.6,880,308 in respect of 2019/2020 which decreased from Kshs.26,338,374 in 2018/2019 by Kshs.19,458,066. However, the statement of cash flows reflected Kshs.1,051,323 instead of Kshs.19,458,066 leading to unreconciled variance of Kshs.18,406,743.

Consequently, the accuracy, and completeness of the statement of cashflow for the year ended 30 June, 2020 could not be confirmed.

3. Undisclosed Property Plant and Equipment

The statement of financial position as at 30 June, 2020 reflects Kshs.142,973,727 in respect of property, plant, and equipment. Review of the assets records and physical verification of Institute's assets revealed that the institution owned computers, furniture, vehicles, tractors, motor cycles and other assets whose values were not included in the assets register, and were also not disclosed in the financial statements, contrary to Paragraph 27 of International Public Sector Accounting Standard (IPSAS) 1 which requires financial statements to present fairly the financial position, financial performance and cash flows of an entity.

Consequently, accuracy and completeness of property, plant and equipment of Kshs.142,973,727 as at 30 June, 2020 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.85,934,000 and Kshs.44,546,876 respectively resulting in a shortfall of Kshs.41,387,124 or 48% of the approved budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.85,934,000 and Kshs.48,856,667 respectively resulting in an under performance amounting to Kshs.37,077,333 or 43%.

The underfunding and under expenditure affected the planned activities and may have impacted negatively on service delivery to the students and stakeholders of Sikri Technical and Vocational College for the Blind and Deaf.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report. I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Non-Compliance with Law on Ethnic Composition

During the year under review, the total number of employees was twenty-seven (27) out of which, twenty-one (21) or 78 % of the total number were members of the same ethnic community. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community".

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of Internal Audit Function and an Audit Committee

During the year under review, the institution did not have an established an internal audit unit to provide assurance on the state of risks, mitigation measures and controls

contrary to Public Finance Act, 2012 section 73(1) which requires every national government entity to ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board.

Similarly, the College did not have in place an audit committee contrary to Regulation 174(1) of the Public Finance Management (National Government) Regulation, 2015 which provided each National Government entity shall establish an audit committee. Lack of an independent and effective audit committee may lead to weak internal controls.

Consequently, the Institute is in breach of the law.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the ability of the College to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the college or cease operations.

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the 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 College's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 February, 2022

Report of the Auditor-General on Sikri Technical and Vocational College for the Blind and Deaf for the year ended 30 June, 2020

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

	Notes	2019-2020	2018-2019
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – Operational grants	6	30,609,072	26,355,631
Transfers from the National Government – Development grants		0	6,712,003
		30,609,072	33,067,634
Revenue from exchange transactions			
Rendering of services- Fees from students	7	11,062,988	8,078,070
Sale of goods-Production unit income	8	1,897,416	1,149,587
Rental revenue from facilities and equipment	9	156,000	73,200
Revenue from exchange transactions		13,116,404	9,300,857
Total revenue		43,725,476	42,368,491
Expenses			
Use of goods and services- Academic expenses	10	27,647,549	29,352,091
Employee costs	11	11,927,965	9,232,804
Remuneration of directors	12	1,975,308	1,286,981
Depreciation and amortization expense	13	2,425,000	2,425,000
Repairs and maintenance	14	1,161,945	998,570
Grants and subsidies		0	7,906,259
Administration cost and general expense	16	6,143,900	4,633,768
Total expenses		51,281,667	55,835,473
Net Surplus/ (deficit) for the year		(7,556,191)	(13,466,982)

The notes set out on pages 16 to 19 form an integral part of the Annual Financial Statements.


15. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2020

	Notes	2019-2020	2018-2019
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	17	10,661,243	4,717,596
Receivables from exchange transactions	18	6,880,308	26,338,374
		17,541,551	31,055,970
Non-current assets			
Property, plant and equipment	19	142,973,727	155,254,630
Valuation of Biological assets	23	738,200	1,082,000
Total assets		161,253,478	187,392,600
Liabilities			
Current liabilities			
Trade payables from exchange transactions	20	1,119,935	13,785,909
Deferred income	23	49,679,630	49,679,630
Prepayments received in advance	24	35,247	0
Total liabilities		50,834,812	63,465,539
Capital and Reserve			
Accumulated surplus/ (deficit)	25	(3,949,537)	15,927,061
Capital fund	25	114,368,203	108,000,000
Total Capital and Reserves		110,418,666	123,927,061
Total net assets and liabilities		161,253,478	187,392,600

