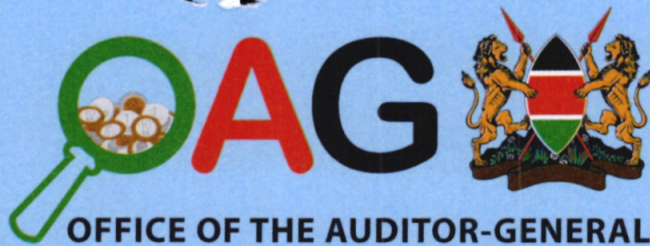


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

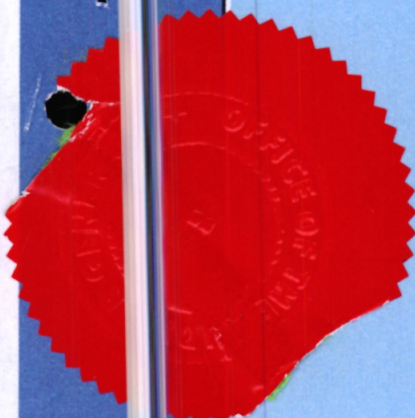
THE AUDITOR-GENERAL

ON

**KALOLENI TECHNICAL AND
VOCATIONAL COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2024**

KILIFI COUNTY



**PARLIAMENT
OF KENYA
LIBRARY**

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 26 JUN 2025 DAY: THUR

TABLED BY: HON. GEORGE MURUGARA, MP
ON BEHALF OF LEADER OF MAJORITY PARTY

BY: VIVIAN WAMBUI

Revised Template: 30th June 2024



OFFICE OF THE AUDITOR GENERAL
P. O. Box 81543, MOMBASA
1344 /kr2
22 MAY 2025
RECEIVED
KILIFI REGIONAL OFFICE



KALOENI TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2024**

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

KALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

Table of Contents

Acronyms & Glossary of Terms.....	ii
Key Institute Information and Management.....	iii
The Council/Board of Governors.....	vi
Key Management Team	viii
Chairman’s Statement	ix
Report of the Senior Principal, Kaloleni TVC	x
Statement of Performance against Predetermined Objectives	xii
Corporate of governance Statement	xiii
Management Discussion and Analysis	xiv
Environmental and Sustainability Reporting Statement	xvii
Report of the Council/Board of Governors	xix
Statement of Board of Governors/ Council’s Responsibilities.....	xx
Report of the Independent Auditor for Kaloleni Technical and Vocational College	xxi
Statement Of Financial Performance For The Year Ended 30 June 2024.....	1
Statement of Financial Position as at 30th June 2024	2
Inventory.....	Error! Bookmark not defined.
Statement of Changes in Net Asset For The Year Ended 30 June 2024.....	3
Statement of Cash Flows for The Year Ended 30 June 2024.....	4
Statement of Comparison of Budget Actual Amounts for Year Ended 30 th June	
2024 5	
Notes to the Financial Statements.....	6
Property, Plant and Equipment.....	17
Related Party Balances	18
Events After The Reporting Period	18
Ultimate And Holding Institute.....	18
Currency	18

KALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

1. Acronyms & Glossary of Terms

BOG	Board of Governors
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
KTVC	Kaloleni Technical and Vocational College
NITA	National Industrial Training Authority
KASNEB	Kenya Accountants and Secretarial National Examination Board
CDACC	Curriculum Development, Assessment and Certification Council.
KATTI	Kenya Association of Technical Training Institute.
TVC	Technical and Vocational College
KNEC	Kenya National Examination Council
ATUPA	Association of Technical Universities and Polytechnics in Africa.
Fiduciary Management	Key management personnel who have financial responsibility in the institute

2. **Key Institute Information and Management**

(a) **Background information**

KALOLENI TVC was incorporated/ established under the TVET Act 2013. The institute is domiciled in Kenya. The institution is under the ministry of Education Tvet. KALOLENI TVC is managed by Board of Governance whose members are appointed by government to represent the community, industrialists and various government departments. The principal serve as the secretary of the board. The institution operates under the education Act, the TVET Act and other relevant laws. It offers curriculum developed by the KICD, CDACC and NITA, it is mandated to offer Artisan, Craft and Diploma levels courses. All courses are incorporated in training and Industrial Attachment is done to prepare the trainees for formal and self-employment. The examination board are KNEC, KASNEB, NITA and CDACC. Kaloleni Tvc is a member of KATTI, ATUPA among others.

Kaloleni TVC has experience a gradual growth in terms of courses offered and students enrolment from initial population of 27 trainees and 5 teaching staffs in 2019 to the current number 118 trainees and 18 psc teachers and 3 Bog teachers respectively. The current number of non-teaching staffs is 8 members

(b) **Principal Activities**

The principal activity for **Kaloleni TVC** is to offer TVET programmes in line with industry or market needs both long term and short term basis.

Vision

- To be a regional leader in technical skills development

Mission

- To produce technically skilled manpower to meet the demands of highly industrializing economy and national development

Core values

Kaloleni TVC is committed to the following values:

- Honesty, integrity and accountability
- Innovativeness, creativity, team work
- Team work, professionalism and flexibility

KALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

(c) Key Management

Kaloleni TVC daily management is carried out under the following key division:

- Administration
- Finance
- Registrar
- Academic

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

SN.	Designation	Name
1.	Principal	Priscah Nduku Munyao
2.	Deputy principal	Charles Ndune Chissaga
3	Head of finance	Peter Mtsonga Kashindo
4	Ag Registrar	Langat kipngeno Shadrack
5	Ag Dean of students	Nelson Chilumoh Chapa

(e) Fiduciary Oversight Arrangements

- The Board of Governors
- Audit and risk committee activities
- Finance and human Resource committee activities
- Academic committee activities

