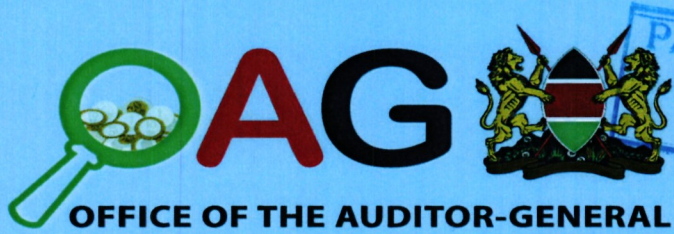
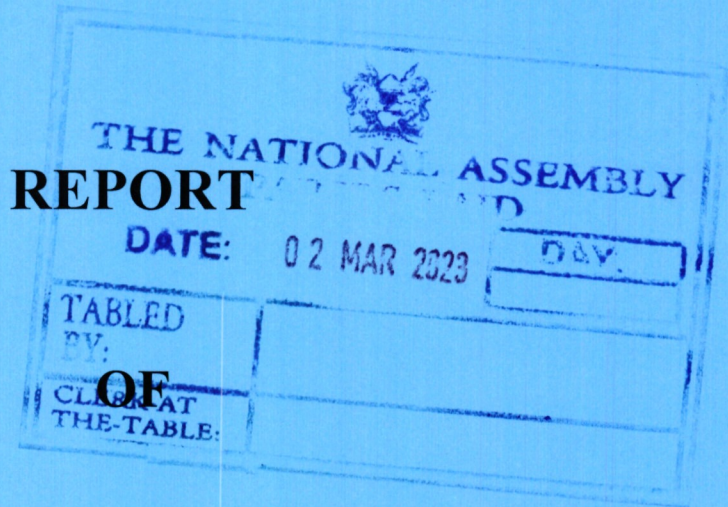


REPUBLIC OF KENYA



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PARLIAMENT
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LIBRARY



THE AUDITOR-GENERAL

ON

**OMUGA TECHNICAL AND
VOCATIONAL COLLEGE**

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



OMUGA TECHNICAL AND VOCATIONAL COLLEGE

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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FOR THE YEAR ENDED 30TH JUNE 2020

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1. KEY COLLEGE INFORMATION AND MANAGEMENT

a) Background Information

Omuga TVC is a Public TVET College under the Ministry of Education, State Department of Vocational and Technical Training (MOE-SDVTT). The Ministry of Education provides the general policy and strategic direction of the College.

The College is domiciled in Kenya, situated 2.3 KM off Misambi Market, along the Kisumu-Kisii Highway within Kabondo Kasipul Constituency, Homa Bay County.

The College currently offers a wide range of courses starting from Artisan, Certificate to Diploma levels spread across the following Seven (7) Academic departments:

- Agricultural & Automotive Engineering;
- Electrical and Electronics Engineering;
- Building and Civil Engineering;
- Food & Beverage/Institutional Management;
- Social Studies;
- ICT and
- Business Studies offering a variety of courses from Artisan, Certificate and Diploma levels.

The College enrolled the first batch of trainees in January 2019 following the completion of its construction in August 2018.

The first Principal was posted to the institution in March 2019 following a handover by the mentoring institution, RIAT. The Principal, Deputy Principal, Registrar, Dean of Students, Bursar and Procurement officer form the top management team of the College charged with the day-to-day running of the College.

The Members of the Board of Governors (B.O.G) for the college were appointed by the Cabinet Secretary, Ministry of Education, in July 2019 and inaugurated on 4th October 2019 in accordance to the TVET Act 2013.

b) Principal Activities

The principal mandate of Omuga TVC is to provide Training in Technical, Vocational and Business courses to graduates of secondary and primary schools to enable them acquire relevant technical skills for the job market.

Objectives of Omuga TVC are:

- To provide quality, dynamic and customer driven technical training that would make the trainees fit for the dynamic demands of the job market.
- To equip trainees with relevant knowledge, skills and attitudes needed to address the societal and development needs.
- To ensure efficiency and optimal utilization of the resources.
- To safeguard integrity, honesty and accountability in all operations.
- To endeavour to continuously improve on services and operations through research and innovation.

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- To ensure compliance with all relevant national and international statutory requirements, standards, codes and regulations.

Vision

To be a Regional Centre of Excellence in Agriculture, Technology and Innovation.

Mission

To provide quality, dynamic and customer focussed training that is geared to promoting access, sustainability and socio-economic development.

Core-Values

- Integrity
- Accountability
- Professionalism
- Teamwork
- Creativity and Innovativeness.
- Inclusivity

(c) Key Management Structure

The day-to-day running and Management of the College is under the following key organs:

- Board of Governors (BOG)
- Principal
- Deputy Principal
- Registrar
- Dean of students
- Heads of Departments (Academic & Non-Academic)
- Finance Officer
- Procurement Officer

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	John O. Owoko
2.	Head of Finance	Fredrick O. Ouma
3.	Head of Procurement	Sharon A. Ouma

(e) Fiduciary Oversight Arrangements

The Board formed and mandated the three Board Committees listed below to oversee the governance and oversight functions of the Board.

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NAME OF THE COMMITTEE	MEMBERS
1. Audit, Governance and Risk Management (AGRM) Committee	1. Cynthia A. Ochuodho_ Chairperson 2. Internal Auditor_ Secretary 3. James Ndun'gu_ Member 4. Abednego O. Owiti_ Member
2. Finance, Infrastructure and Resource Management (FIRM) Committee	1. George O. Oloo_ Chairperson 2. John O. Owoko_ Principal/ Secretary 3. Tom O. Olan'go_ CDTVET/ Member 4. Cynthia A. Ochuodho_ Member 5. Edmond Y.K. Mise_ Member
3. Education, Training, Research And Strategy (ETRS) Committee	1. Esther Imbega_ Chairperson 2. John O. Owoko_ Principal/ Secretary 3. James Ndun'gu_ Member 4. Abednego O. Owiti_ Member 5. Martin M. Onyuka_ Gov Rep/ Member 6. Tom O. Olan'go_ CDTVET/ Member

(f) Headquarter

P.O. Box 267-40223
Kadongo, Kenya.

(g) College Contacts

Website: www.omugatvc.ac.ke

Email : info@omugatvc.ac.ke /

omugatvc@gmail.com

PHONE: +254- 745 628 390/ 756595226

(h) College Bankers

Kenya Commercial Bank
 P.O. Box 17- 40100,
Kisumu, Kenya.