The Financial Statements set out on pages 3 to 23 were signed on behalf of the Institute Board of Governors by:


B.O.G Chairperson
Date 22/9/2020


Finance Officer
Date 22/9/2020


Principal
Date 22/9/2020

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

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/ Development Grants/Fund	Total
At July 1, 2018					
Net surplus (deficit) for the FY 2017/2018	0	0	17,073,636	0	17,073,636
Comprehensive Income FY 2018/2019	0	0	(13,466,982)	0	(13,466,982)
Valuation of buildings	0	0	0	108,000,000	108,000,000
At June 30, 2019	0	0	3,606,654	108,000,000	111,606,654
At July 1, 2019	0	0	3,606,654	108,000,000	111,606,654
Development grants	0	0	0	6,712,003	(6,712,003)
Decrease in Valuation of Biological assets	0	0	0	(343,800)	(343,800)
Total comprehensive income FY 2019/2020	0	0	(7,556,191)	0	(7,556,191)
At 30th June, 2020	0	0	(3,949,537)	114,368,203	110,418,666

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

		2019-2020	2018-2019
	Note	Kshs	Kshs
Cash flows from operating activities			
Inflows			
Transfers from other Government entities/Govt. grants	6	30,609,072	33,067,634
Rendering of services- Fees from students	7	11,062,988	8,078,070
Sale of goods- Production unit income	8	1,897,416	1,149,587
Rental revenue from facilities and equipment	9	156,000	73,200
Direct deposits	17	95,123	115,475
Prepaid fees received		0	98,550
Increase in Rent Arrears		18,397	15,650
Fee arrears received		0	98,700
Income Generating activity			822,500
Total Inflows		43,838,996	43,519,366
Outflows			
Compensation of employees	11	(11,927,965)	(9,232,804)
Use of goods and services	10	(27,647,549)	(29,352,091)
Remuneration of Governors	12	(1,975,308)	(1,286,981)
Administration Cost	16	(6,143,900)	(4,633,768)
Repair and Maintenance	14	(1,161,945)	(998,570)
Decrease in Creditors	20	(4,476,992)	(2,056,083)
Increase in Debtors	18	(1,051,323)	0
Decrease in prepayments		(619,826)	0
Rent arrears		0	0
Decrease in Income generating activities		(822,500)	0
Total Outflows		(55,827,308)	(47,560,297)
Net cash out flows from operating activities		(11,988,312)	(4,040,931)
Cash flows out from investing activities			
W.I.P construction of twin classroom complex		(2,725,527)	(7,906,259)
Purchase of computers, office equipment & computer software		(665,000)	0
Net cash flows used in investing activities		(3,390,527)	(7,906,259)
Net increase/(decrease) in cash and cash equivalents		(15,378,839)	(11,947,190)
Cash and cash equivalents at 1 July 2019	17	4,717,596	16,664,786
Cash and cash equivalents at 30 June 2020	17	10,661,243	4,717,596

B.O.G Chairperson

Date: 22/9/2020

Finance Officer

Date: 22/9/2020

Principal

Date: 22/9/2020

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs
Transfers from Government-Operational grants	40,613,000	0	40,613,000	30,609,072	10,003,928
Rendering of services- Fees from students	29,620,000	0	29,620,000	11,313,079	18,306,921
Sale of goods- Production unit	2,163,000	0	2,163,000	2,468,725	(305,725)
Construction of twin classroom complex	13,424,000	0	13,424,000	0	13,424,000
Rental Revenue	114,000	0	114,000	156,000	(42,000)
Total income	85,934,000	0	85,934,000	44,546,876	41,387,124
Expenses					
Compensation of employees	11,644,349	0	11,644,349	11,927,965	(283,616)
Use of Goods and services	49,339,241	0	49,339,241	27,647,549	21,691,692
Remuneration of directors	1,785,000	0	1,785,000	1,975,308	42,088
Repairs & Maintenance	2,382,000	0	2,382,000	1,161,945	1,220,055
General Administration Expenses	7,359,410	0	7,359,410	6,143,900	983,114
Construction of twin classroom complex	13,424,000	0	13,424,000	0	13,424,000
Total expenditure	85,934,000	0	85,934,000	48,856,667	37,077,333
Surplus for the period	0	0	0	(4,309,791)	4,309,791

Budget notes

1. The institute did not receive quarter four operational grants of Ksh 10,153,190.75
2. The major cause of not fully raising academic income is due to covid 19 that disrupted studies hence poor fee collection from students

19. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

STVCBD is established by and derives its authority and accountability from TVET Act 2013. It's wholly owned by the Government of Kenya and is domiciled in Kenya. STVCBD's principal activity is highlighted on page "iii"

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

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

3. ADOPTION OF NEW AND REVISED STANDARDS

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

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019 The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3(applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations.

