

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 29 MAY 2025	DAY: Thursday
TABLED BY: OF	Hon. Bayartga, MP Deputy Leader of the Opposition
CLERK-AT-THE-TABLE:	Hakima Ahmed

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**NAIVASHA TECHNICAL AND VOCATIONAL
COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2023**



NAIVASHA TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2023

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

**NAIVASHA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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1. ACRONYMS & GLOSSARY OF TERM

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TVC	Technical Vocational College

**NAIVASHA TECHNICAL AND VOCATIONAL COLLEGE
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2.KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Naivasha Technical and Vocational College is a newly established institution under the Ministry of Education, State department of Technical and Vocational Education & Training domiciled in Kenya. The College was established under the TVET Act 2013. The College is situated near Longonot town, and off the Mai Mahiu - Naivasha Road. The college is currently in its fifth year since inception, having opened its doors for students' admission in March 2018.

(b) Principal Activities

The principal activity of Naivasha Technical and Vocational College is to train trainees in line with the college's vision, mission and core values which are: -

Vision

A leading regional Competence Based Educational and Training (CBET) provider in TVET.

Mission

To transform the lives of youth through provision of relevant skills for self-reliance and national development.

Core values

Excellence, Access, Creativity and Collaboration.

(c) Key Management

The college's day-to-day management is under the following key organs:

- Board of Governors'
- Accounting officer/ Principal
- Fiduciary Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30 June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Samuel Mugo Wambugu
2.	Deputy Principal	Dorcas Njeri Macharia
3	Ag.Registrar	Erick.K.Chebii
4.	Head of Finance	Herman Ndugi Munyare

(e) Fiduciary Oversight Arrangements

The BOG plays the role of oversight in all the college financials.

(f) Entity Headquarters

P.O. Box 574-20117, NAIVASHA, KENYA.

(g).Entity Contacts

Telephone: (+254) 740429247

E-mail: principalnaivashatechnical@gmail.com

Website: www.ntvc.ac.ke

(h).Entity Bankers

Kenya Commercial Bank

P.O Box 484400-00100, Nairobi.

(i).Independent Auditors

Auditor General, Office of Auditor General,

Anniversary Towers, University Way,

P.O. Box 30084-00100, Nairobi

(j).Principal Legal Adviser

The Attorney General-State Law Office

Harambee Avenue

P.O. Box 40112-00200, Nairobi,

NAIVASHA TECHNICAL AND VOCATIONAL COLLEGE
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3.THE BOARD OF GOVERNORS



MR OCHIENG OGUTU
BOG Chairperson

ACADEMIC QUALIFICATION

Egerton University- bachelor's degree in Agriculture Education and extension

Currently pursuing a master's degree in Public Health (MPH) specializing in epidemiology and population health.

EXPERIENCE -

- project coordinator -Impact project in Naivasha
- Project manager-in APHIA II, LINKAGES project.
- Project manager -Kenya National Outreach, Counselling and Training (K- NOTE) as a in the APHIA plus project funded by USAID through FHI360.

Mr. Ochieng serves the board Chairperson

Date of Appointment: 9th February 2022

Date of Contract Expiry: 9th February 2025



MR. SAMMY MARATHI WERU
Board member

. ACADEMIC QUALIFICATION

- Master of Science degree in Biology of Conservation
- BSc in Wildlife Management,

EXPERIENCE -

- consultancy services, specializing in Environmental Policy development; especially conservation incentives like Payment for Ecosystem Services (PES), Natural Resource Management and Programming, Kenya Wildlife Service
- an international NGO -WWF
- US Government at USAID

Date of Appointment: 9th February 2022

Date of Contract Expiry: 9th February 2025

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 RISPER JEMUTAI KANDIE Board member	ACADEMIC QUALIFICATION ➤ Institution Year Course Award United Nation-GTP 2017 Postgraduate certificate in Energy Technology Certificate ➤ University of Auckland 2009 Postgraduate Certificate in Energy Technology Certificate ➤ University of Nairobi 2009 Masters of Science Geology Degree ➤ University of Nairobi 2002 Bachelor of Science Geology Degree EXPERIENCE ➤ Entrepreneur Leader, Kenya Geothermal Training Centre 2018 – Present ➤ Senior Geologist, KenGen 2008 - Present ➤ Geologist II, Ministry of Water and Irrigation (MWI), 2007-2008 ➤ University Board Member, South Eastern Kenya University (SEKU), 2013-2017 Date of Appointment: 9th February 2022 Date of Contract Expiry: 9th February 2025
	ACADEMIC ➤ 2002-2006 Daystar University-Bachelor of commerce Accounting and Business Administration EXPERIENCE ➤ Branch manager, Progressive Credit Limited – Narok branch(12th June 2017 to Date) ➤ Credit Regional supervisor/Assistant manager credit, Equity Bank Limited.- Nairobi Region (25th August to 2016)

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RUBBIN RORAT NASHIPAE
Board member

- Credit Risk Analysis, Equity Bank Limited: head office (February 2011- August 2011)
- Senior Credit Relationship Officer, Equity Bank Limited: Narok branch (August 2007 to January 2011)
- Date of Appointment:** 9th February 2022
- Date of Contract Expiry:** 9th February 2025



VITALIS WAFULA WEKESA
Board member

ACADEMIC

- .Sc. in Agricultural Entomology, Department of Entomology, Phytopathology and Agricultural Zoology, Universidade de Sao Paulo, Brazil, 2008.
- .Sc. in Botany (Microbiology Option), Department of Botany, Jomo Kenyatta University of Agriculture and Technology, Thika, Kenya, 2004.
- .Sc. in Biological Sciences (Second Class Honors, Upper Division), Dept. of Biological Sciences, Jomo Kenyatta University of Agriculture and Technology, Thika, Kenya, 1997

EXPERIENCE

- Operational Business Unit Manager: June 2015 to Date
- Lamingo Horticulture (K) Ltd (Dudutech)
- Senior lecturer: Jan 2011 to May 2015 Technical University of Kenya, School of Pure and Applied Sciences (Applied and Technical Biology Department)
- Post-Doctoral Research Associate: Sept 2009 to Dec 2010:

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	Norwegian Institute of Agricultural and Environmental Research (BIOFORSK) ➤ Post-Doctoral Research Associate: January- August 2009: University of Florida (Institute of Food and Agricultural sciences-IFAS) ➤ Project Manager, April 2004 – February 2005 Dudutech (K) Ltd, an affiliate company of Finlays Horticulture Inc., Naivasha. Date of Appointment: 9th February 2022 Date of Contract Expiry: 9th February 2025
 ELIZABETH MBOVI MULAE Board member	ACADEMIC ➤ 019 Kenya School of Government Senior Management Course ➤ 014-2016 Nairobi University Master's in Development Communication ➤ 011-2009 Daystar University. Bachelor of Arts in Communication. Major. Specialized in Public Relations ➤ 005 Consolata Institute of Communication & Technology Diploma in Journalism Media Studies ➤ 004 Consolata Institute of Communication & Technology Diploma in Marketing & Advertising ➤ 003 Consolata Institute of Communication & Technology Diploma in Public Relations EXPERIENCE ➤ 018 to Date: Export Promotion Board: Designation Corporate Communications Manager

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	❖ 2012 to August 2018: Institution of Surveyors of Kenya. Designation: Public Relations/Communication officer ❖ 2010-2011: Business Platform Limited: Air Kenya Ndege News & Metropolitan Property Magazines: Designation Account Manager ❖ 2008-2009 Directorate Of Industrial Training: Designation Advertising Executive (DIT magazine) ❖ 2006- Daystar University Speech Center: Speech writing student assistant ❖ 2006-2007 Kenya Times News Services Subscriptions Executive/News Reporter Date of Appointment: 9th February 2022 Date of Contract Expiry: 9th February 2025
 PETER MUIRU NDUNGU Board member	ACADEMIC ❖ M.Sc. in Engineering Systems and Management (Energy Option) - Specializing in renewable Energy systems. Bachelor's Degree in Education Technology ❖ Higher Diploma in Mechanical Engineering EXPERIENCE ❖ Part Time Teaching ❖ Taught the Following courses up to 2015; AGEN 122- Workshop Technology AGEN131- Basic Farm power source and Utilization, Aged 314 – Agricultural field machines, Aged 321- Rural structures ❖ USAL 222 – Practical skills in Agriculture Engineering at Egerton and Laikipia University Respectively. ❖ From January 2020; Lecturing in the following courses Aged 122, 123, 314 and Aged 321 at Laikipia University in the Department of Curriculum and Education Management. ❖ Assistant Director in Nyandarua County September 2015- January 11th 2020 Date of Appointment: 9th February 2022 Date of Contract Expiry: 9th February 2025

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4.MANAGEMENT TEAM

 Mr.Samuel Mugo Wambugu PRINCIPAL	ACADEMIC QUALIFICATION • Bachelor of Education in technical education(Moi University) • Master's in Business Administration Strategic Management option (Jomo Kenyatta University of Agriculture and Technology) EXPERIENCE - • Head of Mechanical Engineering Department - Kabete National Polytechnic) • Registrar -Kabete National Polytechnic • Deputy Principal Administration- Kabete National Polytechnic
 Mrs.Dorcas Njeri Macharia DEPUTY PRINCIPAL	ACADEMIC QUALIFICATION • Master's in Education (Economics of Education)- university of Nairobi • Bachelor of Education (Arts) -Kenyatta university EXPERIENCE - • June 2020 - to date Deputy Principal Naivasha Technical and Vocational College • March 2018 - June 2020 Acting Deputy Principal Naivasha Technical and Vocational College • Feb 2018 - June 2020 Naivasha Technical and Vocational College as a lecturer • 2013 to Feb 2018 Emining Technical Training Institute as the Head of Department in Business Studies and Lecturer

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Mr.Erick.K.Chebii
Ag.REGISTRAR.

