


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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DATE: 28 MAY 2025	DAY: Wednesday
TABLED BY:	Hon. Owen Baya, MP Deputy Leader of the majority Party
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OF

THE AUDITOR-GENERAL

ON

**EBUKANGA TECHNICAL AND VOCATIONAL
COLLEGE**

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



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EBUKANGA 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)

Ebukanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TVC	Technical Vocational College
KATTI	Kenya Association of Technical Training Institutions
TVET	Technical Vocational Education and Training

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

Ebukanga Technical and Vocational College is an accredited public technical and vocational education and training institution under the Ministry of Education, State Department of Technical and Vocational Education and Training. The college derives its mandate from the Technical and Vocational Education (TVET) Act of 2013.

The College receives full support from the National Government through grants (Capital and recurrent), training equipment and personnel. It was began through the Government initiatives to establish a TVET Institution in every constituency in Kenya in 2014. It was among the first sixty (60) first institutions under this initiative. It was however operationalized in January 2020 when the first Board was inaugurated and the first batch of trainees admitted.

It offers courses at three levels i.e. Artisan (level 4), craft certificate (level 5) and Diploma (level 6) in both technical and Business related areas. The college has begun playing a significant role in training of skilled manpower required by the various sectors of the economy.

Currently the College has the following Departments

- a) Mechanical and Automotive Engineering Department
- b) Electrical and Electronics Engineering Department
- c) Building and Civil Engineering Department
- d) Computing and Informatics Department
- e) Business Studies Department
- f) Liberal Studies Department
- g) Hospitality and Institutional Management

(b) Principal Activities

The principal activity/mission/ mandate of the Ebukanga Technical and Vocational College is to provide quality, relevant and market oriented technical training and scientific research for local and international market.

Vision

To be a world class college of excellence in technical, vocational education and training, research and innovations.

Mission

To provide quality, relevant and market oriented competency training, business incubator and scientific research for global needs.

Core values:

- i. Integrity
- ii. Innovation and creativity
- iii. Team work
- iv. Professionalism

- v. Customer focus
- vi. Accountability and transparency
- vii. Corporate social responsibility
- viii. Collaborative partnership

Objectives

The following below are our core objectives;

- To promote quality and market driven training for sustainable development.
- To promote research, innovations and enterprise for sustainable development.
- Ensure stable financial base through enhanced generation, mobilisation and efficient utilisation of financial resources.
- Promote institutional capacity profile and corporate image for comparative advantage.
- Build human resource capacity for quality service delivery.

(c) Key Management

Ebukanga Technical and Vocational College’s day-to-day management is under the following key organs:

- Board of Governors/.
- Accounting officer/ Principal
- Top Management

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Mrs Clara A. Timothy
2	Deputy Principal	Mr. Dickson I. Kisivuli
2.	Accounts clerk	Mr. Elias A.Mabinda
3.	Registrar	Mr. Oliver Lososi
4.	Dean of Students	Ms. Brigid N. Makhanu
5.	Procurement Officer	Mr, Benard Cheruiyot

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

1. Finance, Infrastructure and Project Committee
2. Education, Training, Research and Human Resource Committee
3. Audit and Risk Committee
4. Kenya Revenue Authority
5. Office of the Auditor General
6. National Social Security Fund
7. TVET Directorate-Ministry of Education

(f) Ebukanga Technical and Vocational College Headquarters

Luanda-Esirulo road,
P.O. Box 549-50307
Luanda, Kenya

(g) Ebukanga Technical and Vocational College Contacts

Telephone: (254) 113295149 /0725 523839
E-mail: ebukangatechnical@gmail.com
Website: www.ebukangatvc.ac.ke

(h) Ebukanga Technical and Vocational College Bankers

- a) Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
- b) Kenya Commercial Bank
Luanda branch
P.O box 892-50307
Luanda, Kenya




(i) Independent Auditors

Auditor-General
Office of Auditor General
Anniversary Towers, Monrovia Street
P.O. Box 30084- 00100
Nairobi, Kenya



(j) Principal Legal Adviser

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




3. Board of Governors

No.	Member/ Director	Details
1.	 <p>JACKSON MUYELA ANDAI (Chairman-BOG)</p>	<p>-Date of Birth- 1961 -Master of Business Administration (MBA-HR) Kenyatta University. -Transformative Leadership, SLDP, Project planning and management(Kenya School of Government) -TVET Trainer, overseen Quality Assurance and Policy implementation of TVET programmes -Served as County Director of TVET in various regions for over 10 years</p>
2.	 <p>HASSAN ABDI OMAR (Member-BOG)</p>	<p>Date of Birth- 1980 Experience- 18 years -Advanced Certificate in Curriculum Design and Instructional Material Development in India 2018 -Masters of Education (Curriculum Studies)_ University of Nairobi 2017. -Bachelor of Education (Science)- Kenyatta University 2006 -Diploma in Education Science –Physics, Chemistry and Physical Education_ Kenya Science Teachers Training Colleague 2002</p>
3.		<p>Date of Birth- 1983 Academic Qualification: -2020 to date → Masinde Muliro University of Science and Technology (PhD- Accounting) -2009 to 2011 → University of Nairobi (Master of Business Administration- Finance Option) -2002 to 2006 → University of Nairobi (Bachelor of Commerce- Accounting Option)</p> <p>Professional qualifications</p> <ul style="list-style-type: none"> <input type="checkbox"/> Certified Public Accountant (C.P.A K) <input type="checkbox"/> Certified Public Secretaries (C.P.S K) <input type="checkbox"/> Certified Trustee of Kenya <input type="checkbox"/> Certified Fraud and Forensic Examiner (Ongoing)


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	<p>CPA. IRINE NANZALA LUMATELE (Member-BOG)</p>	<p>Experience achieved: Finance Officer- Friends University Kaimosi Deputy Finance Officer (MMUST) Senior Accountant (MMUST) Internal Auditor- JKUAT) Internal Auditor (Kenya Institute of special Education (KISE) Accountant of the institute of internal auditor-Kenya chapter.</p>
<p>4.</p>	 <p>DR. NURWIN FOZIA RAJAB (Member-BOG)</p>	<p>Date of Birth- 1975 Lecturer in KAFUCO from 2018 to date, Part time lecturer in Kibabii University from 2013 to 2018 Purchasing manager at Nzoia Sugar Company, Senior assistance public relation officer at MU from 2005-2011, Procurement and logistics manager at Furniture Elegance 2004-2005 Branch Manager at Mega Mart Holdings from 1997 - 2000, Academic quality: PHD – Procurement and supply chain (JKUAT), Master’s degree - MBA strategic management (Kisii University), Bachelor’s degree – purchasing and marketing (Moi University)</p>
<p>5.</p>	 <p>GEORGE MIRIKAU MUSUKU (Member-BOG)</p>	<p>Date of Birth: May 1965 EMPLOYEMENT -Current - General Manager PFI bearings (FERSA group) Kenya Ltd – Dec 2022 to present -ZTM Limited Tanzania – Business Development Manager July 2021 to Nov 2022. -SKF Kenya mining mineral process cement segment specialist, sales and marketing manager - 2013 February to June 2020 -Maintenance Manager TATA chemicals Magadi – left in 2013 after working in various capacities from 1988. Technical education –Sept 2014 to July 2016 Technical University of Kenya - bachelor of philosophy in mechanical engineering technology. -Sept 2004 to November 2006 Mombasa Polytechnic – Higher National Diploma Mechanical Engineering (plant option)</p>

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<p>6.</p>	 <p>FELIX O. OKOTH (Member-BOG)</p>	<p>Date of Birth- 1979 Professional qualifications: Software engineer Academic Qualifications: Master's degree - computer science (Maharishi University of management) Bachelor's degree - computer science (KU)</p>
<p>7.</p>	 <p>RODRICKS OWARE AMBUKA (County Government of Vihiga Representative)</p>	<p>County Government of Vihiga Representative</p>
<p>8.</p>	 <p>JOSEPH SUNGUTI (County Director TVET)</p>	<ul style="list-style-type: none"> -Masters of Distance Education, University of Nairobi. -B Ed degree (Finance, Accounting, Economics & Geography), University of Nairobi. -SLDP and SMC certificates, Kenya School of Govt -Trainer, teacher, curriculum developer and policy implementer -Experienced County Director of TVET more than 9 years