3 ADOPTION OF NEW AND REVISED STANDARDS

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2022:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an STVCBD's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an STVCBD's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting STVCBD provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by STVCBD;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on STVCBD's financial performance, financial position and cash flows.</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2022:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. <p>Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector</p>

Sikri Technical and Vocational College For The Blind And Deaf
Annual Report And Financial Statements For The Year Ended 30th June 2020

Standard	Effective date and impact:
	Accounting Standards (IPSASs) was approved
	c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.
	d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.

iii. Early adoption of standards

STVCBD has not earlier adopted hence not applicable.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Academic Income-Rendering of services

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

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

Production unit-Sale of goods

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

ii) Revenue from exchange transactions

Rental income

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

b) Budget information

The original budget for FY 2019/2020 was approved by the Board of Governors on 28th June 2019. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by STVCBD upon receiving the respective approvals in order to conclude the final budget.

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

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

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

c) Taxes

Current income tax

STVCBD is exempt from paying taxes as per income tax schedule Act.

Sales tax/ Value Added Tax

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

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

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

This is not applicable to STVCBD

d) Investment property

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

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

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

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

This is not applicable to STVCBD

e) Property, plant and equipment

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

This is not applicable to STVCBD

f) Leases

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

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

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

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

This is not applicable to STVCBD

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated

amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite

This is not applicable to STVCBD

h) Research and development costs

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

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

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

This is not applicable to STVCBD

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

Impairment of financial assets (Continued)

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

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

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

This is not applicable to STVCBD

i) Inventories

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

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

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

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

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

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

j) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

k) Nature and purpose of reserves

STVCBD creates and maintains reserves in terms of specific requirements.

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

STVCBD provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an STVCBD pays fixed contributions into a separate STVCBD (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund

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obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

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

n) Foreign currency transactions

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

o) Borrowing costs

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

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

p) Related parties

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

q) Service concession arrangements

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

r) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

s) Comparative figures

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

t) Subsequent events

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

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. STVCBD based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of STVCBD. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by STVCBD
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

6 TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2019-2020	2018-2019
	KShs	KShs
Unconditional grants		
Operational grant	30,609,072	26,355,631
Conditional grant		
Construction of classroom complex	0	6,712,003
Total government grants and subsidies	30,609,072	33,067,634

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6b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of STVCBD sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	2018-2019
				2019/2020	
			KShs	KShs	KShs
Ministry of Education State Department of TVET	30,609,072	0	0	30,609,072	33,067,634
Total	30,609,072	0	0	30,609,072	33,067,634

7 RENDERING OF SERVICES-ACADEMIC INCOME

Description	2019-2020	2018-2019
	KShs	KShs
Tuition & Training fees	3,481,539	3,226,051
Meals (B.E.S)	2,094,144	1,754,931
Local Transport & Travel (L.T.&T)	514,635	278,322
Activity fees	446,904	184,550
Industrial Attachment, Medical & Insurance	274,730	193,778
Electricity Water & Conservancy (E.W.&C)	331,540	182,340
Exam Fee	769,125	505,160
Personal Emoluments (P.E)	2,207,336	1,150,197
Student ID card	11,000	0
Student Expense Income	5,000	23,300
Admin Income	249,969	281,600
Parents/ Staff training Income	277,066	297,841
Gratuity Income	400,000	0
Total revenue from the rendering of services	11,062,988	8,078,070

This includes fee from students from July 2019 to March 2020. Student education was disrupted due to Covid-19 pandemic

8 SALE OF GOODS-PRODUCTION UNIT

Description	2019-2020	2018-2019
	KShs	KShs
Sale of goods		
Dairy Milk sales	129,305	366,230
Hen House egg sales	568,335	628,570
Pigs income	59,200	109,270
Clothing & textiles	5,800	7,200
Crop production	339,085	137,553
Hire of facilities	209,000	49,570
Tender Income	101,000	88,000
Dust coat income	2,000	3,000
Deaf blind Rehabilitation income	15,000	22,300
Welding & fabrication	426,191	0
Rehabilitation department sales	40,000	0
Sheep department income	2,500	13,000
Total revenue from the sale of goods	1,897,416	1,149,587

