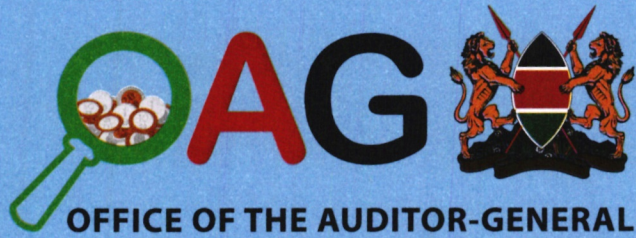
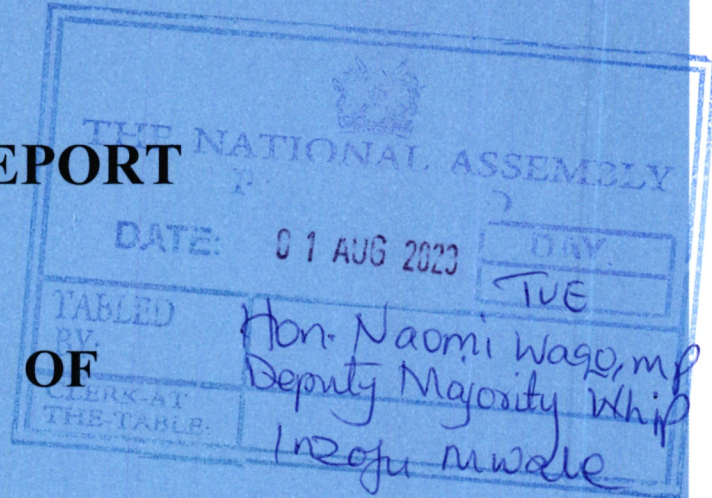


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

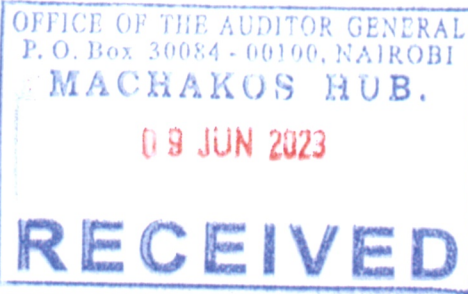


THE AUDITOR-GENERAL

ON

**KAJIADO EAST TECHNICAL AND
VOCATIONAL COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2022**



Kajiado East Technical & Vocational College

P.O. Box 483-01100 Kajiado | Tel: 0789 999770

Email: kajiadoeasttvc@gmail.com



Annual Financial Reporting
Technical Vocational Education Training (TVET) Institutions.

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET),
KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE
2022

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

I. Table of Contents

I.	KEY ENTITY INFORMATION AND MANAGEMENT	ii
II.	THE COUNCIL/BOARD OF GOVERNORS	v
III.	MANAGEMENT TEAM	vi
IV.	CHAIRMAN STATEMENT.....	viii
V.	REPORT OF THE PRINCIPAL.....	viii
VI.	CORPORATE GOVERNANCE STATEMENT	ix
VII.	MANAGEMENT DISCUSSION AND ANALYSIS	x
VIII.	ENVIRONMENTAL AND SUSTAINABILITY REPORTING	x
IX.	REPORT OF THE COUNCIL/BOARD OF GOVERNORS.....	xi
X.	STATEMENT OF BOARD OF GOVERNORS/ COUNCIL MEMBERS' RESPONSIBILITIES	xii
XI.	REPORT OF THE INDEPENDENT AUDITOR ON THE KAJIADO EAST TVC.....	xiii
XII.	STATEMENT OF FINANCIAL PERFORMANC FOR THE YEAR ENDED 30 JUNE 2022 1	
XIII.	STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022	2
XIV.	STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2022 3	
XV.	STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022	4
XVI.	STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022.....	5
XVII.	NOTES TO THE FINANCIAL STATEMENTS.....	6
	APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	38
	APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY.....	40
	APPENDIX III: INTER-ENTITY TRANSFERS	41
	APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES	42

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The institution was incorporated/ established under the TVET Act/ 2013 Act on 23/01/2020. The entity is domiciled in Kenya . The institute is under the Ministry of Education. The College, registered with TVETA in accordance with the TVET Act 2013. The College is located in Kisaju Village, Enkeju Sub-Location, Kitengela Location/Ward, Kajiado east Sub-County, and Kajiado County. It is about 7km off Namanga main road. The College has admitted its pioneer trainees in Feb 2021 with eight department and various courses. It offer courses at three level Artisan, Certificate and Diploma both in Technical and Business related discipline.

(b) Principal Activities

The principal activity is organise, coordinate and monitor both trainers and non- teaching staffs to attain college mandate that is provide technical education and training in order equip trainees with innovative competencies for sustainable livelihood empowerment and transforms society.

(c) Key Management

The entity's day-to-day management is under the board of governors chaired by the chairperson and other official members.

- Chief Principal
- Deputy Principal
- Registrar
- Dean of students
- finance officer
- Heads of departments.

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	DAVID KIHANYA
2	Deputy principal Academics	JOSELYNE KONGE KIRIMI
3	Registrar (s)	GILBERT NJORORO OKEYA
4	Dean of students	MARY MULATYA
5	Head of Finance	DUNCAN LESIAMON KOSEN

(e) Fiduciary Oversight Arrangements

Audit and Risk committee activities

The institute is intending to form audit and risk committee to perform the following responsibility since it does not have the capacity now

Duties and responsibility are

- a) To ensure financial statement are understandable, transparent and reliable*
- b) To ensure strong and effective internal control systems are in place to achieve organization goal*
- c) To ensure rule and regulation policies are compiled and control conflict of interest and fraud are controlled.*
- d) Reviewing internal audit plans, report and other significant findings.*
- e) Establishing a direct reporting relationship with the external auditors.*

Finance and operation committee activities

The committee shall exercise all the powers of BOG in financial matters. The role of the committee shall be to monitor the financial status of the institute on behalf of the BOG. this are their responsibility.