(f) Institute Headquarters

P.O. Box 363-80105
Kaloleni, Giriama

(g) Institute Contacts

Telephone: (254)703224134
Email: kalolenitvc@gmail.com

Key Institute Information and Management (Continued)

(a) Institute Bankers

Kenya commercial bank
Mariakani
P.O. Box
Mariakani

(b) Independent Auditors





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

(c) Principal Legal Adviser

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

KALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

3.The Council/Board of Governors





<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 LENNOXENY .K. MTENGO	Mr.Lennoxeny Kaviha Mtengo is the Board of Governors Chairman. He is a holder of Bachelor of Education(Arts) at UON
2.	 PETER MWANGI	Mr. Peter Mwangi is the County Director TVET Coast Region and by the virtues of his office he is a Board member .He is a Holder of Masters in Education with an experience of over 30 years.
3.	 PRISCAH N. MUNYAO	Ms Priscah Nduku Munyao is The Principal and board Secretary . She is a holder of Bachelor of Commerce (Accounting) KU and currently doing her project in MBA (Project Mgt)KU
4.	 DORRIS KAVUKU	Mrs.Dorris Kavuku ho is serving her second term holds a Bachelor of Arts Counselling at Kenya Methodist University

ALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

5.	 VICTOR KIPLANGAT	<p>Mr. Victor Kiplangat is serving a second term as a member. He is a holder of Bsc. Mechanical Engineering at Technical University of Mombasa</p>
6.	 JULLY SENTEU	<p>Ms. July Seema Senteu is serving for the second term. She is holder of masters of Science in Limnology and Wetland Management-Natherlands. Phd in conservation Ecology ongoing.</p>
	 STEPHEN VANDIKA	<p>Mr. Stephen Mwenda Vandika is a holder of Bachelor of Technology in Civil Engineering at Technical University of Mombasa.</p>
	 NYUNDO KATEMBO	<p>Mr. Nyundo Katembo. He is a holder of Bachelor of Commerce (Accounting Option) at University of Nairobi.</p>
	 CHARLES NDEGWA	<p>Mr. Charles Mwanyoha Ndegwa is a holder of Master of Education in Leadership and policy at Moi University</p>

KALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

4. Key Management Team

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 Mrs. Priscah Nduku Munyao	Mrs. Priscah Munyao is a Senior Principal and BoG Secretary with 31 years' experience in technical training including 6 as principal
2.	 Mr Charles Ndune Chissaga	Mr Charles Chissaga is the Deputy Principal . He has over 30 years experience in technical training.
3.	 Mr Langat Shadrack	Mr Langat Shadrack is the Ag Registrar
4.	 Mr. Nelson Chilumoh	Mr. Nelson Chilumo is Ag. Dean of students

KALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

Chairman's Statement

It is with great humility that I present the annual Financial Report and Financial Statements for the Financial Year ended 30th June 2024.

This year has been a significant milestone for our college, marked by an impressive increase in enrolment numbers. We welcomed a diverse group of students, reflecting our commitment to inclusivity and excellence in education. This growth not only underscores the community's trust in our institution but also highlights our dedication to providing a high-quality learning environment.

Throughout the financial year, we focused on enhancing our academic programs and support services. Investments were made in the infrastructure i.e. power connectivity was achieved, mechanical machines installation by Avic, faculty development, and other students' resources to ensure we meet the evolving needs of our students. These initiatives have been instrumental in maintaining our reputation for academic excellence and student satisfaction in the college.

In spite of the challenges posed by external factors, the management has remained focused and cooperative, dedicated in all matters regarding the institution progress.

Our prudent financial management strategies have resulted in a positive move in terms of achievements in a gradually motion depending on the availability of funds, enabling us to make great achievements. This fiscal discipline is essential as we aim to expand our offerings and further improve the student experience.

As we look ahead, our vision and mission remain clear: to be a regional leader in technical skills development, to produce technically skilled manpower to meet the demands of highly industrializing economy and national development respectively.

We are committed to ensuring that our college continues to be a place where students can thrive academically and socially.

I would like to express my gratitude to our dedicated faculty, staff, and administration for their unwavering commitment to our mission. Their hard work and passion make a profound difference in the lives of our students. Additionally, I extend my thanks to our students and their families for their trust and support.

In closing, I invite you to review the accompanying financial statements, which reflect our efforts and achievements over the past year. Together, we will continue to build a bright future for our college and the community we serve.

Thank you.

Signature:  Date: 21/5/2025

M. Lennoxeny.Kaviha. Mtengo

CHAIRMAN- Kaloleni Technical and Vocational College

2. Report of the Senior Principal

Introduction

As the Senior Principal of Kaloleni Technical and Vocational College (TVC), it is my privilege to present this report for the financial year ending 30th June 2024. This year has been marked by significant growth, resilience, and dedication from our entire community. Our college continues to flourish as a leading institution, providing quality education and vocational training that meets the needs of our students and the broader community.

Enrolment Growth

We experienced a remarkable increase in enrolment this year, welcoming over [60] new students. This surge can be attributed to several factors, including our commitment to expanding program offerings, improving facilities, and enhancing our outreach efforts in marketing. The diversity of our student body enriches the learning environment and aligns with our mission to promote inclusivity and equal opportunity in education.

Academic Excellence and Program Development

Our focus on academic excellence remains unwavering. Over the past year, we have introduced new courses in response to industry demands, particularly in areas such as welding and fabrication we have partnered with industries in a program referred to as Dual Tvet program in welding and mechanical engineering. These programs are designed to equip students with practical skills and knowledge that align with the needs of the job market.