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9 RENTAL REVENUE FROM FACILITIES

Description	2019-2020	2018-2019
	KShs	KShs
Rent income received during the FY	156,000	73,200
Total rentals	156,000	73,200

10 ACADEMIC EXPENSES-USE OF GOODS AND SERVICES

Description	2019-2020	2018-2019
	KShs	KShs
Tuition & Training (S.E.S)	10,881,684	13,611,203
Boarding/ Meals (B.E.S)	7,164,869	5,870,634
E.W.&C	940,994	3,698,769
Medical & Insurance	163,524	142,360
Sports & Activity	1,095,380	1,425,860
Exam costs	614,255	750,855
Parents/ Staff training	1,838,878	1,369,060
Student Expenses	11,131	19800
L.T.& T	4,936,834	2,463,550
Total good and services	27,647,549	29,352,091

11 EMPLOYEE COSTS

	2019-2020	2018-2019
	KShs	KShs
Salaries and wages	11,927,965	9,232,804
Employee costs	11,927,965	9,232,804

12 REMUNERATION OF DIRECTORS

Description	2019-2020	2018-2019
	KShs	KShs
Chairman's Honoraria	260,729	223,337
Other Directors emoluments	1,714,579	1,063,644
Total director emoluments	1,975,308	1,286,981

13 DEPRECIATION AND AMORTIZATION EXPENSE

Description	2019-2020	2018-2019
	KShs	KShs
Property, plant and equipment	2,425,000	2,425,000
Total depreciation and amortization	2,425,000	2,425,000

14 REPAIRS AND MAINTENANCE

Description	2019-2020	2018-2019
	KShs	KShs
Equipment and machinery	1,161,945	998,570
Total repairs and maintenance	1,161,945	998,570

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15 GRANTS AND SUBSIDIES

Description	2019-2020	2018-2019
	KShs	KShs
Classroom complex expenses	0	7,906,259
Total grants and subsidies	0	7,906,259

16 ADMIN COSTS-GENERAL EXPENSE

Description	2019-2020	2018-2019
	KShs	KShs
Administration costs	6,143,900	4,633,768
Total finance costs	6,143,900	4,633,768

17 CASH AND CASH EQUIVALENTS

Description	2019-2020	2018-2019
	KShs	KShs
Current Bank accounts	10,421,732	4,609,943
Cash at hand	239,511	107,653
Total cash and cash equivalents	10,661,243	4,717,596

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

Financial institution	Account number	2019-2020	2018-2019
		KShs	KShs
Current account			
KCB-Recurrent	1101985127	1,381,577	888,501
KCB- Development	1136587330	4,224,814	17,641
CO-OP- IGA	01129455730200	4,810,775	3,699,235
Equity- Sch Fund	1500263365733	4,566	4,566
Cash at hand	N/A	239,511	107,653
Grand total		10,661,243	4,717,596

18 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	KShs	KShs
Current receivables		
Student balances	6,572,978	26,189,304
PU receivables	244,330	149,070
Imprest Debtors	41,500	0
Staff debtors	21,500	0
Total current receivables	6,880,308	26,338,374

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19 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Furniture & Fittings	Biological Assets	Computers & Software	Capital W.I.P	Total
Cost	Ksh	Ksh	Ksh		Ksh	Ksh	Ksh
At 1 July 2018	11,000,000	131,575,000	0	0	0	0	142,575,000
Additions	0	0	0	0	0	0	0
Disposal	0	0	0	0	0	0	0
As at 30 th June 2019	105,575,000	131,575,000	0	0	0	0	142,575,000
As at 1 st July 2019	11,000,000	131,575,000	0	0	0	0	142,575,000
Additions	0	0	113,000	1,082,000	552,000	2,502,527	3,167,527
Disposals	0	0		0	0		0
Transfers/adjustments	0	0		0	0		0
At 30 th June 2020	11,000,000	131,575,000	113,000	1,082,000	552,000	2,502,527	145,742,527
Depreciation and impairment							
Depreciation	0	(2,425,000)	0		0	0	(2,425,000)
Changes in value				(343,800)			(343,800)
At 30 June 2020	0	(2,425,000)	0		0	0	(2,768,800)
Net book values							
At 30 th June 2019	11,000,000	131,575,000	0		0	0	142,575,000
At 30 th June 2020	11,000,000	129,150,000	113,000	738,200	552,065	2,502,527	142,973,727

20 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	KShs	KShs
Creditors for the year	1,119,935	12,708,401
Fees paid in advance	0	592,600
Direct deposit	0	479,408
Farm payroll recoveries	0	5,500
Total trade and other payables	1,119,935	13,785,909

21 EMPLOYEE BENEFIT OBLIGATIONS

The Institute also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at 6% employer and 6% employee totaling to 12% per employee per month not exceeding Ksh 2,160.00 per employee.