(i) Independent Auditors

Auditor General
 Office of the Auditor-General
 Anniversary Towers, University Way
 P.O. Box 30084 - 00100
Nairobi, Kenya


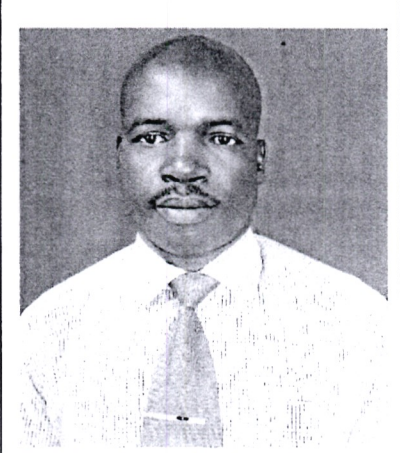
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(j) Principal Legal Adviser
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112 – 00200
Nairobi, Kenya




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II. MEMBERS OF THE BOARD OF GOVERNORS



The details of the Board Members who served during the FY 2019/2020 are as provided below:

BOG'S PASSPORT-SIZE PHOTO AND NAME.	DESCRIPTION OF EACH BOG'S DATE OF BIRTH, KEY QUALIFICATIONS AND WORK EXPERIENCE.
 <p data-bbox="183 1014 544 1108">1. Dr. Phares B.O. Ochola Chairman of the Board</p>	<p data-bbox="587 544 852 573">Year of Birth: 1958</p> <p data-bbox="587 611 852 640">Key Qualifications: PhD in Operations Research from Kenyatta University; Msc. in Operations Research from Strathelyde University (UK); BSc. Applied Maths and Statistics from University of Nairobi; Post Graduate Diploma in Education (PGDE) from Kenyatta University</p> <p data-bbox="587 869 836 898">Work Experience: Currently serving as:</p> <ul style="list-style-type: none"> <li data-bbox="643 943 1082 972">➤ BOG Chairman, Omuga TVC; <li data-bbox="643 981 1433 1048">➤ Project Manager at the Kenya School of Monetary Studies (KSMS); <li data-bbox="643 1057 1331 1086">➤ Senior Lecturer at Technical University of Kenya; <p data-bbox="587 1095 1433 1160">Previously served as a Lecturer at Kenyatta University for over 15 years.</p>
 <p data-bbox="183 1630 544 1724">2. Mr. John O. Owoko Principal/Secretary to the Board</p>	<p data-bbox="587 1171 852 1200">Year of Birth: 1976</p> <p data-bbox="587 1238 852 1267">Key Qualifications: M.Sc. in Electronics & Instrumentation (ongoing)- Kenyatta University; B.Sc. in Telecommunications- Kenyatta University; Post Graduate Diploma in Education (Science Option)- Maseno University; Higher Diploma in HRM- KNEC</p> <p data-bbox="587 1529 836 1559">Work Experience: Currently serving as the Principal, Omuga TVC Previously served as:</p> <ul style="list-style-type: none"> <li data-bbox="643 1641 1011 1671">➤ Dean of Students, RIAT; <li data-bbox="643 1680 1114 1709">➤ Deputy Dean of Students, RIAT; <li data-bbox="643 1718 906 1747">➤ Lecturer, RIAT; <li data-bbox="643 1756 1257 1785">➤ Teacher, Siaya Township Secondary School



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 <p>3. George O. Oloo Chairman-Finance, Infrastructure, and Risk Management Committee</p>	<p>Year of Birth: 1978</p> <p>Key Qualifications: Master's in Business Administration; B.Ed Mathematics and Economics CPA-K; Post Graduate Diploma in Human Resource Management;</p> <p>Work Experience: Currently serving as the Operations Manager for University of Maryland Baltimore, School of Medicine Programs in Kenya Previously served as:</p> <ul style="list-style-type: none"> ➤ The General Manager, Globology Limited-Kisumu; ➤ The Head of Finance and Administration at ZOA International-Monrovia, Liberia.
 <p>4. Esther Imbega Chairperson- Education, Training and Research Committee</p>	<p>Year of Birth: 1974</p> <p>Key Qualifications: Diploma in Technical Education from KTTC; Diploma in Food Technology from The Kenya Polytechnic.</p> <p>Work Experience: Currently serving as:</p> <ul style="list-style-type: none"> ➤ Senior Jaggery and Dairy production manager at Homalime Company Limited- where she has served for over 10 years; ➤ Member of BOG at SIKRI TTI for the blind and deaf; <p>Previously served as:</p> <ul style="list-style-type: none"> ➤ Lecturer at Moi institute of Technology; ➤ Laboratory Technologist at West Kenya Sugar Company; ➤ Laboratory Technician at Mumias Sugar Company Limited.
	<p>Year of Birth: 1972</p> <p>Key Qualifications: Diploma in Electrical engineering (Power) option from Intraglobal Training Institute (Kisumu); Craft Certificate in Electrical Installation from Kenya Industrial Training Institute (NAKURU); Process Control and Sugar Technology Course at Tom Mboya Labour College.</p> <p>Work Experience: Currently serving as Electrical Foreman at Muhoroni Sugar Company; Previously served as:</p>

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<p>5. Abednego Owiti Board Member</p>	<ul style="list-style-type: none"> ➤ Electrical technician at Muhoroni Sugar Company for 15 years; ➤ Electrical technician at Farm Engineering Industries;
 <p>6. James Ndungu Board Member</p>	<p>Year of Birth: 1983</p> <p>Key Qualifications: MSc. Data Communication from KCA University; MSc. Information Systems and Management from University of Manchester (ongoing); BSc. Computer Science from Makerere University; Certificate in Leadership and Management at University of Washington; Certificate in Project Management from University of Washington; Certificate in International Development from Commonwealth Commission</p> <p>Work Experience: Currently serving as the ICT Technical Advisor at US-Mission Nairobi. Previously served as:</p> <ul style="list-style-type: none"> ➤ ICT Network and Infrastructure Lead at Kenyatta University Main Campus, Nairobi; ➤ Senior Systems Administrator at The Standard Group/KTN, Nairobi; ➤ Regional ICT Coordinator at Rockefeller Foundation, African Regional Office, Nairobi; ➤ IT Business Analyst at Fintech Kenya Ltd-Nairobi
 <p>7. Cynthia Ochuodho Board Member</p>	<p>Year of Birth: 1987</p> <p>Key Qualifications: Bachelor of Law Degree from Moi University; Post Graduate Diploma in Law from Kenya School of Law</p> <p>Work Experience: Currently serving as:</p> <ul style="list-style-type: none"> ➤ Legal Officer at SBC Kenya Limited; ➤ Advocate of the High Court of Kenya; ➤ A Member of the Law Society of Kenya; <p>Previously served as:</p> <ul style="list-style-type: none"> ➤ Assistant Legal Officer at Primarosa Flowers Limited; ➤ A Pupil at EKN LLP Advocates; ➤ Intern at Otieno, Yogo, Ojuro & Company Advocates; ➤ Intern at Muma Nyagaka & Company Advocates in Kisumu.