Furthermore, we have implemented several initiatives aimed at enhancing the quality of education:

1. **Faculty Development:** We invested in professional development for our educators to ensure they remain at the forefront of teaching methodologies and industry trends. Workshops, seminars, and collaboration with industry professionals have been pivotal in this endeavor.
2. **Student Support Services:** Recognizing the importance of holistic student development, we expanded our support services, including academic advising, and career counseling vested in the office of career services. These initiatives aim to create a supportive environment where students can thrive.
3. **Infrastructure Improvements:** Upgrading our facilities has been a priority. Recent we have secured our ICT room with grill door and windows as value addition and security of our facilities and common areas have created a more conducive learning environment, fostering collaboration and engagement among students.
4. **Financial Performance**

KALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

Due to the economic challenges faced during the year, our financial performance has not been able. Through careful budgeting and strategic planning, we have really tried to balance the budget to ensure funds for program that flourish the college.

Key financial highlights include:

- **Revenue Growth:** Our revenue has increased by 50%, largely due to the rise in enrolment and successful grant applications, Capitation and scholarship funds from the ministry. This growth has allowed us to invest back into our programs and infrastructure.
- **Expenditure Management:** We have been diligent in managing our expenditures, ensuring that resources are allocated effectively to areas that will benefit our students most.
- **Sustainability Initiatives:** We have also started implementing sustainability measures, which not only reduce our operational costs but also teach students the importance of environmental stewardship.

Challenges Faced

While we celebrate our achievements, we also acknowledge the challenges we have encountered:

- **Funding Constraints:** Despite the support from the Government of Kenya and various stakeholders, financial constraints remain a significant challenge. We are actively seeking additional funding opportunities to sustain and expand our programs.
- **Technological Adaptation:** The rapid pace of technological advancement necessitates continuous adaptation in our teaching methods and curriculum. We are committed to providing professional development for our staff to ensure they are equipped to meet these challenges

Community Engagement

Engaging with our local community remains a cornerstone of our mission. We have strengthened partnerships with local businesses and organizations, allowing us to provide students with real-world experiences through internships. These collaborations enhance the practical aspects of our programs and prepare students for successful careers.

Conclusion

I reflect on the past year, I am filled with gratitude for the dedication of our faculty, staff, and students. Their collective efforts have created a vibrant and supportive learning community at Kaloleni TVC. Looking forward, we remain committed to our vision that meets the needs of our ever-evolving job market.

I would like to thank the Chairman, our Board of Governors, and all stakeholders for their continued support and guidance. Together, we will strive to further enhance our college's offerings and impact in the coming years.

Thank you.

Signature 

Date 21/5/2025

M Priscah Nduku Munyao

Senior Principal, Kaloleni Technical and Vocational College

KALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

3. Statement of Performance against Predetermined Objectives

Kaloleni TVC has three strategic pillars and objectives within its Strategic Plan for the FY 2023/2024. These strategic pillars are as follows:

- Pillar 1: Mounting of new courses
- Pillar 2: Improve Examination pass rate
- Pillar 3: Industrial Linkages established

Kaloleni TVC develops its annual work plans based on the above four (4) pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The institution achieved its performance targets set for the FY 2023/2024 period for its annual strategic pillars, as indicated in the diagram below:

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar 1:	Mounting of new courses	To introduce new courses	2	Research	0
Pillar 2	Improve Examination pass rate	To achieve the mission of the institution	60	Teaching theories and Practical's	57.33
Pillar 3:	Industrial Linkages established	To create relationship for attaching our trainees	5	Signing of agreements	8

Corporate of governance Statement

According to the TVET Act 2013 Technical and vocational colleges are governed by Board of Governors appointed by the Cabinet Secretary

The members of the Board of Governors are nominated by a selection panel and submitted to the Cabinet Secretary for approval and appointment

The selection panel comprises of the chairperson and three other members as follows;

1. Chairman – County Director TVET
2. Secretary – Principal
3. Deputy County Commissioner
4. Area Member of Parliament

The selection panel nominates at least two people for post except for representative of Principal Secretary and the representative of County Governor.

The Board of Governance nominated by the panel is then forwarded to the cabinet Secretary for approval and appointment.

The tenure for Kaloleni TVC BOG started on 5th July 2023 and it will expire on 5th July 2026

During their tenure the BOG commit themselves to serve Kaloleni TVC and to uphold the tenets of good corporate governance by being innovative, transparent, accountable and responsive as well as fairness in all their dealings.

9. Management Discussion and Analysis

Introduction

This Management Discussion and Analysis (MD&A) provides an overview of the operational and financial performance of Kaloleni TVC for the financial year ending 30th June 2024. This report also highlights key projects and investments, compliance with statutory requirements, major risks, and other pertinent information for stakeholders.

Operational Performance

Kaloleni TVC has experienced significant growth in both student enrolment and program offerings. The following table summarizes the enrolment statistics over the past three years:

Year	Enrolment Numbers	Percentage Increase
2021	62	100%
2022	48	(23%)
2023	153	219%
2024	118	(23%)

Figure 1: Enrolment Growth Over Three Years

The increase in enrolment can be attributed to our expanded course offerings and improved marketing strategies, including outreach programs and partnerships with local schools.

Financial Performance

The financial performance of Kaloleni TVC remains robust, with total revenue increasing by [insert percentage] compared to the previous year. The following table summarizes key financial metrics:

Metric	FY 2023	FY 2024	Percentage Change
Total Revenue	23,182,334.00	26,723,926 .00	15.3%
Total Expenditure	22,810,641.00	21,162,082.00	(7.2%)
Net Surplus	371,693.00	5,561,844.00	1396.4%

Figure 2: Financial Overview for FY 2023 vs FY 2024

Revenue Sources

Our revenue is primarily generated from tuition fees, Helb loan, scholarship funds and government grants, and partnerships.

Figure 3: Revenue Sources Distribution

Key Projects and Investments

During the financial year, Kaloleni TVC undertook several key projects aimed at enhancing educational quality and student experience:

1. **Infrastructure Development:** We completed the renovation of our science labs and introduced modern equipment to facilitate practical learning.
2. **Digital Learning Initiative:** We invested in digital platforms to enhance online learning capabilities, which proved crucial during unforeseen disruptions.
3. **Industry Partnerships:** New collaborations with local businesses have created internship opportunities for students, bridging the gap between education and employment.