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9.		<p>Date of Birth 1971 Bachelor of Education -Mathematics and Economics Experience 26 years</p>
<p>CLARA A. TIMOTHY (Principal- Secretary BOG)</p>		




Board Committees

Name of the Committee	Members
Audit and Risk Committee	<ol style="list-style-type: none"> 1. Dr. Nurwin Fozia Rajab 2. Governor Felix Okoth 3. CD Joseph Sunguti 4. Mr. Brian Chiluba (Internal Auditor)
Education, Training ,Research and Human Resource	<ol style="list-style-type: none"> 1. Governor Hassan Abdi Omar 2. Governor Felix Okoth 3. Governor Rodricks Oware Ambuka 4. Joseph Sunguti (County Director) 5. Mrs. Clara A. Timothy
Finance, Infrastructure and Strategies	<ol style="list-style-type: none"> 1. CPA. Irine Lumatete 2. Governor George Musuku 3. Governor Rodricks Oware Ambuka 4. Mr. Joseph Sunguti(County Director)


4. Key Management Team

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 CLARA A. TIMOTHY (PRINCIPAL)	-Bachelor of Education Mathematics ,Economics
2.	 DICKSON I. KISIVULI (DEPUTY PRINCIPAL)	-Degree of Technology in Electrical and Electronics Engineering

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<p>3.</p>	 <p>OLIVER LOSOSI (Ag. REGISTRAR)</p>	<p>-Bachelor of Science Mechanical and Industrial Engineering</p>
<p>4.</p>	 <p>BRIGID N. MAKHANU (Ag. DEAN OF STUDENTS)</p>	<p>-Higher Diploma Mechanical Engineering(Production)</p>
<p>5.</p>	 <p>ELIAS A.MABINDA (ACCOUNTS ASSISTANT)</p>	<p>-Bachelors of Business Management(Finance) -CPA Part II</p>

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6.	 <p>BENARD CHERUIYOT (PROCUREMENT OFFICER)</p>	<ul style="list-style-type: none">-Post graduate Diploma in Technical Education-KTTC-Bachelor of Business Management(purchasing and supplies option)-Diploma in Business Management-Member Kenya Institute of Supplies Management
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5. Chairman's Statement

The Board of Governors of Ebukanga Technical and Vocational College hereby give this statement on the annual financial reporting of the institution.

We commend the college's finance team for their diligent and accurate reporting of financial statements and records. The financial statements were prepared in accordance with the generally accepted and accurately reflect the financial position of the college. We reviewed the auditor's report and found no material misstatements in the financial statements audited.

The Board of Governors is pleased to note although the college's financial position was affected by delayed and reduced disbursement of capitation, hard work and commitment of the management and staff in delivering quality education and training to our trainees is commendable. We thank them their dedication and efforts and urge them to maintain sound financial management practices.

The Board is committed to continuous improvement of the college's financial management practices. We will continue to focus on financial accountability and transparency, ensuring that the college's finances are managed in accordance with the best practices and applicable regulations.

Finally, the Board affirms its commitment to providing quality, technical and vocational education and training to trainees, while also ensuring that we manage the institutions financial resources in a responsible manner. Our goal is to maintain a strong and sustainable financial position for the college while also ensuring that we meet the needs of our trainees and community.

Signature.....

Date.....28/4/2025.....

Mr. Jackson M. Andai
Chairperson Board of Governors

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6. Report of the Principal

As the Principal of Ebukanga Technical and Vocational College, it is my pleasure to present the Annual Report and Financial Statements of the college for the Financial Year 2023/2024. During the year, we rolled out nineteen Competence Based Education and Training (CBET) courses. We carried out different forms of marketing to boost enrolment.

Four trainers were posted to the college by the Public Service Commission while four were recruited internally by the Board bringing the total number trainers to thirty five. The Board recruited a second Accounts Clerk in the year. A good number of trainers attended trainings on various aspects of curriculum implementation and management.

We made some investment in equipping our academics Departments to provide a better learning experience for our trainees. We invested in materials and equipment for Electrical engineering, Building Construction Technology, Automotive Engineering, Hospitality and ICT. The Building and Civil Engineering Department Trainees under the supervision of their Trainers skilfully used their training materials to construct a workshop structure for their practical lessons. Apart from curriculum implementation, we exposed the Trainees to Co-curriculum activities in the year.

Financially, we did not perform very well. The college did not realise the expected enrolment and Government funding. Delayed funding and reduced capitation affected performance of the budget. Most of the trainees dropped out due inability to pay for examinations as most of our trainers are extremely needy. This caused fluctuations in enrolment.

The college was not handed over as anticipated. Delay in completion of electrical works in the workshops was another challenge that led to increased training cost as we had to train practical lessons in other institutions. Fire fighting equipment was not installed. Valuation of the college property was not possible due to inadequate funds for the exercise.

Signature:..........Date.....28/4/2025.....

for
CLARA A. TIMOTHY
(Secretary BOG -Ebukanga Technical and Vocational College)

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7. Statement of Performance against Predetermined Objectives

Ebukanga Technical and Vocational College developed a strategic plan for the period 2023-2027. During the plan period 2023-2027, the college will implement the following pillars.

- (a) Training;
- (b) Research, innovation and Enterprise
- (c) Financial growth and sustainability
- (d) Institutional strengthening and positioning
- (e) Human resource development

Ebukanga TVC has developed its annual work plans based on the above 5 pillars. Assessment of the Board's performance against its annual work plan will be done on a quarterly basis.

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
1: Training	Promote quality and market driven training for sustainable development	Curriculum delivery	<ul style="list-style-type: none"> ➤ Teaching methodology ➤ Upgrade staff skills ➤ Develop & implement academic policy ➤ Enhance monitoring, evaluation and reporting ➤ Audit the existing programs ➤ Timely & adequate provision of training materials 	<ul style="list-style-type: none"> • Academic policy developed & implementation on going. • 75% provision of training materials through procurement
		Limited curriculum programs	<ul style="list-style-type: none"> ➤ Diversification of training programs ➤ Carry out training needs assessment (TNA) 	<ul style="list-style-type: none"> • Training programs diversified by introduction of new courses such as Food and beverage
		Appropriateness and relevance of courses	<ul style="list-style-type: none"> ➤ Develop new training programs ➤ Regular auditing of enrolment in various programs ➤ Review training programs ➤ Develop a hand book for different courses ➤ Marketing 	<ul style="list-style-type: none"> • Marketing has been done
		Low enrolment	<ul style="list-style-type: none"> ➤ Intensify marketing strategies ➤ Promote Corporate Social Investments (CSI) 	

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		Employability of Graduates	<ul style="list-style-type: none"> ➤ Carry out tracer studies ➤ Enhance industrial linkages and attachments 	<ul style="list-style-type: none"> • Industrial linkages and attachments enhanced. • Partnership and Collaboration Technical Committee (PCTC). Industrial mapping, sensitization and compatibility assessment done
		Unknown levels of impact of the training programs to graduates	<ul style="list-style-type: none"> ➤ Conduct Tracer studies ➤ Baseline survey to develop monitoring tools ➤ Formation of alumni group 	
2: Research, Innovation & Enterprise Development	Promote research, innovations and enterprise for sustainable development	Low research uptake and outputs: Fragmented (uncoordinated) implementation of STI programs	<ul style="list-style-type: none"> ➤ Develop & implement research & IP policy ➤ Promote Capacity building of staff & students through training, attachment/bench marking on STI 	<ul style="list-style-type: none"> • Research & IP policy at draft stage • Participation in KATTI Western Region TVET fair
			<ul style="list-style-type: none"> ➤ Develop and implement appropriate research and extension programs through the STI Strategy Create awareness on STI ➤ Promoting research activities by dissemination through Symposium, Internal academia program, Seminars, and conferences ➤ Promote gender participation in research 	<ul style="list-style-type: none"> • Promotion of gender participation in research with female trainees taking part in TVET fair
		Few strategic partnerships and collaborations	<ul style="list-style-type: none"> ➤ Promote participation of students and staff in national development ➤ Establish multi-disciplinary & multi-institutional team for collaborative research and development ➤ Facilitate acquisition and development of new and emerging technologies 	<ul style="list-style-type: none"> • Establishment of multi-disciplinary & team for collaborative research and development
		Inadequate resources for research activities	<ul style="list-style-type: none"> ➤ Allocate at least 2% of the recurrent budget 	