ACADEMIC QUALIFICATION

- Master's in business administration finance option-Egerton University
- Bachelor of Education (Mathematics and Business Studies)-Kenyatta University

EXPERIENCE –

- **Jan 2020 to date** Acting Registrar and Lecturer at Naivasha Technical and Vocational College
- May 2018 – Jan 2020 Naivasha Technical and Vocational College as a lecturer
- **2014 - May 2018** Mathematics and Business Studies Teacher



Mr.Herman Ndugi Munyare
FINANCE OFFICER

ACADEMIC QUALIFICATION

- Master's in business administration finance option- Jomo Kenyatta University of Agriculture and Technology)
- Certified public accountant of Kenya-KASNEB
- Bachelor of arts in education(economics)-Moi university

EXPERIENCE -

- **Feb 2021** to date Financial Officer at Naivasha Technical and Vocational College.
- **2017** Onserio and company CPAK as audit assistant
- **2013-2021** kabete national polytechnic as a lecturer
- **2013-2016** kife school of business as a part-time lecturer and accountant

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5. CHAIRMAN'S STATEMENT

The Naivasha Technical and Vocational College Board of Governors was appointed on 9th February 2022 for a period of three years. The Board was inaugurated on 16th March 2022 by Regional TVET director Mr Peter Cheruiyot. During the first meeting the Board constituted management committees. The Board Committees included: - the Finance and Administration Committee which deals with finance and administration issues, the Audit Committee which deals with Audit matters of the college and the Academic/Human Resource Committee mandated to deal with all academics and staff related issues. All these committees and the Full Board will provide timely advisory and policy guidance to the management.

The current board is the second Board of Governors of the institution and hence great task ahead to create a good foundation for the college to operate. The Board members were inducted from 28 June 2022 to 1st July 2022 where they were enlightened on BOG mandate and scope. During the quarter the board also signed an MOU with KenGen which increase cooperation and collaboration on various training aspects. The finance and human resource committee had their first quarter meeting in September 2022 where they deliberated on; finance policies and procedures, human resource manual and staff establishment.

During the year under review there were three full BOG meetings which deliberated on different issues ranging from validation of students returns to KUCCPS, adoption of reports by BOG Finance and human resource committee. The BOG also agreed on strategies to be adopted to improve the college enrolment in the coming years. The BOG education, training and infrastructure committee held their first meeting in the quarter where they deliberated on various issues on academic policies, KNEC examination results and how to better the training of trainees.

During the last quarter of the year there was a full BOG meeting which deliberated on budget estimates of financial year 2023-2024, adoption of reports by from education, training and infrastructure committee concerning adoption and approval of Naivasha TVC Board Charter and ICT policy. The BOG also had a virtual meeting to approve the PSC shortlisting committee report on recruitment of TVET trainers. The chairperson of the BOG and an independent member were also engaged in Negotiation of performance contract between the Government of the Republic of Kenya and Naivasha TVC BOG.

Despite all the great strides the college has made since its inception there has been challenges with the main challenge being limited resources for the college. Being a young college resources have been very little. Another challenge has been the poor state of the access road to the college. However, as a board we know that the task bestowed upon us is enormous and challenging but we are up to the task to discharge our duties as required by law and would dedicate our time and energy to ensure the college produces competent and skilled manpower for our country.



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6. PRINCIPAL'S REPORT FOR THE YEAR 2022/2023

Naivasha Technical and Vocational College is a newly established institution under the Ministry of Education, State department of Technical and Vocational Training. The college is situated near Longonot town, and off the Mai Mahiu - Naivasha Road. The college is currently in its third year since inception, having opened its doors for students' admission in March 2018.

The college is guided by its vision which is to be a leading regional Competence Based Education and Training (CBET) provider in TVET, its mission of transforming the lives of the youth through provision of relevant skills for self-reliance and national development and its core values which are Excellence, Access, Creativity and Collaboration.

During the Financial year 2022-2023, the college made the following strides towards realization of its mandate;

- ❖ The college successfully negotiated for 2022/2023 performance contract.
- ❖ The college admitted 70 new students for September intake, totalling to 258 students.
- ❖ The college started a new course in Diploma in Tourism management.
- ❖ The college continued to undertake measures to prevent the spread of COVID-19 by implementing the guidelines provided by MOH and Ministry of Education,
- ❖ The college was evaluated for 2021/2022 performance contract.
- ❖ November 2022 KNEC and CDACC exams
- ❖ Management information system Benchmarking of staff to Muraga TTI
- ❖ Performance contracting committee members' capacity building and training
- ❖ The college continued to undertake measures to prevent the spread of COVID-19 by implementing the guidelines provided by MOH and Ministry of Education,
- ❖ KNEC exams march 2023 series
- ❖ Training on internal quality assurance
- ❖ Visitation by USAID representatives to the college
- ❖ Medical camp conducted by ITARC hospital
- ❖ The college continued to undertake measures to prevent the spread of COVID-19 by implementing the guidelines provided by MOH and Ministry of Education,
- ❖ Drafting and negotiation of performance contract between the Government of the Republic of Kenya and Naivasha TVC BOG.
- ❖ Release of KNEC exams march 2023 series results
- ❖ Training on Head of departments on public finance management and governance by Kenya school of TVET
- ❖ Visitation by Ministry of education representatives to the college to discuss dual TVET project
- ❖ Shortlisting of PSC applicants for advertised TVET-trainers' vacancies
- ❖ The college continued to undertake measures to prevent the spread of COVID-19 by implementing the guidelines provided by MOH and Ministry of Education,

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Challenges

In the Financial year 2022-2023, the college faced the following challenges:

- ❖ Lack of development funds. The college did not receive any funding for development budget.
- ❖ Poor state of the access road to the college. The college is located 2.5KM off the Naivasha Maai-Mahiu road with road connecting it to the highway being a murram road and most of the time being in a very bad state.
- ❖ Lack of boarding facility for students. There are no good hostels for students in the neighbourhood and this discourages many potential students. We have several cases where students have failed to report citing lack of hostels.
- ❖ Lack of means of transport. The college lacks a college van for official operations.
- ❖ Increased Pending bills due to non-remittance of recurrent and capitation grant by the National treasury.



Principal
NAIVASHA TECHNICAL & VOCATIONAL COLLEGE
P. O. Box 574 - 20117
NAIVASHA

Samuel Mugo W.
Principal/BOG Secretary.

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7.STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

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

Naivasha Technical and Vocational College has 3 strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2021- FY 2024. These strategic pillars are as follows:

Pillar/ theme/issue 1:

Provide CBET opportunities for school leavers to develop skills, knowledge and attitudes that are aligned to industry needs and for self-reliance.

Pillar/ theme/ issue 2:

Promote a culture of research, development, innovation and environmental sustainability among staff and trainees.

Pillar/ theme/ issue 3:

Enhance collaboration and linkages with industry and modern Kenya societal needs.

Naivasha TVC develops its annual work plans based on the above three (3) pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The college achieved its performance targets set for the FY 2022/23 period for its three (3) strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Provide CBET opportunities for school leavers to develop skills, knowledge and attitudes that are aligned to industry needs and for self-reliance.	Facilitate learning that ensures trainees have the right knowledge & skills	Number of competence-based programmes	Implement CBET	Competent and skilled human resource that fits in the labour market
Promote a culture of research, development, innovation and environmental sustainability among staff and trainees	Implement environment friendly practises	Pavement in place	Landscaping and paving	Environmental conservation
Enhance collaboration and linkages with industry and modern Kenya societal needs.	Raise the college profile in the community	Number. Of programs initiated	CSR and outreach programs	Commitment and support of the community

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8. CORPORATE GOVERNANCE STATEMENT

The Board of Governors consists of nine (9) Board members. The members are of sound and varied intellectual capacity, skills and competencies which is quite essential for efficient and effective decision making.

To undertake its duties, the Board has three (3) committees in place namely: -

1. Education, training and infrastructure committee -which mainly deals with Academic issues and training issues i.e academic policies, training of trainees, trainers welfare. The committee is constituted of three members.
2. Finance and human resource Committee which deals with budgeting and financial planning, reporting & monitoring of internal controls and accountability policies. The committee is constituted of three members
3. Risk and Audit Committee which deals with risk management, internal controls and governance. Then there is the Full Board to which all these Board Committees report their deliberations and recommendations for collective approval and resolution. The committee is constituted of three (3) members.