Compliance with Statutory Requirements

Kaloleni TVC remains committed to adhering to all statutory requirements. This includes timely submission of financial statements, compliance with health and safety regulations, and maintenance of accreditation standards. Regular audits are conducted to ensure full compliance.

Material Arrears and Financial Obligations

As of the end of the financial year, Kaloleni TVC has no material arrears in statutory or other financial obligations. We are committed to maintaining transparency and accountability in our financial dealings.

Major Risks

While we are proud of our accomplishments, we recognize several risks that could impact our future performance:

1. **Economic Uncertainty:** Fluctuations in government funding and economic conditions could affect enrolment and revenue.

KALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

2. **Competition:** The rise of alternative education providers poses a challenge to traditional vocational institutions.
 3. **Technological Changes:** Rapid advancements in technology necessitate continuous investment in training and infrastructure.
-

Conclusion

In conclusion, Kaloleni TVC has shown commendable operational and financial performance over the past year. Our strategic initiatives, robust revenue growth, and commitment to compliance position us well for future success. We are dedicated to addressing the challenges ahead and continuing our mission to provide quality vocational education.

We invite stakeholders to review the accompanying financial statements for more detailed insights.

Signature 

Date 21/5/2025

Mrs Priscah Nduku Munyao

Senior Principal, Kaloleni Technical and Vocational College

D. Environmental and Sustainability Reporting Statement
Sustainability Strategy and Profile

Kaloleni Technical and Vocational College (KTVC), is committed to aligning its operations with Kenya's Vision 2030 and the United Nations Sustainable Development Goals (SDGs). The College recognizes education and training as critical pillars for sustainable development, particularly within underserved communities.

The accounting officer, in collaboration with the college management, emphasizes the importance of sustainability in decision-making. Despite macroeconomic challenges, such as limited government funding and political instability affecting education budgets, KTVC strives to prioritize environmental sustainability and inclusive development.

KTVC aligns itself with international best practices in technical education by promoting green campuses, sustainable energy use, and community engagement in environmental conservation. Key achievements include successful tree planting initiatives, community water management programs, and partnerships with local environmental organizations.

However, challenges remain—most notably limited electricity and water infrastructure, low student enrolment, and competition from informal employment. These constraints hinder the full realization of sustainability objectives but are being actively addressed through stakeholder engagement and government support.

2. Environmental Performance

Environmental Policy

KTVC upholds an institutional environmental policy that promotes ecological sustainability, biodiversity conservation, and reduced carbon footprint. The policy is integrated into the college's curriculum and operations and is guided by Kenya's National Environmental Policy and TVETA's sustainability guidelines.

Successes

- Tree planting initiatives have improved the local microclimate and raised environmental awareness among students and staff.
- Adoption of paperless systems in administration to reduce waste.

Shortcomings

- Lack of reliable electricity limits implementation of green technologies.
- Limited financial resources for waste segregation and recycling infrastructure.

Biodiversity and Waste Management

KTVC promotes indigenous tree planting and discourages illegal logging. Waste is managed through separation at source and participation in community clean-up activities. The institution is

KALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

working towards setting up a formal waste recycling center in collaboration with Kaloleni Sustainable Development Environmental Group (KASDEG).

3. Employee Welfare

Hiring Policy and Gender Balance

The College follows a transparent hiring process guided by the Public Service Commission of Kenya. Gender balance is considered, with efforts made to meet the two-thirds gender rule. Stakeholder input is incorporated through regular consultations and feedback channels.

Career Development and Training

KTVC provides regular capacity-building workshops, ICT training, and technical upskilling for staff. Appraisal systems are performance-based and reviewed annually.

Health and Safety Compliance

KTVC complies with the Occupational Safety and Health Act (OSHA) of 2007. Safety audits are conducted annually, and the institution has a Health and Safety Committee responsible for risk assessments and emergency preparedness.

4. Marketplace Practices

a) Responsible Competition Practices

KTVC ensures fairness in student recruitment and partnerships. Anti-corruption policies are enforced through compliance with the Public Procurement and Asset Disposal Act. The institution maintains neutrality in political matters and upholds respect for peer institutions.

c) Responsible Marketing and Advertising

marketing of courses and programs is factual, inclusive, and free from exaggerated claims. The college uses community forums and career fairs to ethically attract prospective students.

d) Product Stewardship

KTVC upholds consumer rights by ensuring that all educational services are of high quality, accredited, and responsive to labour market needs. Feedbacks mechanisms help maintain standards.

Additional Social Contributions

KTVC promotes:

- **Healthcare** via awareness drives and health camps in collaboration with local clinics.
- **Water and Sanitation** through community borehole projects and hygiene education.
- **Labor Relations** via staff representation and dialogue.
- **Training and Development** by facilitating CPD (Continuous Professional Development) opportunities.

KALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

I. Report of the Council/Board of Governors

The Council/Board of Governors presents its report, for the year ended June 30th, 2024. The institution has not been Audited. These statements provide a detailed overview of the institute's financial standing and operational performance.

Principal Activities

The principal activities of Kaloleni Technical and vocational college during the year is to offer training to the trainees within and from any other region of the country. These activities have continued to align with our strategic objectives, ensuring that we meet our objectives, skill development for a bright future.

Results

Kaloleni TVC results for the year ended June 30th, 2024, are detailed on page, showing a robust performance that reflects our commitment to sustainability and operational excellence.

Council/Board of Governors

The Council remains committed to good governance and continues to steer the institute towards achieving its long-term strategic goals.

Auditors

In accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015, the **Auditor General** is responsible for the statutory audit of the institute. For the period ending June 30, 2024, Certified Public Accountants were nominated by the Auditor General to conduct the audit on their behalf.