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			<p>for STI (R&D) activities</p> <ul style="list-style-type: none"> ➤ Allocate funds for expansion of STI infrastructure 	
		Low technology development, transfer & diffusion of research outputs	<ul style="list-style-type: none"> ➤ Develop and implement Intellectual Property policy ➤ Strengthen industry-academia linkages for commercialization 	
3: Financial growth and sustainability	Ensure stable financial base through enhanced generation, mobilization and efficient utilization of financial resources	Inadequate and unstable funding	<ul style="list-style-type: none"> ➤ Establish & operationalize productivity mainstreaming committee ➤ Develop strategies for diversified revenue generation ➤ Create awareness of productivity mainstreaming for all staff ➤ Develop college productivity improvement strategy ➤ Strengthening revenue streams e.g. facilitation of trainees to apply bursary, HELB ➤ Lobby for increased funding from Government and the county government 	<ul style="list-style-type: none"> • Establishment and operationalization of productivity mainstreaming committee • Revenue streams strengthened
		Declining allocation of training budget in the public sector	<ul style="list-style-type: none"> ➤ Develop and implement finance policy ➤ Develop and implement procurement policy ➤ Enhance efficiency in utilization of resources 	<ul style="list-style-type: none"> • Finance policy developed and implemented • Procurement policy developed and implemented • Resources utilised efficiently
		Discrepancy in revenue generation and expenditure	<ul style="list-style-type: none"> ➤ Develop and implement cost cutting strategy ➤ Enhancing efficiency in utilization of resources ➤ Management of colleges debt levels ➤ Proper asset management of the college 	<ul style="list-style-type: none"> • Resources utilised efficiently • Debt levels manageable • Asset managed properly • Provision of timely and reliable financial reports for decision making

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			<ul style="list-style-type: none"> ➤ Provision of timely and reliable financial reports for decision making 	
4: Institutional Strengthening and Positioning	Promote institutional capacity profile and corporate image for comparative advantage	Inadequate physical infrastructure	<ul style="list-style-type: none"> ➤ Develop and Implement the infrastructural plan ➤ Develop and update asset management plan and implement it ➤ Renovate and modernize existing infrastructures 	
		Unstructured physical planning	<ul style="list-style-type: none"> ➤ Develop & Implement the infrastructural plan 	
		Inadequate transportation means	<ul style="list-style-type: none"> ➤ Develop a fleet management plan ➤ Implement a fleet management plan 	
		Weak linkages with the industry and other partners	<ul style="list-style-type: none"> ➤ Establish and operationalize linkages with industries and institutions through policy ➤ Initiate & operationalize office of career services ➤ Capacity building CS office to build more linkages 	<ul style="list-style-type: none"> • Linkages with industries policy at draft • Office of Career Services (OCS) operational
		Low level of application of ICT in the College's operations	<ul style="list-style-type: none"> ➤ Develop and Implement the ICT policy ➤ Establish and operationalize digitalization committee ➤ Continuous capacity building for all the staff ➤ Undertake needs and risk analysis in ICT through surveys 	<ul style="list-style-type: none"> • ICT policy at draft stage
5: Human resource capacity development	Build human resource capacity for quality service delivery	Inadequate qualified staff	<ul style="list-style-type: none"> ➤ Develop HR Policy to address the following: Recruitment of qualified staff ➤ Liaise with Public service commission for more trainers ➤ Motivation programs for recognition of best performers 	<ul style="list-style-type: none"> • HR Policy developed • Additional PSC trainers posted

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			➤ Regular review of terms and conditions of service	
		High staff turnover because of low remuneration	<ul style="list-style-type: none"> ➤ Implement the HR policy ➤ Strengthen the Corporate affairs and communication 	
		Institution culture for succession management	<ul style="list-style-type: none"> ➤ Develop Succession plan ➤ Develop and implement staff capacity building plan 	
		Inculcate positive institutional culture	<ul style="list-style-type: none"> ➤ Bench mark to develop a model organizational culture ➤ Implement the existing policies i.e. ISO and QMS 	

8. Corporate Governance Statement

The members of the board have committed themselves to the service of Ebukanga Technical and Vocational College and to uphold the tenets of good corporate governance by being innovative, accountable, persons of integrity, socially responsive, transparent as well as to exercise fairness in all their deals. The board consists of nine members inclusive of the Principal as the secretary of the board.

Functions of the Board of Governors

According to the TVET act 2013, the BOG shall have the following functions.

- i. Provide oversight and strategic leadership
- ii. Approve statutes
- iii. Approve policies for the institutes
- iv. Approve budgets
- v. Make new or additional regulations, amend or revoke existing regulations
- vi. Make appointments authorised by the law
- vii. Acquire land, buildings, premises, equipment, vehicles, machinery and facilities acquired for carrying out the work/duties of the institute.
- viii. Determine the method of recruitment, appointment and promotion of all staff of the institutes as per the law.
- ix. Provide welfare for every person as per the law
- x. Provide control and regulate finances
- xi. Enter into contracts, vary carry, out or terminate contracts on behalf of the institutes
- xii. Empower committee of the BOG appointed
- xiii. Transact from time to time any other business of the institute which is covered by the law.

9. Management Discussion and Analysis

Ebukanga TVC operational and financial performance

The college is a public institution that offers courses in technical and ICT, hospitality and business studies at three levels. The levels are Diploma(level 6) which the minimum requirement is KCSE C-(minus) grade, Certificate (level 5) which the minimum requirement is KCSE D (plain) grade and Artisan(level 4) whose requirement is KCSE D-(minus) grade and below. The trainees are examined by 2 examination bodies which are Kenya National Examination Council (K.N.E.C) and TVET Curriculum Development, Assessment and Certification Council (TVET CDACC). The first cohort of trainees to sit for CDACC examination is in July 2024.

In the F/Y 2023/2024 the number of new trainees enrolled in a year reduced to 145 as compared to 195 in the F/Y 2022/2023 translating to 34% decrease. The college has 36 trainers and 7 support staff. Of the 36 trainers, 16 trainers are from Public Service Commission and 20 trainers on BOG terms.

The college majorly relies on Government funding, and fees paid by students to finance its operations. Due to reduction in enrolment and grants from GOK, the institution has not been able to meet its obligations and there exists a large amount of pending bills from quarter to quarter. In addition, the delay in release of Capitation and HELB has caused the college not to implement projects in the budget as anticipated. There has been inadequate cash-flow to achieve most of the intended productive activities such as marketing to improve on enrolment, payment of workers' salaries, purchase of text books and furnishing of the library, repair of porous fence, purchase of adequate materials and equipment for training, construction of workshops for various disciplines, installation of lightening arrestors and fire fighting equipment among others. Furthermore, the institution has had a challenge with electricity and that has affected training in mechanical engineering.

Early in the financial year, the government introduced a new funding model where the tuition fees was set at Ksh. 67,189 from the previous Ksh. 56,420 that was being charged in the old funding system. The new funding model divided the fees into three proportions; scholarship, loan and household to be paid by trainee. The amount of scholarship, loan and household for every trainee is determined by Means Testing Instrument (MTI) assessment carried out by Higher Education Loans Board (HELB) and which categorises learners in four possible batches as shown in the table below;

Need level	Scholarship		Loan		Household		Total fees
	%	Amount	%	Amount	%	Amount	
Band 1(Vulnerable)	70%	47,032	22.5%	15,118	7.5%	5,039	67,189
Band 2(Extremely Needy)	60%	40,313	28%	18,813	12%	8,063	67,189
Band 3(Needy)	50%	33,595	32%	21,500	18%	12,094	67,189
Band 4(less Needy)	40%	26,876	38%	25,532	22%	14,781	67,189

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The college has had a challenge in determining the amount of household fees to be paid by every trainee in time because of delay by HELB in carrying out MTI assessment since most trainees are work-ins and admission happens throughout the year and at some time at the time when the HELB portal is closed. To underscore the challenge, of 145 new trainees enrolled in the F/Y 2023/2024, only 67 were assessed and household fees to be paid by each determined by HELB while 78 were not hence the college was not able to determine the amount of household fees for each of them.

The college received a total of Ksh. 7,084,647 from the government of Kenya through the Ministry of Education in the F/Y 2023/2024; Ksh. 2,000,000 as recurrent grants, Ksh. 3,371,327.50 as capitation and Ksh. 1,713,319.50 as Scholarships grants.

Ebukanga TVC's compliance with statutory requirements

In the period under review, Ebukanga Technical and Vocational College has complied with statutory requirements such as PAYE, NHIF, NSSF, NITA, affordable housing levy etc.