22 VALUATION OF BIOLOGICAL ASSETS

	2019-2020	2018-2019
	KShs	KShs
Valuation at the beginning of the year	1,082,000	0
Changes in valuation during the year	(343,800)	1,082,000
Valuation at end of the year	738,200	1,082,000

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23 DEFERED INCOME

Description	2019-2020	2018-2019
	KShs	KShs
National Government (construction of twin workshop complex)	49,679,630	49,679,630
Total Deferred Income	49,679,630	49,679,630

24 PAYMENTS RECEIVED IN ADVANCE

Description	2019-2020	2018-2019
	KShs	KShs
Student expense	35,247	0
Total Deferred Income	35,247	0

25 CAPITAL AND RESERVE

	Retained earnings	Capital/ Development Grants/Fund	Total
At July 1, 2018			
Net surplus (deficit) for the FY 2017/2018	17,073,636	0	17,073,636
Comprehensive Income FY 2018/2019	(13,466,982)	0	(13,466,982)
Valuation of buildings	0	108,000,000	108,000,000
At June 30, 2019	3,606,654	108,000,000	111,606,654
At July 1, 2019	3,606,654	108,000,000	111,606,654
Development grants	0	6,712,003	(6,712,003)
Decrease in Valuation of Biological assets	0	(343,800)	(343,800)
Total comprehensive income FY 2019/2020	(7,556,191)	0	(7,556,191)
At 30th June, 2020	(3,949,537)	114,368,203	110,418,666

26 FINANCIAL RISK MANAGEMENT

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

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

(i) Credit risk

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

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

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

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

STVCBD has significant concentration of credit risk on amounts and the board of Governors sets the institute's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

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

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

(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

27. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder holding 100% of STVCBD equity.

Other related parties include:

- i) The National Government;

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- ii) The Parent Ministry- Ministry of Education;
- iii) County Government;
- iv) Members of Public;
- v) Parents/ guardian, students and staff;
- vi) Key Administration management;
- vii) Board of Governors;

28. EVENTS AFTER THE REPORTING PERIOD

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

29. Currency

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

30. APPENDICES

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

Guidance Notes:

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

N/B

The institute has not yet received FY 2018/19 Audit certificate


Principal/ Secretary B.O.G

Date: 22/09/2020



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APPENDIX II: PROJECTS IMPLEMENTED BY STVCBD

Projects

Projects implemented by the Institute funded by Government/ Donor.

Project title	Project Number	Donor/ GOK	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1. Construction of twin classroom complex	N/A	GOK	5yrs	N/A	N/A (Govt. funded 100%)	Yes

APPENDIX III: INTER-STVCBD TRANSFERS

	STVCBD NAME:	
	Break down of Transfers from the State Department of TVET	
	FY 2019/2020	
a.	Recurrent Grants	
	<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>
	18/10/2019	10,153,191
	17/12/2019	149,500.00
	04/03/2020	10,153,191
	27/04/2020	10,153,190
	Total	30,609,072
b.	Development Grants	
	<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>
	N/A	0.00
	The institute did not receive development grants during the financial year 2019/2020	

The above amounts have been communicated to and reconciled with the parent Ministry

Finance Officer
STVCBD

Sign -----

Head of Accounting Unit
Ministry Of Education

Sign-----



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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development	Total Amount KES	Statement of Financial Performance	Deferred Income	Receivables	Total Transfers during the Year
Ministry of Education	23 rd October 2019	Recurrent	10,153,191	10,153,191	0.00	0.00	10,153,191
Direct credit mini disbursement	17 th December 2019	Recurrent	149,500	149,500	0.00	0.00	149,500
Ministry of Education	4 th March 2020	Recurrent	10,153,191	10,153,191	0.00	0.00	10,153,191
Ministry of Education	24 th April 2020	Recurrent	10,153,190	10,153,190	0.00	0.00	10,153,190
Total			30,609,072	30,609,072	0.00	0.00	30,609,072