

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**CENTRE FOR MATHEMATICS,  
SCIENCE AND TECHNOLOGY EDUCATION  
IN AFRICA**

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



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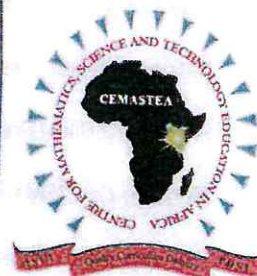




OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
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## **CENTRE FOR MATHEMATICS, SCIENCE AND TECHNOLOGY EDUCATION IN AFRICA (CEMASTEА)**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE, 2020**

**Prepared in accordance with the Accrual Basis of Accounting Method under the  
International Public Sector Accounting Standards (IPSAS)  
ISO 9001:2015 Certified**

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## I. Key Entity Information and Management

### a) Background Information and Legal framework

Centre for Mathematics, Science and Technology (CEMASTE) is a government owned entity under Ministry of Education Science and Technology, State Department of Basic Education formed under legal notice no.96 of 2006 as body corporate with perpetual succession and a common seal, and which may in its corporate name sue or be sued, own and dispose of property, and do all such other things or acts as may be done by a body corporate entity.

#### Vision Statement

- Excellent capacity development in Science, Technology, Engineering and Mathematics (STEM) Education in Africa

#### Mission Statement

- To continuously develop competencies for sustainable development through Science, Technology, Engineering and Mathematics (STEM)

### Core Functions

To realize quality teacher capacity development and STEM education, the specific functions for CEMASTE include to;

1. Provide training under policies specified by the Ministry of Education, TSC, and other relevant stakeholders;
2. Conduct research to inform Teacher Professional Development programs, internal quality assurance processes, and policies;
3. Organize and conduct seminars, workshops, conferences and symposia in STEM education and teacher capacity development;
4. Print, publish and disseminate information and research related to STEM education and teacher capacity development;
5. Provide advisory and consultancy services in STEM education and teacher capacity development;

6. Develop local and international partnerships, linkages and collaborations with Government agencies, institutions and organizations with interests in STEM education and teacher capacity development;
7. Function as the Secretariat of the Strengthening of Mathematics and Science Education in Africa (SMASE-Africa) Network and ADEA's Inter-Country Quality Node on Mathematics and Science Education (ICQN-MSE);
8. Support the implementation of STEM in the Competency-Based Curriculum (CBC).

CEMASTEА is headed by Director, who is responsible for the general policy and strategic direction in realizing its mandate.

#### b) Principal Activities

The principal mandate of CEMASTEА is provide continuous professional development of teachers in STEM Education.

#### c) Key Management

The key management personnel who held office during the FY ended 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were;

NO.	DESIGNATION	NAME
1	Director	Jacinta Akatsa, HSC
2	Deputy Director-Administration	Lydia Muriithi
3	Coordinator Field services	Joseph Mathenge
4	Ag. Deputy Director-Training	Patrick Kogolla
5	Finance Officer	Bradon Sila

#### d) Headquarters

P.O. Box 24214-005202  
CEMASTEА  
Karen, Bogani Road  
Nairobi, Kenya

#### e) Contacts

Telephone: 020-2044406  
Phone No. +254-706722697,  
+254-780797648  
E-mail: [director@cemastea.ac.ke](mailto:director@cemastea.ac.ke)  
Website: [www.cemastea.ac.ke](http://www.cemastea.ac.ke)



**f) Bankers**

1. Kenya Commercial Bank  
Karen Branch  
P.O Box 24410 - 100300  
Karen
2. Co-operative Bank  
Nairobi Business Centre Branch  
P.O Box 48231-00100, Nairobi
3. NCBA Bank  
Junction Branch  
P.O Box 19555 -00202  
Nairobi Kenya
4. National Bank of Kenya  
Times Tower Branch  
P.O.Box 12036-00100  
Nairobi

**g) Independent Auditors**

Auditor-General  
Anniversary Towers,  
University Way  
P.O. Box 30084  
GPO

00100,

Nairobi,

Kenya

**h) Principal Legal Advisor**

The Attorney-General and Principal Legal Officer, Ministry of Education (MOE)  
State Law Office  
Harambee Avenue  
P.O. Box 40112 City Square 00200  
Nairobi, Kenya

**i) Board Members**

The term of the board of management expired on 31<sup>st</sup> August 2015, hence the centre operated without board of management in financial year 2019-2020. The centre wrote to the Ministry of Education which is mandated to appoint board of management and no response has been received to date.

**j) Board Committees**

From 31<sup>st</sup> August 2015 the centre has been operating without a board of management to date. Due to the above reason, there has not been a board committee during the financial year 2019-2020. The management has been seeking advice from Principal Secretary Ministry of Education State Department of Basic Education and Early Learning on all key decisions.

## II. Management Team



**Mrs. Jacinta L. Akatsa**  
HSC-Director/Chief Executive Officer.

Mrs Akatsa is responsible for the running of the centre affairs to ensure that the mission and efficiency of the Centre is achieved. She is the secretary to the Board of Management and chairperson of the Senior Management Committee. She is also responsible for spearheading partnerships of the centre and directs the centre to achieve its mandate. She holds an Executive MBA, B.Ed. (Science).



**Mrs. Lydia Muriithi**  
Deputy Director

Mrs. Muriithi is a member of the Human Resource Advisory Committee. She has extensive experience in the education sector for the last 31 years. 17 of these years, she has worked at CEMASTEIA in various capacities; 2003 -2012, National Lydia Muriithi is the Deputy Director. She chairs the Budget Implementation Committee and Human Resource Management Trainer (Biology), 2012 to 2014 - Ag. Deputy Director, 2014 to 2018 Coordinator Support services, 2018 appointed the

Deputy Director.

She has MBA (Strategic Management) and a Bachelor of Education degree (B.Ed, Science). She has extensive training in educational management and leadership, such as Corporate Governance, Strategic Leadership Development Programme (SLDP) and Certified ISO 9001:2015 Lead Auditor. She is a Full Member of Kenya Institute of Management.



**Mr. Joseph Mathenge**  
Coordinator Field services

He holds a Bachelor of Education Degree (B.Ed. Science) (Hons.) and a Masters of Education (M.Ed) in Education Management. He is Coordinator Field Services Programme. He has 16 years' experience as National Trainer. He is the Quality Management Representative, Chair Strategic





Planning Committee, Chair National Cohesion and Values Committee.

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**Mr. Bradon Sila**  
**Finance Officer**

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He holds MBA Finance, B.Com (Finance), CPA (K). He is the Finance Officer. He has experience of 12 years in the field of Finance and Accounting

In charge of planning, sourcing and managing financial resources to achieve corporate objectives.