Key projects and investment decisions Ebukanga TVC is planning/implementing

The institution plans to build a multipurpose workshop by seeking grants from government

Major risks facing Ebukanga TVC

The major risks faced by the institution is the credit risk which arises from complete failure of students' ability to pay fees. Furthermore, the government capitation has been delaying or not remitted for some quarters leading to the trainees being invoiced. Other risks are liquidity risk that is associated with the college being unable to meet its short-term obligations due to cash-flows problems and the risk associated with competition from other institutions in the same education industry not only in the locality but countrywide due to lack of capacity to introduce more courses and lack of amenities (hostels and catering facilities) for students. The risk of destruction of property due to lack of lighting arrestors and fire fighting equipment is also high.

The Institute's financial probity and serious governance issues

During the period under review, the following served in Board Governance.

1.	Governor. Jackson M. Andai	Chairman
2.	CPA. Irine Nanzala Lumatete	Member
3.	DR. Nurwin Fozia Rajab	Member
4.	Governor. Felix O. Okoth	Member
5.	Governor. Hassan Abdi Omar	Member
6.	Governor George Musuku	Member

Ebukanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

7.	Mr. Rodricks Oware Ambuka	(County Government of Vihiga Representative)
8.	Mr. Joseph Sunguti	Member- TVET- County Director
9.	Mrs Clara A. Timothy	Principal/Secretary BOG

10. Environmental and Sustainability Reporting Statement

Ebukanga TVC being a public college embraces the policy of the corporate social responsibility (CSR) through engaging itself with the following social responsibility:

- a) Financial support to needy students through coordinating bursary, HELB loans, support sustainability and sponsorship to students where possible as well work study programme.
- b) Offering both social and economic support to external community through provision of casual labour opportunity and suppliers when opportunities arises
- c) Offering careers advices to students through Office of Career Services (O.C.S).
- d) Offering internship and industrial attachment to youth from surrounding community institutions in Kenya.
- e) Environmental activities which includes planting of trees and giving out free tree seedlings to the community for planting.

Sustainability strategy and profile

a. Financial sustainability

The institute has diversified the sources of revenue which include; school fees, rentals and production unit program.

b. Environmental sustainability

The institute embraces the use of environmentally friendly methods in waste disposal. The strategies are targeted at protecting and improving the environment.

c. Organisational and institutional sustainability

Organisational and institutional sustainability aims at achieving and maintaining sustainability. This is addressed from various viewpoints that include community engagement, having in place a risk management framework and implementation of strategies to mitigate the defined risks.

Environmental performance

a. Greening TVET

- ✓ greening the institution
- ✓ greening the curriculum
- ✓ greening research
- ✓ greening the culture
- ✓ greening the community

b. Solid Waste management

- ✓ disposal of wastes
- ✓ policies on re-cycling

c. Emission control

- ✓ control on gases emitted to the environment

d. Adoption of Environmental sustainability guidelines issued by NEMA and adherence to environmentally friendly operational practices within the institute.

Employee welfare

The Institute with the support of the Board Members intends to develop the following policies to guide its operations: -

- Scheme of service for BOG Staff.
- Career progression guidelines for BOG Staff.
- Motivation Policy for both Staff and Students.
- Gender Mainstreaming and Youth Empowerment Policy.

Market place practices-

Responsible Competition Practice

Anti -corruption

- Student fees: The institute charges the students fees as per the guidelines from the Ministry of Education. The fees charged is Ksh. 56,420 for old funding model as Ksh. 67,189 for the new funding model as capped by the Ministry of Education.
- The admission process is transparent and the institute has introduced online admission to ensure effectiveness and transparency. This helps to ensure that there is integrity in the admission process.

Political involvement

- The institute liaises with the area leadership for community service where cleaning the area around the institute.

Fair competition

- The institute acquires the curriculum and syllabus from Kenya Institute of curriculum development (KICD) and TVET Curriculum Development, Assessment and Certification Council (TVET CDACC) to ensure that what is offered at Ebukanga TVC is similar to what is offered in other institutions.
- Entry criteria for the program and the entry requirements for the students are clearly defined and this allows the college to have a fair competition with the universities who require students to have a mean grade of C+ to access university education.
- The institute participates in trade fairs which are organized by Kenya Association of Technical Training Institutions (KATTI) for all TVET Institutions. The students are encouraged to compete with other students from other institutions. This encourages the students to solve diverse issues in the industry.

Responsible Marketing and Advertisement

Efforts to maintain ethical marketing practices

- The institution only advertises for the courses that are being offered during the intake to ensure that students do not apply for courses that are not available in the institute.

Ebukanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

- The institute ensures that information given during the advertisement is current and not misleading to the prospective students so that they are able to make informed choices on the courses that they want to undertake.
- Brochures with well explained courses and their requirements are issued to prospective students before the intakes to give adequate time for the parents/ guardians and students to prepare for the admission.

Product Stewardship

Efforts to safeguard consumer rights and interests

- There is proactive disclosure of information by ensuring that information is given through the institutes website, brochures, print and electronic advertisement
- There is a service charter that is prominently displayed at the college's entrance and at various points and offices within the institute. Where the customers are encouraged to report to the CAJ and EACC in case their rights and interests are not met by the institution.

Corporate Social Responsibility / Community Engagements

The Institute has continuously engaged the community in matters of corporate social responsibility (CSR).

11. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the financial year 2023/2024 which show the state of the Ebukanga Technical and Vocational College's affairs.

Principal activities

The principal activities of the Ebukanga Technical and Vocational College is to provide quality, relevant and market oriented technical training and scientific research for local and international market.

Results

The results of the Ebukanga Technical and Vocational College for the financial year 2023/2024 are set out on page 1 to 6.

Council/Board of Governors

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

Auditors

The Auditor General is responsible for the statutory audit of the Ebukanga Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or Certified Public Accountants nominated by the Auditor General to carry out the audit of the Ebukanga Technical and Vocational College for the financial year 2023/2024 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

for CLARA A. TIMOTHY
SECRETARY-BOG

Date... *28/4/2025*

12. Statement of Board of Governors' Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, 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 Ebukanga Technical and Vocational College which give a true and fair view of the state of affairs of the that Ebukanga Technical and Vocational College at the end of the financial year/period and the operating results of the that Ebukanga Technical and Vocational College for that year/period. The council members are also required to ensure that the that Ebukanga Technical and Vocational College keeps proper accounting records which disclose with reasonable accuracy the financial position of the that *Ebukanga Technical and Vocational College*. The council members are also responsible for safeguarding the assets of Ebukanga Technical and Vocational College.

The board members are responsible for the preparation and presentation of the Ebukanga Technical and Vocational College financial statements, which give a true and fair view of the state of affairs of the Ebukanga Technical and Vocational College for and as at the end of the financial period ended on June 30, 2024. 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 Ebukanga Technical and Vocational College; (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 Ebukanga Technical and Vocational College; (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 Ebukanga Technical and Vocational College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and . The council members are of the opinion that the Ebukanga Technical and Vocational College's financial statements give a true and fair view of the state of Ebukanga Technical and Vocational College's transactions during the financial period ended June 30, 2024, and of the Ebukanga Technical and Vocational College's financial position as at that date. The council members further confirm the completeness of the accounting records maintained for the Ebukanga Technical and Vocational College, which have been relied upon in the preparation of the Ebukanga Technical and Vocational College's 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 Ebukanga Technical and Vocational College will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Ebukanga Technical and Vocational College financial statements were approved by the Board on 25th SEPT 2024 and signed on its behalf by:

.....


Mr. Jackson M. Andai
(Chairperson of the Board)

.....


for
Clara A. Timothy
(Accounting officer/Principal)

REPUBLIC OF KENYA

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Enhancing Accountability

HEADQUARTERS
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NAIROBI

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

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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the 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 specific issues, the financial statements present a true and fair view in accordance with the applicable financial reporting framework. The Qualified Opinion indicates that the financial statements are to a large extent in agreement with the books of accounts and the underlying records, except for a few cases where material misstatements or omissions were noted in the books of accounts and the financial statements. The issues though material, are not widespread or persistent.

The Qualified Opinion on the report on the Financial Statements should be read together with the report on the Lawfulness and Effectiveness in the Use of Public Resources, and the report on the 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 Ebukanga Technical and Vocational College set out on pages 1 to 36, which comprise of the statement of financial

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

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 effects 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 Ebukanga Technical and Vocational College 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.