- a) To provide strategic plan on financial matters*
 - b) To supervise and organize the arrangement for safeguarding the institute assets.*
 - c) Financial evaluation and control of projects*
 - d) To communicate and recommend to BOG on the financing of projects.*
 - e) To determine fee charge on institute service and facilities.*
 - f) To receive reports from finance officer*
 - g) To supervise the effective and efficient procurement resources and ensure they are utilised.*
- Academic committee activities*
 - Development partner oversight activities*
 - Other oversight activities*

**KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

KEY ENTITY INFORMATION AND MANAGEMENT

(f) Entity Headquarters

P.O. Box 483
Kajiado east Building
7km off Namanga Highway
Kajiado, Kenya

(g) Entity Contacts

Telephone: (254) 0789999770
E-mail: kajiadoeastvc@gmail.com

(h) Entity Bankers

Kenya Commercial Bank
Kajiado branch
Kajiado, Kenya

(i) Independent Auditors







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

(j) Principal Legal Adviser



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

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022





II. THE COUNCIL/BOARD OF GOVERNORS

Governor	Title	Photograph	Date of birth	Qualification	experience
1. Prof. Thomas a T O Mboya	Chairman		14/9/1969	PhD- Computation al fluid dynamic	OVER 10 YEARS
2. Mr. John N Mburu	Member		17/5/1969	CPA, CPSK, Masters-strategic management	Over 10 years
3. Mr. Moses Gakuru	Member		01/1/1959	CPA, Masters- Strategic management	OVER 10 YEARS
4. Mr. Lekina k Tutui	Member		03/6/1975	Masters-Civil Engineering	Over 10 yaers
5. Mrs. Lucy I Murura	Member		12/9/1972	Masters- innovation& change	OVER 10 YEARS
6. Mrs. Rhoda K Tete	Member		03/10/1974	Degree- Technology, Electrical communication	OVER 10 YEARS

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

7. Mrs. Bessy D O Achieng	Member		14/11/1989	Degree-law	Over 10 year
8. Mr. David K. Kihanya	Secretary		25/6/1962	Degree-education	Over 10 year

III. MANAGEMENT TEAM

Manager	Title	Photograph	Date of birth	qualification	experience
Mr. David K. Kihanya	Chief Principal		25/06/1962	Bachelor in education	22 years
Mrs. Joselin K Nkonge	Deputy principal		15/12/1965	Bachelor in education	18 years
Mr. Gilbert j Okeya	Registrar		30/12/1979	Bachelor in education	9 years
Mrs. Mary k Mulatya	Dean of student		15/08/1978	Masters in education	16 years

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Mr. Duncan I kosen	Finance Officer		25/06/1990	Bcom, CPA	2 Years
-----------------------	-----------------	---	------------	-----------	---------

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

IV. CHAIRMAN STATEMENT

It gives me much pleasure in presenting the annual report and financial statement of the Kajiado east technical and vocational college for the year ended 2022.

The institute board of governor note with appreciation the continued support of the government and other stakeholder in the daily running of the institution.

We thank government for the new programmes on CBET aimed at matching skills in the institution with industry need.

The BOG will work with industry and other partners to strategies in order to ensure that the skills offered at Kajiado east technical and vocational college meet the industry needs.

The government has been of great help by providing provision of resources to acquire the skills teaching and other learning materials

We are pleased of the achievement so far realised despite the financial challenges faced especially non-payment of government capitation

I would like to thank the government, supplier, parent, guardian and service provider for their support and trust, cooperation and continue partnership during the FY 2021/2022



PROFF. THOMAS .ONYANGO
CHAIRMAN BOARD OF GOVERNORS

V. REPORT OF THE PRINCIPAL

Let me take this opportunity to present the annual report and financial statement of the Kajiado east technical and vocational college for the year ended 30 June 2022 in accordance with the Accrual method under the international Public Sector Accounting standards (IPSAS).

With support from BOG the institution managed and utilise its financial, procurement and internal control. The institute will continue improving its programme and facilities to enhance growth opportunities in the market despite many challenges that are not favourable to the institution. The most challenge factor is COVID -19. Which has really affect the learning process and not economical friendly because of its measures that are required.

Technical has embarked on numbers of initiatives aimed at enhancing learners experience in the institute. Improve efficiency and increase of innovation. The student total population is 40 students, which is not good number .because of above challenges of COVID-19 and finances to publicise the institute.

The institute has already register with KUCCPS and we are looking forward to expect capitation and student placement.

Lastly, I want to appreciate BOG, Management, staffs and other all stakeholder for their commitment and dedication to their work and ensure that Kajiado east tvc will attain its vision and mission.



PRINCIPAL
KAJIADO EAST TECHNICAL
VOCATIONAL COLLEGE

David kihanya (Mr)
Chief principal/Secretary BOG

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

VI. CORPORATE GOVERNANCE STATEMENT

1. Corporate governance statement

- a) Good corporate governance is the key to integrity and corporation and central to the institute stability
- b) The BOG ensure conformity by focusing and providing institute strategy, direction and policy making
- c) They ensure internal control are in place, accountability, monitoring and safeguarding the asset.
- d) They ensure the financial statement are reliable and rea free from errors and fraud
- e) They also provide and follow transparency and accountability in its stewarding institute affairs

2. Institute BOG

- a) The BOG constitutes of chairman BOG and seven members who have appointed in accordance to the TVET Act 2013, which meets at least three times a year and any other time when need arise.
- b) BOG responsibility is to set direction of the institute through establishment of strategic information, policies and approval of budget
- c) It monitor implementation of the policies through structure approach of reporting by management and accountability.
- d) BOG have skills, knowledge and experience that help the institute to set goals and attains its objectives
- e) It ensure that the institute has complied with statutory

3. Related party disclosure

- a) The government
- b) The board of governor
- c) The management

FUNCTION OF THE BOARD OF GOVERNANCE

According to the TVET Act 2013, the BOG shall have the following function

- a) Provide control and regulate finances
- b) Approves budget
- c) Provide oversight and strategic leadership
- d) Employ staff
- e) Determine the method of recruitment, appointment and promotion of all staffs as per the law
- f) Approves polices for the institute.
- g) Approves statutes
- h) Enter into contract or terminate contract on behalf of the institution
- i) Transact any other business of the institute covered by the law.

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

VII. MANAGEMENT DISCUSSION AND ANALYSIS

Kajiado east tvc has complied with statutory that is required by the government,

Major risks facing the organisation,

- *Poor fee payment*
- *Inadequate funding by the ministry of education that is on capitation, operation and development grant*
- *Limited capacity e.g. Lack of enough classes and trainers*
- *COVID -19 challenges*
- *The institution also has no good accessibility roads especially during rainy season, which will interfere with learning process.*

Material arrears in statutory and other financial obligations

The organization does not have any pending bills since it is new and struggling with limited funds. The suppliers are paid in time therefore limit the pending bills.

VIII. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Corporate social responsibility

Kajiado east TVC has advocate the policy of the corporate social responsibility (CSR) by engaging the following.

- a) Environment activities like planting trees
- b) Offering carries advice to students.
- c) Offering internship and industrial attachment
- d) Financial support to needy students through coordinating bursary and help loan.
- e) Provision of casual labour opportunity and suppliers when the need arise.

Environmental performance

Through environment, activity like planting trees will change the climate condition around the community and its environment.

Employee welfare

The BOG has procures and policies that guide when recruiting its employees that will help to employee qualified staffs and also reduce bias and corruption during recruitment process

The policies also take into account gender balance.

The institute ensure that it train its employees through workshop and seminar this will help improves skills and knowledge that is required to attain the objectives of the institution.

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

IX. REPORT OF THE COUNCIL/BOARD OF GOVERNORS

The Council/Board members submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of the *kajiado east tvc* affairs.

Principal activities

The principal activity is organise, coordinate and monitor both trainers and non- teaching staffs to attain college mandate that is provide technical education and training in order equip trainees with innovative competencies for sustainable livelihood empowerment and transforms society.