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**Mr. Patrcik Kogolla- Ag. Deputy Director-Training**

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He is the Ag. Deputy Director-Training. Holds a M.Ed (Teacher Education); 15 Years' experience as Chemistry/Mathematics Teacher; 6 Years Head of Science Department; 4Months Experience as a Deputy Principal, 2 Year National Trainer-SMASE Project, 6 as Head of SMASE Project Chemistry Programmes; 2 years Coordinator of SMASE Project Primary Programme; 4 years Coordinator CEMASTEAs Partnerships and Linkages; 5 years Coordinator CEMASTEAs Training/ Academic Programmes; and 2months Ag. Deputy Director Trainings Head of Programmes at SMASE Project and CEMASTEAs.



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**Mrs. Mary Sichangi-**  
**Head of Partnership and Linkages**

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A graduate of the University of Nairobi, Masters in Project Planning and Management and Kenyatta University, B-Ed (Science) double mathematics. Her experience in education fields spans over twenty-two years with over a decade of hands-on experience as a teacher trainer providing Teacher Professional Development in Mathematics and Science Education (TPD-MSE) for educators from Kenya, other African countries and on the international scene. she is currently the head of Partnerships and Linkages Department that works to expand center's collaborative TPD-MSE



programs.



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**Ms. Rose Njuki**  
**Human Resource Officer**

She is the Head of Human Resource Department and a HRM degree holder. She is also a member of the IHRM body. Years of experience: 4years.

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**Mr. Paul Waibochi-Coordinator ICT Program.**

He holds M.Ed., B.Ed. & Diploma in project management. He Responsible for managing the ICT programs of the Institute. In charge of planning, sourcing and implementing the ICT programs.



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**Mr. John Makanda-Coordinator Secondary**

He holds B.Ed. and M.Sc.in Education Program and Master of education (science),  
He has over 30 years Working experience in training, 14 years as a national Trainer in Physics at CEMASTE.A.

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**Mr. George Kiruja**  
**Coordinator Primary Program**

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He coordinates all training activities in Primary Programme. He has a Master's in Education, over 14 years' experience in training working in CEMASTEAs as National Trainer in Biology.

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**Mr. Earnest Ngeny**  
**Dean Physics Department**

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He holds B.Ed. and M.Sc. in Education  
He is Dean, Physics department.



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**Mr. Samuel Gachui**

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Dean Chemistry Department

He holds M.Ed., Admin & Planning  
B.ED (Science)

He is the Dean Chemistry Department  
Materials.





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**Makoba Edmond Kizito**  
**Dean Biology Department**

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He has 30 years of teaching experience. His responsibilities include coordination of departmental activities such as preparation of work plans, Supervision of implementation of work plans, development of training materials for teachers, implementation of training for teachers of math and science education as well as preparation of training reports. He also conducts research in innovative teaching and learning strategies in mathematics and science education.



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**Ms. Nancy Nui- Dean Mathematics Department**

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She holds M.Ed. (Mathematics Education) & B.Ed She is the Dean, mathematics department.



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**Dr. Grace Orado**  
**Coordinator, Research, Development and**  
**Knowledge Management Programme**

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PhD (Science Education), M. E.D (Science Education),  
B.E.D (Science)

She has been a Teacher of mathematics and chemistry for 12 years (1989 - 2000) Teacher educator in science

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education and chemistry education in particular for 19 years (2001- to date).



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**Mary Namunyak**  
**Hospitality Officer**

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She holds a B.Sc. in Hospitality Management and Diploma in Catering and accommodation management. She has 5 years' experience in Hospitality.



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**Mr. Robert Aura**  
**Estate Officer**

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He Holds a Diploma Building & Civil Engineering,  
Diploma Technical Education  
Diploma Community Health  
Craft III Carpentry & Joinery  
Responsible for safeguarding of CEMASTEAs properties to ensure they are in good condition and are well maintained.



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**Ms. Lydia Kang'ara**  
**Supply Chain Management Officer**

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She is the Supply Chain Management Officer 1 and head of procurement department. Currently undertaking the CIPS professional Course. She is responsible for all procurement processes. She is a member of Kenya Institute of Supplies Management (KISM).



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**Mr. Joseph Ngugi**  
**Internal Auditor**

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He holds BBA (Accounting) & CPA 1

He Responsible for the provision of Internal Auditing and advisory services to internal Management, assisting in controlling risk and monitoring compliance. He is also the secretary Internal Audit Committee of the Board.



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**Mr. Paul Waibochi**  
**Coordinator ICT Program.**

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He holds M.Ed., B.Ed. & Diploma in project management.

He Responsible for managing the ICT programs of the Institute.

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### III. Report of the Director



Dear stakeholder, I am delighted to present the CEMASTEА annual report and financial statements for the FY 2019/2020.

I am pleased to report that in this year, in line with the CEMASTEА strategic plan 2020-2024 the Centre is continuing to pursue a strategic direction focusing on institutional strengthening under five strategic areas: *Positioning and Strengthening of the Centre, Competency Development in STEM; Research and Development and Knowledge Management; Financial Resource Resilience and Sustainability; Advocacy, Networking and Partnerships.*

The mandate of the Centre for Mathematics, Science and Technology Education in Africa (CEMASTEА) is to provide continuous professional development of teachers to enable them better cope with pedagogy-related challenges in the process of curriculum delivery in the area of science, technology, and mathematics education. These are foundational subjects for Vision 2030 and the Big Four Agenda enablers of Science Technology and Innovation and Communication Technology.

CEMASTEА's core activity is in-service education and training (INSET) for teachers geared towards Strengthening Mathematics and Science Education (SMASE) to enhance teaching and learning in Primary and secondary levels. The Center has so far established 118 County INSET Centers for its Secondary INSET Programme and uses all public Teacher Training Colleges for INSET at County level for Primary throughout the country. The Centre has also initiated the STEM Model Schools Programme with a total of selected 102 secondary schools being transformed to serve as model centres of excellence in STEM Education.

In terms of financial performance, in the FY 2018/2019 and 2019/2020, the Centre received a gross funding of ksh. 730,494,834 and ksh. 770,789,381 respectively. These resources were directed at capacity building of teachers and stakeholders to promote quality mathematics and science education. At secondary school level, the Centre trained 1,132 County Trainers and 9,482 mathematics and science teachers. To strengthen ICT integration in education, some 3,547 teachers were trained on ICT integration in teaching and learning.

Moreover, to create communities of practice among the trained teachers with a view of creating a network of support in implementing the principles learnt during the training, some 1,200 teachers were trained on school-based lesson study. For effective management of the County based training Centres, 110 INSET Centre Principals and 45 County Trainers Representatives were also trained. Under its Primary INSET Programme, the Centre trained 82 County Trainers and 1458 mathematics and science teachers.