Basis for Qualified Opinion

1. Long Outstanding Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 17 to the financial statements reflects an amount of Kshs.6,746,569 in respect of receivables from exchange transactions. Examination of records provided revealed that the current receivables from the exchange transaction amounting to Kshs.3,924,539 in relation to student debtors have been outstanding for more than one year. Management did not provide evidence to show the steps taken to recover the outstanding amounts.

In the circumstances, the recoverability of the indicated amounts is doubtful.

2. Lack of Valuation Reports and Incomplete Assets Register

The statement of financial position reflects property, plant and equipment balance of Kshs.70,246,541 as disclosed in Note 19 of the financial statements. Review of the assets register revealed the absence of a valuation report to support the PPE balances. Additionally, the valuation report for the administration block constructed by the mentor institution, Friends College Kaimosi, was not handed over to Management despite the handover of the building done in January 2025 as explained by Management.

In the circumstances, the value reported on property, plant and equipment of Kshs.70,246,541 was an estimate that Management could not support.

Emphasis of Matter

Budget Control and Performance

The statement of comparison of budget and actual amounts for the year reflects final receipts budget and actual on a comparable basis totaling Kshs.14,876,545 and Kshs.20,423,612 respectively resulting to a surplus of revenue totalling Kshs.5,547,067 or 37% of the budget. The surplus was mainly due from underbudgeting of student fees.

Similarly, the institute expended an amount of Kshs.13,869,181 against an approved budget of Kshs.13,730,065 resulting to an under-expenditure of Kshs.139,116 or 1% of the budget.

The poor budgeting process may affect the potential of the College and may affect implementation of planned activities and programs and may impact negatively on service delivery to the stakeholders.

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, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Board of Governors are responsible for the Other Information set out on page iii to xxix which comprise of Key Entity Information and Management, The Board of Governors, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, 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.

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 effects of the matters described in the Basis for Conclusion on the 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 Staff Establishment

Review of personnel records revealed that the college did not have an approved staff establishment contrary to provisions of Section 4.3(i) of the Public Service Commission guidelines for development and review of human resource management instruments for state corporations and public universities dated August, 2023 which states that, "Each

State Corporation will have an approved optimal staff establishment that will form the basis for staffing during the plan period.

In the circumstances, the College Management was in breach of the guidelines provided by the Public Service Commission.

2. Non-Compliance with Requirements in Ethnic Diversity

Review of human resource records as at 30 June, 2024, revealed Seventy-eight (78%) and 94% of the staff recruited by Board of Governance and Public Service Commission receptively were from one dominant ethnic community in the county contrary to the requirements of Section 7(2) of the National Cohesion and Integration Act, 2008

In the circumstances, non-compliance Management was in breach of the law.

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

REPORT ON THE 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, because of the significance of the matters discussed in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that internal controls, risk management and governance were not effective.

1. Inadequacies in the Scope of Work Covered by the Internal Audit Function

Review of the internal audit report for the year revealed inadequacies in the scope of work covered by the internal auditor. The annual audit work plan included ten (10) planned audit and non-audit engagements for the financial year. However, only one (1) report—the Asset Management Report—was completed and processed by the internal audit department. Seven (7) planned audits were not conducted or processed during the year, including: Academic Department Audit, Annual Financial Statement Review, Human Resource Management, Safety and Security, Internal Audit Strategic Plan, Transport Department, and Procurement Department Audit. As a result, management was in breach of Section 73(4) of the Public Finance Management Act 2012, which states that a National Government entity shall ensure the internal audits in respect of the entity are conducted in accordance with international best practices.

In the circumstances, Internal control weaknesses may go undetected, leading to mismanagement of resources or fraud.

2. Insufficient Meetings Held by the Audit Committee

During the year, the audit committee held only three (3) meetings instead of the four (4) required by Regulation 179(1) of the Public Finance Management (National Government) Regulations, 2015. Non-compliance with statutory requirements may weaken the oversight function of the audit committee, potentially leading to ineffective financial governance and accountability.

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

The audit was conducted in accordance with ISSAIs 2315 and 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 the Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for 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 Institute's, ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

The Board of Governors is responsible for overseeing the Institute'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 INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 May, 2025

Ebukanga 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 30th June 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	7,084,647	4,517,000
		7,084,647	4,517,000
Revenue from Exchange transactions			
Rendering of services- fees from students	7	13,291,665	14,126,430
Sale of goods	8	37,200	75,400
Miscellaneous income	9	10,100	-
Revenue from Exchange transactions		13,338,965	14,201,830
Total Revenue		20,423,612	18,718,830
Expenses			
Use of goods and services	10	8,844,060	7,344,190
Employee costs	11	3,905,614	3,220,122
Board Expenses	12	1,103,155	987,178
Depreciation and amortization expense	13	10,995,190	6,046,933
Repairs and maintenance	14	5,500	4,500
Finance costs	15	10,852	12,933
		24,864,371	17,615,856
Net surplus/(deficit) for the year		(4,440,759)	1,102,974

(The notes set out on pages 7 to 33 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 6 were signed by:

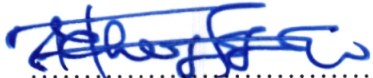
Mr. JACKSON M. ANDAYI



Chairman of Board

Date 28/4/2025

CPA HESBORN EHAJI



Finance Officer

ICPAK No. 11369

Date 28/4/2025

for Mrs. CLARA A. TIMOTHY



Principal

Date 28/4/2025

Ebukanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

15. Statement of Financial Position as At 30th June 2024

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	16	1,275,057	1,375,725
Receivables from exchange transactions	17	6,746,569	5,844,914
Less: provision for doubtful debts from exchange transactions @ 10%		(674,657)	(584,491)
Receivables from non-exchange transactions	18	14,352,332	8,244,000
Less: provision for doubtful debts from non-exchange transactions @ 10%		(1,435,233)	(824,400)
Total Current Assets		20,264,068	14,055,748
Non-Current Assets			
Property, plant, and equipment	19	70,246,541	80,301,241
Total Non-Current Assets		70,246,541	80,301,241
Total Assets		90,510,609	94,356,989
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	20	2,490,293	1,815,718
Refundable deposits from customers			9,500
Payments received in advance	21	1,436,741	1,645,290
Board expenses			40,000
Total Current Liabilities		3,927,234	3,510,508
Total Liabilities		3,927,234	3,510,508
Net Assets		<u>86,583,375</u>	<u>90,846,481</u>
Revaluation reserve		177,540	
Accumulated Surplus		18,191,074	11,636,643
Capital Fund		68,214,648	79,209,838
Total Net Assets and Liabilities		<u>86,583,262</u>	<u>90,846,481</u>

Ebukanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

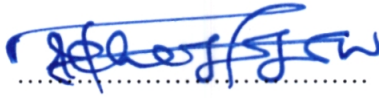
The Financial Statements set out on pages 1 to 6 were signed by:


Mr. JACKSON M. ANDAYI

CPA HESBORN EHAJI

Mrs. CLARA A. TIMOTHY


.....


.....

for

.....

Chairman of Council/Board

Finance Officer

Principal

Date... 28/4/2025

ICPAK No. 11369
Date... 28/4/2025

Date... 28/4/2025

16. Statement of Changes in Net Asset for the Year Ended 30th June 2024

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2022	-	5,941,611	85,256,771	91,198,382
Revaluation gain	-	-	-	-
Fair value adjustment on investments		(1,454,875)		(1,454,875)
Surplus/(deficit) for the year	-	1,102,974	-	1,102,974
Capital grants received during the year	-	-		-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	6,046,933	(6,046,933)	-
At June 30, 2023	-	11,636,643	79,209,838	90,846,481
At July 1, 2023	-	11,636,643	79,209,838	90,846,481
Revaluation gain	177,540			177,540
Surplus/(deficit) for the year		(4,440,759)		(4,440,759)
Capital grants received during the year				
Fair value adjustment on investments				
Transfer of depreciation/amortisation from capital fund to Retained earnings		10,995,190	(10,995,190)	-
At June 30, 2024	177,540	18,191,074	68,214,648	86,583,262

Note:

Revaluation gain

Revaluation gain relates to computers under Property, Plant and Equipment that were revalued on 1st July 2023 translating to a revaluation gain of Ksh. 177,540. See note 19 on Property, Plant and Equipment

Ebukanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

17. Statement of Cash Flows for the Year Ended 30th June 2024

Description		2023-2024	2022-2023
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		7,084,647	4,517,000
Rendering of services- fees from students		6,015,302	5,444,389
Sale of goods		37,200	75,400
Miscellaneous income		10,100	-
Total Receipts		13,147,249	10,036,789
Payments			
Use of goods and services		8,083,329	5,761,436
Employee costs		3,570,314	3,274,500
Board Expenses		1,103,155	1,052,321
Repairs and maintenance		5,500	4,500
Total Payments		12,762,298	10,092,757
Net Cash Flows from operating activities		384,951	(55,968)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(485,620)	(166,718)
Net cash flows used in investing activities		(485,620)	(166,718)
Net Increase/(Decrease) in Cash and Cash equivalents		(100,669)	(222,686)
Cash and Cash equivalents at 1 JULY 2023		1,375,725	1,598,411
Cash and Cash equivalents at 30 JUNE 2024	16	1,275,057	1,375,725

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

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	11,000,000	(3,699,180)	7,300,820	7,084,647	216,173	3%
Rendering of services- fees from students	11,006,000	(3,470,275)	7,535,725	13,291,665	(5,755,940)	43%
Sale of goods	60,000	(20,000)	40,000	37,200	2,800	7%
Miscellaneous Income		-	-	10,100	-10,100	
Total Income	22,066,000	(7,189,455)	14,876,545	20,423,612	(5,547,067)	27%
Expenses						
Use of goods and services	11,531,400	(2,916,935)	8,614,465	8,844,060	229,595	3%
Employee costs	5,220,000	(1,200,000)	4,020,000	3,905,614	114,386	3%
Board Expenses	2,832,000	(1,932,000)	900,000	1,103,155	(203,155)	18%
Repairs and maintenance	210,000	(30,000)	180,000	5,500	174,500	3173%
Finance cost	15,600		15,600	10,852	4,748	30%
Total Expenditure	19,809,000	(6,078,935)	13,730,065	13,869,181	(139,116)	1%
Capital Expenditure	2,257,000	(1,110,520)	1,146,480	762,950	383,530	33%

Note:

Rendering of services- fees from students (43% difference)→ actual was higher than the budgeted due to increase in the number of students hence 43% variance.

Board Expenses (18%)→ the expenditure was higher than budgeted due to additional board expenditure due to Public Service Commission (PSC) trainers' shortlisting and interview that was unforeseen in June 2024.

Repairs and maintenance (3,173%)→ the college had planned to repair the wooden fence with wooden posts but since the area is termite infested, the decision was rendered unwise and concrete posts preferred. The cost for concrete posts could not be met by the limited budget hence the variance.

Finance cost (30%)→ the variance was because of the embrace of e-banking that has reduced the use of cheques in making payment.

Capital Expenditure (33%)→ the variance was caused by not purchasing text books due to change of curriculum from Kenya National Examination Council(KNEC) curriculum to competence based TVET Curriculum Development, Assessment and Certification Council (TVET CDACC) curriculum which trainers as still familiarising with its requirements and not purchasing chairs for trainees due to low enrolment.

Ebukanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

19. Notes to the Financial Statements

1. General Information

Ebukanga Technical and Vocational College entity is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to provide technical and vocational training.

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 Ebukanga TVC's accounting policies. The areas involving a higher degree of judgment 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 Ebukanga TVC. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Ebukanga 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. *New and amended standards and interpretations in issue effective in the year ended 30 June 2024.*

There are no new standards in the year ended 30th June 2024

- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.

Ebukanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

	<p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

iii. Early adoption of standards

Ebukanga TVC did not early-adopt any new or amended standards in year 2023/2024.

**Ebukanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024**

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. 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 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.

Rental income

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

Ebukanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024
Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2023/2024 was approved by the Council or Board on 31st January 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. 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 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 6 of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per Income Tax Act Cap 470.

Sales tax/ Value Added Tax

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

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

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

Ebukanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024
Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

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

h) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Ebukanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024
Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Ebukanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024
Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Ebukanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024
Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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 Ebukanga TVC.

k) Provisions

Provisions are recognized when Ebukanga TVC has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Ebukanga TVC expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

Ebukanga TVC 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

Ebukanga TVC 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 Ebukanga TVC in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Social Benefits

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

Ebukanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024
Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) Nature and purpose of reserves

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

Ebukanga TVC provides retirement benefits for its employees. 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.

p) Foreign currency transactions

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

q) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

r) Related parties

Ebukanga 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.

Ebukanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024
Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

s) Service concession arrangements

Ebukanga 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, Ebukanga TVC 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, Ebukanga TVC also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

Ebukanga Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024
Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 10.

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

**Ebukanga 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	2023-2024	2022-2023
	Kshs	Kshs
Unconditional Grants		
Capitation grants	3,371,328	2,517,000
Operational grants	2,000,000	2,000,000
Scholarships grants	1,713,319	-
Total government grants and subsidies	7,084,647	4,517,000

NOTE: Operation/Recurrent grants, Capitation and Scholarships grants

The college received a total of Ksh. 7,084,647 from the government of Kenya through the Ministry of Education in the F/Y 2023/2024; Ksh. 2,000,000 as recurrent grants, Ksh. 3,371,328 as capitation and Ksh. 1,713,319 as Scholarships grants.

7. Rendering of Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition Fees	11,834,135	13,425,600
Examination Fees	1,286,530	603,330
Registration Fees	72,500	97,500
KUCCPS validation fees	92,000	-
TVETA fees	6,500	-
Total Revenue from The Rendering of Services	13,291,665	14,126,430

Note:

Tuition fees

- Tuition fees is calculated against 210 students.
- Tuition fees consists of revenue from government (through capitation and scholarship) and amount of fees to be paid by students.
- The amount of Ksh. **11,834,135** consists Ksh. 6,711,669 as revenue from government and Ksh. 5,122,466 as revenue from students fees
- The institution bills trainees under 2 funding models. Namely:
 - a) Old funding model that charges a flat rate of tuition fees of Ksh. 56,420. Of Ksh. 56,420, Ksh. 30,000 is paid/funded by the government through capitation while Ksh. 26,420 is paid by the students.
 - b) New funding model that charges total fees of Ksh. 67,189. Under this new funding model, tuition fees divided into two main categories; government scholarship and amount to be paid by the students (Higher Education Loans Board (HELB) loan and household fees). The amount of government scholarship to be given to each student and amount of fees to be paid by each student are determined using Means Testing Instrument (MTI) by HELB which categorises learners in four possible batches according to the level of need. The four batches are:
 - Batch 1 → Ksh. 47,032
 - Batch 2 → Ksh. 40,032
 - Batch 3 → Ksh. 33,595
 - Batch 4 → Ksh. 26,876

- Revenue from government (through capitation and scholarship) is calculated as follows;

Funding model type	Batch no.	Type	Number of trainees	Rate	Amount
Old	Old funding model	Capitation	68	30,000	2,040,000
New	Batch 1	Scholarship	101	47,032	4,750,232
	Batch 2	Scholarship	21	40,312	846,552
	Batch 3	Scholarship	12	33,595	403,140
	Batch 4	Scholarship	8	26,876	215,008
<i>Sub-Total</i>					8,254,932

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

Less: Amount of scholarship and capitation received for FY 2023/2024 and recognised under note no.6(Transfers from other National Government entities)		(1,543,263)
		6,711,669

➤ Revenue from students' fees (amount to be paid by students)

Funding model type	Batch no.	Number of trainees	Rate	Amount
Old	Old funding model	68	26,420	1,796,560
New	Batch 1	101	20,157	2,035,857
	Batch 2	21	26,877	564,417
	Batch 3	12	33,594	403,128
	Batch 4	8	40,313	322,504
Total				5,122,466

Examination fees

a) KNEC November 2023 series	➔	859,910
b) KNEC March 2024 series	➔	242,690
c) KNEC July 2024 series	➔	88,430
d) CDACC CBET July 2024 series	➔	95,500
		<u>1,286,530</u>

Registration Fees

New trainees admitted in the year under review were 145 and admission/registration fees payable is Ksh. 500 hence the total amount of 72,500

KUCCPS validation fees

Kenya University and Colleges Central Placement Service (KUCCPS) require every trainee who has not been placed by KUCCPS pay Ksh. 1,500 for validation. In the year under review Ksh. 92,000 was receive for KUCCPS validation fees from trainees.