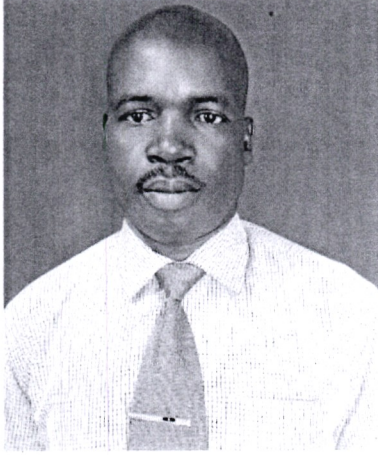

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 <p>8. Edmond Kipchirchir Mise Board Member</p>	<p>Year of Birth: 1978</p> <p>Key Qualifications: Master of philosophy degree in Water Resources Engineering from Moi University (Ongoing); Bachelor of Technology in Civil and Structural Engineering Moi University;</p> <p>Work Experience: Currently serving as the project coordinator at AA BAYUSUF & SONS LTD. Previously worked as:</p> <ul style="list-style-type: none"> ➤ Site Agent at AEGIS CONSTRUCTION COMPANY across multiple sites for over seven years; ➤ Lecturer at RVIST; ➤ Supervisory work in projects undertaken by Mondola Construction Company/ APEC consultants and Mugoya Construction Company/Charchi-Githinji consultants
 <p>9. Mr. Tom Olango Board Member Regional Director of TVET</p>	<p>Year of Birth: 1970</p> <p>Key Qualification: Currently concluding a PhD in Curriculum Studies at Kenyatta University M.Ed. in Curriculum Studies from Nairobi University; B.Ed.</p> <p>Work Experience: Currently:</p> <ul style="list-style-type: none"> ➤ Deputy Director TVET, Serving as the Regional Director of TVET in charge of Kisii, Nyamira, Migori and Homa Bay Counties; ➤ Is the Ministry's Focal Point Person for Skills Initiative for Africa Project by AUDA NEPAD. <p>Previously served as:</p> <ul style="list-style-type: none"> ➤ Graduate teacher of Mathematics under T.S.C; ➤ Education officer in the Ministry of Education.



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3. MANAGEMENT TEAM



This comprises of the Principal and the Top Management Team charged with the day-to-day running of the college and implementation of key policies passed by the Board.

PASSPORT-SIZE PHOTO AND NAME	RESPONSIBILITIES
 <p style="text-align: center;">Mr. John O. Owoko Principal</p>	<p>Chief Executive Officer/Accounting officer for the college. In charge of the overall management of the college Responsible for the preparation of the budget estimates Interpreting and implementing policy decisions</p>
 <p style="text-align: center;">Mr. Jack O. Ogada Deputy Principal</p>	<p>The Principal assistant to the Principal in the management of the college In charge of coordinating all aspects of trainings.</p>

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 <p style="text-align: center;">Mr. Victor O. Ochieng Registrar</p>	<p>In charge of marketing of college programs and general students admission; Management of students' records, Formulation of education plans; Maintain academic standards and preparation of timetables.</p>
 <p style="text-align: center;">Mr. Stephen O. Okinyi Dean of Students</p>	<p>In charge of management of students' affairs and welfare, Maintain students' discipline; Overseeing students' governance, clubs, societies Sports and recreational activities</p>

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 <p>Mr. Fredrick O. Otieno Accountant</p>	<p>In charge of preparation of budget estimates, budgetary control and financial reports Provides financial advice to the management In charge of non-academic staff</p>
 <p>Ms. Sharon A. Ouma Procurement Officer</p>	<p>In charge of supplies and procurement management Manages and advices on procurement issues</p>

4. CHAIRMAN'S STATEMENT



It is great pleasure for me to make this statement on behalf of the Board of Governors and the entire Omuga TVC fraternity. The Annual Report and Financial Statements for the year ended 30th June 2020 has presented us with an opportunity to reflect on our achievements over the past one year and to plan for the future as an institution. This Inaugural Board took over the Governance of the College on 4th October 2019 following the appointment of its members by the Cabinet Secretary, MOE in July 2019. Since then, the Board has continued to carry out its oversight role and provision of strategic direction to the College in line with the TVET Act 2013, Mwongozo and other Government guidelines and Policies.

The Board remains focused on its mandate of addressing the Country's TVET agenda of increasing access and equity. As a board, we fully embrace the Government's Vision on TVET as envisioned in the Kenya Vision 2030 and the Big 4 Agenda. To this end, the Board has made the following significant achievements since taking over Governance of the College:

- Increased enrolment from 38 in 2019 to 250 by March 2020;
- Expansion of training programmes from 4 to 7 departments;
- Involvement in the recruitment of PSC/TVET trainers
- Engagement of BOG trainers to supplement and bridge the deficit of PSC trainers;
- Continued improvement of college physical infrastructure;
- Development of the College Strategic Plan (in progress).

In our endeavour to achieve the aforementioned successes, the Board encountered a number of challenges that have considerably deaccelerated our performance. These include:

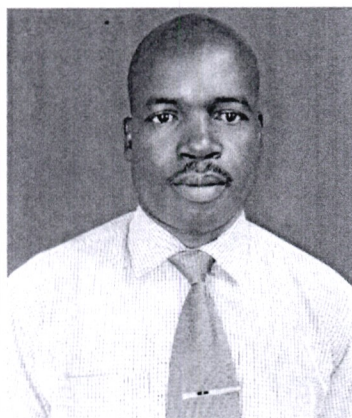
- Lack of funds for implementing key planned activities and projects such as acquisition vital training and leaning equipment and facilities.
- Inadequate staff capacity and capability in key training areas and support services.
- Poor state of road network that has hindered easy access to the College.
- Lack of Accommodation and Catering facilities for students and staff in the college.
- Lack of structures and systems to guide the operations.
- Inadequate training facilities and equipment (Classes, Laboratories, Library, etc)
- Another major challenge facing the college is the land ownership. The land parcels on which the college lies still exist in the names of deceased persons/original donors. This places the Board and Management of the College in tricky situation should the deceased persons' relatives fail to cooperate in the succession process for the land parcels.

Despite all these, the Board is optimistic of ensuring the college grow as envisioned in its vision and mission.