The Board operates on a government Financial Year. The Board Committees and the Full Board meet at least four (4) times a year. For unexpected issues a Special Board Meeting is called by the Principal in consultation with the Board Chairperson.

At the Management level the college has a number of committees to assist in decision making,

A budget is essential to undertake the college operations and activities. The budgetary process is annual, regular, consultative and participatory. The budget is implemented after presentation to the Board's Finance and Administration Committee for deliberation and approval by the Full Board.



Principal
NAIVASHA TECHNICAL & VOCATIONAL COLLEGE
P. O. Box 574 - 20117
NAIVASHA

Samuel Mugo W.
Principal/BOG Secretary.

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9. MANAGEMENT DISCUSSION AND ANALYSIS

During the financial year 2022-2023 under review Naivasha Technical and Vocational College was able to undertake various activities leading to variance in the income and expenditure of the college.

On Income during the year decreased due to non-disbursement of government capitation and recurrent grant for the 4th quarter and reduced capitation amount for each trainee. On expenditure during the financial year much was used on uses of goods and services due to increased college enrolment and overall increased inflation in the country.

. It was also during the financial year 2022-2023 that the college undertook various activities: -

- ❖ The college successfully negotiated for 2022/2023 performance contract.
- ❖ The college admitted 70 new students for September 2022 intake
- ❖ The college started a new course in Diploma in Tourism management.
- ❖ The college continued to undertake measures to prevent the spread of COVID-19 by implementing the guidelines provided by MOH and Ministry of Education
- ❖ The college procured 50 lecture chairs worth Ksh 72,000
- ❖ The college entered in a contract of one year with Etuko security and guarding limited to provide security and guarding services to the college.
- ❖ The college was evaluated for 2021/2022 performance contract and scored 3.2 (good)
- ❖ November 2022 KNEC and CDACC exams were well conducted
- ❖ Management information system Benchmarking of staff to Muraga TTI
- ❖ Facilitation of Performance contracting committee members' capacity building and training held at Nakuru
- ❖ Visitation by USAID representatives to the college
- ❖ March 2023 KNEC exams
- ❖ Health awareness week conducted by ITARC hospital
- ❖ Internal quality assurance training to IQA members
- ❖ The college continued to undertake measures to prevent the spread of COVID-19 by implementing the guidelines provided by MOH and Ministry of Education
- ❖ Drafting and negotiation of performance contract between the Government of the Republic of Kenya and Naivasha TVC BOG.

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- ❖ Advertisement of college courses through Members of county assembly youth forums
- ❖ Release of KNEC exams march 2023 series results
- ❖ Training on Head of departments on public finance management and governance by Kenya school of TVET
- ❖ Visitation by Ministry of education representatives to the college to discuss dual TVET project
- ❖ Shortlisting of PSC applicants for advertised TVET-trainers' vacancies

The college continued to undertake measures to prevent the spread of COVID-19 by implementing the guidelines provided by MOH and Ministry of Education

However, our challenge remains; non remittance of recurrent and capitation grant for the college by the government, the poor state of the access road to the college. The college is located 2.5KM off the Naivasha Maai-Mahiu road with road connecting it to the highway being a murrum road and most of the time being in a very bad state and delay of funds from the Government Capitation initiative which has made us move at a slow pace in drafting and initiating projects within the college and having increased pending bills.

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10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Naivasha Technical and Vocational College exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

Sustainability strategy and profile

With the rapid increase in use of technology the college is adapting to the changes in technology by adopting e-learning as a way of learning. This was fast-tracked by the covid-19 pandemic where TVETs had to continue with learning despite the lockdown and hence e-learning came handy. The college also in the FY20/21 adopted Teleconferencing as a way of holding meetings. Technology has really eased communication and learning on the other hand the challenge has been lack of good internet connectivity in some areas and hence some students missed class

Environmental performance

The college undertook a public health Inspection to ensure that the environment was conducive for learning.

Employee welfare

Naivasha TVC is an equal employer of all and always gives an opportunity to youth, women and People Living with Disability (PWDs) during employment.

The management goes ahead to train or send some of its staff to workshops, seminars and training to improve their skills and increase their knowhow on various matters.

Market place practices-

In the FY 22/23 the college did not pay all its supplier in time and closed the financial year with supplier pending bill. The college also carried out various marketing activities with high ethical standards being maintained by ensuring we give true and accurate information.

Corporate Social Responsibility / Community Engagements

The college being the only public TVET College around its environs the college engaged the various secondary schools in career talks as a way of the college giving back to the society.

For free the college tasked the registrar office with this task and this really helped the youth around benefit from career talk, additionally some schools visited the college and took an educational trip around the college getting exposure to TVET facilities.

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11. REPORT OF THE BOARD OF GOVERNORS

Principal activities

The principal activity of Naivasha Technical and Vocational College is to train trainees in line with the college's vision, mission and core values which are: -

Vision-To be a leading regional Competence Based Educational and Training (CBET) provider in TVET.

Mission-To transform the lives of youth through provision of relevant skills for self-reliance and national development.

Core Values-Excellence, Access, Creativity and Collaboration.

Results

The results of the entity for the period ended June 30, 2023 are set out on page 1-50

BOARD/BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page iii-vii.

Auditors

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

By Order of the Board


SAMUEL MUGO W
Board Secretary.

Principal
NAIVASHA TECHNICAL & VOCATIONAL COLLEGE
P.O. Box 574 - 20117
NAIVASHA

**NAIVASHA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

12.STATEMENT OF BOARD OF GOVERNORS' RESPONSIBILITIES

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

The board members are responsible for the preparation and presentation of the college's financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of a period. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the college
- (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 college'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 the TVET Act)

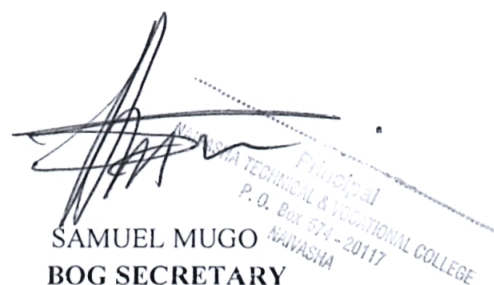
Nothing has come to the attention of the board members to indicate that the Naivasha TVC will not remain a going concern for at least the next twelve months from the date of this statement

Approval of the financial statements

The college's financial statements were approved by the Board on 21st September 2023 and signed on its behalf by:



NAIVASHA TECHNICAL & VOCATIONAL COLLEGE
CHAIRPERSON
11 MAR 2025
OCHIENG OGUNI
BOG CHAIRPERSON



Principal
NAIVASHA TECHNICAL & VOCATIONAL COLLEGE
P. O. Box 674 - 20117
NAIVASHA
SAMUEL MUGO
BOG SECRETARY

REPUBLIC OF KENYA

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Enhancing Accountability

HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NAIVASHA TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Naivasha Technical and Vocational College set out on pages 1 to 46, which comprise the statement of financial position as at 30 June, 2023 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.

Report of the Auditor-General on Naivasha Technical and Vocational College for the year ended 30 June, 2023

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 Naivasha Technical and Vocational College as at 30 June, 2023 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 the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of financial performance reflects an amount of Kshs.7,741,690 in respect of use of goods and services and as disclosed in Note 15 to the financial statements. However, review of the expenditure schedule provided for audit reflected an amount of Kshs.7,036,870 resulting to unexplained and unreconciled variance of Kshs.704,820.

In the circumstances the accuracy and completeness of use of goods and services amount of Kshs.7,741,690 for the period ending 30 June, 2023 could not be confirmed.

2. Variance in the Historical Cost Between the Financial Statements and Assets Register

The statement of financial position reflects property, plant and equipment balance of Kshs.81,851,888 which includes Kshs.93,005,064 in respect of historical cost property, plant and equipment and as disclosed in Note 31 to the financial statements. Included in the property, plant and equipment are furniture and fittings with cost of Kshs.1,348,220. However, the cost differed with the amount of Kshs.1,094,620 reflected in the assets register resulting to an unexplained and unreconciled variance of Kshs.253,600.

In the circumstances the accuracy and completeness of furniture and fittings balance of Kshs.1,348,220 as at 30 June, 2023 could not be confirmed.

3. Undisclosed Property, Plant and Equipment

The statement of financial position reflects balance of Kshs.81,851,888 in respect of property, plant and equipment and as disclosed in Note 31 to the financial statements. However, review of the assets register revealed that the institution owns three (3) parcels of unvalued land not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.81,851,888 as at 30 June, 2023 could not be confirmed.