Results

The results of the entity for the year ended June 30 are set out on page

COUNCIL/BOARD OF GOVERNORS

The members of the Board /Council who served during the year are shown on page VI

Auditors

The Auditor General is responsible for the statutory audit of the *Kajiado east tvc* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 ,Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *kajiado east tvc* for the year ended June 30, 2022 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

2023
Corporate Secretary
Nairobi
Date

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

X. STATEMENT OF BOARD OF GOVERNORS/ COUNCIL MEMBERS' RESPONSIBILITIES

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

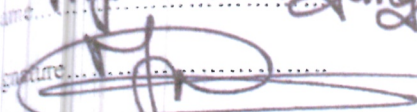
The council members are responsible for the preparation and presentation of the *Kajiado east TVC* financial statements, which give a true and fair view of the state of affairs of the *institute* for and as at the end of the financial year ended on June 30, 2022. This responsibility includes: (i) maintaining 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 *institute*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

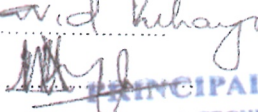
The council members accept responsibility for the *institute* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *the TVET Act*. The council members are of the opinion that the *institute* financial statements give a true and fair view of the state of *institute* transactions during the financial year ended June 30, 2021, and of the *institute* financial position as at that date. The council members further confirm the completeness of the accounting records maintained for the *institute*, which have been relied upon in the preparation of the *institute* financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

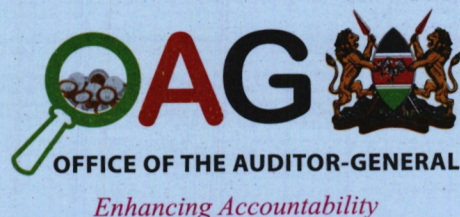
The *institute* financial statements were approved by the Board on 12/8/2022 and signed on its behalf by:

Name: Mr. Thomas Chyango
Signature: 
Chairperson of the Board/Council

Name: David Kehaya
Signature: 
Accounting Officer/Principal
PRINCIPAL
KAJIADO EAST TECHNICAL & VOCATIONAL COLLEGE

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

- A. Report on the 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 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 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, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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 Kajiado East Technical and Vocational College set out on pages 1 to 39, which comprise the statement of financial

position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kajiado East Technical and Vocational College as at 30 June, 2022, 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 Statement of Financial Position

The statement of financial position reflects total assets balance of Kshs.59,715,375 and total net assets and liabilities balance of Kshs.59,574,517 resulting to an unexplained variance of Kshs.140,858. The statement of financial position is therefore not balanced. Further, the statement reflects Helb unutilized funds balance of Kshs.19,000. However, Note 37 to the financial statements reflects Kshs. Nil balance resulting to an unexplained variance of Kshs.19,000.

In the circumstances, the accuracy and completeness of the statement of financial position could not be confirmed.

2. Inaccuracies in the Statement of Changes in Net Assets

The statement of financial position reflects net assets balance of Kshs. 57,705,885 while the statement of changes in net assets reflects a balance of Kshs.1,717,722 resulting to unexplained variance of Kshs.55,988,163. Further, the statement of financial position reflects accumulated surplus balance of Kshs.267,072. However, the statement of changes in net assets reflects a balance of Kshs.450,857 resulting to an unexplained variance of Kshs.183,785. Further, the accumulated surplus balance of Kshs.450,857 was incorrectly disclosed since it was as at 30 June, 2020.

In the circumstances, the accuracy and completeness of the statement of changes in net assets could not be confirmed.

3. Inaccuracies in the Statement of Cash Flows

The statement of cash flows reflects a decrease in non-current receivables amount of Kshs.168,860 while the statement of financial position reflects a decrease of Kshs.182,860 resulting to an unexplained variance of Kshs.14,000. Further, cash and

cash equivalents balance of Kshs.250,027 as at 30 June, 2021 has been omitted in determination of cash and cash equivalents balance as at 30 June, 2022.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

4. Incomplete Trial Balance

The trial balance provided for audit excluded property, plant and equipment balance of Kshs.57,705,885. Further, the trial balance reflects trade and other payables from exchange transactions of Kshs.1,600,00 as a debit balance instead of credit balance.

In the circumstances, the accuracy, completeness and fair statement of the trial balance could not be confirmed.

5. Inaccuracies in the Statement of Financial Performance

The statement of financial performance reflects academic costs amount of Kshs.566,418. However, Note 18 to the financial statements reflects amount of Kshs.323,314 resulting to an unexplained variance of Kshs. 243,104. Further, the statement reflects KATTI amount of Kshs.318,600. However, Note 21 to the financial statements reflects Kshs.318,000 resulting to an unexplained variance of Kshs.600.

In the circumstances, the accuracy and completeness of the above balances in the statement of financial performance could not be confirmed.

6. Inaccuracies in the Statement of Comparison of the Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects total income and total expenditure original budget amounts of Kshs.6,558,400 and Kshs.3,457,108 respectively. However, the approved budget reflects amounts of Kshs.6,738,400 and Kshs.6,597,000 respectively resulting to an unexplained variance of Kshs.180,000 and Kshs.3,139,892 respectively. Further, the statement does not include a column for the utilization difference.

In addition, the statement reflects Kshs.6,558,400, Kshs.6,558,400 and Kshs.3,554,130 respectively for total income original budget, adjustments and final budget respectively. However, the recalculated total income final budget amount was Kshs. 13,116,800 resulting to an unexplained variance of Kshs.9,562,670. Further, the statement reflects original budget, adjustments and final budget for expenditure of Kshs.3,457,108, Kshs.3,457,108 and Kshs.3,370,130 respectively. However, the recalculated final budget total expenditure amount was Kshs.6,914,216 resulting to an unexplained variance of Kshs.3,544,086.

In the circumstances, the accuracy and completeness of the statement of comparison of budget and actual amounts could not be confirmed.

7. Unconfirmed Transfers from National Government

The statement of financial performance and as disclosed in Note 6 (a) to the financial statements reflects transfers from National Government amount of Kshs.1,255,000 which includes operational grants of Kshs.1,000,000. The operational grants of Kshs.1,000,000 relate to the first and second quarters allocation. The transfers for the third and fourth quarters totalling to Kshs.1,000,000, have been omitted from the statement of financial performance, although the same has been recognized as receivables.

In the circumstances, the accuracy and completeness of transfers from National Government amount of Kshs.1,255,000 could not be confirmed.

8. Inaccuracies in the Grants from Donors and Development Partners

The statement of financial performance and as disclosed in Note 7 to the financial statements reflects grants from donors and development partners of Kshs.580,000. However, review of the records revealed that the amount relates to a loan from the Masai Technical Training institute.

In the circumstances, the accuracy and completeness of grants from donors and development partners amount of Kshs.580,000 could not be confirmed.