.....
Dr. Phares B.O. Ochola
CHAIRMAN, BOARD OF GOVERNORS

5. REPORT OF THE PRINCIPAL



The TVET Act, 2013 outlines mandates and functions all TVET colleges in the Kenya. In realization of the TVET Act, Omuga TVC wishes to distinguish itself as a centre of excellence in the provision of quality technical training in the country and beyond. Towards this, the College management wishes to create timely and sustainable interventions that would ensure successful implementation of all the planned activities while ensuring quality in service delivery.

Achievements

Under the able strategic leadership and guidance of the Board, the Management and Staff have accomplished the following:

- Increased enrolment from 38 in 2019 to 250 by March 2020;
- Expansion of training programmes from 4 to 7 departments;
- Successful recruitment of PSC trainers that has seen an increase in number from 1 to 10 between September 2019 and March 2020.
- Acquisition of basic ICT training equipment (computers and accessories), student's chairs etc.
- Construction/expansion of basic physical facilities such as toilets and playing grounds.
- Planting of over 1,000 trees and flowers general beautification of the college.
- Active involvement in sports and co-curricular activities.
- Creation of partnerships and cordial relations with the neighbouring community (such as in the provision of boarding and catering facilities for students, offering subsidized farming activities to the community as means of corporate social responsibility etc).

Challenges

The FY 2019/2020 had a wide range of challenges some of which include:

- Acute financial shortage that resulted in failure to implement most of the planned activities and financial obligations.
- Shortage of Government employed trainers in high demand courses that led to massive engagement of BOG trainers. This in turn led to unsustainably high wage bill.
- Lack of staff capacity and capability in key support positions such as Finance, Procurement, Human Resource and Internal audit, leading to difficulty in the implementation and compliance with most regulatory requirements.
- Lack of essential equipment and facilities such as laptops for administrative staff, internet connectivity, etc.
- Lack of structures and systems to enhance operations.
- Scanty Assets' records and values, particularly those supplied by the Ministry. Undetailed handing over by the mentoring institution occasioned this.
- Lack of Strategic Plan for the college, making it difficult to develop the work plans, draw the budget and procurement plans, and to evaluate the College performance.
- Outbreak of the COVID-19 pandemic that led to abrupt closure of the colleges in March 2020 totally disrupting all the planned college activities.

Despite the challenges, I am sincerely grateful to the Board of Governors for the dedication and guidance provided during the year and to the staff for their teamwork and cooperation that led to the realization of the College's mandate.

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I am equally grateful to the Ministry of Education, State Department of Vocational and Technical Training, HELB and NG-CDF Kabondo Kasipul for offering financial support to the college during the financial year 2019/2020.



.....
Mr. John O. Owoko
PRINCIPAL/SECRETARY, BOARD OF GOVERNORS

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6. REVIEW OF OMUGA TVC'S PERFORMANCE FOR FY 2019/2020

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

Omuga TVC was in the process of developing the Strategic Plan during the FY 2019/2020 and therefore it was not possible to compare the performance against predetermined objectives during this period.

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7. CORPORATE GOVERNANCE STATEMENT

Omuga TVC Board wishes to conduct its business in accordance to the TVET ACT, 2013, which requires that the Board meet at least once every three months. In line with this requirement, Omuga TVC Board held Three Full BOG meetings that included The Inaugural Board meeting on 4th October 2019: General Full BOG meeting on 4th February 2020 and one Special Full Board meeting held on 28th May 2020 to ratify the recruitment of PSC TVET Trainers.

A summary of the attendance of the Board meetings is as follows:

S/No	Name	No Of Meetings	Actual Meetings Attended	No Of Meetings Missed
1	Dr. Phares B.O Ochola	3	3	0
2	Mr. George O. Oloo	3	2	1
3	Mrs. Esther Imbega	3	3	0
4	Ms. Cynthia Ochuodho	3	2	1
5	Mr. Abednego O. Owiti	3	3	0
6	Mr. James Ndun'gu	3	3	0
7	Mr. Edmond Y.K. Mise	3	0	3
8	Mr. Tom O. Olan'go	3	2	1

Omuga TVC Board had Nine (9) members constituted as follows: Seven (7) members appointed by the Cabinet Secretary; The County director of TVET representing the PS- SDVTT and the Principal as the Board Secretary.

The membership of the Board of Governors comprises:

- (a) A Chairperson;
- (b) A representative of the Principal Secretary in the Ministry of education, State Department of Vocational and Technical Training (MOE-SDVTT)
- (c) A representative of the County Governor of the county within which the institution is located; and
- (d) Six other persons appointed based on their knowledge and experience in—
 - (i) Leadership and management;
 - (ii) Financial management;
 - (iii) Technology;
 - (iv) Industry;
 - (v) Engineering;
 - (vi) Information Communication Technology (ICT).

The appointment of a member to a Board of Governors or to its committees may be revoked and the member may vacate office if the member

- (a) Resigns by giving notice in writing to the Cabinet Secretary; the person shall cease to be a member of the Board from the date specified in the notice.
- (b) Becomes insolvent or has conveyed or assigned his property or has made a proposition or arrangement for the benefit of his creditors;

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- (c) Is sentenced by a court of law to imprisonment for a term of six months or more;
- (d) Is incapacitated by physical or mental illness;
- (e) Has been absent from three consecutive meetings of the Board of Governors without leave;
- (f) Where the member is a representative, has his appointment revoked by the nominating body;
- or
- (g) Is otherwise unable or unfit to discharge his functions as a member of the Board of Governors on account of any matter in the Act.

The roles of the Board include:

- (a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of the Act and any other written law;
- (b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with the Act and any other written law;
- (c) Administering and managing the property of the institutions;
- (d) Developing and implementing the institutions' strategic plan;
- (e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- (f) Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- (g) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of the TVET Act
- (h) Mobilizing resources for the institutions;
- (i) Developing and reviewing programs for training and to make representations thereon to the Board;
- (j) Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- (k) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Board;
- (l) Recruiting and appointing trainers from among qualified professionals and practicing trades' persons in relevant sectors of industry;
- (m) determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the Authority;
- (n) Making regulations governing organization, conduct and discipline of the staff and students;
- (o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the Board;
- (p) Providing for the welfare of the students and staff of the institutions;
- (q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and
- (r) Discharging all other functions conferred upon it by the Act or any other written law.

If a member of the Board has any Conflict of Interest he/she declares the same in the meeting.

A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. And a member of the Board of Governors who contravenes this commits an offence and is liable to a fine or imprisonment.

Members of a Board of Governors are paid in respect of their services such remuneration or allowances as the Board of Governors, with the approval of the Cabinet Secretary.