In today's diverse and highly dynamic teaching environment, it has become vital to tailor our training as per needs in classroom and engagement programmes to effectively address the varied stakeholder needs. In this regard, we sustained mutually beneficial and strategic stakeholder interactions. The



education stakeholders in the counties namely; Regional Directors, County Directors of Education (CDEs), Teacher Service Commission-County Directors (TSC-CD), County Quality Assurance and Standards Officers (CQASOs), and KESSHA Chairpersons. During this period, CEMASTEIA engaged 190 stakeholders.

STEM is a key driver in the growth of industries, engineering and innovation with graduates and has a high potential of addressing youth un-employment and underemployment hence contributing to social stability. STEM Education constitutes a critical enabler to the 3<sup>rd</sup> Medium Term Plan of Vision 2030 conceptualized around the President's Big Four Agenda. In this regard, CEMASTEIA introduced the STEM Model Schools programme where selected secondary schools are supported to become model Centres of Excellence in STEM Education.

To enhance deep learning of STEM, the Model Schools were provided with mathematics, science and ICT equipment worth KSh. 32 Million in 2016/17 and KSh. 75 Million in 2017/18. In this regard the Centre trained 317 teachers in on Robotic Science/Artificial Intelligence and 98 Principals of the STEM Schools were also trained on transformative leadership to enable them effectively use the resources.

CEMASTEIA programmes have resulted into improvements in performance of Mathematics and science. For example, the KCSE mean score in mathematics has gradually improved over the years and the number of students scoring quality grades A- to A in mathematics and physics has also generally improved.

The STEM Model schools programme has also led to a surge in enthusiasm for creative and innovative ways of learning science and mathematics for sustainable development. This is demonstrated several student projects including among others, water bottling, production of detergents and bleaches, construction of biogas plants to reduce the amount of wood fuel that schools consume with a view to conserving the environments.

I want to sincerely thank the CEMASTEIA fraternity for their dedication and zeal to drive the organization's mandate and the government through MOE for support in funding the Centre and providing technical staff through TSC. Without this support, the Centre would not have achieved what it did. I am confident that we have the right initiatives and strategies in place to enable us realize our mandate and strategic goals in foreseeable future.



**Jacinta L. Akatsa , HSC**  
**Director**



#### IV. Review of CEMASTEAM Performance for Financial Year 2019-2020

In the FY 2019/2020, the Centre received a gross funding of ksh.770, 789,381.  
This amount has been used in achieving the Centre's mandate as highlighted below:

STRATEGIC PILLAR	OBJECTIVE	KEY PERFORMANCE INDICATOR	ACTIVITIES	ACHIEVEMENTS
Delivering excellent needs based, inclusive, and inspiring training	To strengthen training programmes at all levels	No. of Teachers Trained	1. Conduct program reviews using a wide range of stakeholders 2. Develop and implement quality inclusive training programs aligned to client needs, market opportunities, CBC, and KePTS based on contemporary and emerging issues 3. Streamline certification of participants 4. Conduct regular follow-up and provide on-site support	National wide training done through cascaded training at county level for secondary schools on INSET
Improving support for existing STEM Model schools	To strengthen the STEM Model Schools Program	Model schools strengthened	Conduct continuous training of teachers 2. Conduct regular follow-up and provide on-site support 3. Create platforms for schools to learn from each other and share experiences 4. Create awareness of the program and publicity of the schools among stakeholders, general public and partners 5. Align resourcing to needs of schools	102 STEM schools supported with infrastructure and technical training

## V. Statement of Management Responsibilities

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

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

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

The term of the board of management expired on 31<sup>st</sup> August 2015, hence the centre has operated without board of management in financial year 2019-2020. The centre wrote to ministry of Education which has not appointed to date.

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



### Approval of the financial statements

CEMASTE's financial statements were approved by the Management on 24<sup>th</sup> September 2020 and signed on its behalf by:



**Director**



**Finance Officer**

**ICPAK NO: 9121**

## VI. Management Discussion and Analysis

### SECTION A

The performance of management and the centre in financial year 2019/2020 was affected by COVID-19 however the management made the following strides;

- a) **Science Technology Engineering and Mathematics Program (STEM)**-The centre launched STEM program through the Ministry of Education. The program is fully funded by ministry of education to support programs that will increase uptake of sciences in schools leading to graduates who can use science skills to come up with innovations Kenya.

The Ministry of Education has charged CEMASTEIA with the responsibility of transforming some selected schools into STEM Education Model Schools. A STEM Education Model school is one where science and mathematics are translated into practical activities focused on problem solving and that inculcates values. Students in a STEM school are empowered to try out things and nurture ideas that can be commercialized in future.

To systematically roll-out the STEM Education Model Schools Program, CEMASTEIA has carried out several activities. The Centre selected the first batch of 47 schools in 2016 and the second batch in early 2017. CEMASTEIA also conducted a baseline study in the first batch of schools. The findings revealed the need to improve laboratories (both in terms of structures, equipment and materials), supporting students' innovations, enhance capacity of teachers in integrating ICT in teaching and learning and educating students for sustainability. In addition, the study established the need to improve the overall school climate in five aspects: people or inter-personal relationships within the schools, process, programs, policies and place or external environment with regard to cleanliness, adequacy and maintenance.

b) **Teacher Professional Capacity Building**

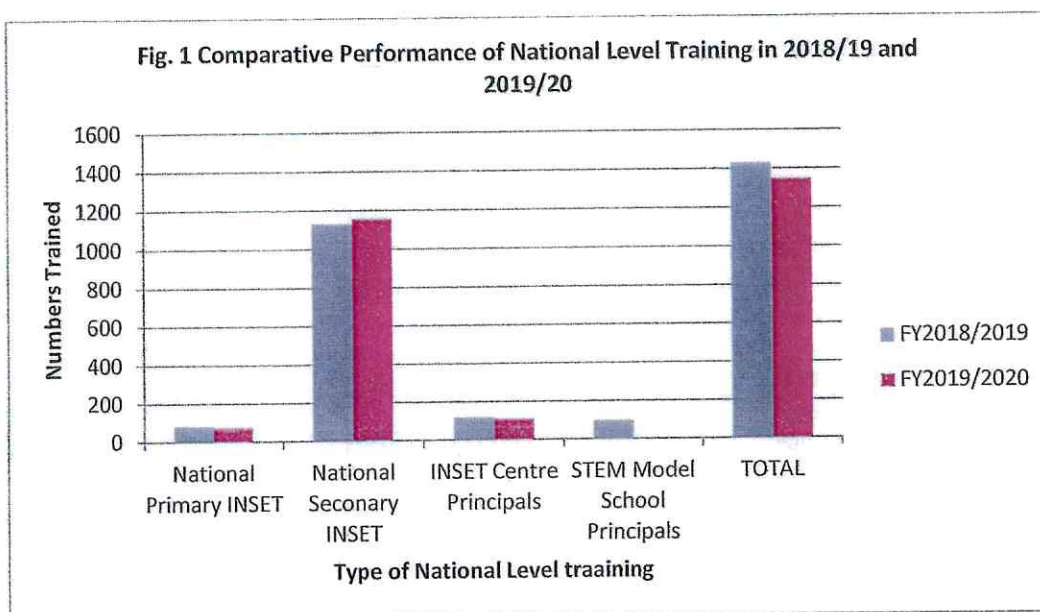
The following is the comparative of performance of the Training Department in terms of numbers trained and certificates issued and other key indicators of performance in FY 2018/2019 and FY 2019/2020. For every training conducted in 2018/19, certificates were issued except for workshops for principals. For 2019/20, most certificates have been issued except for trainings that were adapted to online platforms due to the COVID-19 Pandemic where the process of issuance of certificates is also almost complete.