3. Non-Disclosure of Intangible Assets

The statement of financial position reflects nil balance in respect of intangible assets and as disclosed in Note 32 to the financial statements. Review of the expenditure supporting documents revealed that the institution procured a Management Information System (MIS)-Optimum system with initial cost of Kshs.75,000 and monthly installments of Kshs.20,000. However, supporting documents including contract documents indicating the actual cost of

the system was not provided for audit. In addition, the value of the intangible asset was not included in the financial statements.

In the circumstances, the accuracy and completeness of the intangible assets nil balance as at 30 June, 2023 could not be confirmed.

5. Long Outstanding Receivables from Non-Exchange Transactions

The statement of financial position reflects balance of Kshs.560,000 in respect of receivables from non-exchange transactions and as disclosed in Note 28 to the financial statements. The receivables have been outstanding since 2018. However, there was no policy on the impairment of long outstanding receivables casting doubt on the fair statements of the accounts and recoverability of receivables balance.

In the circumstances, the accuracy and completeness of receivables from non-exchange transactions balance of Kshs.560,000 as at 30 June, 2023 could not be confirmed.

6. Unconfirmed Trade and Other Payables from Exchange Transactions

The statement of financial position reflects balance of Kshs.965,868 in respect of trade and other payables and as disclosed in Note 35 to the financial statements. However, the trade payables were supported with invoices, delivery note and the local purchase/service orders which did not have date and serial numbers.

In the circumstances, the accuracy and completeness of the trade payables balance of Kshs.965,868 as at 30 June, 2023 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final income budgeted and actual on comparable basis of Kshs.19,726,200 and Kshs.12,497,910 respectively resulting to an under- funding of Kshs.7,228,290 or 37% of the budget. Further, the statement reflects final budgeted expenditure and actual on comparable basis expenditure of Kshs.19,726,150 and Kshs.11,895,698 resulting to under-expenditure of an amount of Kshs.7,830,452 or 40% of the budget.

In the circumstances, the under-funding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the students of the College.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not given any explanation on how the issues were resolved.

Other Information

Management is responsible for the other information set out on page i to xix which comprise of Key Entity Information and Management, The Board of Governors, Key Management Team, Chairman's Statement, Report of the Senior Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Governors and Statement of Board of Governor's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the College's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matters described in the basis for conclusion on lawfulness and effectiveness in the 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. Failure to Deduct and Remit Taxes on Board Allowances

The statement of financial performance reflects an amount of Kshs.676,500 in respect of Board of Governors expenses and as disclosed in Note 17 to the financial statements.

Report of the Auditor-General on Naivasha Technical and Vocational College for the year ended 30 June, 2023

However, taxes on sitting allowances drawn from Kshs.686,500 were not deducted and remitted to Kenya Revenue Authority as required by Section 37 of the Income Tax Act (Cap 470) Revised edition, 2021.

In the circumstances, the Management was in breach of the law and non-remittance of the due taxes may attract unquantified fines and penalties.

2. Irregular Procurement of Security Services

The statement of financial performance reflects use of goods and services of an amount of Kshs.7,741,290 which includes an amount of Kshs.704,000 in respect of security and as disclosed in Note 15 to the financial statements. Review of the supporting documents including procurement records revealed expenditure amounting to Kshs.480,000 paid to one local firm for the provision of security services whose procurement was done through the framework agreement. However, the procurement process only attracted four (4) bidders out of the recommended seven (7) alternative vendors and the nature of the security services require determinable number of security guards. This was contrary to Regulation 102(1)(b) of the Public Procurement and Asset Disposal Regulations, 2020.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing 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 to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Failure to hold Optimal Number of Board Meetings

The Board of Governors and their respective committees including Audit and Risk committee, Finance and Human Resource Committee and the Education, Training and Infrastructure committee each held only two (2) meetings out of the four (4) recommended.

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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 governance.

In preparing the financial statements, Management is responsible for assessing the Technical 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 comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Technical and Vocational 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 governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

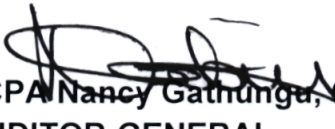
My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal

controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 April, 2025

NAIVASHA TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023.

14.STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	4,726,000	5,160,000
Grants from donors and development partners	7	-	-
Transfers from other levels of government	8	-	-
Public contributions and donations	9	-	-
		4,726,000	5,160,000
Revenue from Exchange transactions			
Rendering of services- fees from students	10	7,771,910	7,125,520
Sale of goods	11	-	-
Rental revenue from facilities and equipment	12	-	-
Finance income	13	-	-
Miscellaneous income	14	0	1,000
Revenue from Exchange transactions		7,771,910	7,126,520
Total Revenue		12,497,910	12,286,520
Expenses			
Use of goods and services	15	7,741,290	7,802,797
Employee costs	16	3,030,930	3,567,477
Board of Governors Expenses	17	676,500	626,000
Depreciation and amortization expense	18	10,487,682	357,498
Repairs and maintenance	19	446,978	918,170
Contracted services	20	-	-
Grants and subsidies	21	-	-
Finance costs	22	-	-
Total Expenses		22,383,380	13,271,942
Other Gains/(Losses)			
Gain on sale of assets	23	-	-
Gain/ Loss on fair value of investments	24	-	-
Impairment loss	25	-	-
Total Other Gains/(Losses)		-	-
Net Deficit for the year		-9,885,470	-985,422



HERMAN MUNYARE
Finance officer (icpak no26989)


SAMUEL MUGO
Principal/BOG Secretary

**NAIVASHA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

15. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	26	1,380,864	1,189,102
Current portion of receivables from exchange transactions	27(a)	2,948,920	2,479,381
Receivables from non-exchange transactions	28	560,000	560,000
Inventories	29	0	0
Total Current Assets		4,889,784.40	4,228,483.00
Non-Current Assets			
Long term receivables from exchange transactions	27(b)	0	0
Investments	30	0	-
Property, plant, and equipment	31	81,851,887.95	2,413,550
Intangible assets	32	0	0
Investment property	33	0	0
Biological Assets	34	0	0
Total Non-Current Assets		81,851,887.95	2,413,550
Total Assets		86,741,672	6,642,033
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	35	965,868	906,779
Refundable deposits from customers	36	0	0
Current provisions	37	0	0
Finance lease obligation	38	0	0
Deferred income	39	0	0
Employee benefit obligation	40	0	0
Payments received in advance	41	0	0
Total Current Liabilities		965,868	906,779
Non-Current Liabilities			
Finance lease obligation	38	0	0
Deferred income	39	0	0
Non-Current Employee Benefit Obligation	40	0	0
Non-Current Provisions	42	0	0
Non- Current Borrowings	43	0	0
Total non- current liabilities		0	0
Total Liabilities		965,868	906,779
Net Assets		85,775,804	5,735,254
Represented by:			
Revaluation Reserves		89,926,020	0
Accumulated Surplus		-6,405,672	3,479,798
Capital Fund		2,255,456	2,255,456
Total Net Assets and Liabilities		85,775,804	5,735,254



FINANCE OFFICER
NAIVASHA TECHNICAL & VOCATIONAL COLLEGE
P.O. Box 574 - 20117,
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HERMAN MUNYARE
DATE:
Finance officer (icpak no26989)

SAMUEL MUGO
BOG Secretary
NAIVASHA TECHNICAL & VOCATIONAL COLLEGE
P.O. Box 574 - 20117
NAIVASHA

NAIVASHA TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

16.STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2023

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2021	-	4,465,220	2,255,456	6,720,676
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	-985,422	-	985,422
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortization from capital fund to Retained earnings	-	0	-	-
At June 30, 2022		3,479,798	2,255,456	5,735,254
At July 1, 2022	-	3,479,798	2,255,456	5,735,254
Revaluation gain	89,926,020	-	-	89,926,020
deficit for the year	-	-9,885,470	-	9,885,470
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	0	-	-
At June 30,2023	89,926,020	-6,405,672	2,255,456	85,775,804



FINANCE OFFICER
NAIVASHA TECHNICAL & VOCATIONAL COLLEGE
P.O. Box 574 - 20117,
NAIVASHA
DATE: 13 MAR 2023
HERMAN MUNYARE
Finance officer (icpak no26989)

Principal
NAIVASHA TECHNICAL & VOCATIONAL COLLEGE
P.O. Box 574 - 20117,
NAIVASHA
SAMUEL MUGO
BOG Secretary

NAIVASHA TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023.