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The Board of Governors keeps all proper books and records of accounts of the income, expenditure and assets of the institution and within a period of four months from the end of each financial year, a Board of Governors submit to the Auditor- General or to an auditor appointed, the accounts of the institution together with—

- (a) a statement of the income and expenditure of the institution during that year; and
- (b) a balance sheet of the institution on the last day of that year.

The accounts of the institution are audited and reported upon in accordance with the Public Audit Act, 2003.

The Board of Governors furnishes the Cabinet Secretary with a certified copy of the audited annual statement of accounts and such other information about the revenue, expenditure, assets and liabilities of the institution as he may require.

OMUGA TECHNICAL AND VOCATIONAL COLLEGE
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8. MANAGEMENT DISCUSSION AND ANALYSIS

The college commenced its operations by admitting students through the mentoring institution, RIAT, during the January- March 2019 term. Handing over-taking over records provided in March 2019 indicated that the enrolment stood at 58 students. However, among these students are those that were already placed by KUCCPS in other institutions and therefore left during the course of the term. It therefore became necessary to conduct a fresh readmission process in September 2019 to clean up the admission records. Following the readmission, the college enrolment stood at 38 students by the end of the September-November 2019 term. The enrolment grew to 250 students as of March 2020. Following the Covid-19 outbreak in March 2020, all the colleges closed for the rest of the FY 2019/2020, causing the enrolment to remain at 250.

Despite projecting to receive KShs.6,000,000 with respect to government capitation grant for students during the FY 2019/2020, the college failed to receive any Capitation grant in the course of the financial year. Furthermore, the College only received **KShs.1,000,000** out of the Operational grant of **Kshs.2,000,000** projected for the year. These are the two major reasons for the wide variation between the projected income of **Kshs.14,824,000** and the actual collection of **Kshs.5,772,090** for the FY 2019/2020. Because of these and the poor fees payment trend by the students, there was poor implementation of planned College operations. The College only relied on HELB disbursements for the students' loans and bursaries as well as on the CDF bursaries as the main sources of funding during the financial year.

Below is the summary of the financial results for the FY 2019/2020:

Summary of financial results against the budget

Year ending 30 th June	Budget FY2019/2020	Actual FY2019/2020	Utilisation FY 2019/2020
Receipts	14,824,000	5,772,090	39%
Payments	14,824,000	4,240,559	29%

- The College was able to raise only **39%** of the budgeted revenue due to the challenges mentioned above and;
- Utilized only **29%** of the budgeted expenditure. The under-utilization was due to the delay in disbursement of the grants.

College's compliance with statutory requirements

Omuga TVC is accredited by TVETA to offer a variety of both technical and business course. However, there a few other courses which were mounted due to demand by trainees but are yet to be accredited.

The college was non-compliant with regards to submission of statutory deductions to NSSF and NHIF during the year under review. This was due lack of operational structures and staff capability.

Key projects and investment decisions the entity is planning/implementing

Ongoing projects

In order for the college to effectively discharge its mandate and to continue improving its capabilities and efficiency, the college has identified certain projects and programmes. The current ongoing projects include;

- Acquisition of equipment and furniture for classrooms,
- Acquisition and development of learning/teaching resource materials
- Construction of agricultural machinery shed
- Construction of pit latrines
- Development of an effective collaborative engagements with the industry, community, sister institutions and other interested parties.
- Development of Strategic Plan.

1.1 Planned/Future Projects

- Construction of tuition complex and additional workshops and laboratories
- Equipping of the library
- Construction and equipping of HODs Offices
- Acquisition of standby generator
- Drilling of a borehole
- Acquisition and installation of water tanks
- Rain water roof catchment
- Improvement of the walkways within the college.
- Acquisition of additional Training and Learning materials, equipment and software.
- Expansion of IGAs (farming activities & driving courses) to supplement the college revenue base.
- Construction and equipping of catering facility for students
- Construction and equipping of Students' Health Centre.
- Construction of Sports and Recreational facilities for students.
- Acquisition and Implementation of Management Information System (MIS).
- Installation of internet facilities.

Major risk facing the entity

- Credit risk
- Liquidity risk
- Interest rate risk

9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Omuga TVC exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver:

1. Sustainability strategy and profile

Omuga TVC's key sustainability strategies include environmental and social responsibility, Human Resource Development, Innovation and Adherence to statutory and regulatory guidelines of the Government of Kenya.

2. Environmental performance

On environment, the college staff have managed to plant over five hundred trees and over one thousand flowers in the college in line with National Environment Management authority requirements. This is also meant to beautify the college as well as to control soil erosion since the college compound is sloppy. Being a centre of excellence in Agriculture and Agricultural Engineering, the college has laid down strategies to ensure that the community around the college also benefit from the agricultural activities and initiatives offered

3. Employee welfare

Omuga TVC plans to develop a recruitment and selection policy that will ensure consistency, transparency, fairness, and merit-based hiring.

The college further hopes to continually develop skills for her employees to improve organization performance. It hopes to conduct Annual Performance Appraisal and Training Needs Assessments to establish how well the employees are performing their duties as well as the employees that need training, salary increment and job promotion.

The college endeavours to strictly adhere to OSHA Act 2007 guidelines to: identify workplace hazards, evaluate health safety conditions, design and conduct health and safety surveys, recommend training for new and existing employees, recommend and track new safety practices and Accident / Incident Investigations.

4. Market place practices

Omuga TVC's fidelity to anti-corruption practices remains steadfast. It's also committed to promoting local content in her procurement processes and ensuring that all pending bills are cleared in the shortest time possible.

5. Community Engagements

The plight of the immediate community remains a daily concern for the college. The College has on several occasions used its tractors to help maintain the surrounding murram access roads and to offer subsidized transport and ploughing services to the community as a means of Corporate Social Responsibility.

6. Education and Training

Omuga TVC Strives to admit trainees from all the country without discrimination. This aimed at enhancing equity and access to college education and acquisition of skills by students from all walks of life.

7. Sports

Omuga TVC has identified sports as a key marketing and publicity strategy and has therefore put a lot of emphasis in participation in competitive sports within and without the KATTI organized sporting activities as well as friendly matches with neighboring institutions. For instance, the college strongly participated in the KATTI West Kenya Region Athletics held in Gusii Stadium in February this year, with a number of participants getting to the final while a few others qualifying for the Nationals which were later disrupted by COVID-19 pandemic outbreak. These sports have enhanced discipline and cohesiveness amongst the trainees within the college.

8. Healthcare

Omuga TVC is yet to establish an operational clinic for students and staff in the college. There has however been established a Guidance and Counseling Unit help address students and staff counselling needs.