**Comparative Training Statistics for the last two (2) financial years**

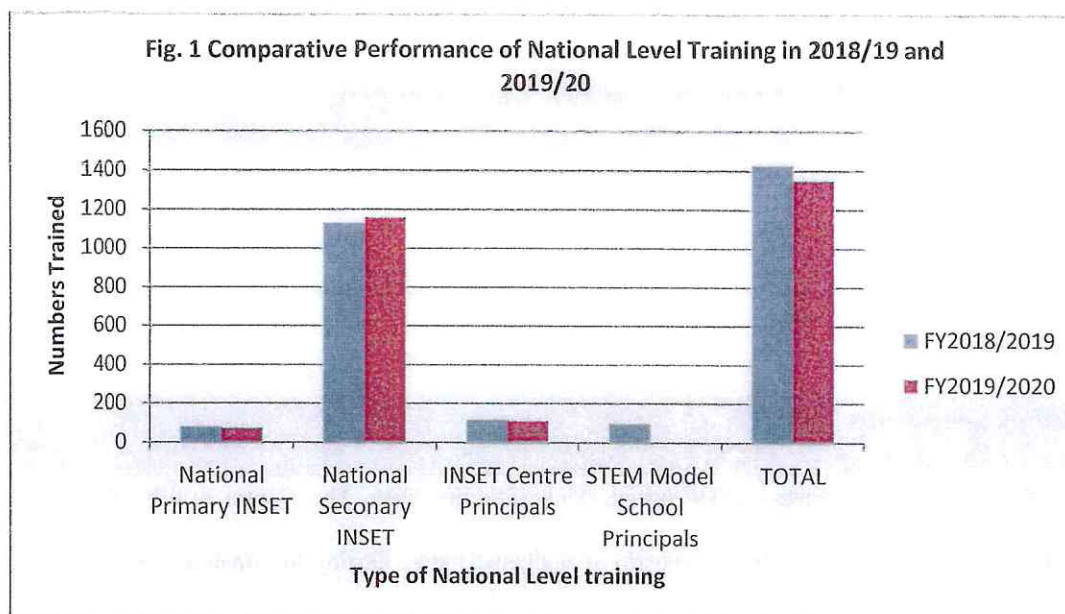
Programme/ Training	Trainees	Number of Teachers/Principals Trained				Performance Challenges
		2018/2019		2019/2020		
		At National Level	At County Level	At National Level	At County Level	
Primary	Number of County Trainers trained	82	N/A	78	N/A	National level training in 2019/2020 that was to be conducted in March 2020 did not take place due to COVID-19 pandemic
	Number of primary mathematics and science teachers trained	-	1,458	N/A	-	County level training in 2019/2020 that was to be conducted in June 2020 did not take place due to COVID-19 pandemic
	Number of primary school teachers trained on STEM and Gender Education	N/A	-	N/A	486	
Secondary	Number of County Trainers trained	1,132	N/A	1,163	N/A	Due to COVID-19 pandemic, this training was conducted online. It took 8weeks instead of the normal 1 week to implement
	Number of mathematics and science teachers trained	N/A	9,482	N/A	5,482	County level training in 2019/2020 that was to be conducted in April 2020 did not take place due to COVID-19 pandemic
	Number of Mathematics and Science teachers trained to implement School Based Lesson Study	N/A	1200	N/A	0	County level training in 2019/2020 that was to be conducted in May 2020 did not take place due to COVID-19 pandemic
	Number of INSET centre Principals trained	118	N/A	112	N/A	
ICT integration	Number of teachers trained on ICT integration	N/A	3,547	N/A	3117	
STEM Programme	Number of teachers trained	N/A	306	N/a	303	This training was conducted in December 2019 instead of August. Marking of National Examinations limited the number of STEM teachers who participated
	Number of	98	N/A	-	N/A	National level training in

Programme/ Training	Trainees	Number of Teachers/Principals Trained				Performance Challenges
		2018/2019		2019/2020		
		At National Level	At County Level	At National Level	At County Level	
	Principals trained					2019/2020 that was to be conducted in June 2020 did not take place due to COVID-19 pandemic
TOTALS		1,430	15,993	1,353	9,388	In the overall, performance in 2019/20 was below that of 2018/19 due to COVID-19 pandemic disrupting normal face to face training programmes.



As the Fig 1 shows, at National level, the impact of COVID-19 pandemic on programmes was not much except for the National STEM Model School Principals Training that could not take place.





### c) Partnerships and Linkages

The Center for Mathematics Science and Technology Education in Africa (CEMASTEA) through Partnership and Linkages (P&L) has been working with local, regional and international organizations and partners to promote Mathematics and Science Education. Since inception of CEMASTEA her programs have grown and hence attracted various partners and stakeholders with varying supportive functions. Such support has been in form of funding, human or material resources, and consultant expertise. It is envisaged that CEMASTEA programs will continue to expand and therefore more partners both at national and international levels will continue showing interest to work with CEMASTEA.

This envisioned status of the Centre activities led to the establishment of partnerships and linkages department. The department exists to create, use, and sustain partnerships and linkages that support transformation of teaching competencies for effective delivery of Mathematics and Science curriculum for improved quality of education in Africa.

## SECTION B

### Compliance with statutory requirements

The Centre has complied with statutory requirements and there is no court case that has arisen from non-compliance.

## **SECTION C**

### **Key projects and investment decisions the entity is planning/implementing**

The Centre did not have any project or investments on course during the year of reporting.

## **SECTION D**

### **Major risks facing the Centre**

The major risks the Centre is facing is Operational and Liquidity risks. The Centre is fully financed by the government and sometimes there is delay in receipt of budgeted funds. During the financial year 2019-2020 the Centre did not receive a total of Ksh. 52M contrary to the approved estimates. This caused liquidity risk as leading to very low cash flows available to support the center's mandate. The Centre's operations have also been affected by prevailing COVID-19 pandemic.