By Order of the Board

.....
Secretary of the Board/Council
Nairobi
Date:

KALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

12. Statement of Board of Governors/ Council's Responsibilities

The board of Governance are responsible for the preparation and presentation of the college's financial statements which gives a true and fair view of the state of affairs of the college for and as at the financial year ended on 30th June 2024. The responsibility includes; ensuring proper keeping of accounting records, installation of proper control of the institution assets, and designing implementing and maintaining internal control relevant to the preparation and presentation of financial statements and ensuring that they are free from material misstatements whether due to error or frauds.

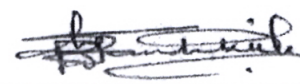
The board accepts responsibility for the college's financial statements, which have been prepared using appropriate accounting policies (accrual basis)

Approval of the financial statements

The institution's financial statements were approved by the Board on 21/5/2025 2024 and signed on its behalf by:

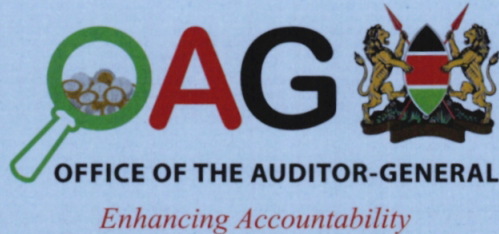


Name. Lennoxeny K. Mtengo
Chairperson of the Board/Council



Name priscah Nduku Munyao
Accounting Officer/Principal

REPUBLIC OF KENYA



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

Telephone: +254-(20) 3214000
Email: oag@oagkenya.go.ke
Website: www.oagkenya.go.ke

REPORT OF THE AUDITOR-GENERAL ON KALOLENI TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024 - KILIFI COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kaloleni Technical and Vocational College – Kilifi County set out on pages 1 to 19, which comprise the statement

Report of the Auditor-General on Kaloleni Technical and Vocational College for the year ended 30 June, 2024 - Kilifi County

of financial position as at 30 June, 2024 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 Kaloleni Technical and Vocational College – Kilifi County as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements revealed the following:

- (i) The statement of financial performance reflects total expenditure of Kshs.24,213,318. However, the recomputed total expenditure is Kshs.20,032,560 resulting in a variance of Kshs.4,180,758 attributed to omitted general expenses as disclosed in Note 9 to the financial statements. In addition, the statement reflects a deficit for the year of Kshs.13,606,796 while the recalculated deficit is Kshs.9,426,038 resulting to a variance of Kshs.4,180,758.
- (ii) The statement of cash flows reflects total receipts and payments of Kshs.4,751,691 and Kshs.4,745,408 respectively whereas the statement of comparison of budget and actual reflects total actual income and total actual expenditure of Kshs.4,582,196 and Kshs.5,114,907 resulting to unreconciled variance of Kshs.169,495 and Kshs.369,499 respectively.

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

2. Unsupported Revenue from Rendering of Services

The statement of financial performance reflects revenue from rendering of services totalling to Kshs.8,600,192 as disclosed in Note 7 to the financial statements. However, the detailed schedule indicating student name, admission number, course and fees payable was not provided for audit.

In the circumstances, the accuracy and completeness of revenue from rendering of services totalling to Kshs.8,600,192 could not be confirmed.

3. Unsupported Expenditure on Employee Costs

The statement of financial performance reflects expenditure on employee costs totalling to Kshs.2,222,600 as disclosed in Note 10 to the financial statements. However, the payroll was not provided for audit.

In the circumstances, the accuracy and completeness of the expenditure on employee costs totalling to Kshs.2,222,600 could not be confirmed.

4. Unsupported Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.53,987 as disclosed in Note 14 to the financial statements. Included in this balance is bank balance of Kshs.8,430 and cash balance of Kshs.45,557. However, the balance was not supported with cash book and board of survey report. In addition, the cash book was overdrawn by Kshs.4,986 resulting to unexplained variance of Kshs.13,416. Further, the bank reconciliation statement reflects a bank balance of Kshs.7,439 while the certificate of bank balance reflects a balance of Kshs.6,130 resulting to unexplained variance of Kshs.1,309.

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents balance of Kshs.53,987 could not be confirmed.

5. Unsupported Accounts Receivables Balance

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.12,133,256 as disclosed in Note 15 to the financial statements. However, the supporting schedule reflects a balance of Kshs.7,142,060 resulting to unreconciled variance of Kshs.4,991,196. In addition, the movement schedule from the prior year balance of Kshs.5,610,960 to the current balance and the detailed ageing analysis was not provided for audit.

In the circumstances, the accuracy and completeness of the current portion of receivables from exchange transactions balance of Kshs.12,133,256 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kaloleni Technical and Vocational College Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.11,643,000 and Kshs.4,582,196 respectively, resulting to under-funding of Kshs.7,060,804 or 61% of the budget. However, the college spent a balance of Kshs.5,114,907 against actual receipts of Kshs.4,582,196, resulting to an over-utilization of Kshs.532,711 or 12% of actual receipts.

The under-funding affected planned activities and hence affected service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2024. Management did not provide reasons for the delay in resolving the prior year audit issues. Further, the unresolved prior year issues were not disclosed under the progress on follow up of auditor's recommendations section of the financial statements as required by the Public Sector Accounting Standards Board.

Other Information

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

In connection with my audit on the College's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed,

I conclude that there is a material misstatement of this other information, I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that other information is not materially inconsistent with the financial statements.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Inconsistencies in the Notes to the Financial Statements

Review of the financial statements revealed that Notes to the financial statements on page 2 are not properly aligned with corresponding Notes on pages 15, 16 and 17.

In the circumstances, Management was in breach of the PSASB guidelines and may affect users' reliance on the financial statements for decision making.