17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

		2022-2023	2021-2022
	Note		Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	6	4,726,000	5,160,000
Rendering of services- Fees from students	10	7,771,910	7,125,520
Other income		0	1,000
Total Receipts		12,497,910	12,286,520
Payments			
Compensation of employees	16	3,030,930	3,567,477
Use of goods and services	15	7,741,290	7,802,797
BOG expenses	17	676,500	626,000
Repairs and maintenance	19	446,978	918,170
Total Payments		11,895,698	12,914,444
Net cash flows from operating activities		602,212	-627,924
Cash flow From Operating Activities			
decrease in Receivables from Exchange Transactions.		- 469,539.00	-1,301,926
decrease in inventories		0	185,045
Decrease/(Increase) in Receivables from Non-Exchange Transactions		0	-
increase in Payables		59,089.00	691,807
Net Cash flow From Operating Activities		191,762	-1,052,998
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-	-840,486
Proceeds from sale of property, plant and equipment		0	
Net cash flows used in investing activities		0	-840,486
Cash flows from financing activities			
Proceeds From Borrowing		0	
Repayment Of Borrowings		0	
Net cash flows used in financing activities		-	- 1,893,484.00
Net increase/(decrease) in cash and cash equivalents		191,762	-1,893,484
Cash and cash equivalents at 1 JULY	26	1,189,101	3,082,585
Cash and cash equivalents at 30 JUNE	26	1,380,864	1,189,101



FINANCE OFFICER
 NAIVASHA TECHNICAL & VOCATIONAL COLLEGE
 P.O. Box 574-20117,
 NAIVASHA
 HERMAN MUYARE
 DATE:.....
 Finance officer (icpak no26989)

Principal
 NAIVASHA TECHNICAL & VOCATIONAL COLLEGE
 P.O. Box 574-20117
 NAIVASHA
 SAMUEL MUGO
 Principal/BOG Secretary

NAIVASHA TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023.

18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 JUNE 2023

	Original budget	Adjustment s	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2022-2023	2022-2023	2022-2023	2022-2023	2022-2023	2022-2023
Revenue	Ksh	Ksh	Ksh	Ksh	Ksh	%
Transfers from Govt entities & grants	9,000,000	0	9,000,000	4,726,000	4,274,000	53%
Public contributions donations	0	0	0	-	0	-
Rendering of services- Fees from students	10,726,200	0	10,726,200	7,771,910	2,954,290	72%
Sale of goods	0	0	0	-	0	0%
Other Income	0	0	0	-	0	0%
Gains on disposal, rental income	0	0	0	-	0	0%
Total income	19,726,200	0	19,726,200	12,497,910	7,228,290	63%
Expenses					0	0%
Compensation of employees	4,532,940	0	4,532,940	3,030,930	1,502,010	67%
Use of Goods and services	10,936,210	0	10,936,210	7,741,290	3,194,920	71%
Finance costs	0	0	0	-	0	0%
Repairs and maintenance	1,500,000	0	1,500,000	446,978	1,053,022	30%
Remuneration of directors	1,272,000	0	1,272,000	676,500	595,500	53%
Grants and subsidies paid	0	0	0	-	0	0%
Total expenditure	19,726,150	0	19,726,150	11,895,698	7,830,452	60%
Surplus for the period	50	0	50	602,212	-602,162	1204424%
Development	1,485,000	0	1,485,000	0	1,485,000	0%



FINANCE OFFICER
NAIVASHA TECHNICAL & VOCATIONAL COLLEGE
P.O. Box 574-20117,
NAIVASHA
DATE:
HERMAN MUNYARE
Finance officer (icpak no26989)

SAMUEL MUGO
Principal/BOG Secretary

19. NOTES TO THE FINANCIAL STATEMENTS

1. Notes to the Financial Statements

2. General Information

Naivasha technical and vocational college as an entity is established by and derives its authority and accountability from The Technical and Vocational Education and Training Act, 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya.

3. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements are well disclosed. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Naivasha TVC*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

4. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • 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.
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (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.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed 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	<i>Applicable 1st January 2023</i>

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Standard	Effective date and impact:
	• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

iii. Early adoption of standards

Naivasha TVC did not early-adopt any new or amended standards in year 2023.

5. 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. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The college 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.

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 2022-2023 was approved by the Board on 23rd June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

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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.

c) Taxes

Current income tax

The college is exempt from paying taxes as per The Education Act, Chapter 211 of the Laws of Kenya [1980]

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 an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately).* 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 or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

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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 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. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

h) Research and development costs

The college 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

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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Financial assets

Classification

The college classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Impairment

The college assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

Financial liabilities

Classification

The college classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

j) Inventories

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

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

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

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

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

k) Provisions

Provisions are recognized when the college 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

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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 college 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 college 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.

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

m) Nature and purpose of reserves

The college creates and maintains reserves in terms of specific requirements. (*Entity to state the reserves maintained and appropriate policies adopted*).

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

The college provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

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p) 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.

q) 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.

r) Related parties

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

s) Service concession arrangements

The college 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.

t) 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.

u) Comparative figures

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

v) 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, 2023.

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5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the college 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 college 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.(a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2022-2023	2021-2022
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	3,726,000	5,160,000
Operational Grant	1,000,000	0
Unconditional Development grants	0	0
Other Grants	0	0
Total unconditional Grants	4,726,000	5,160,000
Conditional Grants amortised/ recognised in revenue		
Library Grant	0	0
Hostels Grant	0	0
Administration Block Grant	0	0
Laboratory Grant	0	0
Learning Facilities Grant	0	0
Other Organizational Grants	0	0
Total Government Grants and Subsidies	4,726,000	5,160,000

(a) Transfers from other Government entities

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative FY 2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of TVET	4,726,000	0	0	4,726,000	5,160,000
Total	4,726,000	0	0	4,726,000	5,160,000

7. Grants from Donors and Development Partners

Description	2022-2023	2021-2022
	Kshs	Kshs
JICA- Research Grant	0	0
World Bank Grants	0	0
In-Kind Donations	0	0
Donations transferred to revenue-conditions met	0	0
Other Grants (specify)	0	0
Total Grants from Development Partners	0	0

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(a) Reconciliations of grants from donors and development partners

Description	2022-2023	2021-2022
	Kshs	Kshs
Balance unspent at beginning of year	0	0
Current year receipts	0	0
Conditions Met - Transferred to Revenue	0	0
Conditions Yet To Be Met - Remain Liabilities	0	0

8. Transfers from Other Levels of Government

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfer from County XX	0	0
Transfer from XX University	0	0
Transfer from XX Institute	0	0
Total Transfers	0	0

9. Public Contributions and Donations

Description	2022-2023	2021-2022
	Kshs	Kshs
Public Donations	0	0
Donations from Local Leadership	0	0
Donations from Religious Institutions	0	0
Donations from Alumni	0	0
Other Donations	0	0
Total Donations and Contributions	0	0

10. RENDERING OF SERVICES

Description	2022-2023	2021-2022
	KShs	KShs
Tuition fees	7,771,910	7,125,520
Activity fees	0	0
Industrial attachment fees	0	0
Examination fees	0	0
Library fees	0	0
Facilities and materials	0	0
Registration fees	0	0
Total revenue from the rendering of services	7,771,910	7,125,520

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11. SALE OF GOODS

Description	2022-2023	2021-2022
	KShs	KShs
Sale of goods		
Sale of books	0	0
Sale of publications	0	0
Sale of farm produce	0	0
Cafeteria	0	0
Other(include in line with your organisation)	0	0
Total revenue from the sale of goods	0	0

12. RENTAL REVENUE FROM FACILITIES AND EQUIPMENT

Description	2022-2023	2021-2022
	KShs	KShs
Hire of facilities and equipment	0	0
Contingent rental	0	0
operating lease revenue	0	0
Total	0	0

13. FINANCE INCOME

Description	2022-2023	2021-2022
	KShs	KShs
Cash investments and fixed deposits	0	0
Interest income from Treasury Bills	0	0
Interest income from Treasury Bonds	0	0
Interest from outstanding debtors	0	0
Total finance income	0	0

14. Miscellaneous Income

Description	2022-2023	2021-2022
	Kshs	Kshs
Insurance recoveries	0	0
Consultancy fees	0	0
Income from sale of tender	0	0
Services concession income	0	0
Reimbursements and refunds	0	0
Graduation fees	0	0
Bad debts recovered	0	0
Income written back	0	0
Miscellaneous income	0	0
Total other income	0	0

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15. USE OF GOODS AND SERVICES

Description	Period ended June 2023	Period ended June 2022
	Ksh	Ksh
Teaching and learning materials	798,505	613,304
Industrial attachment costs	52,500	50,500
Electricity	245,006	239,551
Water	29,000	78,300
Security	704,000	672,000
Professional and Consultancy services	21,800	10,000
Subscriptions	292,253	271,732
Advertising	53,000	74,079
Examination fees	1,962,090	1,862,100
Audit expenses	86,500	118,600
Catering, Conferences, and delegations	601,106	544,567
Travelling and accommodation	1,577,690	1,520,310
Fuel and oil	33,350	41,110
Insurance	52,525	124,824
Legal expenses	-	-
Licenses and permits	-	33,000
Postage	9,725	10,965
Printing and stationery	314,750	613,011
Hire charges	-	-
Rent expenses	-	-
Skills development levies	-	-
Telephone expenses	153,000	99,000
Internet expenses	186,884	205,238
Training expenses	117,700	171,500
Administration expense	449,906	261,860
Covid-19 expense	-	57,546
Procurement expenses	-	18,800
Performance contract expense	-	110,900
TOTAL	7,741,290	7,802,797