## **SECTION E**

### **Material arrears in statutory/financial obligations**

There were no material obligations or arrears in the year of reporting and therefore no major provisions made in the financial year 2019-2020.

## **SECTION F**

### **The Centre's financial probity and serious governance issues**

During the financial year 2019-2020 there were no governance issues reported and there is no audit issues or queries outstanding except the outstanding appointments of Board Members by Ministry of Education.

## **VII. Corporate Social Responsibility Statement/Sustainability Reporting**



**a. Social Responsibility**

The Centre believes in making a difference in areas in which it operates and continues to implement continuous social programs. The Centre has identified and supported 102 STEM schools in terms curricular in STEM and science equipment. We have continuously supported teachers in primary and secondary levels with pedagogy through ASEI-PDSI. We have also partnered with Kenya Private Schools Association to capacity build their teaching skills.

CEMASTEAs has provided conducive learning environment for students to;

Learn and show case their innovations in trade fairs and other forums.

CEMASTEAs has partnered with several organizations to conduct trainings and innovations in STEM both National and County levels.

**b. Environmental responsibility**

CEMASTEAs has been keen in ensuring compliance with environmental laws and keeping the environment safe and conducive for learning.

The Centre is compliant with National Environmental Management Authority (NEMA) regulations and is a member of Karen Langata District Association (KLDA) which deals with preservation of environment in the surrounding areas.

CEMASTEAs has partnered with MASHAV to enhance Education for Sustainable Development (ESD). Through this partnership the Centre has provided seedlings to various schools and staff to improve on their environments and the center has also provided training of staff and other key stakeholders on environmental sustainability.

### VIII. Report of the Management

The management submit their annual report and financial statements for the year ended June 30, 2020 which show the state of the CEMASTEAs affairs.

#### Principal Activities

The principal mandate of CEMASTEAs is provide continuous professional development of teachers in STEM Education

#### Results

The results of the Centre's financial performance are set out on pages 1-26.

#### Board of Management

The term of the board expired on 31<sup>st</sup> August 2015 and has not been renewed. The centre wrote to the Ministry of Education requesting new Board of Management which has not been appointed as at 30<sup>th</sup> June 2020

#### Auditors

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



Jacinta L. Akatsa

Date.....30/09/2020.....



# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON CENTRE FOR MATHEMATICS, SCIENCE AND TECHNOLOGY EDUCATION IN AFRICA FOR THE YEAR ENDED 30 JUNE, 2020

### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of Centre for Mathematics, Science and Technology Education in Africa set out on pages 1 to 24, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Centre for Mathematics, Science and Technology Education in Africa as at 30 June, 2020 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

#### Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Centre for Mathematics, Science and Technology Education in Africa 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 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 are no key audit matters to report in the year under review.



## **Other Matter**

### **Budgetary Control and Performance**

The Centre had a total revenue budget of Kshs.824,124,161 against an actual amount earned of Kshs.813,710,585 resulting in under collection of revenue by Kshs.10,413,576. Similarly, the Centre had an expenditure budget of Kshs.824,124,161 against an actual expenditure of Kshs.716,067,974 resulting in net under expenditure of Kshs.108,056,187 or 13% of the budget. The Centre has attributed the under expenditure to emergence of COVID-19 pandemic reducing implementation of its budgeted programs.

### **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

#### **Conclusion**

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

#### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

#### **Basis for Conclusion**

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



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

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

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

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

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

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

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

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements



are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

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



evidence obtained up to the date of my audit report. However, future events or conditions may cause the Centre to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Centre 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.

  
Nancy Gathungu  
AUDITOR-GENERAL

Nairobi

13 October, 2021





**CENTRE FOR MATHEMATICS, SCIENCE AND TECHNOLOGY EDUCATION IN AFRICA**  
**Annual Reports and Financial Statements For the year ended 30 June 2020**

**X. Statement of Financial Performance for the Year Ended 30 June 2020**

	Note	2019-2020	2018-2019
		Kshs	Kshs
<b>INCOME</b>			
<b>Revenue from non-exchange transactions</b>			
Grants from Ministry	2	770,789,381	730,494,834
Transfers from Partners	3	23,778,602	20,206,823
<b>Sub-Total</b>		<b>794,567,983</b>	<b>750,701,657</b>
<b>Revenue from exchange transactions</b>			
Rendering Services	4	18,062,471	15,109,957
Finance Income	5	36,151	54,587
Other Income	6	1,043,980	3,353,782
<b>Sub-Total</b>		<b>19,142,602</b>	<b>18,518,326</b>
<b>Total Revenues</b>		<b>813,710,585</b>	<b>769,219,983</b>
<b>EXPENSES</b>			
Training Expenses	7	546,170,066	619,626,964
Employee Costs	8	53,666,503	42,856,504
Repairs and Maintenance	9	13,556,519	18,888,428
Cleaning & Security Services	10	15,019,424	8,486,607
Water & Electricity	11	6,806,754	6,430,711
General Expenses	12	61,886,935	99,586,702
Audit & Consultancy	13	4,770,498	10,674,068
Bank Charges	14	422,157	371,911
Depreciation Expense	15	19,208,050	20,885,003
<b>Total Expenses</b>		<b>721,506,906</b>	<b>827,806,897</b>
<b>Surplus/Deficit for the period</b>		<b>92,203,679</b>	<b>(58,586,914)</b>

The notes set out on pages 1 to 25 form an integral part of the annual Financial Statements.

**XI. Statement of Financial Position as at 30 June 2020**

	Note	2019-2020 Kshs	2018-2019 Kshs
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	16	118,919,642	25,211,718
Trade Receivables	17	6,065,792	6,214,963
<b>Sub-Total</b>		<b>124,985,434</b>	<b>31,426,681</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	18	985,083,776	990,522,368
<b>Total Assets</b>		<b>1,110,069,210</b>	<b>1,021,949,050</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Revaluation Reserves	19A	385,642,480	385,642,480
Accumulated Reserves	19B	67,207,232	(24,996,447)
Capital Reserves	19C	640,126,000	640,126,000
<b>Current Liabilities</b>			
Trade and Other Payables	20	17,093,498	21,177,017
<b>Total Liabilities</b>		<b>1,110,069,210</b>	<b>1,021,949,050</b>

The annual Financial Statements set out on pages 1 to 25 were approved on 24th September, 2020 and signed by:

  
.....  
Director

Date 30.09.2020

  
.....  
Finance Officer  
ICPAK No.9121

Date 30.09.2020



**XII. Statement of Changes in Net Assets for the year ended 30 June 2020**

Attributable to the owners of controlling Commission				
	Reserves			Total
	Capital Reserve	Revaluation Reserve	Accumulated Surplus	
<b>Balance as at 1 July 2018</b>	640,126,000	385,642,480	33,590,467	1,059,358,947
Transfers to/from accumulated surplus	-	-	(58,586,914)	(58,586,914)
<b>Balance as at 30 June 2019</b>	640,126,000	385,642,480	(24,996,447)	1,000,772,033
<b>1<sup>st</sup> July 2019</b>	640,126,000	385,642,480	(24,996,447)	1,000,772,033
Transfers to/from accumulated surplus	-	-	92,203,679	92,203,679
<b>Balance as at 30 June 2020</b>	640,126,000	385,642,480	67,207,232	1,092,975,712

### XIII. Statement of Cash Flows for the Year Ended 30 June 2020

	Note	2019-2020	2018-2019
		Kshs	Kshs
Surplus/Deficit for the period		92,203,679	(58,586,914)
<b>Adjustments for:</b>			
Depreciation and Amortization Expense	15	19,208,050	20,885,003
Increase/Decrease of Receivables	17	149,171	12,136,643
Increase/Decrease of Payables	20	(4,083,518)	3,886,361
<b>Net Cash Flows from Operating Activities</b>		<b>107,477,382</b>	<b>(21,678,907)</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of Property, Plant and Equipment	18	13,769,458	(10,400,000)
<b>Net Cash Flows from Investing Activities</b>		<b>13,769,458</b>	<b>(10,400,000)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>93,707,924</b>	<b>(32,078,907)</b>
Cash and cash equivalent at BEGINNING of the year		25,211,718	57,290,625
Cash and cash equivalent at END of the year	16	118,919,642	25,211,718



**XIV. Statement of Comparison of Budget and Actual Amounts  
for the Year Ended 30 June 2020**

	Original Budget	Adjustment	Final budget	Actual on comparable basis	Performance difference	%
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Grants from Ministry	770,789,381		770,789,381	770,789,381	0	0%
Transfers from Partners	9,700,000	15,000,000	24,700,000	23,778,602	921,398	4%
Rendering Services	22,050,000		22,050,000	18,062,471	3,987,529	18%
Finance Income	54,587		54,587	36,151	18,436	34%
Other Income	6,530,193		6,530,193	1,043,980	5,486,213	84%
<b>Total income</b>	<b>809,124,161</b>	<b>15,000,000</b>	<b>824,124,161</b>	<b>813,710,585</b>	<b>10,413,576</b>	<b>1%</b>
<b>Expenses</b>						
Training- INSET	655,260,000	-50,000,000	605,260,000	546,170,066	59,089,934	10%
Compensation of Employees	40,000,000	15,000,000	55,000,000	53,666,503	1,333,497	2%
Goods and Services	75,864,608	-15,000,000	60,864,608	40,153,195	20,711,413	34%
Bank Charges	408,000	20,000	428,000	422,157	5,843	1%
General Expenditure	17,591,553	64,980,000	82,571,553	61,886,935	20,684,618	25%
Capital Expenditure	20,000,000		20,000,000	13,769,118	6,230,882	31%
<b>Total Expenditure</b>	<b>809,124,161</b>	<b>15,000,000</b>	<b>824,124,161</b>	<b>716,067,974</b>	<b>108,056,187</b>	<b>13%</b>
<b>Surplus (Deficit) for the period</b>				<b>97,642,611</b>	<b>-97,642,611</b>	

**Explanation to the statement of comparison of budget and actual**

**Budget Variances in financial year 2019-2020**

The summary of variances was as follows;

No.	Item of Variance	Explanations
a.	Rendering Services and Other Incomes	During the FY 2019/2020 the Centre had anticipated collection of AIA through rendering of services Ksh. 22 million and other incomes Ksh.6.5 million. However, due to emergence of COVID-19 pandemic in quarter 3&4 the Centre activities were stalled and therefore the targeted income could not be achieved hence the negative variance of Ksh. 4.0 million and Ksh.5.5 million respectively.
b.	Training	During the FY 2019/2020 the Centre had budgeted for expenditure relating to training programs amounting to Ksh.605 million. However, the Centre was unable to fully implement the programs due to emergence of COVID-19 pandemic in quarter 3 & 4 hence the positive variance of Ksh.59 million.
c.	Compensation of Employees	In the FY 2019/2020 the Centre employed new staff to fill in positions that fell vacant between 2014 and 2018 hence the positive variance of Ksh. 1.3 million.
d.	Goods and Services	During the FY 2019/2020 the Centre had budgeted for expenditure relating to its programs amounting to Ksh. 60 million. However, the Centre was unable to fully implement the programs due to emergence of COVID-19 pandemic in quarter 3&4 hence the positive variance of Ksh. 20 million.
e.	Capital Expenditure	During the FY 2019/2020 the Centre had budgeted to purchase new assets amounting to Ksh. 20 million. However, due to emergence of COVID-19 pandemic in the 3 & 4 quarter, the Centre was not able to fully utilize the funds hence the positive variance of Ksh. 6.2 million.



## **XV. Notes to the Financial Statements**

### **1. SIGNIFICANT ACCOUNTING POLICIES**

#### **A. GENERAL INFORMATION**

Centre for Mathematics, Science and Technology (CEMASTE) is a government owned entity under Ministry of Education Science and Technology, State Department of Basic Education formed under legal notice no.96 of 2006.

The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The principal activity of the CEMASTE is capacity building for teachers both primary and secondary (INSET) both in Kenya and Africa.

#### **B. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5.

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

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

#### **C. ADOPTION OF NEW AND REVISED STANDARDS**

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

<b>Standard</b>	<b>Impact</b>
<b>IPSAS 33: First time adoption of Accrual Basis IPSAS</b>	The entity adopted IPSAS in the year ended 30 June 2014 and therefore provisions of first-time adoption of accrual basis does not apply to the entity.

Standard	Impact
<b>IPSAS 34:</b> Separate Financial Statements	The entity does not have any subsidiaries, joint ventures or investments and therefore the standard does not apply/ the entity is a parent company and has prepared consolidated financial statements and therefore the standard does not apply/ the entity is a parent company and has prepared separate financial statements and the following is the impact of application of the new standard:
<b>IPSAS 35:</b> Consolidated Financial Statements	The entity does not have any subsidiaries, joint ventures or investments and therefore the standard does not apply/ the entity has prepared consolidated financial statements.
<b>IPSAS 36:</b> Investments in Associates and Joint Ventures	The entity does not have investments in associates or joint ventures/ the entity hold investments in associates and joint ventures.
<b>IPSAS 38:</b> Disclosure of Interests in Other Entities	CEMASTE A does not have an interest in other entities and therefore the standard does not apply/ the entity has an interest in other entities that are consolidated in these financial statements.