9. Inaccuracies in Use of Goods and Services

The statement of financial performance reflects use of goods and services amount of Kshs.1,195,451. However, Note 15 to the financial statements reflects Kshs.1,360,410 resulting to an unexplained variance of Kshs.164,959. Further, included in Note 15 to the financial statements are fencing, and furniture and fittings amounts of Kshs.50,000 and Kshs.10,000 respectively. However, the total amount of Kshs.60,000 is also included in the property, plant and equipment balance, as disclosed in Note 31 to the financial statements.

In the circumstances, the accuracy and completeness of use of goods and services amount of Kshs.1,195,451 could not be confirmed.

10. Unsupported Employee Costs

The statement of financial performance and as disclosed in Note 16 to the financial statements reflects employee costs amount of Kshs.1,066,510 which includes statutory deductions of Kshs.24,480. However, the deductions schedules were not provided for audit. Further, statutory deductions totalling to Kshs.24,480 were not effected from seven (7) employees.

In the circumstances, the accuracy and completeness of the employees cost of Kshs.1,066,510 could not be confirmed.

11. Unsupported Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.61,437, while Note 26 to the financial statements and the bank reconciliation

statement both reflect a balance of Kshs.29,690, resulting to an unexplained variance of Kshs.31,747. Further, board of survey report was not provided for audit.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.61,437 could not be confirmed.

12. Unsupported Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 27(a) to the financial statements reflects receivables from exchange transactions balance of Kshs.948,053. However, detailed schedules of debtors and respective amounts were not provided for audit.

In the circumstances, the accuracy and completeness of receivables from exchange transactions balance of Kshs.948,053 could not be confirmed.

13. Inaccuracies in Receivables from Non- Exchange Transactions

The statement of financial position reflects receivables from non-exchange transactions balance of Kshs.1,000,000. However, Note 28 to the financial statements reflects a balance of Kshs.2,085,027, resulting to an unexplained variance of Kshs.1,085,027.

In the circumstances, the accuracy and completeness of receivables from non-exchange transactions balance of Kshs.1,000,000 could not be confirmed.

14. Unsupported Borrowings Balance

The statement of financial position and as disclosed in Note 41 to the financial statements reflects borrowings balance of Kshs.1,600,000. However, review of the finance records revealed that, Masai Technical Training Institute advanced the College an amount of Kshs.200,000 on 19 March, 2019, Kshs.300,000 on 22 May, 2019, Kshs.150,000 on 18 June, 2019 and Kshs.150,000 on 25 June, 2019 all totalling to Kshs.800,000. The advances were however, not reflected in the bank statements. Further, the Management did not provide for audit Memorandum of Understanding, or the agreement with the Masai Technical Training Institute on the loans received from the Institute and the terms and conditions.

In the circumstances, the accuracy and completeness of borrowings balance of Kshs.1,600,000 could not be confirmed.

15. Inaccuracies in Refundable Deposits from Customers

The statement of financial position reflects refundable deposits balance of Kshs.31,000. However, Note 35 to the financial statements reflects a balance of Kshs.113,480 resulting to an unexplained variance of Kshs. 82,480. Further, the recalculated balance in the Note was Kshs.62,000 resulting to an unexplained variance of Kshs.31,000

In the circumstances, the accuracy and completeness of refundable deposits from customers balance of Kshs.31,000 could not be confirmed.

16. Unsupported Property, Plant and Equipment Balance

The statement of financial position and as disclosed in Note 31 to financial statements reflects property, plant and equipment balance of Kshs.57,705,885, being historical cost instead of the net book value as prescribed by the public sector accounting standards. In addition, the statement excludes the value of furniture and fittings, computers and plant and equipment. The Note for property, plant and equipment is not prepared in conformity with the prescribed template. In addition, the title documents for the land on which the College is located was not provided for audit review and the assets were not tagged or branded in the name of the College.

Further, the statement reflects property plant and equipment balance of Kshs.57,705,885. However, Note 31 (b) to the financial statements reflects a balance of Kshs.57,655,885 resulting to an unexplained variance of Kshs.50,000.

In the circumstances, the accuracy, completeness and ownership status of the property, plant and equipment balance of Kshs.57,705,885 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.6,558,400 and Kshs.3,554,130 respectively, resulting to under collection of Kshs.3,004,270 or 46% of the budget. Similarly, the College expended Kshs.3,370,608 against expenditure budget of Kshs.6,866,000 resulting to under-expenditure of Kshs.3,495,392 or 51% of the budget.

The under collection and under-expenditure affected planned activities and programs and impacted negatively on service delivery to the public.

2. Unresolved Prior Year's Matters

In the audit report for the previous year several issues were reported under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public

Resources and Report on Effectiveness of Internal Controls and Risk Management and Governance. The Management has however not resolved the issues or given any explanation for failure to adhere to the provisions of the template prescribed by the Public Sector Accounting Standards Board.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Lack of Approval for Opening and Operating Bank Accounts

The College operates two (2) bank accounts, operations and development accounts with a local commercial bank. However, the authority to open and operate the bank accounts from the National Treasury was not provided for audit. Further, the development account is dormant and the College has not sought authority from the board to close the account. This is contrary to Section 28(1) of the Public Finance Management Act, 2012 which states that, the National Treasury shall authorize the opening, operating and closing of bank accounts and sub accounts for all national government entities in accordance with regulations made under this Act.

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

2. Failure to Hold Board Meetings

The College had one full board meeting during year under review, on 17 September, 2021. This is contrary to the Mwongozo guidelines which requires the Board to convene at least four (4) meetings in a year. In addition, the College did not have approved almanac of the scheduled meetings.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Function and an Audit Committee

During the year under audit, the Institute did not have an internal audit function and an audit committee. This is contrary to Section 73(1)(a) of the Public Finance Management Act, 2012 which provides that every national Government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board.

In the circumstances, the effectiveness of internal controls and governance could not be confirmed.

2. Lack of a Strategic Plan, Operational Plan and an Organizational Chart

Review of the records revealed that the College did not have an approved strategic plan, operational plan and an organizational chart in place.

In the circumstances, the effectiveness of the overall governance could not be confirmed.

3. Lack of Risk Management Policy

During the year under audit, Management did not have a risk management policy, strategies, and risk register to mitigate against risk. This is in contravention of Section 165 of the Public Finance Management (National Government) Regulations 2015 which states that the Accounting Officer shall ensure that the National Government entity develops risk management strategies, which include fraud prevention mechanism and system of risk management and internal control that builds robust business operations.

In the circumstances, existence of an effective risk management measures could not be confirmed.

4. Lack of Segregation of Duties

Review of the internal controls of the College revealed that there was no proper segregation of duties in the accounting function. The roles of maintaining the cash book,

preparation of bank reconciliation statements and drawing of cheques were all performed by one officer.

In the circumstances, the effectiveness of internal controls and governance could not be confirmed.

5. Lack of Approved Information Communication Technology (ICT) Security Policy

Review of the College's ICT systems revealed that there was no approved ICT policy for governance and management of its ICT resources. In addition, there is no ICT steering committee in place to assist in the development of ICT policy framework to enable the College to realize long-term ICT strategic goals. Lack of an approved ICT policy may result in an unclear direction regarding maintenance of information security across the organization and safeguarding the Institute's ICT assets.