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16. EMPLOYEE COSTS

	2022-2023	2021-2022
	KShs	KShs
Salaries and wages	2,994,194	3,541,377
Employee related costs - contributions to pensions and medical aids	0	0
Travel, motor car, accommodation, subsistence and other		
Housing benefits and allowances	0	0
Performance and other bonuses	0	0
Social contributions	36,736	26,100
Employee costs	3,030,930	3,567,477

17. BOARD OF GOVERNORS EXPENSES

Description	2022-2023	2021-2022
	KShs	KShs
Sitting allowance	676,500	626,000
Total director emoluments	676,500	626,000

18. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2022-2023	2021-2022
	KShs	KShs
Property, plant and equipment	10,487,682	357,498
Total depreciation and amortization	10,487,682	357,498

19. REPAIRS AND MAINTENANCE

Description	2022-2023	2021-2022
	KShs	KShs
Property	446,978	918,170
Equipment and machinery	0	0
Vehicle	0	0
Furniture and fittings	0	0
Computers and accessories	0	0
Other	0	0
Total repairs and maintenance	446,978	918,170

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20. CONTRACTED SERVICES

Description	2022-2023	2021-2022
	KShs	KShs
Actuarial valuations	0	0
Investment valuations	0	0
Property valuations	0	0
Total contracted services	0	0

21. GRANTS AND SUBSIDIES

Description	2022-2023	2021-2022
	KShs	KShs
Community development	0	0
Education initiatives and programs	0	0
Social development	0	0
Community trust	0	0
Sporting bodies	0	0
Total grants and subsidies	0	0

22. FINANCE COSTS

Description	2022-2023	2021-2022
	KShs	KShs
Borrowings (amortized cost)*	0	0
Finance leases (amortized cost)	0	0
Unwinding of discount	0	0
Interest on Bank overdrafts	0	0
Interest on loans from commercial banks	0	0
Total finance costs	0	0

23. GAIN ON SALE OF ASSETS

Description	2022-2023	2021-2022
	KShs	KShs
	0	0
Property, plant and equipment	0	0
Intangible assets	0	0
Other assets not capitalised	0	0
Total gain on sale of assets	0	0

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24. UNREALIZED GAIN ON FAIR VALUE INVESTMENTS

Description	2022-2023	2021-2022
	KShs	KShs
Investments at fair value	0	0
Total gain	0	0

25. IMPAIRMENT LOSS

Description	2022-2023	2021-2022
	KShs	KShs
Property, plant and equipment	0	0
Intangible assets	0	0
Total impairment loss	0	0

26. CASH AND CASH EQUIVALENTS

Description	2022-2023	2021-2022
	KShs	KShs
Current account		
Main A/C-		
1223309193	1,305,822	1,141,678
Development A/C 1223309746	7,650.40	8,841.40
Fund account 1223309444	67,392.00	38,583
Total cash and cash equivalents	1,380,864.4	1,189,102.4

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

Financial institution	Account number	2022-2023	2021-2022
		KShs	KShs
a) Current account			
Kenya Commercial bank-Main a/c	1223309193	1,305,822	1,141,678
Development account	1223309746	7,650.40	8,841.40
Fund account	1223309444	67,392.00	38,583
Grand total		1,380,864.4	1,189,102.4

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27. RECEIVABLES FROM EXCHANGE TRANSACTIONS

27(a) Current Receivables from Exchange Transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Receivables		
Student Debtors	2,948,920	2,479,381
Rent Debtors	0	0
Consultancy Debtors	0	0
Other Exchange Debtors	0	0
Less: Impairment Allowance	(0)	(0)
Total Current Receivables	2,948,920	2,479,381

27(b) Long- term Receivables from Exchange Transactions

Description	2022-2023	2021-2022
	KShs	KShs
Non-current receivables		
Refundable deposits	0	0
Advance payments	0	0
Public organizations	0	0
Less: impairment allowance	0	0
Total	0	0
Current portion transferred to current receivables	0	0
Total non-current receivables	0	0
Total receivables	0	0

27 (c) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Description	2022-2023	2021-2022
	KShs	KShs
At the beginning of the year		
Provisions during the year	0	0
Recovered during the year	0	0
Write offs during the year	0	0
At the end of the year	0	0

28. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2022-2023	2021-2022
	KShs	KShs
Current receivables		
Capitation grants*	560,000	560,000
Total current receivables	560,000	560,000

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28 (b) Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Description	2022-2023	2021-2022
	KShs	KShs
At the beginning of the year	0	0
Additional provisions during the year	0	0
Recovered during the year	0	0
Written off during the year	0	0
At the end of the year	0	0

27 (b) Long- term Receivables from Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	0	0
Advance Payments	0	0
Public Organizations	0	0
Less: Impairment Allowance	(0)	(0)
Total	0	0
Current Portion Transferred To Current Receivables	(0)	(0)
Total Non-Current Receivables	0	0
Total Receivables	0	0

27 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,948,920	100	2,479,381	100
Between 1- 2 years	0	0	0	0
Between 2-3 years	0	%	0	0
Over 3 years	0	%	0	0
Total (a+b)	2,948,920	100	2,479,381	100

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27 (d) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
At the beginning of the year	0	0
Provisions during the year	0	0
Recovered during the year	0	0
Write offs during the year	0	0
At the end of the year	0	0

28.Receivables from Non-Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Receivables		
Capitation Grants*	560,000	560,000
Transfers from Other Govt. entities	0	0
Undisbursed Donor Funds	0	0
Other Debtors (Non-Exchange Transactions)	0	0
Less: Impairment Allowance	0	0
Total Current Receivables	560,000	560,000

28 (a) Ageing Analysis on Receivables from Non-Exchange Transactions

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	0	0	0	0
Between 1- 2 years	0	0	0	0
Between 2-3 years	0	0	0	0
Over 3 years	560,000	100	560,000	100
Total	560,000	100	560,000	100

28 (b) Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
At the beginning of the year	0	0
Additional provisions during the year	0	0
Recovered during the year	0	0
Written off during the year	0	0
At the end of the year	0	0

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29. INVENTORIES

Description	2022-2023	2021-2022
	KShs	KShs
Consumable stores	0	71,000
Maintenance stores	0	114,045
Total inventories at the lower of cost and net realizable value	0	185,045

30. INVESTMENTS

Description	2022-2023	2021-2022
	KShs	KShs
a) Investment in Treasury bills and bonds		
CBK	0	0
CBK	0	0
Sub- total	0	0
b) Investment with Financial Institutions/ Banks		
Bank x	0	0
Bank y	0	0
Sub- total	0	0
c) Equity investments (specify)		
Equity/ shares in company xxx	0	0
Sub- total	0	0
Grand total	0	0

d) Shareholding in other entities

For investments in equity share listed under note 30 (c) above, list down the equity investments under the following categories:

Name of entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		Current year	Prior year
	%	%	%	Shs	Shs	Shs
Entity A	0	0	0	0	0	0
Entity B	0	0	0	0	0	0
Entity C	0	0	0	0	0	0
Entity D	0	0	0	0	0	0
	0	0	0	0	0	0

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31. PROPERTY, PLANT AND EQUIPMENT

Cost	Land Kshs	Buildings Kshs	Furniture and fittings Kshs	Computers Kshs	Plant and equipment Kshs	Tank	Capital Work in progress Kshs	Total Kshs
At 1st July 2021	0	1,523,562	125,000	444,996	70,000	75,000	0	2,238,558
Additions	0	508,586	70,500	219,600	41,800	0	0	840,486
Disposals	0	0	0	0	0	0	0	0
Transfers/Adjustments	0	0	0	0	0	0	0	0
At 30 th June 2022	0	2,032,148	195,500	664,596	111,800	75,000	0	3,079,044
Additions(Valuation)	0	57,050,000	1,152,720	7,956,200	23,767,100	0	0	89,926,020
Disposals	0	0	-	0	-	0	0	0
Transfer/Adjustments	0	0	0	0	-	0	0	0
At 30 th June 2023	0	59,082,148	1,348,220	8,620,796	23,878,900	75,000	0	93,005,064
Depreciation And Impairment								
At 1 July 2021	-	152,356	12500	128640	7000	7500	0	307,996
Depreciation	-	187,979	18,300	133989	10480	6750	0	357,498
Disposals	-	-	-	0	-	-	0	0
Impairment	-	-	-	0	-	-	-	0
At 30 Jun 2022	-	340,335	30,800	262629	17480	14250	0	665,494
Depreciation rate		10%	10%	25%	10%	10%	0	
Depreciation	-	5,874,181	131,742	2,089,542	2386142	6075	0	10,487,682
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
At 30 th June 2023	-	6,214,516	162,542	2,352,171	2,403,622	20,325	0	11,153,176
Net Book Values								
At 30 th June 2022	0	1,691,813	164,700	401,967	94,320	60,750	0	2,413,550
At 30 th June 2023	0	52,867,632	1,185,678	6,268,625	21,475,278	54,675	0	81,851,888

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Valuation

Buildings plant & machinery, computer & related equipmen,office equipment, furniture and fittings were valued by state department for public works in May 2023 . These amounts were adopted on 30th June 2023.