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

iii. **Early adoption of standards**

The entity did not early – adopt any new or amended standards in year 2020.



## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **a) Revenue Recognition**

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

The entity recognizes revenues from fees when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

#### **Transfers from other government entities**

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

#### **Rendering of services**

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

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

#### **Interest income**

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- a) Revenue recognition (Continued)  
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 National Assembly on June 2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

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

- c) **Property, Plant and Equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed,



its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and

#### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

**d) Intangible Assets**

**i) Computer software**

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives which are estimated to be 5 years.

**e) Depreciation**

Freehold land is not depreciated.

Depreciation on all other assets is calculated on the reducing balance basis method to write down the cost of each asset to its residual value over its estimated useful life using the following annual rates:

Buildings 2%

Furniture & Fittings 12.5%

Motor Vehicles 25%

Computer software 20% and;

Equipment's 12.5%.

**f) Provisions**

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

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

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Contingent Liabilities**

The CEMASTEIA 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**

CEMASTEIA 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 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.

**g) Nature and Purpose of Reserves**

CEMASTEIA creates and maintains reserves in terms of specific requirements. Revaluation reserve is created to record increase or decrease in value of property. In financial year 2015-2016 land has been recorded as property and no gain or loss was recorded in respect of this assets.

**h) Changes in Accounting Policies and Estimates**

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

**i) 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 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 which were not surrendered or accounted for at the end of the financial year.



**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**j) Related Party**

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

- Director
- Deputy Director-Administration Section
- Ag. Deputy Director, Training Section

Key entities that have control over the centre

**Number Entity**

**Nature of Control**

- |                                      |                        |
|--------------------------------------|------------------------|
| 1 Ministry of Education (MOE)        | Financial Control      |
| 2. Teachers Service Commission (TSC) | Human Resource Control |

The Key management personnel receives salaries and other benefits from TSC

	2019-2020	2018-2019
Number of persons	44	46

**k) Comparative Figures**

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

**l) 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.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION  
UNCERTAINTY**

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

**Estimates and Assumptions**

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

**Useful Lives and Residual Values**

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

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

**Bad Debt Provision**

The entity provides 10% for debts over one year and 5% in the preceding year. If there is high probability that the debt is not recoverable full provision is made) Key entities that have control over the centre



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Number	Entity	Nature of Control
1	Ministry of Education (MOE)	Financial Control
2.	Teachers Service Commission (TSC)	Human Resource Control

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**2. Grants from Ministry**

	2019-2020	2018-2019
	Kshs.	Kshs
Recurrent Grants	113,499,581	127,824,634
Development Grants	52,510,000	52,610,000
SMASE Capitation	604,779,800	550,060,200
<b>Total</b>	<b>770,789,381</b>	<b>730,494,834</b>

**3. Transfers from Partners**

	2019-2020	2018-2019
	Kshs.	Kshs
Transfer from Partners	23,778,602	20,206,823
<b>Total</b>	<b>23,778,602</b>	<b>20,206,823</b>

These are funds received from development partners such as Education Development Trust, Global Minimum Incorporation and other sponsorships.

**4. Rendering Services**

	2019-2020	2018-2019
	Kshs.	Kshs
Catering Income	18,062,471	15,109,957
<b>Total</b>	<b>18,062,471</b>	<b>15,109,957</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**5. Finance Income**

	2019-2020	2018-2019
	Kshs.	Kshs
Interest Income	36,151	54,587
<b>Total</b>	<b>36,151</b>	<b>54,587</b>

**Note:** Interest income in 2019/2020 and 2018/2019 is from balances of funds held in NCBA Bank current account and its remitted monthly

**6. Other Income**

	2019-2020	2018-2019
	Kshs.	Kshs
Rent Income	1,008,000	788,000
Sundry Income	35,980	2,565,782
<b>Total</b>	<b>1,043,980</b>	<b>3,353,782</b>

**7. Training Expenses**

	2019-2020	2018-2019
	Kshs.	Kshs
SMASE Funds	438,064,775	454,285,933
Training Materials	10,528,551	47,746,511
Training Subsistence& Venue(s)	97,576,740	117,594,520
<b>Total</b>	<b>546,170,066</b>	<b>619,626,964</b>

Training expenses entails all expenditure incurred while facilitating INSET for primary and secondary programs. The centre received Ksh. 604 Million for secondary capitation. The centre did not carry out all its activities as planned in financial year 2019-2020 as the budget allocated was not fully received. The implementation of the centres activities were also affected by the prevailing COVID-19 pandemic in the last two quarters of the financial year.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8. Employee Costs**

	2019-2020	2018-2019
	Kshs.	Kshs
Salaries for Staff on 3 yrs contract	27,820,182	16,765,430
Staff on 1 yrs contract and below	18,255,264	19,808,971
NSSF contribution-Employer	985,020	885,560
Gratuity	5,595,377	4,599,137
NITA contribution	68,600	75,000
Other Benefits	942,060	722,406
<b>Total</b>	<b>53,666,503</b>	<b>42,856,504</b>

**9. Repairs and Maintenance**

	2019-2020	2018-2019
	Kshs.	Kshs
Buildings & Small Works	2,611,422	9,152,699
Plant, Machines & Equipment	6,296,747	6,660,772
Computers, Hard and Software	3,292,648	515,878
Environmental Conservations	402,905	25,000
Motor Vehicles	952,797	2,534,078
<b>Total</b>	<b>13,556,519</b>	<b>18,888,428</b>

**10. Cleaning and Security Services**

	2019-2020	2018-2019
	Kshs.	Kshs
Cleaning Services	9,392,909	6,938,588
Security Services	5,626,515	1,548,019
<b>Total</b>	<b>15,019,424</b>	<b>8,486,607</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**11. Water & Electricity**

	2019-2020	2018-2019
	Kshs	Kshs
Water	844,547	21,000
Electricity	5,962,207	6,409,711
<b>Total</b>	<b>6,806,754</b>	<b>6,430,711</b>

**12. General Expenses**

	2019-2020	2018-2019
	Kshs	Kshs
Advertising & Periodicals	653,433	2,189,542
Food & Other	17,869,280	25,838,404
Fuel, Gas and Oil	4,504,560	5,296,337
Insurance	14,308,041	17,461,321
Internet Services	3,425,199	2,175,114
Office General Expenses	9,761,754	13,083,786
Postage & Courier	825,606	1,927,252
Printing and Stationery	7,200,073	7,621,960
Subscriptions	349,800	247,200
Telephone Expenses	202,220	236,200
Travel & Accommodation	2,786,969	6,148,112
Provision for Doubtful Debts	-	17,361,474
<b>Total</b>	<b>61,886,935</b>	<b>99,586,702</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. Audit & Consultancy