2. Late Submission of the Financial Statements

Management submitted the financial statements to the Auditor-General on 28 March, 2025, six (6) months after the end of the statutory deadline of 30 September, 2024. This was contrary to Section 47(1) of the Public Audit Act, 2015 which states that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate.

In the circumstances, Management is in breach of the Law.

3. Failure to Deduct and Remit Taxes from Board Allowances

The statement of financial performance reflects board expenses of Kshs.396,000 as disclosed in Note 11 to the financial statement. However, review of payment vouchers and supporting documents revealed that board members allowances was not subjected to income tax. This is contrary to Section 37(1) of the Income Tax Act (Cap 470) Revised 2021, which states that an employer paying emoluments to an employee shall deduct

therefrom, and account for tax thereon, to such extent and in such manner as may be prescribed.

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

4. Lack of Board Work Plan

During the year under review, Management did not provide a board calendar and annual work plan for audit review in breach of Mwongozo code of governance for state corporations. This is contrary to Section 1.9 of Chapter 1 of Mwongozo Code of governance which states that Board members should ensure the development of an annual Board Work plan.

In the circumstances, Management was in breach of policy guidelines.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the 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 governance were not effective.

Basis for Conclusion

1. Lack of Functional Internal Audit and Audit Committee

The College was operating without an internal audit unit and also the board had not established an audit committee contrary to Section 73(5) Public Finance Management Act, 2012 which states that every National Government public entity shall establish an internal auditing committee whose composition and functions are to be prescribed by the regulations.

In the circumstances, the College did not benefit from the oversight role and advice from the Audit Committee and Internal Audit function.

2. Lack of Updated Fixed Asset Register and Ownership Documents

The statement of financial position reflects a balance of Kshs.144,625,641 in respect of property, plant and equipment. However, Management did not maintain an updated fixed asset register and ownership documents for land valued at Kshs.5,000,000 were not provided for audit review.

In the circumstances, the ownership and safety of the College assets could not be confirmed.

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

Responsibilities of the Management and Those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the College's ability 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 cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 June, 2025

KALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

14. **Statement Of Financial Performance For The Year Ended 30 June 2024**

	Notes	FY23/24	FY 22/23
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	2,000,000.00	2000000
Total revenue from Non-exchange transaction		2,000,000.00	2000000
Revenue from Exchange transactions			
Rendering of services- fees from students	7	8,600,192.00	5792166
Miscellaneous income	8	6,330.00	798152
Revenue from Exchange transactions		8,606,522.00	6590318
Total Revenue		10,606,522.00	8590318
Expenses			
Employee costs	10	2,222,600.00	1031750
Board Expenses	11	396,000.00	30000
Depreciation and amortization expense	12	17,246,910.00	17246910
Repairs and maintenance	13	167,050.00	40950
Total Expenses		24,213,317.50	20,178,565
Net surplus/(deficit) for the year		-13,606,795.50	-11,588,247

The notes set out on pages 6 to 26 form an integral part of the Annual Financial statements)
 he Financial Statements set out on pages 1 to 3 were signed by:

.....
 Chairman of Council/Board

.....
 Finance Officer
 ICPAK No

.....
 Principal
 Assoc/793

ate 21/5/2025

Date 21/5/2025


Date 21/5/2025

KALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

15. Statement of Financial Position asat 30th June 2024

Description	Notes	FY23/24	FY22/23
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	14	53,987	47,703
Current portion of receivables from exchange transactions	15(a)	12,133,256	5,610,960
Inventories	16		
Total Current Assets		12,187,243	5,658,663
Non-Current Assets			
Property, plant, and equipment	18	144,625,641	161,872,551
Total Non-Current Assets		144,625,641	161,872,551
Total Assets (A)		156,812,884	167,531,214
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	20	7,888,465	5,000,000
Total Current Liabilities		7,888,465	5,000,000
Total Liabilities (B)		7,888,465	5,000,000
Net Assets A-B		148,924,419	162,531,214
Accumulated surplus		(25,195,043)	(11,588,247)
Capital Fund		174,119,461	174,119,461
Total Net Assets and Liabilities			
Net Asset		148,924,419	162,531,214

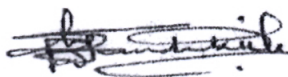
The Financial Statements set out on pages 1 to 3 were signed by:



Chairman of Council/Board



Finance Officer



Principal

ICPAK No
 Date 21/5/2025

ICPAK No
 Date 21/5/2025

Assoc/793
 Date : 21/5/2025

KALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

16. Statement of Changes in Net Asset For The Year Ended 30 June 2024

Description	Revaluation reserve	Accumulated Fund	Capital	Total
			Grants/Fund	
At July 1, 2022				
Surplus/(deficit) for the year		(11,588,247)		(11,588,247)
Capital grants received during the year			174,119,461	174,119,461
At July 1, 2023		(11,588,247)	174,119,461	162,531,214
deficit for the year	-	(13,606,796)		(13,606,796)
Capital grants received during the year	-	-	-	-
At June 30, 2024		(25,195,043)	174,119,461	148,924,419

ALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

Statement of Cash Flows for The Year Ended 30 June 2024

Description	Note	FY24/23	
		Kshs	
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		2,000,000	2,000,000.00
Rendering of services- fees from students		1,604,926	181,206.00
Miscellaneous income		6,330	798,152.00
Refundable Collection		1,140,435	
Total Receipts		4,751,691	2,979,358.00
Payments			
Cost of goods and services		2,727,058	1,828,955.00
Employee costs		1,644,600	1,031,750.00
Board /Council Expenses		207,000	30,000.00
Repairs and maintenance		166,750	40,950.00
Total Payments		4,745,408	2,931,655.00
Net Cash Flows from operating activities	46	6,283	47,703.00
Cash flows from investing activities			
Acquisition of property, plant, equipment			0
Net cash flows used in investing activities			-
Cash flows from financing activities			
Net cash flows used in financing activities		6,283	47,703.00
Increase/(Decrease) in Cash and Cash equivalents		6,283	47,703.00
Cash and Cash equivalents at 1 JULY	26	47,703	
Cash and Cash equivalents at 30 JUNE	26	53,986	47,703.00

KALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

18. Statement of Comparison of Budget Actual Amounts for Year Ended 30th June 2024

Description	Original budget FY 23/24	Adjustments FY 23/24	Final Budget FY 23/24	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Government grants	2,000,000		2,000,000	2,000,000	0	0.0%
Capitation and government scholarship funds and Helb	4,500,000		4,500,000	1,142,731	3,357,268.80	75%
Rendering of services- fees from students	4,963,000		4,963,000	1,433,135	(3,637,192)	73.2%
Contributions and donations from Development partners	6,000,000	(6,000,000)	0	0	0	0.00%
Revenue from income generating activity	180,000		180,000	6,330	173,670	96.5%
Total Income	17,643,000	(6,000,000)	11,643,000	4,582,196	(106,253.20)	
Recurrent Expenses						
Use of goods and services	6,795,600		6,795,600	2,909,857	3,885,742.5	57.2%
Employee costs	1,752,000		1,752,000	1,642,600	685,400	39.1%
Board /Council Expenses	1,500,000		1,500,000	396,000	1,104,000	73.6%
Repairs and maintenance	700,000	(200,000)	500,000	166,450	333,550	66.71%
Total Expenditure	10,747,600	(200,000)	10,547,600	5,114,907	6,008,692.50	
Development expenditure						
Land ownership documents processing	5,000,000	(500,000)	0	0	0	
Green championing/tree planting	6,000		6,000	0	6,000	100%
Whiteboards, notice boards, signage	300,000		300,000	0	300,000	100%
Complete gutters for harvesting rain water	100,000		100,000	0	100,000	100%
Water tanks	230,000		230,000	0	230,000	100%
Management information system	1,200,000	(800,000)	400,000	0	400,000	100%
College Land scaping	60,000		60,000	0	60,000	100%
Total development	6,896,000	(1,300,000)	1,096,000	0	1,096,000	
Total current & development expenditure	17,643,000		11,643,000	5,114,907	7,104,692.50	
	0		0	(532,711)		

(Budget notes)

- The projected revenue from students' scholarship, HELB Loan and capitation was not fully achieved only 25% was achieved and 75% not achieved due to low student enrolment numbers.
- The actual recognized fee receivable from students was greater than the anticipated receivable giving us 73% unutilized.
- Revenue from Income generating activity only 3.5% was achieved and 96.5% not achieved the institution did not have enough capital to invest in the shop.
- Use of goods and services of 57.2% was achieved 42.8% was not met due to lack of revenue.

ALOLENI TECHNICAL AND VOCATIONAL COLLEGE

Annual Report and Financial Statements for the year ended 30th June 2024

5. Employees cost 60.9% was achieved 39.1% was not met due to limited flow of income.
6. Board of council expense 26.4% was achieved 73.6% was not met due to limited financial resources.
7. Repair and maintenance cost 33.3% was achieved and 66.71% was not met due to lack of funds.
8. All development expenses were not incurred due to lack of enough financial resource from the anticipated sources.

1 Notes to the Financial Statements

1. General Information

Kaloleni Tvc is established by and derives its authority and accountability from Technical and Vocational Education Act, No. 29 of 2013. The Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institute's principal activity is to offer vocational education and training programs aligned with industry and market needs

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, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *institute*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

KALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Institute's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Institute's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>(State the impact of the standard to the Institute)</i></p>
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Institute provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Institute. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Institute's financial performance, financial position and cash flows.</p> <p><i>(State the impact of the standard to the Institute if relevant)</i></p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>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.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p>

ALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

Standard	Effective date and impact:
	<p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>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.</p> <p><i>(State the impact of the standard to the Institute if relevant)</i></p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. <p><i>State the impact of the standard to the Institute if relevant</i></p>

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

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

iii. Early adoption of standards

(The institute) did not early-adopt any new or amended standards in year 20xx./the institute adopted standard xx and xx. The impact of these standards on institute's financial statements is xx.(amend appropriately)

Notes to the Financial Statements (Continued)

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

ii) Revenue from exchange transactions

Rendering of services

The institute 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 institute.

b) Budget information

The original budget for FY2023/2024 was approved by the Council or Board on ~~xxx~~. There were no additional appropriations made to the budget following the Council/ Board's approval. The Institute'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 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 on page *I*

Notes to the Financial Statements (Continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Institute 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.

Trade and other receivables

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

Financial liabilities

Classification

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

Inventories

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

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

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

At 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.

Inventories

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated cost 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 *Institute*.

Notes to the Financial Statements (Continued)

KALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024
Summary of Significant Accounting Policies (Continued)

e) Changes in accounting policies and estimates

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

f) Cash and cash equivalents

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

g) Comparative figures

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

h) 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 30th, 2024

Notes to the Financial Statements (Continued)

5. **Significant Judgments and Sources of Estimation Uncertainty**

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Institute 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 Institute. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

KALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	FY 2023/2024	FY 2022/2023
	Kshs.	Kshs
Unconditional Grants		
Operational Grant	2,000,000.00	2,000,000
Total unconditional Grants	2,000,000.00	2,000,000

a) Transfers from other Government entities (Categorized)

Name of the Institute Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year
	Kshs	Kshs	Kshs	Kshs
State Department of Technical Training	2,000,000	-	-	2,000,000
	-	-	-	-
Total	2,000,000	-	-	2,000,000.