In the circumstances, existence of effective ICT controls could not be confirmed.

6. Weak Internal Controls for Cash Collection and Stores

The statement of financial performance and Note 11 to the financial statements reflect sale of goods amount of Kshs.506,559, being sale of food to the students during the period under review. However, the College did not maintain a stores ledger to record receipt and issue of food stuffs. In addition, stock take had not been done despite the College having stock balances in the stores and did not have inventory management policy. Further, the cash collected was not kept in a cash box and the same was not banked intact.

In the circumstances, the effectiveness of internal controls for cash collection and stores could not be confirmed.

7. Lack Human Resource Policy Documents

Review of the personnel records revealed that the College did not have an approved staff establishment, salary structure and human resource policy document. The payments made to part time trainers engaged by the College were not based on an approved payment structure. Further, review of the personnel records revealed that the College recruited six (6) officers during the year under review. However, the posts were not advertised and there were no records provided to show how the candidates were identified, vetted, selected and appointed.

In the circumstances, the effectiveness of internal controls on human resource management could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires 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.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them, and that public resources are applied

in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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


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

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

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 July, 2023

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

XII. STATEMENT OF FINANCIAL PERFORMANC FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2021-2022	2020-2021
		Kshs	
Revenue from non-exchange transactions			
Transfers from the National Government – grants/ gifts in kind	6	1,255,000	3,266,865
Grants from donors and development partners	7	580,000	0
Transfers from other levels of government	8	0	0
Public contributions and donations	9	0	0
		1,835,000	3,266,865
Revenue from exchange transactions			
Rendering of services- Fees from students	10	1,326,051	400,400
Sale of goods	11	506,559	40,970
Rental revenue from facilities and equipment	12	0	
Finance income - external investments	13	0	
Other income	14	0	38,000
Revenue from exchange transactions		1,832,610	479,370
Total revenue		3,667,610	3,746,235
Expenses			
Use of goods and services	15	1,195,451.00	1,956,842
Employee costs	16	1,066,510.00	406,450
Remuneration of directors	17	106,759.00	251,041
Academic cost	18	566,418.00	0
Repairs and maintenance	19	46,870.00	681,045
Contracted services	20	0	0
kuccps	21	70,000.00	0
katti	22	318,600.00	0
Total expenses		3,370,608.00	3,295,378
Other gains/(losses)			
Gain on sale of assets	23	0	0
Unrealized gain on fair value of investments	24	0	0
Impairment loss	25	0	0
Total other gains/(losses)		0	0
Net Surplus for the year		297,002.00	450,857

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

XIII. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	2021-2022	2020-2021
		Kshs	
Assets			
Current assets			
Cash and cash equivalents	26	61,437	250,027
Current portion of receivables from exchange transactions	27(a)	948,053	168,860
Receivables from non-exchange transactions	28	1,000,000	3,266,865
Inventories	29	0	0
Investments	30	0	0
Non-current assets			
Property, plant and equipment	31	57,705,885	57,542,785
Long term receivables from exchange transactions	27(b)	0	182,860
		0	0
Total assets		59,715,375	61,411,397
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	34	4,660	0
Refundable deposits from customers	35	31,000	0
Current Provisions	36	0	0
Helb unutilized fund	37	19,000	-
Current portion of borrowings	41	0	0
Deferred income	38	0	0
Employee benefit obligation	39	0	0
Payments received in advance		0	0
		0	0
Non-current liabilities			
Non-current employee benefit obligation	39	0	0
Non-current provisions	40	0	0
Borrowings	41	1,600,000	0
Service concession liability	42	0	0
Deferred tax liabilities	49	0	0
		0	0
Total liabilities			
Net assets		57,705,885	57,542,785
Reserves			
Accumulated surplus		267,072	450,857
Closing balance			
Total net assets and liabilities		59,574,517	57,993,642

 **PRINCIPAL**
MHADO EAST TECHNICAL
VOCATIONAL COLLEGE

Chairman of Council/Board of Governors

Finance Officer

Principal

Date.....12/8/2022...

Date 12/8/2022

Date.12/8/2022

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

XIV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2022

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/ Development Grants/Fund	Total
At July 1, 2020	0	0	0	1266865	1266865
At June 30, 20	0	0	450857	0	450857

Note:

- The land has not been valued since the school is new and it's planning to do the valuation in the begging of 2022 since the school has got many challenges of revenue and also the intake is low as compared as expected.
- The build was also not revalued and the amount that was used to build up was 57,542,785 that is according to the tender document, the school is planning for valuation and board is planning to discuss about rate of depreciation of PPE which will be used consistently.
- The institution also received textile material and icl computers though the institution does not have the cost of the items but is looking toward on valuation of every item.

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

XV. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	6	1,835,000	3,266,865
Public contributions and donations		0	0
Rendering of services- Fees from students	10	1,326,051	400,400
Sale of goods		0	0
Rental revenue from facilities and equipment		0	0
Finance income		0	0
Other income	14	506,559	38000
Total Receipts		3,667,610	3,667,265
Payments			
payment of employees	16	1,066,510	406,450
Use of goods and services	15	1,195,451	1,956,842
Other payments	19,21,22	1,001,888	923,086
Grants and subsidies paid		0	0
Total Payments		3,263,849	3,286,378
Net cash flows from operating activities		403,761	418,887
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		0	
Proceeds from sale of property, plant and equipment		0	0
Decrease in non-current receivables		168,860	168,860
Increase in investments		0	0
Net cash flows used in investing activities		0	0
Cash flows from financing activities			
Proceeds from borrowings		0	0
Repayment of borrowings		0	0
Increase in deposits		0	0
Net cash flows used in financing activities		0	0
Net increase/(decrease) in cash and cash equivalents		0	
Cash and cash equivalents at 1 JULY	26	29,690	0
Cash and cash equivalents at 30 JUNE	26	29,690	250,027

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

XVI. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

	Original budget	Adjustments	Final budget	Actual on comparable basis
	2020-2021	2020-2021	2021-2022	2021-2022
	Kshs	Kshs	Kshs	Kshs
Revenue				
Transfers from other Govt entities Govt grants	2,000,000	2,000,000	1,255,000	745,000
Public contributions and donations	0	0	580,000	(580,000)
Rendering of services- Fees from students	4,054,400	4,054,400	1,326,051	2,728,349
Sale of goods	504,000	504,000	506,559	(2,559)
Finance Income	0	0	0	0
Other Income	0	0	0	0
Gains on disposal, rental income and agency fees	0	0	0	0
Total income	6,558,400	6,558,400	3,554,130	2,890,790
Expenses				
Compensation of employees	1,082,000	1,082,000	1,066,510	-15,490
Use of Goods and services	4,415,000	4,415,000	1,195,451	-3,219,549
Academic cost	0	0	566,418	566,418
KATTI	0	0	318,600	318,600
KUCCPS	0	0	70,000	70,000
Remuneration of directors	269,000	269,000	106,759.00	-162,241
Repair and maintenance	1,100,000	1,100,000	46,870.00	-1,053,130
Total expenditure	3,457,108	3,457,108	3,370,608	-3,495,393
Surplus for the period	527,327	527,327	297,002	(604,603)

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2022**

XVII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Kajiado east tvc is established by and derives its authority and accountability from the ministry of education, state department of technical and vocational training (TVET), Act of 2013. The institution is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to organise, coordinate and monitor both trainers and non-teaching staffs to attain college mandate that is provide technical education and training in order equip trainees with innovative competencies for sustainable livelihood empowerment and transforms society.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

The financial statements have been prepared in accordance with the PFM Act No.18 of 24 July 2012 the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted will consistently applied to all the years presented.