	2019-2020	2018-2019
	Kshs.	Kshs
Legal & Professional	4,549,998	9,874,068
Consultancy	220,500	800,000
<b>Total</b>	<b>4,770,498</b>	<b>10,674,068</b>

14. Bank Charges

	2019-2020	2018-2019
	Kshs.	Kshs.
KCB-Karen	129,300	260,157
KCB- Capitation	9,652	21,060
Co-operative Bank	18,227	37,572
NCBA-Ksh	234,936	47,311
NCBA-Dollar	2,678	5,361
National Bank	27,364	450
<b>Total</b>	<b>422,157</b>	<b>371,911</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**15. Depreciation**

		2019-2020	2018-2019
		Kshs.	Kshs
Property, Plant and Equipment		19,208,050	20,885,003
<b>Total</b>		<b>19,208,050</b>	<b>20,885,003</b>

**16. Cash and Cash Equivalents**

	ACCOUNT NO.	2019-2020	2018-2019
		Kshs.	Kshs
KCB-Karen –Operating	1106974328	7,922,184	13,449,592
KCB-Karen Capitation	1211982815	96,753,950	2,382,592
Co-operative Bank	01141126637100	4,123,660	3,146,999
NIC-Kes	1002112589	8,847,404	710,935
NIC-Dollar	1002816608	8525	1,706,300
National Bank	01021205486100	1,263,919	3,815,300
<b>Total</b>		<b>118,919,642</b>	<b>25,211,718</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. Trade and Other Receivables

	2019-2020	2018-2019
	Kshs.	Kshs
Catering Receivables & other	6,065,792	23,576,437
Provision for Doubtful debts	-	(17,361,474)
<b>Total</b>	<b>6,065,792</b>	<b>6,214,963</b>

18. Property, Plant and Equivalents

	Lands	Buildings	Computers and Equipment	Motor Vehicles	Furniture and Fittings	Computer Software	Total
	Kshs	Kshs	Kshs	Kshs			Kshs
Depreciation Rates	0.0%	2.0%	12.5%	25.0%	12.5%	20.0%	
<b>COST/VALUATION:</b>							
As at 30 June 2019	385,642,000	611,443,021	28,752,641	75,819,000	18,612,289	857,000	1,121,125,951
Adjustments						340.00	340.00
Additions		12,035,190	1,688,598		45,330		13,769,118
As at 30 June 2020	385,642,000	623,478,211	30,441,239	75,819,000	18,657,619	857,340	1,134,895,409
<b>DEPRECIATION:</b>							
As at 30 June 2019	-	49,032,476	13,117,707	58,480,828	9,466,599	505,973	130,603,583
Charges for the year		11,488,915	2,165,442	4,334,543	1,148,878	70,273	19,208,050
As at 30 June 2020	-	60,521,391	15,283,148	62,815,371	10,615,476	576,246	149,811,633
<b>NET BOOK VALUE:</b>							
As at 30 June 2019	385,642,000	562,410,545	15,634,934	17,338,172	9,145,690	351,027	990,522,368
As at 30 June 2020	385,642,000	562,956,820	15,158,091	13,003,629	8,042,143	281,094	985,083,776



NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. Reserves

	2019-2020	2018-2019
<b>19A Revaluation Reserves</b>	<b>Kshs</b>	<b>Kshs</b>
Balance as at 1 <sup>st</sup> July 2019	385,642,480	385,642,480
Additions during the year	-	-
<b>Balance as at 30 June 2020</b>	<b>385,642,480</b>	<b>385,642,480</b>
<b>19B Accumulated Reserves</b>		
Balance as at 1 <sup>st</sup> July 2019	(24,996,447)	33,590,467
Additions during the year	92,203,679	(58,586,914)
<b>Balance as at 30 June 2020</b>	<b>67,207,232</b>	<b>(24,996,447)</b>
<b>19C Capital Reserves</b>		
Balance as at 1 <sup>st</sup> July 2019	640,126,000	640,126,000
Additions during the year	-	-
<b>Balance as at 30 June 2020</b>	<b>640,126,000</b>	<b>640,126,000</b>

- a) **Revaluation Reserve** –this is maintained to capture gains on revaluation i.e. when the fair value is higher than book value. It is also a caution on loss on revaluation. gains reserved can be used to buy new assets
- b) **Capital Reserve** - this is maintained as a reserve to finance capital projects or write off capital expenses.
- c) **Accumulated reserves** - this is maintained as a reserve to write off deficits, reserve surplus if any for contingent expenses and improve the centres financial position.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**20. Trade and Other Payables**

	2019-2020	2018-2019
	Kshs.	Kshs
Training Payables	829,920	16,177,717
Supplies	15,463,578	4,199,300
Audit Fees	800,000	800,000
<b>Total</b>	<b>17,093,498</b>	<b>21,177,017</b>

**Progress on Follow Up of Auditor Recommendations**

The centre as at 30.06.2020 did not have pending issues from the previous audit of 2018/2019

**Reporting Currency**

The centre's principal activities are carried out in the Republic of Kenya and the accounts are reported in Kenya Shillings (Ksh)



**Appendix 1: Inter-Entity Transfers confirmation letter**

Confirmation of amount received by CEMASTEAs as at 30 <sup>th</sup> June 2020							
Reference Number	Date Disbursed	Amount Disbursed [SC/SAGA/Fund] (Kshs) as at 30 <sup>th</sup> June 2020				Amount Received by [beneficiary entity] (Kshs) as at 30 <sup>th</sup> June 2020 (E)	Differences (Kshs) (f) = (D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D) = (A+B+C)		
EFT	15.09.2019	23,783,325	-	-	23,783,325	23,783,325	-
EFT	12.11.2019	23,783,325	-	-	23,783,325	23,783,325	-
EFT	18.11.2019	3,718,934	-	-	3,718,934	3,718,934	-
EFT	12.01.2020	-	52,510,000	-	52,510,000	52,510,000	-
EFT	14.01.2020	-	-	604,779,800	604,779,800	604,779,800	-
EFT	28.01.2020	5,000,000	-	-	5,000,000	5,000,000	-
EFT	23.04.2020	5,000,000	-	-	5,000,000	5,000,000	-
EFT	24.04.2020	23,783,325	-	-	23,783,325	23,783,325	-
EFT	22.05.2020	23,783,325	-	-	23,783,325	23,783,325	-
EFT	22.06.2020	4,647,347	-	-	4,647,347	4,647,347	-
<b>Total</b>		<b>113,499,581</b>	<b>52,510,000</b>	<b>604,779,800</b>	<b>770,789,381</b>	<b>770,789,381</b>	