9. Labour Relations

Omuga TVC has adopted the implementation of the Public Service Staff Performance Appraisal (SPAS) as a means of identifying Staff Training Needs as well as a way of recommending for rewards and/or sanctions.

10. Water and Sanitation Initiatives

Omuga TVC still has an inadequate water supply despite having an extensively large roof catchment for rain water harvest. This is due to absence of roof gutters and adequate water storage facilities/tanks. So far, only one, 10,000 litres tank has been installed for collection of water from a small area of the roof. Similarly, the ablution facilities are still inadequate. However, plans are underway to expand ablution facilities and enhance water supply in the college to take care of COVID-19 reopening preparations as well as to enhance hygiene.

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10. REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report and financial statements for the year ended June 30TH 2020, which show the state of Omuga TVC affairs.

Principal activities

The principal activities of the Board are explained in page iii.

Results

The results of Omuga TVC for the year ended 30th June, 2020 are set out on page 26-30

BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page 6-10. During the year, Mr Lucas Ocharo, the Regional Director TVET retired and his position taken up by Mr Tom Olan'go with effect from February, 2020.

Auditors

The Auditor General is responsible for the statutory audit of Omuga TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

11. 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 members to prepare financial statements in respect of that institution, which give a true and fair view of the state of affairs of the institution at the end of the financial year/period and the operating results of the institution for that year/period. The Board members are also required to ensure that the institution keeps proper accounting records which disclose with reasonable accuracy the financial position of the institution. The Board members are also responsible for safeguarding the assets of the institution. The Board members are responsible for the preparation and presentation of the institution's financial statements, which give a true and fair view of the state of affairs of the institution for and as at the end of the financial year (period) 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 institution; (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 institution; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the institution's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013. The Board members are of the opinion that the institution's financial statements give a true and fair view of the state of institution's transactions during the financial year ended June 30th, 2020, and of the institution's financial position as at that date.

The Board members further confirm the completeness of the accounting records maintained for the institution, which have been relied upon in the preparation of the institution's financial statements as well as the adequacy of the systems of internal financial control.


Nothing has come to the attention of the Board 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

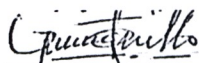
The College's financial statements were approved by the Board on and signed on its behalf by:



Chairperson, BOG



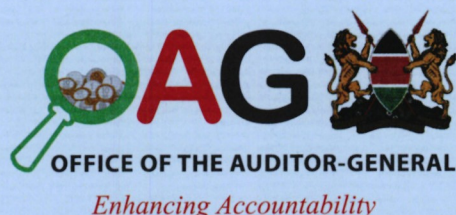
Principal



Member, BOG

REPUBLIC OF KENYA

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NAIROBI

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Omuga Technical and Vocational College set out on pages 1 to 23, which comprise of 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, 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 Omuga Technical and Vocational College as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in Revenue from Exchange Transactions

The statement of financial performance reflects revenue from exchange transaction amount of Kshs.7,595,010 which includes revenue from rendering of services and other income of Kshs.6,995,120 and Kshs.599,890 respectively. However, as disclosed in Note 7 and Note 8 to the financial statements, both amounts include same revenue items amounting to Kshs.351,880 resulting to double counting as shown below.

Item	Amount (Kshs.)
Boarding	21,000
Admission and ID	198,200
Examinations	5,480

Item	Amount (Kshs.)
Registration	2,200
Advances	125,000
Total	351,880

In the circumstance, the accuracy of the revenue from exchange transactions amount of Kshs.7,595,010 could not be confirmed.

2. Unsupported Receivables

The statement of financial position reflects receivables from exchange transactions and receivables from non-exchange transactions balances of Kshs.2,822,920 and Kshs.7,000,000 respectively. However, the balances were not supported with schedules and ledgers.

In circumstances, the accuracy and completeness of the reported total receivables balance of Kshs.9,822,920 could not be confirmed.

3. Unsupported Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.53,936,652 as disclosed in Note 18 to the financial statements. The balance constitutes an amount of Kshs.54,361,536 in respect of inherited assets. However, valuation reports in support of the inherited assets balances of Kshs.54,361,536 as at 1 July, 2019 were not provided for audit.

Further, the value of the parcel of land on which the College was built, measuring approximately 3.8 acres could not be ascertained while ownership documents were not provided for audit.

In addition, machinery and equipment of unknown values donated to the College by the Ministry of Education and recorded in the assets register were not included in the property, plant and equipment schedule.

In the circumstances, the accuracy and fair value of the property, plant and equipment balance of Kshs.53,936,652 could not be confirmed.

4. Unexplained Variance in the Value of Inherited Assets

The statement of changes in net assets reflects the value of inherited assets of Kshs.52,721,122 as at 1 July, 2019 which differs with the balance of Kshs.54,361,536 disclosed in Note 18 to the financial statements. The resulting difference of Kshs.1,640,414 was not explained or reconciled.

In the circumstances, the accuracy and completeness of the value of inherited assets balance of Kshs.52,721,122 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Omuga Technical and Vocational College Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable in performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained 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 total budgeted revenue of Kshs.14,824,000 and actual revenue of Kshs.5,772,090 resulting in a shortfall of Kshs.9,051,910 or 64% of the approved budget. Similarly, the statement reflects total expenditure of Kshs.4,240,559 against an approved budget of Kshs.14,824,000 resulting in an under-expenditure of Kshs.10,583,441 or 71% of the budget.

The revenue shortfall and the under-expenditure constrained execution of planned activities and may have impacted negatively on delivery of services to the public.

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 matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section 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

1. Unlicensed Trainers

Review of records revealed that the trainers in the College did not have valid licenses contrary to Section 23 of the Technical and Vocational Education and Training Act, 2013 which requires that any person who intends to become a trainer in an institution to apply for licensing and registration by the Board.

In the circumstances, Management was in breach of the law.

2. Non-Adherence to the Law on Ethnic Diversity

Analysis of the staff files and staff master data revealed that out of the forty (40) staff members of the College, thirty five (35) or 88% were from the dominant community contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which requires that all public establishments seek to represent the diversity of the people of Kenya in the employment of staff; and not to have more than one third of its staff from the same ethnic community.

In the circumstances, Management was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and 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 so as to obtain assurance as to whether effective processes and systems of internal control, risk management and overall governance was maintained in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for such internal controls 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 controls, risk management and overall governance.

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

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

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

The Board of Governors is responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall 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 controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.