TVETA fees

Ksh. 6,500 was received from trainees for Technical Vocation Education Training Authority (TVETA)

8. Sale of Goods

Description	2023-2024	2022-2023
	Kshs	Kshs
Sale of tender	-	8,000
Sale of Farm Produce	37,200	67,400
Total Revenue from Sale of Goods	37,200	75,400

Note:

The college grows nappier grass on part of its land. In the F/Y 2023/2024, the college sold nappier grass worth Ksh. 37,200.

The sales dropped in the F/Y 2023/2024 due the following:

- c) Aging of the crop which was first grown in the year 2020.
- d) Constant rainfall throughout the period leading to low demand.

9. Miscellaneous Income

Description	2023-2024	2022-2023
	Kshs	Kshs
Fine for lost padlock	900	-
Rental/hire revenue from facilities	9,200	
Total	10,100	-

Note:

During the period under review, the college hosted and provided accommodation to trainees from the The Masai Mara National Polytechnic participating in games. The college received Ksh. 9,200 for their accommodation.

10. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs	Kshs

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Teaching and learning materials	1,044,816	898,547
Electricity	173,524	115,529
Water	15,800	12,800
Security	486,480	462,400
Subscriptions and registrations	199,190	207,000
Advertising	376,305	258,714
Examination fees	1,492,979	745,527
Students' council expenses	100,460	105,005
Office/Administration expenses	336,082	381,088
Travelling and accommodation	1,607,840	1,303,450
Co-curriculum activities expenses	652,550	494,839
Farm expenses	6,500	28,500
Performance contracting expenses	160,175	332,260
Printing and stationery	299,379	264,030
Students' ID expenses	85,321	4,000
Cleaning expenses	66,138	43,500
Industrial attachment expenses	170,740	128,900
Telephone expenses	110,900	68,250
Staff Training expenses	130,862	78,500
Guiding and counselling	5,960	2,460
KUCCPS expenses	351,000	-
Research and innovation	270,060	-
Provision for doubtful debts at 10%	-	1,408,891
Increase in provision for doubtful debts for receivables from Exchange transactions	700,999	-
Total good and services	8,844,060	7,344,190

Note:

Increase in provision for doubtful debts for receivables from Exchange transactions

The college provides provision for doubtful debts for receivables from Exchange transactions at 10%. In F/Y 2023/2024, the provision for doubtful debts increased by Ksh. 700,999 from Ksh. 1,408,891 in the F/Y 2022/2023 to Ksh. 2,109,890 in F/Y 2023/2024.

Examination expenses

Many trainees sat for examinations in the F/Y 2023/2024 as compared to F/Y 2022/2023 hence Ksh. 747,452 increase in expenditure

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11. Employee Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Salaries and wages	3,649,711	3,023,000
Employee related costs (employee employer's cost)	255,903	197,122
Employee Costs	3,905,614	3,220,122

12. Board Expenses

Description	2023-2024	2022-2023
	Kshs	Kshs
Directors Emoluments	1,053,155	987,178
Chairperson's honoraria	50,000	-
Total	1,103,155	987,178

13. Depreciation and Amortization expense

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, plant and equipment	10,995,190	11,887,176
Less: adjustments	-	(5,840,243)
Total depreciation and amortization	10,995,190	6,046,933

Description	Depreciation
	Kshs
Buildings	35,962
Plant And Machinery	10,377,380
Text books	4,314
Computers and Related Equipment	220,866
Office Equipment, Furniture, And Fittings	356,668
Total	10,995,190

14. Repairs and Maintenance

Description	2023-2024	2022-2023
	Kshs	Kshs
Equipment and machinery	5,500	4,500
Total Repairs and Maintenance	5,500	4,500

15. Finance Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank charges	10,852	12,933
Total Finance Costs	10,852	12,933

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16. Cash and Cash Equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Account	1,271,391	1,342,830
Cash in hand	3,666	32,895
Total Cash and Cash Equivalents	1,275,057	1,375,725

(a). Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1270629425	943,775	514,740
Kenya Commercial Bank	1293236551	109,265	314,205
Kenya Commercial Bank	1293236861	218,351	513,885
Sub- Total		1,271,391	1,342,830
b) Others(Specify)			
Cash in Hand		3,666	32,895
Sub- Total		3,666	32,895
Grand Total		1,275,057	1,375,725

17. Receivables from Exchange transactions

(a) Current Receivables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Receivables		
Student Debtors	6,746,569	5,844,914
Total Current Receivables	6,746,569	5,844,914

Tuition fees	= 6,540,522
Exams fees	= 198,497
Admission fees	= 7,550
Total	6,746,569

(b) Ageing Analysis of Receivables from Exchange transactions

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of total	Comparative FY	% of total
Less than 1 year	2,632,087	39%	3,973,570	68%
Between 1- 2 years	2,632,358	39%	931,924	16%

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Between 2-3 years	807,944	12%	334,400	6%
Over 3 years	674,180	10%	605,020	10%
Total	6,746,569	100%	5,844,914	100%

18. Receivables from non-exchange transactions

(a) Receivables from non-exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Receivables		
Capitation Grants	14,352,332	8,244,000
Total Current Receivables	14,352,332	8,244,000

(b) Ageing analysis on Receivables from non-exchange transactions

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of total	Comparative FY	% of total
Less than 1 year	5,732,469	40%	6,704,000	81%
Between 1- 2 years	4,825,000	34%	1,041,000	13%
Between 2-3 years	2,747,863	19%	386,500	5%
Over 3 years	1,047,000	7%	112,500	1%
Total	14,352,332	100%	8,244,000	100%

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Notes to the Financial Statements (Continued)

19. Property, Plant and Equipment

Cost	Land	Buildings	Furniture and fittings	Computers	Plant and Equipment	Text books	Work in progress	Total
	Shs		Shs	Shs	Shs	Shs		Shs
As at 01 July 2022	3,000,000	1,699,930	3,332,380	3,666,600	103,616,770	43,135		115,358,815
Additions during the Year	-	98,170	234,300	78,000	51,748			462,218
Disposals during the year	-	-	-	-	-			-
Transfers/adjustments	-	-	-	-	-			-
As at 30 June 2023	3,000,000	1,798,100	3,566,680	3,744,600	103,668,518	43,135		115,821,033
Additions during the period	-	-	-	136,220	105,280		521,450	762,950
Disposals during the period	-	-	-		-			-
Accumulated depreciation	-	-	-	(3,322,140)				(3,322,140)
Revaluation gain	-	-	-	177,540	-			177,540
As at 30 th June 2024	3,000,000	1,798,100	3,566,680	736,220	103,773,798	43,135	521,450	113,439,383
Depreciation and impairment	0%	2%	10%	30%	10%	10%		
As at 01 July 2022		67,998	1,332,952	2,198,760	25,868,835	4,314		29,472,859
Depreciation for the year	-	35,962	356,668	1,123,380	10,366,852	4314		11,887,176
Impairment for the year		-	-	-	-	-		-
Transfers/adjustments	-	-	(666,476)	-	(5,173,767)	-		(5,840,243)
As at 30 June 2023	-	103,960	1,023,144	3,322,140	31,061,920	8,628		35,519,792
Depreciation for the period	-	35,962	356,668	220,866	10,377,380	4314		10,995,190
Impairment for the period								
Transfer/Adjustment	-	-	-	(3,322,140)	-	-		(3,322,140)
As at 30 th June 2024	-	139,922	1,379,812	220,866	41,439,300	12,942		43,192,842
Net book values								
As at 30 th June 2024	3,000,000	1,658,178	2,186,868	515,354	62,334,498	30,193	521,450	70,246,541
As at 30 June 2023 end of prior year audited	3,000,000	1,694,140	2,543,536	422,460	72,606,598	34,507		80,301,241

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Note:

Depreciation method

Straight-line method has been used in depreciation of Property, Plant and Equipment

Revaluation of computers

On 1st July 2023 the computers were revalued to Ksh. 600,000 translating to revaluation gain of Ksh. 177,540. In the period under review there was addition of Ksh. 136,220 bringing the total cost of computers as on 30th June 2024 to Ksh. 736,220.

Computers at cost on 30 th June 2023	3,744,600
Less: accumulated depreciation	(3,322,140)
Carrying value on 1st July 2023	422,460
Revaluation gain	177,540
Carrying value after revaluation	600,000
Additions during the year under review	136,220
Cost/Carrying value on 30th June 2024	736,220

Work-in-progress

This relates to building workshop being put up by the department of Building and Civil Engineering using tuition materials and trainees as for labour as part of practical. The building is 65% complete.