31 (b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	0	0	0
Buildings	57,050,000	0	0
Plant and machinery	23,767,100	0	0
Motor vehicles, including motorcycles	0	0	0
Computers and related equipment	7,956,200	0	0
Office equipment, furniture, and fittings	1,152,720	0	0
Total	89,926,020	0	0

32. INTANGIBLE ASSETS-SOFTWARE

Description	2022-2023	2021-2022
	KShs	KShs
Cost		
At beginning of the year	0	0
Additions	0	0
At end of the year	0	0
Additions—internal development	0	0
At end of the year	0	0
Amortization and impairment		
At beginning of the year	0	0
Amortization	0	0
At end of the year	0	0
Impairment loss	0	0
At end of the year	0	0
NBV	0	0

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33. Investment Property

Description	2022-2023	2021-2022
	Kshs	Kshs
At beginning of the year	0	0
Additions	0	0
Disposal during the year	0	0
Depreciation	0	0
Impairment	0	0
Gain or loss on fair value- if fair value is elected	0	0
At end of the year	0	0

34. Biological Assets

	2022-2023	2021-2022
	Kshs	Kshs
Cattle	0	0
Trees	0	0
Others	0	0
Total	0	0

35. Trade and Other Payables

35. Trade and Other Payables

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Trade payables	563,411		0	
Fees paid in advance	402,457		906,779	
Salary deductions	0		0	
Third-Party Payments	0		0	
Other Payables	0		0	
Total Trade and Other Payables	965,868		906,779	
Ageing analysis:	2022-2023	% of the Total	2021-2022	% of the Total
Under one year	965,868	100	906,779	100
1-2 years	0	0	0	0
2-3 years	0	0	0	0
Over 3 years	0	0	0	0
Total (to tie to totals above)	965,868	100	906,779	100

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36. Refundable Deposits from Customers/Students

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Consumer deposits	0		0	
Caution money	0		0	
Other refundable deposits	0		0	
Total Deposits	0		0	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	0	%	0	%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (to tie to totals deposits above)	0	%	0	%

37. DEFERRED INCOME

Description	Year ended June 2024	Year ended June 2023
	KShs	KShs
National government	0	0
International funders	0	0
Public contributions and donations	0	0
Total deferred income	0	0

38. EMPLOYEE BENEFIT OBLIGATIONS

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at The Beginning of The Year	0	0	0	0	0
Additional Provisions	0	0	0	0	0
Provision Utilised	0	0	0	0	0
Change Due To Discount And Time Value For Money	0	0	0	0	0
Transfers From Non -Current Provisions	0	0	0	0	0
Total Provisions	0	0	0	0	0

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39. Finance Lease Obligation

Description	2022-2023	2021-2022
	Kshs	Kshs
At the start of the year	0	0
Discount interest on Lease Liability	0	0
Paid during the year	0	0
At end of the year	0	0

Maturity Analysis

Period	Amount
	Kshs
Year 1	0
Year 2	0
Year 3	0
Year 4	0
Year 5 and Onwards	0
Less: Unearned Interest	0
Total	0

Analysed as:

Description	Amount
	Kshs
Current	0
Non- Current	0
Total	0

40. Deferred Income

Description	2022-2023	2021-2022
	Kshs	Kshs
National Government	0	0
International Funding Bodies	0	0
Public Contributions and Donations	0	0
Total Deferred Income	0	0

The deferred income movement is as follows:

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Description	National government	International funders/ donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	0	0	0	0
Additions during the year	0	0	0	0
Transfers to capital fund	0	0	0	0
Transfers to income statement	0	0	0	0
Other transfers	0	0	0	0
Balance carried forward	0	0	0	0

Analysed as:

Description	Amount
	Kshs
Current	0
Non- Current	0
Total	0

41. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2021-2022	2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	0	0	0	0	0
Non-Current Benefit Obligation	0	0	0	0	0
Total Employee Benefits Obligation	0	0	0	0	0

Retirement benefit Asset/ Liability

The college operates a defined benefit scheme for all full-time employees from July 1, 20xx. The scheme is administered by xxx while xxx are the custodians of the scheme. The scheme is based on xxx percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at xxx June xxx by xxx actuarial valuers on this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

Description	2022-2023	2021-2022
	Kshs	Kshs
Discount Rates	0%	0%
Future Salary Increases	0%	0%
Future Pension Increases	0%	0%
Mortality (Pre- Retirement)	0%	0%
Mortality (Post- Retirement)	0%	0%
Withdrawals	0	0
Ill Health	0	0
Retirement	0 years	0 years

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Recognition of Retirement Benefit Asset/ Liability

Amounts recognised under other gains/ Losses in the statement of Financial Performance:

Description	2022-2023	2021-2022
	Kshs	Kshs
The return on defined plan assets	0	0
Actuarial gains/ losses arising from changes in demographic assumptions	0	0
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	0	0
Actuarial gains and losses arising from experience adjustments	0	0
Adjustments for restrictions on the defined benefit asset	0	0
Remeasurement of the net defined benefit liability (asset)	0	0

a)
recognised in the Statement of Financial Position

Amounts

Description	2022-2023	2021-2022
	Kshs	Kshs
Present value of defined benefit obligations(a)	0	0
Fair value of plan assets(b)	0	0
Funded status(=a-b)	0	0
Restrictions on asset recognised	0	0
Others	0	0
Net asset or liability arising from defined benefit obligation	0	0

The college also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at 6% of the gross pay for those earning less than ksh 18,000 per month and Ksh 1,080 per month for employees earning more than Ksh 18,000 per month. Other than NSSF the entity does not have defined contribution scheme.

42. Payments received in advance.

42. Payments received in advance.

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Fees received in advance	402,457		906,779	
Others	0		0	
Total	402,457		906,779	
Ageing analysis:	2022-2023	% of the Total	2021-2022	% of the Total
Under one year	402,457	100	906,779	100%
1-2 years	0	0	0	0%
2-3 years	0	0	0	0%
Over 3 years	0	0	0	0%
Total	402,457	100	0	100%

NAIVASHA TECHNICAL AND VOCATIONAL COLLEGE
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43. Non-Current Provisions

Description	Long service leave	Bonus Provision	Gratuity	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at the beginning of the year	0	0	0	0	0
Additional Provisions	0	0	0	0	0
Provision utilised	(0)	(0)	(0)	(0)	(0)
Change due to discount and time value for money	0	0	0	0	0
Less: Current portion	(0)	(0)	(0)	(0)	(0)
Total deferred income	0	0	0	0	0

44. Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
Balance at beginning of the year	0	0
External borrowings during the year	0	0
Domestic borrowings during the year	0	0
Repayments of external borrowings during the year	0	0
Repayments of domestic borrowings during the year	0	0
Balance at end of the year	0	0

43 a) Analysis of External and Domestic Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
External borrowings		
Dollar denominated loan from 'xx organization'	0	0
Sterling pound denominated loan from 'yyy organization'	0	0
Euro denominated loan from 'zzz organization'	0	0
Domestic borrowings	0	0
Kenya shilling loan	0	0
Total balance at end of the year	0	0

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43 b) Breakdown of Long and Short-Term Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
Short Term Borrowings(Current Portion)	0	0
Long Term Borrowings	0	0
Total	0	0

45. Service Concession Arrangements

Description	2022-2023	2021-2022
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	0	0
Accumulated depreciation to date	0	0
Net carrying amount	0	0
Service concession liability at beginning of the year	0	0
Service concession revenue recognized	0	0
Service concession liability at end of the year	0	0

46. Social Benefit Liabilities

Description	2022-2023	2021-2022
	Kshs	Kshs
Health social benefit scheme	0	0
Unemployment social benefit scheme	0	0
Orphaned and vulnerable benefit scheme	0	0
People Living with disabilities benefit scheme	0	0
Elderly social benefit scheme	0	0
Bursary social benefits	0	0
Total	0	0
	0	0
Current social benefits	0	0
Non- current social benefits	0	0
Total (tie to totals above)	0	0

47. Cash generated from operations.

Surplus for the year before tax	2022-2023	2021-2022
	Kshs	Kshs
Adjusted for:		
Depreciation	0	0
Non-Cash grants received	0	0

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Surplus for the year before tax	2022-2023	2021-2022
	Kshs	Kshs
Contributed assets	0	0
Impairment	0	0
Gains and Losses on Disposal of Assets	0	0
Contribution to provisions	0	0
Contribution to impairment allowance	0	0
Finance Income	0	0
Finance Cost	0	0
Working Capital Adjustments	0	0
Increase in Inventory	0	0
Increase in Receivables	0	0
Increase in Deferred Income	0	0
Increase in Payables	0	0
Increase in Payments received in advance	0	0
Net Cash Flow from Operating Activities	0	0

48. Financial Risk Management

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

The college financial risk management objectives and policies are detailed below:

(i) Credit risk

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

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

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

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Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 20XX (previous year)				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0
At 30 June 20XX (current year)	0	0	0	0
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0