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

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and 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 October, 2022

OMUGA TECHNICAL AND VOCATIONAL COLLEGE
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13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2019-2020	2018-2019
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government –Operation grants	6	8,000,000	-
Total Revenue from non-exchange transactions		8,000,000	-
Revenue from exchange transactions			-
Rendering of services- fees from students	7	6,995,120	-
Other income	8	599,890	-
Total revenue from exchange transactions		7,595,010	-
Total revenue		15,595,010	-
Expenses			-
Use of goods and services	9	2,224,464	-
Employee costs	10	1,301,400	-
Remuneration of Governors	11	339,000	-
Depreciation	12	1,556,984	-
Repairs and maintenance	13	121,375	-
Contracted services	14	254,320	-
Total expenses		5,797,543	-
Net Surplus for the year		9,797,467	-

The notes set out on pages 7 to 23 form an integral part of the Annual Financial Statements.

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14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2020

	Notes	2019-2020	2018-2019
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	15	1,673,651	-
Receivables from exchange transactions	16	2,822,920	-
Receivables from non-exchange transactions	17	7,000,000	-
Total current assets		11,496,571	-
Non-current assets			
Property, plant and equipment	18	53,936,652	-
Total non-current assets		53,936,652	-
Total assets		65,433,222	-
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	19	720,580	-
Total liabilities		720,580	-
Net assets			
Capital Fund		54,915,176	
Accumulated surplus		9,797,467	
Total net assets		64,712,642	-
Total net assets and liabilities		65,433,222	-

The Financial Statements set out on pages 1 to 23 were signed on behalf of the Institute Board of Governors by:



Chairman, Board of Governors

Date.....14/9/2022.....



Finance Officer
 ICPAK No

Date.....14/9/2022.....



Principal

Date.....14/9/2022.....

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15. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2021

	Accumulated Surplus (Kshs)	Capital/Develop ment Grants/Fund (Kshs)	Total (Kshs)
At July 1, 2019	-	-	-
Revaluation gain	-	-	-
Value of inherited assets	-	52,721,122	52,721,122
Total comprehensive income	11,354,451		11,354,451
Capital/Development grants received during the year	-	-	-
Adjustment on value of assets	-	637,069	637,069
Transfer of depreciation/amortisation from capital fund to retained earnings	(1,556,984)	1,556,984	-
At June 30, 2020	9,797,467	54,915,176	64,712,642

OMUGA TECHNICAL AND VOCATIONAL COLLEGE
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16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2019-2020	2018-2019
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities (Operation grants)	6(a)	1,000,000	-
Rendering of services- Fees from students	7	4,172,200	-
Other income	8	599,890	-
Fees paid in advance - trade payables		142,120	
Total Receipts		5,914,210	-
Payments			
Use of goods and services	9	2,224,464	-
Employee costs	10	1,301,400	-
Remuneration of Governors	11	339,000	-
Repair and maintenance	13	121,375	-
Contracted services	14	254,320	-
Total Payments		4,240,559	-
Net cash flows from operating activities		1,673,651	-
Cash flows from investing activities		-	-
Cash flows from financing activities		-	
Net increase in cash and cash equivalents		1,673,651	-
Cash and cash equivalents at 1 JULY 2019		-	-
Cash and cash equivalents at 30 JUNE 2020		1,673,651	-

OMUGA TECHNICAL AND VOCATIONAL COLLEGE
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17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

	Original and final budget	Actual on comparable basis	Performance difference
	2019-2020	2019-2020	2019-2020
	Kshs	Kshs	Kshs
Revenue			
Transfers from other Govt entities (Operation Grants)	2,000,000	1,000,000	(1,000,000)
Transfers from other Govt entities (Capitation Grants)	6,000,000	-	(6,000,000)
Rendering of services- Fees from students	5,284,000	4,172,200	(1,111,800)
Other Income	1,540,000	599,890	(940,110)
Total income	14,824,000	5,772,090	(9,051,910)
Expenses			
Use of goods and services	10,305,760	2,224,464	(8,081,296)
Employee costs	2,784,000	1,301,400	(1,482,600)
Remuneration of Governors	888,000	339,000	(549,000)
Repair and maintenance	540,000	121,375	(418,625)
Contracted services	306,240	254,320	(51,920)
Total expenditure	14,824,000	4,240,559	(10,583,441)
Surplus for the period	-	1,531,531	1,531,531

Notes:

- 1) The variance between the projected revenue and the actual revenue collected majorly resulted from the failure to receive Capitation grants projected at KShs.6,000,000 grant and part of the operation grant of KShs.1,000,000.
- 2) The bulk of the funds were disbursed towards the end of the year. Most of the planned activities for the year remained pending, hence the surplus of income over expenses.
- 3) RIAT directly funded most of the activities of the first quarter of the FY 2019/2020. This resulted into variances in projected and actual expenses in some vote heads such as employee costs, contracted services and Board allowances.
- 4) Reconciliation of total actual reported in this statement and total actual reflected in the statement of financial performance is as follows:

	Amount (Kshs)
REVENUE	
Total actual revenue as per statement of comparison of budget and actual amounts	5,772,090
<i>Add:</i> Receivables from exchange transactions	2,822,920
<i>Add:</i> Receivables from non-exchange transactions	7,000,000
Total actual revenue as per statement of financial performance	15,595,010

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	Amount (Kshs)
EXPENSES	
Total actual expenses as per statement of comparison of budget and actual amounts	4,240,559
<i>Add: Depreciation</i>	1,556,984
Total actual expenses as per statement of financial performance	5,797,543

18. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The College is established by and derives its authority and accountability from the Technical and Vocational Education and Training Act, 2013. The College is wholly owned by the Government of Kenya and is domiciled in Kenya. The College's principal activity is to provide Training in Technical, Vocational and Business courses to graduates of secondary and primary schools to enable them acquire relevant technical skills for the job market.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS).

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

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

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2022: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2022 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2022:</p> <ol 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.

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Standard	Effective date and impact:
	<ul style="list-style-type: none"> 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. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved 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

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions
Transfers from other government entities

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

ii) **Revenue from exchange transactions**

Rendering of services

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

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

Sale of goods

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

Interest income

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

Dividends

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

a) **Revenue recognition (Continued)**

ii) **Revenue from exchange transactions (continued)**

Rental income

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

b) **Budget information**

The original budget for FY 2018/2019 was approved by the Council or Board on **xxxx**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of **xxxx** on the FY 2018/2019 budget following the Council/ Board's approval.