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2022**

NOTES TO THE FINANCIAL STATEMENTS

3. ADOPTION OF NEW AND REVISED STANDARDS

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2022.**

Standard	Impact
Other Improvements to IPSAS	<p>Applicable: 1st January 2022:</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p>

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2022

NOTES TO THE FINANCIAL STATEMENTS

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>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:</p> <ul style="list-style-type: none"> •Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; •Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and •Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 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:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

Interest income

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

Dividends

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

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2022
NOTES TO THE FINANCIAL STATEMENTS

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

ii) Revenue from exchange transactions

Rental income

The institute does not have the rental income.

b) Budget information

The original budget for FY 2021/2022 was approved by the Council or Board on 7/8/2021. 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, following the Council/Board's approval.

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

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

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

c) Taxes

Current income tax

The institute does not have current income tax

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2022**

NOTES TO THE FINANCIAL STATEMENTS

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

c) Taxes

Sales tax/ Value Added Tax

The institute does not involve in sales tax or value added tax.

d) Investment property

The institute does not invest on properties

e) Property, plant and equipment

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

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2022

NOTES TO THE FINANCIAL STATEMENTS

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

f) Leases

Finance leases are not applicable since the institution does not have any leased property.

g) Intangible assets

The institute does not have any Intangible assets.

h) Research and development costs

The institute does not have expenses research costs.

NOTES TO THE FINANCIAL STATEMENTS

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets are not applicable.

Loans and receivables

Loans and receivables are not applicable

Held-to-maturity

Non-derivative financial assets are not applicable

Impairment of financial assets

The impairment of financial assets are not applicable.

NOTES TO THE FINANCIAL STATEMENTS

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i) Financial instruments

Financial assets

Impairment of financial assets

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

Financial liabilities

Initial recognition and measurement

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

Loans and borrowing

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

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

i) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions 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

NOTES TO THE FINANCIAL STATEMENTS

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i) Inventories

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

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

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

j) Provisions

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

Contingent liabilities

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

Contingent assets

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

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2022

NOTES TO THE FINANCIAL STATEMENTS

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

k) Nature and purpose of reserves

Reserve were not applicable.

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

Kajiado east 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.

n) Foreign currency transactions

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

o) Borrowing costs

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

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

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2022**

NOTES TO THE FINANCIAL STATEMENTS

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

p) Related parties

Kajiado east tvc 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.

q) Service concession arrangements

Kajiado east tvc 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, Kajiado east tvc also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

r) Cash and cash equivalents

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

s) Comparative figures

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

t) Subsequent events

There have been no events subsequent to the financial year-end with a significant impact on the financial statements for the year ended June 30, 2022

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

The useful lives and residual values were not applicable

Provisions

Provisions were not raised.

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2022

NOTES TO THE FINANCIAL STATEMENTS

6. (a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2021-2022 ksh	2020-2021 KShs
Unconditional grants		
Capitation grants	255,000	0
Operational grant	1,000,000	3,266,865
Other grants,		0
	1,255,000	3,266,865
Conditional grants		
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	1,255,000	3,266,865

(b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	2021-2022
			KShs	KShs	KShs
Ministry/State Department	0	0	0	0	0
Ministry	0	0	0	0	0
Total	0	0	0	0	0

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2022**

NOTES TO THE FINANCIAL STATEMENTS

7. GRANTS FROM DONORS AND DEVELOPMENT PARTNERS

Description	2021-2022	2020-2021
	KShs	KShs
JICA- Research grant	0	0
World Bank grants	0	0
In-kind Donations	0	0
Other grants, masai tti	580,000	0
Total grants from development partners	580,000	0

Reconciliations of grants from donors and development partners

Description	2021-2022	2020-2021
	KShs	KShs
Balance unspent at beginning of year	0	0
Current year receipts	0	0
Conditions met - transferred to revenue	0	0
Conditions to be met - remain liabilities	0	0
		0

The only revenue that the institution has is government grants, revenue from rendering services and grants from masai technical -mentor

8. TRANSFERS FROM OTHER LEVELS OF GOVERNMENT

Description	2021-2022	2020-2021
	KShs	KShs
	0	0
Transfer from County		
Transfer from University	0	0
Transfer from institute	0	0
Total Transfers	0	0

9. PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2021-2022	2020-2021
	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 sponsorships	0	0

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2022

NOTES TO THE FINANCIAL STATEMENTS

10. RENDERING OF SERVICES

Description	2021-2022	2020-2021
	KShs	KShs
Tuition fees	784,491	203,480
Activity fees	46,500	4,200
Industrial attachment fees	9300	0
ID	9300	0
RMI, development	155,000	0
Facilities and materials, examination	176,980	178,720
Registration fees	31,000	14,000
Knec registration	82,480	0
Caution money	31,000	0
Total revenue from the rendering of services	1,326,051	400,400

11. SALE OF GOODS

Description	2021-2022	2020-2021
	KShs	KShs
Sale of goods		
Sale of books	0	0
Sale of publications	0	0
Sale of farm produce	0	0
Cafeteria	506,559	40,970
Other(include in line with your organisation)	0	0
Total revenue from the sale of goods	506,559	40,970

12. HIRE OF FACILITIES AND EQUIPMENT

Description	2021-2022	2020-2021
	KShs	KShs
Hire of facilities and equipment		
Contingent rental	0	0
operating lease revenue		
Total	0	0

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2022

13. FINANCE INCOME

Description	2021-2022	2020-2021
	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

NOTES TO THE FINANCIAL STATEMENTS

14. OTHER INCOME

Description	2021-2022	2020-2021
	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
Computer packages	0	38,000
Total other income	0	38,000

15. USE OF GOODS AND SERVICES

Description	2021-2022	2020-2021
	KShs	KShs
Industrial attachment costs	6,984.00	1200
Electricity	0	211,485
Water	177,860.00	213,286
Internet services	35,300.00	0
Professional and Consultancy services	5,000.00	0
Subscriptions	0	295,500
Advertising	107,750.00	139,487
Examination fees	0	306,112
Audit fees	0	0
Catering, Conferences, and delegations	366,932.00	252,147
Travelling and accommodation	192,800.00	0
Legal expenses	0	0
Office exp	8,000.00	0
Printing and stationery.adm	393,643.00	348,519
Fencing expenses	50,000.00	0
Bed exp	10,000.00	0
Telephone expenses	0	0
Bank charges	6,141.00	1272
Covid-19	0	187,834
Total good and services	1,360,410.00	1,956,842