(a) Valuation

As per National Treasury guidelines, Land and buildings have been identified but yet to be valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020) due to financial inadequacy. Ebukanga TVC aspire to value its assets once enough funds are available.

(b) Property, Plant and Equipment at Cost

Freehold land, buildings and other assets were stated on the historical cost basis the amounts are as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	3,000,000	-	3,000,000
Buildings	1,798,100	139,922	1,658,178
Plant And Machinery	103,773,798	41,439,300	62,334,498
Text books	43,135	12,942	30,193
Computers and Related Equipment	736,220	220,866	515,354
Office Equipment, Furniture, And Fittings	3,566,680	1,379,812	2,186,868
Work-in-progress	521,450	-	521,450
Total	113,439,383	43,192,842	70,246,541

20. Trade and Other Payables

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade payables	2,490,293	1,797,218

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Salary deductions	-		18,500	
Total Trade and Other Payables	2,490,293		1,815,718	
	Current FY	% of the Total	Comparative FY	% of the Total
Ageing analysis:				
Under one year	1,601,988	64%	952,353	52%
1-2 years	24,940	1%	-	-
2-3 years	-	-	863,365	48%
Over 3 years	863,365	35%	-	-
Total	2,490,293	100%	1,815,718	100%

21. Payments received in advance

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Fees received in advance	1,436,941		1,645,290	
Total	1,436,941		1,645,290	
	Current FY	% of the Total	Comparative FY	% of the Total
Ageing analysis:				
Under one year	557,560	39%	1,086,080	70%
1-2 years	505,606	35%	405,360	22%
2-3 years	219,925	15%	132,970	7%
Over 3 years	153,850	11%	20,880	1%
Total	1,436,941	100%	1,645,290	100%

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22. Financial Risk Management

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

The entity's financial risk management objectives and policies are detailed below:

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables from exchange transactions	5,844,914	3,896,614	1,948,300	-
Receivables from non-exchange transactions	8,244,000	5,662,500	2,827,000	-
Bank balances	1,375,725	1,375,725	-	-
Total	15,464,639	10,934,839	4,775,300	-
At 30 June 2023				
Receivables from exchange transactions	6,746,569	3,948,266	2,798,303	-
Receivables from non-exchange transactions	14,352,332	9,732,332	4,620,000	-
Bank balances	1,271,391	1,271,391	-	-
Total	22,370,292	14,951,989	7,418,303	-

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

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables	18,500	189,635	1,355,808	1,545,443
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	18,500	189,635	1,355,808	1,545,443
At 30 June 2024				
Trade Payables	394,800	934,188	1,161,305	2,490,293
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	394,800	934,188	1,161,305	2,490,293

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Notes to the Financial Statements (Continued)

Financial risk management (continued)

(iii) Market risk

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

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

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

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

a) Foreign currency risk

The entity has minimal transactional currency exposures since purchases of goods and services done in currencies other than the local currency are minimal.

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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**Notes to the Financial Statements (Continued)
Financial risk management (continued)**

iv) Capital Risk Management

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Revaluation Reserve	177,540	-
Retained Earnings	18,191,074	11,612,093
Capital Reserve	68,214,648	79,209,838
Total Funds	86,583,262	90,821,931
Total Borrowings	-	-
Less: Cash and Bank Balances	(1,275,057)	(1,375,725)
Net Debt/(Excess Cash and Cash Equivalents)	-	-
Gearing	-	-

23. Related Party Balances

Nature of related party relationships

Entities and other parties related to the entity 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 Ebukanga Technical and Vocational College, holding 100% of Ebukanga Technical and Vocational College's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

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

24. Events After the Reporting Period

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

25. Ultimate and Holding Entity

Ebukanga Technical and Vocational College is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

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26. Currency

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

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

Ebukanga Technical and Vocational College has not been audited for the F/Y 2022/2023. Even though in the F/Y 2021/2022 the following issues were raised by the external auditor.

Reference No. OAG/EBUKANGA TVC/2021/2022/ (26)	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Report on the financial statements				
1	Inaccuracies in net assets	The variance of Kshs. 1,479,674 in the statement of financial position was caused by omission of receivables from non-exchange transactions.	Resolved	
		The variance of Kshs. 24,800 in the statement of changes in net assets was caused by error in summation of retained earnings and capital/development fund	Resolved	
2	Inaccuracy in receivables from exchange transactions-students fees	Receivables aging analysis report and provision for bad and doubtful debts have been incorporated in the F/Y 2022/2023. Debt management policy has been approved to mitigate on bad debts	Resolved	
3	Unsupported valuation of property, plant and equipment	The institution aspires to value its assets once the official/proper handing over by mentor institution is done and enough funds are available	Not Resolved	1 year
Report on lawfulness and effectiveness in use of public resources				

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1	Irregularities in property, plant and equipment			
	1.1 Delayed Completion of Buildings.	The management has engaged with the mentor institution, Friends College Kaimosi to resolve the issue of delayed completion of the buildings	Not Resolved	1 year
	1.2 Lack of Proper Handing and Taking Over	The management acknowledges that there has been not been official and proper handing and taking over of assets to the Board of Ebukanga TVC by the mentor institution, Friends College Kaimosi due to the pending works that is yet to be completed.	Not Resolved	1 year
2	Non-Compliance with National Cohesion and Integration Act, 2008.	The management acknowledges that 66.67% of the staff are from same ethnic community and 33.33% is shared by other communities but commits to correct the issue gradually in its future recruitments.	Not Resolved	5 years
Report on effectiveness of internal controls, risk management and governance				
1	Lack of Risk Management Policy	The policy has been developed and approved	Resolved	
2	Lack of Proper Management of Student Debtors	The management has put in place mechanism for proper Management of Student Debtors	Resolved	
3	Lack of human resource policy and organization structure	The human resource policy and organization structure have been developed and approved	Resolved	
4.	Lack of Internal Audit and Active Audit Committee	The management is working to resolve the matter	Resolved	

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Guidance Notes:

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

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for Clara A. Timothy

(Principal)

Date *28/4/2025*



**Ebukanga Technical and Vocational College
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Appendix II: Projects Implemented by Ebukanga Technical and Vocational College

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						

Note:

Ebukanga Technical and Vocational College did not implement projects in the F/Y 2023/2024 funded by development partners.

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Appendix III- Inter-Entity Confirmation Letter



MINISTRY OF EDUCATION
STATE DEPARTMENT OF TECHNICAL & VOCATIONAL TRAINING
EBUKANGA TECHNICAL & VOCATIONAL COLLEGE

P.O. BOX 549 -50307 LUANDA. Tel No:
 0113295149/0725523839
 E-MAIL: ebukangatechnical@gmail.com



The Principal Secretary,
 Ministry Of Education
 State Department Technical Vocational Education and Training,
 P.O. Box 9583-00200
NAIROBI.

Ebukanga Technical and Vocational College wishes to confirm the amounts received as at 30th June 2023 for F/Y 2023/2024 as indicated in the table below. Please compare the amounts disbursed to us and amounts received by us.

Confirmation of amounts received by Ebukanga Technical and Vocational College as at 30th June 2024							
Reference Number	Date Disbursed	Amounts received by Ebukanga Technical and Vocational College (Kshs) as at 30th June 2023				Amount disbursed by Ministry of Education as at 30th June 2023 (KShs)	Differences (Kshs)
		Recurrent Grants (A)	Capitation (B)	Scholarship (C)	Total (D)=(A+B+C)		
	11.07.2023	500,000			500,000		
	02.10.2023	500,000			500,000		
	02.10.2023		973,000		973,000		

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	18.01.2024	500,000			500,000		
	18.01.2024		822,500		822,500		
	05.02.2024	500,000			500,000		
	05.02.2024		940,000		940,000		
	27.02.2024			1,713,319	1,713,319		
	31.05.2024		635,828		635,828		
Total		<u>2,000,000</u>	<u>3,371,328</u>	<u>1,713,319</u>	<u>7,084,647</u>		

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

Head of Accountants department of Ebukanga Technical and Vocational College:

Name HELBORN LEHAJI Sign  Date 28/4/2025

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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

Note:

Ebukanga Technical and Vocational College did not incur expenditures on Climate Relevancy



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Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

Note:

Ebukanga Technical and Vocational College did not incur expenditures on Disaster Management

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