7. Rendering of Services

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Tuition Fees	8,600,192.00	5,792,166
Total Revenue from The Rendering of Services	8,600,192.00	5,792,166

8. Miscellaneous Income/other income

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Income from IGA	6330.00	210
From KATTI Event	0.00	795,200
Total other income	6,330.00	795,410

ALOLENI TECHNICAL AND VOCATIONAL COLLEGE

Annual Report and Financial Statements for the year ended 30th June 2024

Notes to the Financial Statements (Continued)

General Expenses

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Administrative expenses	1,534,651	429,205
Local travel and transport	900,710	315,250
Activity cost	215,830	852,300
Printing and stationery	36,450	0
Marketing and Advertisement	113,100.00	0
Examination cost	0.00	44,800
Teaching materials	940,032.00	44,000
Electricity and water	288,984	2600
Subscription cost		120,000
Telephone & internet	151,000	0.00
Staff Capacity Building		20,800
Total General expenses	4,180,757	1,828,955

10 Employee Costs

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Salaries and wages	2,222,600	1,031,750
Employee Costs	2,222,600	1,031,750

BOG Allowances

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
BOG allowances	396,000	30,000
Total BoG allowances	396,000	30,000

12. Depreciation and Amortization expense

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Building	1,129,506	1,129,506
Furniture and fittings	19,712	16,097,692
Equipments	16,097,692	19,712
Total depreciation and amortization	17,246,910	17,246,910

KALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024
Notes to the Financial Statements (Continued)

13. Repairs and Maintenance

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Property	167,050.00	40,950.00
TotalRepairsandMaintenance	167,050.00	40,950.00

14. Cash and Cash Equivalents

(a) Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1284416860	8,429.73	918
Cash in hand		45,557.00	46,785
Sub- Total		53,986.73	47,703
Grand Total		53,986.73	47,703

15. Receivables from Exchange transactions

16 (a) Current Receivables from Exchange transactions

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
CurrentReceivables		
Student Debtors	12,133,256	5,610,960
TotalCurrentReceivables	12,133,256	5,610,960

16. Trade and other Payables

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Trade Payable -Kahaso Baya Kalela & familiy	5,000,000.	5,000,000
Fee refundable	78,495	
Refundable Deposit For exams	46,400	
Sundry creditors	2,763,570	
Totaltrade payables	7,888,465	5,000,000

ALOLENI TECHNICAL AND VOCATIONAL COLLEGE

Annual Report and Financial Statements for the year ended 30th June 2024

Notes to the Financial Statements (Continued)

(b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	5000,000.00	-	5000,000.00
Buildings	45,180,230.00	1,129,506.00	44,050,724.00
Plant And Machinery	128,781,536.00	16,097,692.00	112,683,844.00
Office Equipment, Furniture, And Fittings	157,695.00	19,712.00	137,983.00
Total	179,119,461.00	17,246,910	161,872,551.00

Refundable deposit from Students.

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Students deposits for Exams	46,400.00	0.00
		0.00
Total Refundable	46,400.00	0.00

Receipts in advance

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
fees Received In Advance	78,495.00	0.00
		0.00
Total fees Received in advance	78,495.00	0.00

KALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

19. Property, Plant and Equipment

Cost	Land	Building	Furnitures and fittings	Plant and Equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Cost		2.50%	12.50%	12.50%	
At 30th June 2022			-		
Additions	5,000,000	45,180,230	157,695	128,781,536	179,119,461
Disposals					
At 30th June 2023	5,000,000	45,180,230	157,695	128,781,536	179,119,461
Additions					
Disposals					
At 30th June 2024	5,000,000	45,180,230	157,695	128,781,536	179,119,461
Depreciation					
At 30 Jun 2022					
Depreciation		1,129,506	19,712	16,097,692	17,246,910
At 30th Jun 2023	-	1,129,506	19,712	16,097,692	17,246,910
Depreciation		1,129,506	19,712	16,097,692	17,246,910
At 30th Jun 2024	-	2,259,012	39,424	32,195,384	34,493,820
Net Book Values					
At 30th Jun 2023	5,000,000	44,050,724	137,983	112,683,844	161,872,551
At 30th Jun 2024	5,000,000	42,921,218	118,271	96,586,152	144,625,641

ALOLENI TECHNICAL AND VOCATIONAL COLLEGE

Annual Report and Financial Statements for the year ended 30th June 2024

Notes to the Financial Statements (Continued)

Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of directors;
- v) Accounting Officer/Principal
- vi) Finance Department
- vii) Procurement Department.

2 Events After The Reporting Period

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

2 Ultimate And Holding Institute

The institute is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Education TVET. Its ultimate parent is the Government of Kenya.

2 Currency

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

KALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

23. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

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

Guidance Notes:

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



Name: Priscah Nduku Munyao
Accounting Officer
(Enter title of Head of Institute)
Date : 21/5/2025

ALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

Appendix II: No Projects Implemented by the Institute

Projects

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

	Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1							
2							

KALOLENI TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2024

Appendix III- Inter-Institute Confirmation Letter



**KALOLENI TECHNICAL
AND VOCATIONAL COLLEGE**



PO BOX 363-80105 KALOLENI-GIRIAMA
Tel: 0703 224134, Email: kalolenitvc@gmail.com

The KALOLENI TVC wishes to confirm the amounts disbursed to you as at 30th June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Kaloleni Technical and Vocational College as at 30th June 2024

Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2024				Amount Received by Kaloleni Tvc (Kshs) as at 30 th June 2022 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
MOE TVET	3/10/2023	500,000	0	0	500,000	0	500,000
MOE TVET	24/1/2024	500,000	0	0	500,000	0	500,000
MOE TVET	22/2/2024	500,000	0	0	500,000	0	500,000
MOE TVET	19/7/2024	500,000	0	0	500,000	0	500,000
Total		2,000,000			2,000,000		2,000,000

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

Head of Accountants department of beneficiary Institute:

Name. Peter Mtsonga Kashindo Sign  Date. 21/5/2025