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2022

NOTES TO THE FINANCIAL STATEMENTS

16. EMPLOYEE COSTS

	2021-2022 KShs	2020-2021 KShs
Salaries and wages	1,042,030	406,450
Employee related costs - contributions to pensions and medical aids	0	0
Travel, motor car, accommodation, subsistence and other allowances	0	0
Housing benefits and allowances	0	0
Overtime payments	0	0
Performance and other bonuses	0	0
Statutory deduction	24,480.00	0
Employee costs	1,066,510.00	406,450

17. REMUNERATION OF DIRECTORS

Description	2021-2022 KShs	2020-2021 KShs
Chairman's Honoraria	0	0
Directors emoluments	106,759.00	251,041
Other allowances	0	0
Total director emoluments	106,759.00	251,041

18. ACADEMIC COST

Description	2021-2022 KShs	2021-2022 KShs
Teaching and learning material	206,834	0
TVET	15,000	0
EXAMINATION FEE	82,480	0
HELB I'D CARDS	19,000	0
TOTAL	323,314	0

19. REPAIRS AND MAINTENANCE

Description	2021-2022 KShs	2020-2021 KShs
Property	46,870.00	624,148
Investment property – earning rentals	0	0
Equipment and machinery	0	0
Vehicles	0	0
Furniture and fittings	0	0
Computers and accessories	0	0
Other	0	56,897
Total repairs and maintenance	46,870.00	681,045

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2022

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2022**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. KENYA UNIVERSITY COLLEGE PLACEMENT STUDENTS(KUCCPS)

Description	2021-2022	2020-2021
	KShs	KShs
KUCCPS Registration fee	70,000	0
Total fee paid	70,000	0

21. KATTI

Description	2021-2022	2020-2021
	KShs	KShs
Training and registration	318,000	0
Total	318,000	0

22. FINANCE COSTS

Description	2021-2022	2020-2021
	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	2021-2022	2020-2021
	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

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2022

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. UNREALIZED GAIN ON FAIR VALUE INVESTMENTS

Description	2021-2022	2020-2021
	KShs	KShs
Investments at fair value	0	0
Total gain	0	0

25. IMPAIRMENT LOSS

Description	2021-2022	2020-2021
	KShs	KShs
Property, plant and equipment	0	0
Intangible assets	0	0
Total impairment loss	0	0

26. CASH AND CASH EQUIVALENTS

Description	2021-2022	2020-2021
	KShs	KShs
Current account	29,690	250,027
On - call deposits-cash	0	0
Fixed deposits account	0	0
Staff car loan/ mortgage	0	0
Others(specify)	0	0
Total cash and cash equivalents	29,690	250,027

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2022

NOTES TO THE FINANCIAL STATEMENTS

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

Financial institution	Account number	2021-2022	2020-2021
		KShs	KShs
a) Current account			
Kenya Commercial bank	1261269217	31,747	250027
Equity Bank, mpesa		0	0
Sub- total		31,747	250027
b) On - call deposits			
Kenya Commercial bank		0	0
Equity Bank – ctc		0	0
Sub- total		0	0
c) Fixed deposits account			
Kenya Commercial bank		0	0
Bank B		0	0
Sub- total		0	0
d) Staff car loan/ mortgage			
Kenya Commercial bank		0	0
Bank B		0	0
Sub- total		0	0
e) Others(specify)			
Cash in transit		0	0
cash in hand		29,690	0
Mobile Money account		0	0
Sub- total		0	0
Grand total		61,437	250,027

27. RECEIVABLES FROM EXCHANGE TRANSACTIONS

27(a) Current Receivables from Exchange Transactions

Description	2021-2022	2020-2021
	KShs	KShs
Current receivables		
Student debtors	948,053	168,860
Rent debtors	0	0
Consultancy debtors	0	0
Other exchange debtors	0	0
Less: impairment allowance	0	0
Total current receivables	948,053	168,860

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2022

NOTES TO THE FINANCIAL STATEMENTS

27(b) Long- term Receivables from Exchange Transactions

Description	2021-2022	2020-2021
	KShs	KShs
Non-current receivables		
Refundable deposits	0	14,000
Advance payments	0	0
Public organizations	0	0
Less: impairment allowance	0	0
Total	0	14,000
Current portion transferred to current receivables	0	168,860
Total non-current receivables	0	0
Total receivables	0	182,860

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

Description	2021-2022	2020-2021
	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	2021-2022	2020-2021
	KShs	KShs
Current receivables		
Capitation grants*	255,000	0
Transfers from other govt. entities	1,000,000	3,266,865
Undisbursed donor funds	0	0
Other debtors (non-exchange transactions)	830,027	0
Less: impairment allowance	0	0
Total current receivables	2,085,027	3,266,865

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

Description	2021-2022	2020-2021
	KShs	KShs
At the beginning of the year	250,027	1,246,865
Additional provisions during the year	580,000	2,020,000
Recovered during the year	0	0
Written off during the year	0	0
At the end of the year	830,027	3,266,865

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2022**

NOTES TO THE FINANCIAL STATEMENTS

29. INVENTORIES

Description	2021-2022	2020-2021
	KShs	KShs
Consumable stores	0	0
Maintenance stores	0	0
Health unit stores	0	0
Electrical stores	0	0
Cleaning materials stores	0	0
Catering stores	0	0
Total inventories at the lower of cost and net realizable value	0	0

30. INVESTMENTS

Description	2021-2022	2020-2021
	KShs	KShs
a) Investment in Treasury bills and bonds		
Financial institution		
CBK	0	0
CBK	0	0
Sub- total	0	0
b) Investment with Financial Institutions/ Banks		
Bank	0	0
Bank	0	0
Sub- total	0	0
c) Equity investments		
Equity/ shares in company	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			
	%	%	%	Shs	Current year	Prior year
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

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

31. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings Shs	BEDS Shs	Furniture and fittings Shs	Computers Shs	Other Assets Fencing Shs	Plant and equipment Shs	Capital Works in progress Shs	Total Shs
At July 2021	57,542,785	0	10,000	0	103,000	0	0	57,655,885
Additions	0	0	0	-	0	-	0	0
Disposals	0	0	-	-	0	-	0	0
Transfers/adjustments	0	0	0	0	0	-	0	0
At 30th June 2022	57,542,785	0	10,000	0	103,000	0	0	57,655,885
Additions	0	50,000	0	-	0	0	0	50,000
Disposals	0	0	-	-	0	-	0	0
Transfer/adjustments	0	0	0	0	0	-	0	0
At 30th June 2022	57,542,785	50,000	10,000	0	103,000	0	0	57,705,885
Depreciation and Impairment								
At July 2021	0	0	0	0	0	-	0	0
Depreciation	0	0	0	0	0	-	0	0
Impairment	0	0	-	-	0	-	0	0
At 30th June 2022	57,542,785	50,000	10,000	0	103,000	0	0	57,705,885
Depreciation	0	0	0	-	0	0	0	0
Disposals	0	0	-	-	0	-	0	0
Impairment	0	0	-	-	0	-	0	0
Transfer/adjustment	0	0	0	0	0	-	0	0
At 30th June 2022	57,542,785	50,000	10,000	0	103,000	0	0	57,705,885
Net book values								
At 30th June 2022	57,542,785	50,000	10,000	0	103,000	0	0	57,705,885
At 30th June 2022	57,542,785	50,000	10,000	0	103,000	0	0	57,705,885