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

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

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

c) Taxes

Current income tax

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (continued)

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

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

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

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

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the College 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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

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

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

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

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

g) Intangible assets

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

h) Research and development costs

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

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

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

of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

assets that can be reliably estimated. Evidence of impairment may include the following indicators:

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- The debtors or a entity of debtors are experiencing significant financial difficulty

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

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

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

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

i) Inventories

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

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

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

i) Inventories (Continued)

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

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

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

j) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Nature and purpose of reserves

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

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

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

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

n) Foreign currency transactions

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

o) Borrowing costs

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

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

p) Related parties

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

q) Service concession arrangements

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

r) Cash and cash equivalents

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

s) Comparative figures

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

t) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2019.

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

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

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

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6 TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Unconditional grants		
Operational grant	2,000,000	-
Capitation grant	6,000,000	
Total	8,000,000	-

6(a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES RECEIVED

Description	2019-2020	2018-2019
	Kshs	Kshs
Unconditional grants		
Operational grant	1,000,000	-
Capitation grant	0	
Total	1,000,000	-

7 RENDERING OF SERVICES

Description	2019-2020	2018-2019
	Kshs	Kshs
Tuition fees	562,020	-
Personal emoluments	1,394,500	-
Contingencies	156,700	-
E.W.C	263,900	-
R.M.I	497,460	-
Administration Cost	379,280	-
L.T.T	246,500	-
Development	151,440	-
Activity	166,000	-
Industrial Attachment	2,520	-
Student ID	198,200	-
Registration fees	2,200	-
Examination fees	5,480	-
Boarding	21,000	-
Advance	125,000	-
Total revenue received in cash	4,172,200	
Fees receivable	2,822,920	
Total revenue from the rendering of services	6,995,120	-

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8 OTHER INCOME

Description	2019-2020	2018-2019
	Kshs	Kshs
Production unit	248,010	-
Boarding	21,000	-
Admission and ID	198,200	-
Examination	5,480	-
Registration	2,200	-
Advances Repaid	125,000	-
Total other income	599,890	-

9 USE OF GOODS AND SERVICES

Description	2019-2020	2018-2019
	Kshs	Kshs
Tuition	644,809	-
Contingency	74,740	-
E.W.C	101,095	-
Administration Costs	388,820	-
L.T &T	523,000	-
Development	142,900	-
Boarding/Accommodation fee charged	36,000	-
Activity	253,100	-
Registration/Student ID	60,000	-
Student Union	0	-
Medical fees	0	-
Total good and services	2,224,464	-

10 EMPLOYEE COSTS

Description	2019-2020	2018-2019
	Kshs	Kshs
Salaries and wages	1,301,400	-
Employee costs	1,301,400	-

11 REMUNERATION OF GOVERNORS

Description	2019-2020	2018-2019
	Kshs	Kshs
Chairman's honoraria	79,000	-
Governors' emoluments	243,000	-
Other allowances	17,000	-
Total Governors' emoluments	339,000	-

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12 DEPRECIATION AND ARMOTISATION

Description	2019-2020	2018-2019
	Kshs	Kshs
Property Plant and equipment	1,556,984	-
Total repairs and maintenance	1,556,984	-

13 REPAIRS AND MAINTENANCE

Description	2019-2020	2018-2019
	Kshs	Kshs
General	121,375	-
Total repairs and maintenance	121,375	-

14 CONTRACTED SERVICES

Description	2019-2020	2018-2019
	Kshs	Kshs
Security services	254,320	-
Total contracted services	254,320	-

15 CASH AND CASH EQUIVALENTS

Description	2019-2020	2018-2019
	Kshs	Kshs
Cash at hand	71,486	-
Cash at bank	1,602,165	-
Total cash and cash equivalents	1,673,651	-

15(a) DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2019-2020	2018-2019
		Kshs	Kshs
a) Current account			
Kenya Commercial bank	1261113721	1,602,165	-
b) Others			
Cash in hand		71,486	
Total		1,673,651	-

16 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	Kshs	Kshs
Current receivables		
Student debtors	2,822,920	-
Total current receivables	2,822,920	-

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17 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	Kshs	Kshs
Current receivables		
Transfers from other govt- Operational grant	1,000,000	-
Transfers from other govt- Capitation grant	6,000,000	-
Total current receivables	7,000,000	-

18 PROPERTY, PLANT AND EQUIPMENTS

	Buildings	Furniture and Fittings	Computers	Other Assets	Total
Depreciation Rate	2.50%	12.50%	33.33%	0	
	Kshs	Kshs	Kshs	Kshs	Kshs
Cost					
At 1 July 2019	-	-	-	-	-
Inherited assets	53,333,635	562,602	460,000	5,299	54,361,536
Additions	800,000	280,000	52,100	0	1,132,100
At 30 June 2020	54,133,635	842,602	512,100	5,299	55,493,636
Depreciation and Impairment					
At 1 July 2019	-	-	-	-	-
Depreciation	1,333,341	70,325	153,318	-	1,556,984
At 30 June 2020	1,333,341	70,325	153,318	-	1,556,984
Net Book Value					
At 30 June 2020	52,800,294	772,277	358,782	5,299	53,936,652

Notes:

- i. The value of the college land could not be ascertained due to the fact that no valuation was carried out as the parcel numbers are still in the names of the original donors.
- ii. The costs of the agricultural Equipment (Tractors, Planters, Harvesters etc) supplied by the Ministry were unavailable since they have not been provided by the ministry. A follow up is being made to ascertain the costs.
- iii. A comprehensive list of all the college assets and their costs is being compiled to enable us have a more comprehensive and accurate costs of all the assets.

19 PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	Kshs	Kshs
Fees paid in advance	720,580	-
Total trade and other payables	720,580	-

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APPENDIX I: INTER-ENTITY TRANSFERS

	ENTITY NAME:	OMUGA TECHNICAL AND VOCATIONAL COLLEGE		
	Break down of Transfers from the Ministry of Education			
	FY 2019/2020			
a.	Recurrent Grants			
		<u>Bank Statement</u>	<u>Amount</u>	<u>Indicate the FY to which the</u>
		<u>Date</u>	<u>(Kshs)</u>	<u>amounts relate</u>
		15 May, 2020	1,000,000	2019/2020
		Total	1,000,000	

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

Finance Manager
 Omuga Technical and Vocational College

Head of Accounting Unit
 Ministry of Education


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Sign-----

OMUGA TECHNICAL AND VOCATIONAL COLLEGE

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APPENDIX II: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount Kshs	Where Recorded/recognized				Total Transfers during the Year	
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables		Others - must be specific
Ministry of Education	15/05/2020	Recurrent	2,000,000	1,000,000	0	0	1,000,000	0	2,000,000
Ministry of Education		Recurrent	6,000,000	0	6,000,000	0	6,000,000	0	6,000,000
Total			8,000,000	0	6,000,000	0	7,000,000	0	8,000,000