Financial risk management

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

The college had no significant concentration of credit risk

The board of directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

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

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

Description	Less than 1 month Kshs	Between 1- 3 months Kshs	Over 5 months Kshs	Total Kshs
At 30 June 2022				
Trade Payables	0	0	0	0
Current Portion Of Borrowings	0	0	0	0

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Provisions	0	0	0	0
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	0	0	0	0
At 30 June 2023	0	0	0	0
Trade Payables	563,411	0	0	563,411
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	563,411	0	0	563,411

(iii) Market risk

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

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

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

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

a) Foreign currency risk

The college has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 20XX			
Financial Assets (Investments, Cash, Debtors)	0	0	0
Liabilities		0	0
Trade and Other Payables	0	0	0

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Borrowings	0	0	0
	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

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

Foreign currency sensitivity analysis

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

U	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2022			
Euro	10%	0	0
Usd	10%	0	0
2023			
Euro	10%	0	0
Usd	10%	0	0

b) Interest rate risk

Interest rate risk is the risk that the college financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The college analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (20XX: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20XX – Kshs xxx)

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iv) Capital Risk Management

The objective of the college capital risk management is to safeguard the entity's ability to continue as a going concern. The entity capital structure comprises of the following funds:

Description	2022-2023	2021-2022
	Kshs	Kshs
Revaluation Reserve	89,926,020	0
Retained Earnings	-6,405,672	3,479,798
Capital Reserve	2,255,456	2,255,456
Total Funds	85,775,804	5,735,254
Total Borrowings	0	0
Less: Cash and Bank Balances	(1,380,864.40)	(1,189,102.40)
Net Debt/(Excess Cash and Cash Equivalents)	-1,380,864.40	-1,189,102.40
Gearing	0%	0%

49. Related Party Balances

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of Naivasha TVC, holding 100% of the *entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of directors;

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The transactions and balances with related parties during the year are as

Description	2022-2023	2021-2022
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	0	0
Rent income from govt. agencies	0	0
Water sales to govt. agencies	0	0
Others (<i>specify</i>)	0	0
Total	0	0
B) Purchases from related parties		
Purchases of electricity from kplc	0	0
Purchase of water from govt service providers	0	0
Rent expenses paid to govt agencies	0	0
Training and conference fees paid to govt. agencies	0	0
Others (<i>specify</i>)	0	0
Total	0	0
b) Grants /Transfers from the Government		
Grants from National Govt	0	0
Grants from County Government	0	0
Donations in Kind	0	0
Total	0	0
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for xx Employees	0	0
Payments for Goods and Services for XX	0	0
Total	0	0
d) Key Management Compensation		
Directors' emoluments	0	0
Compensation to Key Management	0	0
Total	0	0

50. Segment Information

None

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51. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	0	0
Assets arising from determination of Court Cases	0	0
Reimbursable Indemnities and Guarantees	0	0
Others	0	0
Total	0	0

Contingent Liabilities

Description	2022-2023	2021-2022
	Kshs	Kshs
Contingent Liabilities	0	0
Court Case Xxx against (<i>The Entity</i>)	0	0
Bank guarantees in favour of subsidiary	0	0
Contingent liabilities arising from Contracts including PPPs	0	0
Others	0	0
Total	0	0

52. Capital Commitments

Capital Commitments	2022-2023	2021-2022
	Kshs	Kshs
Authorised for	0	0
Authorised and Contracted for	0	0
Total	0	0

53. Events After the Reporting Period

There was asset valuation exercise by public works department in may 2023, and they presented a draft asset valuation report on June 2023, this valuation report was dully adopted by the BOG in a BOG meeting held on 26th june 2023.

54. Ultimate and Holding Entity

The entity is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

55. Currency

The financial statements are presented in Kenya Shillings (Kshs) and the values are rounded off to the nearest shilling.

20. APPENDICES

Appendix 1: Implementation Status of Auditor-General Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	the amount includes Kshs.258,000 which has not been supported by names of directors, meetings attended and rate paid for each as detailed below: In the circumstances, the accuracy and fair statement of board of governors expenses of Kshs.258,000 for the year ended 30 June, 2022 could not be confirmed.	The Management have provided a detailed schedule for Kshs. 258,000 indicating name of directors, meetings attended and rate paid for each. (as per attached list)	Not resolved	December 2023
2.0	The statement of financial position reflects cash and cash equivalents balance of Kshs. 1,189,102. However, the bank reconciliation statements in support were not provided for audit. In the circumstances, the accuracy and completeness of cash and cash equivalent balance of Kshs.1,189,102 as at 30 June, 2022 could not be confirmed	The Management have provided bank reconciliation statements and certificate of bank balances as at 30 June, 2022 in support of the cash and cash equivalent balance. (as per provided schedules)	resolved	
3.0	The statement of financial position reflects cash and cash equivalents balance of Kshs. 1,189,102. However, the bank reconciliation statements in support were not provided for audit. In the circumstances, the accuracy and completeness of cash and cash equivalent balance of Kshs.1,189,102	The Management have provided bank reconciliation statements and certificate of bank balances as at 30 June, 2022 in support of the cash and cash equivalent balance. (as per provided schedules)	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	as at 30 June, 2022 could not be confirmed			
4.0	The statement of financial position reflects property, plant and equipment balance of Kshs.2,413,550. As previously reported, the College owns properties which include three parcels of land, an office block and classrooms, multiple high value plant and machinery used for mechanical engineering classes, milling machines, lathe machines, hydraulic fork lift, grinding machines and computers which have not been valued and disclosed in the financial statements. Further, the ownership documents for immovable assets were not provided for audit	The college properties i.e. land, buildings, machinery and furniture were supplied by the government of kenya and no formal documentation or handing over was ever made hence their valuation is not known. The Management is in the process of conducting a proper valuation of the Non-currents i.e. land, buildings, machinery and furniture in the college and thereafter maintain an asset register which will be updated from time to time in case of acquisitions, disposals and revaluations.	Not resolved	December 2023
5.0	Omission of Advance Fee Payments in the Financial Statements	The Management has separated the gross student debtors balance and payment paid in advance by the students which have resulted to student's debtors of ksh 2,479,381 and fees paid in advance of ksh 906,779 as at 30th June 2023. (as per provided schedules)	Resolved	
6.0	Lack of Risk Management and Fraud Policies	The college have a risk and fraud management policy which was presented to the Full BOG meeting held on 2nd march 2023 and it was adopted and approved for use by the board members.	Resolved	
7.0	The summary statement of appropriation reflects total income budget and actual amount received on comparable basis of Kshs.15,148,200 and Kshs.12,088,950 respectively resulting to underfunding of Kshs. 3,059,250. Similarly, the	The underfunding was as a result of government failure to remit the 4th quarter capitation for the financial year 2021/2022. The overall budget underperformance was as result of government failure to remit the 4th quarter capitation for the financial year 2021/2022 hence	Not resolved	December 2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	statement reflects total expenditure budget and actual expenditure incurred on comparable basis of Kshs. 15,145,718 and Kshs.14,112,428 respectively resulting to an overall budget under performance of Kshs.1,033,290.	expenditure had to be scaled downward.		

Guidance Notes:

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


Principal
 NAIVASHA TECHNICAL & VOCATIONAL COLLEGE
 P. O. Box 574 - 20117
 NAIVASHA
SAMUEL MUGO
 Principal/BOG Secretary

NAIVASHA TECHNICAL AND VOCATIONAL COLLEGE
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Appendix II: Projects Implemented by Naivasha TVC

Projects

Projects implemented by the State Corporation/ SAGA Funded by development partners.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	NONE					

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	NONE						
2	NONE						
3	NONE						

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Appendix III- Inter-Entity Confirmation Letter

NAIVASHA TECHNICAL AND VOCATIONAL COLLEGE,
P.O.BOX 574-20117,
NAIVASHA.

The *State department of TVET* wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Naivasha TVC] as at 30 th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by State department of TVET as at 30th June 2023				Amount Received by [Naivasha TVC] (Kshs) as at 30 th June 2023 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
	24/10/2022	500,000	0	0	500,000	500,000	0
	24/10/2022	1,190,000	0	0	1,190,000	1,190,000	0
	16/01/2023	500,000	0	0	500,000	500,000	0
	26/01/2023	1,268,000	0	0	1,268,000	1,268,000	0
	29/06/2023	1,268,000	0	0	1,268,000	1,268,000	0
Total			0	0	<u>4,726,000</u>	<u>4,726,000</u>	0

In confirm that the amounts shown above are correct as of the date indicated.

FINANCE OFFICER
NAIVASHA TECHNICAL & VOCATIONAL COLLEGE
P. O. Box 574 - 20117,
NAIVASHA

DATE:

HERMAN MUNYARE

Finance officer (icpak no26989)

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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
NONE									

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Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Program me	Sub-program me	Disast er Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/prepared ness)	Expenditu re item	Amou nt (Kshs.)	Commen ts
NONE						