[Include brief description of WTP as a footer]

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

NOTES TO THE FINANCIAL STATEMENTS

Valuation

Land and buildings were never revalued due to lack of funds. The value of building was obtained from the BOQ

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 Kshs	Accumulated Depreciation Kshs	NBV Kshs
Land	0	0	0
Buildings	57,542,785	0	57,542,785
Plant and machinery	0	0	0
Motor vehicles, including motorcycles	0	0	0
Computers and related equipment	0	0	0
Office equipment, furniture, and fittings	10,000	0	10,000
fencing	103,000	0	103,000
Total	57,655,885	0	57,655,885

32. INTANGIBLE ASSETS-SOFTWARE

Description	2021-2022 KShs	2020-2021 KShs
Cost	0	0
At beginning of the year	0	0

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

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	0	0
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

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

NOTES TO THE FINANCIAL STATEMENTS

33. INVESTMENT PROPERTY

Description	2021-2022	2020-2021
	KShs	KShs
At beginning of the year	0	0
Additions	0	0
Disposal during the year	0	0
Depreciation	0	0
Impairment	0	0
At end of the year	0	0

34. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2021-2022	2020-2021
	KShs	KShs
Trade payables	0	0
Fees paid in advance	4,660	0
Employee advances	0	0
Third-party payments	0	0
Other payables	0	0
Total trade and other payables	4,660	0

35. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Description	2021-2022	2020-2021
	KShs	KShs
Consumer deposits	0	0
Caution money	31,000	0
Other refundable deposits	31,000	0

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

Total deposits	113,480	0
----------------	---------	---

36. CURRENT PROVISIONS

Description	Leave provision KShs	Bonus provision KShs	Gratuity Provisions KShs	Other provision KShs	Total 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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

37. FINANCE LEASE OBLIGATION

Description	2021-2022 KShs	2020-2021 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
Year 1	0

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

Year 2	0
Year 3	0
Year 4	0
Year 5 and onwards	0
Less: Unearned interest	0
	0

Analysed as:

Description	Amount
Current	0
Non-Current	0
Total	0

38. DEFERRED INCOME

Description	2021-2022		2020-2021	
	KShs		KShs	
National government	0		0	
International funders	0		0	
Public contributions and donations	0		0	
Total deferred income	0		0	

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

39. EMPLOYEE BENEFIT OBLIGATIONS

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2021-2022
	KShs	KShs	KShs	KShs
Current benefit obligation	0	0	0	0
Non-current benefit obligation	0	0	0	0
Total employee benefits obligation	0	0	0	0

Retirement benefit Asset/ Liability

The entity is in process to operate a defined benefit scheme for all full-time employees from July 1, 2023. Since all the employees are in contract basis

NOTES TO THE FINANCIAL STATEMENTS

Recognition of Retirement Benefit Asset/ Liability

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

Description	2021-2022	2020-2021
	Kshs	KShs
The return on defined plan assets	0	0
Actuarial gains/ losses arising from changes in demographic assumptions	0	0

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Actuarial gains/ losses arising from changes in financial assumptions	0	0
Actuarial gains and losses arising from experience adjustments	0	0
Others (Specify)	0	0
Adjustments for restrictions on the defined benefit asset	0	0
Remeasurement of the net defined benefit liability (asset)	0	0

b) Amounts recognised in the Statement of Financial Position

Description	2021-2022	2020-2021
	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 entity 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 KShs. 1920 per employee

40. NON-CURRENT PROVISIONS

Description	Long service leave	Bonus Provision	Gratuity	Other Provisions	Total
	KShs		KShs	KShs	KShs
Balance at the beginning of the year	0	0	0	0	0

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

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

(NB: The current portion deducted in this note should tie to line on current portion transferred from non-current provisions under note 34)

41. BORROWINGS

Description	2021-2022	2020-2021
	KShs	KShs
Soft loan masai tti	1,600,000	1,000,000
Balance at end of the year	1,600,000	1,000,000

42. SERVICE CONCESSION ARRANGEMENTS

Description	2021-2022	2020-2021
	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

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

43. CASH GENERATED FROM OPERATIONS

	2021-2022	2020-2021
	KShs	KShs
Surplus for the year before tax		
Adjusted for:		
Depreciation	0	0
Non-cash grants received	0	0
Contributed assets	0	0
Impairment	0	0
Gains and losses on disposal of assets	0	0

44. EVENTS AFTER THE REPORTING PERIOD

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

45. ULTIMATE AND HOLDING ENTITY

Kajiado east tvc is a Semi- Autonomous Government Agency under the Ministry of ministry of education. Its ultimate parent is the Government of Kenya.

46. CURRENCY

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

APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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)
		Waiting for auditor report for 2021		

Accounting Officer

Name DAVID KIHANYA

Kajiado East TVC

Signature

 **PRINCIPAL**
KAJIADO EAST TECHNICAL
VOCATIONAL COLLEGE

Date. 12/8/2022

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022
APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY**

Projects

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	fencing	50,000	50,000	100%	255,000	50,000	Recurrent expenditure

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022
APPENDIX III: INTER-ENTITY TRANSFERS**

ENTITY NAME:			
Break down of Transfers from the ministry of education			
	FY 2021/2022		
a.	Recurrent Grants		
	<u>Bank Statement</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which</u>
	<u>Date</u>		<u>the amounts relate</u>
		1,000,000	2021/2022
		255,000	2021/2022
	Total	1,255,000	
b.	Development Grants		
	<u>Bank Statement</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which</u>
	<u>Date</u>		<u>the amounts relate</u>
		0	
	Total	0	
c.	Direct Payments		
	<u>Bank Statement</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which</u>
	<u>Date</u>		<u>the amounts relate</u>
		0	
	Total	0	
d.	Donor Receipts		
	<u>Bank Statement</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which</u>
	<u>Date</u>		<u>the amounts relate</u>
	Masai tti	580,000	2021/2022
	Total	580,000	

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
	as per bank statement			Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Education	01/8/2021	Recurrent	1,255,000	1,255,000	0	0	0	0	1,255,000
Ministry of Education	0	Development	0	0	0	0	0	0	0
USAID	0	Donor Fund	0	0	0	0	0	0	0
Ministry of Education	0	Direct Payment	0	0	0	0	0	0	0
Masai tech	01/5/2022	Soft loan	580,000	580,000	0	0	0	0	0
Total			1,835,000	1,835,000	0	0	0	0	0